

National Assembly for Wales Cross-Party Housing Group

12.15-1.15pm 17th June 2015

Conference Room 24,

Ty Hywel, Cardiff Bay

AMs in attendance: Sandy Mewies AM, Peter Black AM, Mark Isherwood AM.

Others in attendance:

Julie Nicholas, CIH Cymru
Helen Northmore, CIH Cymru
Hugh Russell, CHC
Auriol Miller, Cymorth Cymru
Alicja Zalesinska, Tai Pawb
Elle McNeil, Citizens Advice Bureau
Steve Clarke, Welsh Tenants

Philip Nichols, RLA
Douglas Haig, RLA
Rachel Gingell, Care and Repair Cymru
Mike Owen, Merthyr Valley Homes
Jennie Bibbings, Shelter Cymru
Michelle Wales, Shelter Cymru
David Palmer, Wales Co-op Centre

Apologies

John Puzey, Shelter Cymru
Sioned Hughes, CHC
Jim Bird Waddington, Caer Las
Rhyan Berrington, Disability Wales
Neil Howell, Housing Leadership Cymru
Mark Harris, Housebuilders Federation
Ceri Cryer, Age Cymru

Minutes

1. **Welcome:** Sandy Mewies, AM & Chair of XPHG welcomed those present.
2. **Housing (Wales) Act Implementation: Private Rented Sector Code of Practice for Landlords and Agents**
Jennie Bibbings outlined Shelter Cymru's view on the Code of Practice, stating they were strong supporters of landlord licencing, but that Shelter were disappointed with the Code. She highlighted that there were drafting issues with the document, which meant there was a missed opportunity to highlight best practice as opposed to just laying out the minimum standard. There was several areas of repetition and the guidance didn't cover the impact of the homelessness prevention legislation. Shelter felt that there had been a lack of involvement of tenants and landlords in developing this Code of Practice, and that this should have been a document which didn't just lay out the law but also provided inspiration, guidance and best practice.

Douglas Haig outlined the Residential Landlords Association position that they don't agree with landlord licencing but that RLA were committed to making a new scheme work. However, RLA also agree with Shelter that this Code of Practice lacked engagement with stakeholders and highlighted what can be achieved, such as the consultation process for the Renting Homes Bill. The Code of Practice should be an aspirational guide on where to go, whereas at the moment it sets a low bar. At the moment the Code doesn't understand the difference between landlords and agents but trying to capture everyone under the same rules and processes won't work.

Questions & Comments

- a. Alicja Zalesinska highlighted concerns of a lack of provision for equality and diversity issues in the Code, in particular a lack of reference to duties for mental health and disability provision, as well as no reference to the Immigration Act 2014 Right to Rent checks.
- b. Steve Jones echoed the comments of the previous speakers, agreeing that there had been no tenant engagement and that the document lacked vision, didn't convey what was intended and in fact failed on all fronts.
- c. Ellie McNeil agreed that there was a lack of how this would impact on licencing. There was no information on what information would be covered in the training sessions, no route to redress and that the consultation process should have followed the Renting Homes Bill engagement.
- d. Julie Nicholas stated that this was a missed opportunity for the sector to be able to support the legislation and work to support the implementation of the licencing scheme.
- e. Auriol Miller said that consultation process had been different to the process for the Renting Homes Bill and should have followed that model more closely
- f. Steve Jones felt that the overall strategic approach to the PRS was missing from this document and process
- g. Sandy Mewies highlighted that the PRS differed hugely across Wales
- h. Douglas Haig asked for a body to be created to hold the new legislation to account, looking at all sectors.
- i. Peter Black explained that the opposition spokespeople had sought a meeting with the Minister to discuss the numerous concerns they and stakeholders had about the Code of Practice. That meeting was to happen that afternoon. He would be pushing the Minister to review the Code of Practice to reflect these concerns.

Actions:

- Helen Northmore to summarise key concerns from the discussion
- Peter Black to report back on progress with the Minister
- If needed, these key concerns could be presented formally by Sandy Mewies to the Minister

UPDATE SINCE MEETING

At the Shelter Cymru Conference the Minister announced that she was reviewing the Code of Practice in light of the concerns raised.

3. Leaseholders and Right To Manage

David Palmer from the Wales Co-op Centre briefly highlighted key issues from the previous distributed paper. He felt that Right To Manage (RTM) led to improved local accountability and democracy and could protect people from high service charges.

Questions and Comments

- a) Sandy Mewies stated that this was a big issue and there was nothing specific in the Renting Homes Bill that covered this.
- b) Peter Black said that he had been through a RTM process and there was a lack of clear information and it was not an easy to understand process.
- c) Steve Jones advised that there was support in previous years through the Tenant Empowerment Grant but that the funding for that programme had finished and there was no access to independent advice and support for leaseholders considering RTM.
- d) Steve Jones added that Wales could consider capping the capital expenditure charged to leaseholders, as in 'Florries Law' in England. He felt that there should be a debate on whether Wales should follow suit. He was concerned that tenants can be subsidising PRS landlords and that arbitration was also important.

- e) Mike Owen said that he had participated in meetings with civil servants on service charges as information on social landlords service charge information was currently being collated. .
- f) Douglas Haig said that RLA received significant number of complaints from landlords about block management. He explained that his business included managing blocks of flats, and that it involved a very complex set of laws and the block management could lose thousands for not following bureaucratic rules. However the current market leads to a focus on low service charges at the expense of the long term sustainability of the buildings. He highlighted the excellent work of Lease and regretted that this now no longer covered Wales. Finally Douglas said that RTM was an option but the freeholder manager can make it difficult for leaseholders to access the details of other leaseholders and making it easier for leaseholders to consider RTM could be positive, as long as the long term consequences were clear.
- g) Mark Isherwood compared the leaseholder issue to private roads and highlighted that one consideration is that mortgage lenders are unwilling to lend unless a management company has been appointed.
- h) Peter Black agreed with Douglas Haig that this was a very complex area, with information key to enable leaseholders to understand the long term consequences. He received significant casework where opaque management fees were causing concern and distress and felt more information was vital for all parties. This was especially true where social tenants bought a leasehold not understanding the services charges and were now unable to afford their homes.

Actions

- Sandy Mewies asked for a position paper to a future XPGH meeting
- Helen Northmore to convene a meeting of all interested parties to develop paper
- Paper to be discussed by XPHG and then presented to Minister

4. Any Other Business

- a) Mike Owen presented an update on the progress of Merthyr Valley Homes moving to a mutual model, the first in Wales to have staff and tenants as shareholders, creating Wales' biggest co-operative. The Board were due to vote the following day to approve MVH becoming a mutual. The intention is to complete the process in 2016 and Mike will update the Group at an appropriate point in the process.
- b) Alicja Zalesinska highlighted the launch of the CIH Leadership and Diversity Commission report on June 29, presenting 10 challenges to the housing sector to complete by 2020 to improve diversity.