

Julie James AM
Minister for Housing and Local Government
Welsh Government

31 March 2020


Renting Homes (Amendment) (Wales) Bill: cancellation of 26 March 2020 evidence session

Dear Julie,

Due to the exceptional circumstances surrounding Coronavirus and in light of the latest guidance from the Welsh and UK Governments, I have taken the decision to cancel the Committee's evidence session on 26 March 2020. At this meeting the Committee was scheduled to hold its final scrutiny session on the Renting Homes (Amendment) (Wales) Bill with you as the Member in charge.

As a result, I have included below the questions that would have been asked at the evidence session and would be grateful if you could respond in sufficient time to enable us to consider the response before we draft our report on the Bill.

Yours sincerely



John Griffiths AM

Chair

We welcome correspondence in Welsh or English.



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Annex A

General questions

1. How will the provisions in this Bill, and the 2016 Act more generally, be communicated to tenants/contract-holders and other key stakeholders?
2. Given the limited engagement with tenants during the development of this Bill, what strategy will the Welsh Government put in place to raise awareness of the 2016 Act with tenants/contract-holders? Should the Bill itself make provision for communicating the changes?
3. What impact will the commencement of the 2016 Act, and the amendments to it made by this Bill, have on tenancies made before the date the 2016 Act, as amended, comes into force? Are there some provisions in the Bill that you envisage acting retrospectively?
4. Social landlords highlighted in evidence that a reduction in the supply of private rented sector accommodation could increase pressure on social housing and therefore affect homelessness services which rely on the private rented sector to house vulnerable people. What assessment has the Welsh Government made of any potential impact? Is any impact likely to have a disproportionate impact on certain groups with protected characteristics or groups that may be particularly vulnerable?
5. Some concerns were raised in written and oral evidence that making no fault evictions more onerous and, potentially, more costly for landlords, may lead to a rise in illegal evictions and harassment. What is the Welsh Government doing to support local authorities in tackling illegal evictions and harassment? Do local authorities need strengthened powers, additional resources, or both?
6. UK Finance responded to the Committee's consultation and raised concerns that the 2016 Act does not provide a mandatory ground for possession for lenders. Lenders may therefore have to rely on the 6 month no-fault notice as included in this Bill. Is there a risk that lenders will view lending in Wales as higher risk and borrowing could prove more expensive because it might take them longer to repossess a property? What consideration was given to providing a specific ground that lenders could use to recover possession should they need to repossess a property? Why was such a ground not included?
7. What consideration have you given to providing a universal right to adequate housing in the Bill? Why hasn't such a provision been included?
8. A number of witnesses told the Committee that there was little confidence in the ability of the courts to deal with possession claims. Claims often involved significant delays leading to additional costs and uncertainty. What is the Welsh Government's position on having a dedicated housing court or tribunal? What discussions have



there been with the UK Government on this and what can be learned from the experience in Scotland where such a tribunal has been introduced? Would a more effective system of dealing with possession claims have resulted in more support for this Bill from private landlords?

9. The Explanatory Memorandum notes that the Justice Impact Assessment concluded that the net effect of changes resulting from this legislation, alongside the Welsh Government's policy on reducing social landlord possession claims, is expected to be neutral. Social landlords told us that implementing the policy of no evictions into homelessness is at an "early stage". What account did the impact assessment take of that? The Committee has not had the opportunity to scrutinise the Justice Impact Assessment, the contents of which will be key to understanding the impacts of this Bill. When will it be published?
10. While the Bill focuses entirely on notice requirements placed on landlords, several witnesses have told the Committee in written evidence that there is a case for changing the notice requirements placed on contract-holders. Specifically, should there be a requirement on contract-holders to give notice if they wish to leave at the end of a fixed term? Has this been considered by the Welsh Government?

Consultation and evidence base

11. The Committee heard some criticism of the evidence base used to develop this Bill. Specifically, there is a lack of data relating to the use of no fault evictions in Wales. This led the Welsh Government to rely on a survey carried out by the RLA. What steps is the Welsh Government taking to ensure they have a better evidence base in relation to the private rented sector? How will the proposed evaluation of the 2016 Act improve the evidence base and establish a robust and comprehensive baseline prior to any further legislative changes?

Effects of the Bill on homelessness

12. Shelter Cymru have recommended looking again at the Housing (Wales) Act 2014 and how it interacts with this Bill. In particular the 56 day period during which people are considered threatened with homelessness; ending homelessness duties where accommodation is likely to be available for six months; and the potential for an increase in findings of intentionality.

Is there a risk that merely amending guidance will not achieve the desired result if the guidance is not followed by local authorities? What can the Welsh Government do to ensure a contract-holder who has been given six months' notice does not



have to wait a further four months to receive any practical assistance from a local authority?

13. How will you assess the impact of this Bill on homelessness services, and will it form part of any evaluation?

The following questions focus on specific parts of the Bill

Minimum notice periods (Sections 1 to 3)

14. Why are prohibited conduct standard contracts included in new Schedule 8A to the 2016 Act given that the Welsh Government and social landlords are working to end evictions into homelessness?
15. Housing associations have expressed concerns that introductory standard contracts are not included in new Schedule 8A. Why is this type of contract not included, and what impact might this make on social landlords?
16. The Committee received evidence from Cytûn, the umbrella body for the main Christian denominations of Wales, that highlighted some unintended consequences of the Bill. Cytûn suggest that the Bill will impact upon churches where accommodation normally used for ministers of religion is let in the private rented sector. They note that the longer notice period is likely to mean that trustees of church residential property will not let houses during vacant periods and the properties are likely to be retained as empty properties pending occupation by a minister of religion. How do you respond to those concerns? Should there be exceptions in the Bill for accommodation normally occupied by ministers of religion, even when it is used for other purposes?
17. The National Union of Students highlighted purpose-built student accommodation as a significant growth area. When developing this Bill, what consideration was given to purpose built student accommodation, particularly in terms of the exemptions the Bill gives to accommodation let by Higher Education Institutions? Was any consideration given to treating purpose built student accommodation in the same way? If not, why not?

When landlord's notice may be given (Sections 4-5)

18. The RLA suggested that landlords should be able to give a no fault notice earlier than 6 months, but the notice would only expire at the end of the 12 months. What objections would the Welsh Government have to that proposal? It would ensure contract-holders receive at least six months' notice, potentially more, and allow landlords to maintain a 12 month cycle, something that is particularly important in certain markets – such as lettings to students.



19. The Minister explained in the first evidence session that the restriction on the use of break clauses in fixed term contracts (so they cannot be used in contracts of less than 24 months, and cannot be activated by the landlord until 18 months into the contract) is to try and stop break clauses being used as a rolling set of shorter contracts. Can you expand on this? Could this, and the 12 months' security of tenure, have been achieved if the restriction on exercising a break clause was at 12 months? How do you justify, in terms of human rights, and specifically the landlord's A1P1 rights, restricting the use of a Landlord's break clause until 18 months has passed?

Giving and withdrawing landlord's notice (Sections 6 to 9)

20. Where a landlord makes a possession claim on the basis of a notice under Section 173, but the court determines the notice is invalid, when can the landlord serve a new notice under Section 173? Is the landlord prevented from serving a further notice for six months? Is this scenario covered by Section 7 of the Bill? For clarification, if a notice is defective, is it still considered a valid notice for the purposes of the restrictions in Section 7?
21. While the Bill gives landlords 14 days during which they can withdraw a no fault notice and serve a new one, the Committee heard concerns from landlords and agents that this may not be a sufficient period of time. For example, the Committee was told that a landlord may not become aware that a contract-holder has not signed for a notice sent by recorded delivery within that period. They proposed a 28 day period. Why is a 14 day period more appropriate than a slightly longer period? Would a 28 period not strike a more equitable balance between the rights of landlords and the rights of contract-holders?

Termination of fixed term standard contracts (Sections 10 to 11)

22. How do you justify, on human rights grounds, the landlord being prevented from obtaining possession of their property after six months, in circumstances where the parties to a contract may have originally agreed that the occupation contract would only be for a fixed six months term?
23. In the first evidence session the Minister suggested that landlords, when agreeing fixed term contracts, will have to take the requirement to give six-month notice at the end of a fixed-term contract into account. The Committee take this to mean, for example, that if a landlord wants to agree an 18 month fixed term contract with a tenant, they should agree a 12 month fixed term contract. However with this solution, is the landlord still at a disadvantage in making future plans for the



property because a tenant could change their mind and leave at the end of the 12 months?

