



Cynulliad Cenedlaethol Cymru The National Assembly for Wales

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol The Communities, Equality and Local Government Committee

**Dydd Iau, 23 Ionawr 2014
Thursday, 23 January 2014**

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir
trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in the committee. In
addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Leighton Andrews	Llafur Labour
Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Jocelyn Davies	Plaid Cymru The Party of Wales
Janet Finch-Saunders	Ceidwadwyr Cymreig Welsh Conservatives
Gwyn R. Price	Llafur Labour
Jenny Rathbone	Llafur Labour

Eraill yn bresennol
Others in attendance

Nick Bennett	Prif Weithredwr, Cartrefi Cymunedol Cymru Chief Executive, Community Housing Cymru
Jennie Bibbings	Shelter Cymru Shelter Cymru
Lee Cecil	Cynrychiolydd Cenedlaethol Cymru, Cymdeithas Genedlaethol y Landlordiaid National Representative for Wales, National Landlord Association
Nicola Evans	Rheolwr Polisi a Gwybodaeth, Cymorth Cymru Policy and Information Manager, Cymorth Cymru
Douglas Haig	Cyfarwyddwr Cymru, Cymdeithas Landlordiaid Preswyl Director for Wales, Residential Landlord Association
Martine Harris	Uwch-reolwr, Cymdeithas Asiantaethau Gosod a Rheoli Senior Manager, Association of Letting and Management Agents
Aaron Hill	Swyddog Polisi, Cartrefi Cymunedol Cymru Policy Officer, Community Housing Cymru
Auriol Miller	Cyfarwyddwr, Cymorth Cymru Director, Cymorth Cymru
Chris O'Meara	Prif Weithredwr, Cymdeithas Tai Cadwyn Chief Executive, Cadwyn Housing Association
Ian Potter	Rheolwr Gyfarwyddwr, Cymdeithas Asiantaethau Gosod Preswyl Managing Director, Association of Residential Letting Agents
John Puzey	Cyfarwyddwr, Shelter Cymru Director, Shelter Cymru

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
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Sarah Beasley	Clerc
	Clerc
Leanne Hatcher	Dirprwy Glerc
	Deputy Clerk
Helen Roberts	Cynghorydd Cyfreithiol
	Legal Adviser

*Dechreuodd y cyfarfod am 09:19.
The meeting began at 09:19.*

Cyflwyniad, Ymddiheuriadau a Dirprwyon Introductions, Apologies and Substitutions

[1] **Christine Chapman:** Bore da. Welcome to the National Assembly's Communities, Equality and Local Government Committee. May I just remind Members that if they have any mobile phones, they must be switched off as they affect the transmission? As this is a formal public meeting, Members and witnesses do not need to operate the microphones themselves; they will come on automatically. We have had apologies today from Mark Isherwood, Rhodri Glyn Thomas and Mike Hedges.

09:19

Bil Tai (Cymru): Cyfnod 1—Sesiwn Dystiolaeth 4: Cymorth Cymru a Shelter Cymru Housing (Wales) Bill: Stage 1—Evidence Session 4: Cymorth Cymru and Shelter Cymru

[2] **Christine Chapman:** Witnesses on our first panel this morning are from Cymorth Cymru and Shelter Cymru. I would like to welcome the witnesses. May I ask you to introduce yourselves for the record? We have read the papers that you sent, so if you are happy, we will go straight into questions. However, first of all, could you introduce yourselves for the record, please?

[3] **Ms Bibbings:** I am Jennie Bibbings, policy and research manager at Shelter Cymru.

[4] **Mr Puzey:** I am John Puzey, director of Shelter Cymru.

[5] **Ms Miller:** I am Auriol Miller, director of Cymorth Cymru.

[6] **Ms Evans:** I am Nicola Evans, policy manager at Cymorth Cymru.

[7] **Christine Chapman:** Welcome to you all. As I said, Members will have read your evidence, so we want to go straight into questions. Obviously, there are a number of Parts to the Housing (Wales) Bill. I want to start off with your views on Part 1 on the private rented sector. You do not all have to answer; you can allocate the questions, as we have quite a lot of ground to cover. First of all, why do you support a registration and licensing scheme and how will this help to raise standards in the sector?

[8] **Mr Puzey:** I will start. Our reason clearly comes from our day-to-day experience as a housing advice service across Wales. We work with a disproportionate number of people from the private rented sector—almost a third of our casework concerns people with problems in the private rented sector, which is much more, of course, than the proportion of the private rented sector as a tenure in Wales. We see problems from disrepair, poor conditions and problems with the landlord actually getting those repairs done, to illegal eviction, harassment

and a whole range of issues that affect private tenants. Obviously, we understand that our encounters with landlords tend to be with the poorer end and we recognise that there are lots of very good landlords; we have very good working relations with landlord representative groups, but nevertheless, there is a significant minority of poor landlords.

[9] There are all kinds of descriptions of a landlord, such as a ‘rogue landlord’, but our view, when we encounter landlords in these situations, and we are in court representing a tenant, is that these are often landlords who simply do not understand their rights and responsibilities. They are not usually members of representative groups. Often, many are almost accidental landlords in a way; they inherited a house and probably have one property. We need to address this problem and we believe that one of the ways that this could be addressed—and it would be an accumulative way of addressing it over a number of years—is through a registration scheme that gradually professionalises that sector. We hope to see from that that fewer people will be coming to us with those kinds of problems and we will spend less time in court, because we believe, over a period of time—it will take time—that the sector will be professionalised through this approach.

[10] **Christine Chapman:** Okay. Is there anything from Cymorth Cymru on that?

[11] **Ms Miller:** We wholeheartedly endorse Shelter’s view on that. For us, it is about tying it to the discharge of the duty of local authorities into the private rented sector. We think that that would be impossible without a registration process. There are similar issues around raising the standards of accommodation across the private rented sector, and also, making sure that vulnerable people are given appropriate support to be able to live independently. Nicola can go into more detail on some of this, but it will inform landlords much more clearly about their rights and responsibilities, and tenants too. It is also important that people, particularly vulnerable people, have the same rights across the sector as to the kinds of accommodation that they can receive, and they should not be disproportionately penalised just because they are discharged into the private rented sector. Nicola, do you want to talk more about the detail?

[12] **Ms Evans:** Yes, I echo Auriol’s point about the link between the registration of private rented sector landlords and the duty to discharge into the private rented sector by local authorities. That, to us, is linked, and one goes in hand with the other. It is about ensuring that vulnerable people are not just dumped in the private rented sector; there needs to be that kind of support. It is about more than just putting a roof over someone’s head; they need to have the appropriate support in order for them to maintain the skills to live independently. We see that as quite a key point.

[13] **Ms Bibbings:** In terms of illustrating the kind of problems that tenants encounter in the private rented sector, we have been carrying out a survey of PRS tenants. The field work has just been carried out, so we are only getting the early findings in now. We will publish all of it in March, but I want to share some of the early statistics with you today to give you a flavour of the kind of problems that tenants experience. This was a Wales-wide survey of 600 tenants, so it is pretty statistically robust. In terms of conditions, we found that 37% of Welsh renters have had problems with condensation—these are all problems with their current homes—over the last five years. We found that 24% have problems with leaking roofs; 13% have electrical hazards in their homes; 33% have poor insulation or excess cold; and 14% have unsafe locks and unsafe doors. So, there are some quite stark findings there about conditions.

[14] In terms of landlord practices, we have also looked at landlords versus letting agents, and there are some interesting differences there around, perhaps, problems being slightly more prevalent with letting agents than with landlords. For example, 15% of Welsh renters reported their landlord or agent not carrying out repairs, or not dealing with poor conditions.

For tenants renting directly from a landlord, that figure was 15%, but for those renting from letting agents, it was 19%. Eight per cent of Welsh renters reported their landlord or agent entering their homes without permission. For tenants renting directly from a landlord, it was slightly lower at only 5%, but for those renting from letting agents, it was 11%. So, there seems to be a pattern emerging there. These statistics will be published in March, but we wanted to give you some headline statistics about the prevalence of the kinds of problems that tenants are experiencing in the sector.

[15] **Christine Chapman:** That is really helpful. I want to bring Peter Black in, but I will ask a question first. Obviously, you are in favour of this scheme, but what are the difficulties or challenges that the scheme could face?

[16] **Mr Puzey:** Clearly, there is going to be a resource and capacity issue around this. We all recognise that. However, we are encouraged that Welsh local government does not feel that that is insurmountable. Authorities will, of course, through the fees, be bringing in some additional funds. So, with a combination of those fees and existing local authority capacity, Welsh local government at least feels that it can address that. The importance of this scheme is that it will begin, over a process of time, to identify poor practice. It will highlight where landlords need to be helped and assisted, and where it might be better if they put a property into an agency, although some of these figures suggest maybe not. This is not an overnight situation. This is an issue where, by introducing this over a period of time, we will see improvements. Capacity and resources will always be a challenge, but at least we are on the road to addressing those kinds of problems.

[17] **Christine Chapman:** As I said, I will bring Peter in now.

[18] **Peter Black:** This is a very quick one. I want to go back to Nicola's point. I think that you were linking the registration and licensing scheme to the ability to discharge the duty on homelessness to the private rented sector. Local authorities use the private rented sector at the moment, but they tend to use agencies and accommodation that they are comfortable with. It is not necessarily the case that you have to license and register everything to discharge that duty in that way. Local authorities will be able to pick and choose, and the best landlords are part of that process. I am just making the point that, in a sense, that is not necessarily an argument for registering and licensing the entire private rented sector. Do you accept that?

[19] **Ms Miller:** I can see where you are coming from. I do not think that we would hold to that entirely; I do not think that we would necessarily agree with it. One of the points is that—I am wondering how I can put this—it is about the equality of rights across the sector, and the numbers of people being discharged into the private rented sector in future, when this new discharge duty comes into effect. I would like to go back and pick up on one of the points around what happens with the implementation of this. The issues around enforcement and tenants' voices, as part of the question of what it is like to experience being in the private rented sector and where the voices of tenants are in terms of feeding into the process of licensing and re-registering landlords, are things that would be of grave concern to us. It is something that we do not think has been sufficiently thought through yet.

[20] **Christine Chapman:** I will bring in Jocelyn now on this point, and then Jenny.

[21] **Jocelyn Davies:** Yes, my question is on this point. Your paper says that it would be reckless to discharge the duty into the private rented sector without registration. So, do you think that everybody who is registered would be a good enough landlord to discharge that duty?

09:30

[22] **Ms Miller:** No, not necessarily, but, when that duty comes in, it will help increase the level and standard of service to tenants across the private rented sector.

[23] **Jocelyn Davies:** In relation to discharging the duty, you say in your paper that we need registration, otherwise it would be reckless, but you are telling us now that you do not think that registration in itself will mean that all those who are registered are good enough. You cannot have it both ways.

[24] **Ms Evans:** The point is about driving up standards. I can see your point, but it would be better than being without it.

[25] **Jocelyn Davies:** Okay.

[26] **Jenny Rathbone:** I want to go back to the survey that was mentioned and focus on three specifics—electrical safety, leaking rooms and entering the property without advance notice. We already have quite a lot of social agents managing properties for people in temporary accommodation. How is legislation going to improve that? These are very clear breaches. I am keen to understand how legislation could tackle such clear breaches.

[27] **Ms Bibbings:** This survey is one that we did in partnership with British Gas and will be published in March. We asked about a wide range of issues and one was the conditions in the home, but there is a load of other data that we will publish in due course. In terms of legislation to target these problems, let us look at the examples that we have in the UK. We have the Scottish licensing scheme, which, as we all know, is perhaps not the best example, and we also have other examples, such as the one in Newham. They are played out in very different ways. How licensing can work, and how it has worked in Newham, is that it is a way of flagging up poorly performing landlords. It enables you to target your existing environmental health resource in a more effective way. It is the same principle as car tax. The police look out for cars that are not taxed and insured because it is a way of flagging other problems. Unlicensed landlords are more likely to be flouting the law in other ways. So, if you have a scheme that works well, it can be a way of helping you to target your existing resource in a more effective way—targeting the bad landlords, while leaving the good landlords alone.

[28] **Peter Black:** Section 28 provides for a code for managing properties. The Minister has indicated that, by and large, the code will be about the way in which a property is managed, as opposed to the condition of the property. He is still open-minded as to whether he would apply a code on the condition of the property. What is your view on that?

[29] **Ms Bibbings:** We would echo Auriol's point about the need to involve tenants in the design of those codes of practice. At the moment, the Bill allows for consultation with tenants or their representatives. One of the points that we have been making is that it would be much more simple, effective and authoritative if you simply talk to tenants and have an open mind about what goes into that code of practice, depending on what the tenants and landlords tell you.

[30] **Peter Black:** You would prefer the code to set out a quality standard for the accommodation, which could be enforced by licensing officers.

[31] **Mr Puzey:** Jennie made an important point about bringing tenants' thoughts into this. As an organisation we would prefer to have a quality element to that, which could be enforced. It would certainly be a way of driving good quality and management standards and professionalising the whole sector over a period of time.

[32] **Jocelyn Davies:** They would be above the minimum standards that are allowed

currently by the law, which are the health and safety ratings.

[33] **Mr Puzey:** I think that we should be ambitious in Wales, and set a good standard for all our citizens. The private rented sector is the poorest sector in terms of conditions and we need to do everything we can to improve those conditions. The sector is becoming increasingly important because of the lack of affordable alternatives. There are more and more families and children going into that sector, so we really have a responsibility to improve that sector considerably for our citizens.

[34] **Christine Chapman:** Leighton, did you want to come in on this?

[35] **Leighton Andrews:** John, you referred to ‘accidental landlords’ earlier on. Is there a risk that the registration and licensing provisions could put people off letting a property—perhaps those people who have suddenly inherited a property and decide to let it out?

[36] **Mr Puzey:** I understand your point, but I guess there are a couple of things to mention here. Certainly, at the moment, the rental market is very buoyant. If you are renting you are probably doing all right; yield is pretty good at the moment. It is usually the market situation that drives people in or out of renting. Renting, so I am told, is a good option if you have any kind of property. So, that is one thing to bear in mind. This is probably a very good time to induce a scheme; that is what I am suggesting.

[37] I have said that there are a disproportionate number of people in the private rented sector who come to us. However, when you are looking at landlords who tend to just have one property, you will see that you are talking about over 70% of all landlords, and they make up 40% of the market—a considerable part of the market—so to not include those would be a curious thing to do if we are trying to drive up the standards across the whole sector. Our casework suggests that there are a lot of problems with those landlords who, for all kinds of reasons—probably because they are accidental landlords in many cases—do not understand rights and responsibilities, get it wrong and end up on the other side of the court facing a Shelter Cymru adviser. That is the area of the market that we really need to focus on, and help and assist. If it means that some of those landlords say, ‘I don’t want to go through this training business; I’ll hand it over to an agency’, that is okay; that is a way of actually continuing to hopefully drive up and improve the standards. I understand the point that there is always that risk, but we think that that risk is outweighed by the need to address that part of the market, which is a considerable part of the market.

[38] **Leighton Andrews:** Jennie referred to the Newham scheme, which used powers under the Housing Act 2004. Are those powers not open to local authorities in Wales?

[39] **Ms Bibbings:** They are, but, as I understand it, in order to bring in selective licensing you have to demonstrate significant issues in terms of social behaviour. There are hoops to jump through, which make it more complicated. It is also more resource-intensive to administer schemes locally. We have talked about whether it would be better to have local schemes, but there are obvious benefits to having a single national scheme. It is about efficiency, consistency, the quality of data, and so forth. It is also about the economy of scale. So, I think that we would see the Government’s proposal in the housing Bill as a much simpler solution.

[40] **Leighton Andrews:** Do you think that there is a case for getting letting agents, as a category, to register before landlords?

[41] **Mr Puzey:** I think that our view is ‘no’. I think that we feel that we should be registering the lot, really, in one go. I think that there is some concern that we might actually run out of steam slightly. There might be a lot of effort made on the letting agency side and

then we may be less ambitious about landlords. We do not see any particular advantage in doing it that way.

[42] **Christine Chapman:** Is there anything from Cymorth—from Auriol or Nicola—on these points?

[43] **Ms Miller:** On the point around whether it should be for accidental, single-property landlords as well, if you look at it from the tenants' perspective you will see that it is not really an issue or choice for tenants as to whether their landlord has a number of properties—100 or 50—or one or two properties. They should be getting the same level of service as they would from a landlord who has a number of properties. If you look at it from the rights of the citizen perspective, you will see that it is very important that those accidental and single-property landlords are included in the scheme.

[44] **Christine Chapman:** I want to move on now. We have other sections here on enforcement, and I know that Janet wants to come in on this.

[45] **Janet Finch-Saunders:** Good morning. Do you think that local authorities will have sufficient resources to carry out enforcement action?

[46] **Mr Puzey:** I probably alluded in my earlier response to the resources issue. It will be a challenge. It is a challenge now for local authorities to undertake that enforcement work. We understand that there would be almost £9 million from the scheme itself over three years, which is clearly an additional resource that local authorities could draw upon. Going back to an earlier point, this is going to be a cumulative approach. As Jennie said just now, this is going to be a way to target resources more effectively by identifying bad landlords. So, in that way, hopefully, the resources will be targeted and we will be able, over a period of time, to improve the sector. There are other ways as well. We are starting to talk to local authorities about using some of our services to assist them. We have a legal team of absolute experts in this area, so why not link up with us? We are the only independent housing advice service in Wales, but if there were others, we would include those as well. Why not link up with services like ours and actually add that to their resource and being a bit more imaginative about identifying poor landlords and resolving the problems?

[47] **Janet Finch-Saunders:** You have mentioned the funding that is going to come in, but do you think that the penalty fees related to this are sufficient to support further enforcement?

[48] **Ms Bibbings:** We feel that the fees are very reasonably—perhaps too reasonably—set. If you look at Newham, for example, you will see that it charges £500—the fee if you register before a set time is £100, but the full fee is £500. We feel that £50 plus £10 per property is quite a low sum and it could reasonably be increased without any significant impact on the sector.

[49] On enforcement and resources for enforcement, one of the ideas that we have been talking about, with other people in the housing sector—and there is quite a lot of support for the concept—is to link non-registration with restrictions on the use of section 21 eviction proceedings. That is something that is already used for unlicensed houses in multiple occupation. It is also used for tenancy deposit protection. So, if the landlord has not protected the deposit and they go to court to evict their tenant, they find that they cannot do that, so they have to go away, protect the deposit and come back, which they can do quite quickly. So, it is not a huge barrier in that sense. We use it in court as a delaying tactic to try to buy our clients a bit more time. It actually does not buy them very much more time, because it is quite straightforward for the landlord to do. However, in terms of getting them out of the woodwork, so to speak, it is quite an effective tool.

[50] As an aside, it is quite interesting in terms of our casework to see how often landlords still do not protect the deposit, even though it is a very simple thing, it has been in law for several years and it is patently in the interest of landlords to do it. However, it is a continual feature of our casework, and that demonstrates this lack of professionalism that we are talking about. It is not malicious and it is not calculated, it is just mildly negligent, I suppose you might say. So, we think that this could be a useful addition to the Bill, and it has the added benefits of being cost-neutral to the local authority and of not putting the tenant in the firing line—it is done through the courts, so it is quite a neutral method.

[51] **Janet Finch-Saunders:** Do you think that rent-stopping orders will exacerbate problems in terms of illegal evictions, harassment and other—

[52] **Mr Puzey:** It is an interesting idea. I think that it is in the Scottish model as well, is it not?

[53] **Ms Bibbings:** Yes.

[54] **Mr Puzey:** One of our worries about it—and I know our lawyers got terribly excited about it; they thought, ‘Oh, yeah’—is that it potentially puts the tenants in the firing line in trying to identify the landlord. We are not saying that it should not be in there; we are just saying that we need to have a suite of ways in which we can identify landlords. One of the things we have heard from our colleagues in Scotland is that the rent-stopping order may not have been deployed an awful lot, but the fact of its very existence has been a useful tool. That is what we understand from our colleagues in Shelter Scotland. So, the fact that it is there, they believe, ensures that landlords are more likely to comply, because they know that there is an option that could be used. So, it is not so much the number of times it is used, which is very seldom, I think, in Scotland, but the fact that it exists.

[55] **Christine Chapman:** Before I bring you back in, Janet, I would like to bring in Auriol and Nicola. Do you have any comments on this?

[56] **Ms Miller:** In terms of the enforcement and the ability of local authorities to enforce, I am not sure that we are best placed to answer that, quite frankly. Our main issue is that there are lots of ways, as John has said, that people who work as part of this system can work together in a more supportive, collaborative way. The main issue for us is how we find ways to avoid the unintended consequences of something going wrong for the person who is in that particular situation. There are unintended consequences in all sorts of ways, whether it is in terms of causing homelessness or the possible reduction in housing supply, which was referred to earlier.

[57] We support the linking of non-registration with the inability to evict. There are some interesting things happening, for instance around the credit union rent accounts and the work of the tackling homelessness through financial inclusion group, of which we are a part and, I think, Shelter is a part too. Some of those sorts of things can be part of that suite of examples that John was referring to. It would give some comfort to landlords but also provide a series of mechanisms and levers that can be pulled in different ways to make this work, rather than finding ways in which it might not work.

09:45

[58] **Janet Finch-Saunders:** Talking about levers, what about the sanction preventing eviction? Do you see that as being a way forward when a landlord is not registered or licensed?

[59] **Ms Miller:** Yes. I think that that is what I just said. We support linking non-registration with the inability to evict.

[60] **Janet Finch-Saunders:** Moving on, what specific standards would you like to see included in the code of practice and should these standards be on the face of the Bill?

[61] **Mr Puzey:** Sorry, is it for me to start? *[Laughter.]*

[62] **Christine Chapman:** We will start with Shelter, then.

[63] **Mr Puzey:** Sorry, were you going to say something on this, Jennie? He says hopefully. *[Laughter.]*

[64] **Ms Bibbings:** We have not gone into massive detail on what we think should be in the code of practice, because that is something that we think needs to be developed in consultation with tenants directly. On the face of the Bill at the moment, the code of practice is rather vague. The element around repeated non-compliance with the code of practice perhaps leading to your licence being revoked is not very specific, and I think that we would like to see the Bill strengthened in that respect, so that there are some real teeth there, and that tenants are in a position to be able to bring it to attention when their landlord does not comply with the code of practice. If you look at the Scottish scheme, for example, it is important to note that there was not a very clear link with standards, and I think that the lack of that link did lead to a general loss of faith in the scheme, when people perceived that there were still some very badly performing landlords out there who were registered and remained registered. So, I think that it is important that we make sure that that code of practice has teeth and has a statutory footing in the Bill.

[65] **Christine Chapman:** Okay. May I bring Jocelyn in before you continue, Janet?

[66] **Jocelyn Davies:** I take your point that what we want is an effective code of practice that does actually achieve something. If those standards are not on the face of the Bill—you could end up with a very long Bill if you put everything on the face it—do you think that the approval of the Assembly should be required for the code of practice, rather than it just being something that the Minister can issue from time to time without the approval of the Assembly?

[67] **Mr Puzey:** That is an interesting point. So, by having the approval of the Assembly, it has greater force, is that right?

[68] **Jocelyn Davies:** Well, everything in the code would have to be approved by the entire legislature.

[69] **Mr Puzey:** It is not something that we have discussed, but, if that makes for a stronger code and a more enforceable code, we would certainly agree with that. Whatever makes for a more enforceable code, we would certainly support. If that is a way of doing it, then yes, we would agree.

[70] **Christine Chapman:** Auriol, do you want to come in on that point?

[71] **Ms Miller:** Yes. We have not talked about the standards or what they could look like. I think, though, that there is an argument that can be made for having a gold standard to which landlords might wish to aspire, because that might have other benefits for them—it might get them better tenants and longer-lasting tenants. So, I think that there is something that could, perhaps, be built in that is positive and aspirational, rather than there being a minimum requirement across the board.

[72] **Christine Chapman:** Janet, did you have any other questions?

[73] **Janet Finch-Saunders:** No, they have been covered.

[74] **Christine Chapman:** Okay. We are going to move on now to Part 2, homelessness. I just remind Members that we have about 40 minutes left and there are quite a lot of other Parts to cover. So, Jocelyn, do you want to come in now?

[75] **Jocelyn Davies:** [*Inaudible.*]—long speeches, but do you support the general approach taken in the Bill towards homelessness? I am sure that you could all wax lyrical all day about this; I am asking you about your favourite subject.

[76] **Christine Chapman:** I am going to bring in Cymorth first this time.

[77] **Ms Evans:** We are definitely going to support a lot of the elements contained in the Bill, especially the move to focus on prevention. I think, and maybe Shelter will agree, that the Bill is a slight departure from some of the elements that were contained in the White Paper. It has taken perhaps a less radical approach than was outlined in the White Paper. Obviously, Cymorth would like to see the removal of priority need, intentionality and local connection, and the Bill does not do that in its present state. So, while we welcome—

[78] **Jocelyn Davies:** So, you support the general thrust, but it is not as radical as you would have hoped. I noted that, in your evidence, you said that it was not really as radical as the White Paper had indicated it would be, and you said that that was due to concessions that have been made. What do you mean by that?

[79] **Ms Evans:** Going back to the safe place to stay and the fact that we have a change around priority need for ex-offenders, I think that there are some elements in the Bill such as those that mean it is a less progressive approach, perhaps. Obviously, we understand that times have changed since the White Paper was drafted—we are in a difficult economic situation, and there is a lot of pressure on local government—so we would perhaps like to see a statement or a timescale for moving forward in the future and for how we perhaps get to the position that Scotland is in.

[80] **Jocelyn Davies:** So, you would envisage another Bill further down the line, would you? The thing is, if this is going to be primary legislation and it has elements in there that you would have preferred not to have seen, the current legislation on homelessness is, what, 30 years old? That has stood the test of time. Do you think that this would last for 30 years?

[81] **Ms Evans:** I would like to think that it would not, because, for us, there are elements that are not going to be helpful in tackling homelessness.

[82] **Jocelyn Davies:** John, I doubt that you disagree with much of that.

[83] **Mr Puzey:** No, we share much of that, actually. We thought the White Paper was excellent, and we still support the general direction of the homelessness section, Part 2, but what we felt there was an opportunity to do here was to put some trigger points in the Bill, to say that, for example, ‘at a point in the future we will be ending priority need’, so services, local authorities and their partners could start configuring themselves for that eventuality. This could have said, ‘This is our direction of travel, so let’s all start getting ready for that and working in an appropriate way to do that’. We still support this Part, of course, but we would like to say, ‘Let’s look forward to this being the first step, and further legislation will finally abolish intentional homelessness, which is a punitive hangover from the Poor Laws—we do not need it anymore—and end priority need and work with everybody who is facing

homelessness'. Having said that, though, I think that the universal approach, certainly in terms of prevention and alleviation, is one that we very strongly welcome. May I just say, though, that I think there is a really important issue here? The legislation is important—obviously it is very important—but one of the key issues is to what degree it will change service culture. How will it actually change behaviour? That is a key element, we think. We are certainly supportive of the introduction of the legislation, but the implementation and how it actually works on the ground are going to be absolutely key. The advice is important here, but it is also about how we all work together to actually change that service culture so that it is much more user-focused and much more about resolving the problems within the rights framework than it is at the moment, because we see a huge variety of different practices, from very good to very poor, in Wales.

[84] **Jocelyn Davies:** This is something that I asked witnesses about last week. Obviously, we are talking about the registration of landlords, which we have just discussed. Do you think that practitioners in homelessness departments should be accredited? Should they be compelled to have professional training so there is more consistency and less discretion?

[85] **Mr Puzey:** We think that is a very good proposal, because, again, our experience is that there is a huge variety of ways in which current legislation and services are implemented. It seems to us that some of the poorer ones can learn an awful lot from some of the very good ones, and perhaps one of the ways of getting the standard up is that professional accreditation.

[86] **Jocelyn Davies:** The WLGA has suggested that the strategic planning for homelessness should be reflected in a local authority single integrated plan. Would you go along with that?

[87] **Ms Miller:** That would seem to make sense to us. When we look, for instance, at the role that members of Cymorth and the Cymorth team play in the architecture of the Supporting People grant across Wales, the main point of which is obviously to support people to live as independently as possible—and many of those are the most vulnerable people across Wales, who would be at risk of homelessness too—the thrust of that is much more around co-production and also making sure that things dovetail from a local perspective and that people are aware of those regional differences and put together an appropriately regional response in line with the aspirations of the Supporting People grant.

[88] **Jocelyn Davies:** So, do you think that those homelessness strategies and the single integrated plans should need the approval of a Welsh Minister?

[89] **Ms Evans:** We talked about this, and it did seem to us that to have local strategies approved by the Minister would be overly burdensome. We thought that a point to consider was that perhaps the RCCs—the regional collaborative committees—as part of the Supporting People programme, could have more of a role in signing off those plans. Obviously, Supporting People is focused on preventing homelessness and helping people to live more independently, so there is a definite crossover there, we feel.

[90] **Christine Chapman:** Jenny, do you want to come in on this point?

[91] **Jenny Rathbone:** I want to come in on the aspect around private versus social landlords supporting vulnerable tenants. May I come in on that now?

[92] **Christine Chapman:** Yes.

[93] **Jenny Rathbone:** I just wanted to pick up on the remarks that you made initially about your anxieties about placing homeless people in private accommodation. I want to explore why who owns the bricks and mortar is significant. Where a tenant needs support to

maintain their tenancy, because of addiction problems or because they have just come out of prison et cetera, why would the packages of support, which we appreciate are necessary, not be just as easily carried out in private rented accommodation as in social housing? What is the difference?

[94] **Ms Evans:** It could just as easily be carried out, because it is just bricks and mortar at the end of the day, but I think it is about the actions of the landlord. Social landlords often have greater responsibility for looking after their tenants and they may be more involved. A lot of vulnerable people have chaotic lifestyles and, if a landlord is not aware of that, or maybe does not know how to, or does not want to, deal with that, there could be issues with people being evicted for being unreasonable, perhaps, when their chaotic lifestyle is a factor and it is not just anti-social behaviour.

[95] **Jenny Rathbone:** I represent Cardiff Central, and a lot of people with chaotic lifestyles are students, and they are not very good tenants, in many cases, and cause quite a lot of problems. So, it is not necessarily the case that they are vulnerable, is it? Students are privileged members of society, generally. So, are we talking about particular behaviours of vulnerable tenants that could cause them to be evicted? The things that landlords do not like are someone not keeping the property clean, not putting out their rubbish on the right day, et cetera, and damaging the property. Other than that, issues around their wellbeing will be dealt with by the support package. So, why would that not be equally possible in private accommodation?

[96] **Ms Miller:** Well, I think we are saying that it is possible in private accommodation. The key issue there, and the distinction from students, is the issue of vulnerability and how that vulnerability is acknowledged by the people involved in supporting that person to live as independently as possible.

[97] **Mr Puzey:** The context as to whether you are able to support and sustain somebody in the private rented sector relates to the quality and security of the accommodation that that person is living in. One of the problems at the moment, and, I think, the third-highest reason why people come to local authorities as homeless, is the loss of private rented tenancies. That is not because the tenants are in rent arrears, but simply because the landlord has decided that they want to end the tenancy for whatever reason—section 21.

[98] We talked earlier about Part 1 and about poor quality accommodation. So, at the moment, we see a tenure that creates homelessness and is of poor quality. So, that is where the anxiety comes from. When, however, local authorities discharge their duty in the private rented sector, we fully expect them to be discharging it in the best possible quality private rented sector, with the best possible security. So, if that happens—and it must happen—then issues such as support and sustainability are improved for people. So, it is about the context of the deal that is being done between local authorities and the private rented sector, in a sense, and what they are required to discharge into.

[99] **Jenny Rathbone:** Okay. I understand the point about a private landlord deciding that they want to sell a property. Would you regard that as something that would give the tenant priority support from the local authority to be rehoused? That, clearly, would not be about the behaviour of the tenant, it would just be an unfortunate circumstance. The tenant would not be covered at the moment, necessarily, unless they had children, would they?

[100] **Mr Puzey:** If they are a so-called non-priority applicant, then the local authority will still have all of those new duties, which we very much welcome, of prevention and alleviation. So, if a tenant is facing that situation, then the local authority, under this new legislation, will have enhanced duties and requirements to assist people in those circumstances. The aim is that there will be some kind of smooth movement from one

situation to another, and to find people secure and sustainable accommodation. We have concerns about the length of time for that discharge.

10:00

[101] **Jenny Rathbone:** So, you are satisfied that the legislation would enable that smooth transfer to alternative accommodation.

[102] **Mr Puzey:** We are satisfied that the requirement on local authorities will be there to do that. Whether that is achievable is down to other matters such as the availability of affordable homes.

[103] **Christine Chapman:** Jocelyn, very quickly, and then I will bring Peter in.

[104] **Jocelyn Davies:** I have a question for Cymorth Cymru. The Supporting People programme is about supporting people to maintain their tenancy, and we heard from Shelter Cymru that a third of its casework is related to the private rented sector. Do you have statistics on your casework in relation to Supporting People? What percentage is related to the private rented sector? If you do not know it today, perhaps you could give us a note. Are data about tenure collected?

[105] **Ms Evans:** I would imagine so. We do not have it ourselves because we are not a front-facing organisation; we are a membership body, as I am sure you know. However, I would be more than happy to go away and get that—

[106] **Jocelyn Davies:** If you could see whether it can be easily collated for us, it would be interesting to see what percentage of Supporting People is related to the private rented sector.

[107] **Peter Black:** May I just return to the view that Ministers approving local housing strategies is over-cumbersome? We all know at the moment that the way that legislation on homelessness is applied by local authorities across Wales is inconsistent. With new duties in terms of prevention, you need to have that settled and for local authorities to understand that and reflect it in their strategies. We also know that the resources that local authorities put into homelessness will be determined by the strategies, as well as the resources that Ministers put in through section 180, Supporting People grants, et cetera. Do you not think that it makes sense for Ministers to oversee those local housing strategies in light of those particular issues?

[108] **Ms Miller:** You could argue it both ways. For us, having said that it could potentially be over-burdensome, it depends on how that system is managed. If we are looking to transition towards something over time, you could argue that that oversight should happen for that period of transition, as people are getting used to the new system, and to make sure that these pieces of the jigsaw all function together.

[109] **Peter Black:** It is oversight of the strategy, not the way that it is operated, of course. It is basically proving the strategy, not sitting behind a housing officer while they are actually doing the job.

[110] **Ms Miller:** No, clearly not.

[111] **Peter Black:** Moving on, in terms of priority need groups, what are your views on the drafting of section 55 of the Bill, which outlines priority need groups? Do you think that the original plans, as outlined in the White Paper, to provide temporary accommodation for all households with nowhere safe to stay should be reinstated? Should there be a more specific test of vulnerability, for example?

[112] **Ms Bibbings:** There are a number of areas there. If I deal with the safe place to stay issue first, as you can see from our written evidence, it is something that we have talked about quite a lot. It seems like quite a small thing on the face of it, but the significance of it is quite wide; it potentially has significance across the whole of the new system. The beauty of the original proposals with the safe place to stay entitlement was that it would have offered a genuinely equal service, and everyone who approached had an equal chance of being able to access that service. However, taking away the safe place to stay entitlement will inevitably create a two-tier situation. If you are homeless and you approach services, the first thing that you encounter is not going to be this facilitative approach that we are supposed to be moving towards in terms of prevention. The test is not going to be: 'Are you homeless? What help do you need?' The test is going to be: 'Are you priority need? Are you vulnerable? Do we owe you a duty?' That mindset is very much a relic of the old system; it is what we are trying to move away from. Our concern about the loss of the safe place to stay entitlement is that it makes that whole process of culture change that John was talking about a lot more difficult.

[113] We also need to understand the resource implications of the safe place to stay entitlement. There is not a single authoritative assessment of that. There are different impact assessments that have been carried by different people, and they vary very widely. It all comes down to what you think about homeless people's motivations: do you think that they are all going to give up their accommodation and border-hop and descend on Wales, or do you think that homelessness is rather more complicated than that? For us, the loss of the entitlement is a great loss, and it will inevitably lead to a two-tier service. Homeless people, who are some of the most vulnerable people approaching services, are inevitably going to lose out, because you cannot work effectively with people when you do not know where they are. When they are sofa surfing and moving around, they tend to lose touch, so it makes it much more difficult. Frankly, there is less of an incentive for local authorities to work with them as well, because they are not taking up temporary accommodation spaces. So, on that issue, without having a trial or a pilot in place so that we could say definitively what it would cost, it is very difficult to make definitive statements about how much it would cost. For us, it is a great loss and is something that we could perhaps move towards in future, namely reinstating that safe place to stay entitlement and creating a truly universal and truly equal service.

[114] **Ms Miller:** May I come in on that as well? We definitely support the reintroduction of the entitlement to a safe place to stay, in terms of that equality approach that Jennie was talking about. For us, particularly for people who need that sort of support around the edges, it does not always mean accommodating people; it also means working with people as their application is being processed. There are all sorts of things that people might need in those sorts of situations. We also support the view on not knowing the financial implications of having a safe place to stay and I think that would be a priority thing to do—to establish what those are, in an open and transparent way.

[115] **Peter Black:** What about vulnerability?

[116] **Ms Evans:** On the specific test for vulnerability, there is a lot of inconsistency across Wales currently in how it is applied. We obviously echo concerns around how that would be applied to priority need for ex-offenders. We would like to see a more specific test, but that is something on which we would like to consult further with our members, in order to make further comments.

[117] **Mr Puzey:** Vulnerability, and the interpretation of vulnerability, is a key problem. Again, we see a huge variety of ways in which people who, to our caseworkers, look to be in very similar circumstances are treated in different local authority areas because of the interpretation of vulnerability, which is basically down to whether you feel that the person in front of you can deal with their homelessness in a better or worse way than another homeless person. There is a huge amount of discretion there, is there not? We are quite interested now,

if ex-prisoners are indeed going to be de-prioritised, in some of the discussions around how there might be a better definition of vulnerability for ex-prisoners, so that it reduces that discretion to some extent. I wonder whether that is something that we should look at across the piece in terms of having better definitions of vulnerability, so that we can reduce those kinds of discrepancies and variations that we are getting at the moment. It is very inconsistent.

[118] **Ms Bibbings:** What we find in terms of our casework is that the test as it currently stands often leads to homelessness officers making judgment calls that they are not really in a position to make—for example, making decisions about medical conditions and how vulnerable a person is. We have clients who are on antidepressants and the homelessness officer says, ‘Well, you’re only on 20 mg so you can’t be that depressed, whereas if you were on 50 mg, that would count as vulnerable’. They are not qualified to make those kinds of judgment calls, frankly, so that is something that we do see as a concern. As John said, vulnerability is a particular issue for prison leavers, but we are keen to see something for all homeless people who present.

[119] **Peter Black:** A large number of ex-prisoners will have substance misuse problems and mental health issues. There is an issue in terms of the way in which the Bill is framed at the moment; there is a list of examples, but mental health, which was in the previous legislation, has been left off. The Minister has said that that is merely descriptive and that it should not have an impact in terms of treating mental health as a vulnerability, but, in practice, on the ground, when a homelessness officer looks at that legislation, how would they react to the way that is framed in the Bill?

[120] **Ms Miller:** That is of concern to us. We would like it to be reinstated.

[121] **Christine Chapman:** Is there anything from Shelter on that one?

[122] **Mr Puzey:** I think we understand the Minister’s point about not having lists. We know that the list is not exhaustive, however, it is important, for the reasons that were just said, for when local authority staff look at legislation and guidance. In order to reduce those kinds of inconsistencies and those inappropriate decisions that are in the realms of discretion, you do need to try to ensure that, as far as possible, there is good guidance there, and that probably means listing a bit more than we do now. Certainly, mental health is an important one.

[123] **Christine Chapman:** I have Jenny first, but do you want to finish, Peter, and then I will bring Jenny and then Jocelyn in?

[124] **Peter Black:** I just want to finish this section off by referring to the evidence from Shelter in terms of the removal of priority need for ex-prisoners. You say in your evidence that there should be a right to access prevention services if that right is going to be removed. I think that I have Shelter, rather than Cymorth’s evidence here. How would you envisage that working and would it be an adequate substitute for taking away that right from ex-prisoners, or should they both be there underpinning each other?

[125] **Ms Bibbings:** I think that we will say that it needs to be underpinned by priority need. The danger that we are potentially falling into with the ex-prisoners’ measures, and potentially across the scheme as a whole, is that we are creating a system that is very good at assessing people’s needs, but not necessarily very good at meeting people’s needs. You can have a fantastic prevention service. We do a prevention service in HMP Altcourse, called Prison Link Cymru; so, we do that kind of prevention work and we know how difficult it really is. You can assess those needs, and you can get in early—and you do need to get in early, very often, to help people to make informed decisions about whether to give up their accommodation or keep it, and so forth—but the reality, in terms of prevention with prison

leavers, is very difficult, because it is very hard to find landlords who are willing to take prison leavers as tenants. The support services are few and far between. So, it is about those real options—backing up with real options. I think that we felt that if the prevention service was really strong, and that it was very proactive in going out there, making those links with landlords, and putting support in—I know that a lot of money was put into putting the support services in place—then you could afford to lose that safety net. I think that the danger here is that it is a case of putting the cart before the horse; you are taking the safety net away before necessarily having that infrastructure in place.

[126] **Peter Black:** I would be interested to hear Cymorth's view on this because, as an umbrella body, your members actually provide support services for ex-prisoners in accommodation. How is this change in the law going to affect that?

[127] **Ms Evans:** I think that it is an area of quite great concern for us. Currently ex-offenders, as you know, have priority need, and there are a lot of inconsistent decisions made. By adding another test, basically, we will possibly be adding to that kind of inconsistency. That is an area of concern for us, and our members have flagged that up. The evidence around this is quite patchy in terms of what works and what does not work at the moment. I know that there is a Welsh Government working group that Cymorth sits on, therefore, there is some work going on there; however, I think that we would like to see more evidence around this, making sure that legislation is based on evidence.

[128] **Mr Puzey:** We do know that the Minister has set up a task group looking at this issue, and—

[129] **Christine Chapman:** Are you involved in this?

[130] **Mr Puzey:** Yes, we are. There have been two meetings so far this year. I think that there has been a lot of very good work there. I am actually very encouraged by some of the ideas coming out of that, particularly around reducing those kinds of areas of discretion and making sure that there is a consistent service to ex-prisoners. I think that it is important to put on record that that is an important step forward, although that is not to say that we are not so concerned about how the legislation might play out.

[131] **Christine Chapman:** Perhaps I could just jump in here. We asked the Minister about women prisoners. Has that been looked at in the task group?

[132] **Mr Puzey:** Yes, it certainly has. There is recognition that there are particular vulnerabilities around that area and knock-on effects for children.

[133] **Jenny Rathbone:** Is this task group looking at the quality of the partnership between the prisons and housing authorities? Does the 56-day rule improve the planning that goes with when prisoners—

[134] **Mr Puzey:** That is certainly the aim of the group. All of the key actors are around the table, including the prison service. So, it is encouraging to see all of those services around one table actually talking constructively. That is very helpful.

[135] **Jenny Rathbone:** I just wanted to ask you about your comments on the local connection. I am struggling to understand how it would be possible for any housing authority in the current context of a real shortage of housing, certainly in the social sector, not to have some rules around local connection. Otherwise, a perfect housing storm that is going on elsewhere will just simply lead to people gravitating towards a place where there is no rule around local connection, including gangmasters.

[136] **Mr Puzey:** Are you sure that this was one of Shelter Cymru's comments?

[137] **Jenny Rathbone:** I think that this is a question for Cymorth.

[138] **Ms Evans:** Obviously, there is an issue about housing supply, but I think that, as a point of principle, Cymorth would like to see everyone have the same rights and access to housing. I think that a local connection for us is about fairness across the board. I can move between local authorities if I wish, and I think that allowing other people to do the same for reasons like choosing a school for children, work or any of those things, is about equality across the board. That is our main point there. I obviously take on board your point about resources also being an issue. However, I think that it is a point of principle for Cymorth.

[139] **Jenny Rathbone:** When we have 12,000 people on the housing waiting list in Cardiff, it creates an enormous tension if people think that other people are skipping over them in the queue.

10:15

[140] **Ms Miller:** It is about balancing those rights and responsibilities, is it not? It is about balancing the rights of the citizens and the responsibilities of the duty bearers. Just because somebody is homeless, it does not necessarily mean that they cannot choose where they live. Local connections may mean different things to different people. It may be local connections that are maintaining people in a difficult life—one that does not support them to live independently. They may want to make a new start somewhere else and break some of those connections. There are all sorts of different situations and I think that, if you say that local connections is a fixed point within the bundle of possible solutions to help people to live independently, it will not necessarily work for everybody. The main thing for us is that people should have the choice of where they live.

[141] **Jocelyn Davies:** May I just explore that?

[142] **Christine Chapman:** Yes.

[143] **Jocelyn Davies:** Are you suggesting that, for people who are not homeless but who just want to go on a waiting list, all the lists should be open everywhere, for equality? If you wanted to put your name on the waiting list for social housing, you would either have to live or work in that place. If you are talking about equality, you have to have a local connection if you are not homeless. So, I do not really understand the equality issue that you are raising. I could not, for example, put my name down on the social housing waiting list in Ceredigion—or could I? I do not know. No, I could not, because I would either have to live there or work there to be entitled to do so. Why should it be different for people who are homeless? I do not understand your equality issue.

[144] **Christine Chapman:** Could you try to answer that?

[145] **Ms Evans:** The point for us is that we hear reports from our members of people being passed between local authorities. At the end of the day, if you are presenting as homeless, you need help and, as a point of principle for Cymorth, that is where we were coming from there. I obviously take your point, and perhaps that is something that we can take on board. I would just echo the points that Auriol has already raised.

[146] **Christine Chapman:** We are running really short of time. The first two parts of this Bill, which is what we want a discussion on, are probably the biggest parts. However, Jenny, did you have any final questions on the homelessness section?

[147] **Jenny Rathbone:** On the local authority homelessness strategies being subject to approval by Welsh Ministers, as is the case with assessment of the accommodation needs of Gypsies and Travellers, what difference would that make?

[148] **Mr Puzey:** It is not something, I must admit, that we have particularly focused on. What we have been more concerned about is making sure that local people—local users of services—are engaged in developing local strategies. I think that that is really important. I am just thinking this through, but there could be a case, I think, for a Minister's overview in order to ensure consistency, that they are being delivered appropriately and that, for example, they are properly consulting and involving users. There could be a case there. It is not one that we have discussed before today, but I can see that that might be a way forward.

[149] **Christine Chapman:** Before I move on to the next section, and before we finally finish on the part relating to homelessness, are there any other issues that you would like us to know your views on in the homelessness section? Obviously, that does affect you a great deal. Is there anything else you think we need to know your views on?

[150] **Ms Evans:** Now that we are focusing on prevention, obviously Cymorth is heavily involved in the Supporting People programme, which is focused on homelessness prevention. Perhaps it is time now for a more strategic approach to funding that programme. We were very pleased at the budget announcement back in October or September or whenever it was. For us, this is a key part of making this work. A strategic long-term approach would be welcome from us.

[151] **Christine Chapman:** Right, okay. I am going to move on now to Part 4. We are very short of time so, Members, ask very concise questions, and witnesses, please be similarly concise. Part 4 is on standards for social housing. Jocelyn.

[152] **Jocelyn Davies:** Do you think that it was needed—was it time to put the Welsh housing quality standard on a statutory footing?

[153] **Mr Puzey:** I think we do, yes. We can be quite brief on these answers—

[154] **Ms Bibbings:** Yes.

[155] **Mr Puzey:** Yes, we feel that that is appropriate.

[156] **Jocelyn Davies:** In relation to rents and service charges, do you think that the Bill addresses that point? Do you have casework in relation to rents and service charges?

[157] **Mr Puzey:** We do, yes.

[158] **Jocelyn Davies:** You do, sometimes. Do you think that this Bill addresses them?

[159] **Ms Bibbings:** It is fair that, if you have service charges, you pay and that, if you do not have service charges, you do not pay. It is a fairer system and there is that stronger link with housing quality. I guess that, for us, the main thing is about managing that transition, because it is a difficult time for a lot of social tenants, as we know already, and if service charges are going to get hiked up for some, we have got to make sure that that is affordable.

[160] **Christine Chapman:** Cymorth, are you happy with that? Yes.

[161] Moving on now to Part 5, housing finance, I know that Gwyn Price has a couple of questions and perhaps Cymorth can start off this time.

[162] **Gwyn R. Price:** Good morning. What are your views on the proposal to exit the housing revenue account subsidy system and the potential for local authorities to start building new homes as a result of these changes?

[163] **Ms Evans:** This is not something that we have included in our evidence. I do not know if Auriol would agree, but I do not think that Cymorth as—

[164] **Gwyn R. Price:** It was for Shelter Cymru.

[165] **Mr Puzey:** We have quite a brief response, which is that it is very good news, basically. I suppose that the key thing is that we hope that it means that Welsh local authorities will use that to build more affordable homes. It has to be good news, and we very much welcome it.

[166] **Christine Chapman:** Next is Part 6, co-operative housing.

[167] **Janet Finch-Saunders:** Do you feel that the Bill addresses the main obstacles to the development of housing co-operatives in Wales?

[168] **Mr Puzey:** We are very supportive of the development of housing co-operatives. We think that they can provide a very good and useful alternative type of tenure and there is a variety, as you know, of different types of co-operatives. So, we think that the Bill takes a positive step in that direction and we think that it can only help the growth of the co-operative movement in Wales. So, it is useful.

[169] **Christine Chapman:** We will move on to Part 7, on empty homes.

[170] **Janet Finch-Saunders:** Do you believe that local authorities should be able to charge 150% of a dwelling's normal council tax? We have even had suggestions of 200%. What is your opinion on this?

[171] **Mr Puzey:** We very much support the idea of being able to charge more than 100%, and 150% is good. Where does one stop? We think that the principle of being able to do that is an important one. We have long been advocates of strategies around addressing empty homes. We carried out an empty homes project, which was funded by the Welsh Government, some years ago, that we would like to think helped to develop the policies and the programmes that are now in place of bringing empty homes back into use. Anything that can bring empty homes back into use for people in housing need at a time of desperate housing shortage has to be good, and we very much support this approach.

[172] **Janet Finch-Saunders:** Do you believe that it should apply to second homes as well?

[173] **Mr Puzey:** I do not know if we have actually responded on that. What can I say? I think that there is a case to examine in that area. How is that for a diplomatic answer?

[174] **Jocelyn Davies:** You should be a politician. [*Laughter.*]

[175] **Janet Finch-Saunders:** Do you think that the Bill should be addressing the adequacy of existing powers that are used by local authorities to tackle problems associated with empty properties?

[176] **Mr Puzey:** I am sorry. I did not quite understand the question.

[177] **Janet Finch-Saunders:** Do you think that the Bill should be addressing the adequacy of the existing powers that are used by local authorities to tackle problems associated with

empty properties?

[178] **Mr Puzey:** There is a range of powers that local authorities have to address empty properties. I guess that one of the problems that we hear from local authorities that have empty housing officers is that, sometimes, the range is so complicated, they are not entirely sure how to engage with it. One of the areas that we have been arguing for for some time is whether there can be some kind of consolidation into one place of those powers, maybe even adding some Welsh powers to that as well. That is something that we really should consider, namely how we bring those powers together and how we consolidate them into one easily understandable bit of legislation so that local authorities can say, 'We understand what we can do here. It is clear what we can do and, indeed, what we can't do.'

[179] **Christine Chapman:** Are you finished with that section, Janet? Peter wanted to come in on that briefly, and then I will move on.

[180] **Peter Black:** This is specifically for Shelter. In the light of the empty homes project that you carried out and in terms of the resources and the powers available to local authorities, is there anything that could be done that is not in the Bill in relation to additional powers that local authorities need or that maybe can improve existing powers, such as, for example, empty dwelling management orders, which we should be considering as part of this Bill?

[181] **Mr Puzey:** Yes, I think that we should be looking at those.

[182] **Peter Black:** What would you suggest?

[183] **Mr Puzey:** Is that in terms of additional powers?

[184] **Peter Black:** Yes, or amending powers that are there already.

[185] **Mr Puzey:** Certainly, we need to look at the empty dwellings management order, because it is hardly used. It might be one of those situations where you do not need to use it a lot—like we were talking about with rent stopping earlier. It is something that you have lurking in the background and it encourages people to engage. It has hardly been used in Wales since it was introduced, and we really do need to ask the question 'why?' Have there been no circumstances where it could have been effectively used? I hear that it is complex, and I hear that local authorities are somewhat risk averse, and I can understand that aversion to using some of those powers. So, I think the approach should be: how do we simplify it so that it is much clearer, and that local authorities are able to feel capable and confident of using those powers? At the moment, there is quite a lot of bureaucracy around those approaches as well. I think that we need to look at simplifying that whole approach, while also, of course, being fair to citizens, so that we are not giving local authorities overbearing powers in that area.

[186] **Christine Chapman:** Janet will come in, and then I have some questions as well.

[187] **Janet Finch-Saunders:** Finally, do you have any comments on the amendments to the Mobile Homes (Wales) Act 2013?

[188] **Mr Puzey:** We recognise that they support further an already excellent piece of legislation.

[189] **Christine Chapman:** I just want to go back, because I think that there were some areas that perhaps we did not explore. This is going back to Part 2, the homelessness section. I just wonder whether you think that allowing local authorities discretion over whether to apply the intentionality test will lead to inconsistencies across Wales. Cymorth, what do you think?

[190] **Ms Evans:** We would say ‘yes’, it would. We would like to remove the intentionality test altogether, as we have said in our evidence. So, yes, it will be inconsistently applied across Wales, because it is down to individual decision at the end of the day.

[191] **Mr Puzey:** It could do that, but we still welcome it as a step forward. Removing the duty and making it a power means that there is greater flexibility, so local authorities do not have to deploy intentional homelessness. We agree entirely with Cymorth. We would like to see the day when there is no intentional homelessness, but I think that, as a step forward, we would generally welcome it, recognising that it could lead to inconsistencies.

[192] **Christine Chapman:** So, you would like to abolish it entirely in time. Is that what you are saying?

[193] **Mr Puzey:** In time, yes. We certainly welcome the move to reduce its impact on families with children in 2019. That is a good step forward; a very good step forward, in fact. So, I guess we see this in stages. First of all, let us not have it as a duty—let us have it as a power, so you do not have to deploy it. At the moment, local authorities tell us—and they are correct—that they have to assess whether somebody is intentionally homeless. If we are in a situation where they do not have to assess, then that can only be a good step forward. Then, the changes to families with children in 2019 is another step, and ultimately, perhaps, there could be another piece of legislation where we remove the Poor Law entirely from Wales.

[194] **Christine Chapman:** Cymorth, do you have any comments? No. The final one from me, then: are the Bill’s provisions regarding co-operation within local authorities, and between local authorities and other bodies, sufficient and appropriate? Auriol, would you like to start?

[195] **Ms Miller:** I do not think I have a particular comment on that, but Nic, I think you do.

[196] **Ms Evans:** Maybe not a specific point, but we obviously welcome any kind of move to have a more joined-up approach to housing. I am sure that everyone would say that homelessness is not just a housing problem, so in terms of delivering the Supporting People programme, and embedding co-production going forward, that would help in terms of joining up as well.

[197] **Ms Bibbings:** Homelessness is a corporate issue, and it should be a corporate issue, so we welcome those measures. We hope that they will be effective, but there is a historical problem there with homelessness—being able to communicate effectively with other parts of the local authority, let alone with other public bodies. I think that we all have to acknowledge that there is a certain amount of culture change that needs to take place there as well, and it is not going to happen overnight.

[198] **Christine Chapman:** Finally, before we close, I just want to give you the opportunity, if you need it, looking at the Bill—obviously we will be taking evidence from other organisations—do you feel there is anything else you need us to know about your views regarding the Bill that we can consider, or that we have missed out? Are you content that we have covered most of it?

[199] **Ms Miller:** I think that we have covered everything, thank you.

[200] **Mr Puzey:** Yes, I think that, with our written evidence and what we have said here, we have probably said everything we can.

[201] **Christine Chapman:** I thank you all for attending this morning. As you said, it has been a very thorough meeting and there has been lots of good evidence. So, thank you very much for attending. We will send you the transcript of the meeting, so that you can check it for factual accuracy. Thank you for attending.

[202] The committee will break now until 10.45 a.m.

*Gohiriwyd y cyfarfod rhwng 10:30 a 10:47.
The meeting adjourned between 10:30 and 10:47.*

Bil Tai (Cymru): Cyfnod 1—Sesiwn Dystiolaeth 5: Cynrychiolwyr y Sector Rhentu Preifat
Housing (Wales) Bill: Stage 1—Evidence Session 5: Representatives of Private Rented Sector

[203] **Christine Chapman:** We will reconvene. I welcome this morning our panel of representatives of the private rented sector. When you answer the questions, you do not need to touch the microphones, because they will come on automatically. Thank you very much for attending this morning. I will introduce you all. We have Douglas Haig, the director for Wales of the Residential Landlord Association; Lee Cecil, the national representative for Wales for the National Landlord Association; Ian Potter, the managing director of the Association of Residential Letting Agents; and Martine Harris, the senior manager of the Association of Letting and Management Agents. I welcome our panel this morning.

[204] You have provided evidence in advance, so if you are happy to do so, we will go straight into questions. I see that you are. The Housing (Wales) Bill has eight Parts, but obviously we will just be looking at Parts 1 and 2 and taking your views on those, because they are appropriate to your organisations. I know that Members have quite a lot of questions, but I will start with a general question on Part 1 of the Bill, which relates to the private rented sector. Could any of you tell me how many landlords or agents in Wales are represented by the panel? Do you have an estimate of that?

[205] **Mr Haig:** Collectively, between our associations, we are probably talking about 40,000 or so landlords between England and Wales. In terms of determining exactly where they are all based and where they are operating in terms of their business—

[206] **Christine Chapman:** Did you say that that was in England and Wales?

[207] **Mr Haig:** Yes, England and Wales.

[208] **Christine Chapman:** It is 40,000.

[209] **Mr Cecil:** That is not to say that they have only 40,000 properties. An amateur landlord could have one property, but a portfolio landlord could have 42,000.

[210] **Christine Chapman:** Do you have an idea how many there are in Wales particularly?

[211] **Mr Cecil:** The NLA has probably around 1,200 members. However, again, the same point applies.

[212] **Christine Chapman:** Okay. Well, if you do get any information on that, it would be useful if you could send it to us.

[213] **Mr Potter:** We have 153 members in Wales. That represents roughly 40 lettings businesses in Wales. They tend to be the larger, better-known high street letting agencies, representing several thousand tenancies. I do not have an accurate figure on that. Also within our group we have a sister organisation, the National Association of Estate Agents, and a lot of its members do lettings and are governed by the same criteria as our members are. There are 250 of them in Wales.

[214] **Christine Chapman:** Thank you; that is a useful starting point. Returning to Part 1 of the Bill, do you think that the Welsh Government's objectives and intended outcomes for this Part of the Bill are clear and achievable?

[215] **Mr Potter:** I think that they are clear. I think that they could be achievable. I do not think that any legislation just achieves what it sets out to do without a lot of hard work going on behind it. It needs to be seen to be enforced, and seen to be worked with the community that it is intended to improve the experience of. This particular legislation is meant to improve everything around the private rented sector in conjunction with other proposals coming forward. If the local authorities who are ultimately responsible for dealing with it just ignore it, it will achieve nothing. If they work with it and work with those landlords and agents that want to work with it, you will start to isolate the problem areas, because those who come forward voluntarily to register and engage at the appropriate time are, generally speaking, not the problem. The problem is those who try to hide. We have to be very careful that we do not just force it even further underground; we have to flush it out.

[216] **Mr Cecil:** I concur with that. Over the 10 years that I have been doing this role for the National Landlord Association, Doug and I have collectively sat on South Wales Police serious crime squad group for five years. You would think that the police would have all the powers that they need, but they have fewer powers than councils as regards the private rented sector, which absolutely amazed me when I found out at the time. There is no joined-up working within that either. If you look at the really bad side of the private rented sector, you will see that it is linked to organised crime, and that is a different kettle of fish. So, you have to have what I would term a 'virtual team', which is made up of members that are in true partnership. If you are talking about the private rented sector, you would need a private rented sector lead, not a civil servant—and that is not being offensive to civil servants. The best policies in the world come about when you have truly engaged with all major stakeholders. You have then delivered something.

[217] As Ian said, we have done a lot of good work for Wales, but the first baby step is the next important step for me, because that is about delivery. I do not see anything so far, and I never have, actually—people who know me will know that I have not changed my stance on this. So, I think that that is missing. If we miss it, we are not going to do very well for the people of Wales.

[218] **Christine Chapman:** Martine, did you have any views?

[219] **Ms Harris:** The ALMA view is that I think we are singing from the same hymn sheet here. Our view is that the objectives are clear—to raise standards in the private rented sector—but we have yet to see whether they are achievable.

[220] **Mr Potter:** May I give you an example of legislation? As you are probably aware, back in 2004, Scotland brought in an anti-social behaviour order. It placed responsibility on the landlord to ensure that the tenants behaved themselves in the property. I was working in Glasgow as a managing letting agent at the time, and we had a report of anti-social behaviour in one of the properties. We discussed it with the landlord. The police had been called to the property. We knew that we stood absolutely no chance of getting any action through the court against the tenant on the basis of one call-out by the police. We discussed it with the landlord

and we asked, ‘What do you want to do?’ The answer was, ‘I want to bring the tenancy to an end as quickly as I legally can; I don’t want my portfolio, as a serious professional landlord, tarnished by this tenancy’. We went to court to seek an eviction order for breach of tenancy after the police had been there five times. On discretionary ground, it was rejected. We went back when the police had been 15 times and it was rejected again. The police had been 30 times before we got an eviction order against these tenants and we only got it because one of the residents in the development that was being affected by the anti-social behaviour was a Member of the Scottish Parliament. She used her powers and pulled the strings, if you like, when we went back to court the third time. That really illustrates some of the challenges that face us in trying to deal with some of the problems that exist.

[221] **Mr Haig:** To pull it all together, really, we fundamentally agree with the vision of more homes, better homes and better services. In fact, that was in one of our RLA documents that we produced several years ago, so it was quite nice to see something similar coming from the Welsh Government. So, we are fully behind things that are going to improve and professionalise the sector, but it is about how you focus that and how you achieve that. The example that Ian just brought up there is a good one. This Bill does not do anything like that; this Bill does not focus on empowering people and bringing the right parties together to improve the sector. What it does is focus on a fairly bureaucratic process, instead of pulling together the parties that need to make things happen. So, as much as we want to see things work—and there are certainly parts of the Bill that we very much want to see come in, especially on the agency side of things—there are parts of it that we seriously think need consideration.

[222] I believe that this committee was named differently a few years ago, and I think that it was this committee that came out with a report about agents and landlords that said, ‘Yes, license and register agents, but let’s look at the research and impact of registering and licensing landlords.’ Since that report was released in, I think, February 2011, I have not seen considerable research into what the impact on landlords is going to be. We have not even tried to understand the sector more. There is not a Welsh equivalent of the English housing survey, which is an incredibly useful document. We would say, ‘Okay, let’s bring in parts of it, but let’s examine and hold off on other parts of it until we understand what we’re doing.’

[223] **Christine Chapman:** Let me ask you this question, following on from that: do you think that the issue of tackling bad landlords could be more effectively achieved through alternative means?

[224] **Mr Haig:** I think that it is about understanding the sector first. By registering and licensing agents, you are going to have a massive impact. This is a rough statistic—Ian might have a better handle on it than me—but about 60% of lettings at some point touch an agent, whether it is managed or being rented through an agent. It is that body that should be the shining beacon and the example of how things are done properly. However, at the moment, there is no faith in that sector for landlords to use them properly and get advice from them. We recently did a survey, and out of that survey we found that, yes, costs increased with the use of agencies, and the faith and trust that they would handle the money correctly, advertise the property correctly and give the right advice is just not there. That is not just coming from landlords; that is coming from tenants as well. If you get the responses from tenants about how they feel about their agents, you will see that a lot of them feel that the service is just not there. However, 85.9%, I think it was, in the English housing survey said that they were satisfied with their private rented sector property.

[225] **Christine Chapman:** Are there any other comments from the rest of the panel?

[226] **Mr Potter:** I think they are fair comments. One of the challenges for the whole of the private rented sector is education. One of the real challenges is to identify what makes a ‘bad’

or a ‘rogue’ landlord. We use quite emotive language and we hear and see it in the media all the time. Some of it is very obvious: the landlord who just changes the locks and evicts their tenant is a rogue landlord.

11:00

[227] However, it would be very easy for an inexperienced landlord to make similar mistakes, because they have no knowledge, really, of what is a very complex legal system around the private rented sector. If you look at the private rented sector at the moment, from an agency point of view, the Royal Institute for Chartered Surveyors Blue Book is good guidance, and it quotes 90 pieces of legislation affecting lettings that an agent should be aware of. Many of the agents operating in the market in Wales and elsewhere are just not aware of half of the obligations that they have. That is a real problem. One of the things that we have done with our membership is to introduce a requirement for someone joining today to have a qualification. It is not a rocket science qualification—it is a level 3 qualification regulated by Ofqual—but it gives them a bit of professionalism. For youngsters starting off, for whom we have just introduced a level 2 qualification, it does not necessarily tell them everything that they need to know. What it does, hopefully, is ring a warning bell for them, so that they would think, ‘I need to find to find out a bit more about this particular situation. How do I deal with this problem?’

[228] **Mr Cecil:** The NLA has a thing called the NLA landlord library. It is an internet platform, available 24/7, where our members can get access, any time that they like, to regulation or advice. We have had identity cards for many years; I have mine here, and any tenant or prospective tenant can check me out 24/7. So, if you are a member—and I am sure that the RLA would have a similar type of thing—you are making a statement that you want to do things properly, which is good. Then, you have to have the help and advice that you need when you want it. Some members work, so it is not easy for them to ring a 9 a.m. to 5 p.m. place, and so they can go on to the internet and get it that way. They are CPD-accredited, and it is raising the bar. Those are practical, deliverable things that we have had for years; I am more concerned about the delivery to create mixed, balanced and sustainable communities. What we still have is a situation where we operate in isolation. Life, to me, is like a spider’s web: everything that you do touches something else, good or bad. Housing, for me, is at the centre of that spider’s web. If you understand the major stakeholders—not just those in the public sector—that are involved, and you truly engage with them and truly ask for their expertise, then you will, going forward, change those streets that we know and love. It will not happen overnight; it will probably take 10 or 20 years. However, for me, the starting point is now, and it is very timely after the Williams commission report on Monday. Ian mentioned just one case of a bad tenant—he obviously was a bad tenant; there are bad people and there are good people—and it was not easy to find a solution. If you were to get your calculator out and add it up, we would all be quite frightened, because you could compound that by a million times at least. For me, that is equally important as what we have done, because we are going forward, not living in the past.

[229] **Christine Chapman:** Janet, would you like to come in now?

[230] **Janet Finch-Saunders:** It is interesting that you mention tenants, Mr Potter, because we have heard a lot about landlords, and private landlords, good and bad, and, as you have rightly pointed out, on the other side of the coin, you can have tenants who do not abide by their own tenancy agreements and things. I wondered whether you think that this Bill coming forward actually addresses all of those kinds of aspects.

[231] **Mr Potter:** I do not think that it gets the message to the tenant at all. Something needs to be considered as to how you educate the tenant side. The two tenants that were living in the property that I mentioned were professional people. The problem was, on a Saturday

night, it was a party flat, because it was right in the heart of the city. One of them was actually a senior banker.

[232] **Janet Finch-Saunders:** So, we are not talking about—

[233] **Mr Potter:** We are not speaking about a yob.

[234] **Janet Finch-Saunders:** We are not stigmatising vulnerable people.

[235] **Mr Potter:** We are not speaking about the worst end of tenants. The other one was a newly articulated solicitor, if memory serves me correctly.

[236] **Jocelyn Davies:** They obviously put a better case to the court than the prosecutor. [*Laughter.*]

[237] **Mr Potter:** Well, exactly. One of the things that Westminster is currently looking at, and it was in its response to the select committee report there, is a tenant's charter. There is currently a debate as to what should be in that. Scotland introduced a tenant's information pack, which, in my opinion, is too long. What we need is something that explains—. We have it in the tenancy agreement, but that is always going to be in legal language until we can get court systems to accept plain English—or plain Welsh, for that matter. We have to get it into plain language. I am sure that we can produce a simple guide for tenants as to what their obligations are and, for that matter, what the landlord's obligations are as well. That is missing, in my opinion.

[238] **Mr Haig:** There is another Bill following this Bill, the renting homes (Wales) Bill, which will include something along those lines. However, the outline of it is that the whole Bill is supposed to be neutral in terms of the balance of rights and responsibilities between the tenant and the landlord. This Bill is not; it does not focus on what needs to be brought in on the other side to improve the sector as well. If that is what its objective is, which is what it says at the beginning, then we need to look at that side as well, because, as it stands, this is not a cost-effective way of trying to achieve this in a reasonable period of time.

[239] **Mr Cecil:** Also, when you go forward to discharge a duty on the private rented sector, if you do not have that easy-to-understand template or education system in place, you are potentially going to cause more problems with antisocial behaviour and unrest.

[240] **Mr Potter:** I think that there is another problem that needs to be thought about, and it is something that all Governments within the UK have looked at, which is how to get institutional investment into housing in general to make sure that we have adequate quality stock. Several of the financial institutions that have looked at serious investment into the private rented sector have said that they have issues around the quality of management of the stock and the reputational risk to them of a badly managed development. If they come to Cardiff or Swansea and build 400 new houses—and I do not think that there is a local authority that would not want or could not use 400 more homes—they run that risk, if that development is poorly managed by the people that they appoint and gets a reputation for bad behaviour. They are seriously concerned about making such an investment as a result. So, we need something that encourages that as well.

[241] **Christine Chapman:** Jocelyn, did you have further questions?

[242] **Jocelyn Davies:** I did, because what we have heard from you today is that there is a lot of regulation and so on around being a landlord. In your evidence, in paragraph 8, you say that there are 400 individual items you need to know about and 100 pieces of legislation. Does that not make the case for the compulsory training of landlords? I think, actually, that

what I am hearing from you today strengthens the Minister's case that all landlords need to be educated, trained and registered, rather than destroying it. Why do we licence all landlords when there are just a few who are a menace? Why are we talking about microchipping every dog, even though very few dog owners are actually bad owners? Why do we all have a driving licence, when there are just a small number of drivers who are menaces? So, I am rapidly changing my mind about registration, and you will know that I have been quite vocal in the past. We heard earlier from Shelter that a third of its casework relates to the private rented sector. So, it does seem that there is a massive problem here. I accept that tenants are an issue and, hopefully, that will be addressed in the next piece of legislation, but do you accept that, if you need to know about 100 pieces of legislation, training would be vital?

[243] **Mr Potter:** I would not disagree with what you have said there at all. The question that I would ask is: while I accept Shelter's figure, did it provide a figure for where there was actually something wrong, as opposed to where some help was required? Having looked at Shelter's statistics before, I note that it used the gross figure, if you like, not necessarily the net figure of where there has been a problem. People will quite often go looking for help, and Shelter is the known route to get help with housing.

[244] **Jocelyn Davies:** I am sure that it did tell us. I am sure that we can get the statistics on where this actually goes to court.

[245] **Mr Potter:** I just think that that would be useful. I am not going against what you are saying at all.

[246] **Jocelyn Davies:** It is over-representative of the size of the sector—I think that that is what it was telling us—in relation to poor conditions, repairs not being done and illegal evictions. So, I think that it represents a significant proportion of the cases that it goes to court to defend tenants against. I think that it is what it was saying. That is the point, really, whether we get exact statistics or not.

[247] **Christine Chapman:** What about the rest of the panel? What are your views on that?

[248] **Mr Cecil:** We have supported Shelter in the past, and any other organisation that wants to truly educate a rogue landlord, but there are some criminal people you cannot educate. So, it is about people. There are too many labels for me: someone living in a house, if they own it, is a homeowner, someone living in a house as a tenant is a tenant—they are all people. So, if it is 30%, what is it, and can we intercede to easily educate that tenant to make their tenancy a lot better? At the end of the day, as Jocelyn said, some people are inherently bad, so, what are we going to do—

[249] **Jocelyn Davies:** I do not think that I did actually say—*[Inaudible.]*

[250] **Mr Cecil:** We all know that some people, no matter how educated they are—Ian gave the example of tenants who were professionals—just do not want to do it. To penalise the whole industry is costly, and will it actually achieve what you want? We have, however, always been a supporter of the professionalization of the industry, hence our having the NLA landlord library. We did it years ago. So, you could actually perhaps give the prospective landlord the chance to think about it, and say to them, 'The reasons why you are doing it are because you believe your pension might not be worth anything'—which is often why a lot of people are doing this—'or you cannot easily sell your property on the open market, so you are going to rent it: do you honestly know anything about renting property, because it is not straightforward?' I do not like people who tell me things and do not follow it through. I am not very good at managing tenants, so I give it out to professional agencies to do. I know what I am good at, and I know what I am bad at. So, you give those amateur landlords, as I describe them, the chance, and say, 'Here is the good choice. Do you get trained up and do it

yourself? You have a full-time job, so it will not be easy, but you have one property, so it is manageable. Right, there we are', or 'No, you are not really going to be good at this for the tenant, so give it over to a bone fide accredited letting agency, accredited to one of the approved stamps that are already out there'.

[251] **Christine Chapman:** I have some specific questions. I know that you sort of touched on it earlier on, but there is another dimension here. Do you think that there should be a place for a voluntary accreditation scheme under the new proposals to recognise landlords providing high-quality accommodation?

[252] **Mr Haig:** Yes. To partly answer both questions, for a start, as Lee said, landlords need to make a choice either to get educated or to pass the property on to someone who can manage it for them. At the moment, we do not have enough quality agents for them to be able to pass it on, so, I think that that part of the Bill will be able to reinforce and give confidence to the sector for those people who are taking it on themselves when they should not be taking it on themselves to be able to pass it on to someone else. When a landlord does decide that they will manage it themselves, they do need to take responsibility, but we do not think that a mandatory approach to that is the right way forward. Like the NLA, we have an accreditation process, which enables people to get trained up, and—

[253] **Christine Chapman:** I was asking about offering better-quality accommodation.

11:15

[254] **Mr Haig:** It is about management standards. We agree that, ultimately, if you train someone, and someone is more aware of their responsibilities, they are more likely—it is not guaranteed, but more likely—to provide better quality accommodation and to be able to manage that accommodation better. So, in terms of accreditation, at the moment, the problem with many accreditation schemes is that there is no market advantage to being accredited. So, tenants do not go out there and say, 'I want to find an accredited landlord' or 'I want to find an accredited property'. They are not asking even basic questions like asking for copies of gas safety certificates or energy performance certificates or anything like that. That is a lot of technical stuff, but if you can create a market advantage to accreditation, then, yes, you will get more landlords striving for it.

[255] **Christine Chapman:** Okay, thanks. Whichever panel member wants to come in should feel free. Ian, do you want to come in next?

[256] **Mr Potter:** I understand Douglas's argument there, but I disagree with it, because you will only take so many people into a voluntary system. Landlords' financial situations change as well. If we have a history lesson and look back at where the private rented sector was 100 years ago, it was over 90% of the housing stock in England and Wales. Part of the problem and why it did not continue was that the quality of that housing stock went down and down and down on the economic circumstances of the landlords, and many of those landlords were big industry—they were the coal mines, the shipyards and the steelworks. As they generated less profit and we got tampering with rent controls from central Government, the income was not there, the yield was not there. In the current market, landlords have a reasonable yield because interest rates are not too high. I suspect that there are an awful lot of landlords who could be providing a very good quality property today and a very good quality service today who could find themselves financially challenged if we see the base rate, for example, back up to 2.5% or 3%, with mortgage rates, if that was the case, typically projected at 8% to 9%.

[257] **Mr Cecil:** For me, we are in Cardiff, I am a Welshman, and, looking back 100 years ago, those landlords were not very good landlords. That is part of the problem in Wales

because of the coal mine owner and the coal mine shop. It was legalised slavery, if you like, because people did not have a choice. I was brought up in a mid-link three-bed terraced house with six people—four adults and two children—and it was great. We did not have central heating until I was 11. Did that hurt me? No, but it did hurt my grandfather. So, Wales has different things and because we, as Celts, have long memories, there is a natural prejudice against landlords. Once we talk together, we realise that we are all living and working and wanting Wales to be a better and safer place—and a wealthier place, even. So, you cannot do two extremes. There is the middle ground. Yes, we want inward investment in Wales. I worked in the City of London for 17 years with people who went to Eton. They would rather go to places I had never heard of and cannot pronounce than bring their billions two hours down the road to Wales, and that attitude still exists. So, we have got to be more savvy with the City and the money.

[258] However, inherently, we are very community-led country, and I hope that that always stays the same way, no matter how big we grow in population terms. However, understand all the major players and what their motivations are, because I am sure that investment would come, but, personally—and this is not an NLA thing—when you build 400, 500 or 600 boxes in a place, you totally skew that community straight away. So, housing is needed, but we are not a big country by geography either, so we have just got to think about it sensitively and engage with everyone round the table to get that result.

[259] **Mr Potter:** I fully understand that, Lee, and the one thing I would never advocate is building boxes. We have got to build homes that people want to live in.

[260] **Mr Haig:** Ian's point of view raises a very good side in the sense that we have to be careful about how great the regulatory costs are that we are imposing on things. I am not saying that we should not bring things in to improve the sector—I am not saying that at all. In fact, we are a big supporter of something that we have proposed called co-regulation. We have given copies of our proposals to everybody.

[261] To give you an idea of the costs of the regulation now, we have rushed a report out—which, if the Chair does not mind, I will give to everybody at the end of the session—by Professor Michael Ball, that talks about the overall impact and costs of regulation for the sector as a whole, not just in Wales. Between 30% and 40% of all costs are down to regulation and regulatory requirements. If we are going to be looking at entering a time with increased interest rates, where the costs of paying for mortgages increase, and we are going to labour on a load of other legislation on top of that—it is not targeted legislation; it is not targeted at the people who need to change their approaches and attitudes to these things. So, this is a sledgehammer to crack a walnut, to use a very old phrase. We need to think of a different approach, and we think that the co-regulation approach is a more appropriate one.

[262] **Christine Chapman:** Okay. I know that Gwyn wants to come in, before I bring Leighton. Gwyn has a specific question.

[263] **Gwyn R. Price:** To the RLA representative, can you comment on the Leeds City Council accreditation scheme that is operated by you on behalf of the council?

[264] **Mr Haig:** Leeds council had its own accreditation scheme. It has got quite a history to it, but, basically, there is an organisation called Unipol that, along with Leeds council, has pushed to improve the standards—it focused on student properties in Leeds, but it now covers a wider area. Leeds council ran it as an accredited process for a number of years, but found that it was an incredibly costly scheme, and that is when it looked at outsourcing it and the RLA took over that accreditation scheme. The advantages of that scheme are that, basically, any landlord who signs up to the scheme is opted out of direct local authority enforcement, so if any issues with that property are raised by tenants, local authorities or neighbours, they get

targeted to the RLA body, which then deals with that landlord, usually through a training approach. So, it hears both sides, because, obviously, a complaint does not necessarily mean that something is definitely going wrong, and it deals with both sides, mediates and, if training is required by a landlord, that is added to the conditions for the landlord. That has reduced the cost for Leeds council considerably, and what has happened is that it is now allowed to focus its enforcement officers on the other landlords that are not in that accreditation scheme. So, it is a cost-saving measure and it is enabling enforcement, which is what we want. We want better enforcement and more effective enforcement, but the local authorities just do not have the money to be able to do that.

[265] **Gwyn R. Price:** Would that address tenant education?

[266] **Mr Haig:** Part of the partnership programme is to increase tenant education. It is one of our main streams of policy. Most issues arise because one person or the other, either the tenant or the landlord, does not fully understand their obligation, and if you can intervene on a mediative level as opposed to an enforcement level, you can tackle these problems much more effectively. So, the RLA is developing a tenant education programme. We have spoken to other organisations, like Shelter, about it. They are supportive in some senses, and they do not want to rely on it entirely in others, but if you get consumer choice, knowledge and education in there, consumers will improve the sector by choosing the right properties and landlords in the first place.

[267] **Leighton Andrews:** What percentage of landlords in Leeds is covered by that scheme?

[268] **Mr Haig:** There are 35,000 bed spaces covered—

[269] **Leighton Andrews:** Will you let us have a note on the percentage of landlords?

[270] **Mr Haig:** Yes, I can do that.

[271] **Leighton Andrews:** Thank you. What is your view of the landlord accreditation Wales scheme?

[272] **Mr Haig:** I think that it is a good start. The basic one-day course is a great start—as Ian mentioned earlier, as it stands, you become an accredited landlord at the end of the one-day course by passing it. It does not give you the tools to be a landlord. What it does is give you all of the key areas that you need to know about to go and learn more about it. It is a great awareness day, and that is why we thoroughly support it. It is a good base to build up a larger accreditation scheme. I do not think that it is appropriate that the entire scheme is an in-house, Welsh Government scheme. Actually, it should be administered and monitored by Welsh Government, and checked by an accredited body in terms of all the training and everything that is provided within that scheme. A number of providers, like the RLA, ARLA and the NLA, could provide a lot of the training for that scheme, and enable it to be spread to the members. I still find people who have never heard of it.

[273] **Leighton Andrews:** I was going to ask you what percentage of private landlords in Wales are members of that scheme.

[274] **Mr Haig:** I think there are some 2,400—I know that Anne is the gallery above me now, so I just need to look to her to see what the numbers are—it is around 2,400 landlords. In terms of the total number of landlords—

[275] **Leighton Andrews:** So, that is less than 5% of landlords in Wales.

[276] **Mr Haig:** Yes. It is early days. It had a soft launch to begin with—

[277] **Leighton Andrews:** It is about five years.

[278] **Mr Haig:** Yes, but that is still quite early days for a scheme that has had one person working on it full time, and now has one and a half.

[279] **Leighton Andrews:** How long, then, would it take to get 50% of landlords?

[280] **Mr Haig:** It depends how much money you want to put behind it. This is the key. The claims that the process would be self-funding are just unbelievable. If you look at somewhere like Newham, its licensing scheme is one that we in the RLA support—I do not know whether the other witnesses support it—because it has a fixed five-year period to improve the quality of the properties, and I think they are putting something like £56 million into 35,000 to 40,000 properties over that five-year period, of which £6 million comes from the £150 licensing fee over that period of time, if you get all of the properties together. So, basically, for 35,000 to 40,000 properties, they are spending £10 million a year, within full joint-working partnerships with everyone—they have got the police involved, there are enforcement officers, there are even reports from waste enforcement, when there is lots of rubbish collected and mattresses in frontages, and Neighbourhood Watch is involved. There is a direct door-knocking campaign. That is how you go about enforcing something, and if you want to put that amount of resource behind it, in terms of Welsh Government, then maybe we can look at how the RLA supports it. However, as it stands, we want to make this work. We are not here to discredit things. We want to see some regulation brought in that genuinely improves the sector, not something that is just one step in that direction. We want to work with you to make this work, and we are happy to do that, but that is currently not how it is.

[281] **Mr Potter:** To carry on the Newham experience, the number of landlords that they originally estimated has been greatly exceeded. The number of properties that they thought they had in the private rented sector within the borough is nearly four times what they thought they had. We could be sitting on exactly the same situation, with respect, in Wales, because I do not think any local authority or any government really knows how big its private rented sector is. The same experience happened in Scotland with landlord registration. They know they do not have 100% of landlords registered, but they know they have 30,000 more registered than they thought they had.

[282] **Christine Chapman:** Are there any other questions?

[283] **Leighton Andrews:** I do not think that is an argument against having a scheme, however. It might be a way of identifying all of those properties. Your view is that any scheme should be run by an independent organisation, not by a local authority or by Government.

11:30

[284] **Mr Haig:** In terms of the backbone, we are happy for that to be run by Government. So, in terms of ensuring that the quality of training delivered—this is under the assumption that it goes ahead—is correct and that the providers know what they are talking about, we believe that this should be centrally administered, and probably the database should be centrally administered if there is a registered database. However, in terms of the quality training and the ability to provide that training, we believe that that should be given to parties that are already involved in the industry. Currently, the landlord accreditation Wales scheme has an approved training provider and, if you go to them, you can get your courses accredited, as it were, but there is no formal accreditation process. We believe that weighting to one approved training provider will not provide a proper competitive market to really provide

good-quality training to the number of landlords that you need to train.

[285] **Mr Cecil:** When we started this consultation talk many years ago, the NLA was totally opposed to it because we thought that it was duplication. Professional trade bodies have been in existence for many years as trade associations and doing that, so why do you need to start something from scratch, at a cost, et cetera? Now that we are here, we have to deal with what we have in front of us. The other thing that has disappeared from any of the talk is an overarching governing body, built of representatives, such as the people here, to critique what was going underneath in order to make sure that there was consistency and quality of delivery. That has totally disappeared off the planet, which I do not think is a good thing. So, it is your choice: if you agree that the professional bodies that are in existence today are fit for purpose, then it is my belief that you should use them. If you believe that they are not, then do your own. However, neither works in isolation, because it is about partnership. So, a mix of both is now needed, this far down the line, to get it right.

[286] **Jocelyn Davies:** On this point, are you saying that, if somebody is already a member of a professional body, they should have automatic entry into an accreditation scheme, because they have already proved their competence in specific areas?

[287] **Mr Cecil:** Yes. With the NLA scheme and the identity card, we have always been passported into the current Welsh agents and landlords licensing scheme. That has always been there. You have to look at it from an individual's point of view. If you have a landlord who wants to engage, whether they are an amateur or a professional, you want to try to help them, point them in the right direction, and quickly get them sorted and educated. What confuses the life out of a lot of people when they approach officialdom, sometimes, is that there are loads of people who you have to talk to, so they end up doing nothing. So, the NLA thing has been passported, it always has been, and it should continue to be, because it is easier and, collectively, we all get what we want.

[288] **Christine Chapman:** Once again, I remind Members that we are running a bit short of time, and we want to move on to Part 2 on homelessness before we finish this session. So, once again, I appeal for very concise questions and concise answers from witnesses. Jocelyn, do you have any other questions on this point? I see you are fine. I know that Gwyn wanted to ask about education, which he has done. Janet, would you like to ask about licence conditions?

[289] **Janet Finch-Saunders:** Yes. Do you think that local authorities have sufficient powers at present and that those powers are perhaps not being used?

[290] **Mr Cecil:** Yes, they do. They have napalm, they have tanks, they have everything. Before the crunch in 2008, I was still pleading, begging and motivating councils to enforce the full weight of the law against bad landlords. They did not want to do it then, and now they are giving a different excuse and saying that it is because of the cuts. You have to get the buy-in of someone senior enough to have the power to make it happen and galvanise that team to do so and to do so consistently. I have always said that they have more than enough power and do not need any more. So, yes, you can lump on another 10 regulations and spend your time in the activity to achieve that, but as for what happens on the street, there will not be a lot of difference.

[291] **Janet Finch-Saunders:** Okay. Do you have any concerns about the public register and the information that that will disclose?

[292] **Mr Cecil:** I might not have been around for the last couple of weeks or something, but I never thought that it was going to be public. I knew it was going to be held by Cardiff Council internally and that it was not going to be sold to agencies that could cross-sell

insurance products, and so on, to them, because that was one of the biggest concerns. The Northern Ireland Government at the height of the Troubles suggested that type of thing, and people would have died. When you have prejudice, you know, the green-eyed monster comes in often. You see someone driving a nice car in a deprived area, and you think, as I did when I was six, that they had robbed a bank because it was such a nice car. We do not want to disadvantage law-abiding people, and that could potentially do that.

[293] **Janet Finch-Saunders:** Are there any other comments?

[294] **Christine Chapman:** Ian, do you or any other panel member want to come in?

[295] **Mr Potter:** On exactly the same topic, what Lee is describing has been part of the experience in Newham Council, because its register is public. You can go to it and see who owns the property, and you can see the address that the landlord is at. What I am getting from my members in Newham is that their landlords are being hassled by every other agent out there in the market, saying, 'We can do your service better', so landlords are not having a particularly comfortable experience. It is currently being queried as to whether the register meets data protection requirements. The data commissioner has been rather guarded in his answer to them.

[296] **Mr Cecil:** As I still have connections with the police, because we work with them in rented properties at a high level in Wales, a guy told me a statistic before Christmas. He said that Grangetown in Cardiff is the fifth highest spot in the whole of the UK for radicalisation. That frightened the life out of me. If you have people there who are intent on breaking and destroying things, you potentially open yourself up to religious issues, because we have got a lot of good Asian members and they are brilliant landlords. However, some idiot could get a bit of data and decide to knock on their door; it has happened, and I do not like that.

[297] **Mr Haig:** From my perspective, I am a registered HMO landlord and I already get spammed a lot. I have had a couple of letters that I would rather not have had to my personal address. I do not mind it going to my business address—that is fine—but it is my personal address that has to be on that register, and that is not appropriate data when people can happily contact me at my place of work.

[298] **Mr Cecil:** Also, not everyone has a business address. You are talking about amateur landlords here who may have only one property. I do not think that that is a good suggestion.

[299] **Christine Chapman:** Jenny, is your question on the register?

[300] **Jenny Rathbone:** I accept that your personal address should not be there, but you would have to have a registered business address. How then, in light of your experience of sitting on this police working party, can we ensure that we are able to identify the criminal landlords?

[301] **Mr Cecil:** They will not be on that list, will they? They are never going to come to the party. That is what I am saying about the police. Let us look at it in two ways. A lot of landlords, whether they are a member of an association or not, are not businesses; they just own one property and rent it out. The only address that can go on the register is their personal address. You then have businesses and portfolio landlords. As Doug said, I would not have a problem with my business address being on it—that is fine; you have to handle junk mail anyway, because that is part of life. However, on your point about criminality, they are never going to come to this party. That is why you need a team that can deliver, and not just the council, because the council on its own cannot go round to a property. Council workers and officers that I have talked to have had death threats from criminal landlords in Wales. One got put away last year, and quite rightly so, but it took 25 years to do it. So, they are a different

landlord.

[302] **Peter Black:** I understand that it is just the name of the landlord and the agent that will be available. I do not think that the address will be available. That is my understanding of what the Bill says.

[303] **Christine Chapman:** We will have to move on because we need to go on to Part 2 of the Bill, and there are a few other questions. Again, please be very concise with your questions to the witnesses. Jocelyn, you have covered the training one, I think. Do you want to add to that?

[304] **Jocelyn Davies:** No, I am quite happy with that.

[305] **Christine Chapman:** Gwyn, on registration and licensing arrangements.

[306] **Gwyn R. Price:** Do you think that the Bill should explicitly require letting agents to register in advance of landlords? What do you think of that?

[307] **Mr Potter:** I believe that it should be at the same time. The joined-up thinking of it makes an awful lot of sense. There is a danger that, if the agent has to do it before the landlord, and the landlord is then being told, 'You need to be doing this or you need to be doing that for your property to be complying,' there is a danger that they will walk away from their agent and go underground.

[308] **Ms Harris:** We are a smaller operation than the Association of Residential Letting Agents; we are just 14 local members in Cardiff and we are firmly of the view that agent registration should come in first. It is a much easier task to address first, and if you give it a period of about two years, it will allow a lot more time for further research to be carried out into exact landlord numbers et cetera, and as to whether this register is needed.

[309] **Mr Cecil:** We would say that as well. From your point of view as well, if you want to get to the mass, a good letting agency should collectively have more property under management in that area than a collective of landlords. I go along with that as well.

[310] **Mr Haig:** The general quality of the agents in the public marketplace is incredibly poor. Obviously, these guys around the table are not representative of those people and they are not who I am talking about. I do not think it is fully understood how poor that market is, so we need that time. I know plenty of landlords who would have their properties managed by agents, but they just do not trust them. It is as simple as that. So, you need to give them the time to get everything in order because, even for the good agents, there will be a training requirement. The larger agents are going to have to train a lot of people to get all of this in place. There are probably things that are going to come out of this process that they do not have to do yet, so give them the time to get all that sorted. Establish the agent market as a good quality market, and then, if you do, I would like to see it that you reassess at the end of two years whether landlord registration is a necessity. At that point, bring it in if you feel that it is a requirement, and they will know who to go to; they can make a choice.

[311] **Ms Harris:** That process as well will do a lot of the publicity for you because we will be educating the tenants who are still, I think, largely unaware of why they should not use unregulated agents.

[312] **Mr Potter:** If you do it that way, you are missing an opportunity of agent regulation to require agents to quote landlord registration numbers, and the fact that the landlord is signed up at the beginning. Scotland feels that it missed that opportunity; it made a mistake in the legislation. When it brought in landlord registration, there was no requirement to give the

landlord registration number in the tenancy agreement. It has now flipped that because it admits that it was a mistake that it made.

[313] **Christine Chapman:** Before we move on to homelessness, Leighton, you have some questions on the rest of Part 1 and license conditions.

[314] **Leighton Andrews:** I thought I had asked what I wanted to ask, to be honest with you.

[315] **Christine Chapman:** Are there any other questions from Members before we move on to homelessness?

[316] **Peter Black:** Section 28 requires a code of practice to be published by the Minister, which, obviously, the licensing authority will need to enforce as part of the licensing arrangements. I wonder whether the purpose of that code of practice is clear to you all and what you think should be in it.

[317] **Mr Potter:** As far as I am concerned, it is clear. I think, in actual fact—

[318] **Peter Black:** I should say that it does not seem to be quite clear to the Minister yet what he is putting in it, so—*[Laughter.]*

[319] **Mr Potter:** I am not terribly clear what would be in it and I am not sure that you do not need two. The requirements of agents and the requirements of landlords are different. While you could put it all into one code, it would make it larger than it perhaps needs to be for the relevant bodies. They need to be clear and concise is all that I would say. You can put whatever you wanted in it as long as it was clear and concise and easily understood. From the agents' point of view, it certainly needs to explain to both parties how disputes should be dealt with, the route to redress and how clients' funds are handled and protected. These issues should all be in an agent's code of practice. You could use as a core starting point the existing ombudsman code of practice for an agent.

11:45

[320] **Peter Black:** What about the standard of the property itself?

[321] **Mr Potter:** Standards of property have never been in the agents' code of practice. All that it says is that the property should be fit for purpose and legal, and that the agent should not be breaking any law. Unfortunately, the standard of property is governed by quite a cumbersome piece of legislation—the housing health-and-safety rating system under the Housing Act 2004. That is currently coming under review by the Department for Communities and Local Government. It will be interesting to see what the outcome of that is. One of the problems that local authorities use for saying that they have not fully engaged with this is cost. There are 29 hazards listed, and if they take action on a property, they have to look at all 29 hazards, rather than what has been complained about. That, in itself, is a costly examination, but it does not mean that the worst properties should not have to go through it. However, a lot of the issues could be dealt with on a one-off basis.

[322] **Mr Haig:** I am not clear on the code of practice either, but in terms of the things that should be in there, that obviously refers to the fit-and-proper-person side of things. For me, a lot of it is about where the code of practice is relevant, with the caveat of what I have said before about my belief in registration and licensing. If it is to come in, the code of practice should come in at the licensing stage and not at the registration stage, which I believe is currently proposed. Registration has to be there immediately. It needs to be as simple and quick as possible.

[323] **Peter Black:** You are referring to registration for the landlord and licensing for the property.

[324] **Mr Haig:** Yes. The code of practice needs to include ‘fit-and-proper person’, and then we would need to discuss exactly how to proceed. I am concerned about the licensing conditions that are proposed, how free the system seems to be to bring in new conditions on an individual basis, how much power that gives the relevant local authorities, and the potential confusion that you will start to get, especially if the landlord has properties across local authorities.

[325] **Christine Chapman:** We will move on now to Part 2, which is on homelessness. Peter, would you like to ask some questions?

[326] **Peter Black:** Yes. Obviously, you know that local authorities will be able to discharge their duty to rehouse homeless people in the private sector. Do you have a view on that? Is it appropriate, and are you happy with that ability?

[327] **Mr Cecil:** I think that it is a brilliant opportunity for the people who they are trying to house. Parties have to be educated about what that means and what their responsibilities are. So, again, it goes back to partnership. Regarding what has happened in the past, I will give you a bad example first: the council complies and then there is a tick-box exercise whereby we have basically bunged them in the private rented sector. That is not good, because it does not match up the decision with the wishes of the individual—the location of the property in relation to their friends and family, and the quality of the property et cetera. I believe that the more positive opportunity is through true engagement, and I think that we can do it very well. I know that we do not get true consistency across the country, but we have to rectify that, and this is one thing that we could do. So, I think that this is a beautiful opportunity.

[328] **Mr Haig:** I think that it is an opportunity as well. Obviously, it depends on how it is handled. It is possibly a good business opportunity for some landlords if it is done right. They can focus on targeting supply to those sorts of areas and needs. It is a broad-brush comment, but if someone is in a situation where they need to be rehoused under homelessness legislation, they probably need greater support in one way or another. So, that is what has to be combined with this. You cannot simply say to the private sector, ‘You have to take homeless people.’ For whatever reason people are homeless—some of them may have just fallen on hard financial times—they may need support, whether that is in terms of maintaining tenancies, financial support or possible educational support and things like that. That is what needs to be supplied as part of this process, not just housing; it is about the Supporting People framework. When we have engaged with people who are disadvantaged in some way in terms of housing, we have seen that the Supporting People framework that has been provided so far has generally been about providing support on a three-month basis and then that is it. However, a lot of these people require support at various times of the year or at various times in their life, whether it is around Christmas or the anniversary of someone passing away—those with mental health issues may need support during those times. However, private landlords are not social workers—they are not educated or trained to support people in that way. We are there to provide housing, and we can do that very effectively, but we are more likely to do it if we can get support in the areas in which we are not experts. Under those terms, it is a great opportunity for—using Lee’s favourite phrase—partnerships working together.

[329] **Peter Black:** Is this a specialist area? Will landlords require additional training to be recipients of people who are homeless, in addition to the support that local authorities and other organisations provide?

[330] **Mr Cecil:** It all depends on who is doing the management, as Doug said. A person who is mentally capable, fit and able and, through no fault of their own, have perhaps been made redundant or whatever, could probably look after themselves. It is people's vulnerabilities whether physical or mental, that need specialist management and support. As Doug rightly said, most of our members are not capable of providing that. One or two of them are because they are medically qualified and that is their specialism, but that is not the norm.

[331] **Mr Potter:** I had a bad experience of it as an agent. I went into a voluntary arrangement in the Glasgow area and the local authority totally reneged on the warranties and guarantees that it gave on the damage that happened in a property. It had said that it would not give a deposit, which I fully understand, but it said that it would deal with repairs at the end of the tenancy. The landlord did not get his property back in habitable condition for 18 months and had a loss of income and still had a mortgage to pay. After that, I vowed, as an agent, that I would never deal with it again.

[332] **Mr Haig:** We have had similar experiences of that as well. That is the barrier that you are now going to have to overcome. Local authorities have gone to landlords and agents and said, 'We need your help in housing these people'. It is often the agents or landlords who are engaged, but then something like that happens and they say, 'Right, never again'. You have to be aware that you will have to overcome those prejudices.

[333] **Mr Cecil:** There was a wonderful comment on *Scrum V* last Sunday by Gareth Davies who said that he was fed up of the master-and-servant relationship that the Welsh Rugby Union has with the regions. I will leave it there, or I will be talking forever.

[334] **Jocelyn Davies:** Can I just make a point? If a local authority is going to have a duty to make arrangements and can discharge into the private rented sector, and if it wants to continue to be able to do that in its area, then it is going to have to, surely, build up good relationships with the landlords in that area. If it messes it up, it will find itself restricted and will still have the duty to those people. I think that you would agree that it is in the best interest of the local authority to have good relationships rather than renege—let us hope that your experience, Mr Potter, would be exceptional.

[335] **Mr Potter:** I totally agree.

[336] **Mr Haig:** [*Inaudible.*]—the licensing conditions or building a good relationship with them. That is the question.

[337] **Jenny Rathbone:** It is about having greater clarity about rights and responsibilities on all sides. The rogue banker who you could not get rid of until there had been 30 incidents has to be as clear as somebody who is a vulnerable tenant who may need additional support that they have the right to have their roof repaired, to have a lock on the front door, and to have the landlord not enter the premises without prior notice. However, equally, there are obviously responsibilities. Is it not about the co-production of contracts so that there is clarity on who is responsible for what?

[338] **Mr Haig:** That is actually addressed in the renting homes (Wales) Bill. There is a model contract in terms of improving the understanding of rights and responsibilities. Tenants complain about their landlords, and landlords complain about their tenants. It is one of the few areas of business where both sides hate each other. It is really disappointing. All of us here want to change that, but I feel that there is this wedge being driven between tenants and landlords, and every piece of legislation that comes in just hammers that wedge down even further. So, it needs to be pulled out and everything needs to be made clearer, which is where tenant education comes into it, as to what those rights and responsibilities are. We are supporting those sides of the proposals within the renting homes (Wales) Bill to make it

clearer and easier to understand that a tenant has responsibilities as well as rights, and that a landlord has rights as well as responsibilities.

[339] **Mr Cecil:** I have addressed a tenants' annual general meeting a number of times, and it always starts off in the same way: for the first five or 10 minutes I get a right good kicking. Rachman and Rigsby are mentioned, as well as those outdated phrases, but by the end of the session we are all friends because everyone in that room actually wants the same thing. We are all law-abiding; we do not want to disadvantage anyone, and they get educated and they go back to their world. Events between our associations and the tenants' associations directed at that world, I think, would go a long way.

[340] **Jenny Rathbone:** Just to go back to the homelessness issue, there are already quite a lot of homeless people living in the private rented sector under the temporary accommodation arrangements. In your view, is extending that a good model?

[341] **Mr Cecil:** Temporary accommodation, by its description, is not a good thing. Some temporary accommodation that I have seen is appalling, and the council is paying for that. Bed and breakfast accommodation is a prime example. You will have different bed and breakfast rates in different areas and different council wards. I am baffled by that alone. It goes back to the duty of care and compliance. It is no-one's fault. If the council does not have any good accommodation but has substandard accommodation, would you rather have them put in there than under a bridge? It is a big vision that we have to have. You have a lack of money for capital to build, so, consequently, properties are not fit for purpose. The good councils in Wales are already talking and engaging with the private rented sector. They are taking a journey down that line, and they are getting better at it. However, at the moment, what you have is what you use. Where a duty is discharged, and where there are private sector leasing schemes, which we have not discussed, a landlord would quite happily give their good property to the council, or to a housing association, for as long as they wanted them and as long as they were managed, because they know what they are doing, which is fine. Then, slowly but surely, you would get a better outcome.

[342] **Jenny Rathbone:** Yes, but are you saying—

[343] **Christine Chapman:** Jenny, will you make this your final question, because we have other witnesses to come in?

[344] **Jenny Rathbone:** Okay. Are you saying that good landlords are not getting involved in temporary accommodation?

[345] **Mr Cecil:** Some specialise in it and they build specialised, good, fit-for-purpose developments. There are secure units 24/7, which are very costly to build and the rents are staggeringly eye-watering. In Swansea, one week's rent is around £3,000. It is staggering, but that is because of the financial product that they use with private equity, which is very expensive. Everything can be done if you want it to be done and if you engage.

[346] **Christine Chapman:** I will now have to draw this session to a close. Thank you for attending. I think that it has been an excellent session. It has been very informative; we have obviously covered a lot of areas. We will send the transcript of the meeting to you so that you can check it for factual accuracy.

12:00

**Bil Tai (Cymru): Cyfnod 1—Sesiwn Dystiolaeth 6: Cartrefi Cymunedol Cymru
Housing (Wales) Bill: Stage 1—Evidence session 6: Community Housing Cymru**

[347] **Christine Chapman:** I would now like to ask our next panel of witnesses to come to the table. This is evidence session 6, looking at the Housing (Wales) Bill Stage 1. First, I would like to welcome our panel. Could you introduce yourselves, please, for the Record?

[348] **Mr Bennett:** I am Nick Bennett, chief executive of Community Housing Cymru.

[349] **Mr Hill:** I am Aaron Hill, policy officer for Community Housing Cymru.

[350] **Ms O'Meara:** I am Chris O'Meara, chief executive of Cadwyn Housing Association.

[351] **Christine Chapman:** Welcome to the three of you. You have sent a paper for the Members, so we thank you for that. We will go straight to questions and we can develop some of the themes. Obviously, as there are eight parts to this Bill, we may not cover all of it. I just want to start off on Part 1, which deals with the private rented sector. I just want your views on the proposals for the registration and licensing of private landlords and to know whether you have any concerns about the proposals and the drafting of Part 1. Who would like to start?

[352] **Mr Bennett:** I will start. As our paper states, we broadly welcome this opportunity and we are glad that it is within the body of the Bill. PRS has been an increasingly important part of housing provision in Wales over the past few years for a number of reasons, but I guess that we do have some practical concerns. That is why I am very glad that my colleague Chris O'Meara is here. She is not just the chief executive of Cadwyn Housing Association; she also has experience recently of running a social lettings agency called CanDo Lettings.

[353] **Christine Chapman:** Chris or Aaron, would you like to come in?

[354] **Mr Hill:** Yes, just to echo some of Nick's concerns, while the intention is that it can improve the standards within the sector—[*Inaudible.*]—supply. Obviously, the tenure issues will be addressed later through the rented homes Bill, and supply is probably not an issue for legislation but more of a policy issue. However, there needs to be a holistic approach to improving the sector. Perhaps Chris can touch on this point.

[355] **Ms O'Meara:** On our experience, Cadwyn manages a social lettings agency. We currently have 420 properties on the books and all of those properties are aimed at preventing homelessness, so all those lettings go through the local authority housing options unit. We also provide the temporary accommodation scheme in Cardiff and in Blaenau Gwent and we have 300 properties that are leased from the private sector. So, we manage 720-odd properties and we have something like 450 landlords we work with, so we have some experience in that sector—

[356] **Jocelyn Davies:** May I just clarify something? You act as an agent for—

[357] **Ms O'Meara:** In the social lettings agency—

[358] **Jocelyn Davies:** Is that for private sector landlords?

[359] **Ms O'Meara:** Yes.

[360] **Jocelyn Davies:** Right, okay.

[361] **Ms O'Meara:** There are two key points that I would want to make really. The first thing is that, in the last 12 months, we have seen a significant number of our landlords move away from the work that we currently do, and I think that that is due to a combination of circumstances. The market has picked up, so landlords with properties with us to manage have decided to sell. I think that the benefit cap is kicking in. I think that the spectre of universal credit is putting landlords off, because, currently, as a housing association, we can still get housing benefit direct. The lack of supply generally means that landlords have another market to move to. The other thing of course is that, with the housing benefit regulations being changed, we used to be able to offer landlords rent equivalent to the fiftieth percentile in terms of rent levels of the private rented sector. The changes mean that, now, rents are fixed at the thirtieth percentile, which basically means that we are in the much cheaper or poor end of the market, when landlords can go elsewhere and get higher rents. So, my take is that standards are really important—of course they are—but we work with a lot of good landlords. For this not to drive more landlords away, it really has to be light touch and appropriate. That would be my take.

[362] However, the second point—a much briefer point—is that you regulate housing associations that are providing its social lettings anyway. You regulate us anyway. You can get rid of me; you can get rid of my board. We probably do not need to be registered with anybody else.

[363] **Christine Chapman:** We will move on now to Part 2, homelessness, I would like to bring in Leighton first of all and then Peter.

[364] **Leighton Andrews:** I just wanted to ask you, initially, how you see the Bill addressing homelessness issues. What are your particular concerns around section 78?

[365] **Mr Bennett:** I will start on that. I think that our issues, Leighton, are included in the paper. The definition of insanity is doing something more than once and expecting a different result—

[366] **Leighton Andrews:** I think that the definition of insanity has been taken out of the Bill.

[367] **Mr Bennett:** I think that we have an issue here in terms of overreliance on a duty, and I think that that is where I would question the sanity, if you like, of legislation. You already have a general statutory duty for all registered social landlords to assist local authorities in their housing duties. That broad duty already exists. Therefore, why are you exercising your primary law-making powers in this Bill to come up with another duty? It does not seem to make sense. If there are concerns, and I think that there are, that the current duty does not work, I really do not see how legislating for another duty will make that any better. So, we have put some practical recommendations in our response, which have been funded by the Government—the Government undertook some research in this area in terms of what was working and what was good practice. We have a responsibility, as the umbrella organisation for RSLs, to work with the WLGA and others to make sure that that good practice is adopted far and wide, but we do not think that more legislation, when a duty already exists, is a particularly helpful way forward.

[368] **Leighton Andrews:** Do you have any specific concerns relating to the intent of Part 2 of the Bill as a whole?

[369] **Mr Bennett:** Is that in terms of homelessness? We welcome the emphasis on prevention. I think that Chris referred to some of the issues that are already affecting supply in terms of concerns around universal credit. Increasingly, there has to be an emphasis on prevention, including financial inclusion. I am glad to say that a lot more is being done there

in terms of awareness and education, but a lot more needs to be done, and we will be encouraging members to do a lot more in future as well.

[370] **Ms O'Meara:** May I say something general around the discharge of homelessness? I think that one of the big issues from the tenants' perspective is the lack of security of tenure, and that is not addressed by the Bill, which I think is a real shame. Just a point picking up from the last contributors about the level of vulnerability, in terms of our CanDo Lettings, our general take is that that service is great for people who are not vulnerable. Vulnerable people can be assured of more support through the social housing sector, and that is what we try to do in terms of signposting. So, the level of vulnerability is an issue, but I think that you can manage it better by being clear about what you are trying to do.

[371] **Leighton Andrews:** On the vulnerability issue, do you anticipate, as a result of any of the proposed changes in the categories of priority need, that you will encounter more difficulties or an increased number of people coming through to you from local authorities?

[372] **Ms O'Meara:** I would imagine that there would be an increased number and the issue then would be supply.

[373] **Christine Chapman:** Peter, did you have any—I am sorry, Aaron, did you want to come in at all?

[374] **Mr Hill:** No.

[375] **Christine Chapman:** Come in whenever you want to.

[376] **Peter Black:** Accepting that supply is an issue, and I think that that is a given in all sectors, section 78 does not put a duty on you; it says that there should be co-operation between local authorities and housing associations. So it is basically putting in law what should already be happening. I do not understand where the problem is.

[377] **Mr Bennett:** There is already a law that says we should be assisting. You are now telling us that there is a further law that says we should be co-operating.

[378] **Peter Black:** Yes, this Bill consolidates existing law as well. This is not necessarily a new thing. It is consolidating existing provisions within the law.

[379] **Mr Bennett:** The discussion so far has been that the existing duty needs consolidation because it does not work. I think, actually, if, in the existing legislation, the duty is not working, there seems little point in replacing it with a further one.

[380] **Peter Black:** The question is: is it working? There are 11 local authorities that do not have housing of their own but that still have the statutory duty to rehouse people. There are agreements between them and local housing associations, but not all local housing associations take their share of that burden. Do you not think it reasonable and equitable that we should spread that across the whole sector?

[381] **Mr Bennett:** I do, but if that is not happening now, Peter, the point is, what is going on in terms of regulation? You have that in statute. As you are saying, RSLs are all subject to the same rules in terms of assisting local authorities. If some are doing it and others are not, then you have, through Government regulation, a means of remedy. Why is it not being enforced?

[382] **Mr Hill:** I think that the research will show that there is some really good partnership working going on already, and I think that it is a case of us trying to redouble our efforts to

share that.

[383] **Peter Black:** There is some very poor partnership working going on as well.

[384] **Ms O'Meara:** It is one of the delivery outcomes in the regulation system. The regulator is there to ask: if associations are not co-operating, what is the issue and what can be done? I personally cannot see that making it an additional statutory duty—

[385] **Peter Black:** It is not a duty.

[386] **Ms O'Meara:** The regulators can get tough.

[387] **Peter Black:** It is not a duty on you.

[388] **Ms O'Meara:** However, the regulator can get tough, and those powers are already there.

[389] **Mr Bennett:** There is a duty to co-operate, so it is a duty on all parties, is it not?

[390] **Jocelyn Davies:** Seeing this in the legislation, is this an indication that regulation, or the regulator, is not focusing on this part, and perhaps is focusing on something completely different? This could actually be something that the Government could put right itself as the regulator, so maybe it needs to be looking elsewhere. You mentioned earlier security of tenure in relation to homelessness and the private rented sector. Are we going to have landlords wanting to have relationships with the local authority about the discharge of this duty in terms of their tenants if it means that a long tenancy would have to be awarded? What sort of security of tenure are you talking about? Are you suggesting that six months is not long enough?

[391] **Ms O'Meara:** It could be a year, or something a bit longer. Our experience is that going through homelessness, obviously, is hugely traumatic. Families need a bit of time to establish themselves and get on their feet again, and a lot of those families are very capable. Some of the feedback that we have had is, 'You have provided us with a temporary home, we have looked after it, the standard is fine, and now we want to sort ourselves out and move on'. The other side of that is that there are some very vulnerable people, too.

[392] **Jocelyn Davies:** So you think that, maybe, if the legislation said that that tenancy, because these people had been through the homelessness route, would need to be a bit longer—

[393] **Ms O'Meara:** I think that that would be a useful addition.

[394] **Mr Bennett:** On your other point, on regulation, there is some softer stuff that we can do in terms of encouraging associations to adopt best practice. I am sure that the WLGA can do some of that in terms of co-operation and the response from local government. Certainly, I would expect the regulator to ensure that the relevant delivery outcomes are being delivered.

[395] **Jocelyn Davies:** Well, yes, that is what it is there for.

[396] **Christine Chapman:** Peter, are you finished? Yes. We are going to move on to Part 3. Do you want to say anything about homelessness, Jenny?

[397] **Jenny Rathbone:** Yes, I just wanted to pick up on supply and demand in the private rented sector in terms of supplying houses for the homeless. We heard from earlier witnesses that some providers are charging eye-watering sums of money—£3,000 a week—and yet they

are managing to get away with it. The consequences for the individuals are that not only do they become homeless, but they automatically lose their job because they cannot pay the rent without the state being involved in paying housing benefit. There clearly is not very good supply and demand at the moment; they are getting away with these sums of money because there is not enough competition.

12:15

[398] **Ms O'Meara:** From my take on what Lee was saying, he is talking about very specialist accommodation. In terms of the temporary accommodation scheme, there is a Department for Work and Pensions fixed rent that we work to with the local authority. So, we provide within those limits. We are not subsidised by the local authority for temporary accommodation; we can provide those services within those limits. We work very closely with Cardiff and, when it says, 'We need 50 more properties', we go and find 50 more properties. The temporary accommodation works through a leasing scheme, so it is not as vulnerable to the vagaries of the market as the social lettings agency. Effectively, you are talking about six-month fixed-term periods.

[399] **Jenny Rathbone:** Okay. The objective of the Bill is to enable people who are homeless to be housed in private accommodation—

[400] **Ms O'Meara:** That is more of a social lettings agency than temporary accommodation.

[401] **Jenny Rathbone:** Okay, but you think that there will be people coming forward and that it will not ratchet up the price because of the lack of supply.

[402] **Ms O'Meara:** When this Bill was first envisioned, we took the opportunity to provide the social lettings agency, which was a good idea and which worked. It will continue to work, but it is much harder to do it now and there are more barriers. This year, CanDo Lettings has taken on 59 new properties—so, 59 new landlords—and has lost 50. Those 50, the analysis shows, are either selling or have decided that the risks are too big. We did not have that churn before, and the last year has shown how much more difficult it is.

[403] **Jenny Rathbone:** Okay. So, there is unlikely to be any change in that market as a result of this legislation.

[404] **Christine Chapman:** Have you finished, Jenny?

[405] **Jenny Rathbone:** Yes.

[406] **Christine Chapman:** Okay. We will turn to Jocelyn.

[407] **Jocelyn Davies:** On this point, within the benefit level that is available, were you able to find properties of sufficient quality?

[408] **Ms O'Meara:** Yes. They do not meet the Welsh housing quality standard, obviously, but there are basic standards, and they have to have the gas and electrical certificate and the energy performance certificate. There is a basic standard, and that is part of our management. The letting agency rents are at local housing allowance levels, and we charge the landlords a 10% fee for finding the tenant and managing the property. We do some repairs. As part of the offer, they get £200-worth of repairs done and they have to do anything else on top of that. That is part of our work.

[409] **Jocelyn Davies:** I see.

[410] **Christine Chapman:** We will now move on to Part 3. Once again, we probably have until about 12.30 p.m., so I ask for concise questions. Jenny, would you like to ask about Part 3 on Gypsies and Travellers?

[411] **Jenny Rathbone:** On Gypsies and Travellers, the Bill proposes a requirement that local authorities carry out an assessment of the needs of Gypsies and Travellers every five years, which has to be approved by the Welsh Government. In your view, will that be sufficient to meet the demand?

[412] **Mr Bennett:** Yes.

[413] **Jenny Rathbone:** Carrying out an assessment is not an obligation to supply.

[414] **Mr Bennett:** We believe that the provisions within the Bill are adequate.

[415] **Jenny Rathbone:** Okay. So, you believe that it will lead to an increase in the number of Gypsy and Traveller sites.

[416] **Mr Bennett:** If that is the case, local authorities have to make more provision. However, going back to our current statutory obligation to assist, we would have some members who would be ready to do that. I have had that conversation with members this week and there are some RSLs that would certainly have the willingness and the ability to get involved in making that provision.

[417] **Jenny Rathbone:** Okay. So, you think that there is an appetite among RSLs to provide and manage sites.

[418] **Mr Bennett:** Among some—a minority, but a considerable minority of perhaps 10% to 20%.

[419] **Christine Chapman:** We will move on to discuss Part 4, which relates to standards for social housing. I know that Janet wants to come in on this.

[420] **Janet Finch-Saunders:** With regard to the Wales housing quality standard and the statutory requirement for local authorities, do you think that the Bill provides for the standards to be specified in regulations, as with the Welsh Language (Wales) Measure 2011, which would then ensure appropriate Assembly scrutiny?

[421] **Mr Bennett:** I think it is currently possible for the Assembly to exercise scrutiny in this area. I have certainly appeared before committees of the Assembly before now in relation to Wales Audit Office reports in terms of the way in which the RSL sector has been meeting the standard. I think that there is a role for the Assembly in making the standard more tenant-friendly. It is hard enough sometimes for those of us who work in housing to understand aspects of this standard. I do not know whether I would be quoting Churchill here, but it feels like a riddle wrapped in a mystery inside an enigma when you look at the complex way in which some of this stuff is drafted. Who on earth wants to be told that they live in an 'acceptable fail'? This is not language that empowers the people we are supposed to be serving here. So, there might be a role, not necessarily for scrutiny, but for improving the way in which we frame standards for the community that we are trying to serve rather than confuse.

[422] **Janet Finch-Saunders:** Does the Bill adequately address the issue of local authority rents and service charges for tenants?

[423] **Mr Bennett:** We feel that it creates a level playing field in terms of the work that RSLs will have to do with their new rent policy, so I think that that is perfectly fair. Tenants of social housing should expect the same treatment in terms of the division between those two issues, regardless of whether it is an RSL or a local authority.

[424] **Jocelyn Davies:** Would you have preferred, in terms of the equality aspect, to see service charges in your sector spread among all your tenants, rather than just those people who receive a service? What we are seeing is the loss of wardens in sheltered accommodation and so on, or a huge rise in rents for people in local authority accommodation, where the cost of services directed at them has been spread among all the other tenants and is now making it unaffordable. I know what you are saying about the equality issue, but would you have preferred it to have been the other way?

[425] **Mr Bennett:** No. In terms of the provision and the way in which the Bill refers to local authorities, I think that we have to accept the way things are.

[426] **Christine Chapman:** We will move on now to Part 5 on housing finance. Gwyn has a question here.

[427] **Gwyn R. Price:** Do you have anything to add to what is in your paper on the proposals that local authorities with housing stock should exit the housing revenue account subsidy system, and the potential for local authorities to start building new homes as a result of these changes?

[428] **Mr Bennett:** I do have some views, some of which we have covered in the paper. First of all, the reform of the HRAS—I know that a lot of people around the table had a lot to do to make sure that that important reform took place—we welcome. If that gets rid of what is another horrible term—following on from what I alluded to in terms of ‘acceptable fails’—namely ‘negative subsidy’, which tenants in Wales will be making to the Treasury, that is good for Wales.

[429] Secondly, if investment freedoms are provided for through the reform from the Treasury so that those areas where tenants have voted against stock transfer can reach a decent level of housing quality, we are genuinely pleased about that as well. I would have preferred people to have voted for stock transfer, as Community Housing Cymru, as we would almost be standing there on the sidelines seeing individuals suffer, for whatever reason, through inferior living standards. That just would not be on.

[430] In terms of the provision of new housing, we will have to see what precisely is available from the Treasury in that regard. The work that RSLs do in our borrowing is off the public sector borrowing requirement, and we are living in a period of deficit reduction, are we not? Our other claim, particularly over the last couple of years, in terms of our contribution to supply, whatever public grant we get from Government—and we are very grateful that that has been sustained, despite the capital funding crisis that the Welsh Government has faced—is that we are value for money. You more or less get ‘buy one, get one free’. For example, last year, our sector produced almost 2,000 units, 1,000 of which were built with no grant. My challenge in terms of local authorities starting to build again is whether they can do it with the same value for money, given that we have scarcity of public funding available. There is evidence that local authorities can access borrowing more cheaply in terms of access to the Public Works Loans Board, but that, of course, is then on the public service borrowing requirement, so that is one issue to contend with. However, if you get over that and they are actually accessing cash on a cheaper basis, are they generating the surpluses that mean that they can build 1,000 units with no grant funding? That is certainly something that we are proud of, being part of the not-for-profit movement in Wales. We want to sustain supply—we have already talked about the lack of supply—and be more ambitious in terms of supply over

the next few years, particularly if we are going to see changes within this Bill that mean there might be more classification of demand. I am sorry if that was slightly long-winded.

[431] **Gwyn R. Price:** You want the lot, but you generally agree with it.

[432] **Peter Black:** One of the consequences of exiting the housing revenue account subsidy system, of course, is that the Welsh Government's method of regulating council housing rents will disappear, and it will have to find some alternative mechanism. I wonder whether you have any views on that and whether that will have an impact on your sector.

[433] **Mr Bennett:** We have been subject to a period of rent convergence. We have just had a new rent policy; we needed one. Historically, rent policy making in Wales could be compared with the Schleswig-Holstein question to which only three people knew the answer—one of them was dead, one of them was mad and the other could not remember.

[434] **Jocelyn Davies:** And the other one was telling lies.

[435] **Mr Bennett:** Well, yes. Hopefully, the new system will be transparent for our tenants, and if it can act as a device that is appropriate for local authorities and the circumstances that they face over the next few years, then that is fine.

[436] **Christine Chapman:** Okay. We will move on now to Part 6 on co-operative housing. Jocelyn?

[437] **Jocelyn Davies:** Do you feel that the obstacles to the development of co-operative housing have been addressed in the Bill? Your association has some experience with this, has it not?

[438] **Ms O'Meara:** We are supposed to be an expert, but that does not say very much. It is the kingdom of the blind and all that stuff. We have a co-op scheme that will be going on-site in the next couple of months, which is great. The two bits, as far as I can work out, relate to fully mutual co-ops, and there are not any in Wales.

[439] **Jocelyn Davies:** I see.

[440] **Ms O'Meara:** I think they were put into the Bill as a way of removing some of the barriers to potentially growing this sort of co-op. However, that form of co-op relies upon private lenders lending to, potentially, very small organisations without a track record in borrowing or anything else. My take is that the market is not developed enough and that that is not going to happen. The real issue we have found in terms of co-operative housing is the resources to actually build up the co-operators. We have a member of staff working two days a week with a group of people on trying to build up their capacity, competence and capability so that, at the end, we have a sustainable co-operative. There are no resources available for that, so that is how I see it.

[441] **Jocelyn Davies:** I see, and, of course, you probably would not need primary legislation for that. So, in terms of the bit that is in the Bill, which I think creates a legal entity that would give lenders comforts, there is no sector to lend to anyway and you say that the work that needs to be done to develop this relates to people, and to people working and—

[442] **Ms O'Meara:** Yes, absolutely.

[443] **Mr Bennett:** I would hope that it also relates to a broader view of what co-operation and mutualism are. We see all housing associations, not just community mutuals, as part of the broader mutual and co-operative family.

[444] **Christine Chapman:** Is there anything else? I see that there is not. We will move on to Part 7 on empty homes, starting with Janet.

[445] **Janet Finch-Saunders:** Do you agree with the proposals in the Bill that local authorities can charge 150% on long-term empty homes?

[446] **Mr Bennett:** Yes, we do, and we also think that it should be applied to second homes and that the revenue generated should be ring-fenced and spent on housing.

[447] **Janet Finch-Saunders:** Are there any other views? No; fine. Should this Bill address the existing powers that are used by local authorities to tackle empty properties?

[448] **Mr Hill:** I think that the problem with the existing powers is that lots of local authorities do not have the time or the resource to invest in empty homes. Not every local authority has an empty homes officer. Hopefully, money raised by this could, in future, be used to fund work on empty homes in order to bring them back into use.

[449] **Mr Bennett:** Or, indeed, proposals—obviously we have had the publication of the Williams commission this week—that could perhaps create greater capacity, given that you have 11—

[450] **Jocelyn Davies:** You should declare an interest. *[Laughter.]*

[451] **Mr Bennett:** I should declare an interest. Clearly, we have 11 authorities, as Peter referred to earlier, that have transferred their stock. There have been some real issues in some places where you have a local authority that still has important functions as the strategic housing authority. Perhaps those proposals could help strengthen those powers and the contribution that could be made to other aspects of housing.

12:30

[452] **Jocelyn Davies:** May I just ask another question? Do you think that this Bill is going to make much difference to what you are doing?

[453] **Mr Bennett:** It is not going to have a massive impact on the challenges that we face. As a charity, speaking absolutely honestly, we exist to make sure that regulation in its broadest sense—all legislation, regulation and investment—does as much as it can to further the case for the provision of not-for-profit housing in Wales for people in need. So, clearly, where we have entrepreneurial organisations such as Cadwyn that can generate a subsidiary that can assist with social lettings, then that is absolutely fantastic. Clearly, we want to collaborate as much as possible with local authorities. In terms of other provisions within the Bill, if we can do more to help important minorities such as Gypsies and Travellers, then great. However, the big challenges that we face are around welfare reform, capital famine and banking behaviour. So, if you would like to have another Bill to help us with that—. It is hard to legislate for some of those issues, however.

[454] **Jocelyn Davies:** You just said that you were—*[Inaudible.]*

[455] **Mr Bennett:** Well, absolutely. That is where the key business is.

[456] **Jocelyn Davies:** *[Inaudible.]* So, this might affect you, but it is on the periphery.

[457] **Mr Bennett:** It has an impact, but, to be honest, it is not the kernel of our core business.

[458] **Christine Chapman:** Okay, that is the end of the session. I thank Aaron, Nick and Chris for attending this morning. It was a very useful session for us.

[459] We will send you a transcript of the meeting so that you can check it for factual accuracy. Thank you very much for attending this morning.

[460] **Mr Bennett:** Thank you very much.

[461] **Christine Chapman:** The next meeting will take place next Wednesday. We will now close the meeting.

*Daeth y cyfarfod i ben am 12:32.
The meeting ended at 12:32.*