



**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

**Y Pwyllgor Cymunedau a Diwylliant  
The Communities and Culture Committee**

**Dydd Iau, 24 Mawrth 2011  
Thursday, 24 March 2011**

**Cynnwys**  
**Contents**

- 3 Cyflwyniad, Ymddiheuriadau a Dirprwyon  
Introduction, Apologies and Substitutions
- 4 Craffu ar Ymateb Llywodraeth Cymru i Adroddiad y Pwyllgor ar y Sector Tai Rhent  
Preifat  
Members' Scrutiny of Welsh Government response to Committee's Report on Private  
Rented Housing Sector
- 17 Papur i'w Nodi  
Paper to Note

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee. In  
addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Mohammad Asghar	Ceidwadwyr Cymreig Welsh Conservatives
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins	Plaid Cymru The Party of Wales
David Lloyd	Plaid Cymru The Party of Wales
Sandy Mewies	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Lynne Neagle	Llafur Labour

**Eraill yn bresennol**  
**Others in attendance**

Jocelyn Davies	Aelod Cynulliad, Plaid Cymru, (y Dirprwy Weinidog dros Dai) Assembly Member, The Party of Wales, (the Deputy Minister for Housing)
Huw McLean	Swyddog Polisi Adfywio ac Adnewyddu, Llywodraeth Cynulliad Cymru Regeneration and Renewal Policy Officer, Welsh Assembly Government
Alyn Williams	Pennaeth y Gangen Dai a Chymunedau, Llywodraeth Cynulliad Cymru Head of Housing and Communities Branch, Welsh Assembly Government

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

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Tom Jackson	Clerc Clerk

*Dechreuodd y cyfarfod am 8.59 a.m.*  
*The meeting began at 8.59 a.m.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon**  
**Introduction, Apologies and Substitutions**

[1] **Sandy Mewies:** I welcome Members, officials and those in the public gallery to the final meeting of the Communities and Culture Committee of the third Assembly. As usual, headsets are available for simultaneous translation and sound amplification. Everybody should ensure that they have switched off their mobile phones, BlackBerrys and other devices; despite saying that last time, I still managed to leave mine on. [*Laughter.*] I have not been notified of a fire drill today, so if an alarm should sound we will need to follow the ushers out of the building. I invite Members to make any relevant declarations of interest

under Standing Order No. 31.6.

[2] **Eleanor Burnham:** I am, at the moment, a landlord.

[3] **Sandy Mewies:** Thank you, Eleanor. We have received apologies from Alun Davies, Joyce Watson and Rosemary Butler and that is about it, I think. We will move swiftly on therefore.

9.00 a.m.

**Craffu ar Ymateb Llywodraeth Cymru i Adroddiad y Pwyllgor ar y Sector Tai Rhent Preifat**  
**Members' Scrutiny of Welsh Government Response to Committee's Report on Private Rented Housing Sector**

[4] **Sandy Mewies:** Good morning, Deputy Minister, and to your officials. It is unusual that we are scrutinising this report—I think that this is the first time that the committee has scrutinised the Welsh Government's response to a committee report in a formal meeting. I launched 'Making the Most of the Private Rented Sector' at the Chartered Institute of Housing's conference on Tuesday; I thank everyone who was able to be there. It went very well and the report was welcomed. I know, Deputy Minister, that you were at the conference.

[5] The report was laid on 4 February and we have received the Deputy Minister's response. We are rather pleased with the report. We are grateful that you have agreed to go on in this way, as it would have been very difficult for us to have dealt with it in any other way. I welcome the Deputy Minister, Jocelyn Davies, Alyn Williams, head of housing and communities and Huw Mclean, regeneration and renewal policy officer. Would you like to make any introductory remarks before we go into questions?

[6] **The Deputy Minister for Housing and Regeneration (Jocelyn Davies):** I would like to say one or two things, Chair. At the housing conference, many people were talking about the report—I am sure that it will be well read—so I welcome this opportunity to come to committee. I hope that my response will be as well read as your report. I am very pleased that I was able to accept fully, or in principle, all the recommendations that you made, and I am very glad that the committee was able to recognise the work that we have already done in this area. The conclusions that you drew are very useful and they complement the approach that we have been taking with the private rented sector. The publication of the report is also timely, given the result of the referendum, which means that we now have legislative powers for the first time in this area. That puts the new Government, after the Assembly elections, in a good position, because it will have all the tools that it needs to address issues in relation to the private rented sector.

[7] I would not like to give anyone the impression that I think that legislation will automatically put everything right; I am sure that it will not. As the committee has pointed out, consolidating what has been achieved so far will go a long way to dealing with improving the sector as a whole. The emphasis that you have placed on the all-Wales landlord accreditation scheme illustrates that. I do not think that improvements will happen overnight; the progress that we have been able to make to date has been the result of a thoughtful, patient approach, and we should continue that. We need to acknowledge the practical difficulties that local authorities face as they attempt to improve standards within the sector, and your report illustrates that.

[8] We will continue to work to make the necessary changes so that people are able to see the private rented sector as an option of choice. There are a range of issues that we need to

carefully consider with local authorities, the Welsh Local Government Association and others, including landlords and tenants. I welcome, therefore, the committee's recognition of the significant challenge that is posed by the changes to the housing benefit system for the private rented sector. I am glad that there was consensus, as this is an issue on which all Assembly Members should continue to lobby the UK Government. Thank you, Chair, for the valuable report and for giving me the opportunity to respond.

[9] **Sandy Mewies:** Thank you, Deputy Minister. You have fully answered the question that I was hoping to ask, so we will move on to Eleanor.

[10] **Eleanor Burnham:** Clywodd y pwyllgor dystiolaeth bod y sector yn cael ei ddefnyddio fwyfwy i ddiwallu anghenion pobl na allant gael tai cymdeithasol, a'r nifer cynyddol o bobl na allant fforddio i brynu eu cartref eu hunain. Mae hyn yn digwydd yn naturiol yn Ewrop, ond nid yma, hyd yn hyn. A allwch amlinellu sut y bydd anghenion penodol y ddau grŵp hyn o bobl yn cael eu diwallu gan y gwaith yr ydych yn ei wneud ar y sector rhentu preifat?

**Eleanor Burnham:** The committee heard evidence that the sector is increasingly being used to meet the needs of those who cannot obtain social housing, and the growing number of people who cannot afford to buy their own home. This occurs naturally in Europe, but has not happened here in the past. Can you outline how the specific needs of these two groups will be met by the work on the private rented sector that you are undertaking?

[11] **Jocelyn Davies:** In the UK, we have generally viewed the private rented sector as being either of exceptionally high quality or of very low quality, but with nothing in between. If you are incredibly rich, you might rent several nice apartments, or you might go to the private rented sector because you cannot afford anything else. However, your report has been useful in illustrating that that is only a perception, and that it is not in fact the case. You took evidence that the average tenancy lasted around 11 years. That shows that this is part of the settled community—11-year home ownership would be quite something in some areas. This perception is a false dichotomy between settled groups in social rented housing or owner occupation and a mobile, transient group belonging to the private rented sector. Management is the important thing, especially with the vulnerable groups that you mention. You have taken evidence from Agorfa that showed that, through leasing arrangements with suitable organisations, such as housing associations, the private rented sector can be a valuable resource, even for people with difficult and challenging conditions, and that it should not be dismissed. It is all about good management of the properties at an affordable rent.

[12] You mentioned people who cannot afford to buy. Due to the current lack of mortgages, those looking to buy might need a large deposit, of around £15,000 to £20,000—a lot of savings. That could well make the private rented sector an option that people will have to accept. What we want to see is affordable properties in good condition that are well managed. I do not think that we should be too hung up about who owns them, because that is what people would benefit from.

[13] **David Lloyd:** O ran argymhelliad cyntaf ein hadroddiad, sy'n gofyn i chi hyrwyddo delwedd positif o'r sector rhentu preifat, pa ystyriaeth yr ydych wedi ei rhoi i hyrwyddo'r sector rhentu preifat drwy ymgryrch strategol yn y cyfryngau?

**David Lloyd:** Regarding our first recommendation, asking you to promote a positive public image of the private rented sector, what consideration has been given to promoting the private rented sector through a strategic media campaign?

[14] **Jocelyn Davies:** I must admit that I have not given any thought to having a media campaign about promoting the private rented sector, and I am not aware of the private rented sector having a media campaign to promote itself. You would be promoting private businesses, so you would need to be cautious. From a Government point of view, media

campaigns are normally about specific issues—I remember a successful one a few years ago about adult literacy classes. However, Governments rarely have media campaigns; they can be very expensive. If you want to promote a specific project or something that is time sensitive, it might be worth considering, but this Government has not undertaken many media campaigns—you have seen adverts on television about recycling, in which children tell us not to waste their future. They are powerful, but I am not sure that this Government would consider spending money on promoting a specific sector of private business. However, we want to promote the best landlords in the private sector, to get away from the image of the private sector as being somewhere there are awful conditions and awful landlords, and that it is the last resort for people. We do want to get away from that. So, we need to find ways to promote it, but we would not have a media campaign. I can see Lynne Neagle shaking her head; I think that she would be appalled if I spent any of my budget on promoting the private rented sector. I am sure that she would find many projects in Torfaen that would be more worthy of Government funds.

[15] **Mark Isherwood:** Your paper refers to financial support from the Welsh Government for the development of social lettings agencies in local authorities. We took evidence from Cefni Lettings, which is a social enterprise for the private rented sector. It is a social lettings agency that is working directly with private sector landlords to let properties to vulnerable people. Could you update us on that evaluation work and tell us what conclusions, if any, you have drawn so far?

[16] **Jocelyn Davies:** We have built evaluation into the new homelessness projects. I am afraid that I have been guilty in the past of having some projects that were evaluated at the end. If you leave your evaluation until the end, you cannot do anything to change things, whereas things could perhaps have been changed partway through that would have made them a bit better. So, we have built evaluation in so that it is done as we go along. I do not know, Alyn, whether you are able to tell us a little more about the evaluation. I do know that all the projects that have received that grant money for this year have been evaluated as they have gone along, and nearly all of them have had a good evaluation. I do not have the details in front of me about the specific ones that you have referred to, but I am happy to provide a note on that. We have decided this time to have the evaluation during the projects, rather than waiting until the end. So, I can tell you that the evaluation has been good, but I cannot give you specific details.

[17] **Mr Williams:** The qualitative element of the evaluation has been undertaken on the basis of data submitted by individual agencies. The next step will be the evaluation consultant looking at the information in June 2011. If we can supply further information, we will do that immediately.

[18] **Jocelyn Davies:** All the projects are on course to deliver what they said they would deliver at the beginning.

[19] **Sandy Mewies:** That is good news.

[20] **Mark Isherwood:** I was told subsequently that Cefni Lettings had already placed 87 tenants and only two of those placements had resulted in problems. So, that was encouraging. I also understand that several housing associations in north Wales are running a similar service in managing private rented sector tenancies. How do you propose to integrate the local authority schemes that you are piloting with those social enterprise and housing association-equivalent schemes?

[21] **Jocelyn Davies:** We know that there are pockets of very good practice. It is not easy to spread good practice and you need to learn as you go along. We do know that this is a good way of providing affordable homes for people in well-managed properties. As for whether we

can get widespread support throughout Wales, I would not like to commit to that at this point. However, we aim to do that. As you say, the results so far have been extremely positive. Two failures out of 87 is an incredibly good success rate.

[22] **Lynne Neagle:** Deputy Minister, your paper talks about the sub-group that you have established as part of the national housing strategy implementation programme board, and it is a sub-group that focuses on the private rented sector. Could you tell us a little more about that, particularly its remit, the current work programme and any outputs that you are expecting from it?

[23] **Jocelyn Davies:** It has been set up recently. I have not had a direct report from the sub-group, but, as you say, it is focusing on the private rented sector. We have had an approach in housing for a little while that looks at bringing in expertise from within the sector in order for us to develop policies. That came out of the work that Sue Essex did for me in her review of affordable housing, which said that we needed a different approach to policy development.

9.15 a.m.

[24] That collaboration has been incredibly productive. You might think that, as a Government, you have a very good idea, but when it comes to implementation, you are asking other people to deliver it and if you involve them in the very early discussions, you end up with a better programme and greater buy-in from those people. However, all of that takes quite a lot of time and talking. As I said, nothing has come directly to me from that sub-group. Perhaps Alyn is able to help me out here, but it is part of the approach to policy development within housing. That is why this was set up to begin with. I know that it can sound very bureaucratic to have a programme board, sub-groups and so on, but it pays off and is effective when you come to implement Government policy.

[25] **Mr Williams:** The sub-group includes members from local authorities, Shelter, tenants' associations and the National Landlords Association. We have met twice. The first meeting was basically a scoping meeting. In fairness to the chair of the sub-group, we let the partners set the agenda and the issues that needed to be covered. As you can imagine, a wide range of issues was raised. At the second meeting, we started to try to take some of these issues forward. At that stage, it was announced that the committee was carrying out its inquiry. So, the decision was made to almost park the sub-group until we knew what this committee's recommendations would be. So, we will now take the recommendations back to that sub-group to address the issues that have been raised.

[26] **Jocelyn Davies:** That sub-group will now look at the committee's recommendations and, instead of having a debate about the things that you have discussed, it will consider how to implement them. If you have local government, landlords, tenant representation and Shelter bringing their different perspectives, but trying to find consensus, that is a way forward that really pays off. They bring different perspectives to the problem. Of course, all of these people are giving of their time voluntarily, so they want it to be a success. I am sure that they will find the content of your report to be very useful to work with. This is how we implemented the Sue Essex recommendations. We brought people together and said, 'Right, we want to implement this. How do we do it?'. They worked together and implemented the recommendations. It is a new way of Government working, but, in some sectors, I would highly recommend it, and housing is certainly one of those.

[27] **Sandy Mewies:** I have certainly been very impressed with what I have seen. Members of the cross-party housing group have also seen it and I think that they have been impressed by the organisations and individuals working together and working their way through any disagreements to come to a consensual view. It has been very impressive.

[28] **Bethan Jenkins:** Yr wyf am ganolbwyntio ar argymhelliad 3 a gofyn i chi ehangu ar yr hyn yr ydych wedi ei ddweud ynglŷn â'r strategaeth a'r bwrdd. Yn eich ymateb, yr ydych wedi nodi eich pryderon ac na fydddech am gael strategaeth ar wahân ar gyfer y sector preifat. A fedrwch esbonio pam yr ydych yn meddwl hynny? A ydych yn credu y bydd y strategaeth yn rhy eang os nad oes gennych strategaeth benodol ar gyfer y sector preifat neu a ydych o'r farn bod angen strategaeth gynhwysol oherwydd bod cymaint o bethau'n gyffredin i'r ddwy sector? A fedrwch ehangu ar hynny?

**Bethan Jenkins:** I want to focus on recommendation 3 and ask you to expand on what you have said about the strategy and the board. In your response, you have noted your concerns and that you would not want a separate strategy for the private rented sector. Can you explain why you think that? Do you think that the strategy would be too broad if you did not have a specific strategy for the private sector or are you of the opinion that a comprehensive strategy is needed because the two sectors have so much in common? Could you expand on that?

[29] **Jocelyn Davies:** The housing strategy is quite a brief document, but we have tried to include all these strands. There could be a temptation to have a separate strategy for various things—the private rented sector in this case. I understand why the committee would say that because it is an important strand. Then you would need a separate strategy for something else that is just as important. You could end up with important but separate strategies rather than an overarching strategy. A great deal of work goes into developing strategy, but we also need to work to focus on the delivery of something that is integrated. I do not really want the private rented sector to be seen as something that is always separate from everything else. I know that the last housing strategy, 'Better Homes for People in Wales', was about bringing the social rented sector up to standard, but we have tried to incorporate all of the strands in this one. As I have said, it takes a lot of resource and time to develop a strategy, and then you need the action plans that sit underneath it. I can see the temptation to have a separate strategy, but I hope that the committee will accept that I have concerns about it being seen as separate to the overarching housing strategy.

[30] **Mohammad Asghar:** My question relates to recommendation 4. Your paper notes that the programme board's sub-group is considering how to further incentivise the Landlord Accreditation Wales scheme, which could include programmes or HMO licensing fee discounts for landlords. How can these incentives be achieved within existing budgets?

[31] **Jocelyn Davies:** When I appeared before you, I thought that it would be great to have a national landlords' accreditation scheme. I would like us to be able to brand that so that we can say, 'All of the best landlords are in this scheme. If you use one of these landlords, you can be assured that you will have a well-managed, good-quality property'. If you ask someone from a private business to join something and give up their time, there needs to be some sort of incentive for them to do that. They will want to hold that badge and be recognised as being among the best. However, I suppose that to ask them to give up their time when they could be making money somewhere, you need to be able to offer some sort of incentive. As I mentioned before, perhaps this group of landlords should be the one that can access Government financial incentives by way of loans, grants and so on. I think that Huw had a small but good example of a benefit that can fall to those who join the accreditation scheme.

[32] **Mr McLean:** We have regular feedback from the all-Wales accreditation scheme. It recently managed to secure some support from B&Q in the form of a free voucher for landlords who participated in a survey. In terms of your question about HMO licensing and discounts, it does happen with many local authorities, in the same way that landlords are also given preferential rates on grants if they are accredited. Therefore, there are incentives.

[33] **Jocelyn Davies:** It can be done within the existing budgets, particularly if a chain store decides to contribute vouchers. That will not cost us anything, of course. A discount on a fee that is paid can be accommodated. Therefore, we are able to do it within existing budgets because we have to be very careful about making any commitment to spend money. I think that it would be fair to point out to the committee that, at this stage of an administration, I do not think that it would be fair for me to commit a future Minister for housing to spend, when I might not be the one who has to find the money. At this stage, we will make recommendations, but they would have to be in principle if it was about spend.

[34] **Mark Isherwood:** Given your earlier statement, have you considered or already factored into this the fact that you ideally seek sub-market rent—perhaps above the level of social rent, but below market rent—and also the landlords’ request to have local housing allowance paid directly to them over time? I believe that there is now an offer to them that they could have local housing allowance paid directly to them, if they are prepared to accept sub-market rent. Could you perhaps incorporate this into an incentive?

[35] **Jocelyn Davies:** We would certainly want to explore that. In terms of the discussions around housing benefit, I know that landlords have always preferred to have the rent paid directly to them, rather than them having to go through the tenant, although that situation did change some time ago. I suppose that there was the concept that the UK Government did not pay your gas bill directly, so why should it pay your rent directly? There was the idea that you should be taking some financial responsibility for your housing. It was also a way of demonstrating that you were not having your house for free. It confirmed the idea that you had a choice in the matter and that if the benefit was paid directly to you, you could shop around. There are concerns, given the changes to the local housing allowance, that people might not be able to hand over the rent. So, some landlords are now pressing for it to be paid directly to them. There are tensions between that and having a universal benefit, because if there is a universal benefit, which goes directly to the individual, how would you then pay some of that benefit to another organisation?

[36] We certainly do not want people to fall into rent arrears, so we must be careful with that. However, on the idea that, if you were to go below the open market rent, then perhaps an incentive for the landlord would be that the rent could be paid directly to them, I do not see anything wrong with that. I would hope that rent would continue to be paid directly to the social rented sector, because landlords are concerned that if the majority of their tenants have the rent paid to them directly, for them to hand over, then that could be a risk to the social rented sector. So that might be an incentive, but it is a matter for the UK Government. However, there is a tension between that as a policy and universal benefit, and I wonder how that will pan out.

[37] **Eleanor Burnham:** Mae fy nghwestiwn ynglŷn ag argymhelliad 5 ynghylch cofrestru gorfodol ar gyfer landlordiaid. Pa ymchwil pellach sydd ei angen am gynllun cofrestru gorfodol ar gyfer landlordiaid, yn enwedig o safbwynt costau gweinyddu posibl, cyn y byddai'n bosibl cyflwyno cynllun o'r fath? **Eleanor Burnham:** My question relates to recommendation 5 on mandatory landlord registration. What further research into mandatory landlord registration needs to be undertaken, particularly in relation to the potential administration costs, before it would be possible to introduce such a scheme?

[38] **Jocelyn Davies:** We would need to look at that carefully. I know that the committee has been careful in the way that it has worded this recommendation, in recommending that the Welsh Assembly Government should ‘research’ such a scheme, because I suppose that you were unable to say what the cost and the implications would be. As I mentioned earlier, we have taken a collaborative approach in housing and so I would want to explore this as fully as possible, so that we know what the implications would be. We do not make changes without

consulting the housing sector fully, and it would expect that with every change that we make. So, we would have to consider this carefully.

[39] You sometimes find that you can bolt something onto an existing system, and we would certainly look at that and at doing it in the most cost-effective and efficient way. We would also want to ensure that you would get the outcome that you want from that. I am glad that the committee couched the recommendation in those terms. We would like to see it. If it was a priority for the next Government, then it might have to find the money for it, so it would need to know exactly how much it would cost. I would not like to say that we could do it within existing budgets, so it would have to be a priority for the Government as a whole.

[40] **David Lloyd:** Hoffwn droi at argymhelliad 6 ar asiantaethau gosod. Nodwch yn eich papur bod angen rhoi mwy o ystyriaeth i'r materion cyfreithiol sy'n gysylltiedig â rheoleiddio asiantaethau gosod, a bod hynny'n cynnwys penderfynu pwy fyddai'n rheoli asiantaeth osod pe byddai ei threfniadau rheoli yn annerbyniol. A ydych yn ymwybodol o unrhyw rwystrau cyfreithiol eraill, ac a gredwch fod modd eu goresgyn i gyd?

**David Lloyd:** I wish to turn to recommendation 6 on letting agents. You note in your paper that the legal issues associated with regulating letting agents need further consideration, and this includes determining who would take control of a letting agency if its management was deemed unacceptable. Are there any other legal obstacles that you are aware of, and do you think they can all be overcome?

[41] **Jocelyn Davies:** I am not sure whether they could be overcome. We had to think carefully, when we brought forward the legislation, about what would happen if a housing association failed, and you all saw that legislation that came before the Assembly this week. We are the regulators of housing associations and, if one failed, then we could amalgamate it with another one. However, even then, we would have to think carefully about what the consequences of that would be. There would probably be costs attached to that, in an area where we are the regulator. However, with this recommendation, you would be talking about taking over an existing private business, so we would need to be careful that we took into account all the implications of that fully. We would also have to consider the existing tenants and the properties, and the management of those properties. So, there is no simple solution to it, although I can see that there is a great deal of merit in what is being proposed.

9.30 a.m.

[42] Given that very few functions with regard to the private rented sector have been devolved to the Assembly, we have not built up a huge capacity in the Welsh Assembly Government to deal with the private rented sector, because it was dealt with on an England and Wales basis. We now find the National Assembly with new powers over the entire private rented sector, and I have a small team dealing with the private rented sector, so this is a new area for us. I know that there was some push when we went for the competence Order to include the private rented sector. I was honest with the committee at the time in saying that we simply did not have the policy development or the capacity, because we had not had to deal with it before. So, we will need to build that up. However, I think that the committee would easily be able to see that there are implications for Government in taking over private business, and we would need to know exactly what they were. Alyn, did you want to add anything?

[43] **Mr Williams:** The only thing that I would add is that there has been some question over whether or not the existing powers allow us to formally regulate the letting agencies, but we are investigating that further with our legal services.

[44] **Mark Isherwood:** You will probably be aware that the Royal Institution of Chartered

Surveyors was very strongly in favour of that proposal, and that may have some UK background; I do not know. Recommendation 7 is about improving strategic co-ordination of local authority departments with the private rented sector. You indicated that you have given funding to help local authorities to develop their strategic housing role, and you refer to the role of the Wales head of environmental health technical panel in encouraging co-ordination, although I am sure that those of us who visit different local authority housing departments find quite a dichotomy. Sometimes, there is a blue sky approach, which is very encouraging, and sometimes there is still very much a silo approach—often the information has often not trickled down to those that are delivering. How confident are you that local authorities will start to act in a more strategic and corporate way in dealing with the private rented sector? How would you like to see a future Welsh Government monitor this?

[45] **Jocelyn Davies:** This is a good question, because you mentioned that you visit housing departments. Housing is not only dealt with at a local government level by housing departments; it will also be dealt with by environmental health and social services and across a range of departments. Developing that strategic role and making sure that there is a corporate responsibility for housing across all sectors will not be easy, because there are housing functions within all the different departments. It is the same with regard to planning, as a number of local authority departments deal with planning. I think that we will find that some local authorities will be very good, some will not be quite so good and that most local authorities will be somewhere in the middle, in that they will be adequate. It is the same with anything that you look at: you will have excellence, poor practice, and, on the whole, most will be somewhere in the middle. That is not just with regard to local authorities, but everything. So, I am confident that, in relation to the strategic housing function and local government, that bell curve will be there.

[46] The spreading of good practice will be our biggest problem, but at least we have goodwill among local authorities. I regularly meet cabinet members and chief executives of local government, and they acknowledge this. There is a willingness to want to spread good practice, but it is not easy within the structures that they might have available to them. At least there is an acknowledgement of that now, and they are keen to progress the strategic housing role and we are working together on that.

[47] Some local authorities, especially those that have gone through the stock transfer process, will say, 'We're not a landlord anymore, and we need to do something on housing'. There is no reason why a local authority should not have a strategic role outside of the landlord function, but there is an acknowledgement that this aspect has been somewhat neglected. In the past, improvement grants would have been given to owner-occupiers and others in the owner-occupation sector. Local authorities would see their role in relation to housing as allocating disabled facilities grants and so forth, as well as fulfilling specific functions. However, there is now a willingness to think, 'What is the strategic housing role and what does it look like?' As I said previously, I fully expect some local authorities to be really good and most to be adequate, but there will also be some poor practice. It is about getting through that and finding ways of spreading good practice.

[48] The last time that we appeared before the committee, we mentioned our good practice guide on bringing empty properties back into use. I was amazed to read, both in the transcript of the meeting and in your report, the WLGA's claim that we had not issued this guide when we had. The WLGA did not know that we had issued a good practice guide on bringing empty properties back into use. We know that we have to do more than just issue guidance. Issuing guidance is all well and good, and it is needed. However, getting people to read and implement it is another matter.

[49] **Sandy Mewies:** I believe that Eleanor would like to come in on this.

[50] **Eleanor Burnham:** This is probably an unfair question, but it follows on from what the Deputy Minister has said. Deputy Minister, what needs to be done, and at what level, to improve this good practice?

[51] **Jocelyn Davies:** We need local authorities to accept that housing is a corporate responsibility, and that it is not just about being the landlord or about planning; in other words, they need to accept that it is a much broader issue. One thing that we have done is say that all local authorities have to have an affordable housing delivery statement. If you look at your local authority's website, you will see it. They also have to have a housing strategy, but, in the affordable housing delivery statement, authorities have to set out how they are going to deliver affordable housing in their respective areas. It was not just about the social rented sector, but all tenures. Having to produce that document, link it in with their housing strategy, and bring together a number of things from different departments, was a very helpful exercise for the authorities. We also will be asking them how they have got on in delivering on it.

[52] It is about local authorities assessing local housing needs and how they are going to deliver on those needs. For example, a local authority may discover that it needs 2,000 affordable homes and it cannot deliver them or expect the housing association to deliver all of them. It would then have to look at that. The private rented sector would fall into that. The authority would know that it would have to tap into as many options as are available. I recently met all of the local government leaders to discuss the Localism Bill. There is a clause in the Bill that would allow local authorities in England to discharge their homelessness duties in the private rented sector. I had already met the UK Government's Minister for housing and had told him that we might like to have powers over this in Wales. Of course, we would only use our accreditation scheme. Local authorities know that there is a possibility that the private rented sector could play a crucial role for them in fulfilling their statutory duties. However, they will need to have good relationships with the very best landlords. So it needs to be done at all levels, I suppose.

[53] Any Minister would sit in front of you and tell you that they want their portfolio to be considered the most important thing that local authorities have to deal with.

[54] **Sandy Mewies:** It was ever thus. [*Laughter.*]

[55] **Jocelyn Davies:** I am sure. We have to acknowledge that authorities have their own priorities, and a mandate to deliver on them. Having good relationships with local government has allowed us to push this up the agenda. Having the committee's report, which is something that people will read and have to respond to, will be very helpful.

[56] **Sandy Mewies:** One thing that always struck me was how difficult it was for social services to realise what an important part they play in housing, by enabling people to remain in the community. I think that this Government has done a great deal of work to push this strategic working way up the agenda, compared with where it used to be.

[57] **Lynne Neagle:** Moving on to recommendation 8, which is about increasing tenants' knowledge of their legal rights, I welcome your commitment to legislate at the earliest opportunity for written tenancy agreements. That is a very welcome step. As you also noted in your paper, there is a wide variety of sources of information at the moment for tenants. However, in my experience of dealing with local cases, many tenants are not aware of where to go when they have problems. How will you be taking this recommendation forward?

[58] **Jocelyn Davies:** You are quite right, Lynne. The biggest barrier is the complexity of it all. There are many pieces of legislation and regulations and they are all in different places. As I think that I said to the committee, it would be a huge advantage if we could bring it all together in one place. Of course, tenants have rights and responsibilities, as do landlords. I

think that it would be useful to have all of that information in one place. That would help. I know that I have mentioned Shelter Cymru and Citizens Advice, but you do not go to Citizens Advice unless you have a problem. You do not go there to find out what your rights are, do you? The tenants who go for advice tend to be those who have already hit a problem or those who are prepared to take advice. I do not think that all landlords are aware of the laws that affect them.

[59] It would be nice if we could have that holistic approach, and if we could at least bring together all of the legislation as it stands. If there is an opportunity for the next Government to consolidate existing legislation in one place and produce a requirement for a written tenancy agreement, perhaps that legislation could say that you are required to have a written tenancy agreement and set out what the written tenancy agreement would be, if you did not have one—if there was a failure to produce one. We would not want a system that prevented owners renting out properties. We do not want to make it so bureaucratic that it puts people off—particularly if people might just be renting one property for a brief period of time. We would not want them to fall foul of the law. We do not want it to be so difficult that they just do not want to do that, because that would stop properties being available for people to live in and they would just lie empty, which is the last thing that we want.

[60] This report and our response mean that the new Government needs to look seriously at how to consolidate the legislation and how to ensure that there is a minimum standard in the private rented sector and a requirement for a written tenancy agreement. That would be a good basis on which to go forward.

[61] **Mark Isherwood:** There is one area on which I would be interested to hear your view, which has come onto the radar, namely tenants facing eviction because the landlord has not maintained the mortgage payments. The landlord may be on a residential mortgage and not formally on a buy-to-let mortgage with a proper short-assured tenancy. Perhaps there should be a protocol with the courts, as I believe there has been with mortgage repossessions. In those cases, I believe that tenants can agree with the court to pay directly to the mortgagee. It is a matter of ensuring that tenants are aware of this before they enter into a tenancy agreement with landlords who, possibly, do not have consent from their own mortgage lender to sublet.

[62] **Jocelyn Davies:** I know that many mortgages do not allow you to sublet, so the landlord does not tell the mortgagee that they are subletting, and therefore the tenant would be completely unaware if there is a default on the mortgage.

9.45 a.m.

[63] There are a number of things that we would have to take into consideration. I know that a protocol was set up whereby, if there was a default on the mortgage, the local authority was informed. However, the local authority might not know that there is a tenant there, whereas it would know if the tenant was on housing benefit. There is a huge database that we are not using of people who are on housing benefit and who are tenants. That information is there, but it has been collected for another purpose. We also think that we should link the minimum standard to the housing benefit, so that housing benefit is not allowable on property that is not fit and that does not meet the minimum standard. That might be one way of using an existing system to achieve another Government objective, which is to have a minimum standard in the private rented sector.

[64] **Lynne Neagle:** When you gave evidence, we talked about using local authorities to communicate with tenants, and you suggested that it might be possible to get local authorities to put out a leaflet with housing benefit letters. It might be that something simple such as that would really help people—they could stick it up on their wall, or whatever. Will you pursue

that?

[65] **Jocelyn Davies:** That would be ideal. If there is communication with those people anyway—it could be because they were housing benefit claimants, so you would know that they were tenants—it would be a case of putting in something extra, in nice and simple language, saying ‘These are your rights’. It is all very well to ask the landlord to do it, but the tenant might not necessarily trust information coming from the landlord. It would be better to have something from the Government, with the Government brand on it, saying ‘These are your rights, and these are your responsibilities’—it is important to make that point about responsibilities. That would be based on a database that we already have, so we would cover a large proportion of people who are tenants.

[66] **Bethan Jenkins:** Mae llawer o’r hyn yr oeddwn am ofyn amdano wedi cael ei drafod yn barod, ond yr wyf yn bryderus ynglŷn â’r ffaith y bydd y cytundebau tenantiaeth ysgrifenedig yn orfodol. A ydych yn credu y bydd hynny’n rhoi mwy o bwysau ar fudiadau fel Shelter a Cyngor ar Bopeth? A oes gennych syniadau ynglŷn â pha fath o bethau eraill y gall y Llywodraeth eu gwneud?

**Bethan Jenkins:** Much of what I wanted to ask has been discussed already, but I am concerned about the fact that the written tenancy agreements will be compulsory. Do you think that that will put more pressure on organisations such as Shelter and Citizens Advice? Do you have ideas about other things that the Government could do?

[67] **Jocelyn Davies:** I think that we should make it compulsory; that would be a huge help. As I say, rather than leaving the content of the written tenancy to the parties involved, we could say on the face of the legislation what people could expect as a minimum, and tell people what they could have if they did not have a written tenancy agreement. So, we could take a consumer approach to that. For example, you do not have to enter into a contract every time you go into a shop and buy something, because your rights are there; they are intrinsic in the transaction. Generally, Shelter and Citizens Advice come into contact with people who already have difficulties. They are experts in this area, and I would urge anyone who has a difficulty to go to them, because they can give free expert advice, and they do save an awful lot of misery. However, we know that they will be under pressure. We do not know how many people we are talking about; we do not know how many people are renting privately. There is probably quite a large number, but we simply do not know. As I mentioned last time, it is probably working quite well in most cases: people have a good quality, affordable home and they are perfectly happy. The Government would not want to intervene where there is no need to do so, but we need to intervene with regard to those who are not getting what they deserve and who are not living in properties that are suitable for their needs, or are substandard. That is completely unacceptable.

[68] **Bethan Jenkins:** I was only asking because, as you hinted, Citizens Advice will face massive cuts. I was wondering whether something would be needed to cushion the blow for it if there will be more pressure on it to explain tenants’ rights. That is important, of course, but I am just mindful of that pressure.

[69] **Jocelyn Davies:** Yes; there is a funding threat. We certainly could not expect them to take on extra work without the resources to do so. I can assure you that, when we come to putting that legislation together, Citizens Advice and Shelter will be sitting at the table to say what those rights should be. Having rights, and giving people rights, does not mean that they enforce them. They have to accept that things do not change just because you change the law and give people rights. We know this from the disabled facilities grants legislation, which says ‘This has to be done’ within a certain period of time. That does not mean that people do not say that they have been waiting a year, just because the law states that it should be done quicker. We have to acknowledge that changing the law does not necessarily make things

better for people. Enforcement will be necessary.

[70] **Mohammad Asghar:** I think that you have very kindly answered part of my question already, Deputy Minister, regarding the guidance on empty properties. However, the committee's report notes that the provision of further guidance on bringing empty homes back into use could include setting targets and allocating financial resources. What consideration has been given to setting specific targets for local authorities to achieve in relation to empty properties, such as bringing a certain number back into occupation each year? Different authorities have different numbers of empty properties, so are you setting targets to bring x per cent of properties back into use?

[71] **Jocelyn Davies:** They are required locally to assess the housing need. It seems to me that using empty properties is an obvious way of meeting local need, because the properties already exist. They are generally in areas where people want to live, and empty properties are a nuisance for everyone else living around them. People do not want to live next to an empty property. Everyone accepts that it happens from time to time, normally for a short period, but if you have lived next to a property that has been empty for years, it is awful. We should be quite strong on that and say that it is not acceptable. It is not acceptable to purchase a property and sit on it as an investment, just waiting for the value to increase, unless you are prepared to keep it in a good condition; if you keep it in a good condition, that is fine.

[72] We should have incentives, but we also need disincentives for leaving properties empty without good reason. The committee will know that, when we obtained the legislative competence Order, it included powers for council tax in relation to properties that are not your main dwelling. I hope that the next administration will use the powers for council tax disincentives for leaving a property empty; if you leave it empty, you will pay, which means that the local authority will have extra resources to use. We must remember that it is private property. If you use Government money to invest in private property, you must do so with a public policy objective; otherwise, I do not think that it is acceptable. There have to be strings attached to that. Otherwise, you would have this perverse incentive to leave your property empty until it gets to such a state that you can have a grant. I do not think that any of us would want to be in that position. We do not want properties left empty where perhaps the property would be expensive to bring back into use and the owner simply does not have the resources. However, they do have the option to sell it. If some of these properties came on the market, it would help to keep the prices down and there would be more properties available to be sold to someone who is prepared to bring it back into use.

[73] I do not think that we should tolerate empty properties. I went to see one property in Newport with Shelter, which had launched its empty properties initiative. You can report empty properties to Shelter's website, and it will then investigate to see whether there is any way that the property can be brought back into use with the local authority housing associations, and by putting some pressure on the owner perhaps. I visited a property in Newport that had been brought back into use. It had been empty for 15 years or so. Imagine living next to that property. The owners lived in the next street and did not have any intention of doing anything with it, although it had probably got to the point where it would be very expensive to do anything with it. So, it has now been brought back into use and it is a tenanted family property in an area of Newport, and everyone is delighted. It did not cost that much money to bring it back into use, so it is a win-win situation.

[74] Bringing empty properties back into use, as the committee's report points out, can be cheaper than building new properties. However, we must remember that although the Government invests in new-build properties through the social housing grant, it is not really a grant because the housing association, on disposal of that property, can either pay it back to us or reinvest it in new property. So, the money is not just lost; it is an investment for us. So, housing associations in Wales have about £2.2 billion-worth of grants on their balance sheets

that must be reinvested in a new property once they dispose of a property. That investment is not lost to the Welsh Assembly Government, but sits there as a liability on the housing associations' books to be invested in the future. However, if investment is made in a private property with a private landlord through a grant, that would produce a profit for that landlord should the property be sold. So, strings must be attached, for example, loans may be attached to a property, like a charge, so that when it changes hands the money can be recycled for the future.

[75] They are all things that we must consider. So, Governments should invest cautiously in private property. Considerable grant money has been given to private individuals in the past to bring their properties up to standard, for example, to provide indoor bathrooms, but those changes improved the housing stock and people's health, so there was a public policy objective to it.

[76] **Sandy Mewies:** Bethan and Mark have indicated that they want to ask supplementary questions. You must be very brief because I have two more questions to get in before the end of the session and I have been very generous with supplementary questions today.

[77] **Bethan Jenkins:** We have all taken part in the Community Housing Cymru panels in the past few weeks and it has been acknowledged that some ideas should be put in place to deal with the issue of empty properties, but that, quite often, the reason why properties are empty is because of family bereavements or disputes. What investigations have you done with regard to being sensitive to the fact that while some people just do not care, such as those in Newport who you mentioned, there are also very legitimate reasons as to why some properties are empty?

[78] **Jocelyn Davies:** You do need a certain number of empty properties in the system, and if there are legal disputes, they need to be taken into consideration. I recently met a local authority member from Carmarthenshire who told me of a family dispute that went on for 20 years, before a compulsory purchase was made and then the property was demolished. So, obviously, if someone passes on and leaves a property, there is a process to go through. The family does not always want to sell straight away, so we must be sensitive to these things, but it can be another matter when it goes on for years, without good reason, unless people are prepared to pay for the privilege of leaving the property empty. Huw, do you have anything to add to that? I think that Huw would agree with me because he administered the grants system.

[79] **Sandy Mewies:** So, I would say something if I were you, Huw. [*Laughter.*]

[80] **Mr McLean:** There will always be emotive issues attached to empty properties, for example, under-occupancy in the social sector. How can you tell a widow to leave the three-bedroom house where her whole family once lived? So, there are many of these kinds of issues. Safeguards must also be put in place with regard to taking empty properties off people and they are, by and large, built into the legislation, because they are there for important reasons.

[81] **Jocelyn Davies:** Yes, because they are private property and therefore those safeguards should be in place before the Government steps in. Disputes with family members, for example, can result in people paying more council tax. So, although that costs people, at least the local authority has got some resources to use for whatever its priority is. However, family disputes that go on for many years are probably few and far between. There has been a lot of purchase speculation, where people have sat on a property without maintaining it. If you do not maintain it, that is unacceptable.

10.00 a.m.

[82] **Sandy Mewies:** I will not bring you in, Mark, because I need to move on. We have five minutes to get through two questions and to finish this meeting.

[83] **Eleanor Burnham:** Mae'r cwestiwn ar argymhelliad 10, sydd ynglŷn â chlustnodi cyllid penodol i wella'r defnydd o eiddo gwag. Dywedwch fod swyddogion wrthi'n ystyried cynllun peilot a fyddai'n darparu cyllid ar gyfer ailddechrau defnyddio eiddo gwag. A allwch roi mwy o fanylion i'r pwyllgor am y cynllun hwn? Pa waith sydd wedi ei wneud eisoes?

**Eleanor Burnham:** This is a question on recommendation 10, which is about allocating specific funds to improve vacant property use. You state that officials are currently considering a pilot scheme that would provide funding to bring empty properties back into use. Can you give the committee more details about this scheme? What work has already been undertaken?

[84] **Jocelyn Davies:** Perhaps Alyn can come in on this. Once I start talking, Chair, I just carry on, but as you want us to be brief, it will be best if an official answers the question on the pilot scheme.

[85] **Mr Williams:** We have been looking at a similar scheme to one that is being followed in Kent, whereby we have a series of recyclable loans that are part of a toolkit that local authorities can use. The situation in Kent is somewhat different to the position currently faced in Wales, so we will have to adapt it and adopt different practices within the scheme. One of the key issues will be funding for the programme. How it might work is that each local authority will have a pot of cash that it can give to owners to refurbish, develop, improve or whatever and then a charge will be placed on the property. After a certain period—I think that the average is three to five years—that money will be repaid and can be used again. However, that is at the early stages of development. We have had meetings with local authorities and other interested parties and further meetings will be held in the coming weeks. A lot will depend on the priorities of the new Government, but it is one of the things that we are developing in anticipation of something needing to be done.

[86] **Sandy Mewies:** The last question was mine and you have answered it already. You have more than touched on it. I thank you and your officials very much for being so open with us and for helping us along, because we thought that it was an important piece of work to do. We did not have a lot of time and we could not have done it without your co-operation. It has been a very useful exercise, so thank you for all the work that you have done to enable us to complete this inquiry.

10.02 a.m.

### **Papur i'w Nodi Paper to Note**

[87] **Sandy Mewies:** We have a paper to note, namely the minutes of the previous meeting.

[88] I remind Members that the committee's report on the accessibility of arts and cultural experiences will be debated in Plenary on 30 March. This is the final meeting of the Communities and Culture Committee. We have prepared a legacy report, which will be laid on 30 March.

[89] I want to give my thanks to the members of the committee. I am still comparatively new as the Chair of this committee and it has been an interesting experience. It has been very helpful to have committee members who have worked on previous inquiries. I thank the Members' research service for its work; the legal division; our clerks, who are always patient,

helpful and prepared to provide Eleanor with a cup of hot chocolate; the external communications and media team; the security team—this is like the Oscars—and facilities and estate management. Once again, I thank the committee service. I particularly want to mention the broadcasting and multimedia unit because it does an awful lot of work, which is behind the scenes, but without it, we would not function in the open way that we do. I thank the witnesses, the stakeholders and the people of Wales, although they are not all here, who have provided the committee with evidence, opinions and information over the last four years. Without them, none of the committee's work would have been possible. Thank you all very much for the co-operation that you have shown each other and me so that we could complete the work that we have done. In my time and in Janice's time, we have done important and useful work. I hope that it is useful to the people of Wales.

*Daeth y cyfarfod i ben am 10.05 a.m.  
The meeting ended at 10.05 a.m.*