



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

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

**Dydd Mercher, 10 Tachwedd 2010  
Wednesday, 10 November 2010**

**Cynnwys**  
**Contents**

- 3 Cyflwyniad, Ymddiheuriadau a Dirprwyon  
Introduction, Apologies and Substitutions
- 4 Ymchwiliad i Wneud y Mwyaf o'r Sector Tai Rhent Preifat—Casglu Tystiolaeth  
Inquiry into Making the Most of the Private Rented Housing Sector—Evidence Gathering
- 23 Papurau i'w Nodi  
Papers 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
Ann Jones	Llafur (yn dirprwyo ar ran Lynne Neagle) Labour (substitute for Lynne Neagle)
David Lloyd	Plaid Cymru The Party of Wales
Sandy Mewies	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Joyce Watson	Llafur Labour

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

J.J. Costello	Pennaeth Tai, Shelter Cymru Head of Housing, Shelter Cymru
Steve Hancock	Panel Technegol Tai Cymru Gyfan All Wales Housing Technical Panel
Bethan Jones	Panel Technegol Tai Cymru Gyfan All Wales Housing Technical Panel
Joy Kent	Cyfarwyddwr, Cymorth Cymru Director, Cymorth Cymru
John Pritchard	Rheolwr Polisi, Shelter Cymru Policy Manager, Shelter Cymru
Jonathan Willis	Panel Technegol Tai Cymru Gyfan All Wales Housing Technical Panel

**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 9.01 a.m.*  
*The meeting began at 9.01 a.m.*

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

[1] **Sandy Mewies:** I begin by asking everyone to switch off their mobile phones and any other electronic devices, because they interfere with the broadcasting system. Please follow the ushers immediately if there is an alarm. It will be an emergency, as no fire drill is scheduled for today. We have received apologies from Alun Davies and Bethan Jenkins. Ann Jones is here as a substitute, and I welcome her to the meeting. Although Dai Lloyd is sitting here at present, he will be chairing the Constitutional Affairs Committee later this morning

and so will have to leave early. I thank Members for their attendance at last week's launch of the committee's report on financial inclusion and the impact of financial education. We got a lot of good publicity for the report. That was not the purpose of it, but it went down well. Do Members wish to make any declarations of interest? I see that you do not.

9.02 a.m.

### **Ymchwiliad i Wneud y Mwyaf o'r Sector Tai Rhent Preifat—Casglu Tystiolaeth Inquiry into Making the Most of the Private Rented Housing Sector—Evidence Gathering**

[2] **Sandy Mewies:** This is the first evidence session in our inquiry into the private rented sector. We will be hearing oral evidence over three committee meetings. Several Members will have read about the Republic of Ireland in Shelter Cymru's paper and elsewhere; I have asked the clerk whether we can request written evidence or, if possible, arrange a video conference with officials from the Republic of Ireland. The period from 2004 to the present will have given those officials a good amount of time to see how things are working, so I thought that we should do that. We are very tight on time, so I hope that Members will ask succinct and focused questions and that witnesses will answer in kind.

[3] I welcome our witnesses, J.J. Costello, head of housing for Shelter Cymru, John Pritchard, policy manager for Shelter Cymru, and Joy Kent, director of Cymorth Cymru. We have read your papers with great interest; thank you for submitting them and for attending this meeting. I am sure that we will tease out issues from your evidence during questioning. I ask that you make any introductory remarks now, should you wish to do so. You can assume that Members have already read your papers.

[4] **Mr Costello:** Shelter Cymru's evidence centres on what more can be done within the existing framework. However, we think that the framework needs to be revisited if the private rented sector is to fulfil the role that is left to it in providing housing, particularly to low-income households, and in offering security. The gist of our evidence is that there is more that can be done within the existing framework, but revisiting the overall framework is a must if we are to have a viable housing sector to meet the need for affordable housing.

[5] **Ms Kent:** Thank you for the opportunity to attend this meeting. We feel that this inquiry is timely, given the difficulties that we are going to be facing and the opportunity that the legislative competence Order on housing presents. Cymorth Cymru is most interested in those people who have additional needs as well as a housing need—for example, those who are suffering domestic abuse, those who have mental health or drug and alcohol issues, as well as young people leaving care. It is the most vulnerable in society, basically. I do not think that you can separate that from housing generally. There is one housing system, and we all need to access that as successfully as possible. Naturally, our evidence will be focusing mostly on that. As you will see, I am a bit repetitive on social lettings and leasing arrangements. They seem to be our key points in response to the questions.

[6] **Sandy Mewies:** With that, I have the first question, which comes in two parts. First, to what extent is the private rented sector able to address unmet housing need in Wales? Secondly, focusing on the current situation, can you give us a strategic response on how the recently announced cuts in housing allowance will affect the ability of the private rented sector to meet housing need in Wales? I am sure that other Members will be returning to this.

[7] **Mr Costello:** On the first part of the question, about the extent to which the sector is able to meet housing need, I think that we have to break down the private rented sector into sub-sectors. You get a confused picture when you talk to people. Student lettings have a

certain reputation, the lower-income end of private rented accommodation has a certain reputation, but other private landlords would say that there are successful parts of the market that are working particularly well. You have to recognise that there is a market for young professionals, and high-quality accommodation with good management standards. Shelter Cymru's experience is mainly with the low-income end of the market, and our experience is not of properties in good condition or of high management standards. For certain sectors and for certain sub-sectors of people, the private rented sector is not currently delivering.

[8] The question then is whether it is capable of doing so, or whether it has the potential to deliver. The answer is that it does, but we have to address some of those fundamental issues and barriers, which are the conditions, affordability, housing management standards, and security of tenure, certainly for families and older single people who have a need for more settled accommodation and would not see mobility as a perk or an asset, because they are not necessarily looking for mobility at that stage of their lives. So, yes, it has the potential, but we are talking about revising and reforming the framework to address successfully some of the current barriers and restrictions.

[9] John, would you like to say something about the impact of the local housing allowance?

[10] **Sandy Mewies:** Especially, given all that you have said, how the housing allowance and benefit cuts will affect the sector's ability to meet need.

[11] **Mr Pritchard:** From the local housing allowance and housing benefit perspective, it will threaten to shrink the sector. It will make it more difficult to house the people whom Shelter Cymru and Cymorth focus on. It is likely to make the sector less affordable for a greater number of people. In the figures of the Department for Work and Pensions, there are more than 48,000 LHA claimants in the sector in Wales, and they will all lose out under these proposals. There is no doubt that the environment for people on lower incomes and LHA will become more difficult in the private rented sector. That might also influence how landlords in the sector work, because at the moment, the perception that they have of people on housing benefit, grouping them together, is not particularly positive, if you look at research over a historical period and if you look at surveys. If there will be more difficulties in paying the rent because the LHA has gone down, that perception is likely to worsen.

9.10 a.m.

[12] **Ms Kent:** I concur with that. We are trying to predict the future and what the impact will be, but we already know that 50 per cent of the rental stock is accessible now, but, after the changes, only 30 per cent will be. That does not take into account the number of private landlords who will not accept people on benefits, which we know is already considerable. It will have a big impact just on that issue.

[13] There are other proposals, which we have mentioned in the paper, such as the change to the under-25 rule. If you are under 25, you are expected to share accommodation, and that is being broadened out to under-35s. That will also have a big impact. For example, it is difficult with people who are living in homeless hostels at the moment. People are often ready, emotionally, to move on into other accommodation, but, at the moment, it is difficult to find accommodation for them to move into. I was with someone who works in a homeless hostel when the announcement about broadening that from under-25s to under-35s was made, and she said that that had just doubled their problem. How do you move people on when they are ready to move on?

[14] The other proposal that will have an impact is the change to the jobseeker's allowance for those who have been on it for over a year. That will have a huge impact on the

most vulnerable in our society. It is easy to look at this and think, 'That's only £9' or, 'That's only a reduction of X amount of money', but if your disposable income is £20 or £10, that has a big impact. Two homeless hostels in Cardiff have already done an initial analysis on this and have calculated that the people in the hostels will have between £4.50 and £9 to live on a week. It is difficult to pull yourself out of that situation if you have only £4.50 a week with which to do it.

[15] **Mr Pritchard:** A supplementary point on that is that the proposal to link the LHA to the consumer price index in the future is likely to have a major effect on the affordability of the sector. If benefit had been linked to CPI historically, it would be 20 per cent below what is required to rent the average property now.

[16] **Ms Kent:** Going back to my original point, we have to see this issue in the round, because everyone's situation has an impact on everyone else's in a housing system. By not being able to move people on from homeless hostels, you are stopping other people from coming into those hostels. So, although homeless hostels are supported accommodation, you have to see them as part of the whole housing system and look at the knock-on or ripple effect.

[17] **Sandy Mewies:** Do you mean that it is like the bedblocking situation?

[18] **Ms Kent:** Absolutely.

[19] **David Lloyd:** Mae'r hyn sydd wedi cael ei ddweud eisoes wedi ateb cwestiwn 2 am y prif broblemau, felly symudaf at y trydydd cwestiwn. A oes gennym ddata digon cadarn am y sector rhentu preifat i alluogi llunwyr polisi ac ymarferwyr i wneud penderfyniadau deallus ynghylch polisiau ac achosi newid yn y sector? A oes data digon cadarn am y sector rhentu preifat?

**David Lloyd:** What has been said has already answered question 2 on the main problems, so I will move on to the third question. Do we have sufficiently robust data on the private rented sector to enable policy makers and practitioners to make informed policy decisions and to bring about change within the sector? Are the data about the private rented sector sufficiently robust?

[20] **Mr Pritchard:** Nid wyf yn meddwl bod data digon cadarn am y sector. Yr ydym yn gwybod rhai pethau am y sector. Er enghraifft, o arolwg Byw yng Nghymru 2004, mae gennym ryw syniad o faint y sector bryd hynny. Gwyddom yn fras am gyflwr tai yn y sector, sydd â mwy o broblemau na gweddill y sector tai yng Nghymru. Nid ydym yn gwybod, os ydych eisiau hybu tyfiant y sector, faint y gall perchnogion tai ddisgwyl ei gael am rentu yn y sector. Os yw perchnogion am fuddsoddi yn y sector, mae angen iddynt wybod hynny. Yr oedd hwnnw'n un o'r pethau yr oedd Julie Rugg a David Rhodes yn sôn amdanynt yn Lloegr. Os ydym yn ceisio tyfu'r sector ar gyfer pobl ag anghenion tai ac os ydym am geisio hybu buddsoddi yn y sector, mae angen inni wybod y wybodaeth strategol honno.

**Mr Pritchard:** I do not think that there are sufficiently robust data on the sector. We know some things about the sector. For example, from the 2004 Living in Wales survey, we have some idea of the size of the sector at that time. We broadly know about the condition of housing in the sector, which has more problems than the rest of the housing sector in Wales. We do not know, if you want to boost the growth of the sector, how much property owners can expect to get from rents in the sector. If owners want to invest in the sector, they will need to know that. This was one of the things that Julie Rugg and David Rhodes were talking about in England. If we are trying to grow the sector for people in housing need, and if we are trying to encourage investment in the sector, we need to know that strategic information.

[21] **Ann Jones:** Is it not the case that the data are not available because some landlords

will not provide information, because they are making a nice living off the backs of vulnerable people? Do the data that are collected inform us as to whether these places have sufficient heating and other basic facilities? You mention student landlords, but look at the seaside towns, such as mine, Rhyl. There are 900 houses in multiple occupation in Rhyl. Some people are living in absolute misery, but the landlords are having a whale of a time, thank you very much. How are these data collected, and how do we know whether a landlord has just bought a tenth house and can then take another 10 tenants, but has been a poor landlord up until then? The other nine properties might be poor—and I am being generous when I use the word ‘poor’, as I would like to say something else about them, but I will not. How do we then stop that person from having that tenth house? You were saying that landlords do not want people on housing benefit, but some landlords prefer vulnerable tenants on housing benefit because they are getting the cheque, thank you very much.

[22] **Mr Pritchard:** To answer the question of how do we know whether a landlord will have bought a tenth property, we do not. There is no comprehensive landlord registration, so the data are not collected. There are different levels of HMOs—some of them have to have mandatory registration and mandatory work done on them if they are three-storey, five-person properties, but some do not. There is licensing in some parts of the sector but not in others. The regulatory system in the private rented sector is fragmented, in England as well as Wales. We believe that it should not be that fragmented and should be more comprehensive. There should be landlord registration and letting agent regulation. Often, letting agents are the main point of contact for the tenant. Data should be collected and used more strategically. At the moment, that is not possible.

[23] **Ann Jones:** You are right.

[24] **Mr Costello:** Universal landlord registration would also give you the ability to do a fit and proper person test on those landlords.

[25] **Sandy Mewies:** Joyce, before I bring you in, do you and Eleanor have declarations of interest to make, perhaps?

[26] **Eleanor Burnham:** By default, I have become a landlord. It is fully declared with the Table Office. I have checked with the clerk, and so I am declaring an interest as a landlord. I hasten to add that I am not one of those landlords described earlier by Ann.

[27] **Sandy Mewies:** You have made the declaration. We can now move on. What about you, Joyce?

[28] **Joyce Watson:** I was only indicating that I wanted to speak, not to declare an interest.

[29] **Sandy Mewies:** Okay, sorry. Please continue.

[30] **Joyce Watson:** The registration of HMOs is a big issue, in my opinion. You talked about multiple levels of registration and one level for which there is no registration, as I understand it, is if you have four people or fewer. So, those people have no safeguards, in the first place. Is that right?

[31] **Mr Pritchard:** There were licensing schemes previously for HMOs in some areas. They had to continue with those, I believe. They became almost de facto mandatory. You are right that, if they did not have those, they could carry on. Environmental health teams in many areas of Wales do a good job of focusing on the really poor ones. They focus mainly on the three-storey, five-person properties—the mandatory ones. There are some licensing schemes that worked prior to the 2004 Act, which means that some are licensed.

9.20 a.m.

[32] **Joyce Watson:** Are we capturing the data on those people who are working on that pre-2004 licensing scheme where they did not have to register four or fewer? Do we know whether councils are putting more vulnerable people into those situations for longer? Do we know which authorities are not performing as well as others?

[33] **Mr Pritchard:** I do not know whether they do or not.

[34] **Eleanor Burnham:** Ym mha ffyrdd y byddai cofrestru landlordiaid a rheoleiddio asiantaethau gosod tai yn gwella'r sector rhentu preifat? Onid yw mentrau gwirfoddol megis cynlluniau achredu a fforymau landlordiaid yn ddigon i olygu nad oes angen rheoleiddio pellach? **Eleanor Burnham:** In what ways would landlord registration and regulation of letting agents improve the private rented sector? Are voluntary initiatives such as accreditation schemes and landlords' fora not sufficient to negate the need for further regulation?

[35] **Mr Costello:** We have visited some of the points about landlord registration. One of the great benefits is that it gives you the data to enable you to monitor, so that you can have a dialogue with all of your landlords, which is a bit patchy at the moment. It also makes enforcement and regulation possible, using a fit and proper person test. Landlord registration and letting agency regulation is very important, because there is often a passing of responsibility between the two in practice, and tenants will be passed from one to the other in attempts to resolve their particular issue.

[36] On voluntary activity at the moment, those involved in active landlord fora find them particularly useful. In general, there is great variation across Wales in the levels of voluntary activity. Some local authorities are leading the way in their relationship with their landlords and private sector initiatives, and others are trailing a long way behind. Landlords' fora have a lot to offer when an investment is made in them, but the picture is very patchy at the moment.

[37] **Sandy Mewies:** In looking at your paper, the two things that you suggest can be done are regulatory frameworks and support for landlords.

[38] **Mr Costello:** Yes, and landlords' fora are an active vehicle for supporting landlords.

[39] **Mr Pritchard:** O ran y fframwaith reoleiddio sydd gennym ar hyn o bryd, fel y dywedodd J.J., nid yw'n cyffwrdd asiantaethau sy'n gosod tai. Yn aml iawn, yr asiantaethau hyn yw'r man cyswllt cyntaf i denantiaid, gan mai hwy sy'n rheoli'r tai—nid yw'r landlord yn ymwneud â hynny. Ar hyn o bryd, gall unrhyw un sefydlu asiantaeth gosod tai. Mae ARLA, y gymdeithas ar gyfer asiantiaid sy'n gosod eiddo preswyl, yn gweithio gyda'i haelodau ei hun, ond mae hynny'n wirfoddol. Byddai sefydlu cofrestr landlordiaid a rheoleiddio asiantaethau tai yn proffesiynoli'r sector. Ar hyn o bryd, fel y dywedodd Ann Jones, nid yw'r wybodaeth strategol hon ar gael, ac nid yw'r sector yn ei gyfanrwydd yn broffesiynol. Mae llawer o reoleiddio yn digwydd, ond mae'n ddarniog. **Mr Pritchard:** On the existing regulatory framework, it does not cover housing letting agencies, as J.J. said. These agencies are often the first point of contact for tenants, as they are the ones managing the properties—the landlords have nothing to do with it. At the moment, anyone can set up a housing letting agency. The Association of Residential Letting Agents works with its own members, but that is voluntary. Establishing a landlord register and regulating housing agencies would professionalise the sector. At the moment, as Ann Jones said, this strategic information is not available, and the sector as a whole is not professional. A lot of regulation takes place, but it is patchy.

[40] **Eleanor Burnham:** O gymharu ag asiantaethau gwerthu tai, sy'n cael eu rheoleiddio, a yw hyn yn beth naturiol ac angenrheidiol? **Eleanor Burnham:** Compared with estate agencies, which are regulated, is this a natural and necessary step?

[41] **Mr Pritchard:** Ydyw, achos gwnaethom weithio ar bwyllgor gyda'r Cynulliad, partneriaid yng Nghymdeithas Genedlaethol y Landlordiaid, ac ARLA, sy'n gweithio gydag asiantaethau tai, ac yr oeddent yn cytuno bod rheoleiddio asiantaethau yn bwysig, ar yr amod nad yw'r rheoleiddio hwnnw yn mynd yn rhy fiwrocraataidd a'i fod yn gweithio i wella'r sector yn hytrach na'i wneud yn rhy fiwrocraataidd. Yr oedd papur y Cynulliad ym mis Chwefror yn awgrymu hynny. **Mr Pritchard:** Yes, because we worked on a committee with the Assembly, partners in the National Landlords Association, and ARLA which works with housing agencies, and they agreed that regulating agencies was important, provided that regulation does not become too bureaucratic and that it works to improve the sector rather than making it too bureaucratic. That is what the Assembly's paper in February suggested.

[42] **Joyce Watson:** I read your papers with huge interest. This question is addressed to Shelter Cymru, because you deal particularly with people with homelessness issues. You talk about research undertaken by the University of Cambridge on the impact of the new proposals for the housing benefit system in England on page 18, where you say that

[43] 'councils could face additional costs of £120 million per year to assist those who lose their homes because of the LHA cuts. This wipes out a fifth of the Treasury's projected savings of £600 million annually from that year. This doesn't take into consideration the broader and longer terms costs of homelessness in both social and economic terms.

[44] 'The proposed linking of LHA to the Consumer Price Index (CPI) will also cause difficulty. Between 1999 and 2007 CPI increased by 15% while rents increased by 44%. If the LHA had been linked to CPI from 1999 it would now be 20% below the level needed to rent the average property.'

[45] That would be if you could get an average property.

[46] I wanted to put this in context, because you also talk about security of tenure. The two things must go together, because one thing that will not secure your tenure is inability to pay. You will not even get through the door if you cannot afford to pay. I put it in those terms so that it was not so much a question from me, but one that is based on evidence from your paper. You give really high numbers of people possibly falling into this trap. How do we expect local authorities and agencies in Wales to deal with the huge number of people who will present as homeless in the future?

[47] **Mr Pritchard:** I have just one point: the numbers affected by LHA are not Shelter Cymru numbers. They are either DWP numbers or numbers that come from research. It will be difficult. All that I can say is that we talk about preparing for what is to come in the paper. Our points are to do with ensuring that there is a strong network of housing advice and support services in Wales. That means ensuring, in the forthcoming budget, that there is enough funding to support those services and ensuring that there is capacity to deal with what could be an increased case load. It also means ensuring that discretionary housing payments, which are a short-term fix, are available to people who suffer shortfalls in the sector. One point to make about that is that the Government will put money towards DHPs, but local authorities can also do so, and many do not. They do not spend the money that they could put in. That is an important point.

[48] Working with private landlords on social lettings and on the relationship between landlords and local authorities will become even more important. A lot of work is being done on that, but it will become even more important, because some landlords will look at it and say, 'If you take over the management of this property and I don't have to worry about it day to day, I can compromise on the rent I can receive if my outgoings and my mortgage commitments allow me to do that'. Many of them will have mortgage commitments that will not allow that, but some, but some will.

9.30 a.m.

[49] **Mr Pritchard:** Joy may want to say more about this, but perhaps there could be political influence to support certain exemptions to the LHA, such as supported homelessness accommodation. One point about the Cambridge research is that if you try to apply the methodology that was applied to England to Wales, you could say that the LHA cuts might cost local authorities in Wales around £28 million to £30 million, because if they have to deal with people presenting with priority need, and that will happen, it will cost around £300 per case. If you multiply that by the number of households affected, you get to approximately £28 million.

[50] **Ms Kent:** I absolutely agree with that. We know that, because of the economic situation, the impact of how we are responding to that, particularly in Wales where there are more jobs in the public sector, and from research into previous economic difficulties, we will see a human cost in more mental health problems, family breakdowns, domestic abuse and drug and alcohol problems. All those are problems that result in homelessness for a lot of people. So, we will see an increase in homelessness just because of the economic situation, and that is without considering the benefit changes. We know that about 63 per cent of tenants in the private rented sector already put in money to cover the rent for the properties that they live in, and that is going to increase. We know that there will be more financial difficulties, and the human cost of them will be significant. I would say this as a representative of the body for housing-related support, homelessness and supported living services, but these are the services that will help us to get through what is coming. We need to see more funding centrally, but we also need to see better joint working and engagement at the local level and prioritisation of those services at the local level. That is patchy, too. Everything is patchy. We have 22 local authorities and 22 different ways of doing things, but we need to see this kind of work and the work of the third sector generally in helping people through these difficulties at the forefront of our response to what is heading our way.

[51] **Mark Isherwood:** In the Shelter paper, you acknowledge improvements in the physical standards of accommodation, but you nonetheless state that considerably more needs to be done about management standards.

[52] There was a reference to the accreditation scheme a few moments ago. You said that things can be patchy—I have visited local authorities that appear to be doing a very good job. Others are telling me that these schemes are no good, because the bad landlords will not join them, but that is the whole idea. So far, there is patchy and little use of the housing health and safety ratings system. Do local authorities have sufficient powers to deal with management standards in the sector? If so—I have almost answered this—are they being used effectively? If not, what should be done to take that forward?

[53] **Mr Costello:** Local authorities can employ a wide range of powers, so, broadly, they have sufficient powers. The extent to which those are exercised varies and may reflect the priority and level of investment given to that particular activity in different local authorities. It is not just about local authority powers, however, as there is an array of possible contractual disputes. Currently, the legal proceedings to enforce your rights in this area can be onerous

and offputting. Looking again at Ireland, we see that it has introduced a new system in an attempt to resolve these disputes more accessibly. It is a little like a small claims court for housing disputes. There is a lot to be said for providing an alternative channel to full-blown legal action, and the legal aid, that can run on for months if not years. Is there a way to make remedies that are already rights in law more quickly and more easily accessible?

[54] **Ann Jones:** On that point, I am usually very critical of my local authority and what it is doing, but it has got to grips, eventually, with having a multidisciplinary team. It targets the worst landlords in the area, and goes out as a multidisciplinary team with HM Revenue and Customs, the benefits people, the fire service, the police and the housing benefit people. They go in together and it is not just one organisation serving a notice. They can virtually close landlords down. Hopefully, bad landlords will realise that they will not be able to get away with things, and will either do their properties up to a decent standard or move out of the area altogether, which would do us a huge favour. There are powers available, but it is about working in multidisciplinary teams. Do you have any views about whether that should be best practice across Wales?

[55] **Ms Kent:** Yes. That kind of approach, whether it is in housing, or however it is led, stops that silo mentality.

[56] **Ann Jones:** It concentrates the mind, does it not?

[57] **Ms Kent:** Yes, and whether it is done in a supportive way, whether you are working with people to support them from a number of angles, or whether you are doing it as a way of encouraging via the stick rather than the carrot, that multidisciplinary approach is more effective.

[58] **Sandy Mewies:** Ann, I think that Denbighshire County Council is mentioned in the paper. We will move on to Mark. We have a lot of questions to get through.

[59] **Mark Isherwood:** On management standards, rent levels will be determined by supply and demand, evidently. We have talked about nearly 49,000 LHA recipients, and I think that there are 220,000 housing benefit recipients in Wales. To what extent is that demand driving the price, given that it is quite a large sector? In other words, to what extent would landlords have to adjust the levels charged down to the thirtieth percentile? I am presuming that 48,500 of the LHA recipients would be affected, because they are above the thirtieth percentile.

[60] **Mr Pritchard:** That evidence comes from the DWP's impact assessment of the changes coming in, which says that, in Wales, you have 48,710 LHA claimants, and 48,530 will lose under these proposals. Going back to an earlier point, I think that some landlords may be in a position to renegotiate rents, but there is no evidence that they need to do that. I made a point in the paper about a survey in England that said that over 60 per cent of landlords will not renegotiate their rents, and the reason for that is probably that there is enough demand for them, so they feel that they do not have to do so. Some will renegotiate, as I said earlier, if you offer them the right package, and if their outgoings and the money that they have committed in the property allow them to do so. They might then be able to compromise on the rent for a bit more support, with a package for running the property, maybe. However, if they are heavily invested in the property or properties, I do not think that they will be able to go for lower rents. There is enough demand in many private sector markets in Wales to mean that they will not have to do so.

[61] **Ann Jones:** How likely is it that the private rented sector can be further developed to take on this unmet need for housing without security of tenure for those tenants?

[62] **Mr Costello:** It is crucial that security of tenure is addressed in the private rented sector, fulfilling the role that it is now faced with. Home ownership is fairly unaffordable for many, social waiting lists are high, and the private rented sector has been, in recent years, the only opportunity on which to focus policy. Where we are talking about low-income households, families, vulnerability, and the need for a settled lifestyle, security has to be an issue. As we have said before, it is not just security; there is also affordability, conditions and housing management standards, but security is the big one that makes it an unattractive option for a number of families.

9.40 a.m.

[63] **Mohammad Asghar:** My questions relate to homelessness. In your very interesting paper you wrote that

[64] ‘the Assembly should outline a comprehensive and ambitious vision of the private rented sector in the future and how it intends to improve issues such as security of tenure and promote growth’.

[65] How successful are initiatives such as social lettings agencies and bond boards at utilising the sector to prevent homelessness and easing the pressure on social housing waiting lists?

[66] **Ms Kent:** I think that they have a great deal to offer. I do not know whether there has been any analysis or evaluation of what they are contributing at the moment. Perhaps my research colleague will know.

[67] **Mr Pritchard:** There has been some, but not much.

[68] **Ms Kent:** However, I think that they have a lot more to offer. Many of the issues that you have already raised to do with standards of housing management, security of tenure and lots of things like that, are addressed if you have a socially responsible organisation as the landlord. The issues that you are raising are about people who are renting out properties primarily to make money; that is fine—we all need to survive—but it is overriding other objectives. I would hope that a third sector organisation providing this function would have other motives than just to make money. Obviously, it will need to be financially viable as well, but at the heart of its reasoning for being involved will be the desire to protect vulnerable people and to provide them with an opportunity to move on with their lives with a secure home from which to build their lives. That is why it will be doing it. So, where they are already operating, they are achieving massive gains, because that is the motivation for doing it.

[69] Many of the third sector organisations doing this sort of thing have expertise in working with vulnerable people. Some people do not have expertise in working with vulnerable people, whose vulnerability may present itself as challenging behaviour, for example. If you have mental health or drug or alcohol issues, it can be seen in two ways. If you have expertise in working with people in those situations, you can work with them to overcome those issues, rather than evict them. So, social lettings agencies have a huge amount to offer. The leasing arrangements that a number of third sector organisations have developed with private landlords, again, overcome many of our concerns about the private rented sector, because they want to be good landlords, they want good standards of housing management, they want good standards of accommodation and they want to support people to remain in their homes. So, thinking of quick wins, in the absence of more regulation or while we are developing more strategic responses for the whole of the private rented sector to move forward, if we can promote these and make more of social lettings and leasing arrangements, we can achieve a great deal for the people we really care about helping.

[70] **Mohammad Asghar:** So there is expertise in this area and these represent a long-term and sustainable solution to these issues.

[71] **Ms Kent:** Absolutely. We just need to broaden them out. We need to promote them and get more information out there. The Assembly Government is working with a particularly successful organisation from north Wales called Agorfa, which has a social lettings agency called Cefni Lettings. I included information on this. I would love to see this expanded across Wales. I think that it would be a really positive move and something that we could do.

[72] **Eleanor Burnham:** You may find that you have answered this question. I am going to ask it in Welsh.

[73] Yr ydych wedi dweud ei bod yn anodd i bobl, ond pa heriau penodol sy'n wynebu'r sawl y mae angen cymorth arnynt sy'n byw yn y sector rhentu preifat? You have said that it is difficult for people, but what particular challenges are faced by people with support needs who live in private rented accommodation?

[74] **Ms Kent continues:** We all have support needs at different points in our lives, and most of us are lucky enough to have friends and family around us who can help us through the challenges that life throws at us. Those who do not have that positive network around them need someone else to provide it. The particular barrier in the private rented sector is that, generally speaking, people do not necessarily have links to the kind of support that they would have in the social rented sector. If someone in a social rented property gets into difficulties with their rent, a good landlord will send somebody—a housing officer or a support worker—to see why they have fallen behind with the rent rather than serve notice to vacate. As I say, there are often underlying issues, such as mental health issues or a family breakdown. Many of the challenges that life throws at us mean that rent is not the priority. People in the private rented sector can be more isolated from the kind of support that could be helpful.

[75] Having said that, I included Rhondda Housing Association in my paper as an example of a local authority and support worker teams from the housing association working together to offer support to people in the private rented sector. I would like to see that being broadened out elsewhere, because it is important. If we are looking to make increased use of the private rented sector for people who have experienced homelessness and face specific challenges, we need to see that support being broadened out as much as we can to include those people. One of the benefits of the Supporting People programme was that it was supposed to be tenure neutral; there was no longer a link with housing benefit, so those who were owner-occupiers, renting privately or in social housing were all supposed to be able to access support. However, take-up of that programme has been patchy across Wales.

[76] **Ann Jones:** You have already alluded to the effects of the proposed changes to housing benefit. The issue is that people who are on housing benefits are paying top-ups for sub-standard accommodation in some areas; they pay in a number of ways. I was interested to hear what you said about letting agencies, because I know of several people who have become the manager of a house in multiple occupation to earn a wage to make up their top-up payment. A poor landlord gets someone to manage their property for them as a result. Will increasing numbers of people go into the private rented sector when housing benefit is cut? Are more people going to be vulnerable? People will almost be tied to their accommodation; we are going back to tied cottages and property, are we not? A person might tell their landlord, 'I am the manager of your property, but I do not want to manage it anymore because you are making me do horrible things.' However, they will not be able to get out of it, because they cannot afford to pay the top-up on their rent otherwise. Are more people going to become vulnerable, so that we see what is almost an underworld becoming more prevalent

in some areas?

[77] **Ms Kent:** We would not see that with social lettings, because of the way that the finances work at the moment, although they are also under threat from the proposed changes. The situation is different in the private rented sector.

[78] **Mr Pritchard:** You are likely to see more people becoming more vulnerable if they cannot afford their current accommodation. There will be considerable less affordable accommodation out there due to the change involving the thirtieth percentile of rents, so people will have to look at accommodation that is probably not in good condition but might be more affordable. People will become more vulnerable to living in poorer conditions, which makes it more important that the sector deals with the conditions within it and its management standards.

9.50 a.m.

[79] **Ann Jones:** There is no incentive for poor landlords to do their properties up at the moment, is there not? Landlords know that the cuts in benefit will mean that increasing numbers of people will become vulnerable. Rather than be out on the streets, those people will take a roof over their heads, even if it is leaking and even if people do not have the facilities that they understand they should have. There is no incentive for poor landlords to do their properties up and provide a good standard of accommodation, because they know that, because of the cuts to housing benefit, more and more people will be grateful to have a house that does not even have a proper water supply or heating.

[80] **Mr Pritchard:** It will be even more important to professionalise the sector if you are looking at giving public money to landlords who may not care about the properties that they are letting. Landlord registration and the regulation of letting agents would at least professionalise the sector, and you would not be giving public money to poor landlords. To be clear, most landlords are not poor landlords, but a percentage of them are.

[81] **Ann Jones:** Rachmanism is alive and well in Rhyl.

[82] **Sandy Mewies:** I have to stop you, Ann, because you have had many supplementary questions. Yours is the last question, Joyce. I think that we have had responses to the others.

[83] **Joyce Watson:** We need to look at the issue of bringing empty homes back into use as private rented accommodation. How might we be able to achieve that in large numbers?

[84] **Mr Pritchard:** We have been working with local authorities over the past few years to improve the way in which they bring empty homes back into use. There is a lot of good work out there. For example, in places such as Carmarthenshire, a lot of work has been done over many years to bring empty properties back into use, by working with the owners. I would make a distinction between owners and landlords, because the owners of empty properties are not necessarily landlords. The local authority has also worked with the National Landlords Association to work with those owners. So, there is a lot of good practice out there.

[85] On bringing more back into use, one of the quick wins that we have put in the paper that the Assembly Government might want to consider is the setting of targets and allocating some money towards targets for bringing empty homes back into use over a couple of years, and monitoring that. At the moment, what local authorities all over Wales do is patchy. The development of their work on empty homes has been good, but the performance is still variable. It is important at this time that we make the best use of existing stock, and empty homes make a contribution to the stock of homes that are required for people in need of housing.

[86] **Sandy Mewies:** Thank you for answering the questions, and thank you for your paper, which we all found to be extremely valuable. You will be sent a transcript of the proceedings, which you can check for accuracy. If there is anything that you would like to add in written evidence, the clerk will be happy to accept that, and we will look at it. Thank you again for coming.

[87] I welcome the next witnesses. We operate through the media of Welsh and English; the simultaneous translation for Welsh into English is on channel 1, and if you are hard of hearing, the sound can be amplified on channel 0. [*Interruption.*] I ask Members to quieten down slightly.

[88] You do not need to touch the microphones; they will, magically, work automatically. I tend to stick strictly to the timing, because we have many questions. We have read your paper—please assume that it has been read thoroughly.

[89] With us today are Jonathan Willis, the home improvement manager for the all-Wales housing technical panel, Steve Hancock from the City and County of Swansea and Bethan Jones from Cardiff Council. Please give a brief introduction, and then we will go straight into questions.

[90] **Mr Willis:** The all-Wales housing technical panel is an offshoot of the Wales heads of environmental health group. It has been around for a long time. All three of us have private sector housing remits, as do other members of the housing technical panel. I guess that we have a particular remit of the private rented sector, which is why we are here today. We have particular experience of developing approaches and strategies to improve standards in the private rented sector. In our daily jobs, we are used to providing support services to landlords and tenants. Again, I guess that that is why we are here today. I do not think we need to say any more than that. You have seen our paper, and we would welcome any questions you may have on it.

[91] **Sandy Mewies:** Thank you very much indeed. I have the first question, and I also have a supplementary question. What are the main issues and challenges currently faced by local authorities when dealing with the private rented sector in Wales? I guess that the three of you are well placed to discuss that with us. I am not so sure whether you will be able to respond in full to my supplementary question. What effect will the current economic climate and the cuts that have been announced in housing allowance and housing benefit have on the strategic work that you do? If you are not able to comment on that, please just say that it has nothing to do with you.

[92] **Mr Willis:** Generally, with regard to the work of local authorities, we have made great inroads to improving relationships with landlords and tenants over a number of years. Our general perception is that standards are improving, particularly with regard to housing in multiple occupation, as we have some improved powers as a result of the Housing Act 2004. Most local authorities will have strategies for dealing with housing in multiple occupation, where probably the worst standards are exhibited, particularly the means of escape in case of fire.

[93] One of the main issues for us is knowing where private rented properties are within local authority areas. We have powers to license houses in multiple occupation, so landlords tend to come to local authorities when applying for a licence. That is probably not the case with singly let properties. In my authority, we have 8,000 private rented properties, which compares with a local authority stock of just over 9,000. Knowing where those properties are and engaging with those 8,000 landlords causes difficulties for the local authority. I guess that my colleagues in Swansea and Cardiff will have more significant problems than us as we are

a more rural authority. Steve and Bethan may want to add to that.

[94] **Mr Hancock:** I am not a housing benefit expert, unfortunately, but the pressure that the changes will bring will clearly affect the sector. There will then be a burden on councils—and we may touch on this in subsequent questions—to build better relationships with private sector landlords. That is where our efforts should be directed. Clearly, we need to improve our understanding of the sector. Again, we might touch on that later. However, in direct answer to your question, better, effective relationships with private sector landlords will help us to deal with the impending changes brought about by housing benefit cuts.

[95] **Sandy Mewies:** That is very clear, thank you.

[96] **Ms Jones:** I was prepared for this question, and I have three points that I would like to make. First, we should be doing the best that we can to protect some of the fragile initiatives that we have put in place in Wales in the past few years. Of course, they are at greater risk at the moment because of the economic climate. I point in particular to the national accreditation scheme that Wales has that no other part of the UK has in such a comprehensive way.

10.00 a.m.

[97] The second point is that the Housing Act 2004, which was introduced a few years ago, includes many provisions that help us to enforce and improve standards in the private rented sector. However, there are some significant operational difficulties that, if addressed, could make us more efficient in securing better accommodation in the private sector.

[98] Finally, whatever initiatives we are looking at, they are more effective if we work collaboratively and if strategies support one another. For example, with the accreditation scheme in Cardiff, we have linked with local universities, which are telling the landlords that they put on their lists that they will not be advertising their properties unless they are accredited. That kind of leverage helps every scheme to be successful.

[99] **Sandy Mewies:** I think that your question has more or less been answered, Oscar. I will allocate question 4 to you when we get to it. Mark, I think that there is still something for you to ask on accreditation.

[100] **Mark Isherwood:** This follows on from what you are talking about around engaging with private landlords. How can local authorities advise, educate and engage with landlords who do not participate in voluntary schemes, such as the accreditation scheme?

[101] **Mr Hancock:** I speak as someone who has spoken at many landlord fora and fairs, and I am always conscious of the fact that the people in front of me are not the people that I should be addressing. That is an issue for many councils, as landlord fora now feature in just about every local authority. What can we do to engage with those that do not attend our meetings? Well, there are many things that we can do, but a lot of it is down to effort. We need to build better links with landlords and we could do much more work with letting and managing agents, which involves a lot of direct effort and engagement with them. We may come on to the role of regulation for those agents in due course. We can also do better internally, in as much as individual officers and departments could work more closely together.

[102] We will mention the WLGA toolkit shortly, and one of the issues there is a corporate working group that is looking at the private rented sector. That helps us to get more information and data, and it helps us to work with landlords in different ways, whether that is through housing benefit, council tax, or a homelessness unit. A little more joined-up thinking

in local authorities is the way to do that. We will continue with the sorts of initiatives that we have taken on board already, including landlords fairs and fully supporting the accreditation scheme, which is fundamental. I endorse Bethan's view on the need to continue to support that. However, I think that local authorities can do more without any changes to legislation. It may help, of course, if we deal with letting management agents in a slightly different way. We may talk about regulation for that in another question.

[103] **Mr Willis:** I support Bethan's point. We have an all-Wales accreditation scheme, which could do with some profile. At a local authority level, we are trying to give it some credence and support, but it would help if we could get some national support. Steve mentioned letting agents; I think that they are critical. In my own authority, we work closely with them; they carry out inspections and audits for us to accredit properties. They will have many hundreds of properties on their books, so contact with them is a good way of engaging with landlords locally. A national registration scheme with a high profile would also help. There are problems with the mechanics of registration—it is not the same as licensing—but it would help if landlords had to register; perhaps there could be a link with housing benefit there, as a lot of landlords and tenants are involved in that process. As Steve said, it would be very useful to link those up to have better engagement with landlords who perhaps do not want to attend the landlords' fora and the fairs that we run.

[104] **Mark Isherwood:** You have not mentioned the housing health and safety rating system. For those who cannot, or will not, engage, to what extent do you feel that local authorities are now using that as a tool? Is it effective, or does it need to be changed to help you to intervene?

[105] **Mr Hancock:** The health and safety rating system in Part 1 of the Housing Act 2004 is relatively new; it has bedded in over the last four years or so. We all think that it is working effectively, and we would not propose any changes to it. The powers that are contained in the Act are very extensive. I will not go into the detail, but they range from small interventions to quite draconian measures, such as prohibition orders. I do not see any need to change the principal legislation; councils have sufficient powers to deal with poor standards and hazards in the worst housing. The difficulty is in identifying those and dealing with them in a more strategic way. Most councils have a reactive service, which deals with complaints. Those complaints are dealt with a very structured way, but that approach picks out individual properties throughout the authority and deals with them. You cannot take a more general view, principally because of the lack of data. I do not know whether that answers your question, Mr Isherwood.

[106] **Mark Isherwood:** Do you have any proposals that would make it easier for you to use the tools that you have?

[107] **Mr Hancock:** I do not think that there are any; the powers that we have are quite extensive.

[108] **Joyce Watson:** We have heard a lot about powers, improvements and voluntary accreditation schemes. You talked about corporate working, and you said that you are going to talk about the WLGA toolkit; I will come to the WLGA in a moment. Corporate working has to start at a local level or it goes nowhere, because a top-down approach does not work. If we are talking about driving improvement, would you agree that there is a need to insert the private rented sector and its needs into the corporate governance plans of local authorities, so that they have to demonstrate that they are moving in that direction? Perhaps that is already in place, in which case we can mark the improvement. If it is not, do you agree that it ought to be? There is little point in the WLGA saying that it has a wonderful tool if it is not even doing the first-base things, such as corporate governance, in their own areas.

[109] **Mr Willis:** I will speak from my own experience, and I will let my colleagues comment afterwards. Housing is clearly a priority at a corporate level in my authority.

[110] **Joyce Watson:** I have seen that.

10.10 a.m.

[111] **Mr Willis:** I work in a housing department that is involved in homelessness issues—I am involved in that directly—and we have strong links with colleagues working on housing benefit. I run private sector housing per se, and we have strong links with the Supporting People programme and social care. I think that we are pretty good at corporate working. I think that housing remains a priority. Whether the private rented sector has that priority at a corporate level is another thing, but it is up to individual local authorities to give it that priority. I tend to agree with your comment about raising the profile of it within local authorities; that would be useful. I think that that is the aim of the WLGA toolkit: to raise the profile of the private rented sector and the use of the private rented sector. I will let my colleagues comment on their own local authorities as they see fit.

[112] **Mr Hancock:** I think that performance on corporate working related to the private rented sector is patchy across Wales. I draw evidence on that from the pilot toolkit exercise that the WLGA has launched recently. The pilot group, which consisted of eight or nine authorities, all came to the same view, which is that they were not really concentrating corporately on this sector, principally because, historically, they had been diverted to other things. There is now scope to do that better. They all agreed that a corporate working group would be the way forward to raise the profile, not so much with officers, but with local ward members, and there is a role for them, of course. The question about whether or not it should be forced upon them through some Measure from the Assembly is a matter for the Assembly, but that would certainly raise the profile in a way that has not been done before.

[113] **Ms Jones:** There is a requirement for councils to have a housing strategy. Traditionally, I guess that the focus in those housing strategies has been on the public sector. It would be helpful to have direction that requires more emphasis on the private rented sector within those strategies. The other aspect that would be helpful would be to have a look at the performance indicators that are reported in relation to the private rented sector in particular. We have one headline national indicator at present, which we will not be reporting on this year because we do not have the denominator information, and that is a problem for us because if, internally, that information is not being reported at a high level, any issues that arise, or could have arisen, will not be highlighted at senior management level.

[114] **Sandy Mewies:** We will now move on to the section on standards. We have quite a lot of questions to get through, and we will not get through them if we do not make questions and answers a bit more succinct. Oscar is next.

[115] **Mohammad Asghar:** Chair, I think that Steve has already answered my question in part, which is to do with local authorities' powers to deal with poor-quality properties and poorly-managed properties in the private rented sector. Do they have sufficient powers to deal with these issues, and, if so, could they use them more effectively?

[116] **Mr Willis:** The powers have improved, as I think that we have said already. The powers under the Housing Act 2004 to license houses in multiple occupation are a step in the right direction. We can control standards, but we cannot control management, through the licensing process. I think that my colleagues will probably agree with me on the other properties that do not fall under the licensing regime. We have a housing health and safety rating system, but there are issues with controlling management standards in those types of properties. I think that we could improve upon that. We have mentioned the regulation of

letting agents, and I think that that is an opportunity to engage them. Some local authorities are engaging letting agents, and the good ones will engage with us, but there are some poor ones. We have also mentioned registration, which, again, would be a useful tool for us to find out where landlords are.

[117] **Mr Hancock:** I will make one quick comment. You made a reference to improving management standards. We clearly have controls with regard to HMOs, through the management standards, the fit and proper person criteria and the application of licence conditions. However, we are unable to use those measures for single household properties. Improving management in that sector on a statutory basis is not currently possible. So, there is a gap that is difficult to fill without legislation. There are standard HMO management regulations, which apply to every such property, whether licensed or not, but those do not apply in the single household sector. So, there is a gap there.

[118] **Sandy Mewies:** If you do not have anything to add, Bethan, that is fine.

[119] **Ms Jones:** I will just quickly say that, while we have the powers, there are opportunities for us to increase efficiency through looking at the power of entry provisions and the authorisation requirements that have been placed on us under the Act.

[120] **Sandy Mewies:** Ann has a supplementary question, and I ask just one of you to answer it.

[121] **Ann Jones:** Local authorities have the discretion to license smaller premises, do they not? How many local authorities know that they have that discretion?

[122] **Mr Hancock:** I would say that every local authority knows that it has the power to do that.

[123] **Ann Jones:** So, why do they not use that power?

[124] **Mr Hancock:** I think that you will find that many local authorities have used it. I assume that you are referring to houses in multiple occupation.

[125] **Ann Jones:** Yes, but the smaller properties. Local authorities have the discretion to license smaller properties, but what they did was take up licensing of HMOs, as per the Act, but not the discretion to license smaller properties.

[126] **Ms Jones:** It is my understanding that more than half of the local authorities in Wales have done that.

[127] **Ann Jones:** They do it now, because politicians have made them aware of it.

[128] **Mr Hancock:** What I think has happened is that the first demand was to satisfy the mandatory need. There was a mandatory scheme for HMOs, which had to be carried out, and councils put all their efforts into that. Swansea is a very good example, because once that was sorted, we moved immediately onto an additional scheme, and, once that is sorted, we will look at a selective scheme, provided that the criteria are met.

[129] **Ann Jones:** So, bad landlords will keep moving into areas where you are not operating and will make people's lives a misery until councils get round to looking at those properties.

[130] **Sandy Mewies:** That is a comment, not a question, so we will move on.

[131] **Mark Isherwood:** You have by and large answered my question, because you have told us that you believe that there needs to be a landlord registration scheme and that there needs to be regulation of letting agents, and I think that you have told us why you believe that. So, I will change my question slightly. Previous witnesses referred to a scheme introduced in Ireland to deal with conflict or disagreement resolutions, when a local authority or an agency is dealing with a landlord, in order to avoid the costly and time-consuming legal action that might result. Might that kind of scheme be helpful in Wales to take some of the steam out of the process?

[132] **Mr Hancock:** I am not aware of that scheme.

[133] **Sandy Mewies:** If you do not have the information, please say so. That is absolutely fine. We have heard that from previous witnesses.

[134] **Mark Isherwood:** Would that be something, in principle, from your practical experience, that might help with the more difficult cases?

[135] **Mr Hancock:** Off the top of my head, I would say 'no'. I do not think that local authority officers need that tool. They deal with conflict with landlords on a daily basis; it is part of their routine work. That is my comment.

[136] **Sandy Mewies:** That is fine.

[137] **Mark Isherwood:** [*Inaudible.*]—to go down those legal—

[138] **Sandy Mewies:** Mark, would you please direct your questions through the Chair? It is getting a bit out of hand now, so please direct your questions through the Chair. If witnesses do not know the answer, then that is fine, but if you have any comments to make, please make them. Jonathan, you are next.

[139] **Mr Willis:** I just want to support what Steve said. We are used to mediating with landlords and tenants. We act as advocates for landlords and tenants, and we are used to it. Some local authorities have employed specific officers, tenancy relations officers, to do that mediation. In my authority, the environmental health officers have the experience, skills and the knowledge to do that, so, to introduce someone else would just be confusing, in my view.

[140] **Ms Jones:** We have recently undertaken a survey with all the landlords that have been accredited and one of the questions was around what additional services they would like to have. It appears that landlords find it difficult to deal with problematic tenants. Through the survey, they have requested a helpful handbook as recognition of the problem and that there is a need to find a solution of some sort.

10.20 a.m.

[141] **Eleanor Burnham:** Os ydych yn credu eich bod wedi ateb y cwestiwn hwn eisoes, fe'i gadawn. Sut y gellir defnyddio'r sector rhentu preifat i ddiwallu anghenion pobl fregus yn fwy effeithiol a chyfrannu at atal digartrefedd? Er enghraifft, pa mor bwysig yw rôl asiantaethau gosod cymdeithasol? Yr ydych wedi'u trafod, ac felly efallai eich bod wedi ateb y cwestiwn.

**Eleanor Burnham:** If you think that you have already answered this question, we will leave it. How can the private rented sector be used to meet the needs of vulnerable people more effectively and contribute towards homelessness prevention? For example, how important is the role of social letting agencies? You have discussed them, so perhaps you have answered the question.

[142] **Mr Willis:** I will try to answer that, because I have direct experience of a social

letting agency in my authority. The private rented sector can make significant contributions to homelessness issues, in my view. We have a social letting agency that has been running for a couple of years. We have a portfolio of around 100 properties that we manage for landlords. The opportunity exists to engage landlords further, as we have already discussed, to raise standards and to ensure that standards are satisfactory for homeless and potentially homeless people. People who come to the authority seeking social housing are now asked whether they will accept a letting in the private sector.

[143] In Carmarthenshire, the demand for social housing is high. We house around 1,000 people a year, but that does not deal with all those on the waiting list, so we have actively looked at the private rented sector and been successful. We get good feedback from tenants on the security of tenure and the affordable rents, which are at housing benefit rates, so they are affordable. It is a very popular scheme and not just with tenants, but with landlords, who are actively approaching the local authority. We have not particularly marketed this. Landlords have got wind of it and approach us daily. Our problem is that we have had some support from the Assembly Government with a small amount of revenue funding, and we must now sit down and prepare a business case on this. Any further revenue funding from the Assembly Government would support this in the short term, until it became a real business case and viable for us. As numbers increase, it will become more viable and more important. A hundred is not that many, but there is great potential in the authority. I have mentioned the 8,000 that we have, and if we could harness that resource, it would be similar to the numbers needing our social housing stock.

[144] I am a great fan of social letting agencies. Most authorities have started on this road and will have a social letting agency that they can link into.

[145] **Sandy Mewies:** Is this your experience? If you have experience of this, it would be useful to hear about it.

[146] **Mr Willis:** On social lettings, do you mean?

[147] **Sandy Mewies:** I was talking to your colleagues, sorry.

[148] **Mr Hancock:** I do not have direct experience, so I will not add to anything that Jonathan has said.

[149] **Ms Jones:** Neither have I.

[150] **Sandy Mewies:** Are you happy with that, Eleanor?

[151] **Eleanor Burnham:** I am absolutely delighted, yes.

[152] **Joyce Watson:** So am I, as it is in Carmarthenshire. We have heard all about HMOs, licensing and raising standards. How have they helped? We have the rules. We have heard evidence that they are great and are helping the most vulnerable people in society to have improved living standards. That is fantastic, but how?

[153] **Mr Hancock:** Are you referring to HMOs in particular?

[154] **Joyce Watson:** I am talking about HMO licensing and raising standards. I want to know about the wonderful standards that it has raised and how it has done it. I am an optimist, you see, and I want to hear the positives.

[155] **Mr Hancock:** I do not think that that is being too optimistic; it is fairly near the mark. The licensing schemes are relatively new. There is a mandatory scheme and an

additional discretionary scheme. They have helped to raise standards. We have moved away from physical standards to do with the state of disrepair, hazards, means of escape, and amenities, and we have been able to shift our focus onto management standards and the regulation and policing of licence conditions. I see that as a significant shift. I speak from the experience of my own authority, because that is exactly what we have done. We have put a lot of effort into getting the stock that needs to be licensed properly licensed, and therefore we can apply conditions to them. We are now moving on—and we are doing this as we speak—to look at licence conditions and policing those, addressing poor management. There are a lot of sanctions in the legislation that will help us to do that through the fit and proper person criteria.

[156] The licensing conditions are the features that local ward members are interested in. They are things like street scene, waste, and anti-social behaviour. The sort of effort that is going in now, after the initial phase of the licensing scheme, will lead to more productivity, and we will see an even bigger change than we saw three or four years ago.

[157] **Joyce Watson:** Can you measure that?

[158] **Mr Hancock:** Can I imagine it?

[159] **Joyce Watson:** No, 'measure' it. I can imagine it, but can we measure it?

[160] **Mr Hancock:** It is difficult to measure. A lot of the factors that I have mentioned are subjective, and improvement in the street scene and in attitudes towards waste management are quite difficult to measure.

[161] **Joyce Watson:** Is it widespread?

[162] **Sandy Mewies:** We need to move on to Jonathan.

[163] **Joyce Watson:** But is everyone doing this?

[164] **Sandy Mewies:** If you have something to add, please do.

[165] **Mr Willis:** In support of what Steve says, most local authorities will have had a programme to deal with their licensed properties. Most local authorities are starting to move towards comprehensive schemes. In my authority, every licensable HMO has to be licensed, and we are going through a programme of licensing. To me, that is a simpler approach. It is simpler for landlords and for tenants, who know where they stand. If you are an HMO landlord in the county, you have to license it. It is straightforward. The legislation was introduced in 2006 as a result of the 2004 Act, so it has been a relatively short timescale, with some authorities, such as Cardiff and Swansea, getting thousands of HMOs licensed. They could not do it on day one. There had to be a programme, and such programmes are usually based on risk, with the highest risks tackled first. That is the approach that local authorities are taking.

[166] As for measuring it, there is a national performance indicator for licences, and, essentially, it takes the percentage of properties that are licensed in your area, which is a fairly rough and ready indicator of success. Ultimately, local authorities will want to license as many as possible, as I suggested. It is a reasonable indicator to look at activity with HMOs in Wales.

[167] **Ms Jones:** I just have one point to make: HMO licensing has a spin-off benefit in that, once you are in the property, you can look at the hazards that exist there. Certainly, in Cardiff, in our additional licensing areas, we are looking specifically at security and energy

efficiency issues, which are known to be a problem in that area. We would not be able to do that work if we were not running a licensing scheme there. So, we will be able to count the properties that have secured improvements in those areas.

[168] **Sandy Mewies:** I will draw the session to a close now. We have three questions unanswered, which I will be submitting to you in writing. If you would be kind enough to give us a written response, we would be grateful, although the issues are mentioned in your paper. I thank you for that paper, and for the answers that you have given today, which have been very helpful indeed, and will no doubt inform our inquiry. We will send you a written transcript, which can be corrected for accuracy. Thank you for coming.

10.29 a.m.

**Papurau i'w Nodi  
Papers to Note**

[169] **Sandy Mewies:** We now move on to the final item. There are two papers to note. Do Members agree that they are noted? I see that you do.

[170] I thank Members for their contribution. The next meeting of the Communities and Culture Committee will be on 24 November, when we will scrutinise the Welsh Government's draft budget.

*Daeth y cyfarfod i ben am 10.30 a.m.  
The meeting ended at 10.30 a.m.*