



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

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

**Dydd Mercher, 8 Rhagfyr 2010  
Wednesday, 8 December 2010**

**Cynnwys**  
**Contents**

- 4 Ethol Cadeirydd Dros Dro  
Election of Temporary Chair
- 4 Cyflwyniad, Ymddiheuriadau a Dirprwyon  
Introduction, Apologies and Substitutions
- 5 Cynnig Trefniadol  
Procedural Motion
- 5 Ymchwiliad i'r Sector Rhentu Preifat—Casglu Tystiolaeth: Sefydliad Tai Siartredig Cymru  
Inquiry into Private Rented Sector—Evidence Gathering: Chartered Institute of Housing Cymru
- 14 Ymchwiliad i'r Sector Rhentu Preifat—Casglu Tystiolaeth: Y Gymdeithas Genedlaethol  
Landlordiaid  
Inquiry into Private Rented Sector—Evidence Gathering: National Landlords Association
- 23 Ymchwiliad i'r Sector Rhentu Preifat—Casglu Tystiolaeth: Cymdeithas Llywodraeth Leol  
Cymru a Phanel Prif Swyddogion Tai Cymru Gyfan  
Inquiry into Private Rented Sector—Evidence Gathering: Welsh Local Government  
Association and All Wales Chief Housing Officers Panel
- 31 Cynnig Trefniadol  
Procedural Motion

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynnddi 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
Lorraine Barrett	Llafur (yn dirprwyo ar ran Alun Davies) Labour (substitute for Alun Davies)
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Bethan Jenkins	Plaid Cymru The Party of Wales
Ann Jones	Llafur (yn dirprwyo ar ran Sandy Mewies) Labour (substitute for Sandy Mewies)
David Lloyd	Plaid Cymru The Party of Wales
Lynne Neagle	Llafur Labour
Joyce Watson	Llafur Labour

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

Lee Cecil	Cynrychiolydd Cenedlaethol Cymru, Y Gymdeithas Genedlaethol Landlordiaid National Representative for Wales, National Landlords Association
David Cox	Swyddog Polisi, Cymdeithas Genedlaethol y Landlordiaid Policy Officer, National Landlords Association
Keith Edwards	Cyfarwyddwr, Sefydliad Tai Siartredig Cymru Director, Chartered Institute of Housing Cymru
Sue Finch	Swyddog Polisi Tai, Cymdeithas Llywodraeth Leol Cymru Housing Policy Officer, Welsh Local Government Association
Vikki Hiscocks	Rheolwr Polisi a Materion Cyhoeddus, Sefydliad Tai Siartredig Cymru Policy and Public Affairs Manager, Chartered Institute of Housing Cymru
Sarah McGill	Cadeirydd, Panel Prif Swyddogion Tai Cymru Gyfan Chair, All Wales Chief Housing Officers Panel
Barry Markham	Cyfarwyddwr, Cymdeithas Genedlaethol y Landlordiaid Director, National Landlords Association
Tim Peppin	Cyfarwyddwr Adfywio a'r Amgylchedd, Cymdeithas Llywodraeth Leol Cymru Director of Regeneration and Environment, Welsh Local Government Association
Lyndon Puddy	Rheolwr Gwasanaethau Opsiynau Tai, Cyngor Bwrdeistref Sirol Torfaen Housing Options Service Manager, Torfaen County Borough Council
Kenyon Williams	Pennaeth Tai'r Sector Preifat, Cyngor Bwrdeistref Sirol Caerffili

Wil Williams                      Head of Private Sector Housing, Caerphilly County Borough  
                                            Council  
                                            Agorfa Cefni  
                                            Agorfa Cefni

**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 a.m.*  
*The meeting began at 9 a.m.*

**Ethol Cadeirydd Dros Dro**  
**Election of Temporary Chair**

[1]     **Mr Jackson:** Good morning, everyone. Welcome to the Communities and Culture Committee. Unfortunately, the Chair of this committee, Sandy Mewies, is unable to be here today. Therefore, under Standing Order No. 10.19 I call for nominations for a temporary Chair.

[2]     **David Lloyd:** Yr wyf yn enwebu     **David Lloyd:** I nominate Joyce Watson as  
Joyce Watson fel Cadeirydd dros dro.                      temporary Chair.

[3]     **Mohammad Asghar:** I second that.

[4]     **Mr Jackson:** Are there any further nominations? I see that there are no further nominations. Joyce Watson is, therefore, elected temporary Chair of the committee.

*Penodwyd Joyce Watson yn Gadeirydd dros dro.*  
*Joyce Watson was appointed temporary Chair.*

9.01 a.m.

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

[5]     **Joyce Watson:** Good morning. I thank Members for nominating me. I welcome the officials and all those people in the public gallery who are queuing up at the door.

[6]     Headsets are available in the room for translation and sound amplification. The translation is on channel 1 and the amplification is on channel 0. I ask everyone to ensure that they have their mobile phones and other electronic devices switched off as they can interfere with the sound equipment. I also ask you to note that, in the event of an emergency, an alarm will sound and ushers will direct everyone to the nearest safe exit and assembly point.

[7]     I invite Members to make any relevant declarations of interest under Standing Order No. 31.6. Does anyone have any declarations?

[8]     **Eleanor Burnham:** Yes; at the moment, I rent out my flat.

[9] **Joyce Watson:** Okay, we shall note that. Thank you.

[10] **Eleanor Burnham:** It is declared fully in the Table Office.

[11] **Joyce Watson:** Thank you, Eleanor. I note that we have received apologies from Alun Davies and Sandy Mewies. We have Ann Jones and Lorraine Barrett as substitutes.

9.03 a.m.

### **Cynnig Trefniadol Procedural Motion**

[12] **Joyce Watson:** I move that

*the next session is held in private under Standing Order No. 10.37.*

[13] I see that the committee is in agreement.

*Derbyniwyd y cynnig.  
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 9.03 a.m.  
The public part of the meeting ended at 9.03 a.m.*

*Ailymgynullodd y pwyllgor yn gyhoeddus am 9.13 a.m.  
The committee reconvened in public at 9.13 a.m.*

### **Ymchwiliad i'r Sector Rhentu Preifat—Casglu Tystiolaeth: Sefydliad Tai Siartredig Cymru Inquiry into Private Rented Sector—Evidence Gathering: Chartered Institute of Housing Cymru**

[14] **Joyce Watson:** Good morning. I welcome Keith Edwards, the director, and Vikki Hiscocks, the policy and public affairs manager, of the Chartered Institute of Housing Cymru. As you all know, this is the second meeting at which Members are gathering oral evidence for the committee's inquiry into the private rented sector in Wales. The committee will gather evidence over three meetings and publish a report of its inquiry in early February next year.

[15] I thank the witnesses for their papers and for attending the meeting. You can assume that committee members have read your papers. I will invite you to make, if you wish, any introductory remarks before taking questions from Members. If you do that, I would like for you to do that quite briefly because people have read the papers. The other option is that we can move straight into questioning. Are you quite happy to move straight into questioning?

[16] **Mr Edwards:** Yes.

[17] **Joyce Watson:** Thank you. I am going to kick off with the first question. We note in your written evidence that recent research estimates that around 14,200 new homes are needed in Wales each year to meet housing need. To what extent do you think that the private rented sector is likely to be able to contribute to that demand?

[18] **Mr Edwards:** The expectation is that the private rented sector has to play an increasing role in meeting undersupply. The figures are obviously quite stark and startling when you consider them. The Chartered Institute of Housing Cymru would like to be among

the first organisations to congratulate the Assembly Government and its partners—including us, I suppose—on achieving the 6,500 additional affordable homes, which is a ‘One Wales’ commitment, as you know. However, if you look at that against the backlog of undersupply and the need, going forward, for a lot more housing and for the provision of a lot more housing, we are not going to do that with the social housing grant at its current level and we know that that programme is going to be hit. The expectation is that the private rented sector has to play a more important role in meeting housing demand going forward.

[19] **Joyce Watson:** Do you have anything to add?

[20] **Ms Hiscocks:** It is not just about the supply, but about people’s aspirations as well. The links to the mortgage market and the availability of mortgage finance are still hindering people’s ability to access owner occupation and that sector has, traditionally, met housing need for the vast majority: 80 per cent of people have been in owner occupation in the past. Given everything that has happened with the economic climate over the past couple of years, people are not necessarily looking to that sector to meet their housing needs and will increasingly look to the private rented sector as a sector of choice in order to do so, for the various reasons that we have outlined in our paper.

[21] **Bethan Jenkins:** Diolch am gyflwyno eich tystiolaeth. Yn eich tystiolaeth ysgrifenedig, nodwch fod diffyg ymchwil i’r sector rhentu preifat yn gyffredinol yng Nghymru. Beth yn union yr ydym yn ei wybod am y materion a’r heriau sy’n wynebu’r sector ar hyn o bryd a beth y gallwn ddysgu o waith ymchwil mewn rhannau eraill o’r Deyrnas Unedig yn y cyd-destun hwn?

**Bethan Jenkins:** Thank you for providing evidence. In your written evidence, you note that there is a lack of research into the private rented sector in general in Wales. What exactly do we know about the issues and challenges that the sector faces at present and what can we learn from research in other parts of the United Kingdom in this context?

[22] **Mr Edwards:** As the paper stresses, we can make some quite broad assumptions about the sector based on what we know, but the fundamental point is that we do not know enough about the sector. We know, generally, that it offers poorer standards relative to other sectors and we know that there are issues around how people are able to access it at present, but the short answer is that we need to have a much clearer idea of not just what the sector comprises and what the standards are like, but how to use that evidence as a base for the policymaking tool going forward to ensure that we capture the potential of a sector that, as I say, is going to be much more important.

[23] **Bethan Jenkins:** Is there a way that you could use data from other sources, such as local authorities or the Welsh Local Government Association? Would they have similar statistics?

[24] **Ms Hiscocks:** There is probably a lot of information out there on accessing housing benefit data, for example. We are still waiting for the data from the 2010 Living in Wales property survey, which should shed some light on the property condition standards in particular. We currently have information for 2004, which is quite out of date. So, there are some examples of information that could be pulled together to build a better picture. I suppose that even given that, there is still not a comprehensive view of the sector in its entirety.

[25] **Eleanor Burnham:** Bore da a diolch am eich tystiolaeth. Nodwch yn eich tystiolaeth ysgrifenedig eich pryderon am safonau rheoli yn y sector rhentu preifat ac,

**Eleanor Burnham:** Good morning and thank you for your evidence. You note in your written evidence your concerns about management standards in the private rented

yn benodol, eich pryderon am asiantaethau gosod. Ym mha ffyrdd y credwch y bydd rheoleiddio asiantaethau gosod yn gwella'r sector hwn ac a fyddai rhaglen reoleiddio debyg yn gweithio ar gyfer landlordiaid unigol?

sector and, in particular, your concerns about letting agents. In what ways do you think that the regulation of letting agents would improve this sector and could a similar regulation scheme be applied to individual landlords?

9.20 a.m.

[26] **Mr Edwards:** There is always a balance issue, bearing in mind that we are talking about people freely entering the market, if you like. There always has to be a balance issue between standards that are enforceable and ones that are over-bureaucratic and dissuade people from entering the market. However, if you had a comprehensive scheme of accreditation across letting agents across the whole of Wales, that in itself would push up standards and would make sure that we share some of the very good practice, in fact, that has occurred on an individual local authority basis.

[27] As for individual people who are in the market or entering the market, you would hope, again, that the good practice and the pressure that would come from the way that we approach accreditation would almost bleed in to the way that individual landlords deal with their tenants and provide services in the sector.

[28] **Eleanor Burnham:** We all have experiences of constituents who have these problems, and it is not just physical—sometimes it is the attitude of some unscrupulous landlords towards their tenants.

[29] **Mr Edwards:** There are also issues around security of tenure, although, in fairness, the National Landlords Association, which is giving evidence later on today—we work very closely with the NLA—would say that there are a lot of good landlords out there as well. However, it is the bad landlords who inevitably get the publicity and are the ones who we need to focus our attention on.

[30] **Ann Jones:** May I just explore that on the individual landlords? Should we have a registration scheme that would then look at the absent landlords as well? It is usually with absent landlords, in a majority of areas, that you find that standards are poor, because there is no-one managing that. Should absentee landlords be covered somewhere in someone's regulation scheme?

[31] **Mr Edwards:** From my point of view, all landlords should be included in a registration scheme. Again, in practical terms, administering and imposing that, and particularly attaching any sanctions to it, would potentially be very cumbersome, bureaucratic and costly. There probably has to be some sort of balancing issue.

[32] **Ann Jones:** But at what cost to the tenant who is living in poor accommodation because the absentee landlord does not give two hoots what is happening? Where do we balance that issue? Surely it has to be with the tenant.

[33] **Mr Edwards:** I absolutely agree with you. The rights of tenants should be paramount—CIH is unequivocal on that. What I am saying is that it is how you move from where you are to where you want to get to, if you like, particularly bearing in mind the fact that there are costs attached to these things. It ultimately has to be a judgment call for the Assembly Government on the resources that it is prepared to put in to this and also what it can expect local authorities to put in. That would be my point. I am not in any way arguing against it.

[34] **Mark Isherwood:** What, if any, further action is required to protect tenants whose landlords default on their commercial mortgages, threatening the home of the tenant? What role can the Government or the courts play in this?

[35] **Mr Edwards:** The Assembly Government can send very clear messages to landlords about what it expects through any regulation or any scheme that it puts in place in relation to private landlords. Where an individual homeowner gets into difficulty, we have done quite a lot of good work in Wales with the mortgage rescue scheme. We have managed to do far better than England in ensuring that people get help and support when they needed it. Again, if you have no direct legal sanction against individual landlords who default, it may be worth looking at what you can do to support individual tenants who are affected by those sorts of circumstances.

[36] **Mohammad Asghar:** Keith, my question is regarding standards. You wrote that management standards in the private rented sector remain a concern, particularly in relation to letting agencies. Do local authorities have sufficient powers to deal with standards in the private rented sector and are these powers being used effectively? If any council has used these properly, have they set any benchmarks or some standards from which other authorities could learn? Which authority is at the top of the list?

[37] **Mr Edwards:** Local authorities have a range of powers to intervene in relation to housing generally within their areas. It is not necessarily about the powers that they have to intervene; it is about the resources that they have to be able to do it and the capacity that they have locally. There are some excellent examples of local authorities that have looked at the issue in a number of ways. Ideally, you would want an authority to have the private rented sector as a very clear focus for its strategy generally in providing homes locally. You would want it to have a very strong commitment to improving standards and regulating to ensure that the standards were appropriate and protected the rights of tenants. You would also hope that it would be joined up with other parts of the authority—for example, housing benefits—so that you got a seamless approach to the whole issue. However, I would have to say that that is not the norm across Wales. I think that you are talking about one or two very good practice examples, if you like, but it is not the norm.

[38] **Ms Hiscocks:** I wanted to make the point that raising standards is not always just about enforcement or legal powers and intervention. It is about that earlier intervention and preventative approach as well, in which a lot of authorities are doing some really good work through the landlord fora, providing information and advice, and training for landlords. All that kind of early intervention stuff is equally as important as the enforcement, which you would hope would be a last resort.

[39] **Lynne Neagle:** What role can local authorities, housing associations and third sector organisations play in developing social lettings agencies?

[40] **Mr Edwards:** There are some excellent examples where RSLs and local authorities have taken on the responsibility. What you get there is, very clearly, a much greater commitment to standards and to the rights of tenants. That is not surprising given that RSLs and local authorities—historically, if not always currently—have been responsible for maintaining rights for tenants in their own properties as well. It is certainly something that we welcome, but not all landlords, RSLs or local authorities operate such schemes. However, we think that there is definite scope for both RSLs and local authorities to do more of this in the future.

[41] **Ms Hiscocks:** Those sorts of schemes are a win-win situation for everyone involved. Landlords get the responsibility of managing taken off them, if that is the approach that they want, it allows the registered social landlords and local authorities involved to deliver some of

their community objectives, and the tenants benefit from better standards of management in general.

[42] The problem at the moment is that there are few schemes across Wales. It is a bit of a postcode lottery as to whether you can access those sorts of schemes; it is not offered on a universal basis across Wales. However, there is a lot of potential for raising standards in the private rented sector, because, after all, local authorities and RSLs have a wealth of experience and they set really high standards for the management of housing.

[43] **Mark Isherwood:** You indicate your support for the all-Wales landlord accreditation scheme—I think that you called for the Welsh Government to commit to its continuation. Do you feel that there is any threat to the scheme in current circumstances? I would like to think not. You have just indicated how effective they are but also that coverage is very patchy. Where are the models of good practice and how do we connect the all-Wales scheme with the localities and fill in the gaps?

[44] **Ms Hiscocks:** Turning to the accreditation scheme first, it could be under threat. The way that I understand it at the moment is that all 22 local authorities contribute. Obviously, in a time of depleting resources, there is a danger that, if that is not seen as a strategic priority for an authority, one or two could start withdrawing from that scheme, putting the whole scheme in jeopardy. So, that that would be a concern for us.

9.30 a.m.

[45] On examples of good practice, practice does vary. Some local authorities are very good at the enforcement side and have put a lot of resources into environmental health approaches to raise standards. Others have long-established landlord fora and approach it by offering a lot of training and advice. There are examples of social lettings schemes across Wales and private sector leasing. I suppose that there is a role for organisations like ours and other national representative bodies in terms of disseminating good practice. I guess that there is a leadership role for the Assembly Government as well; the evidence that you will get on this sort of committee will help to highlight some of the good things that are going on.

[46] **Mark Isherwood:** I am conscious that some have come to it because they have effectively been told that they have to, while others pioneered it, even before the Government had taken it on board. How can they learn practical delivery from each other rather than just ticking boxes?

[47] **Mr Edwards:** It has to be seen in the context of the wider pressure that local authorities are obviously under in the current climate. It is not just about how they deal with the PRS, but how they deal with the strategic housing function and homelessness services. You would have to say that there is quite a range of performance across the local authority sector. I know that it is not my job to defend local authorities, but there are two reasons for it: one is obviously the general pressure on resources, particularly where stock transfer has occurred because some of the housing services were almost cross-subsidised through the landlord function. The other issue is about authorities having a joined-up approach to housing as a key strategic priority. If local authorities had that focus, inevitably you would have to look at all the pieces of the jigsaw and, as I say, the PRS is likely to be a more significant piece of the jigsaw going forward.

[48] **Ms Hiscocks:** The key thing is to see the private rented sector as part of a package; it is not just about delivering new affordable housing. It has to be seen strategically and we made the point in our paper that there are lots of different parts of the local authorities that deal with the private rented sector: some deal with enforcement, while others might be working as part of a homelessness option service, trying to get landlords to work with the

authority on leasing schemes. So, there are various points of contact within the authority and they are all carrying out different tasks and have different sorts of relationships with private landlords and have a different role to play in the use of the private rented sector. The authorities that have joined that up and have a strategic lead to bring those different elements together have shown the most progress. I know that Caerphilly County Borough Council is an example of an organisation that takes that approach, where it has a dedicated post to bring these things together. We certainly advocate that as a positive approach to going forward and one that other local authorities should learn from.

[49] **Mark Isherwood:** I was hoping that you would mention that. [*Laughter.*]

[50] **Ann Jones:** That was the question that I was going to ask you because you alluded to the importance of one post in your evidence and you mentioned Caerphilly. If that is best practice, who should expand that best practice across the 22 local authorities? If you are advocating that there should be a single dedicated person in each authority, should that be statutory or should we allow local authorities to tinker at the edges of a scheme?

[51] **Mr Edwards:** It is incredibly difficult to be prescriptive and say, ‘You have to have a dedicated post’, but we all have a part to play in ensuring that that sort of approach is generalised. Obviously, a clear lead from the Assembly Government that that would be something that it would want to see in place, through the recommendations of this committee, for example, would be very helpful. You would also hope that the work that the WLGA is doing on the toolkit for the PRS would influence the thinking of local authorities across Wales. There is a role for people like us because we are interested in pushing up professional standards across the entire housing sector and ensuring that best practice travels between local authorities. So, it has to be a partnership approach, but with a clear strategic lead from the Assembly.

[52] **Ann Jones:** However, while we are still talking about best practice and while we are still trying to gently bring every local authority to a standard, we have people living in misery and we have people who have fewer rights than they should have. So, you said that we should not be prescriptive, but should we be prescriptive in that area? Should we be saying to them, ‘You have had time to do this and you have not; you have obviously ignored it all and you are not going to do it, so now we will make you do it and we will put legislation in place that makes you do it’? Will there come a time when we will have to take that step?

[53] **Mr Edwards:** I absolutely agree. In the tool box, we have to have very clear opportunities to enforce standards, particularly for the worst offending landlords. We are not there yet, obviously, but I come back to something that Vikki said: quite often, what you need to do is to engage with landlords, but sometimes that sort of engagement is not there and there are some that are beyond engagement. However, it is not a generalised sort of thing. We need to make sure that you have a range of options—which, as I said, the WLGA is developing—so that you are able to intervene appropriately. Enforcement and having to utilise the ultimate sanctions, even if you get the powers to do that, should not be the end destination that you should be seeking; you should be trying to improve standards without having to get to that stage, but you need to have the option in the box of tools so that you can do it.

[54] **Ann Jones:** So, how many carrots do we give local authorities before we use the big stick?

[55] **Mr Edwards:** You need to go back to where it is working effectively. You will take evidence later today from the WLGA and its representatives will no doubt cite good practice examples and will say the same as what I am saying: you have to have a sophisticated approach to this if you want to achieve the objectives of, first, improving the quality of the private rented sector generally, and, secondly, being able to take appropriate action where

necessary against bad landlords. You have to have that range of options.

[56] **Ann Jones:** However, the range of options is allowing those authorities that do not want to tackle issues to stand back. What I am trying to ask is whether we have done all of this. We have best practice here, we have best practice over there and we have another bit of best practice somewhere else. Is there not a time for prescription when we know that local authorities have failed in the past?

[57] **Mr Edwards:** Yes.

[58] **Joyce Watson:** Thank you, Ann. We will direct those questions to Ministers and local government. I now call on Dai.

[59] **David Lloyd:** Yn eich papur, nodwch rai o'r anawsterau ymarferol sy'n wynebu'r rheini sy'n byw yn y sector rhentu preifat, yn arbennig teuluoedd â phlant sy'n ceisio cadw cysylltiad â gwasanaethau lleol, megis ysgolion a meddygon teulu, sy'n anodd, wrth gwrs, pan mae'n rhaid ichi symud tŷ bob chwe mis. Felly, yn dilyn hynny, a oes modd gwneud rhywbeth o fewn y fframwaith ddeddfwriaethol bresennol a fyddai'n gwneud i'r sector rhentu preifat gael ei weld fel dewis mwy realistig a thymor hir ar gyfer y rheini sydd mewn angen o ran tai?

**David Lloyd:** In your paper, you note some of the practical difficulties faced by those living in the private rented sector, particularly families with children who are trying to maintain links with local services, such as schools and GPs, which is difficult, of course, when you have to move house every six months or so. So, following on from that, is there anything that can be done within the current legislative framework that would make the private rented sector seem to be a more realistic and long-term option for those in housing need?

[60] **Mr Edwards:** In a sense, obviously, we are where we are. There is real concern, which we would endorse from our own experience, that the sector is not able to offer sufficient security and long-term prospects for people currently. That is a fact and none of us can be happy about that situation. I think that, again, it is not a well-regulated sector. If you look at what is happening in England, for example, they are moving away from more intensive regulation. We would certainly not endorse that; we think that we need to look at the powers that we have to intervene. However, it has historically not been a sector that has been well regulated and, as a consequence, we have not had the sorts of standards that you would rightly expect any human being to be able to enjoy.

[61] I suppose that my point would be that we have some powers that we can use, but it comes down to resources, will and local leadership. I am sorry to be repetitive about this, but the fact of the matter is that we do not have a comprehensive approach to the sector across Wales.

[62] **Eleanor Burnham:** Nodwch yn eich tystiolaeth ysgrifenedig fod rhai landlordiaid yn gyndyn o osod i denantiaid sy'n derbyn budd-daliadau tai. Pa effaith a gredwch y byddai'r newidiadau arfaethedig i fudd-daliadau tai yn debygol o gael ar ddatblygiad y sector rhentu tai yng Nghymru?

**Eleanor Burnham:** You note in your written evidence that some landlords are reluctant to let to tenants on housing benefit. What impact do you believe that the proposed changes to housing benefit are likely to have on the development of the private rented sector in Wales?

9.40 a.m.

[63] Beyond that, is there likely to be a particular impact on initiatives such as social lettings agencies and private sector leasing schemes?

[64] **Mr Edwards:** It is fair to say that we have serious concerns about the housing benefit reforms, to put it mildly. We have joined with a number of housing organisations in Wales in, effectively, proactively campaigning against the changes, because we do not think that they are the right changes. We do not think that they are the right changes because, in essence, they potentially victimise people who are already worse off in society. We think that it is the wrong policy and that it will not achieve the policy objectives that the UK Government has set, particularly on reducing the deficit and reducing spend. We think that the changes could have some quite perverse consequences.

[65] As far as Wales is concerned, we think that it could have an impact, particularly in discouraging people from coming into the market. We think that, as you rightly say, there is already a reluctance to take people who are on benefits. If there is any uncertainty about benefit levels—that they might be reduced even further in the future—that is likely to make individuals, particularly, I would say, reluctant to enter into the market. You need to look at the people who are doing it well. I would point towards some of the schemes that RSLs and local authorities are running, where they would have the right motivation, if you like, to ensure that those effects and impacts were mitigated and did not lead to an exodus from the market.

[66] **Ms Hiscocks:** We could talk about housing benefit and the potential impacts on markets all day. I think that, as Keith pointed out, it is a significant concern for us. Specifically in the private rented sector, the ultimate impact is that it will shrink the availability of private sector properties for people on low incomes. That is the overall impact, which, given what we have already said about the future role of private sector properties in meeting housing need, is a serious concern. Those two things just do not add up.

[67] The second part of the question was about social lettings schemes, which is another serious concern. A lot of these schemes are very finely balanced business plans that are very sensitive to minor adjustments in income and rental incomes and things. A lot of supported housing projects, social lettings schemes and general RSL business plans could be significantly impacted by these changes.

[68] **Mr Edwards:** From a local authority perspective, it is important to get across that not dealing with the issue of a lack of private rented sector accommodation could, in itself, have perverse consequences. For example, what we do not want to see, and what everybody is desperate to avoid, is families being put into bed and breakfast accommodation on the sort of levels that we saw some time ago. Those costs will fall on local authorities, so an authority that has a very clear strategic approach to this issue might recognise that there have to be some additional costs over here to avoid significant additional costs over there.

[69] **Mohammad Asghar:** Thank you for your information. My question is on empty homes. It is very important, as we understand from an earlier statement and from your written evidence, that we need 14,200 houses a year until 2026, which is a great shortage and at the present rate we are still 6,700 houses short each year, which is dreadful. However, on the other hand, there are 26,000 empty properties in Wales, which is also very alarming stuff. In your evidence, you also give examples that there is a scheme in Kent that has allowed empty homes to be brought back into occupation for as little as £3,000. How might a scheme like this be established in Wales and what support is needed from the Welsh Assembly Government, local government or the private sector for this to be a realistic option?

[70] **Mr Edwards:** That is a very important point for us. We will leave a copy of the report that we did with Shelter—you will have seen it anyway—on this issue. It has to be seen in the context of a serious shortage in housing supply and reducing investment in affordable housing under the social housing grant programme. There are lots of initiatives and ideas floating around about how we might finance housing going forward. There are issues around

how we might make land available to reduce the costs of producing affordable housing, but no-one thinks that simply producing new homes is going to go anywhere near matching the demand.

[71] So we think that using empty properties is—as Vikki said—a win-win situation. We think that, for relatively small amounts of money, something could be established along the lines of one or two of the schemes that we identified in our report, which could bring empty properties back into use for as little as £3,000. We would envisage something like a loan fund that could be accessed by local authorities, in particular, and potentially RSLs—although I would say that local authorities needed to take the strategic lead. They could access that funding to support the range of intervention measures that they have locally.

[72] If you look at these initiatives, they tend to be not all about enforcement. They are about investigating to find out who owns the property and encouraging them to consider bringing the property up to a decent standard, offering them some loans to do some work and what have you; a combination of measures are needed to bring those properties back into use. We would urge the committee to consider recommending some form of dedicated, all-Wales loan fund, as an overall contribution to increasing housing supply in the very difficult four years coming up.

[73] **Joyce Watson:** You have given Kent as an example. Is any of this happening in Wales, to your knowledge?

[74] **Mr Edwards:** Yes. There are some very good examples on not quite as grand a scale, if you like. For example, Carmarthenshire is doing some excellent work in bringing properties back into use. As an aside, the person who is running the scheme in east Kent is from Llanelli, like me, so we exported the practice and it is time that we thought about importing it back into Wales. Carmarthenshire is doing some excellent work, but—I know that I am sounding a bit like a stuck record—it is about using a range of options to bring properties back into use. That is what seems to work.

[75] **Ms Hiscocks:** There are lots of examples in that briefing of organisations in Wales and the different approaches that they are taking. Some are very good at enforcement, and have done enforced sales and used empty dwelling management orders—those sorts of enforcement tools. Others have done a lot of up-front work on identifying owners, getting the evidence base up to scratch, and finding out why properties are empty. Others have done awareness raising. Others are putting money into loan schemes and grants. Others are doing some good work in a very joined-up way by getting additional regeneration outcomes out of empty homes work—for example, using it as a scheme to provide jobs and training initiatives and securing some added community benefits. There are lots of examples in that briefing.

[76] **Mr Edwards:** May I briefly come back in on that point? One thing that we have been promoting through the Welsh housing quality standard programme for social housing improvement is the use of the Can Do toolkit, which is a way of hardwiring the regeneration gains for jobs and training. I would absolutely endorse what Vikki is saying. If, for example, the committee was minded to recommend some sort of initiative on empty properties, it should, at that point, be joined up to regeneration opportunities.

[77] **Lorraine Barrett:** You mentioned the Welsh housing quality standard. Do you think that that should be applied to the private housing sector, to bring about the aspiration for a long-term vision of quality in the sector, as you mention in your paper?

[78] **Mr Edwards:** As a matter of principle, we should certainly be looking at standards across all sectors. The practicalities of being able to impose the standard in what is essentially a private market becomes a problem. However, in principle, we would want to see the Welsh

housing quality standard—which was the aspiration in the ‘Better Homes for People in Wales’ national housing strategy—applied across all sectors. We would also like to see similar standards on security of tenure and rights for tenants across all sectors.

[79] **Joyce Watson:** I am going to allow one more supplementary question, so it will have to brief.

[80] **Mark Isherwood:** I understood that the housing health and safety rating system is supposed to include, or be equivalent to, the Welsh housing quality standard. Is it not the standards that we are lacking but a means of applying it effectively and getting buy-in from local authorities?

9.50 a.m.

[81] **Mr Edwards:** Yes. There are tools in the tool box and standards that have been set, but implementing and monitoring and regulating and intervening to ensure those standards are met is the trick, and it is not easy to achieve that.

[82] **Joyce Watson:** Very finally, because I am going to ask a supplementary question, we have heard a lot of evidence about local authorities working well in different areas in different places at different times. Do you think that it would be worth the committee making a recommendation along the lines of a more cross-border approach? I am talking about the imaginary borders that are, say, Pembrokeshire, Carmarthenshire and so on, being taken down and a far more regional approach, if not a national approach, being taken to work towards providing good quality housing as one possible way forward.

[83] **Mr Edwards:** Absolutely. There is an organisation that unites the 10 local authorities in south-east Wales called the south-east Wales regional housing forum, and it did some work a few years ago on regional housing markets. It is not a respecter of local authority boundaries, and identified a number of market types. It tended to work west to east across the south Wales area and, as you progressively went north, if you like, housing market conditions got worse for a lot of people. So, yes, the short answer is that we think that there is a lot of scope here for authorities to work in partnership.

[84] There is also what you might call the Cardiff effect in south-east Wales, where what happens in the Cardiff housing market has a huge impact on all the surrounding authorities. So, again, as I say, the short answer is that there is huge scope here for regional collaboration on understanding housing markets and deciding what the appropriate interventions are.

[85] **Joyce Watson:** I thank both of you for taking the questions, lots of supplementary questions, and giving us good answers. Thank you.

[86] **Mr Edwards:** Thanks a lot.

9.52 a.m.

**Ymchwiliad i'r Sector Rhentu Preifat—Casglu Tystiolaeth: Y Gymdeithas  
Genedlaethol Landlordiaid  
Inquiry into Private Rented Sector—Evidence Gathering: National Landlords  
Association**

[87] **Joyce Watson:** Good morning, gentlemen. I welcome you here this morning. The two organisations that have submitted papers and are about to answer some questions are the national representatives for Wales, the National Landlords Association, represented by Lee

Cecil and Barry Markham and also David Cox, and Agorfa Cefni, represented by Wil Williams. You can assume that your papers have been read. You can assume that we do not necessarily need answers from three people for every question, because we have a time frame to keep to, so whoever feels best suited to answer can answer. Unless you have something to add very briefly that is not in your paper, we will move into questions.

[88] **Mr Markham:** Would it be useful if we explained what our positions are within the National Landlords Association? Would that enable you to understand our answers better, if it is brief?

[89] **Joyce Watson:** Yes, briefly.

[90] **Mr Markham:** Okay. My name is Barry Markham. I am director for the regions for the National Landlords Association. What that means is I am responsible for developing the network of local representatives across the whole of the UK, including regional representatives but, in the case of Wales, a national representative. I have Lee Cecil on my right, who will just say a couple of words about his role as the national representative for Wales for the NLA. Also under my umbrella are all the policy functions and PR functions of the NLA. On my left is David Cox, who is a policy officer for the NLA with special responsibility for Wales. So that is why the three of us are sitting in front of you today. I will ask Lee to explain a little bit more about his role.

[91] **Mr Cecil:** Good morning. Basically, what I do and have done for seven or eight years in Wales, because I live in Wales, is sit on all the major Welsh Assembly Government authorities strategically to deliver and broker, I suppose, or facilitate between the public sector and the private rented sector, so I pretty much should know most of the things going on.

[92] **Mr Cox:** I have been with the NLA now for a couple of years. I have taken over the policy function, preparing consultation responses and briefing Lee and Barry on presentations before select committees and inquiries and consultations.

[93] **Joyce Watson:** Wil, do you want to say something about yourself?

[94] **Mr W. Williams:** Only briefly. I manage a project funded by the Assembly Government and local authorities, which broadly seeks to develop opportunities and choice in the private sector across five local authorities in north and mid Wales.

[95] **Joyce Watson:** So, to what extent do you think that the private rented sector is ready and able to address the unmet housing needs in Wales?

[96] **Mr Markham:** It is true that the private rented sector has been addressing needs across the UK and, in particular, in Wales. I think that the shortage of social housing over the last few years has been met by the private rented sector. I think that it has stepped up to the mark and is providing accommodation. The drive that must be with us now is to increase the standards and ensure the standards continue to increase, both in respect of property condition and of management. That is one of the aims of the National Landlords Association.

[97] **Joyce Watson:** Wil, do you want to say anything? You do not need to touch the buttons on the microphones, by the way, they come on automatically.

[98] **Mr W. Williams:** It is quite interesting that, in looking at the private sector, which has a range of people who are presenting as homeless and whom local authorities see as being in priority need, we are also seeing more and more opportunities for the community to, in effect, approach the sector to access homes not just in the absence of social housing but

because people feel that they are unable to take the risk of home ownership at this particular stage.

[99] **Mark Isherwood:** I have a very broad question. What are main issues and challenges affecting the private sector landlords and your tenants at the present time?

[100] **Mr Markham:** The response that we have submitted to this committee has a number of themes through it. Developing the private rented sector in Wales generally—that is about incentivising landlords to increase their portfolio and to take on more of that social role, so the willingness to accept local housing tenants—is one theme. Another theme that runs through our submission is about improving standards and management and, in that respect, the accreditation. We support Landlord Accreditation Wales, which we work closely with, and that is a real success story. I think that our accreditation scheme, the national one, is also a success story and can complement the Welsh scheme and take it forward to the next level. That is a theme that runs through it. Of course, there is a theme of the cuts to local housing associations. We cannot escape the difficulties that they will create and our paper here goes into some detail about those cuts, our concerns about them and some ways that perhaps we can overcome some of the difficulties. So, those are the general themes that run through our paper.

[101] **Mark Isherwood:** On that final point, are you, and I am sure you are, sharing those concerns with the UK Government and is it listening?

[102] **Mr Markham:** We have met the grant chaps on a couple of occasions and we voice those concerns quite loudly. I am sure that the Government is listening. It says that it has a different perspective on the outcomes of these cuts so, from that perspective, we differ. We think that the cuts are going to have a huge effect on the private rented sector; it thinks less so.

[103] **David Lloyd:** Diolch am eich papur. Mae sawl tyst wedi dweud wrthym mai un ffordd o gynyddu'r sylfaen wybodaeth ar y sector rhentu preifat yng Nghymru yw cyflwyno cynllun gofrestru ar gyfer landlordiaid. Beth yw eich barn chi am gynllun gofrestru gorfodol ar gyfer landlordiaid? **David Lloyd:** Thank you for your paper. A number of witnesses have commented that one way to increase the information base on the private rented sector in Wales is to introduce a landlord registration scheme. What are your views on a mandatory landlord registration scheme?

10.00 a.m.

[104] **Mr Markham:** I will say a few words about this and then ask Lee to give a particularly Welsh perspective. Our view, having considered the Scottish scheme, is that it does not serve much function, apart from increasing the bureaucracy, the paperwork and the time needed to manage such a scheme. There is no evidence that we can find that shows that such a scheme has a positive impact upon the standards of the PRS. It collects data; it does not take it any further. If you look at the Scottish scheme, you will see that nothing has been achieved other than the collection of data about lists of landlords. We say that it is bureaucratic and cumbersome and that it does not lead to what we want it to lead to, which would be an improved private rented sector. However, perhaps I will ask Lee if he will say something specific about Wales.

[105] **Mr Cecil:** This question has already come up in the housing programme implementation board that I sit on with the Welsh Assembly Government. Glibly, I suppose, I asked the Government whether it had £16 million, because that is how much it cost Scotland to instigate this scheme and its success is debatable. We do not have £16 million, it is fair to

say. On the practical issues and delivering that, if you are a member of the National Landlords Association, you have an identity card and a code of practice and everything else. The landlord pays for the privilege of being a member and being responsible. I also said that the NLA does not promote or protect bad landlords. In fact, I regularly ask the Welsh councils to enforce the full weight of the law, which is extensive, against bad landlords. We are in a time of adversity, not just financially, but with citizens' unrest on the streets. We have to have common sense and we have to work together in a true partnership to deliver for our communities. There are simple, small steps that we could engage with to make things better. Barry mentioned the accreditation scheme. The good landlords are sometimes a little bit naïve. They have a good heart, but there is a lot of regulation and it is difficult to keep up with it. A one-day scheme that Landlord Accreditation Wales runs is a good starting point, but it does not finish there; our landlord library scheme has an online 24/7 continuing professional development course that public sector officers have tried out for us and could engage with. That way, you maintain the standards and the knowledge going forward and I do not believe that you need a structured scheme.

[106] **Mr Cox:** I will also say that there are two key problems with landlord registration, which is why it was probably scrapped by the UK Government at Westminster. The first is churn: private landlords, on average, according to the Rugg review in 2008, churn their property portfolio about an average of 10 per cent to 12 per cent every year. If you were to ask landlords about their property portfolio as at 8 December 2010, for example, by 8 January 2011 it could be very different and, at which point, the register would be completely out of date and would serve no useful purpose whatsoever.

[107] The second is clear from looking at Scotland and the resource issue. Scotland, in the five years that they have had the registration scheme, has only licensed approximately 75 per cent of the landlords in Scotland. It is taking a huge amount of time to get the licences through and some landlords are coming up on renewal before they have even got their original licence. Of the 25 per cent of landlords that are still unlicensed, a lot of the time, the local authorities know where they are, but do not have the resources necessary to enforce the scheme. We would suggest that there are far better ways of spending the money through targeted enforcement, rather than blanket registration and licensing schemes.

[108] **Joyce Watson:** Wil, do you want to add anything before I bring Ann in?

[109] **Mr W. Williams:** I have nothing to add to that, Chair.

[110] **Ann Jones:** I realise that you are talking about your 700 members in Wales, but I guess that that is a percentage of the number of landlords that operate across Wales. What percentage of landlords are members of your association? How many of your members have you taken action against for being poor landlords?

[111] **Mr Markham:** Do you know the answer to the first question, Lee?

[112] **Mr Cecil:** I do not know the answer to the second question, but we can find that out for you. My problem, and it might sound surprising, is not bad landlords, because you know that bad landlords are bad and anyone can get in touch with the council and report them so that the council can follow it up. My biggest problem is landlords who have been landlords for 30 years who think that they know everything about the regulation. They are not necessarily bad, but they are not legal in some respects because they do not understand tenancy deposit schemes or energy performance certificates. So, it is a result of a lack of information and education. They will not become a member of our association for £70 a year because they do not think that there is a value in that, but that is their choice. We have to encourage landlords, not enforce it, because we can see what enforcement does to societies in respect of private rented sector landlords. You can see that in any community that you may

visit. You have to engage and get people motivated to come on side for the right reasons. That is a different kettle of fish.

[113] **Ann Jones:** Yes, but you have just said that there are landlords who have been operating for 30 years who will not join your association. How do you know that the enforcement is not happening if they are not your members? What percentage of landlords in Wales are members of your association?

[114] **Mr Markham:** If I can address the first part, the NLA recently partnered Shelter on the launch of its campaign about rogue landlords, so we are committed to dealing with rogue landlords. The difficulty is the definition of a rogue landlord. We have our own definition, which Shelter agrees with, and that is that a rogue landlord is someone who knows the rules, knows what they should be doing, deliberately avoids doing it, and deliberately stays under the radar. We are committed to working with all local authorities to target those rogue landlords.

[115] Those landlords who make mistakes, who are not educated, who are, perhaps, accidental landlords or perhaps need more education, we can work on that and accreditation schemes are the way that that can be done. Legislation does not serve to tackle the rogue landlords who stay under the radar. They are the people who you cannot get to through legislation, by the very nature of the way in which they operate. It is about targeting those through the local authority and freeing up local authority time. We need to free up the time of environmental health officers in order to use a scalpel to get to the heart of the problem, which is the rogue landlord, rather than employing blanket licensing schemes that soak up environmental health officers' time and do not achieve their main purpose, which is to improve the private rented sector.

[116] **Eleanor Burnham:** Bore da. Diolch yn fawr am eich papur; yr oedd yn ddiddorol. Yr oeddwn innau hefyd ar fin gofyn yr un cwestiwn ag a ofynnodd Ann ynghylch y canran o landlordiaid sy'n aelodau o'ch asiantaeth, oherwydd mae'n bwysig i ni wybod hynny. A gredwch y bydd rheoleiddio asiantaethau gosod yn gwella'r sector rhentu preifat ac, os felly, pa welliannau y gallech weld yn deillio o hynny?

**Eleanor Burnham:** Good morning. Thank you very much for your paper; it was very interesting. I was going to ask the question that Ann asked about the percentage of landlords that are members of your organisation, because it is important for us to know that. Do you believe that the regulation of letting agents would improve the private rented sector and, if so, what improvements do you think would result from that?

[117] **Mr Cox:** We do not have specific data on what percentage of landlords in Wales are our members. We do have rough figures for the UK. That is predominantly because we do not really know how many landlords there are in Wales and we do not really know how many landlords there are in the UK.

[118] The Rugg review in 2008 suggested that there were approximately 1.2 million landlords in the UK and that there were approximately 3.2 million PRS properties in the UK. Taking those statistics, we represent about 3 per cent of landlords, but we do not have hard and fast figures.

[119] **Mr Cecil:** The report states that there are 660 physical NLA members in Wales. The difficulty is that we have a lot of absentee landlords who do not live in Wales. They could live anywhere in the world technically and that creates a worry as to how you can engage with them.

10.10 a.m.

[120] Your point about letting agencies is a very good one. Three years ago, I asked Cardiff Council to survey the number of letting agencies in Cardiff, and it was over 200. It is a surprising, staggering number. I drive around Cardiff streets quite regularly, because I live between Cardiff and Newport, and I see new ones even in this market. It would be a positive step if you accredited or licensed them; the Association of Residential Letting Agents, Royal Institute of Chartered Surveyors and all the main players in that pond want that and have lobbied for it since 1996. It beggars belief that someone could, technically, come out of prison with a record for fraud and on the very same day set up a letting agency. They would be holding deposits and house keys, but they are not likely on that day to know a lot about running a letting agency. So it would be positive and it would engage with the other major stakeholders, including the public sector. Neath Port Talbot County Borough Council, for example, accredited two local private letting agencies four years ago. It gave out certificates and it is working with those agencies to house its vulnerable people. I think that you can add it to the total package to make the delivery a lot better.

[121] **Joyce Watson:** Wil, do you want to say something about letting agents? I am sure that you do.

[122] **Mr W. Williams:** Yes. Social lettings are obviously a new concept and are developing as we speak. To all intents and purposes, the difference between us, although we are on the high street, and high street letting agencies is the fact that we have to have some social impact. That is not just about housing vulnerable people; it is how we behave responsibly within the community and how we liaise with the private rented sector to come up with suitable, affordable, good-quality accommodation. So, in our own practices, we have to behave slightly differently to high street letting agencies.

[123] We have gone through the accreditation process as well, through the national approved letting scheme, and that was more for the benefit of workers within our social lettings activity. It is very new, and while we have a lot of experience of working with the private sector since 1998, working at the business end of the rental business was a very different concept for us.

[124] **Lorraine Barrett:** I have one point. You mentioned the 660 landlords who are your members. How many properties do those 660 have? Across the way here, in my constituency, one landlord could have bought at least half a huge tower block of flats. Do you have an idea of the number of properties involved with your 660 members?

[125] **Mr Markham:** We do not have those statistics to hand now, but we do have a panel of 1,000 landlords, including landlords in Wales, that we can ask for those statistics. We do a quarterly survey. It is a huge panel on which we can draw, so we can get those statistics for you if you wish.

[126] **Lorraine Barrett:** Okay, thank you; that would be useful.

[127] **Mr Markham:** May I just say something about the letting agents and the regulation? The NLA has struggled with this question for a while. We press our members to always choose an agent—about half of our members use agents—and we have 500, 600, 700 members who are agents as well. We always press our landlords to choose an agent who has client money protection, professional indemnity insurance and fair terms and conditions for their customers. That is what we push. When it comes to regulation, we are not fully decided on that yet.

[128] **Joyce Watson:** You said that you would send a note to Lorraine on her question; would you send it to the clerk so that we can use it in our evidence?

[129] **Mr Markham:** Absolutely, yes.

[130] **Joyce Watson:** We are running greatly behind time. I ask for brief questions and answers.

[131] **Mohammad Asghar:** My whole sympathy goes to landlords. The reason why I am saying—

[132] **Joyce Watson:** We are impartial here. We cannot do that.

[133] **Mohammad Asghar:** I have no personal interest, as I have no property to let, but I have a few cases. The question that I probably wanted to ask has been answered, so I am going to ask one or two things that landlords can explain.

[134] **Joyce Watson:** Oscar, I am going to be very strict. We are doing an investigation and on the final evidence of that investigation we will draw conclusions. What I will not do is express a view, and neither will anybody else, and neither should you, of where our sympathies lie, if we have any—whether they are with landlords, tenants or letting agents.

[135] **Mohammad Asghar:** No, Chair, what I am saying—

[136] **Joyce Watson:** I will give you time to ask your questions—

[137] **Mohammad Asghar:** Within the context of the answer—

[138] **Joyce Watson:** Excuse me, please, Oscar, if you do not mind. I will allow you to ask the question without prejudice.

[139] **Mohammad Asghar:** Yes, all right, thank you. It is something without prejudice in my region that certain landlords can, without any Criminal Records Bureau check, put tenants in and, within six months the houses were checked—

[140] **Joyce Watson:** Sorry, Oscar, that is not an appropriate question, because we are not doing anything on CRB checks.

[141] **Mohammad Asghar:** All right. Do you think that the power is used effectively? For example, the poorest properties and the landlords are being targeted for enforcing action first, because it is landlords who get penalised by the local authority. In my region I have quite a lot of cases. I do not want to go into details here, because the Chair will stop me and we do not have enough time, but do you think that they have sometimes been penalised unreasonably?

[142] **Mr Markham:** Sorry, just to clarify the question, are you asking whether some landlords are penalised unfairly?

[143] **Mohammad Asghar:** Yes.

[144] **Mr Markham:** Where landlords have clearly broken regulations, there are two courses of action that can be taken. You can either prosecute them or you can draw to their attention that they have broken the rules, and it depends upon the severity. I would draw your attention to my earlier comments about rogue landlords. Where there is a breach of the rules, it depends upon the severity of those rules, but if it is a case of educating landlords about their responsibilities, fining them or prosecuting them is not always the answer. Where you have a landlord who clearly knows the rules and repeatedly ignores those rules, at the end of the day, prosecution is the answer. I do not think that we should shy away from that. I do not think that prosecution is the answer in all cases. There are times when someone makes a mistake and if

they learn by that mistake and it does not happen again, you have achieved your aim.

[145] **Joyce Watson:** Okay, that is fine. I am going to ask the original question. Do you think that local authorities have sufficient powers to deal with standards in the private rented sector? I just want the answer to that specific question.

[146] **Mr Markham:** The National Landlords Association works with local authorities across the whole of the UK and every local authority in Wales. In fact, every local authority in Wales is an associate member of the NLA.

[147] Our view is that they have sufficient powers to deal with the problems. The difficulty is that their resources are being used to cover blanket licensing scheme upon blanket licensing scheme. So, rather than using their powers by their environmental health officers, they are unnecessarily diverting those resources to bureaucratic licensing schemes. Blanket legislation and blanket licensing schemes are not the answer to improve the private rented sector. Focused action is the answer and we would support that action.

[148] **Joyce Watson:** I am going to tease this out. You have repeated it time and again, so I want to do a little bit of probing. Powers mean that you had legislation in place to act on. I need to be clear, on behalf of the committee, exactly what it is that you are saying. There would be no power to deal with anything if there was no legislation. I am sure that you are not saying that you want a completely deregulated market.

[149] **Mr Markham:** No.

[150] **Joyce Watson:** You have repeated that phrase, so I need to be clear that that is what you are not saying.

[151] **Mr Markham:** We are not saying that. We are saying there are plenty of powers available to local authority environmental health officers at the present. Those powers are in place.

[152] **Joyce Watson:** That is fine, you have answered the question. We are running out of time. I will move on to Lynne.

10.20 a.m.

[153] **Lynne Neagle:** I just wanted to ask in more general terms how effectively you think that local authorities are engaging with the private sector in Wales.

[154] **Mr Cecil:** From a Welsh point of view, it is not consistent. That is the issue. There are plenty of powers available to local authorities. What they do not do sometimes is interpret the regulation correctly; they misinterpret it. In some areas they do not do anything, because their priorities are elsewhere. So there is no consistency. There are plenty of regulations; you do not need any more. What you need to do is consistently and fairly enforce them across Wales.

[155] **Mr Cox:** The private rented sector at the moment is covered by 50 separate Acts of Parliament and regulations. It is quite a heavily regulated sector already. The vast majority of private rented tenancies begin and conclude to the satisfaction of both the landlord and the tenant. We are talking here about a very small minority of tenancies where we have bad landlords—and we do have bad tenants as well—who cause a very poor image. It is that image, really, that is the biggest problem with the private rented sector, because most of it is very good and very professional. However, there is this tiny minority and we should be targeting legislation and, certainly, enforcement action at that very small minority rather than

taking a broad-brush approach.

[156] You were asking about the powers. We are talking about such things as injunctions, anti-social behaviour orders, and noise abatement orders. Those are the things that local authorities should be using before they go down the route of licensing regimes. The legal context in the Housing Act 2004 for creating licensing regimes is quite strict and puts specific definitions on anti-social behaviour and what an area of low housing demand is. Local authorities at the moment, not just in Wales, but across England as well, are going straight for licensing and they are not looking at other courses of action that target specific problems in local areas. If anti-social behaviour is a problem in an area, environmental health officers and anti-social behaviour teams should be going in, finding who the bad tenants are, and speaking to the landlords. An awful lot of the time, the first time that landlords hear that there is a problem with anti-social behaviour by one of their tenants is when they get contacted by the police or by the local authority.

[157] The local authorities are not telling landlords in advance that this particular tenant that we are giving to you, or that you are accepting, has been removed from social rented property, or has been evicted from three or four different private rented properties. The local authorities have to give landlords more information; there has to be better local authority engagement. Unless landlords know that they are accepting a tenant that has had problems in the past, then the cycle is just going to continue. We are not going to get landlords being able to actively manage tenancies and actively manage problem tenants if they have no idea that the tenant has had problems in the past.

[158] **Joyce Watson:** Wil, do you want to add anything on that?

[159] **Mr W. Williams:** Yes. I would add that with regard to those pre-tenancy people who would not probably appear attractive propositions to my colleagues on the right, we have the advantage of having to work and engage with those potential tenants, because they have usually failed within social housing or in private tenure previously. If people are saying that they have turned the corner, whether it is with regard to offending or substance misuse, or whether people are fleeing domestic violence, then they need to fully exploit the choice and opportunity the private sector has. There needs to be an element of working with that tenant so that they can be a more confident and competent tenant. That builds on what was said previously. There needs to be a certain amount of openness so that there is collaboration around the development of that tenancy. We need to know what the issues are and, more importantly, the tenant needs to know what situation they are in and what needs to change for them to develop a home, really.

[160] **Joyce Watson:** So, your scheme would address those issues, would it?

[161] **Mr W. Williams:** It would have to, because if there is tenant churn, if we are still going down the route of failed tenancies and what have you, we are not helping the landlords to develop their business, we are not helping the resource develop and, particularly, we are not enabling individuals to develop their own lives and move on.

[162] **Joyce Watson:** Okay. That is fine. I am going to have to move on, because we are way behind in time. Ann, did you have a question?

[163] **Ann Jones:** My question has been answered, because Wil has just talked about the project that he is doing. What do you hope to achieve through the project that you are working on, and will you then roll it out across other areas of Wales?

[164] **Mr W. Williams:** To answer the second bit first, the Assembly has also funded us to work with the remaining local authorities in Wales, hand holding and getting people more

enthused about the concept and then going through some of the techniques and mechanics of social lettings. That is in place at the moment.

[165] **Eleanor Burnham:** Do you mean the Assembly Government?

[166] **Mr W. Williams:** The Assembly Government, yes.

[167] **Joyce Watson:** Okay, fine. Thank you. It has been great; it has been fascinating. It clearly has, because we are out of time, so that shows the level of interest on both sides. We have another four questions that we would like to put to you. Can we put those to you in writing and invite you to give a response? That would be very helpful. Thank you. It is not very often that we go so over time. It is clear that people are interested on both sides, which can only be a good thing. Thank you very much for your paper and your evidence.

10.26 a.m.

**Ymchwiliad i'r Sector Rhentu Preifat—Casglu Tystiolaeth: Cymdeithas  
Llywodraeth Leol Cymru a Phanel Prif Swyddogion Tai Cymru Gyfan  
Inquiry into Private Rented Sector—Evidence Gathering: Welsh Local  
Government Association and All Wales Chief Housing Officers Panel**

[168] **Joyce Watson:** Right, we have a full house again. I welcome you all here this morning. I am sure you are aware, because you have been waiting, that we are running slightly behind time, so it is going to affect the way that this next session is run. That is, we are going to go straight into questions.

[169] I welcome Tim Peppin, director of regeneration and environment from the Welsh Local Government Association, Sue Finch, housing policy officer of the Welsh Local Government Association, Kenyon Williams, head of private sector housing, Caerphilly County Borough Council, and Sarah McGill, chair of the All Wales Chief Housing Officers Panel, and Lyndon Puddy, housing options service manager of Torfaen County Borough Council.

[170] We are, as I say, running behind time. We have read your papers and I thank you very much for those. We are going to go straight into questions. I am sure that you are aware that we will not want five answers to every single question, so I would ask for the most appropriate person to answer the question, otherwise we are going to be here all night.

[171] This question is to the WLGA. You submitted a paper for the meeting and it notes that recent research estimates that there are 14,200 new homes needed in Wales each year until 2026 to meet the housing needs. That is what you said. So to what extent do you think that the private rented sector is able to contribute towards meeting that housing need in Wales?

[172] **Ms Finch:** First of all, we are absolutely delighted that this committee has decided to look at the private rented sector. It is an area that has not drawn an awful lot of attention, but plays an absolutely critical role in meeting housing need in Wales. It is something like 11 per cent of the housing market, but is absolutely crucial to oil the wheels, if you like.

10.30 a.m.

[173] For those who are looking for mobility, whether it is the labour market or the housing market, it is a very useful sector. It also is increasingly meeting the needs of those who cannot enter social housing and the growing number of people who cannot enter owner occupation.

So, it has an increasingly important role.

[174] The concern that we increasingly have, however, is that the changes recently announced to housing benefit are likely to make that sector less affordable than it has been. Therefore, it raises real concerns about how much that sector will be able to meet current housing need, particularly for vulnerable people.

[175] **Joyce Watson:** Okay, fine. We are going to move on to Oscar.

[176] **Mohammad Asghar:** The committee has received evidence from witnesses that suggests that there is a lack of robust data in the private rented sector. How can we establish a more robust evidence base, and how would this help policymakers and practitioners to improve the sector?

[177] **Mr K. Williams:** The simple answer would be the use of registries. You could talk to all 22 local authorities in Wales. They will probably be able to tell you from stock condition survey data and from housing needs assessment data roughly how many private rented sector houses they have in their areas. None of them, however, will be able to tell you where they are.

[178] That gives us the problem. Local authorities are only ever able to deal with the poorest conditions when we get tenancy complaints; there is never the opportunity to deal with the sector strategically. So, from my point of view, until we know where these properties are, we are never, ever going to be able to service this properly and exploit the opportunities. I am not suggesting that we need to know where they are for the purposes of wielding a stick. Where a stick needs to be wielded, we will wield it. There are education opportunities both for landlords and tenants, but until we know where all these properties are we will struggle.

[179] **Mohammad Asghar:** Is best use being made of the data that are available, for example, those held by individual local authorities?

[180] **Ms Finch:** Local authorities will hold a certain amount of data and I agree that it will be spread throughout the authority. I would accept that authorities could link up within their activities much more than they do. Some authorities are better at it than others and we are working, with the use of a toolkit, on improving that communication.

[181] Having said that, there will be a proportion of landlords who will be operating under the radar, who will not be coming into contact with any particular part of the local authority, and, with the best will in the world, you would never be able to, therefore, come up with a comprehensive list of local landlords.

[182] **Joyce Watson:** We have just had the landlords association in, and it pointed us to the Scottish scheme, which cost £16 million, and told us that only 75 per cent of the landlords were registered as a consequence. I know what you are saying, I hear what you are saying, and we have heard it in evidence from others. It has been raised here this morning so I will have to ask it back to you. First of all, do you agree that it would cost £16 million and, if it would cost £16 million for 75 per cent accuracy, is that a useful way forward?

[183] **Mr K. Williams:** I do not really know the detail of the Scottish model or what the outcome of it was. All I am asking for, what we are all asking for really, is very simple. I do not know why it cost £16 million in Scotland. Does anyone know the Scottish model?

[184] **Ms McGill:** I think that it would be around the amount of information that was required. What we would be keen to see is a no-barriers approach to registration so that we would be asking landlords to come forward. We would not, in the first instance, be asking for

anything other than telling us that they were a landlord. That would then give us the ability, if we found a poor landlord or wanted to take action, to deregister rather than, at the moment, looking for people to come forward and register.

[185] I think that the problem is the more barriers you put in the way of people coming forward and registering, the more expensive it gets. So, what we would be wanting is a very simple scheme. How much that would cost and the enforcement of that might be difficult to assess, but the simpler it is the better. That is really what we would be looking to promote.

[186] **Eleanor Burnham:** You already know if someone is a landlord, though, because the landlord has to inform the council that they are not, themselves, living in a property but they have it rented to someone else. They are not paying the council tax; the tenants are paying the council tax.

[187] **Mr K. Williams:** I do not think that that is the case. I came up for a meeting a couple of weeks ago and I tested that theory. I went to my council tax people and asked whether they could tell me where all the landlords are in the borough and they could not.

[188] **Eleanor Burnham:** Well, surely they should. I have become a landlord—

[189] **Joyce Watson:** Eleanor, we have had the answer and I understand the question, but what they are saying is the same: the ones that are under the radar will not be found. I want to move on now because of time.

[190] **David Lloyd:** Mae'r cwestiwn hwn ar gyfer Cymdeithas Llywodraeth Leol Cymru yn benodol. Yr ydych eisoes wedi crybwyll bod y gymdeithas wedi datblygu pecyn cymorth i helpu awdurdodau lleol ymgysylltu â'r sector rhentu preifat. A allwch chi ddweud mwy wrthym am y pecyn cymorth hwn a sut y bydd yn galluogi awdurdodau lleol i weithio'n fwy corfforaethol gyda'r sector rhentu preifat?

**David Lloyd:** This question is directed at the Welsh Local Government Association. You have mentioned already that the WLGA has developed a toolkit to help local authorities in their engagement with the private rented sector. Could you tell us more about this toolkit and how it will enable local authorities to work more corporately when dealing with the private rented sector?

[191] **Ms Finch:** It is a very simple tool, which is based on the simple idea that if you get the right people sitting around the table in one single room and having the right sort of conversation, you can go a long way. So, it is based on the recognition by the WLGA that authorities were working in many different ways with private landlords. It might be that the homelessness department is working with them on the one hand, and private sector enforcement on the other, and the housing strategy is trying to assess the numbers of them, but very rarely does that conversation happen within the authority. So, the toolkit, essentially, provides a rationale and the support mechanisms to allow those key people to come together and to develop an improvement plan by sharing their perceptions of how different parts of the authority are faring and how effective they are being with the private rental sector.

[192] Then that is followed up by a checklist, which states how it would look if you were a perfect authority, and asks whether you have x, y and z in place. If you do not, it tells you the people whom you could talk to in neighbouring authorities who might be able to give you the sort of information to help you develop that and improve that area of your practice.

[193] **Eleanor Burnham:** How effective are accreditation schemes and landlord fora and is there a danger in the current economic climate that these voluntary initiatives might not continue?

[194] **Mr K. Williams:** Landlord accreditation has been extremely successful. It has only been in place for a matter of 18 months to two years. Already there are hundreds of landlords who have taken up the opportunities of the training and the expertise that is provided through the scheme.

[195] There is a risk in the current financial climate of the scheme failing. It is funded at the moment by all 22 local authorities who, as you are very well aware, are strapped for cash. If something really needs to be continued, it is the landlord accreditation scheme for Wales.

[196] As far as landlord fora are concerned, they are extremely important. In Caerphilly, for example, three and a half years ago we did not have a landlord forum. The first one that we had, we had something like six people there. Now we regularly have 60 to 70 people there, and it is a vehicle for engagement. The problem with landlord fora is that you get the good landlords there; you do not get the poor landlords there. So, at the outcome of your investigations, when you allow us to have the registries, we will build on that.

[197] **Eleanor Burnham:** That is because, at the moment, you do not know who the bad landlords are?

[198] **Mr K. Williams:** Not all of them, no. We know who some of them are, because their tenants tell us, but that is not the way to work. We want to be working proactively and strategically with this sector, professionalising it and making it useful.

[199] **Eleanor Burnham:** I have one very quick supplementary question about data protection. Does that have anything to do with collection of the data that you have at the moment?

[200] **Mr K. Williams:** Not any more. Since the 2004 Act you can share data.

[201] **Eleanor Burnham:** Fantastic. Thank you.

[202] **Mark Isherwood:** How effective are social lettings agencies at enabling those in housing need to access the private rented sector? What role do you believe the Welsh Government has in driving these initiatives forward? Is it doing enough? Does more need to be done?

[203] **Ms McGill:** I think that they have been very effective, where they exist. They have managed to increase the number of tenants, who previously would have been waiting on housing waiting lists, accessing the private rented sector. In combination with the work that we have done with the landlord fora, it has made a huge difference. In Cardiff, we have seen a 60 per cent increase in the number of tenants on housing benefit accessing the private rented sector, which has been hugely significant.

10.40 a.m.

[204] The numbers in the private rented sector nearly match the numbers in housing association accommodation, so it is absolutely critical. There is more that needs to be done there. We need to support the letting agencies more significantly. The danger with the current changes in housing benefit is that that market will diminish. The potential is that the pressure on waiting lists will increase hugely—particularly, I have to say, at the large family accommodation end of the market; we are potentially going to be looking at large families that will not be able to access that sector in the future. That could be extremely problematic. However, it is a very good initiative; it is extremely good.

[205] **Mark Isherwood:** Do we know what proportion of private rented sector tenants are

in receipt of housing benefit?

[206] **Ms McGill:** Yes, we do know that.

[207] **Mark Isherwood:** What is it?

[208] **Ms McGill:** I do not have the figures for the whole of Wales with me but—

[209] **Joyce Watson:** Do you want to send us a note?

[210] **Ms McGill:** Yes, certainly.

[211] **Joyce Watson:** Thank you. I would much prefer that you went through the Chair.

[212] **Lynne Neagle:** In its written evidence, the WLGA notes concerns about professional standards among letting and managing agents. In what way would the regulation of letting agents improve the private rented sector?

[213] **Ms Finch:** At the moment, anyone walking down the street can set themselves up as a managing and letting agent. There is no requirement for any qualification or for any level of understanding of legal obligations. They are the interface between the tenant and the landlord, and the landlord has an expectation that they will be operating professionally, and a lot of tenants would expect the same. However, the reality is that they could be anybody. I am sure that there are very good managing and letting agents, and there are, quite clearly, appalling managing and letting agents. I think that it would have a huge impact on improving the practice of the private rented sector, because they potentially have influence over a significant proportion of the sector. If they were operating to a certain standard, landlords might be more willing to enter into the sector or remain in the sector, and tenants would have an assurance that they were receiving an appropriate standard of service.

[214] One of the interesting observations to come out of a lot of the reviews that have taken place around the private rented sector is that a lot of people's reluctance to opt for the private rented sector is based on perceptions. There is a perception that it is very poor quality housing, that there is no security and that landlords can get you out at any moment. However, if we could professionalise landlords and the managing agents, it would improve the image of the sector and would make it a more viable choice. That, in itself, is more likely to attract more landlords to invest in the sector. So, it is about getting that spiral to work in reverse, if you like, and improving the image of the sector.

[215] **Joyce Watson:** I will ask Lorraine to ask her question now, because they flow nicely on from that.

[216] **Lorraine Barrett:** Yes, Sue has just started to answer my question, which was about security. Sarah and I have worked together for many years, in a way, on housing in Cardiff. Our case load, as elected members, shows that people are often desperate to get out of private sector accommodation into what they call a 'council house', because they see it as secure and for life. They feel that, at any time, they could be evicted if the landlord decided to sell or whatever. Sue, you talked about the perception. Do you think that that perception—you have answered this—is putting people off? Do you think that it would be possible for the private sector to be developed and made the tenure of choice, maybe without giving tenants more security of tenure? Is there another way of securing that security, if you like, for tenants?

[217] **Ms Finch:** I think that there is an issue about image and I have talked about the role that professionalising the sector could play in improving the image.

[218] Another important role that social lettings agencies can play is in giving de facto security. If a landlord hands over a property to a social lettings agency for, say, five years, if the tenants comply with the tenancy agreement there is absolutely no reason why they should not have security for that period of time. In fact, if the landlord wanted that property back, the social lettings agency could, in fact, move that tenant to another desirable property, perhaps in the same neighbourhood. So, social lettings agencies can play a crucial role in addressing some of those fundamental problems that are about security, affordability and standards.

[219] **Lorraine Barrett:** With regard to this aspect, there are families with children in schools and jobs that go with where the family live, older people, retired people, single people or couples who do not have children and younger people who can move around. Is there a difference in that perception? Do you have evidence that it is families—it seems an obvious question, I know—that need to stay in the same place? Is the sector coping with that, to enable families to stay where they are? Five years is not long in a family's life, in a way, if they have to uproot and move on.

[220] **Ms McGill:** I think that that is right. You see young single people who are quite happy to live in the private rented sector, but as soon as a couple have a family, that is when you get the request for a council house or a housing association property. That is because they see that security and the permanence of accommodation in the location that they want.

[221] To pick up on Sue's point, the social lettings agency is very important, because the relationship is often between the family and the social lettings agent. Often, they will not know the landlord, or be that interested in who it is. That relationship is crucial, because it is often the same as they would perceive to have with the housing association or the council. The ability to work with that family and, if the property tenure came to an end, to say 'Yes, we could move you somewhere else' and to work with them, gives them that confidence.

[222] The other thing that I would say is that the very positive side of the private rented sector is the location of a lot of the properties. We find that many families desperately want to live in parts of the city where we do not have any social housing, and the private rented sector gives us that market. So, it is well worth developing the tools to give that element of choice.

[223] **Joyce Watson:** Dai, part of your question has been answered.

[224] **David Lloyd:** Yr wyf am eich holi ynghylch budd-dal tai. Yn eich tyb chi, pa effaith a gaiff y newidiadau arfaethedig i fudd-dal tai ar y sector rhentu preifat? **David Lloyd:** I want to look at housing benefit. In your opinion, what impact are the proposed changes to housing benefit likely to have on the development of the private rented sector?

[225] **Ms McGill:** At the moment, 50 per cent of private rented sector properties are available for people who are on housing benefit. That is going to reduce to 30 per cent, which is potentially going to have a significant impact. The difficulty in predicting exactly what is going to happen is that we are not sure of the reaction that we are going to get from landlords to the requirement to reduce their rents. We are not sure how valuable some of the wrap-around services that we can provide—the security of providing tenants, the fast-track benefit services, that sort of thing—are going to be to landlords to enable them to say, 'Yes, we will take a reduction in rent'.

[226] However, as I said earlier, we do have concerns, particularly with the single-room allowance, namely the fact that we are going to have a lot more people unable to access self-contained accommodation. There will potentially be a move to the poorer end of the rented market, and the regulation of that is going to be quite challenging. There are a number of areas that could give cause for concern on either the growth or the sustainability of what is

becoming an increasingly important market in meeting housing need.

[227] **Joyce Watson:** Lyndon, do you want to say anything on this question?

[228] **Mr Puddy:** Certainly, from a homelessness network viewpoint, we see the housing benefit changes as having a critical impact on the more vulnerable in our society—particularly, as Sue mentioned, the reduction from the current median rent to the 30 per cent level. That also impacts on availability and affordability and on people who are already on quite low incomes being able to bridge that affordability gap to meet the weekly rental payment. Based on information that we received recently, we are estimating that it will cost about £9 per week for people to meet the shortfall in housing benefit for where they are now. As a consequence, we are expecting homelessness to increase as benefit and welfare reforms kick in over the next couple of years. We are looking at other options that we could try to bridge some of the gaps in wrap-around services, as Sarah mentioned, in order to provide some alternative provision.

10.50 a.m.

[229] **Eleanor Burnham:** Awgrymwch yn eich tystiolaeth ysgrifenedig y dylid defnyddio rhaglen fenthyca i wneud gwell defnydd o'r nifer o dai sy'n wag ar hyn o bryd. Sut fyddai rhaglen fenthyca o'r fath yn cael ei gweithredu'n effeithiol? Oes modd cael arian o rywle heblaw'r Llywodraeth i ariannu rhaglen o'r fath, ac a oes potensial i'r sector preifat gymryd rhan yn y fath raglen?

**Eleanor Burnham:** You suggest in your written evidence that a loan scheme should be used to make better use of the many empty houses. How would such a loan scheme be effectively implemented? Is there an alternative source of funding other than Government funding for such a scheme and is there any potential for the private sector to become involved in such a scheme?

[230] **Mr K. Williams:** I will deal with that. Empty properties are the story of my life. Lots of authorities have the opportunity to give loans or grants for empty properties at the moment. If you are fortunate enough to live to Caerphilly, you will get a grant for an empty property. Unfortunately, without the registration, half the landlords in Caerphilly do not know that that is available. I will leave that point for now.

[231] **Eleanor Burnham:** No, that is an important point. It is a crucial.

[232] **Mr K. Williams:** Well, it is. It is what I have been mentioning all along. Any assistance to bring empty homes back into operation is worthwhile. I feel that the biggest single problem is probably bodies on the ground. It is a resource issue as far as local authorities are concerned.

[233] **Eleanor Burnham:** In what way?

[234] **Mr K. Williams:** How can I put this in polite terms?

[235] **Eleanor Burnham:** No, you can carry on. *[Laughter.]*

[236] **Mr K. Williams:** Basically, we need people to beat people up, and a lot of them. The more people you have on the ground doing that, coercing and persuading private sector landlords, getting on the back of anybody who owns empty properties to get them back into use, the better. Loans to undertake repairs to those properties as an incentive to bring them back into use—pump-priming—would be even better.

[237] **Eleanor Burnham:** So, why do the landlords not want to use these properties? Why do they not see them as an asset? Why do they see them as a liability?

[238] **Mr K. Williams:** It very much depends on how they acquire them. A lot of them have properties left to them when people die and so on, and they simply do not have the experience in how to manage these properties.

[239] **Eleanor Burnham:** What percentage of the housing stock in Caerphilly would you say is in this state and that you could bring back into proper use?

[240] **Mr K. Williams:** We have just over 900 long-term empty properties in Caerphilly.

[241] **Eleanor Burnham:** Would it be possible, Chair, to have some data on the situation across Wales, if it is available? I think that, collectively, such data would shock all of us.

[242] **Mr K. Williams:** We probably know the figure now: it is 20,000-odd in Wales.

[243] **Ms Finch:** There is a PI—

[244] **Mr K. Williams:** Every authority is charged with making efforts to bring empty properties back into use and they report on a statutory PI every year.

[245] **Eleanor Burnham:** That is amazing. That is quite shocking.

[246] **Joyce Watson:** May I ask a supplementary question? You say that every authority is charged with doing something about it. We have heard evidence not just from you, so you do not have to blow your own trumpet—

[247] **Mr K. Williams:** Well, I am not particularly good at it. [*Laughter.*]

[248] **Joyce Watson:** We will do it for you. We have heard evidence that there is best practice in Caerphilly. Why is it that we have best practice and proactive action in one area and just a reaction in other areas, where the only time that action is taken is to shore up an unsafe building?

[249] **Mr K. Williams:** It is probably due to the level of resources that any particular local authority can deploy in respect of that particular initiative.

[250] **Eleanor Burnham:** Chair, may I suggest that we ask the other gentleman to speak up on behalf of Torfaen? Do you have a similar situation?

[251] **Mr Puddy:** We have a large number of empty properties in the county borough as well. I think that we very much replicate the picture across Wales. Kenyon mentioned how people come to own an empty property; our experience is that a lot of such properties are left to people who do not know what to do with them. A lot of people are quite apathetic about the property and it is just sitting there and they are waiting for the markets to change. There is very much inexperience as to how to manage an empty property as part of that process.

[252] **Mark Isherwood:** Why is such little use made of empty dwelling management orders? I can see that you indicate that cost is a factor, but would it not be a cost saver, given the additional costs that would not be incurred further down the road?

[253] **Mr K. Williams:** The problem with empty dwelling management orders, in my opinion, is that they are only useful on properties that are fairly lettable. Given the manner in which the orders work, you have to recoup any repair costs in an annual rent. So, an empty dwelling management order on a property that is falling down is a waste of time. You need to use enforced sales or compulsory purchase orders in respect of that. Empty dwelling

management orders are only really any good when you have a property that is sat there that can be let fairly easily with a minimum amount of repair. That is why people are not using those. You can deal with the majority of properties that can be let with a minimum amount of repair by persuasion. It is not the case that nothing is being done; plenty is being done, but the orders do not need to be used. It is a resource issue again. The more people that you have on the ground, acting as empty homes officers, the better. There are plenty of tools available to bring empty homes back into use; it is bringing them back in sufficient numbers that is the problem.

[254] **Joyce Watson:** Mark now has the final question.

[255] **Mark Isherwood:** Is the Welsh Government giving sufficient strategic priority to the private rented sector? If it is, that is fantastic; if it is not, what else should it be doing?

[256] **Ms Finch:** As I suggested at the beginning, the private rented sector has been given very little attention in the past. That is evidenced in the fact that it was not included in the LCO. I think that most people from the housing sector during the evidence sessions pointed to the private rented sector as an area that had been a significant omission. That is now starting to change in that the national housing strategy, which has an implementation board, has identified improving the quality and quantity of the private rented sector as one of the priorities. So, we are beginning to see a change in that.

[257] We were talking in the waiting room before we came in and we all acknowledged that there was some guidance on bringing empty homes back into use that the Assembly has been working on for two years that has still not seen the light of day. That is obviously something that would be very important if we had that out there at the moment. So, there are certainly some areas where there could be improvement, but we are seeing more of a strategic focus than we have done for a long time. I think that the changes to housing benefit have thrown a real spotlight on that part of the housing market in a way that there has not been in the past.

[258] **Eleanor Burnham:** May I just clarify something, Chair? You meant ‘the Assembly Government’, did you not?

[259] **Ms Finch:** Sorry, yes.

[260] **Eleanor Burnham:** It is just in case, for the people who may be watching and listening.

[261] **Joyce Watson:** I am going to bring this session to a close. I clearly have not been chairing things correctly. I am going to thank you, as witnesses—I am afraid I did not thank the others—and tell you that you will be sent a copy of the transcript of this meeting to check for factual accuracy. I am afraid that anything that you have said has been taken down in evidence, so you cannot remove it. [*Laughter.*] However, you may check that it is factual. Thank you very much for your time and for your patience because we were running somewhat late.

10.58 a.m.

### **Cynnig Trefniadol Procedural Motion**

[262] **Joyce Watson:** Subject to the committee’s agreement, I move that

*the committee resolves to exclude the public from the remainder of the meeting in accordance*

*with Standing Order No. 10.37.*

[263] I see that the committee is in agreement.

*Derbyniwyd y cynnig.  
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10.58 a.m.  
The public part of the meeting ended at 10.58 a.m.*