# WRITTEN STATEMENT

# BY

# THE WELSH GOVERNMENT

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| **TITLE** | **Update on actions relating to Leasehold Reform** |
| **DATE** | **13 July 2018** |
| **BY** | **Rebecca Evans AM, Minister for Housing and Regeneration** |

In my written statement on 6 March I outlined the initial steps I am taking to tackle issues related to residential leasehold in Wales. As part of that package, I announced the creation of a multi-disciplinary task and finish group on leasehold reform, to assist in this work.

Today, I am writing to update Members that the first meeting of the task and finish group will take place next week. I am also providing details of those bodies which I have invited to participate, and the main tasks I have asked them to consider. Further, I am providing an update on the Law Commission’s project on leasehold reform.

As we have discussed on several occasions in the chamber, the issues surrounding leasehold are many and complex. In bringing together membership from a wide range of interested parties to advise me, I will be in the strongest position to take appropriate and well-judged action to address those concerns which persist in the sector.

Invitations to the first meeting have been issued to the following organisations:

* The Leasehold Advisory Service (LEASE)
* Association of Residential Management Agents (ARMA)
* Welsh Local Government Association (WLGA)
* Leasehold Valuation Tribunal Wales (LVT)
* Home Builders Federation Wales (HBF)
* Chartered Institute of Housing Cymru (CICH)
* Citizens Advice Bureau Cymru (CAB)
* Shelter Cymru
* Community Housing Cymru (CHC)
* Royal Institute of Chartered Surveyors Wales (RICS)
* Competition and Markets Authority (CMA)
* Association of Retirement Housing Managers (ARHM)
* Tenant Participation Advisory Service Cymru (TPAS)
* Fire Safety Advisory Groups
* Mortgage Lenders Association (MLA)
* National Association of Estate Agents (NAEA)
* Federation of Private Residents Associations (FPRA)
* Law Society (representing solicitors dealing with leasehold matters)
* Law Commission
* Academic representative

Other members may be co-opted by the group if deemed appropriate, with my agreement. The group will be chaired by a senior official.

The areas I have agreed the group should consider include:

* Failings in the leasehold system in Wales: how they impact on leaseholders, and any recommendations to address these.
* Advising on production and dissemination of awareness raising materials, guidance and relevant training for all those involved in buying / selling leasehold property.
* Proposals for a voluntary code of practice for property / estate management agents.
* Options for freehold homeowners on private estates to challenge estate charges.

The group has been convened for up to two years, although the initial tasks assigned are anticipated to be completed, and a report issued to me, by summer 2019.

In April, I wrote to advise Assembly Members that the Welsh Government is engaging with the Law Commission’s project on leasehold reform. I am pleased to update Members that the remit of the project now also includes an additional strand looking at the Right to Manage.

Right to Manage legislation allows leaseholders of flats to take over the management of their building from the freeholder, through the transfer of the freeholder’s functions to a company set up by the leaseholders. The Right to Manage has not been widely adopted, and there is anecdotal evidence that the processes are difficult to follow and allow freeholders to obstruct the wishes of leaseholders attempting to exercise the right.

The Law Commission will conduct a broad review of the existing legislation on Right to Manage with a view to improving it by making it simpler, quicker and more flexible for leaseholders.

In common with the other strands of the Law Commission project, a report detailing the Commission’s recommendations will be published in summer 2019, and it will then be for Welsh and UK Government Ministers to consider what action each administration wishes to take in response.