
IMPLEMENTATION OF THE RENTING HOMES (WALES) ACT 2016

Purpose of Report

1. To provide Committee Members with background information to facilitate their scrutiny on the implications of the Renting Homes (Wales) Act 2016, prior to the report's consideration by the Council's Cabinet, on Thursday 20th October.

Scope of Scrutiny

2. Committee Members are to note the draft Cabinet Report seeks the following:
 - I. For Cabinet to note the changes introduced by the legislation and the steps being taken to ensure the Council is fully compliant with the legislation and also, how the Council will support private landlords;
 - II. To put arrangements in place for the change from tenancy agreements to occupation contracts for council tenants, and to delegate responsibility for the finalisation and issuing of these contracts to the Director for Adults, Housing and Communities, in consultation with the Cabinet Member for Housing & Communities and Director of Governance and Legal Services.

3. The scope of this scrutiny is for Members to review the draft Cabinet Report, and consider the following:
 - I. Deliverability and achievability of the proposed changes
 - II. Subsequent work required of the Council in delivering the changes, including financial implications and resource requirements.
 - III. Decision making process behind the Council's proposed procedural changes.
 - IV. The consequential effects on other Council services as a result of this legislation

Structure of Papers

4. The following Appendices are attached to this cover report:

Appendix A – Commitments to Unpaid Carers Cabinet Report

Appendix B – Presentation providing an overview of the Act and the subsequent work required. Committee Members are advised this presentation will be delivered at the meeting following the Cabinet Members opening statement.

Context – Renting Homes (Wales) Act 2016

5. In January 2022, the Welsh Government announced the introduction of Renting Homes (Wales) Act 2016, which is due to be implemented on 1st December 2022. The Renting Homes Act is the biggest change to Welsh housing law for decades and will change the way all landlords in Wales rent their properties.
6. The intended outcome from this Act is to improve how properties are managed and the experience of those living in rented properties.

7. Both tenants and landlords alike will be affected by the law. With both social and private tenants seeing changes in:

- the way their contracts are provided
- the way their homes are maintained
- how they communicate with their landlords

As a result of the law, all social and private landlords will be required to:

- comply with the new law
- make the necessary updates to their properties and paperwork

8. The draft Cabinet Report, attached at **Appendix A**, sets out the detail of the changes and how the Council will respond to those changes, including how it will alter the support it offers to private landlords.

The following, is a headline list of the changes, and the proposed response of the Council as detailed in **Appendix A**:

- Introduction of new terminology (**point 4 & 9 of Appendix A**)
- Replacement of tenancy agreements with, 'occupation contract' - landlords must issue these new contracts to all existing tenants within 6 months of that date – 31st May 2023
Council's proposed response: occupation contracts have been drafted using Welsh Government guidance, however the Council has added additional terms to contract as set out in the bullet points of points 10 & 11 in Appendix A.
(Points 9 - 11 of Appendix A)
- All contract-holders will be entitled to 2 months' notice of any rent increase (as opposed to 1 month)
Council's proposed response: a new process to agree rent increase outside of the Council's usual budget setting process is currently being prepared
(Point 13 of Appendix A)

- Changes to joint contracts, succession rights and repossessing of abandoned council properties
Council's proposed response: procedures for agreeing succession rights, abandoned properties, and joint contracts are currently being developed (Points 14 – 18 of Appendix A).

- Introduction of a new repair standard
Council's proposed response: further monitoring systems are being put in place to ensure that records of compliance are readily available (Points 19 – 21, Appendix A)

- Increased security for individuals in supported accommodation
Council's proposed response: the Housing Service works collaboratively with a range of supported accommodation providers to ensure that individuals with complex needs are not evicted or excluded and will continue to do so under the new legislation. (Points 22 – 25, Appendix A).

- Standard occupation contractors for those provided with temporary accommodation will be given, although the Welsh Government are currently reviewing this regulation as it may have unintended consequences on the availability of temporary accommodation in the future (points 26 – 27 of Appendix A)

- Private landlords must now provide 6 months' notice period (as opposed to 2 months) and, in addition, a landlord cannot serve a notice within the first 6 months of the occupation contract, unless the contract holder has breached their contract conditions. In addition, private landlords will no longer be able to evict a contract holder solely on the basis that they have complained about the condition of the property (commonly known as a 'retaliatory eviction').
Council's proposed response: continue supporting private landlords through the Welsh Government leasing scheme, including access to a renovation grant and the housing service will continue to develop initiatives to encourage private landlords to stay in the rented sector (points 28 – 37 & 40 of Appendix A)

Identified Concerns

9. As detailed, at **point 6 of Appendix A**, the draft Cabinet Report notes concern regarding the potential for private landlords to leave the rented market due to the additional restrictions and duties imposed on them by the legislation, thereby putting additional pressure on the housing situation in Cardiff.
10. A further concern, identified at **point 15** of the Cabinet Report, is regarding the enhanced succession rates provided by this Act, as this may, in turn, reduce the number of family properties becoming available to let.
11. **Point 17** notes concerns over the increased allowance for individuals to collect their items (once a property has been repossessed) to 28 days. Noting this could potentially increase the time a property is void.

Way Forward

12. Councillor Lynda Thorne, Cabinet Member for Housing & Communities will be in attendance and may wish to make a statement. The Cabinet Member will be supported by relevant officers from the Adults, Housing & Communities directorate. Following any statement made by the Cabinet Member, the lead officer will then deliver the presentation attached at **Appendix B**. Following this, the question & answer section with the panel will begin.

Financial Implications

There are no direct financial implications arising from this report. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. These financial implications will need to be considered before any changes are implemented.

Legal Implications

The Scrutiny Committees are empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstance.

RECOMMENDATIONS

The Committee is recommended to:

- i. Consider the contents of the report, appendices and information provided at the meeting and report any comments, observations and recommendations to the Cabinet prior to its consideration of the report; and
- ii. Consider the way forward for the future scrutiny of the issue for inclusion within the Committee's work programme.

DAVINA FIORE

Director of Governance and Legal Services

11 Oct 2022