
**HOUSING (WALES) ACT 2014: PRIVATE RENTED SECTOR HOUSING
AND HOMELESSNESS**

Purpose of Report

1. In September 2015, the Committee agreed their work programme which included several items to do with various aspects of private rented sector housing in Cardiff, including: the implementation of the Welsh Agents and Landlords Licensing Scheme, known as Rent Smart Wales; and work underway with private sector landlords in response to the Housing (Wales) Act 2014 and the ability to discharge homelessness duties using the private rented sector.
2. In addition, at Committee on 7 October 2015, Members carried out in-depth scrutiny of the work underway to address street homelessness in Cardiff. Following this, Members decided to seek an update at this meeting, specifically on progress with regard to EEA¹ nationals, care leavers, remodelling the Gateway and increasing resources for street homelessness.

Rent Smart Wales

3. At their Committee Meeting 4 March 2015, Members carried out pre-decision scrutiny of the draft report to Cabinet titled '*Cardiff Council Designation as Single Licensing Authority for powers contained in Part 1 of the Housing (Wales) Act 2014 – Welsh Agent and Landlord Licensing Scheme*'.
4. At that meeting, Members heard that there are between 70,000 and 130,000 private landlords and agents operating in Wales, of which it is estimated that Cardiff has more than 15% of the private landlords operating in the area, with 17% of the private rented stock in Wales. The Census 2011 found that

¹ EEA stands for European Economic Area

approximately 20% of all households in Cardiff live in the private rented sector in Cardiff, equating to approximately 28,500 households².

5. Members heard that it was felt that a centrally administered system of registration and licensing is the best approach for efficient and effective customer service, with one local authority acting as the host authority for this system, as opposed to each local authority undertaking the work separately.

6. Following the meeting, the then Chair Councillor Groves wrote to Councillor Derbyshire, Cabinet Member Environment, stating that *'Overall, Members are supportive of the proposal that Cardiff Council becomes the Single Licensing Authority, with a Memorandum of Understanding to set out roles, responsibilities and funding arrangements across Welsh local authorities. Members appreciate the need to improve the private rented sector, from both a landlord and tenant perspective and recognise the benefits that flow from the licensing scheme. With regard to the funding for the Single Licensing Authority, Members note that officers have submitted bids to the Welsh Government to ensure that costs that cannot be met by the fees charged will be met by the Welsh Government. We agree that the response from Welsh Government to these bids must be available to Cabinet before they take a decision on this matter. Members recommend that, if necessary, the item be delayed from the proposed Cabinet meeting on 19th March to a later date when the Welsh Government response has been received. Members request that they be informed when the Welsh Government response is received.'*³

7. Councillor Derbyshire responded to the above, in a letter dated 11 March 2015, stating *'I am pleased to be able to advise that written confirmation has been received today from Welsh Government outlining its commitment to the project and the financial support available for 2015/16. This will be given proper consideration by Cabinet prior to any final decisions being taken.'*

² Figures taken from Census 2011

³ Letter dated 9* March 2015 from Cllr Groves, Chair CASSC, to Cllr Derbyshire, Cabinet Member

8. At Cabinet on 19 March 2015, it was agreed that Cardiff Council would act as the host authority for this system. A new team would be established, consisting of an anticipated 49 Full Time Equivalent posts; a bid would be made to Welsh Government on this basis to meet the costs associated so that there would be no financial implication for Cardiff Council in being the host authority.

9. At this Committee's Call-In held in October 2015 (on the re-declaration of the additional licensing scheme in the Cathays ward), Members heard that *'under the Rent Smart scheme landlords will be required to register and to take training in order to get their licence. The licence will have conditions that landlords will have to comply with. If a lot of complaints are received about a landlord then that landlord could have their licence revoked. Licences could also be revoked if a landlord is convicted of certain criminal offences. Rent Smart will be in operation across Wales and sharing information with local authorities. This will assist them to deal with poor standards of rented accommodation. Fixed penalties can be used for registering and for failure to comply with certain provisions of the Housing Act (2004)' ... 'Rent Smart will not have a property by property, area by area approach ... and it will not focus on things like environmental health and fire safety. Also, it will not have officers knocking on doors and following up work with tenants and landlords.'*⁴

10. Bethan Jones (Operational Manager, Rent Smart Wales) has provided an update on the implementation of Rent Smart Wales, which is attached at **Appendix A**.

Using Private Rented Sector to discharge homelessness duties

11. With regard to work underway with private sector landlords in response to the Housing (Wales) Act 2014 and the ability to discharge homelessness duties using the private rented sector, Members have asked to receive more detailed information and figures on the work underway to progress this, following their meeting on 2 December 2015.

⁴ Extracts from minutes of Community & Adult Services Scrutiny Committee 7 October 2015

12. Officers from Communities & Housing have provided a presentation, attached at **Appendix B**, which provides an overview of the duties resulting from the Housing (Wales) Act 2014 and the work to date regarding the use of the private rented sector. This shows that 95 homeless households have been housed in the private rented sector since April 2015, equating to 20% of all homeless clients rehoused since April 2015.

13. The presentation also lists the work that has taken place with private rented sector landlords, culminating in the development of a Housing Solutions package, due to be officially launched 22 March 2016 at City Hall.

Street Homelessness

14. Members carried out in depth scrutiny of the work underway to address street homelessness at their meeting in October 2015. Following the meeting, Members requested additional information on the characteristics of rough sleepers, on the impact of housing benefit changes for those aged under 25 years old and on the way local connection would be determined. Councillor Elsmore's response to this is attached in full at **Appendix C**.

15. Members also asked for an update at this meeting, specifically on progress with regard to EEA nationals, care leavers, remodelling the Gateway and increasing resources for street homelessness. Officers from Communities & Housing have provided a presentation, attached at **Appendix D**, which provides the information requested and the weekly rough sleeper count statistics.

Way Forward

16. Councillor Bob Derbyshire (Cabinet Member, Environment) has been invited, given his responsibility for Rent Smart Wales, along with Bethan Jones (Operational Manager, Rent Smart Wales) to answer Members' questions with regard to Rent Smart Wales.

17. Councillor Susan Elsmore (Cabinet Member, Housing, Health and Well Being) has been invited given her responsibility for work to address homelessness, both in terms of the use of the private rented sector to discharge homelessness duties and in terms of the work to address street homelessness. Sarah McGill (Director of Communities, Housing and Customer Services), Jane Thomas (Assistant Director, Communities and Housing) and Kate Hustler (Operational Manager, Assessment and Support) will be in attendance to give the presentations attached at **Appendices B and D** and to answer Members' questions.

Legal Implications

18. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not making 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 circumstances.

Financial Implications

19. 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

RECOMMENDATIONS

The Committee is recommended to:

- i) Consider the information presented in this report, its appendices and the information presented at the meeting, and
- ii) Determine any comments, observations or recommendations to the Cabinet.

MARIE ROSENTHAL

Director of Governance and Legal Services

25 February 2016