

Julie James AM

Minister for Housing and Local Government

30 March 2020

Dear Minister,

Renting Homes (Amendment) (Wales) Bill

As you will be aware the Finance Committee was due to take evidence from you on the financial implications of the **Renting Homes (Amendment) Wales Bill** (the Bill) on 18 March 2020. However, due to the unfortunate circumstances surrounding the Covid-19 outbreak there was a need to cancel this meeting.

The advice from the Welsh and UK Governments is changing rapidly and we do not know how long it will be before Committees resume normal duties. Therefore, I feel it would be prudent at this stage to ask you to provide a written response, in case we are unable to reschedule a meeting prior to the reporting deadline, which is currently 22 May 2020. Nevertheless, should the situation change in the near future, the Committee may wish to re-schedule a meeting with you to explore issues further.

I have attached a list of questions as an annexe to this letter and I would be grateful for a response by 22 April 2020.

Yours sincerely,



Llyr Gruffydd AM
Chair of the Finance Committee



Annex – List of questions to be answered in relation to the financial implications of the Renting Homes (Amendment) (Wales) Bill

1. Can you give a brief outline of the objectives of the Bill; why is amending legislation required to achieve the policy objectives and why has the Welsh Government not yet commenced the 2016 Act.
2. In Plenary last September you stated that the Welsh Government was going to implement the court IT changes at its own expense, in advance of the whole court system being changed. Can you explain why this is the case; what is the estimate of the cost and why has it not been reflected in the Regulatory Impact Assessment (RIA).
3. Costs are quantified for a period of five years since “the costs and benefits of the Bill are expected to reach a steady state quickly”. Can you explain on what evidence this assumption is based.
4. The RIA notes three options have been considered. These include the option to introduce an amending Bill to remove the section 173 ‘no fault’ ground from the 2016 Act and add a further range of possession grounds in its place. This approach would be similar to the arrangements recently introduced in Scotland and those consulted on by the UK Government for potential introduction in England. On what basis did you discount this option and why have its costs and benefits not been quantified.
5. How have you engaged with stakeholders in respect of the financial implications of the Bill, particularly contract holders; how has this provided assurance that the estimates are complete and accurate.
6. The RIA does not reflect all costs likely to be borne by landlords, including legal fees. How do you respond to the **Residential Landlords Association statement**, set out in its consultation response, that these are ‘clearly costs’ to landlords and Welsh Government ‘must justify itself’ as the changes are as result of legislation it will have brought forward.
7. Witnesses **told** the Assembly’s Equality, Local Government and Communities Committee on **4 March 2020** they have “serious” concerns about the Residential Landlord Association survey data, used for the cost estimates. What assurance can you give that this represents ‘the best available data’.
8. The RIA assumes all types of stakeholders will require the same amount of time (a day or 8 hours) to familiarise themselves with the changes introduced by the Bill. What evidence supports this assumption.
9. The RIA does not set out any costs relating to contract holders, including the cost of awareness raising of the changes introduced by the Bill. Why is this the case when the financial implications of other Bills have included related costs.
10. The RIA identifies costs for Citizens Advice but not Shelter Cymru, which it states is the other ‘prominent provider’ of advice and information on renting a property. Why is this and how have the cost estimates been derived for Citizens Advice.
11. What evidence has informed your assessment that 10 per cent of contract holders will find accommodation before the end of the six-month period and why are the benefits assumed



to be constant over the five years for which the financial implications of the Bill have been quantified.

12. The RIA also quantifies the benefits where 20 and 40 per cent of contract holders find accommodation before the end of the six-month period. Why was the range of benefits not reflected in the estimate of the total cost of the Bill.
13. The **Residential Landlords Association's consultation response** to the Equality, Local Government and Communities Committee said, given the impact on them, it was 'neglectful' that cost savings for landlords have not been estimated. How do you respond to this.
14. Can you explain why you have not quantified the benefits for other stakeholders, such as contract holders.
15. On **27 February 2020**, you told the Equality, Local Government and Communities Committee that Welsh Government would introduce some amendments to the Bill after Stage 1. Can you confirm whether these amendments will affect the cost estimates and if so, are you able to provide some details and quantify their impact.
16. How will the proposed legislation be monitored for effectiveness.

