

## **Agenda – Local Government and Housing Committee**

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Meeting Venue:

Committee Room 5

Meeting date: 18 April 2024

Meeting time: 09.30

For further information contact:

Catherine Hunt

Committee Clerk

0300 200 6565

[SeneddHousing@senedd.wales](mailto:SeneddHousing@senedd.wales)

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- 1 Introductions, apologies, substitutions and declarations of interest**
  
- 2 Papers to note**  
(09.30) (Pages 1 – 2)
  - 2.1 Letter from the Legislation, Justice and Constitution Committee to the Minister for Climate Change – Legislative Consent Memorandum – Leasehold and Freehold Reform Bill**  
(Pages 3 – 4)
  - 2.2 Letter from the Legislation, Justice and Constitution Committee – Legislative Consent Memorandum – Renters (Reform) Bill**  
(Page 5)
  - 2.3 Letter from the Legislation, Justice and Constitution Committee to the Secretary of State for the Home Department – Criminal Justice Bill**  
(Pages 6 – 7)
  - 2.4 Letter from the Finance Committee – Welsh Government Draft Budget 2024–25**  
(Pages 8 – 10)
  - 2.5 Private rented sector – Additional evidence from Community Housing Cymru**  
(Pages 11 – 12)
  - 2.6 Private rented sector – Additional evidence from TPAS Cymru**  
(Pages 13 – 16)
  - 2.7 Private rented sector – Additional evidence from Crisis**  
(Pages 17 – 18)



- 2.8 Private rented sector – Additional evidence from Dogs Trust**  
(Pages 19 – 22)
- 2.9 Private rented sector – Additional evidence from PropertyMark**  
(Pages 23 – 35)
- 2.10 Private rented sector – Additional evidence from Dr Tom Simcock**  
(Page 36)
- 2.11 Private rented sector – Additional evidence from Generation Rent**  
(Pages 37 – 38)
- 2.12 Private rented sector – Additional evidence from Acorn**  
(Page 39)
- 2.13 Private rented sector – Additional evidence from National Residential  
Landlords Association**  
(Pages 40 – 41)
- 2.14 Private rented sector – Additional evidence from Community Housing Cymru**  
(Pages 42 – 44)
- 2.15 Private rented sector – Additional evidence from Paragon Bank**  
(Pages 45 – 46)
- 2.16 Letter from the Public Service Ombudsman – the provision of sites for Gypsy,  
Roma and Travellers**  
(Pages 47 – 77)
- 2.17 Press release from Travelling Ahead – the provision of sites for Gypsy, Roma  
and Travellers**  
(Pages 78 – 79)
- 2.18 Letter from the Cabinet Secretary for Finance, Constitution & Cabinet Office –  
Local Government Finance (Wales) Bill**  
(Pages 80 – 87)
- 2.19 Letter from the Cabinet Secretary for Finance, Constitution & Cabinet Office  
to Finance Committee – Local Government Finance (Wales) Bill**  
(Pages 88 – 92)

- 2.20 Letter from the Cabinet Secretary for Finance, Constitution & Cabinet Office to the Legislation, Justice and Constitution Committee – Local Government Finance (Wales) Bill**  
(Pages 93 – 111)
- 3 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from the remainder of this meeting**  
(09.35)
- 4 Supplementary Legislative Consent Memorandum (Memorandum No. 3) on the Leasehold and Freehold Reform Bill**  
(09.35 – 09.45) (Pages 112 – 120)
- 5 Legislative Consent Memorandum on the Renters (Reform) Bill – Further consideration**  
(09.45 – 09.55) (Pages 121 – 133)
- 6 Forward work programme**  
(09.55 – 10.05) (Pages 134 – 136)
- 7 Elections and Elected Bodies (Wales) Bill – Stage 2 order of consideration**  
(10.05 – 10.15) (Pages 137 – 140)

# Agenda Item 2

## Local Government and Housing Committee

18 April 2024 – papers to note cover sheet

Paper no.	Issue	From	Action point
Paper 1	Legislative Consent Memorandum – Leasehold and Freehold Reform Bill	Legislation, Justice and Constitution Committee to Minister for Climate Change	To note
Paper 2	Legislative Consent Memorandum – Renters (Reform) Bill	Legislation, Justice and Constitution Committee	To note
Paper 3	Criminal Justice Bill	Legislation, Justice and Constitution Committee	To note
Paper 4	Welsh Government Draft Budget 2024–25	Finance Committee	To note
Paper 5	Private Rented Sector	Community Housing Cymru	To note
Paper 6	Private Rented Sector	TPAS Cymru	To note
Paper 7	Private Rented Sector	Crisis	To note
Paper 8	Private Rented Sector	Dogs Trust	To note
Paper 9	Private Rented Sector	PropertyMark	To note
Paper 10	Private Rented Sector	Dr Tom Simcock	To note
Paper 11	Private Rented Sector	Generation Rent	To note
Paper 12	Private Rented Sector	Acorn	To note
Paper 13	Private Rented Sector	National Residential Landlords Association	To note
Paper 14	Private Rented Sector	Community Housing Cymru	To note
Paper 15	Private Rented Sector	Paragon Bank	To note

Paper 16	The provision of sites for Gypsy, Roma and Travellers	Ombudsman	To note
Paper 17	The provision of sites for Gypsy, Roma and Travellers	Travelling Ahead	To note
Paper 18	Local Government Finance (Wales) Bill	Cabinet Secretary for Finance, Constitution & Cabinet Office	To note
Paper 19	Local Government Finance (Wales) Bill	Cabinet Secretary for Finance, Constitution & Cabinet Office to Finance Committee	To note
Paper 20	Local Government Finance (Wales) Bill	Cabinet Secretary for Finance, Constitution & Cabinet Office to Legislation, Justice and Constitution Committee	To note

Julie James MS  
Minister for Climate Change

19 March 2024

Dear Julie

## Welsh Government's Legislative Consent Memoranda on the Leasehold and Freehold Reform Bill

We laid our [report](#) 14 March covering the Welsh Government's [Legislative Consent Memorandum on the Leasehold and Freehold Reform Bill](#) (the Memorandum) and the [Supplementary Legislative Consent Memorandum \(Memorandum No. 2\) on the Bill](#) (Memorandum No. 2).

In the Memorandum, on financial implications you state:

*79. This Bill makes significant provision in relation to the devolved Leasehold Valuation Tribunal, which will have an impact on its powers and case load. Work is ongoing to assess the potential impact on the tribunal and to understand what the financial implications of that impact will be.*

*80. The UK Government have prepared an Impact Assessment for the Bill which covers the wider implications of the Bill as a whole, including the impacts on Wales. I understand that this is due to be published shortly.*

In Memorandum No. 2, you repeat paragraph 79 of the Memorandum at paragraph 55 and, in paragraph 56, you provide an update to what is set out in paragraph 80 of the Memorandum by providing a [link](#) to the UK Government's impact assessment, which covers the impacts on Wales.

You laid a [Supplementary Legislative Consent Memorandum \(Memorandum No. 3\) on the Bill](#) (Memorandum No. 3) on 4 March 2024. In Memorandum No. 3, at paragraph 56, you repeat that "Work is ongoing to assess the potential impact on the tribunal and to understand what the financial implications of that impact will be."

Please could you let us know:

- i. when you intend to publish your assessment of the potential impact of the Bill on the devolved Leasehold Valuation Tribunal, including the financial implications;
- ii. who assessed the Bill's impacts on Wales in order to provide information for inclusion in the UK Government's impact assessment and (if applicable) if you were consulted;
- iii. how the work being undertaken by the Welsh Government differs from the work undertaken on information for inclusion in the UK Government's impact assessment;
- iv. why the Welsh Government's assessment was not undertaken in time to be included in the UK Government's impact assessment, such that it is not currently available for scrutiny in the legislature where the Bill will be considered and subject to amendment.

I would be grateful to receive a response by 17 April 2024.

I am copying this letter to the Chairs of the Finance Committee and Local Government and Housing Committee.

Yours sincerely,

*Huw Irranca-Davies*

Huw Irranca-Davies  
Chair

John Griffiths MS  
Chair of the Local Government and Housing Committee

Peredur Owen Griffiths MS  
Chair of the Finance Committee

19 March 2024

Dear John and Peredur

### Welsh Government's Legislative Consent Memorandum on the Renters (Reform) Bill

As you will be aware, the Minister for Climate Change, Julie James MS, gave evidence to my Committee on 11 March 2024 in relation to the Welsh Government's Legislative Consent Memorandum on the Renters (Reform) Bill.

During the course of the session, the Minister provided evidence which relates to matters that are likely to be of interest to your respective Committees, and I am therefore drawing this session to your attention.

Yours sincerely,

*Huw Irranca-Davies*

Huw Irranca-Davies  
Chair



**Legislation, Justice and  
Constitution Committee**

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The Rt Hon James Cleverly MP  
Secretary of State for the Home Department

19 March 2024

Dear James

**The Criminal Justice Bill**

At our meeting of the Legislation, Justice and Constitution Committee on 11 March 2024 we considered a joint letter from homeless charities and housing organisations which operate in Wales in respect of the Criminal Justice Bill. Those organisations raised with us their concerns – which they described as grave concerns – in respect of the Bill's clauses on nuisance begging and nuisance rough sleeping.

We note from the Bill's Explanatory Notes that you consider the Senedd's legislative consent process to be engaged in relation to a number of its clauses, including clauses 38 to 47, 51 to 60, 63 and 64 which make provision in relation to nuisance begging and nuisance rough sleeping.

Due to the gravity of the concerns raised with us, I would be grateful if you could address the specific points which the organisations raise, including:

- the measures are "dehumanising" and "could not be further from the general direction of travel in Wales", as outlined in Welsh Government's ending homelessness action plan and White Paper on ending homelessness in Wales;
- "fining or moving people on who have nowhere to go does not solve homelessness"; and
- the clauses will "cause people who are sleeping rough to be displaced into less safe areas" and will "create a break down in trust between people forced to sleep on the streets and the organisations and authorities that can provide them with support".

Please could you respond to this letter by Wednesday 10 April 2024.

I am copying this letter to John Griffiths MS, Chair of the Local Government and Housing Committee, and Jane Hutt MS, Minister for Social Justice and Chief Whip.

Yours sincerely,

*Huw Irranca-Davies*

Huw Irranca-Davies  
Chair

Chair, Children, Young People, and Education Committee

Chair, Climate Change, Environment, and Infrastructure Committee

Chair, Culture, Communications, Welsh Language, Sport, and International

Relations Committee

Chair, Economy, Trade, and Rural Affairs Committee

Chair, Equality and Social Justice Committee

Chair, Health and Social Care Committee

Chair, Legislation, Justice and Constitution Committee

Chair, Local Government and Housing Committee

22 March 2024

Dear Committee Chairs,

### Scrutiny of the Draft Budget

You will recall that I wrote last year inviting Committees to express views on improvements that the Welsh Government could make to the documents it produces alongside its Draft Budget and in ministerial written evidence provided to Committees.

Your responses were considered by the Committee on 21 June 2023 and I subsequently wrote to the Minister for Finance and Local Government (the Minister) on 23 June 2023 asking for the concerns raised to be taken into account ahead of the 2024-25 budget round. These related to:

- the late publication of the Draft Budget leading to truncated scrutiny;
- a lack of transparency regarding the impact that the Draft Budget has on policy areas within each Committee's remit;
- the poor quality of written evidence provided by the Welsh Government; and
- the Welsh Government not providing responses to certain Committee recommendations ahead of the Final Budget debate.

These issues were raised again during the consideration of the Welsh Government Draft Budget 2024-25 earlier this year. Our report made the following recommendations and conclusions building on the views previously expressed:

***Conclusion 2.** The Committee will consult Senedd Committees involved in budget scrutiny ahead of the 2025-26 budget round to gain a better understanding of the evidence provided by the Welsh Government in support of the Draft Budget, and to explore ways to maximise budgetary scrutiny throughout the year*

***Recommendation 1.** The Committee recommends that the Minister publishes ministerial evidence papers at the same time as the Draft Budget in order to provide clarity on the criteria and priorities behind ministerial decisions, with the aim of enabling stakeholders to engage in the scrutiny process more effectively and at an earlier stage.*

***Recommendation 2.** The Committee recommends that, if the Draft Budget is delayed again in future years:*

- *the Minister and officials continue to attend a pre-scrutiny session with the Finance Committee; and*
- *the Minister works with the Finance Committee to identify approaches that can enhance scrutiny opportunities, including providing documentation relating to the Draft Budget, at an earlier stage.*

These recommendations were accepted in principle, with the Minister highlighting the practical difficulties in responding to the quantity of information requested by individual committees, at the same time as the publication of the Draft Budget.

We therefore ask you to consider the following issues, and to provide a response by Friday 24 May 2024.

- What improvements, if any, have you seen in the documentation provided by the Welsh Government alongside the Draft Budget 2024-25?
- Have you identified any further improvement that could be made to the information provided alongside the Draft Budget?
- Given the short time available for scrutiny, what consideration, if any, have you given to scrutinising budgetary matters within your remit at an earlier stage, for example considering longer terms strategic planning, following up on previous scrutiny recommendations or pre-scrutiny of decision making processes before the Draft Budget is published?

- The Committee is also currently working with the Minister and other stakeholders to review the Budget Process Protocol to ensure that the Senedd's budgetary processes reflect custom and practice developed in the Sixth Senedd to date. Do you have any views regarding the Senedd's budget procedures more widely?

We are grateful to you for your ongoing engagement with us on these matters and welcome any further correspondence responding to the points above.

Our aim is to raise these issues on behalf of Committees with the Minister in advance of the Plenary debate on budget priorities for 2025-26 that will take place before summer recess.

Yours sincerely,



Peredur Owen Griffiths MS  
Chair, Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

John Griffiths MS

Senedd Cymru

Wednesday 22nd March 2024

Dear John,

I am writing to you as Chair of the Local Housing and Government Committee regarding your recent inquiry into the Private Rented Sector (PRS) in Wales. Community Housing Cymru (CHC) was grateful for the opportunity to provide both written and oral evidence to the committee to demonstrate the positive outcomes that can be achieved when all aspects of the housing market are functioning well. We regret that we were unable to provide written evidence at the time but we were represented at the oral evidence session by a sector representative, Serena Jones of Coastal Housing Association, and this letter builds on that evidence.

The PRS plays an important role in the housing market alongside other tenures. Alongside social housing and routes into home ownership, this provides choice for people about where and how they want to live and enables a well functioning market. When the PRS thrives this can reduce downstream pressure onto social housing by providing flexible, secure and decent homes to people across Wales. The housing market is innately interconnected, which is why a long-term strategic approach across housing is vital to ensure unintended consequences are avoided.

One of the main ways that housing associations are involved with private landlords is through acquisition of private rented properties. This could be buying back former right to buy properties in an area where the social landlord has an existing footprint; expanding supply by converting PRS properties into social housing; or by purchasing properties with tenants in situ to avoid evictions that could result in homelessness.

The Transitional Accommodation Capital Programme (TACP) has been instrumental in supporting this kind of activity by making funding available to all social landlords to bring homes into social housing, including PRS acquisition as well as off the shelf acquisition of new housing from private developers, and investing in empty properties and strategic voids. £95m of funding has so far been committed through TACP, with 936 homes brought on stream in the first year of the programme (22/23). We are hopeful that further funding will be made available for future financial years, but have not yet had

confirmation of this from Welsh Government.

A recent joint survey of housing associations and local authorities demonstrates increased acquisition activity since TACP was made available. Social housing providers also outlined a number of challenges in working to bring PRS properties into the social sector, particularly that the age and quality of some PRS properties are such that they require significant investment to meet WHQS. This would require longer-term investment than the TACP is set up for, and there are value for money considerations. There may also be local or regional market considerations to consider when looking at PRS acquisitions to avoid knock on impacts. Purchasing properties with tenants in situ can also be complicated when considering wider allocations policies. This suggests that, whilst there is some scope for expanding PRS acquisitions by social landlords, this will always be somewhat limited. The full briefing is attached for your reference.

Ultimately, more social homes are needed - the Committee's forthcoming inquiry into social housing supply is therefore really important and we look forward to the opportunity to input closely to that

If you have any questions, or to arrange a meeting, please ask your office to contact [Elly-lock@chcymru.org.uk](mailto:Elly-lock@chcymru.org.uk)

Yours sincerely,

**Elly Lock**  
**Head of Policy & External Affairs**  
**Community Housing Cymru**

## Written evidence – The Private Rental Sector

TPAS Cymru are the national organisation for tenant engagement in Wales. We have extensive membership across the nation, including every housing association and stock retaining Local Authority in Wales, community projects and supported housing providers.

Despite providing oral evidence, we would like to provide some additional thinking that we were unable to provide on the day. We will break this down into the sections, in the same order of questions when providing oral evidence.

### Policy and Vision

We think that the WG seem to understand that the PRS needs some form of regulation. With the implementation of Rent Smart Wales and the changes with the Renting Homes Act and notice periods. But as can be seen in our report, the landlord and tenant awareness of the Act, or the effectiveness of it is questionable within the private sector. There needs to be a long-term vision rather than short term fixes. PRS was for many in the past a temporary thing before buying a house. Even longer-term renters enjoyed reasonable rent stability. This is no longer the case, rent levels are crippling many, the standards don't seem to be getting better.

We need to understand what the PRS is for in the long term, especially now that we are so dependent on it. We need a wider 'Housing Strategy that encompasses all the sectors, social, homeowner and PRS, to ensure the provision of homes that people can afford long term and safe.

What is the PRS for? What do we want to be? We need to build more homes, but what types of homes?

We are looking at each policy area in silo, we are considering changes to homelessness legislation when we need a whole housing strategy, that includes the homeowner sector.

There were almost 162,000 single parents in Wales, in the latest ONS, that's 12% of families. Approximately 1 in 8 families in Wales are headed by a lone parent.

Those that are becoming single parents, who can't afford to keep the home they had with their partner, because universal credit won't pay the housing benefit element to them, so they are forced to find a private rental property that is in the same area, so that UC will provide them with the housing benefit element to pay to a landlord. So, the policy enables the support of a landlord but not a parent trying to keep their home and consistency for their children. And, of course, increasing the possibility of homelessness.

One housing strategy that supports all tenures, including homeowners, PRS and Social Housing.

When we think about the vision, we need to be using methods such as HOUSING OPTIONS which is provided by some LAs for tenants who were on the social housing waiting list to ensure that they are moving into suitable accommodation. A single parent told us that when they went to housing options, the officer from housing options went with them to check the suitability of the property for her and her child. Measuring the gaps between the banisters. At minimum, this should be a consideration for those that are disadvantaged. One in four dependent children lived in a lone family and yet they are an unseen disadvantaged group. Focus group evidence tells us that, the PRS and homeowner sector are prejudice against single income households. Landlords will generally choose a 2-income household, despite 67.4% of single parents work in Wales.



## Supply and affordability

People are desperate for decent homes. There are too few homes and prices are continuing to rise. The lack of social housing is allowing PRS landlords to capitalise on the vulnerable. Every decision made in each tenure can have an impact on the other sector, take the example about the single parent homeowner as an example of that.

We are now relying on the PRS so much and whilst there are some fantastic landlords, it can't be their responsibility to provide an out for the housing crisis we are in. It needs to be one joined up strategy.

It isn't affordable. Lower levels of LHA for those in the PRS than social housing. Market rents that continue to increase because of that lack of supply and essentially lack of competition which is driving prices up.

Like mentioned earlier re Housing Options. Also, increasing that supply of social housing or at minimum, finding a way to ensure that social rents are set in the PRS and remembering that people don't want to have to move, they just want their homes taken care of. Legislations are in place with Rent Smart Wales, but there is a need for better methods for **enforcement.**

We attend the RSW meetings, and we see the figures, and we believe they are doing the best they can with the resources that they have; but that doesn't mean more can't be done with the right investment.

When we asked tenants what the limitations were to access the PRS specifically, the credit checks, need for referencing and guarantors, the need for a guarantor to own their own home, the huge lump sum for a month (sometimes 6 months) rent and bond upfront, which is completely unaffordable. No kids, no pets, no UC, which doesn't take into account that some people are working and claiming, some people are unable to work etc. For single parents, these are additional disadvantages.

Joined up thinking is needed with other policy areas, for a more sustainable solution. We should be teaching our children about credit scores, money management etc, so we are not setting the next generations up to face the same adversities.

Yes, we need to increase supply, here are some potential options to do so.

- 1) We need to improve the social housing requirement (S106) on new developments – its way to easy for developers to get out of building social housing. This has been evidenced time and time again in planning applications.
- 2) Over recent years we have lost more properties for rent than the amounts that are being built. That loss is to AirBnb, short term rental, second homes and empty homes. Unless WG are prepared do more on tackling that or raising more money from that, then it's unlikely we will solve the supply issue.
- 3) We need to carefully consider how to convert unused offices and retail space that is no longer needed since following the pandemic. Many are getting excited about this but the conversion regulations are not providing the quality we are looking for.

## Is the funding structure the best funding structure? Or should there be more devolution?

If we had more social housing, we wouldn't rely so much on LHA or the UK Government. Strategically, we need the right balance.

The sector is aware that welfare is not devolved, but it does not make sense to renters that housing is devolved, and council tax is set locally but local housing allowance is not. Such flaws are resulting in renters having to sacrifice basics, like warmth and food, to cover the gap between the LHA rates and the market rates. Affordability of rent is essential to ensuring fairness, as well as restrictions on the size and rent rises. Whilst we can understand that landlords have mortgages that are rising, respondents felt that there should be a limit as to how much profit a landlord can make when it comes to people's homes.

### Barriers, diversity and discrimination

- Reference checks, employment checks, guarantors, 28 days to do this. Delays opportunities. There needs to be a deposit schemes from WG.
- Discrimination for people with pets: pets are part of people's families.
- The credit checks, need for referencing and guarantors, the need for a guarantor to own their own home, the huge lump sum for a month (sometimes 6 months) rent and bond upfront, which is completely unaffordable. No kids, no pets, no UC, which doesn't consider that some people are working and claiming, some people are unable to work etc. For single parents, these are additional disadvantages.

Tenants told us of an app where you can increase your credit score through paying your rent, which may minimise some of these barriers if this was something that was used across Wales.

### Views on whether the Renting Homes (Wales) Act 2016 has affected your members or the communities you support, including any impacts, either positive or negative;

As mentioned earlier, the awareness and effectiveness of the Act is questioned by tenants as there are still cases of section 21 notices with 2 months' notice. Tenants in the PRS are still feeling vulnerable to eviction, still having to find new homes in short periods of time because landlords are selling their homes, which is in their right, but what about that tenant with children trying to find a suitable home. What about the cost implication of moving in a time of uncertainty and a cost-of-living crisis. Better enforcement of the Act is essential, more investment in social housing, which is regulated.

As a starting point, Welsh Government could work with Mortgage Lenders to ensure that those who are taking a Buy to Let mortgage, must register for Rent Smart Wales before their application is accepted. That way, at a minimum, RSW would be aware of more PRS landlords and the landlords would be aware of the Renting Homes Act and other legislative requirements.

### Data

- 1) We have backed the NRLAs ask for the housing conditions survey.
- 2) The huge problem, they register on Rent Smart Wales every 5 years, so it doesn't tell us what the turnaround is because they don't de-register. Perhaps deregistration needs to become a requirement.



- 3) Regular survey of household needs in the PRS. What is the purpose of the PRS? The survey should link to that. There is no point in collecting the data unless it can actually make a difference. Doing something with the data.
- 4) As above.

For any further information or explanation, please contact [Elizabeth@tpas.cymru](mailto:Elizabeth@tpas.cymru)

**PRS Inquiry – Crisis notes****March 2024**

- Housing supply is interconnected – by building more social homes, we alleviate pressures elsewhere. Many people who require a social home are turning to the PRS given the long waiting lists.
- It is important to collate more data with rent officers so that the picture of supply and rent levels in the PRS are improved.
- Choice of tenure is important. While we do need more social homes, there will always be people who would choose to live in the PRS because it better suits their needs. We need to ensure the PRS accessible. At the moment, there are clear difficulties and barriers for people experiencing homelessness in accessing the PRS. These include:
  - The filtering of application forms, preventing people who are on housing benefit from viewing properties.
  - The requirement for large deposits, guarantors, credit checks. These can be blockers for many people who we work with including those who do not necessarily have family support networks to act as guarantors. There are alternatives that could be further explored/encouraged and, in addition, it would be helpful to raise general awareness of support that is available too, such as DHP.
  - Bias and discrimination, including against those with a criminal record.
  - Policies such as no-pet clauses. Many of our members have emotional support animals and, having been through exceptionally traumatic experiences with their pets by their side, no pet policies can be a significant barrier to finding a home.
  - A lack of adapted homes for disabilities.
  - LHA rates – our research with Zoopla showed that last year just 2% of PRS properties in Wales were advertised at LHA rates. We welcome the rise in LHA rates from April, but there is a lack of certainty over whether this increased rate will continue in the longer term. There also remain issues with the benefit cap and the reduced rate for under 35s.
  - The type of PRS properties available – in areas there are high levels of student accommodation. A lack of one bed properties is also an issue.
- We are very supportive of the recently published White Paper on Ending Homelessness, which includes a number of proposals that would assist with some of the barriers we see in the PRS. This includes, bringing the homelessness prevention duty in line with the eviction notice period in the Renting Homes Wales Act, and a new duty to support people to retain accommodation. It will be really important to progress with these proposals. However, we do feel that the White Paper could have taken forward a further recommendation from the Expert Review Panel to look at ways to include landlords in duties to support homelessness prevention, including referrals. (See [ending-homelessness-in-wales-a-legislative-review.pdf \(crisis.org.uk\)](#), page 110).
- Regulation: We are aware that the number of inspections carried out by local authorities in Wales under the Housing Health and Safety Rating System (HHSRS) has decreased significantly in recent years and that the Welsh Housing Conditions Survey was last done in 2018. Rent Smart Wales has been helpful in indicating legitimacy of landlords, but we do feel there is also a place for further regulation and consider that the current review of RSW should look into how its enforcement arm might be extended. In addition, we wanted to raise the issue of scams – our landlord liaison officers at our Skylight Centre report that

issues are prevalent with scams which seek out deposits to secure rental properties which do not exist.

- We know that people often don't know their rights in relation to renting properties and would welcome moves to increase awareness.
- No fault evictions can create significant difficulties. The Expert Review Panel on homelessness recommended "That the Welsh Government keeps a watching brief on no-fault evictions from the private rented sector, considering the following points as it keeps under review whether further legislative measures are required in this area: a. trends in the numbers of no-fault evictions as the implementation of the Renting Homes (Wales) Act 2016 is established; and b. how implementation of new legislation around no-fault evictions in Scotland and England develops." (See [ending-homelessness-in-wales-a-legislative-review.pdf \(crisis.org.uk\)](https://www.crisis.org.uk/publications/ending-homelessness-in-wales-a-legislative-review.pdf), recommendation 24).
- There is a need to look more broadly across the PRS supply – there are good initiatives such as empty homes and the leasing schemes, but it is important to continuously review how these are working and whether more needs to be done to make such schemes more attractive. In the longer term, this also links back to the need for UK Government investment in LHA.
- We have concerns about hard and fast rent controls, which in the long term can have significant unintended consequences. However, Crisis is open to exploring whether rent stabilisation measures might form a part of a wider package to support tenants and create a fair renting system in Wales. In our 2018 plan to end homelessness, Crisis called for the introduction of limits on annual rent increases linked to an inflationary measure, alongside longer tenancy security. This remains our position, but in times of high inflation it begs the question: which inflationary measure is it most appropriate to use? We think there is room to consider linking rental price regulation to wage growth.
- We are aware that the Committee has been looking at Built to Rent as part of this inquiry. In the past, Built to Rent has typically been at high end rents with luxury properties. If looking into this area, it could be helpful to consider the potential for reserving quotas at affordable social rent. The key is, in the long term, we need more genuinely affordable housing.



## **Guidance for Landlords & Contract Holders: 'Reasonable' grounds to refuse a pet in a private rented property.**

### **Background**

Welsh Government statistics show that 52% of households have a pet, including one in three households with dogs. Despite these figures, YouGov findings commissioned by Dogs Trust and Cats Protection show only 8% of renters in Wales say their home was advertised as pet-friendly. The shortage of pet-friendly housing has meant that many pet owners have had to give up their pet because of no-fault of their own. At Dogs Trust we had 118 people enquire about handing their dog over to our rehoming centres in Wales between December 2022 and the end of March 2023, citing "a change in accommodation or rental agreement" as a reason for wanting to relinquish their dogs to us.

In 2022, The Renting Homes (Wales) Act 2016 came into force and allowed pets to be included as additional terms. Despite pets being allowed under additional terms within the Renting Homes (Wales) Act 2016, pet-friendly housing is still in short supply. Additionally in 2022, the Senedd successfully passed a Members' Legislative Proposal to ban 'no pet' clauses, however being non-binding no subsequent action was taken by the Welsh Government to ban the practice.

Dogs Trust has created advice for landlords and contract holders across Wales, and the rest of the UK, to support them in the decision-making process and to ensure pet owners aren't treated unfairly when seeking accommodation in the Private Rented Sector.

### **Damage to the Property**

We know that many Landlords will be concerned regarding the potential for damage in their property caused by pets, for instance through damage to carpets or furnishings, or residual smells and traces of fur. However, a [survey](#) of landlords on pets and rental properties, conducted by YouGov on behalf of Dogs Trust and Cats Protection found that whilst damage to the property is the main reason for not allowing pets, just 20-21% of landlords who let their property to people with pets reported damage to their property as a result. This is compared to 29% of landlords who have reported damage to their property caused by tenants, according to [research](#) from the National Landlords Association. Additionally, 73% of landlords who have allowed pets reported no problems.

Given the contract holder is normally required at the end of a tenancy to leave the property in good condition and cleaned to a professional standard, we believe this will cover any damage caused by pets in the vast majority of cases. In addition, our research found that any damage to the property is covered under the existing deposit in most instances and would likely not outweigh damage caused by human residents. As such, we do not believe that 'concern of damage' is a justifiable reason to have a blanket denial for a pet in a property.

Similarly, whilst only 2% of landlords in our survey who allowed dogs reported experiences of flea infestation, we encourage all pet owners to be responsible and ensure the health and wellbeing of their dog is positively maintained. This includes routine vet appointments for preventive healthcare such as vaccination and flea and worm treatments, and other vet appointments as needed, as well as grooming for certain dogs and the ability for them to have regular exercise and toilet breaks. We encourage dog owners to look at the [guidance](#) on our website to learn more about how best to care for their dog.



## **Behavioural issues & complaints**

We are aware that landlords may be concerned about potential issues relating to some dog behaviours, such as barking or fouling. With regards to barking, if this does result in a noise complaint from a neighbour, we would encourage the landlord to carry out the same processes as if it were caused by a human e.g., playing loud music. However, we would also encourage the owner of the dog to consider the root cause of the barking or behaviour concern by seeking advice from their veterinary surgeon who can provide a referral to the appropriate accredited behaviourist where needed. Behavioural support can also be found on the Dogs Trust website or by calling our dedicated Behaviour [Support Line](#).

If fouling does occur, we would again advocate for responsible dog ownership and for dog owners to always clear away any incidents promptly to prevent complaints and the spread of diseases such as worms. Similarly, we urge all dog owners to remain vigilant when in outdoor spaces with their dog to ensure they are aware of any messes when they occur and can clear them up accordingly and in line with the law.

Through our Lets with Pets resources, we advise contract holders to obtain a '[Pet CV](#)' for their pet to demonstrate the nature of their dog, with references from previous landlords where available. This CV can include contact details of the dog's vet, as well as training they have undergone and vaccination and other preventive healthcare history. This should assuage any concerns a landlord may have regarding the nature of the dog and the potential risk of future complaints.

However, if this is the contract holder's first pet and therefore, they are unable to obtain a 'Pet CV', we encourage all new dog owners to visit our resources on our website or attend other suitable training. Adopting a dog is hugely rewarding but a large commitment, and we advise all new dog owners to consider this carefully. We also advise contract holders to be open with landlords to have a conversation to ensure that all parties involved feel comfortable with prospective pets.

## **Health & safety**

According to [Allergy UK](#), pet allergies are common, especially amongst people with allergic asthma or hay fever. As such, it is likely that some landlords and contract holders may be allergic to pets including cats or dogs. We accept that this is a genuine concern for many landlords, especially when conducting checks and visits. We would not advocate for a landlord to make themselves uncomfortable or unwell as a result of allowing a contract holder to keep a pet. Furthermore, if multiple contract holders are sharing a property, we would similarly urge consideration of any allergies when decisions are made regarding allowing a pet in the household.

To minimise the effect of pets on those with allergies, Allergies UK advise several practical actions a pet owner can take. For instance, regularly washing furnishings and bedding, cleaning flooring and carpets regularly and thoroughly, and using air purifiers. We would encourage the contract holder to be willing to keep the property cleaned to a high standard, especially at the end of the contract, if their landlord raises issues with allergies.

Further concerns may be raised regarding potential fear of dogs, both by landlords or letting agent staff, as well as other residents in a shared building. In such cases where a landlord or



member of staff from a letting agent is conducting a check of the property, we would encourage contract holders to remove the dog from the property or manage them in a separate room. Some dogs may be faced with difficult emotions such as apprehension or excitement when faced with a stranger. Pet owners should support their animal by learning to understand them, carefully manage them and build positive associations through training.

### **Suitability of the property**

At Dogs Trust we firmly believe that there is a perfect home for every dog, however we acknowledge that certain properties will not be suitable for certain dogs. We urge landlords to avoid a one-size-fits-all approach and consider the unique needs and requirements of that individual dog and their family.

Dogs Trust carefully considers each application to adopt our own dogs, yet we do not find it useful to have any fixed criteria for their accommodation, given the vast different needs of each of our canine residents. For example, we would not consider the fact that a property is a flat or has no dedicated outside space to be a reasonable ground for refusing all dogs and would suggest that these decisions are made on a case-by-case basis. Ultimately the dog's owner will be likely to know their dog's nature and routine best and will therefore be able to assess the suitability of each property for their pet's needs.

There are certain characteristics of a property that pet owners should consider when choosing to apply for a tenancy. For instance, if the property is on a higher floor, we would ask if from a medical perspective (e.g., older dogs with conditions such as arthritis) the dog can cope with regularly climbing several stairs, should there be a lack of alternative options. We also advise pet owners to have a means of providing individual space for their dog, away from other pets or people if needed, to help them stay relaxed and comfortable in their environment. This may be more difficult to achieve in a studio or shared property.

Additionally, we would suggest the contract holder considers the security of a garden if available, and if it is accessible to others in the building or if it is private. Whilst not every dog needs to live in a home with a garden, having regular outdoor access is essential for the dog's wellbeing. Where a dog cannot safely be let off the lead, we urge that they be kept on a lead, especially if the home is in a busy area such as a city or next to a main road.

### **Characteristics of the pet**

Each dog is unique and will have different attributes, meaning it is difficult to judge a dog's nature by breed, size or age alone. As such we advise landlords to consider each request individually, with care, and without prejudgement of the nature of each of these characteristics. For example, whilst some landlords may prefer to allow a contract holder to keep a smaller breed of dog, a larger dog would not automatically bring higher risk for that property. We advocate for a breed neutral approach to decision-making, and do not believe landlords and letting agents should be able to refuse a certain breed. We would urge landlords and letting agents to consider the dog individually instead, using a ['Pet CV'](#) and references where available.

Furthermore, whilst Dogs Trust's research found that slightly more landlords were willing to let to contract holders with cats than dogs, we did not find evidence of significant differences in the likelihood of issues arising for either species. As such we remain certain of the benefits of renting to contract holders with dogs as well as cats, for instance keeping the contract holder happier





and more likely to remain in that property. By denying a property to the prospective contract holders who have a dog opposed to a cat, landlords and letting agents are reducing the pool of applicants and making themselves less appealing to contract holders.

We appreciate concerns relating to the age of dogs in a property. It is crucial that puppies undergo the appropriate socialisation and training to promote their wellbeing and prevent issues with behaviour. We advise that every individual who owns a puppy or other dog that hasn't received such training to contact Dogs Trust and use our resources, such as attending one of our Dog School classes. When making decisions with allowing a puppy in a private rented property, we encourage responsible dog ownership and a mutual dialogue to discuss concerns. Similarly, most contracts will contain clauses that a contract holder will leave the property in the same condition as when they began the tenancy, and as such should cover any potential damage caused by a puppy.

With regards to the number of dogs that a contract holder has, we urge a prospective contract holder to consider if the property is a suitable place for each dog to reside together, with room to separate if needed. This can help ensure all dogs in the household are comfortable in their environment, therefore limiting any potential issues arising.

### **Other**

Finally, Dogs Trust appreciates that there are legitimate grounds for refusing a dog that a landlord or letting agent may have. Firstly, cultural, or religious opposition to residing with animals must be respected. Secondly, we acknowledge that many leasehold contracts have clauses which do not allow a dog, especially in flats or maisonettes, which the owner of the residence (i.e., the Landlord) must abide by. We will continue to engage with Governments to promote more pet friendly practice across all tenures of the housing sector including through leaseholder agreements.

John Griffiths MS  
Chair of the Local Government and Housing Committee  
Welsh Parliament / Senedd Cymru  
Cardiff Bay  
Cardiff  
CF99 1SN

04 March 2024

Dear John,

**Re: Local Government and Housing Committee Inquiry into the Private Rented Sector**

Thank you for the opportunity to give oral evidence in front of the Senedd Local Government and Housing Committee Inquiry into the Private Rented Sector on 13 March 2024. I hope the evidence session was both useful for both you and members of the committee. Thank you also for your letter, dated 21 March 2024, regarding further information and clarity for the committee. I am pleased to provide further clarity for you and the members of the committee.

**During an informal engagement session with landlords and tenants, we heard about private landlords who specialise in providing homes for tenants who are homeless or have support needs. In your view, do you believe there is there enough support available for landlords and tenants in this situation, including access to Housing Support Grant-funded services?**

In our view there is an unlevel playing field between support for vulnerable tenants who are at risk of homelessness between those that live in social housing and those in the private rented sector (PRS). For tenants who are at risk of homelessness or have wider support needs and live in social housing, there is officer support in terms of mental health support, employment and benefit support and wider welfare support. Unfortunately, many landlords in the PRS are not skilled in these support fields and subsequently there is less support for tenants in the PRS. We are aware of some local authorities in Wales, where they have considered investing in tenant support officers who could liaise with landlords and property agents to support at risk tenants, but such posts are limited due to local authority resources. We would be supportive of providing additional training and awareness to support property agents in Wales identify at risk tenants and would welcome further dialog on how this could be achieved.

While not within the competency of the Welsh Government, we have called for sustainable Local Housing Allowance (LHA) levels as they will be refrozen in 2025. We have long campaigned for the UK Government to restore and retain LHA rates to at least the 30th percentile to cover the average cost of rents in the lowest third of local markets. The UK Government will also need to increase the annual rate to keep up with market rents. It will also mean that for most private renters who are reliant on housing benefit element of Universal Credit to pay their rent, there will be more properties in their area that they can afford. Ultimately, this will make more homes affordable to renters and ensure



refer at risk tenants would apply to property agents where the landlord has discharged their management duties to an agent. In our consultation response we welcomed the Welsh Government's response not to take forward this recommendation. If the legal duty would apply to property agents, we think this could be challenging for some agents who may not have the day-to-day interaction with their tenants that is more common with social and PRS landlords. Furthermore, we think that both landlords and property agents would require additional training to understand the signs of a tenant at risk of homelessness. However, we would welcome further dialog on how property agents' knowledge and training could be improved in this regard and how we could act as a conduit to our membership.

**We would also like to hear your views on a potential proposal to exempt certain groups of tenants from HMO regulation. In situations where there are three people from separate households who wish to live together, perhaps for mutual support if they are disabled, should there be greater flexibility in HMO regulation so that they could be counted as a single household and therefore pay a cheaper rent?**

We would be supportive of exempting certain groups from HMO legislation including the example in your letter of disabled people who may wish to live together for mutual support. We believe in this example; the property should be exempt from any local authority licensing schemes and that financial saving could then be passed on to the tenants in the form of a reduced rent.

Should you wish further clarity on these questions or anything else pertinent to the PRS, then I would be delighted to meet with you to discuss further at your convenience.

Thank you again for the opportunity to participate in the inquiry.

Best wishes,



**Timothy Douglas**  
**Head of Policy and Campaigns**  
**Propertymark**

**Welsh Government - White Paper on Ending Homelessness in Wales**  
**Response from Propertymark**  
**January 2024**

**Background**

1. Propertymark is the UK's leading professional body for estate and letting agents, inventory providers, commercial agents, auctioneers and valuers, comprising over 17,500 members representing over 12,800 branches. We are member-led with a Board which is made up of practicing agents and we work closely with our members to set professional standards through regulation, accredited and recognised qualifications, an industry-leading training programme and mandatory Continuing Professional Development.

**Overview**

2. The Welsh Government have published a White Paper looking at a range of proposals for changes to policy and the law, to end homelessness in Wales. The proposals within the White Paper form part of a long-term transformation process to the homelessness and housing system, as set out in the Programme for Government and Cooperation Agreement. These proposals include reform of existing core homelessness legislation, the role of the Welsh public service in preventing homelessness, targeted proposals to prevent homelessness for those disproportionately affected, access to housing and implementation of proposals.

**Consultation questions**

**Chapter 1: Reform of the existing core homelessness legislation**

**1. Do you agree these proposals will lead to increased prevention and relief of homelessness?**

3. Yes, we are broadly in agreement that that the proposals to reform homelessness legislation will lead to increased prevention and relief of homelessness in Wales.

**Comments on proposed changes**

**The period of time in which a person should be assessed by a local housing authority as threatened with homelessness and what can trigger this assessment.**

4. In principle we agree that the time when a person is considered as at threat of homelessness should be increased from 56 days to six months. However, as the consultation acknowledges, many local authority homelessness services are reactive due to high caseloads, staff vacancies and the high volume of homeless presentations. On the one hand these pressures could increase with a higher case load from the extended time. On the other hand, providing support and intervention for individuals and families before they hit crisis point could prevent homelessness cases and support local housing authorities plan their resources more effectively. We also acknowledge that the six-month proposal would align with Section 173 of the Renting Homes Wales Act 2016. However, if tenants are deemed at threat of homelessness

on receipt of a Section 173 landlords possession notice, it should be acknowledged that landlords often issue these notices for reasonable and practical reasons such as to allow the landlord or landlord's family member to live in the property themselves or to sell the property. Landlords do not issue Section 173 notices lightly, and local authorities should improve their relationship with both landlords and tenants. When a tenant is issued with a Section 173 notice, local authorities should support the tenant, if appropriate, to alternative privately rented accommodation. This can only be achieved when local authorities have good relationships with landlords and their property agents.

**Where a person is permitted to reside in an area, but does not have access to clean water, waste facilities and toilet facilities, they should fall within the definition of homeless under section 55 of the HWA 2014.**

5. There is already sufficient legislation to ensure that tenants renting in the Private Rented Sector have access to clean water, waste facilities and toilet facilities including the Housing (Wales) Act 2014 and the Fitness for Human Habitation Standards under Renting Homes Wales Act. However, the proposals would support those people who reside in accommodation that is a moveable structure, vehicle or vessel adapted for human habitation (such as a caravan or houseboat).

**A statutory duty to draw up a PHP containing the steps the local housing authority will take to secure accommodation for the applicant**

6. We recognise that there are many reasons why individuals and families could be at threat of homelessness and that to reduce the threat, individuals will require specific solutions tailored to their needs and problems. Personal Housing Plans (PHP) are a good opportunity for officers of local housing authorities to highlight solutions to specific barriers to housing and reduce the individual threats to homelessness people may face. However, for this to be effective, local housing authorities will have to be resourced accordingly to provide PHPs. We would also encourage local housing authorities to improve engagement with landlords and their agents to better enable them to sign post people at threat of homelessness to the PRS when social housing is not available especially as the PHP should consider location and accessibility needs of the applicant.

**3. Are there additional legislative proposals you think we should consider to improve the prevention and relief of homelessness?**

7. Given the increased resources required to support a greater number of people who could be at risk of homelessness, Welsh local authorities need to improve engagement with letting agents and private landlords. One method they could consider is keeping a database of adaptable property to enable local authorities to sign post people to appropriate accommodation within the PRS. Unfortunately, there is currently an unlevel playing field between support for the most vulnerable tenants with complex needs who live in the PRS compared to those who have dedicated support and live in social housing. This support can include mental health support, support with accessing employment and benefits as well as

signposting support services. To support vulnerable tenants to have greater access to the PRS, local authorities should also consider schemes to reduce barriers in obtaining bonds for accommodation, improved training to sustain tenancies and advice lines for those tenants with the greatest and most complex needs to ensure they can be signposted to support their needs.

**4. Do you agree with our proposal to abolish the priority need test?**

8. Propertymark supports the proposal to end priority need when there is sufficient supply of housing to accommodate all people in need. We are aware of the current policy of priority need being administered differently by local housing authorities resulting in some people who are already experiencing homelessness not being able to access support and services. Significant resources are used up by local housing authorities on investigating whether housing applications meet the priority needs test when these resources could be far better utilised in finding solutions and supporting people at risk. We also accept that individuals having to prove how vulnerable they are not only a humiliating experience for many, but recalling traumatic events could also have a detrimental impact on their well-being. While it is devastating that evidence has revealed that some single persons who are already experiencing homelessness have been excluded from homelessness support, we are concerned there is currently an inadequate supply of appropriate accommodation to protect those with the most complex needs, people with disabilities and families with young children. Therefore, we welcome the acknowledgement that ending priority need will require a lead in time to ensure that appropriate housing levels are at adequate supply levels and that those impacted are not confined to temporary accommodation for long periods of time. We are equally pleased that local housing authorities can still use a triage system for the priority to access social housing. While adequate levels of appropriate housing are produced across Wales, more must also be done to improve the relationship between local housing authorities, private landlords and their agents and to ensure that access to the PRS from vulnerable households is improved and that barriers are removed.

**5. Do you agree with our proposal to abolish the Intentionality test?**

9. We are supportive of the proposal to remove the intentionality test from legislation, so it is no longer applied in determining whether an applicant is entitled to the prevention and main duties (section 68-interim duty to secure accommodation (in the context of ending the duty) and section 75 (duty to secure accommodation) of the HWA 2014) or any future duties in new legislation. However, for those cases where tenants have made themselves intentionally homeless through acts of serious rent arrears and repeat cases of anti-social behaviour within the PRS, the Welsh Government must support local housing authorities find safe routes into social housing where they may receive greater support for their needs. In many of these cases, these tenants have found access to the PRS difficult due to poor credit ratings and references from landlords and they will subsequently require the greater levels of support to appropriate housing resources.

**6. Do you agree with our proposal to keep the local connection test but add additional groups of people to the list of exemptions to allow for non-familial connections with communities and to better take account of the reasons why someone is unable to return to their home authority.**

10. Propertymark supports retaining the local connection test, at least until the supply of all housing tenures could support potential increased external demand from other areas. We also believe that by removing the local connection test, resources could be constrained especially for larger local authorities where a large cohort may wish to locate to the area. However, we also agree that extending the list of exemptions to the local connection test to those in certain circumstances who are veterans, care leavers, prison leavers as part of their rehabilitation and those experiencing domestic abuse would be fair as these are groups that are restricted by the legislation most. Furthermore, we do not believe that these cohorts would contribute to significant challenges to resources in contrast to ending the local connections test in its entirety.

**7. The accompanying Regulatory Impact Assessment sets out our early consideration of the costs and benefits of these proposals. Are there any costs and benefits we have not accounted for?**

11. We do not have any further comments.

**Chapter 2 - the role of the Welsh Public Service in preventing homelessness**

**8. Do you agree with the proposals to apply a duty to identify, refer and co-operate on a set of relevant bodies in order to prevent homelessness?**

12. Yes, we agree with the proposals to apply a duty to identify, refer and co-operate on a set of relevant bodies in order to prevent homelessness. Relevant public bodies are in a good position to identify the key risks of homelessness from as early as possible to prevent escalating the problem. We agree that public bodies should only refer cases to local authorities with the approval of the individual as this will prevent inappropriate cases or individuals who do not require support being referred. We also welcome the commitment to share best practice, provide education and sign posting to ensure the referral process is widely understood.

**9. Do you agree with the proposed relevant bodies, to which the duties to identify, refer and co-operate would apply? Would you add or remove any services from the list?**

13. Yes, we agree that social services departments both within local authorities and other local authorities, local health boards and registered social landlords are in the best position to support the early referral of persons at risk of homelessness. We think this for two reasons. Firstly, these bodies have specific responsibility to the devolved powers within Wales. Secondly, they may hold specific data on rent arrears or life changing characteristics such as disabilities or poor health outcomes which could increase the risk of homelessness. Additionally, we think that schools, further education settings and pupil referral units should be added to the list of bodies with these duties providing the referral process is streamlined and does not add further unnecessary workload and bureaucracy to educational staff. Ideally, we agree that additional public bodies should be included including the Department for Work and Pensions, Probation Services, Police and HM Courts and Tribunal Services. These organisations would hold valuable data that could highlight the risk of homelessness before it



escalates. However, we also acknowledge that these public bodies are subject to the UK Government's control. While we welcome the commitment from the Welsh Government to share their intentions with the UK Government, we would recommend the list of public bodies remains on review to be amended as and when appropriate.

14. Finally, the expert panel recommended that private landlords should be placed under a duty to refer tenants at risk of homelessness to a local housing authority. We welcome the Welsh Government's acknowledgment that this proposal should not be included in the proposed Homelessness Bill. Firstly, there was no clear proposal on the duty for those landlords to act who have discharged their management duties to a property agent. We assume that had the proposal have gone forward then property agents would have been subject to the same requirements. However, some property agents might not have the same level of interaction with tenants on a regular basis, thus making it difficult to identify characteristics that lead to homelessness. Secondly, and as the White Paper identifies, such duties would be more appropriately identified as part of the review of Rent Smart Wales licensing or as part of the ongoing work on adequate housing, fair rents and affordability. While we welcome the proposal not to establish the duty on landlords or property agents, we would be happy to continue to engage with the Welsh Government on how property agents can informally support the early detection of homelessness from tenants.

**10. In your view have we struck the right balance between legislative requirements and operational practice, particularly in relation to health?**

Yes, we do think that the Welsh Government have struck the right balance between legislative requirements and operational practice, particularly in relation to health.

**11. What practical measures will need to be in place for the proposed duties to identify, refer and co-operate to work effectively? Please consider learning and development needs, resources, staffing, location and culture.**

15. Where property agents will be engaging with new policy functions the Welsh Government should consider the impact on agent businesses, training of staff and how current working relationships between property agents and support networks and outside bodies can be enhanced and utilised.

**12. In addition to the broad duties to identify, refer and co-operate, this chapter contains proposals to provide enhanced case co-ordination for those with multiple and complex needs. To what extent will the proposals assist in preventing homelessness amongst this group?**

16. Propertymark welcomes the proposal to empower individuals with lower-level needs with regards to the threat of homelessness. This could include being aided to enable them to respond independently to tackle the barriers they are facing in their housing needs to prevent homelessness. We also welcome the realisation that this method would not be appropriate for some individuals especially those with more complex needs, people who have repeat incidents of homelessness, people who have been homeless for long periods of time and those who require the support of multiple stakeholders.

17. For people who fall into such cases of homelessness, we welcome the proposal to establish a compulsory case coordination, which would identify a lead organisation to collaborate with other relevant stakeholders. Given the complexity of some homelessness cases, we also welcome the acknowledgement that the lead stakeholder may not always be the local authority. For example, in cases where community safety is of major concern, it may be appropriate in such cases that the police take a leading role.

**13. The accompanying Regulatory Impact Assessment sets out our early consideration of the costs and benefits of these proposals. Are there any costs and benefits we have not accounted for?**

18. We do not have any further comments.

**Chapter 3: Targeted proposals to prevent homelessness for those disproportionately affected**

**14. Are there other groups of people, not captured within this section, which you believe to be disproportionately impacted by homelessness and in need of additional targeted activity to prevent and relieve this homelessness (please provide evidence to support your views)?**

19. We are not aware of any other groups of people that need to be captured and received targeted activity to prevent and relieve homelessness.

**15. What additional legislative or policy actions could be taken to prevent or relieve homelessness for the groups captured by this White Paper?**

20. We welcome the outline of specific groups who are particularly vulnerable to the threat of homelessness including disabled people. Propertymark is pleased to see that the White Paper acknowledges the advantages of local authorities compiling an accessible housing register, which has been a policy proposal that Propertymark has campaigned for local authorities across the UK to complete. We also welcome the acknowledgement that few local authorities in Wales have such a register in place, and that the Welsh Government see this as a useful tool in maximising housing options for the disabled. To this end to support these measures additional legislative or policy actions are needed in the following areas:

- **An accessible housing register should include housing from all tenure** - including the PRS where local authorities could sign post disabled tenants to suitable property in the event of insufficient social housing stock.
- **The Welsh Government should use this opportunity to increase the uptake of Disabled Facility Grants (DFG) in the PRS** - to ensure more properties in this tenure are accessible for tenants needs. We understand that awareness of the DFG is relatively limited amongst landlords and their agents and there is evidence that when they are made aware of grant funding, they become more amenable to improving the accessibility of their properties for their tenants.

- **The Welsh Government to open an inquiry to investigate the barriers to making PRS properties more accessible** – this should include ways to promote the advantages of improving accessibility and consequently landlords future proofing their businesses.
- **The Welsh Government should carry out a review of older person’s housing in Wales** - improving the accessibility of property for disabled people may have a positive impact on older person’s housing. While older people have not been identified as a vulnerable group and at significant threat of homelessness, the rate of older people is set to significantly increase, and their housing needs should be closely monitored. The latest estimates show that there are 866,006 people over the age of 60 living in Wales. This number is estimated to rise to 956,000 (30% of the population) by 2026, and to 1,015,000 (31% of the population) by 2031.

**16. Our proposals related to children, young people and care experience seek to improve and clarify links between homelessness legislation and the Social Services and Wellbeing Act. Significant policy development is required to assess the practicality of this. What, in your views are the benefits and challenges of our approach and what unintended consequences should we prepare to mitigate?**

21. Propertymark understands that there are many factors that contribute towards homelessness and to tackle the complex needs of those who experience homelessness, local housing authorities must liaise with colleagues in health and social care. The Social Services and Wellbeing Act Wales 2014 has outlined a code which demonstrates that that many services provided under the Act are to be delivered in partnership with others, including housing and health services. Propertymark also recognises that people who are care experienced are also particularly vulnerable to homelessness. Many young people, including those who are care experienced, have had difficulty in accessing support services once they have transitioned into adult care services. We hope that by incorporating a more collaborative approach that the needs of those leaving children’s support services will be better aligned and maintained to support their needs.

**17. Do our proposals go far enough to ensure that 16 and 17 year olds who are homeless or at risk of homelessness receive joint support from social services and local housing authorities? What more could be done to strengthen practice and deliver the broader corporate parenting responsibilities?**

22. Yes, we do think that the Welsh Government’s proposals do go far enough to ensure that 16 and 17 year olds who are homeless or at risk of homelessness receive joint support from social services and local housing authorities We welcome the acknowledgment in the requirement to strengthen the corporate parenting responsibilities to ensure individuals aged 16 and 17 years who are homeless or at risk of homelessness do not fall between services when they transition to adult care services. We also welcome other proposals including using legislation to ensure 16 and 17 year olds are not housed in unsupported temporary accommodation. However, we believe that the long-term needs of young people still need to be focused on to ensure once they are housed, they have sustainable housing options. This could include

adopting approaches such as Housing First specifically aimed at this cohort to looking at financial barriers that act as a barrier to accessing housing particularly in the PRS.

**18. Do you agree or disagree that the Renting Homes (Wales) Act 2016 should be amended to allow 16 and 17 year olds to be able to hold occupation contracts?**

23. We agree in principle as this would formalise the rights for tenants aged 16 and 17 years old and would also make clear the obligations of both landlords and property agents as well as tenants. However, if such a proposal was made, we would firstly recommend that careful consideration is given to the impact on this age group and that sufficient time is given to landlords and property agents to issue occupational contracts and that sufficient awareness is made to landlords and property agents.

**19. The accompanying Regulatory Impact Assessment sets out our early consideration of the costs and benefits of these proposals. Are there any costs and benefits we have not accounted for?**

24. We do not have any further comments.

**Chapter 4: Access to accommodation**

**20. To what extent do you agree or disagree with the short-term proposals to increase the suitability of accommodation? Are there additional immediate actions you believe should be taken for this purpose?**

25. Short-term care is not within the remit of Propertymark. However, we agree with the proposals.

**21. To what extent do you agree or disagree with the proposals around the allocation of social housing and management of housing waiting lists? What do you believe will be the consequences of these proposals?**

26. We agree with the proposals around the allocation of social housing and management of housing waiting lists. However, where a local authority has removed an individual from a waiting list as they deem them to have no housing need, the local authority should direct them to suitable options within the PRS. This would be supported by greater cooperation between local authorities and landlords and their agents.

**22. To what extent do you agree or disagree with the proposal for additional housing options for discharge of the main homelessness duty? What do you foresee as the possible consequences (intended or unintended) of this proposal?**

27. We agree with the proposal for relevant officers from the local authority should be able to have the discretion to issue additional housing options prior to the discharge of the main homelessness duty. We recognise that there might be legitimate reasons why an applicant may refuse suitable Part 6 accommodation including housing in social housing or accommodation

in the PRS. When the local authority recognises and accepts the reasons for refusal then they should have the discretion to offer an increased range of housing options through which the main homelessness duty at section 75 HWA 2014 can come to an end. We recognise the pressure that housing departments are already under at local authorities and are concerned that some local authorities may not have the capacity and resources to offer additional housing options. This could take the capacity away from local authorities in providing important prevention services. Ultimately, however, we believe that local authorities are in the best position to assess what is fair and acceptable and to act at their discretion on a case by case basis.

**23. The accompanying Regulatory Impact Assessment sets out our early consideration of the costs and benefits of these proposals in relation to access to housing. Are there any costs and benefits we have not accounted for?**

28. We do not have any further comments.

**Chapter 5: Implementation**

**24. To what extent do you think the proposals outlined above will support the implementation and enforcement of the proposed reforms?**

29. We welcome the change in emphasis of local authority members scrutiny functions focusing on the overall performance of homelessness services rather than individual decisions. Equally we welcome the proposal to use and extend the existing structures provided through local government scrutiny to monitor homelessness provision and the implementation of the proposed legislative reform. However, we would like clarity on what this would look like in principle. Local government scrutiny functions are under increased pressure in some local authorities due to an already lack of resources and capacity. We also believe that members of local authorities may require specific training to understand specific housing legislation particularly for the PRS where there has already been systematic and fundamental change through the Renting Homes (Wales) Act 2016. However, the proposal to allow the Welsh Government to 'call in' decisions made by local authorities through the analysis of homelessness data will allow an additional layer of scrutiny of performance which we welcome.

30. Additionally, we are supportive of the other proposed measures especially the proposal to use the experiences of people who have experienced homelessness to shape services. However, currently homelessness services are scrutinised through complaints received for malpractice of homelessness services to the Public Service Ombudsman for Wales. The White Paper does not acknowledge that people who are at risk of homelessness are some of the most marginalised in society and to some degree might not consider making referrals to the Ombudsman. Equally, we would recommend the Welsh Government liaises with the Ombudsman to detail proposed changes and to discuss strategies to improve access to service users.

**25. What other levers/functions/mechanisms could be used to hold local housing authorities and other public bodies accountable for their role in achieving homelessness prevention?**

31. We think there are two functions that the Welsh Government should explore that could be used to hold local housing authorities and other public bodies accountable for their role in achieving homelessness prevention. Firstly, adopting the Scottish model of regulation of homelessness services through the Scottish Housing Regulator.<sup>1</sup> We have reservations that local authorities have the capacity and resources to perform this through member scrutiny functions. Secondly, local authorities should be encouraged to set up joint scrutiny functions with neighbouring authorities or as part of the joint scrutiny function of local health boards. This would not only increase capacity and resources but would align the scrutiny of health and social care conterminously with homelessness services to provide greater integration.

**26. The accompanying Regulatory Impact Assessment sets out our early consideration of the costs and benefits of these proposals. Are there any costs and benefits we have not accounted for?**

32. We do not have any further comments in this regard.

**27. What, in your opinion, would be the likely effects of the proposed reforms in this White Paper on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English.**

**Do you think that there are opportunities to promote any positive effects?**

**Do you think that there are opportunities to mitigate any adverse effects?**

33. We think that the impact on the Welsh language would be largely neutral and that local authorities have sufficient resources to support service users who wish to engage in the Welsh language.

**28. We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:**

34. We would be delighted to continue to engage with the Welsh Government to outline how we can support the Welsh Government in their aims of tackling homelessness.

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<sup>1</sup> <https://www.housingregulator.gov.scot/>

# Agenda Item 2.10

I am now able to share the reports. Please find attached a copy of the [full report](#) and the summary briefing. Our research found the following key findings:

- Zoopla reported that only 7% of adverts for rental properties were listed as ‘pet friendly’
- Nearly two-thirds of pet owners (65%) reported difficulty in finding a rental property, a higher proportion than renters without pets (58%).
- The reviewed research indicates several outcomes of these difficulties in finding pet-friendly rentals. Pet owners may be forced to accept substandard accommodation, keep their pets a secret from their landlord, or in some cases, relinquish their pets. These experiences were found to be accompanied by increased rental insecurity and emotional distress.
- Nearly half of private landlords (49%) reported charging a pet rent surcharge to pet owners. On average, landlords charged an additional £29.10 per month.
- Our survey findings show a consistent pattern. 50% of pet-owning renters had stayed in their previous accommodation for more than three years, compared with only 31% of non-pet-owning renters.
- On average, renters with pets reported a longer tenure (approximately 5 months longer) than renters without pets (63 months vs 58 months).
- Three out of four landlords (76%) reported that they did not encounter any damage caused by pets in their rental properties.
- On average, the total reported cost by landlords of pet-related damage was £300 per tenancy. In contrast, landlords who didn’t rent to pet owners reported an average cost of £775 for non-pet-related damages.
- **We asked landlords what policies or incentives would make them more likely to consider offering pet-friendly properties. Out of all the different policies and incentives, the two most popular were, firstly, requiring tenants to hold insurance to cover any damage (53%), which the Renters Reform Bill includes, and secondly, changing the Tenant Fees Act to allow the landlord to charge for a deep clean and fumigation at the end of the tenancy (51%), which is not currently being considered by the Government.**
- We also conducted a cost-benefit analysis of landlords renting to pet owners over other renters. We found a Net Present Value (NPV) of £3,800.
- NPV tells us whether the benefits of an investment outweigh its costs, by considering the value of money over time. A positive NPV indicates that the benefits exceed the costs, suggesting the investment is profitable.
- On average, landlords can expect to gain more financially from renting to tenants with pets than they spend on associated expenses. Therefore, renting to pet owners can be financially viable and beneficial for landlords.

I’ve put in bold above the key finding in relation to insurance, which was that landlords were more likely to consider renting to pet owners if pet damage insurance was in place – as this provides a further level of security to the landlord when approaching risk.

Best,  
Tom

**Dr Tom Simcock CPsychol CMRS**  
Research Fellow

John Griffiths MS  
Chair  
Local Government and Housing Committee  
Welsh Parliament  
Cardiff Bay,  
Cardiff  
CF99 1SN

5<sup>th</sup> April 2024

Dear John,

### **Private rented sector**

Thank you to you and the committee for hosting me at your evidence session on private renting on 13th March 2024. I am also grateful for your two follow-up questions, which I address in turn below.

*“We have heard that the demographics of renters are changing, as more people remain in rented accommodation for longer. In your view, to what extent do you believe the private rented sector is meeting the needs of diverse groups, such as families and older people?”*

The private rented sector is shaped by the legislation that governs it. Over the past thirty or so years it has been defined by short fixed terms and minimal protection from eviction. In the 1990s, when the sector was small and there were other viable tenures, most people who lived in private rented homes were young single people, who were more willing and able to move home more frequently.

The low barriers for landlords to exit the private rented sector through no-fault evictions attracted many more landlords to the sector than legislators probably anticipated, which pushed house prices up to trap private renters in the tenure, and also made it more likely for tenants to rent from an amateur landlord who viewed their property as an investment rather than a home for their customer, as a social landlord would.

As more people found themselves stuck in renting, we have got older and started families. These groups of renters are less willing and able to move frequently. As such, the continued right of landlords to evict tenants without needing a reason places greater risk on households that we will have to move when it doesn't suit us, which hinders our ability to settle down in a home and neighbourhood.

The unaffordability of homes also means that if you face a no-fault eviction you may need to look much further afield for a place you can afford. This also puts older people and particularly families (who need stable schooling) at a disadvantage.

#### **GET IN TOUCH:**

- ☎ 07753 369 555
- 🌐 generationrent.org
- ✉ info@generationrent.org
- 🐦 @genrentuk
- 📘 Generation Rent UK



*“We would also like to hear your views on a potential proposal to exempt certain groups of tenants from HMO regulation. In situations where there are three people from separate households who wish to live together, perhaps for mutual support if they are disabled, should there be greater flexibility in HMO regulation so that they could be counted as a single household and therefore pay a cheaper rent?”*

HMO regulation varies by local authority and indeed neighbourhood. The default is that shared houses of five or more unrelated people must be licensed and, on top of this, local authorities can decide to license houses of three or more unrelated people, through “additional” HMO licensing.

HMOs where tenants don’t know each other well may be at a higher risk of health and safety hazards, so it is right that they meet certain regulatory requirements. At the same time, we believe that there must be better regulation of all private rented homes. With Rent Smart Wales, Wales is ahead of England on this. We are concerned that different regulatory regimes that depend on the nature of the household may put certain tenants at a disadvantage. We have heard anecdotally that it can be difficult for small groups of friends to find a home where additional licensing requirements are in place.

However, a key factor that affects what rents are charged on HMOs compared with other types of housing is what Local Housing Allowance individual tenants can receive. Typically, HMOs fetch a higher rent than a home let to a family because, for example, the shared accommodation allowance for three people is greater than the LHA available for a family who need three bedrooms. Where households are not claiming benefits, a family of one or two earners will typically have less to spend on rent than a group of three single adults. While additional licensing schemes may reduce the availability of HMOs, the benefits system puts families at a disadvantage versus groups of friends.

A third factor is the supply of new homes in an area – a shortage will lead to more competition between sharers and families, creating pressure on the council to introduce additional licensing even if that wouldn’t actually address the root cause of the problem.

A fourth factor is the restricted eligibility for LHA for people under the age of 35, many of whom would prefer to live alone but only get enough for a room in an HMO. This creates additional demand for HMOs and in turn puts pressure on the supply of family homes.

Given these factors, we don’t believe the solution is as simple as creating exemptions from HMO licensing.

Best of luck with this vital inquiry, please do contact me if I can be of further assistance.

Yours sincerely,



**Ben Twomey**  
Chief Executive, Generation Rent

## Agenda Item 2.12

Q: We have heard that the demographics of renters are changing, as more people remain in rented accommodation for longer. In your view, to what extent do you believe the private rented sector is meeting the needs of diverse groups, such as families and older people?

A: One third of renters in Wales now have dependent children, and a fifth of all families with children reside in the sector. The number of pensioners renting privately is set to greatly increase over the coming years, as a consequence of middle-aged workers being unable to either get on the property ladder or access social housing.

Frequent house moves due to insecure housing has a lasting effect on both children and the elderly. Unaffordable rent rises seriously undermine the finances of parents with dependent children, and people struggling to make their pension last the month. Unsafe housing conditions can undermine the development of children, and be life-threatening to both infants and the elderly.

While families and older people can be more dramatically affected by the state of the private rented sector, all of these outcomes are felt by our members at all stages of life. The 22 year old that lives with friends, the 42 year old with 3 children and the 72 year old pensioner all need the same thing: housing that is secure, affordable and safe. The private rented sector is currently failing miserably to deliver this. Private renters of all ages and living arrangements need rent controls; better (and properly enforced) safety standards; and protection from evictions, including relocation payments in circumstances where evictions cannot be avoided.

Local Government and Housing Committee  
Senedd Cymru  
Bae Caerdydd  
Caerdydd  
CF99 1SN

Sent via email to: [Seneddhousing@senedd.wales](mailto:Seneddhousing@senedd.wales)

8 April 2024

Dear John,

Thank you for the opportunity to provide further feedback to your inquiry on the private rented sector. In response to your letter of 21 March 2024, I outline the National Residential Landlords Association's (NRLA's) thoughts on the matters raised.

### **Leasing Scheme Wales**

The NRLA supports the principle of a national leasing scheme. However, there are limitations to the Scheme which hinder its appeal to private landlords. Firstly, rental payments aligned to the Local Housing Allowance (LHA) are simply not reflective of the current market. The NRLA welcomes the LHA uplift from April 2024, but remains concerned that without a commitment to review LHA rates annually, they are likely to fall quickly out of alignment with market rents. This is likely to preclude many landlords from engaging with the Scheme on the basis of affordability and uncertainty of rental income in the longer-term. Coupled with the management fee levied, margins are further constrained.

The NRLA recommends that the Welsh Government considers the following:

- Whether increased flexibility of the lease duration, such as introducing a 3-year option in addition to the 5+ year commitment available, would reduce perceived risks and entice more landlords to participate.
- Whether rent capped at the LHA rate could be topped up to a market rent, or at a minimum increased in line with inflation annually to provide some assurance that landlords' costs can be met.
- Whether the management fee can be eliminated to improve cost margins and incentivise landlord participation.

### **Introduction of a referral duty**

The NRLA agrees that a duty to refer a tenant to homelessness services if a tenancy is at risk could be beneficial, but only in so far as a local authority is sufficiently equipped to discharge its homelessness prevention duty. If a local authority does not have adequate resources and access to suitable accommodation, a referral duty will do little to help tenants. In fact, it may even lead to

tenants incurring significant additional costs as landlords recoup their legal costs through the possession process.

In Scotland, where a similar requirement is in place, a lack of available accommodation has resulted in tenants being advised to 'stay put' as the local authority would not help until a possession order had been granted. If the tenant did choose to leave prior to a possession order they would be considered intentionally homeless. This advice is not limited to Scotland, and we are aware of a number of local authorities in Wales that provide similar advice to tenants, leading to the tenant incurring the costs for possession claims.

We welcome the proposals outlined in the Welsh Government's consultation on ending homelessness to align the homelessness prevention duty with the notice period introduced by Section 173 of the Renting Homes (Wales) Act 2016. But any referral duty must also be introduced alongside an efficient mechanism for exercising it. If a landlord is required to inform Rent Smart Wales or a local authority directly, it must be done with minimal additional bureaucracy and cost to the landlord.

### **HMO regulation exemption**

We do not consider an exemption from HMO regulations for certain tenants to be beneficial. HMO regulations are in place to ensure minimum safety standards are met, and interventions that undermine these standards send a mixed message to the sector. We have particular concerns that disabled tenants, as proposed, could be put at risk from any exemption, which appears to contradict broader efforts to improve housing quality and safety. A more effective way of supporting disabled tenants would be boosting access to grant funding to make more accessible homes available, providing greater choice for tenants.

I trust this is helpful, but if we can be of further assistance, please feel free to contact me via [policy@nrla.org.uk](mailto:policy@nrla.org.uk).

Steven Bletsoe  
Operations Manager, Wales





## Housing associations' market rent activity

### Purpose

This briefing note has been prepared, at the request of the Local Government and Housing Committee, to provide details of housing associations who provide market rent properties as part of the domestic arm of their commercial portfolios.

Please note that this briefing is based mainly on informal feedback from a small number of housing associations.

### Background and current practise

Housing associations across Wales have different business plans, governance and finance structures to help them deliver their social purpose. Commercial activity between housing associations differs vastly, but many associations are exploring affordable and intermediate housing options to deliver alongside their socially rented homes in line with their common purpose to provide good quality, affordable homes in their communities. .

When many housing associations were formed following stock transfers from local authorities some inherited a commercial portfolio which may have included; retail units, garages etc. More recently, many associations have expanded their domestic commercial portfolio by delivering Rent to Own, Shared Ownership, Shared Equity, Affordable Rent and Intermediate Rent properties. Our understanding is, however, that market rent, private rented activity remains limited amongst RSLs in Wales.

Type of housing	% of HAs
Affordable Rent	38%
Shared Ownership	44%
Market Rent	15%

\*Table produced to provide **an estimate** of the services delivered by associations across Wales.

Specific to market rent portfolios there are two main ways housing associations operate:

1. **Full landlord service:** Housing associations are the landlord and the letting agent
2. **Management service:** Housing associations manage properties and / or provide a letting service on behalf of private landlords.

From conducting conversations with our members, it seems that some housing associations who operated a management service have ceased this practice. This note therefore focuses on direct, full private landlord services offered by housing associations in Wales.

### Benefits of housing association involvement in private rented sector

- Delivering a small percentage of market rents on new developments aids with the viability of the project, enables housing associations to maximise Social Housing Grant (SHG) and increase the level of private finance that they can access.
- Rental income from private sector portfolios are also fed back into the business to support the delivery of more social homes and services for social tenants.

- Housing associations have moved away from mono-tenure development and are committed to delivering balanced communities through providing a choice of different housing options to suit personal needs.
- If a housing association delivers many different types of housing options then this allows for greater mobility and flexibility in the housing ecosystem. For example; if a tenant is in private rented accommodation but struggling to keep up with their housing costs then the association can intervene early before housing debt becomes unmanageable and engage with the tenant so they can consider whether this housing tenure is the best option for them. Similarly, if a tenant in the socially rented sector has outgrown their current accommodation and their financial situation has improved they could consider, with support from the housing association, whether intermediate, affordable or market rent properties might be more suitable for their current situation (see appendix for case study).
- Housing associations are ethical landlords who can offer tenants within the PRS a secure, long lasting tenancy.
- Ultimately, housing associations with a portfolio in market rent are finding that there is demand for PRS options. The PRS sector currently makes up 13% of all dwellings in Wales<sup>1</sup>.

### **Opportunities to go further**

- The Welsh government should work towards a holistic, joined up approach across all tenures to tackle the current levels of housing need in Wales. The private rented sector plays an important role in the overall housing system. Housing associations can support this by providing good quality housing to private tenants that supports wider social aims.
- CHC's recent research, *A study of housing association allocations in Wales (January 2024)*, found that only 2% of allocations in our cross-sector sample were intermediate housing options. We would like to see social and intermediate housing stock considered in the round when finding the right match for a person or household.
- Ultimately, housing associations are not for profit organisations with social good as their core purpose. Whilst diversification into offering private, market rent may be able to play a role in supporting this, it will inevitably be on a limited scale as the focus is on social homes.

*To discuss this briefing further, please contact Elly Lock or Rhea Stevens, heads of policy and external affairs at Community Housing Cymru.*

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<sup>1</sup> Stats Wales, [Dwelling stock estimates percentages by year and tenure](#), 2022

## Appendices

### **Case Study 1: Newport City Homes commitment to building balanced communities**

Since 2022, most developments brought forward by Newport City Homes are mixed tenure schemes. At the moment they currently deliver: 81 market rent properties, 37 Intermediate Rent and 15 Rent to Own properties with plans to expand these provisions over the coming years.

At the beginning of their journey, they worked with a local estate agent Peter Alan to manage the letting of the properties and initially these were let through fixed term contracts.

However, recently the Commercial and Home ownership team at Newport City Homes are in the process of taking over the workload and changed the majority of the lets to periodic occupation contracts. However, a small percentage of allocations in Newport City Centre have been offered as fixed term to try to address the high turnover they were experiencing in these properties.

### **Case Study 2: Newport City Homes working with local authority to alleviate homelessness by utilising different housing options**

Newport City Homes worked with a social housing family who were in desperate need to transfer from a three to a four-bedroom house, and who were registered on the social housing register. Financially the family were able to afford the higher rental payment for an Intermediate rental property. Newport City Homes rehoused them in a brand new four-bedroom house and they are now comfortably affording their intermediate rent releasing a social housing unit.

In addition, Newport City Homes worked with Newport City Council to complete an exercise to identify people on the social housing waiting list that were registered as statutory homeless and in employment. These customers were then contacted and those eligible were offered an intermediate rental property to enable them to move to a suitable, long term home as soon as possible.

### **Case Study 3: Adra scaling market rent portfolio**

Adra currently delivers 75 market rent homes and they have 50 more properties on site at the moment. They have found these properties to be particularly popular especially in Gwynedd and other rural areas where the concentration of Second Homes and short-term holiday lets are high. Developing sites with a small percentage of market rents has also helped meet the needs and aspirations of local communities, and facilitated planning consent which favours mixed tenure sites.

Adra has also worked with Betsi-Cadwaladr health board to provide homes for market rent near Glan Clwyd Hospital in St Asaph. These homes are let to nurses due to the shortage of adequate housing supply in this market.

John Griffiths MS  
Chair of the Local Government and Housing Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff CF99 1SN

10<sup>th</sup> April 2024

Dear Chair,

**Private rented sector: Paragon response to request for written evidence on select matters**

Introduction

I would firstly like to offer my sincere thanks to you for the invitation to give evidence before the Local Government and Housing Committee as part of this vital inquiry into the private rented sector (PRS) in Wales. I hope that the answers we were able to provide will help to inform the subsequent findings and lead to substantial recommendations about how the PRS could be further supported into the future for the benefit of both tenants and landlords.

To provide further background, Paragon pioneered Buy-to-Let (BTL) lending in the UK, launching the first products in 1995, and we have consistently led the development of socially responsible BTL lending policies over the last two decades. We remain committed to supporting the growth of the PRS in Wales, and today we have over £400 million of active lending supporting almost 2,000 individual accounts.

Response to questions

In addition to the evidence we shared on 13<sup>th</sup> March, we would be pleased to provide further views in relation to the matters you outlined in your letter, where possible.

- Firstly, we support the ambition of Leasing Scheme Wales and believe this has potential to increase the availability of good quality and affordable homes in the PRS for those who are most vulnerable in society, while at the same time, providing landlords with the guarantees they need that their properties will be looked after for the duration of the lease. To ensure the Scheme can perform as best as possible, we would encourage the Welsh Government to work in partnership with the BTL sector to identify practical solutions to increase the attractiveness of the Scheme and build awareness to ensure greater uptake.
- We also recognise that Local Housing Allowance (LHA) rates will increase this April which will be of significant benefit to tenants who are most at risk of homelessness, as well as provide landlords who are enrolled on the Scheme with greater certainty over their rental income.
- Paragon is supportive of the proposal to introduce a duty on landlords to refer their tenants to homelessness services if the tenancy is at risk. We do not feel this is burdensome on the landlord, but we would like to see this requirement extended to letting/management agencies if the landlord utilises these services.
- Whilst the proposal to allow for greater flexibility in HMO arrangements, for example where mutual support may be required, seems practical, as a lender it is not our place to stipulate which type of tenant may live in a property or the profile of tenants in HMOs. That is the role of the landlord. However, we do believe that a property portal would be a practical solution to help facilitate this situation and lead to improved outcomes more broadly across Wales. This is something that is being introduced in England and should help improve overall standards, particularly if lenders, landlords and tenants have equal access.

Wider points to note

- We would like to take this opportunity to impress upon the Welsh Government the importance of taking a more holistic and strategic approach when looking at the contribution that all tenures can



make to meeting the needs of tomorrow's population. Within this, the PRS clearly has a role to play in providing good quality and affordable accommodation to a range of tenants, and a significant number of people rely on the sector for the high-quality employment it provides.

- A recent [report](#) we published jointly with the National Residential Landlords Association (NRLA) – produced by PWC – highlights just how important the PRS is to the economy of Wales, supporting an estimated 14,000 jobs in areas such as construction and building maintenance, while contributing £1.6 billion to the Gross Value Added (GVA) of Wales.
- Nevertheless, better data on the housing market will be central to the development of effective policy to address Wales' housing needs. From Paragon's perspective, our lending is mostly concentrated in towns, cities and coastal areas across Wales where there is a distinctly better source of data available on factors which indicate the overall health of the local market. To help create better conditions for increasing the provision of finance and supporting investment in the PRS, particularly in rural locations in Wales, we urge the Welsh Government to come forward with proposals for a Welsh Housing Survey as soon as possible.

I hope the views provided in this response will be of use to the Committee as it undertakes further evidence sessions and considers its findings from the inquiry. Please let me know if you require further information, and my colleague Will Monks ([will.monks@dentonsglobaladvisors.com](mailto:will.monks@dentonsglobaladvisors.com)) will be able to assist.

Kind regards,




Richard Rowntree  
Managing Director, Mortgages


Our ref: 202206003

Ask for: Michelle Morris

Our ref:

 01656 641152

Date: 28 March 2024

 Marilyn.Morgan@ombudsm  
an.wales

## PRIVATE & CONFIDENTIAL

Mr John Griffiths MS  
Senedd Member for Newport East  
7<sup>th</sup> Floor, Clarence House  
Clarence Place  
Newport  
NP19 7AA

**By e-mail only**  
[john.griffiths@senedd.wales](mailto:john.griffiths@senedd.wales)

Dear John,

I enclose a copy of an investigation report that I have issued in respect of a complaint against Welsh Government. The complaint, made by 2 members of the Gypsy and Traveller community, concerns the action taken by Welsh Government to ensure that local authorities are providing sufficient accommodation for Gypsies and Travellers. I am sending this to you in your capacity as Chair of the Local Government and Housing Committee as I reference the work of the Committee in my report and wanted to bring my findings and recommendations to the attention of yourself and the Committee. I do not propose to provide a hard copy version unless you wish to have one.

Please note that whilst it is our intention to make this report public, I will not do so until 4 April 2024. I would, therefore, ask that you to bear in mind that the report is issued under embargo until that date.

Please do not hesitate to contact me if you would wish to discuss the matter further.

Page 1 of 2

ombwdsmon.cymru  
holwch@ombwdsmon.cymru  
0300 790 0203  
1 Ffordd yr Hen Gae, CF 35 5LJ  
Rydym yn hapus i ddarparu gwasanaethau i  
ymateb i ohebiaeth yn y Gymraeg.

Back Page 47

ombudsman.wales  
ask@ombudsman.wales  
0300 790 0203  
1 Ffordd yr Hen Gae, CF 35 5LJ  
We are happy to accept and respond  
to correspondence in Welsh.

Yours sincerely

**Michelle Morris**  
**Ombwdsmon Gwasanaethau Cyhoeddus/Public Services Ombudsman**

Enc. Public Interest Report



**Ombwdsmon  
Ombudsman**  
Cymru • Wales

The investigation of a complaint  
against  
Welsh Government

A report by the  
Public Services Ombudsman for Wales  
Case: 202206003

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## Introduction

This report is issued under s23 of the Public Services Ombudsman (Wales) Act 2019.

In accordance with the provisions of the Act, the report has been anonymised so that, as far as possible, any details which might cause individuals to be identified have been amended or omitted. The report therefore refers to the complainants as Mr A and Mr B.

## Summary

Mr A and Mr B complained that Welsh Government had failed to use its powers to ensure that Conwy County Borough Council and Denbighshire County Council were taking action to meet the need for accommodation for Gypsies and Travellers as required by the Housing (Wales) Act 2014. Mr A and Mr B also complained that Welsh Government had failed to deal properly with a complaint they had made about this matter.

Local authorities have a duty to meet the need for accommodation for Gypsies and Travellers. They are required to identify and assess the need in their area and submit a plan to Welsh Government for its approval. Welsh Government therefore has a critical leadership role in ensuring that local authorities carry out their duties for the provision of accommodation.

The investigation found that Welsh Government had failed to carry out this role and that its failure to respond to Conwy & Denbighshire Councils had constrained the ability of Conwy and Denbighshire to meet the need for accommodation for Gypsies and Travellers. This has caused frustration and distress to both Mr A and Mr B, whose accommodation needs remain unmet. It is also likely that others in the community have been affected, or could be affected, by this failure.

Mr A and Mr B's complaint was not dealt with in accordance with Welsh Government policy. Their complaint was wrongly classified as one that could not be considered under the policy. The time taken to inform them that their complaint was not being considered was excessive.

I recommended that the Welsh Government should apologise to Mr A and Mr B for the failings identified in this report and offer them a payment of £1,000 each in recognition of the injustice caused to them because of these failings. I also recommended that Welsh Government should inform local authorities of the requirement to continue to take steps to meet need in approved Gypsy and Traveller Accommodation Assessments whilst updated Gypsy and Traveller Accommodation Assessments are being assessed, determine whether to approve the revised Gypsy and Traveller Accommodation Assessments submitted by local authorities and set out a

plan for how they will review the Gypsy and Traveller Accommodation Assessment process and monitoring arrangements. In respect of complaint handling, I recommended that Welsh Government should remind staff who deal with complaints of the importance of responding in a timely manner and ensure that all staff who deal with complaints receive training on its complaints policy and how it should be applied. Welsh Government agreed to carry out these recommendations.



## The Complaint

1. Mr A and Mr B complained about the way Welsh Government dealt with a complaint they had made regarding Gypsy and Traveller Accommodation Assessments (“GTAAs”). The investigation considered whether:
  - a) Welsh Government had failed to use their powers to ensure that Conwy County Borough Council (“CCBC”) and Denbighshire County Council (“DCC”) were taking action to meet the need for accommodation for Gypsies and Travellers as required by the Housing (Wales) Act 2014.
  - b) Their complaint had been dealt with in accordance with Welsh Government policy.

## Investigation

2. My Investigator obtained comments and copies of relevant documents from Welsh Government and considered those with the evidence provided by Mr A and Mr B. Evidence was also obtained from CCBC and DCC.
3. Both Mr A and Mr B and Welsh Government were given the opportunity to see and comment on a draft of this report before the final version was issued.

## Relevant legislation

4. The Ombudsman’s [Principles of Good Administration](#), issued by my predecessor,<sup>1</sup> provides guidance for all public bodies in Wales to follow.
  - Principle 1 includes “Getting it Right” by acting in accordance with the law, with due regard for the rights of those concerned and taking reasonable decisions, based on all relevant considerations.

---

<sup>1</sup> Under section 34 of the PSOW Act 2019

- Principle 2 is “Being Customer Focused” by dealing with people helpfully, promptly and sensitively, bearing in mind their individual circumstances.
- Principle 3 is “Being Open and Accountable” by being open and clear about policies and procedures.

Public Bodies in Wales must have regard to this guidance when discharging their functions.

5. As the Complaints Standards Authority for Wales, I have also issued Principles of Effective Complaint Handling for public bodies in Wales. These state that complaint handling processes should be complainant focused, fair and objective (ensuring that complainants receive a complete and appropriate response to their concerns), timely and effective and accountable.

6. The Housing Act 1996 states that a Gypsy or Traveller is homeless if they do not have a lawful place where they can both place their mobile home and live in it. Unauthorised encampments, which lack the correct land use planning permission, would not be considered to be a lawful place.

7. All public bodies must comply with the Human Rights Act 1998, which incorporated the European Convention on Human Rights (“the Convention”) into UK law. Article 8 of the Convention provides individuals with the right to respect for private and family life.

8. It is not my function to make definitive findings about whether a public body has breached an individual’s human rights by its actions (or inaction). However, when considering whether there has been maladministration or service failure on the part of a public body, I may consider whether public bodies have regard for human rights while they are performing their functions when this is a relevant consideration. Accordingly, I will identify where human rights are engaged and comment when there is evidence that a public body has not had sufficient regard for them.

9. Gypsies and Irish Travellers are ethnic groups and are protected against discrimination by the Equality Act 2010 (“the Equality Act”). The Equality Act gives people with protected characteristics, such as their ethnic origin, general protection from discrimination. It requires public bodies, such as Welsh Government, to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between different groups. Having due regard means considering these 3 requirements when making policy or delivering services.

10. It is not my function to make definitive findings about whether discrimination has occurred. However, I will comment on a public body’s regard for the protection that the Equality Act affords.

11. The Housing (Wales) Act 2014 (“the Housing Act”) introduced a duty on local authorities to produce a GTAA and submit it to Welsh Government for approval. Section 103 of the Housing Act requires a local authority to exercise its powers to meet any need for accommodation identified in its approved GTAA. Section 104 of the Housing Act gives Welsh Ministers the power to direct a local authority to exercise its powers, if they are satisfied a local authority has failed to comply with the duty imposed by section 103 of the Housing Act. These aspects of the Housing Act were commenced in February 2015, with local authorities given a deadline of 26 February 2016 to undertake GTAAs and submit them to Welsh Government.

12. To assist local authorities in complying with this legislation Welsh Government published guidance called “Undertaking Gypsy and Traveller Accommodation Assessments” in May 2015. It explained the importance of undertaking GTAAs in addressing the lack of understanding of the accommodation needs of Gypsies and Travellers and to ensure equality of opportunity for Gypsies and Travellers by allowing them to access culturally appropriate accommodation. It provided a framework, setting out how to undertake GTAAs, and reminded local authorities of their legal duties to meet identified need. Paragraph 255 states that “progress towards meeting the identified needs will need to be assessed at regular intervals... it is incumbent on local authorities to demonstrate they are doing all they reasonably can to meet needs”. It also stated that GTAAs should be updated at least every 5 years because it is difficult to accurately assess Gypsy and Traveller population changes over a period longer than 5 years.

13. Following the commencement of the Housing Act Welsh Government developed a Gypsy and Traveller Sites Compliance Review template to monitor the progress being made by local authorities. This was sent to local authorities, which were required to complete the template and return it to Welsh Government. The template stated that “information provided on this form will be utilised by Welsh Government to ascertain whether it would be appropriate for Welsh Ministers to utilise their power under section 104 of the 2014 Act to compel a local authority to provide sites”.

14. Welsh Government published a plan called “Enabling Gypsies, Roma and Travellers” in June 2018. In this, Welsh Government committed to “scrutinise Gypsy and Traveller Accommodation Assessments to ensure they are robust” and “monitor local authorities on an annual basis to ensure sufficient pitches are provided”. The plan noted that Gypsies and Travellers were one of the most marginalised groups in society and often experienced inequality. It said that “many of the issues experienced by Gypsy and Traveller Communities arise from, or are exacerbated by, the lack of access to appropriate accommodation”. It also said that the Welsh Government would continue to push forward policies relating to accommodation for Gypsies and Travellers.

15. “Enabling Gypsies, Roma and Travellers” followed on from “Travelling to a Better Future”, published by Welsh Government in September 2011, which said that Gypsies and Travellers have a strong sense of family and that family bonds were very strong. It also said that many Gypsies and Travellers lived in wider family groups to provide each other mutual care and support. It noted the challenges that Gypsies and Travellers, living on unauthorised sites, faced in accessing essential services and the detrimental impact this had on health and wellbeing.

16. In August 2022 the Senedd’s Local Government and Housing Committee published a report entitled “Provision of sites for Gypsy, Roma and Travellers”. It said that despite Wales having a clear framework in place to ensure that local authorities delivered sites for Gypsies and Travellers where they were required, very little progress had been made. It recommended that Welsh Government should work with local authorities to ensure the effective delivery of the framework if meaningful changes were to be made for the Gypsy and Traveller community in Wales.

17. Welsh Government has published guidance on the procedure for making a complaint. In a section called “When to use this procedure” the guidance states that Welsh Government is able to consider complaints about issues including “Maladministration in our administrative actions, whether through poor administration or applying rules incorrectly... Failing to provide a service we planned to provide or must provide by law”.

18. The guidance also splits the complaints process into 2 stages:

- Stage 1 is informal resolution. Complaints under this stage are usually considered and resolved quickly and, if possible, within 10 working days of being raised. If a complainant is dissatisfied after receiving a stage 1 response, they can ask that their complaint be reviewed under stage 2 of the process.
- Stage 2 is resolution through formal investigation. Under this stage complaints are acknowledged within 5 working days. Complainants are provided with advice about the process and how their complaint is being handled. A lead officer will be appointed to consider the complaint and a full response given within 20 working days of the complaint being received. If this is not possible the guidance states that this timeline may need to be extended but that the complainant will be kept updated.

## **The background events**

19. From the evidence provided it appears that the first review of local authority compliance with the outcomes of their GTAAs took place in autumn 2017, albeit not using a formal template. Local authorities were asked to respond, using the compliance review template, to the second annual review by 10 May 2018 and the third by 6 January 2020. The fourth annual review, which was due to commence in December 2020, was postponed until 2021/22 financial year. From the evidence provided it does not appear that this, or any further annual reviews, took place.

20. Once a GTAA has been approved the local authority receives a letter from Welsh Government. This informs it that it is required to publish the approved GTAA and begin work on meeting any identified unmet need. The letter also states that Welsh Government will monitor the progress

local authorities are making towards meeting need for accommodation identified in the GTAA. As both local authorities identified an unmet need, section 103 of the Housing Act required them to take steps to meet that need.

### **Conwy County Borough Council's GTAA submissions to Welsh Government**

21. Welsh Government approved CCBC's GTAA on 28 March **2017**. Interviews with Gypsy and Traveller families carried out in late 2015 formed part of the evidence base for the GTAA which found a current need for 5 residential pitches (land on a mobile home site where occupiers are entitled to station their mobile home indefinitely). At the time of completing the GTAA, work was nearing completion on a residential Gypsy and Traveller site (a permanent site designated for use as a Gypsy and Traveller site indefinitely) in the CCBC area. This would provide 4 pitches, leaving an unmet need of 1 pitch. It was noted in the GTAA that this need arose from family members of the households due to move onto the new residential site who wished to join them. The GTAA went on to state that it would be challenging to provide a further pitch at this site due to the lack of available land and because it may not represent value for money, and that further advice would be sought from Welsh Government. The GTAA also found an unmet need for 7 transit pitches (land on a mobile home site where occupiers are entitled to station their mobile homes for a temporary period) for use by Gypsies and Travellers passing through the area.

22. On 18 September the Housing Services Manager from CCBC emailed the Equality Team at Welsh Government. They said that the local authority was focusing on meeting the need for transit pitches and that they anticipated submitting a planning application during the 2019/20 financial year. In respect of the need for the 1 further residential pitch they said that they had not progressed a plan to meet the need and asked for a view from Welsh Government on how to proceed. I have not seen any evidence that this email was responded to by Welsh Government.

23. In May **2018** CCBC submitted its second annual review of compliance to Welsh Government. This stated that CCBC had provided a site to meet the residential need identified in the GTAA. This was the site that was nearing completion at the time the GTAA was undertaken. It also stated

that a steering group would be established to deliver a transit site. On 29 November Welsh Government wrote to CCBC and confirmed that it had provided sufficient evidence to show that the need identified in the GTAA was being met. This was despite CCBC only having plans to provide 4 residential pitches, when there was an assessed need for 5.

24. A third annual review of compliance submitted by CCBC in January **2019** again stated that the residential need identified in the GTAA had been met in providing a residential site with 4 pitches. It said that a preferred location for a transit site had been identified and that it would be subject to consultation through the Local Development Plan process. I have not seen any evidence that Welsh Government responded to this submission.

25. On 23 February **2022** CCBC submitted an updated GTAA to Welsh Government for approval. This was acknowledged by Welsh Government on 10 March and has yet to be approved. This GTAA found that there continued to be an unmet need for 1 residential pitch and no need for transit pitches. In response to this investigation CCBC said that they are unable to progress any work on meeting unmet need until the updated GTAA is approved by Welsh Government.

#### **Denbighshire County Borough Council's GTAA submissions to Welsh Government**

26. Welsh Government also approved DCC's GTAA on 28 March **2017**. This GTAA also used interviews carried out with Gypsy and Traveller families in late 2015 as part of its evidence base. The GTAA found a need for 6 residential pitches and 5 transit pitches. The GTAA said that the residential pitches should be delivered as a priority and that a search for suitable land would begin.

27. On 5 September a Project Manager from DCC emailed the Equality Team at Welsh Government. They said that a project team had been established to meet the need identified in the GTAA and they anticipated submitting bids for funding to construct sites in the 2019/20 financial year.

28. The second annual review of compliance detailed the work that had been undertaken to identify land for both residential and transit pitches and

stated that approval had been given to progress to planning application stage. In November **2018** Welsh Government confirmed that DCC had provided sufficient evidence that progress was being made to meet the need identified in the GTAA.

29. The third annual review of compliance submitted by DCC said that a planning application had been submitted for a residential site in October **2019**. In respect of a transit site, it said that there was currently no viable option and that potential sites would be progressed through the Local Development Plan process. Welsh Government responded to the third annual review of compliance on 29 January **2021**. It said that it was concerned the information provided did not show how DCC was going to meet the need identified in the GTAA and that it may not be compliant with the requirements of the Housing Act. This was because DCC's Planning Committee had refused the application to provide a residential site and DCC had not since provided an update that set out how it intended to meet the need identified in the GTAA.

30. Welsh Government officials met with representatives from DCC on 27 April. It was noted that need from the 2017 GTAA remained outstanding. Welsh Government officials said that they were concerned about the lack of progress in meeting need and that actions proposed by DCC would not take them closer to meeting need. The meeting ended with Welsh Government officials saying that they would consider the potential use of section 104 of the Housing Act to direct DCC to meet the need. An officer from DCC emailed Welsh Government on 26 May with comments and amendments to the minutes of the meeting and a request to meet again in a few weeks. No response was received to this email and DCC received no further correspondence from Welsh Government regarding the action being taken to meet the need for accommodation for Gypsies and Travellers.

31. On 24 December DCC submitted an updated GTAA to Welsh Government for approval. This GTAA found that there was an unmet need for 12 residential pitches and no need for transit pitches. Welsh Government have yet to comment on this GTAA.

32. DCC said that it was disappointed by the lack of feedback from Welsh Government on its updated GTAA, especially as it had adhered to



Welsh Government's deadline for submission. Following submission of the updated GTAA a family that had not taken part in the GTAA contacted DCC and asked to be included. DCC decided that this family should be included in the GTAA, and that previous participants should be re-interviewed to ensure that the GTAA was as up to date as possible. DCC said that the lack of feedback from Welsh Government meant that any identified issues were not able to be addressed when this update was undertaken after the additional family came forward.

### **The Local Government and Housing Committee**

33. On 5 October **2023** the Minister for Social Justice and Welsh Government officials gave evidence to the Local Government and Housing Committee ("the Committee"). They acknowledged that progress in reviewing GTAAs by Welsh Government had been slow, initially due to the COVID-19 pandemic and more recently because of severe staffing constraints. The Committee was told that additional staff had been recruited to the team responsible for reviewing GTAAs and that it was planned to have reviewed all submitted GTAAs by the end of the year. Updated GTAAs were due to be submitted by 24 February 2022 and, at the time of the committee meeting, 21 of the 22 local authorities in Wales had submitted updated GTAAs to Welsh Government. Following the meeting, the Chair of the Committee wrote to the Minister for Social Justice expressing the Committee's concern that 1 local authority had yet to submit a GTAA and that the review process for the remaining GTAAs was still ongoing.

34. The Committee had previously launched an enquiry into the provision of sites for Gypsy, Roma and Travellers. A report resulting from that enquiry was published in August 2022. In respect of GTAAs it found that value and effectiveness of GTAAs varied across Wales and recommended that Welsh Government should review whether the existing GTAA process is the most appropriate and effective way of assessing the accommodation needs of Gypsies and Travellers. It also recommended that Welsh Government should set out how it intends to support local authorities to provide sites for Gypsies and Travellers, and how it will work with local authorities to mitigate the challenges this can present. The Minister for Social Justice provided a written response to the enquiry to the Committee in October 2022. In that response she said that the effectiveness of the GTAA process would be

reviewed following the conclusion of the current GTAA round, and that the currently submitted GTAA's would be used to develop a national picture of the need for and provision of accommodation for Gypsies and Travellers.

### **Complaint to Welsh Government**

35. Mr A submitted a complaint using Welsh Government's complaints portal on 9 September 2022, which was acknowledged on 15 September. In that complaint Mr A said that he believed Welsh Government had failed to take action to ensure that CCBC was meeting the need for Gypsy and Traveller accommodation identified in its 2017 GTAA. That complaint was subsequently broadened to include Mr B's complaint about DCC. Mr A lives on a residential site in CCBC and Mr B lives on an unauthorised site (land occupied without the correct land use planning permission) in DCC.

36. On 20 September Mr A received an email from a Welsh Government official ("the Official") who had been tasked with providing a response to him. The subject of the email was "complaint". Mr A was asked to direct all further correspondence to the Official. On 6 October Mr A received a further email from the Official. The email had the subject "Complaint" and Mr A was told his complaint was being dealt with. The Official said they hoped to be able to respond soon but no timescale was given for when Mr A could expect a substantive response.

37. On 24 October Mr A approached an advocacy agency ("the Advocacy Agency") for support as he had yet to receive a response to his complaint. The Advocacy Agency emailed Welsh Government's Complaints Advice Team on 25 October, copying in Mr A. The Complaints Advice Team is part of Welsh Government and deals with complaints made about Welsh Government. The Advocacy Agency asked what stage Mr A's complaint was at, and when he could expect a response. On 27 October the Complaints Advice Team replied saying that the Official had contacted Mr A, and that Mr A was aware of the current position.

38. On 31 October the Advocacy Agency replied to this email, copying in Mr A. They acknowledged that the Official had been in contact with Mr A but said that Mr A still did not know what stage his complaint was at or when he would receive a response. Having had no response to this email

the Advocacy Agency emailed the Complaints Advice Team again on 17 November.

39. The Complaints Advice Team replied on 22 November. They said that they were unable to share information with the Advocacy Agency without Mr A's written permission. Mr A provided this by email the same day. The Complaints Advice Team emailed the Advocacy Agency and Mr A on 29 November. It said that they were unable to consider Mr A's complaint as the complaints policy only allowed them to consider complaints about maladministration, not complaints about Government policy or to change legislation. Mr A replied to this email the same day saying that he was not trying to change policy or legislation but was complaining about existing powers not being used. Mr A then made a complaint to this office in December.

40. Welsh Government officials met with Mr A and Mr B in December. The purpose of the meeting was to clarify priorities and the way forward. No notes were made of this meeting although on 29 December the Official emailed Mr A and thanked him for taking the time to meet. He told Mr A that Welsh Government hoped to look at all aspects of the problem very soon. Mr A replied later that day raising several issues and asking if he would receive a formal response to his complaint. The Official replied to that email the next day and said a formal response would follow, but no date was provided for this.

### **Mr A and Mr B's evidence**

41. Mr A said he found the way Welsh Government dealt with his complaint extremely frustrating, and that he had needed the support of an advocacy agency to assist in his dealings with Welsh Government. Mr A questioned if his ethnicity had influenced the way his complaint was handled, saying that the failure to deal with his complaint appropriately was part of broader inaction by Welsh Government to address the accommodation needs of Gypsies and Travellers.

42. Mr A said that the residential pitch identified as being needed in CCBC's 2017 GTAA was for his daughter, who was currently homeless along with her own children, and that no progress had been made in providing this

pitch. Mr A said that he found this situation extremely distressing as his grandchildren had serious health problems that were exacerbated by being homeless. Mr A said that the failure by Welsh Government to use its powers to ensure CCBC were meeting identified need meant that they were unable to live together on the same site as an extended family and provide support to each other.

43. As there are no authorised pitches in the DCC area Mr B said he and his family were homeless and living on temporary, unauthorised sites. These sites do not have a water or electricity supply and as they were unauthorised and lacked the correct land use planning permission, they were in constant fear of being evicted. They found the situation particularly stressful as the family includes children and people with medical needs.

44. Both Mr A and Mr B said that when the Housing Act was commenced, they were optimistic that more accommodation for Gypsies and Travellers would be provided by local authorities. They said that they found the lack of action by Welsh Government to ensure sites were being provided very disappointing.

### **Welsh Government's evidence**

45. Welsh Government said that Mr A's complaint was not considered under its complaints policy. It believed the complaint to be in relation to government policy or legislation, which it is not able to consider under its complaints policy. They said that arrangements were made to meet with both Mr A and Mr B in December 2022 to understand the nature and reasons for their complaint. They said that following this meeting Mr A was content for the issues raised to be dealt with from a policy perspective rather than as a complaint. As no minutes of this meeting were taken this is not documented.

46. Welsh Government initially said that it was unable to locate any correspondence between themselves and the 2 local authorities regarding the adopted GTAAs. Following further enquiries by this office Welsh Government shared some relevant documents. Welsh Government said that the team responsible for reviewing approved GTAAs has suffered a significant loss of

staff, which had a negative impact on the team's corporate memory and resilience.

47. In response to a draft version of this report, Welsh Government accepted that there had been failures to monitor the progress local authorities were making to meet the need identified in their GTAAs. It stated its commitment to supporting Gypsy and Traveller families and to addressing the inequalities they experience. It acknowledged that significant improvements were needed. However, Welsh Government said that local authorities are required by law to take action to meet identified need, and the lack of monitoring by Welsh Government did not negate this duty. It said that there was no evidence that more rigorous monitoring by Welsh Government would have led to a different outcome for the complainants.

48. Welsh Government said that the duty to meet needs identified in approved GTAAs rests with local authorities. It said that determinations about how to meet that need were issues for local authorities alone. Welsh Government said that any failure to respond to correspondence from local authorities regarding this would not have prevented the authorities from taking action to meet identified need. Welsh Government expressed concern that my findings might lead local authorities to consider that they have no responsibility to meet their Section 103 duties in the time between submission and approval of an updated GTAA.

49. Welsh Government acknowledged that there had been a delay in assessing the updated GTAAs but said that there was no causal link between its failings as identified in this report and the failure of CCBC & DCC to comply with their legal duties to meet the housing needs of Mr A and Mr B. This was because both CCBC and DCC had adopted GTAAs in place and those GTAAs remained valid until an updated GTAA was approved. Welsh Government said that as a result, it did not consider that its delay in approving the updated GTAAs caused an injustice to the complainants.

50. In respect of DCC, Welsh Government acknowledged that advice had not been provided to the Minister regarding the use of section 104 powers. It said that even if advice had been provided it was highly unlikely that it would have been appropriate to use those powers. As such, in the view of Welsh Government, this failure did not cause an injustice to Mr B.

## Analysis and conclusions

51. I have not included every detail investigated in this report, but I am satisfied that nothing of significance has been overlooked.

**Mr A and Mr B's concern that Welsh Government had failed to use their powers to ensure that Conwy County Borough and Denbighshire County Council were taking action to meet the need for accommodation for Gypsies and Travellers as required by the Housing (Wales) Act 2014.**

52. It is important to say at the outset, that the duty under the Housing Act to meet the needs identified in approved GTAAs rests with the local authorities (CCBC & DCC), not with Welsh Government. However, the legislative framework is such that Welsh Ministers have a critical role in deciding whether to approve those GTAAs and in monitoring local authorities' compliance with previously assessed needs. The Local Government and Housing Committee also highlighted the importance of Welsh Government working with local authorities to address the accommodation needs of Gypsies and Travellers. As such Welsh Government has an important role in leadership and oversight. Also, in line with other public bodies in Wales, the Welsh Government must have regard to my Office's Guidance on the Principles of Good Administration when discharging its functions.

53. Welsh Government's fourth annual review of compliance, which was due to take place in the 2021/22 financial year, did not happen. The last recorded monitoring of local authority compliance with outcomes of their GTAAs took place in January 2020. This is contrary to Welsh Government's commitment in "Enabling Gypsies, Roma and Travellers" that annual monitoring would take place. Whilst I accept that the COVID-19 pandemic and staff shortages caused delay, as 4 years have elapsed this delay is excessive and, in my view, amounts to maladministration.

54. I have not seen any evidence that Welsh Government responded to requests from CCBC for assistance in meeting the need for a residential pitch. CCBC was clear in both its approved GTAA and an email to Welsh Government that it was facing difficulties in addressing its unmet need for a residential pitch. Welsh Government should have acknowledged and responded to this correspondence. It was a matter for the Welsh Government to decide whether it wished to assist the Council in any

way. The failure to respond to this correspondence to provide CCBC with an answer to its request was an administrative failure which amounts to maladministration.

55. I have also not seen any evidence that Welsh Government responded to the CCBC's third annual statement of compliance. This was a missed opportunity to identify that the 4 residential pitches provided by CCBC were insufficient to meet the need for 5 pitches identified in its GTAA. Subsequently CCBC submitted an updated GTAA nearly 5 years after the approval of the first GTAA still showing an unmet need for 1 residential pitch. The failure to identify this shortfall and respond to the Council was again a failure which amounts to maladministration.

56. CCBC has said it is currently unable to take action to address unmet need identified in the updated GTAA as it has yet to be approved by Welsh Government despite it being submitted two years ago in February 2022. Welsh Government said that CCBC should be continuing to take steps to meet the need for accommodation identified in the 2017 GTAA whilst it awaits approval of the updated GTAA. CCBC had previously been told by Welsh Government that its plans to provide a residential site with 4 pitches was sufficient evidence that the need identified in the 2017 GTAA was being met. In the absence of any other direction from Welsh Government, it was not unreasonable for the local authority to conclude that it had exercised its powers so far as was necessary, as required by the legislation.

57. Therefore, whilst the duty to meet unmet needs in its approved GTAA rested with CCBC, the administrative failures on the part of Welsh Government to engage with and respond to CCBC's correspondence, caused delay and an impasse. Given that it did not clearly respond to CCBC and explain its position the maladministration on Welsh Government's part therefore indirectly caused an injustice to Mr A.

58. Mr A said that he was disappointed that no progress seemed to have been made in meeting the unmet need identified in the 2017 GTAA. Mr A said that the pitch was needed for his daughter and her dependent children and in its GTAA, CCBC acknowledged that the need arose from family members of people living on its authorised residential site. Mr A said that

his daughter was homeless, along with his grandchildren, as there were no available pitches in the CCBC area. Whilst there is no guarantee this pitch would have been allocated to a member of Mr A's family, the fact that it was never provided meant that they were unable to apply for it, and Mr A was not able to have the opportunity to live with members of his wider family. This is something Welsh Government have previously acknowledged in "Travelling to a Better Future" as an important part of Gypsy and Traveller culture.

59. Following the meeting between Welsh Government and DCC in April 2021, Welsh Government made no further contact with DCC about the potential use of its powers under section 104 of the Housing Act to direct DCC to provide pitches. Welsh Government has not provided any evidence that the use of these powers was considered further after the meeting. This is despite concerns from Welsh Government officials that DCC did not have a plan to meet the identified need, contrary to section 103 of the Housing Act. Whilst again it was a matter for Welsh Government to decide whether to exercise its powers, its lack of action to follow-up after that meeting and confirm its position to DCC was an administrative failure which amounts to maladministration.

60. Welsh Government officials had identified that DCC was potentially failing to meet its duties under the Housing Act, but no further action was taken to address this. In response to a draft of this report, the Welsh Government said it was unlikely the use of section 104 powers would have been appropriate. That may or may not be the case. However, it indicated to DCC that it was considering use of the s104 power and DCC e-mailed Welsh Government, with comments on the minutes of its meeting when this was discussed, with a request to meet again, but DCC had no response from Welsh Government. Even though the legal duty to meet unmet need in the approved GTAA rested with DCC, it was not unreasonable for DCC to await a response from Welsh Government. The lack of response or confirmation of Welsh Government's intentions clearly impacted on DCC and contributed to delay and inaction. This failure amounted to maladministration.

61. DCC has not provided any accommodation for Gypsies and Travellers and nearly 7 years after Welsh Government approved DCC's



GTAA, Mr B and his family are still homeless. Whilst we cannot know for certain whether DCC would have met the need identified in the GTAA or whether Mr B and his family would have been allocated pitches on a site, were one to have been constructed, the current impasse may have been avoided had the failures on the part of Welsh Government not occurred. Although the duty to meet the assessed accommodation needs rests with DCC, I consider that the Welsh Government's failures indirectly impacted upon Mr B's position, causing him injustice and distress.

62. DCC chose to revise its updated GTAA after it was submitted to Welsh Government. If Welsh Government had commented on the GTAA before this point any issues raised could have been addressed in this update. If Welsh Government identify any issues with this new GTAA, then there is a possibility that DCC will have to commission an additional update to the most recent GTAA. This will further delay any work that DCC may take to address identified need. This is an injustice to Mr B and his family whose accommodation needs remain unmet.

63. The Minister for Social Justice has said that submitted GTAAs are being reviewed. Whilst this is welcomed, any delay will further suspend action the local authorities may take to meet the identified need, as the local authorities' duty, to meet the assessed needs under section 103 of the Housing Act, does not take effect until a GTAA has been approved by Welsh Government. Welsh Government has said that whilst local authorities are awaiting approval of an updated GTAA they should continue to undertake work to meet the need identified in its existing approved GTAA in compliance with their legal duties.

64. In the case of CCBC and DCC this would mean taking action to meet unmet need based on interviews with Gypsy and Traveller families conducted over 8 years ago. Welsh Government guidance on conducting GTAAs says that it is difficult to accurately assess need for Gypsy and Traveller accommodation over a period longer than 5 years. As such, existing GTAAs may no longer accurately reflect the current need for Gypsy and Traveller accommodation. In the case of DCC the need for residential pitches in its updated GTAA has increased significantly since the 2017 GTAA was approved. If local authorities were continuing to take action to meet need in

approved GTAAs this would not address any newly arising need that had occurred since the 2017 GTAAs were approved.

65. If the view of Welsh Government is that local authorities should continue to take steps to meet need identified in previous GTAAs whilst waiting for updated GTAAs to be assessed, this should be clearly articulated to the local authorities. This investigation has found that this position is potentially not understood by local authorities. It is also not included in the current guidance on undertaking GTAAs published in 2015, which only states that GTAAs should be reviewed at least every five years.

66. The delay and inaction by Welsh Government to engage with both local authorities has led to stagnation and constrained their ability to progress the urgent need for additional sites. In the case of DCC no new sites have been provided and the site provided by CCBC was insufficient to meet the need identified in its GTAA. The need for Welsh Government to work with local authorities if meaningful change were to be achieved for Gypsies and Travellers in Wales has been highlighted by the Local Government and Housing Committee.

67. In response to this investigation, Welsh Government has said that it does not believe there is a causal relationship between the failures identified in this report and the failures of local authorities to meet need identified in their GTAAs. Whilst local authorities are legally required to take steps to meet identified need, Welsh Government must ensure that it administers its function in the GTAA approval process appropriately and that it communicates clearly and promptly with local authorities – this is essential to avoid the failures in these cases being repeated.

68. For the reasons outlined above, rather than Welsh Government responding to CBCB and DCC clearly in line with the legislative framework it implemented, its failures contributed towards the delay and inaction on the part of both local authorities. If it is the case that it expects local authorities to implement previously approved GTAAs (regardless how long ago they were approved) whilst new GTAAs are being considered, it needs to ensure it communicates this and makes this clear to local authorities during its engagement with them.

69. The lack of available sites is a source of great frustration to Mr A and Mr B. It has led Mr B and his family to have a prolonged period of homelessness and has meant that Mr A is not able to provide support to his daughter and grandchildren. While the complaints I have considered have been made by 2 individuals, others are likely to have been affected, or potentially affected, in a similar way.

70. The failings identified in this report are significant and ongoing. It appears that no monitoring of approved GTAAs has taken place since January 2020 and updated GTAAs have yet to be assessed. For the reasons outlined above, this is, indirectly, causing an injustice to Mr A and Mr B as their housing needs remain unmet. I also find that the failings identified in this report are likely to be systemic, going beyond the issues identified with the monitoring of the 2 local authorities mentioned in this report. The Minister for Social Justice has acknowledged that progress on reviewing GTAAs has been slow. The Chair of the Local Government and Housing Committee has also raised concerns about the GTAA process. The failings also relate to the implementation of new legislation, as Mr A and Mr B's complaint related to the monitoring of the first GTAAs submitted after the commencement of the Housing Act. Mr A and Mr B have expressed their disappointment at the way this legislation has been implemented, which they believe could have had a significant positive impact on the lives of Gypsies and Travellers in Wales. It is for these reasons I consider this report to be of a wider public interest.

71. Public bodies are required to comply with the provisions of the Equality Act, which includes paying due regard to the need to advance equality of opportunity. It is not for me to make a definitive determination regarding whether a body has complied with the terms of the Equality Act, but I can consider if an organisation has had due regard to its obligations. Welsh Government has acknowledged the inequality often experienced by Gypsies and Travellers. The failure, to monitor the progress being made by local authorities in meeting the need for accommodation for Gypsies and Travellers, suggests it may not have paid due regard to the need to minimise the disadvantages faced by Gypsies and Travellers in relation to accommodation.

72. I also consider that Article 8 of the Convention was engaged by the circumstances of this complaint. This is because the lack of action by

Welsh Government to monitor the progress being made by local authorities to meet the needs identified in their GTAAs has contributed to situation where the rights of Mr A and Mr B to have their family life respected may have been compromised.

73. Welsh Government has failed to use its powers to ensure that the 2 local authorities are taking action to meet the need for accommodation for Gypsies and Travellers as required by the Housing Act. This meant that Mr A has potentially been unable to live with his wider family and provide support to them. This is an injustice to him. As a result of the absence of any authorised residential pitches in the second local authority, Mr B and his family have been homeless for a number of years. This is a source of great stress and limits their ability to access essential services. This is an injustice to him. I therefore **uphold** this part of Mr A and Mr B's complaint.

**Their complaint had been dealt with in accordance with Welsh Government policy.**

74. It took over 10 weeks for Welsh Government to tell Mr A that his enquiry did not fall within the scope of its complaint policy. If Welsh Government considered that Mr A's enquiry did not fall within the scope of its complaint policy, he should have been told much sooner.

75. Mr A and Mr B had complained that Welsh Government had failed to monitor CCBC and DCC to ensure that action was being taken to meet the identified need for accommodation for Gypsies and Travellers. Mr A and Mr B were making a complaint about action Welsh Government had said it would undertake, and their complaint should have been considered under the complaints policy. Welsh Government was wrong to suggest that the complaint related to Government policy or legislation as it clearly related to inaction on the part of Welsh Government under legislation which already existed and therefore fell firmly within Welsh Government's complaints policy.

76. Mr A questioned if his ethnicity had influenced the way his complaint was handled. Mr A linked the way his complaint was handled to Welsh Government's wider policy agenda on accommodation for Gypsies and Travellers. This report has identified significant failings by Welsh Government to ensure local authorities were taking action to meet the need for accommodation for Gypsies and Travellers. I have not seen any

evidence that Mr A's complaint was handled differently because he is a Gypsy, but it remains Mr A's perception that this may have led to him being treated less favourably.

77. The poor handling was evidence of further maladministration which caused an injustice to Mr A and Mr B. The approach taken by Welsh Government was also contrary to our Complaints Standards Authority Principles of Effective Complaint Handling.

78. This was a source of considerable frustration to Mr A, who engaged the services of an advocacy agency to assist in his dealings with the Welsh Government. This is an injustice to Mr A and Mr B and I therefore **uphold** this part of their complaint.

## Recommendations

79. I **recommend** that within **1 month** of the final report:

- a) Welsh Government should apologise to Mr A and Mr B for the failings identified in this report.
- b) Welsh Government should offer Mr A and Mr B payment of £1,000 each in recognition of the injustice caused to them as a consequence of the failings identified in this report.
- c) Welsh Government should ensure that it informs local authorities clearly of the requirement to continue to take steps to meet identified need in approved GTAAs whilst updated GTAAs are being assessed by Welsh Government.
- d) Welsh Government should remind staff who deal with complaints of the importance of responding in a timely manner. It should also ensure that all staff who deal with complaints receive training on its complaints policy and how it should be applied.

80. I recommend that within **4 months** of the final report:

- e) Welsh Government should determine whether to approve the revised GTAAs submitted by local authorities.

81. I recommend that within **6 months** of the date of the final report:

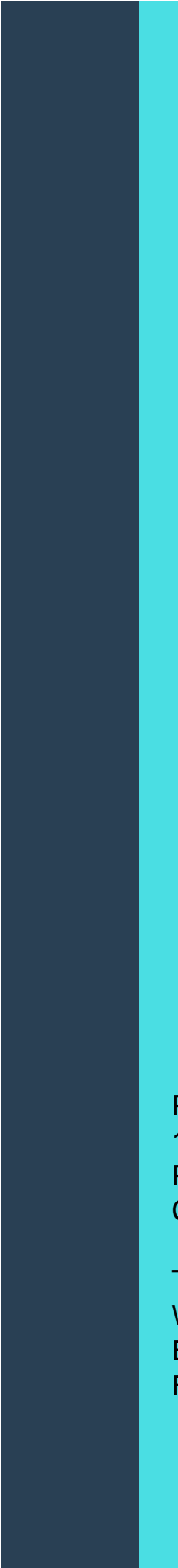
- f) Welsh Government should set out a plan for how it will review the GTAA process and monitoring arrangements.

82. I am pleased to note that in commenting on the draft of this report **Welsh Government** has agreed to implement these recommendations.

*M.M. Morris.*

**Michelle Morris**  
Ombwdsmon Gwasanaethau Cyhoeddus/  
Public Services Ombudsman

22 March 2024



Public Services Ombudsman for Wales  
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**TGP Cymru**

[Travelling Ahead: All-Wales Gypsy, Roma and Traveller Advice and Advocacy service](#)

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**PRESS RELEASE**

**04/04/2024**

**Ombudsman for Wales investigation finds Welsh Government failed to ensure that local authorities are carrying out their duties to provide accommodation for Gypsies and Travellers.**

In a [Public Interest report](#) published today the Ombudsman has upheld the complaints made by two families who have been waiting for site provision in the areas they live, which their local authorities are required by law to provide, and finds that Welsh Government failed to adequately monitor local authorities in carrying out their duties under the Housing (Wales) Act 2014.

The report recommends that the Welsh Government apologises for the failings identified and the impact upon the families. The report also sets out further recommendations for Welsh Government to improve the way in which the assessment and provision of sites are monitored and carried out under the legislation

[Travelling Ahead](#), the all-Wales Advocacy Service working with Gypsy, Roma and Traveller communities is issuing the below statement on behalf of the complainants who wish to remain anonymous:

***“We are very glad that our complaint to the Ombudsman has been upheld.***

***It proves to the general public that this government was quick to pass legislation in 2014 to make sites for Gypsies and Travellers, but failed to monitor councils to make sure sites were provided. This***



***also gave councils the impression that they don't have to abide by their legal duties in the Housing (Wales) Act 2014***

***That has left Gypsies and Travellers, our families, and others, with no accommodation for years; despite the need being known through the Gypsy and Traveller Accommodation Assessments which councils have to carry out every 5 years***

***Please remember that there have been very few residential sites made across Wales and not one transit site has ever been developed anywhere in Wales since the legal duty came in – leaving us ( and the general public) frustrated with nowhere for our families to live permanently or park our vehicles while travelling – 10 years after the Act came in this lack of progress is shocking***

***It is our belief that our councils have had no ambition at all to provide any type of cultural accommodation for Gypsies and Travellers and at no point has Welsh Government shown any willingness to make councils abide by the law despite the evidence and our complaints***

***Why would any council act when they are not monitored or spurred on to make sites? That's why councils drag their feet***

***We welcome these findings and are hoping that Welsh Government will now push councils in Wales to build residential and transit sites both for our families and all those others over Wales who need them as well"***

Travelling Ahead is pleased that the families' complaints have been fully investigated and upheld by the Ombudsman – the service worked with the families to make sure their complaints were taken seriously and the publishing of complaint as a Public Interest report provides an opportunity for better progress to be made across all local authorities in Wales

The Housing Act duty was brought in for a reason and it has been disappointing and frustrating for families across all of Wales that it has not led to the site provision it was intended to. Like the complainants we welcome the recommendations and hope they make a difference to families across all of Wales

END



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref

John Griffiths MS  
Chair – Local Government and Housing Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

11 April 2024

Dear John,

### **Local Government Finance (Wales) Bill**

I thank the Local Government and Housing Committee for considering the Local Government Finance (Wales) Bill and the corresponding report of 15 March 2024.

Please find attached below the Government's responses to the report's recommendations. I am pleased to have been able to accept many of the recommendations.

I have not, however, been able to accept those recommendations proposing extended laying periods and statutory consultation on subordinate legislation to be made under sections 5 (non-domestic rates reliefs), 9 (non-domestic rates exemptions) 10 (non-domestic rates multipliers), 13 (avoidance of non-domestic rates) and 18 (council tax discounts) of the Bill. The response to each of these recommendations sets out the impact that an extended laying period and/or statutory consultation would have in isolation. It is, however, also important to recognise that some of these powers are connected and complement one another by acting on different parameters within the local taxation system. As such, the optimal operation of the system as a whole requires Welsh Ministers to be able to make use of these tools within the same consistent legislative processes and timescales.

I have also attached for information copies of the letters I have sent to the chairs of the Legislation, Justice and Constitution Committee and the Finance Committee, and I am sending a copy of this letter to the chairs of both of those Committees also.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I look forward to continuing to work with Members as the Bill progresses through the Senedd process.

Yours sincerely,

A handwritten signature in black ink that reads "Rebecca Evans". The signature is written in a cursive style with a horizontal line underlining the name.

**Rebecca Evans AS/MS**

Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad a Swyddfa'r Cabinet  
Cabinet Secretary for Finance, Constitution & Cabinet Office

## Annex

### Responses to the Local Government and Housing Committee Recommendations in relation to the Local Government Finance (Wales) Bill

**Recommendation 1:** We recommend that the Senedd agrees to the general principles of the Local Government Finance (Wales) Bill.

**NOTED.** I am grateful to the Committee for its considered stage 1 scrutiny, and for recommending that the Senedd should support the Bill's general principles.

**Recommendation 2:** The Welsh Government should amend the Bill to include a requirement for a statutory review to be undertaken on the use of powers under sections 5, 9, 10, 13 and 18 of the Bill.

The review should be undertaken before the end of the Seventh Senedd and should include:

- An assessment by the Welsh Ministers of alternative legislative mechanisms for making changes to Welsh legislation in the context of NDR reliefs, exemptions, multipliers, anti-avoidance provisions and council tax discounts; and
- A requirement to consult the Senedd.

**ACCEPT IN PRINCIPLE.** Rather than include a commitment to undertake a statutory review on the face of the Bill, the Welsh Government will amend the Explanatory Memorandum after stage 2 to include a non-statutory commitment to undertake a post-implementation review of the operation and impact of this legislation before the end of the seventh Senedd. This will include consideration of the relevant subordinate legislation making powers in the Bill.

**Recommendation 3:** The Welsh Government should provide further details on the arrangements in place to monitor the capacity of the Valuation Office Agency and the Valuation Tribunal for Wales following implementation of shortened revaluation cycles.

**ACCEPT.** Through established sponsorship arrangements for the Valuation Tribunal for Wales and our annual Service Level Agreement with the Valuation Office Agency, we have longstanding arrangements in place to monitor the capacity and delivery of both organisations. Both organisations produce annual reports and monitor delivery against key performance indicators.

**Recommendation 4:** The Welsh Government should keep the Senedd informed of any work undertaken and proposals being considered to change the Antecedent Valuation Date in future.

**ACCEPT.** The Senedd will be notified of any future proposal to shorten the Antecedent Valuation Date, which is a longer-term consideration. In line with the established practice, regulations to set the Antecedent Valuation Date for future rating lists will be brought forward at the appropriate time.

**Recommendation 5:** The Minister should bring forward amendments to section 14 of the Bill to provide for a minimum period of 60 days, excluding periods of dissolution or recess of more than 4 days, to allow relevant committees to scrutinise any draft regulations proposed under the powers in section 5, where the powers are to be used to confer or withdraw reliefs.

**REJECT.** A super-affirmative procedure is used only in exceptional instances where the affirmative procedure is considered to be insufficient. I do not believe that is the case in relation to the provisions in this Bill.

None of the range of existing powers for the Welsh Ministers to provide for reliefs by regulations are subject to a super-affirmative procedure. It is likely that the recommended procedure would often not be workable on a practical level, due to the need for local authorities to implement billing system changes in the months before 1 April each year.

Adopting this recommendation could disadvantage ratepayers by delaying or even preventing the provision of new support, especially where the budget available to inform the Welsh Government's approach is affected by the UK Government Autumn Statement. As a practical example, we could not have provided the generous and comprehensive transitional relief that was put in place following the 2023 revaluation if the regulations (which were made under the existing power in section 58 of the 1988 Act) had been subject to the proposed procedure. There would not have been sufficient time to prepare regulations and bring them into force in time for local authorities to implement the relief prior to undertaking their annual billing activities. Whilst the recommendation would not apply to the power relied on in that example, a similar context could apply to potential uses of the powers in section 5 of the Bill.

**Recommendation 6:** The Minister should bring forward amendments to the Bill to expressly require the Welsh Ministers to undertake consultation before making regulations under the powers in section 5, where the powers are to be used to confer or withdraw reliefs.

**REJECT.** The development of any regulations will take place in accordance with existing common law legal duties to consult and the Welsh Government's established policy on consultation with stakeholders. A legislative requirement in this regard is not necessary. It may be disproportionate in some instances, such as where minor administrative amendments may be made to regulations.

None of the range of existing powers for the Welsh Ministers to provide for reliefs by regulations are subject to a statutory consultation duty. The established practice is that we do usually consult before using existing relief powers (recent examples include the provision of improvement relief and heat networks relief from 1 April 2024), in line with these obligations. Adopting this recommendation could, however, disadvantage ratepayers by delaying or even preventing the provision of new support where it has been necessary to act urgently with insufficient time to consult, and especially where the budget available to inform the Welsh Government's approach is affected by the UK Government Autumn Statement.

As a practical example of the constraint this recommendation would impose if it applied to existing powers, we could not have provided the generous and comprehensive transitional relief that was put in place following the 2023 revaluation if consultation had been required before the regulations (which were made under section 58 of the 1988 Act) could be brought forward. There would not have been sufficient time to prepare regulations and bring them into force in time for local authorities to implement the relief prior to undertaking their annual billing activities. Whilst the recommendation would not apply to the power relied

on in that example, a similar context could apply to potential uses of the powers in section 5 of the Bill.

**Recommendation 7:** The Welsh Government should work with local authorities to develop guidance on the revised charitable rate relief eligibility requirements. The work should be carried out before the provisions in section 6 come into force.

**ACCEPT.** The Welsh Government has existing guidance on the range of non-domestic rates reliefs available, including in respect of charities and unoccupied properties. This guidance will be updated following passage of the Bill and prior to section 6 coming into force.

**Recommendation 8:** The Minister should bring forward amendments to section 14 of the Bill to provide for a minimum period of 60 days, excluding periods of dissolution or recess of more than 4 days, to allow relevant committees to scrutinise draft regulations proposed under the powers in section 9, where the powers are to be used specifically to confer or withdraw exemptions.

**REJECT.** A super-affirmative procedure is used only in exceptional instances where the affirmative procedure is considered to be insufficient. As I said at committee, I do not believe that is the case in relation to the provisions in this Bill.

The existing power for the Welsh Ministers to provide for new exemptions by regulations is not subject to a super-affirmative procedure. Adopting this recommendation could disadvantage ratepayers by delaying the provision of a new exemption.

There are a variety of ways in which a ratepayer's liability may be reduced to zero. These include the use of legislation or existing discretionary powers of local authorities to provide full relief. Exemptions are potential alternatives to the provision of full relief, applied when it is considered that the chargeable amount of non-domestic rates for a certain type of property should be zero on a permanent basis. In such circumstances, there would be a cost and no benefit associated with valuing properties of that type. This power is, therefore, no more significant in its potential effect on liability than other legislative or discretionary mechanisms which already exist, but will ensure greater consistency across these different elements of the system.

**Recommendation 9:** The Minister should bring forward amendments to the Bill to expressly require the Welsh Ministers to undertake consultation before making regulations under section 9, where the powers are to be used to confer or withdraw exemptions.

**REJECT.** The development of any regulations will take place in accordance with existing common law legal duties to consult and the Welsh Government's established policy on consultation with stakeholders. A legislative requirement in this regard is not necessary. It may be disproportionate in some instances, such as where minor administrative amendments may be made to regulations.

The existing power for the Welsh Ministers to provide for new exemptions by regulations is not subject to a statutory consultation duty. My response to recommendation 8 above describes how this power is no more significant in its potential effect on non-domestic rates liability than other legislative or discretionary mechanisms which already exist.

**Recommendation 10:** The Minister should bring forward amendments to section 14 of the Bill to provide for a minimum period of 60 days, excluding periods of dissolution or recess of more than 4 days, to allow relevant committees to scrutinise draft regulations proposed under the powers in section 10, where the powers are to be used to provide for differential multipliers.

**REJECT.** A super-affirmative procedure is used only in exceptional instances where the affirmative procedure is considered to be insufficient. As I said at committee, I do not believe that is the case in relation to the provisions in this Bill.

The existing power for the Welsh Ministers to set the current single multiplier at any level by regulations is not subject to a super-affirmative procedure. Adopting this recommendation could disadvantage ratepayers by preventing a beneficial intervention in the ongoing maintenance of any differential multiplier, following its implementation. The budget available to inform the Welsh Government's approach to the annual setting of the multiplier is affected by the UK Government Autumn Statement. This is exemplified by the Welsh Government's use of the existing power, to freeze or limit growth in the multiplier each year since 2018-19. The related decisions have been made as part of the Draft Budget, following the UK Government Autumn Statement. Under the recommended procedure, there would not be sufficient time to prepare regulations and bring them into force in time for local authorities to implement the specified multiplier prior to undertaking their annual billing activities.

**Recommendation 11:** The Minister should bring forward an amendment to the Bill to expressly require the Welsh Ministers to undertake consultation before making regulations in section 10, where the powers are to be used to provide for differential multipliers.

**REJECT.** The development of any regulations will take place in accordance with existing common law legal duties to consult and the Welsh Government's established policy on consultation with stakeholders. A legislative requirement in this regard is not necessary. It may be disproportionate in some instances, such as where minor administrative amendments may be made to regulations.

The existing power for the Welsh Ministers to set the current single multiplier at any level by regulations is not subject to a statutory consultation duty. While I have committed to consult before introducing any differential multiplier, the same annual consideration as applies to the setting of the existing multiplier would apply. Adopting this recommendation could disadvantage ratepayers by preventing a beneficial intervention in the ongoing maintenance of any differential multiplier, following its implementation. The budget available to inform the Welsh Government's approach to the annual setting of the multiplier is affected by the UK Government Autumn Statement, as described in response to recommendation 10. If consultation was required in relation to the annual maintenance of multipliers, there would not be sufficient time to prepare regulations and bring them into force in time for local authorities to implement the specified multiplier prior to undertaking their annual billing activities.

**Recommendation 12:** The Welsh Government should undertake further work to assess the suitability of the proposed timescale for providing information required under section 12, including, where appropriate, reviewing the experience in England.

**REJECT.** The duties extended to Wales by the Bill have not yet been commenced in relation to England. The Welsh Government may wish to commence the provisions at the same time, given that the new duties are intended to support more frequent revaluations on

a consistent basis in Wales and England.

The UK Government initially proposed 30-day timescales for the arrangements in England and increased this period to 60 days as a consequence of feedback received through their consultation. We consulted on a proposal for 60-day timescales at the outset and the majority of responses to the relevant question supported this approach.

Furthermore, in relation to the duty to provide notifiable information under paragraph 4J of Schedule 9 to the Local Government Finance Act 1988, section 12(4) of the Bill inserts an amendment to enable the ratepayer for a hereditament in Wales to seek an extension to the 60-day deadline from the valuation. Providing proactive updates in a timely manner will minimise the work involved for ratepayers, as the relevant information will be more readily to hand than it would be if they had longer or waited to respond to a reactive request. The Welsh Government and the Valuations Office Agency have provided clear commitments in relation to the fair and proportionate operation of the notification duties and associated compliance regime.

**Recommendation 13:** The Welsh Government should bring forward an amendment to the Bill to make the commencement of section 12 subject to Senedd approval.

**REJECT.** The provisions are set out in full and are the subject of ongoing scrutiny during the passage of the Bill. I have provided clear assurances that the provisions will not be commenced until the Welsh Government is satisfied that ratepayers can be reasonably expected to comply. The Valuation Office Agency's evidence to the Committee provided further assurance about the work they are doing to ensure the arrangements are straightforward for ratepayers to engage with.

**Recommendation 14:** The Minister should bring forward an amendment to section 14 of the Bill to provide for a minimum period of 60 days, excluding periods of dissolution or recess of more than 4 days, to allow relevant committees to scrutinise draft regulations proposed under the powers in section 13, when specifying artificial avoidance arrangements.

**REJECT.** A super-affirmative procedure is used only in exceptional instances where the affirmative procedure is considered to be insufficient. As I said at committee, I do not believe that is the case in relation to the provisions in this Bill.

Adopting this recommendation would lead to a delay in addressing identified anti-avoidance arrangements, resulting in the prolonged avoidance of liability. The power to make regulations in section 13 of the Bill has been carefully designed to be as limited as possible while still enabling the long-established and uncontroversial policy intention behind the provisions to be achieved. Proposals to define new artificial avoidance arrangements will have been subject to consultation prior to regulations being brought forward. I am content to consider including draft regulations in such consultations. We have taken this approach on certain occasions to ensure more novel or complex regulations achieve the policy intent and this would also enable provisional scrutiny as the Senedd considered appropriate. I am not attracted to a statutory duty to take the recommended approach, as it would be disproportionate where more minor changes may be made to ensure already established provisions remain effective.



**Recommendation 15:** The Minister should bring forward an amendment to the Bill to expressly require the Welsh Ministers to undertake consultation before making regulations under section 18, other than when changing rates of discount.

**REJECT.** The development of any regulations will take place in accordance with existing common law legal duties to consult and the Welsh Government's established policy on consultation with stakeholders. The Welsh Government has regularly demonstrated its commitment to meaningful consultation when policy changes to council tax have been proposed. A legislative requirement in this regard is therefore not necessary. It may be disproportionate in some instances, such as where minor administrative amendments may be made to regulations.

None of the range of existing powers for the Welsh Ministers to provide for amendments to discounts by regulations are subject to a statutory consultation duty. Adopting this recommendation could disadvantage council taxpayers by delaying or even preventing the provision of new support. As a practicable example of this, the Welsh Ministers were able to respond quickly to ensure that host households offering accommodation to people from Ukraine seeking safety from the war did not lose entitlement to existing discounts and incur additional council tax costs.

**Recommendation 16:** The Minister should bring forward an amendment to the Bill to provide for a minimum period of 60 days, excluding periods of dissolution or recess of more than 4 days, to allow relevant committees to scrutinise draft regulations proposed under the powers in section 18, other than when changing rates of discount.

**REJECT.** A super-affirmative procedure is used only in exceptional instances where the affirmative procedure is considered to be insufficient. As I said at committee, I do not believe that is the case in relation to the provisions in this Bill.

None of the range of existing powers for the Welsh Ministers to provide similar support through exemptions and disregards by regulations are subject to a super-affirmative procedure.

**Recommendation 17:** The Welsh Government should set out how it plans to monitor the implementation of the provisions in section 20 across local authorities and evaluate their impact on accessibility and transparency.

**ACCEPT.** I will work with local government to monitor the implementation of the provisions in section 20.

**Recommendation 18:** The Welsh Government should update the Senedd on its proposals for any transitional arrangements that may be required to support households and local authorities as a result of the pending council tax revaluation.

**ACCEPT.** I will update the Senedd in due course. The Phase 2 consultation committed to implementing targeted transitional arrangements and these will need to be designed in due course. Transitional relief schemes are commonplace for local tax revaluations, and a scheme was provided following the 2005 council tax revaluation in Wales. Relief schemes represent a critical investment to smooth impacts on taxpayers.



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref

Peredur Owen Griffiths MS  
Chair – Finance Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

11 April 2024

Dear Peredur,

### **Local Government Finance (Wales) Bill**

I thank the Finance Committee for considering the Local Government Finance (Wales) Bill and the corresponding report of 15 March 2024.

Please find attached below the Government's responses to the report's conclusion and recommendations. I am pleased to have been able to accept all of the recommendations.

I have also attached, for information, copies of the letters I have sent to the chairs of the Legislation, Justice and Constitution Committee and the Local Government and Housing Committee. I am sending a copy of this letter to the chairs of both of those Committees also.

I look forward to continuing to work with Members as the Bill progresses through the Senedd process.

Yours sincerely,

### **Rebecca Evans AS/MS**

Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad a Swyddfa'r Cabinet  
Cabinet Secretary for Finance, Constitution & Cabinet Office

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

## Annex

### Responses to the Finance Committee Conclusion and Recommendations in relation to the Local Government Finance (Wales) Bill

**Conclusion 1:** The Committee is broadly content with the financial implications of the Bill as set out in the Regulatory Impact Assessment, subject to the comments and recommendations in this report.

**NOTED.** I am grateful to the Committee for its considered stage 1 scrutiny, and for concluding that you are broadly content with the financial implications of the Bill.

**Recommendation 1:** The Committee recommends that the Minister commits to providing as much transparency as possible in relation to the costs of the Bill by publishing full and robust Regulatory Impact Assessments to accompany subordinate legislation made under this Bill.

**ACCEPT.** We recognise that further impact assessments will be required as subordinate legislation is developed. The costs and benefits estimated for subordinate legislation will be set out in the accompanying Regulatory Impact Assessments in the usual way.

In line with requirements under Standing Order 27 and the policy set out in the Welsh Ministers' Regulatory Impact Assessment Code for Subordinate Legislation, we are fully committed to undertaking Regulatory Impact Assessments and using the best available evidence within the Explanatory Memorandum when making future regulations.

**Recommendation 2:** The Committee recommends that the Minister explains how the Welsh Government is complying with its own Legislation Handbook in relation to costing subordinate legislation to Bills.

**ACCEPT.** The powers proposed in the Bill to make subordinate legislation in a number of areas will reduce the Welsh Government's reliance on UK Government Bills to deliver changes for Wales and allow changes to be made in a timely manner. Parts of the Bill are therefore about creating structures that will allow the Government to bring forward subordinate legislation in the future.

I explained during my evidence to the Committee the challenges of costing subordinate legislation where the scope and detail is to be confirmed. As I said then, any future regulations will be subject to consultation and a Regulatory Impact Assessment in accordance with the requirements of the legislation handbook.

**Recommendation 3:** In relation to alternative systems of local taxation, the Committee recommends that the Minister:

- continues to explore all avenues for change to ensure the correct decision is reached about the most appropriate system of local taxation; and
- provides a copy of the road map for a land value tax, with an outline of any associated costs, to the Committee as soon as possible.

**ACCEPT.** The Welsh Government has been considering alternative systems of local taxation since 2016 and has carried out extensive research. A [Summary of Findings](#)

published in February 2021 concluded that moving away from the existing local tax system entirely was not achievable in the short to medium-term, however, the Welsh Government remains committed to further exploring alternative options for consideration over the longer-term.

With respect to a local land value tax, we have recently secured additional academic capacity via a national UK Research Council Fellowship scheme to assist the Welsh Government in further exploring a number of key issues and to strengthen our evidence base. Findings from this research will be used as a basis for additional consideration.

Also, by way of correction to the Committee: the Welsh Government has set out a commitment to produce a road map by the end of *this Senedd term* and not *the summer term* as noted in paragraph 29 of the report.

**Recommendation 4:** The Committee recommends that the Minister reviews the points raised around inconsistencies in the Regulatory Impact Assessment noted in this section, with a view to clarifying the information identified in a revised Regulatory Impact Assessment.

**ACCEPT.** We thank the Committee for bringing these to our attention. We will review and ensure the figures are consistent. A revised Regulatory Impact Assessment will be provided ahead of stage 3.

**Recommendation 5:** The Committee recommends that the Minister provides information on the risks and cost implications for Wales in diverging from England in terms of the timing of its non-domestic rates revaluations, and for this information to be included in a revised Regulatory Impact Assessment.

**ACCEPT.** The Regulatory Impact Assessment explains that, at the present time, it is not possible to fully quantify the costs and risks which would arise from divergence. It is, however, possible to provide further information on the resourcing implications for the Valuation Office Agency and high-level risks. Additional details will be included in the revised Regulatory Impact Assessment ahead of stage 3.

**Recommendation 6:** The Committee request further information on the total cost to ratepayers of the new duty to supply up-to-date information to the Valuation Office Agency, in particular, whether the £35 and £20 cost per ratepayer is in addition to the costs currently estimated for relevant activity, and for this information to be included in a revised Regulatory Impact Assessment.

**ACCEPT.** The figures represent an average estimate of the additional costs of compliance. Actual costs will depend on individual circumstances. For some ratepayers, the costs of complying with the new duty will not represent new or additional costs compared to those incurred on the current system. Further information and explanation will be included in the revised Regulatory Impact Assessment ahead of stage 3.

**Recommendation 7:** The Committee recommends that the Minister provides further information on the potential costs and risks associated with the Valuation Office Agency's new online system. This should include when it will be implemented and the risks of any potential delays in implementation to ratepayers complying with the new requirements to

provide information, and for this information to be included in a revised Regulatory Impact Assessment.

**ACCEPT.** The completion of a revaluation in 2026 is not dependent on the launch of the online system, as the Valuation Office Agency is already preparing to undertake that exercise under current arrangements. The system is intended to ensure the sustainability of more frequent revaluations over the longer-term. There is no risk to ratepayers associated with the timing of launch, because the duties will only be brought into force when the Welsh Government and the Valuation Office Agency are satisfied that ratepayers can reasonably be expected to comply. This information will be included, alongside the estimated costs already provided, in the revised Regulatory Impact Assessment ahead of stage 3.

**Recommendation 8:** The Committee recommends that the Minister provides an update once a decision has been taken on the approach to council tax reform. This should include a cost analysis of any potential options that might be considered following the Fairer Council Tax: Phase 2 consultation and any implications for the Local Government Finance (Wales) Bill.

**ACCEPT.** I will write to the Committee in due course, outlining the details of any further decisions taken and any implications for the Local Government Finance (Wales) Bill.

**Recommendation 9:** The Committee recommends that the Minister provides further information on the working group responsible for considering the current council tax exemptions and any work being undertaken to simplify discounts and disregards.

**ACCEPT.** We are continuing to review of the range of discounts, disregards, exemptions and premiums to ensure the arrangements remain relevant to the Welsh Government's policy ambitions. There are 53 categories to review. To date, we have confirmed the 25% one-adult discount will continue and our intention to remove the empty property discount except in certain circumstances. Following a recent [consultation](#), we are analysing the responses to proposals for the Class F exemption for unoccupied properties where probate or letters of administration have not yet been granted, and the exemption and disregard for people with a severe mental impairment.

We will consult on further proposals later this year and implementation of changes may be phased over time, with some changes implemented in the 2026-27 financial year. Any regulations we develop will be accompanied by a Regulatory Impact Assessment which will identify the costs, benefits and risks of any proposed changes to the existing regime.

**Recommendation 10:** The Committee recommends that the Minister provides information on the transitional arrangements that will be put in place to limit the impact of council tax revaluations on households and local authorities.

**ACCEPT.** We are continuing to consider the details of transitional arrangements as part council tax reform. I will write to the Committee outlining the details once the way forward following the Phase 2 consultation is known. Details of transitional arrangements including costs, benefits and impacts will also be outlined in a separate Regulatory Impact Assessment accompanying the relevant legislation needed to give effect to the arrangements.

**Recommendation 11:** The Committee recommends that any post implementation review assesses the overall costs and benefits of the Bill, including any subordinate legislation made and whether these meet the expectations set out in the Regulatory Impact Assessment.

**ACCEPT.** There are a number of established monitoring and evaluation processes already in place for measuring the policy impacts and financial implications of legislation.

The Welsh Government will continue to work closely with our stakeholders and local authorities to ensure continuous assessments of how the legislation has taken effect and the resulting impacts.

Subordinate legislation created under the Bill will be supported by its own Regulatory Impact Assessments, outlining monitoring and evaluation plans, including financial implications specific to the relevant impacts.

Eich cyf/Our ref:

The Chair – Legislation, Justice and Constitution Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

11 April 2024

Dear Chair,

### **Local Government Finance (Wales) Bill**

I thank the Legislation, Justice and Constitution Committee for considering the Local Government Finance (Wales) Bill and the corresponding report of 6 March 2024.

Please see my response below to the set of recommendations and conclusions within the report. I am pleased to have been able to accept many of the recommendations.

I have not been able to accept the group of similar recommendations to leave out several sections of the Bill which include regulation-making powers. The response to each such recommendation sets out the impact that removing the relevant section would have, in isolation. It is also important to recognise that some of these powers are connected, in that they complement one another by acting on different parameters within the local taxation system. A potential intermediate position, which retained some of these powers and removed others, would mean that we would not always be able to use the most appropriate tool in response to future priorities. For example, new non-domestic rates support would be provided as a relief, exemption or differential multiplier, depending on the optimal approach to delivering the specific policy aim. It is important that all of these tools are equally usable by the Welsh Ministers through regulations, to uphold the policy intention behind the provisions and ensure the optimal operation of the system as a whole.

I have attached for information copies of the letters I have sent to the chairs of the Local Government and Housing Committee and the Finance Committee, and I am sending a copy of this letter to the chairs of both of those Committees also.

I look forward to continuing to work with Members as the Bill progresses through the Senedd process.

Bae Caerdydd • Cardiff Bay  
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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Yours sincerely,

*Rebecca Evans.*

**Rebecca Evans AS/MS**

Ysgrifennydd y Cabinet dros Gyllid, y Cyfansoddiad a Swyddfa'r Cabinet  
Cabinet Secretary for Finance, Constitution & Cabinet Office



## **Responses to the Legislation, Justice and Constitution Committee Conclusions and Recommendations in relation to the Local Government Finance (Wales) Bill**

**Recommendation 1:** The Minister should respond to the conclusions and recommendations we make in this report at least two working days before the Stage 1 general principles debate takes place.

**ACCEPT.**

**Recommendation 2:** The Minister should confirm whether she has had discussions with the Counsel General and the Welsh Government Cabinet about the priority which should be attached to the consolidation of the law on local taxation.

**ACCEPT.** I discussed legislative options with the Counsel General ahead of the drafting of the Bill and, as I explained to the Committee, the decision was made not to consolidate the law on local taxation at the present time. The Committee's continuing commitment to the accessibility of Welsh law and support for consolidation is helpful, and the findings in the Committee's report will be taken into account as proposals for future consolidation projects are developed. I have, therefore, shared the Committee's views on this matter with the Counsel General.

**Recommendation 3:** The Minister should provide full details of why, on each of the occasions mentioned in the Explanatory Memorandum to the Bill and in her letter to the Committee on 18 January 2024 when UK Bills have been used, the Senedd would not have been able to pass its own legislation to deliver the necessary changes to the non-domestic rates and council tax systems in Wales.

**ACCEPT.** The Legislative Consent Memoranda laid before the Senedd in respect of each occasion when a Legislative Consent Motion has been tabled set out the key considerations and rationale for recommending consent. To assist the Committee in accessing this information, links are provided in **Annex A** to this letter.

**Recommendation 4:** The Minister should provide to the Senedd a clear, full and detailed list of each and all delegated powers in the Bill, by reference to specific location, type, scrutiny procedure, and whether it is a restated power (with or without amendment).

**ACCEPT.** The information requested is provided in **Annex B** to this letter. "Restated powers without amendment" are considered to be those which have the same effect as existing powers, albeit some minor textual amendments may have been made to ensure clarity. "Restated powers with amendment" are considered to be those which broadly have the same effect as existing powers but where more significant amendments have been made.

**Recommendation 5:** The Minister should table an amendment to the Bill to leave out section 5.

**REJECT.** The Local Government Finance Act 1988 (“1988 Act”) already contains a range of individual powers for the Welsh Ministers to provide for reliefs by regulations. This power is no more significant in its potential effect on non-domestic rates liability than other legislative and discretionary mechanisms which already exist, but provides for consistency across the landscape of reliefs.

Adopting this recommendation could disadvantage ratepayers by delaying or even preventing the provision of new support where there is a need to act very quickly. Recent examples include the need to rely on discretionary mechanisms to provide more than £1bn in relief to retail, leisure and hospitality businesses since 2020-21 and the budget available to inform the Welsh Government’s approach to providing transitional relief following the 2023 revaluation being affected by the UK Government 2022 Autumn Statement.

**Recommendation 6:** The Minister should table an amendment to the Bill to leave out section 9.

**REJECT.** Adopting this recommendation could disadvantage ratepayers by delaying the provision of a new exemption. There are a variety of ways in which a ratepayer’s liability may be reduced to zero. These include the use of legislation or existing discretionary powers of local authorities to provide full relief. Exemptions are an alternative to the provision of full relief, applied when it is considered that the chargeable amount of non-domestic rates for a certain type of property should be zero on a permanent basis. In such circumstances, there would be a cost and no benefit associated with valuing properties of that type. This power is, therefore, no more significant in its potential effect on liability than other legislative or discretionary mechanisms which already exist, but provides greater consistency across these different elements of the system.

**Recommendation 7:** The Minister should provide full and detailed reasoning as to why provision is not made on the face of the Bill for a multiplier for small businesses.

**ACCEPT.** There is no current policy intention to create a small business multiplier for Wales. Creating a multiplier for small businesses is just one example of an approach it would be possible to adopt using the powers in section 10 of the Bill. This example was used because it demonstrates how the existing legislative framework limits the options available to the Welsh Ministers, including in respect of policies advocated by Senedd Members.

There are other ways in which the Welsh Government may wish to target the use of any differential multipliers, in relation to our priorities and the needs of Wales. Section 10 is intended to enable analysis of a wider range of policy options when considering whether to introduce a differential multiplier for Wales.

**Recommendation 8:** The Minister should table amendments to the Bill to leave out sections 10 and 11.

**REJECT.** The 1988 Act already contains a power for the Welsh Ministers to set the existing single multiplier at any level. This power is, therefore, no more significant in its potential effect on liability than that which already exists. Differential multipliers exist elsewhere in the UK and the rationale for these provisions has been set out. The existing legislative framework limits the options available to the Welsh Ministers, including in respect of policies advocated by Senedd Members (for example, introducing and freezing a lower multiplier for small businesses).

**Recommendation 9:** The Minister should provide specific examples of anti-avoidance behaviour that would have been addressed by the use of the proposed power in section 13 in recent years had it been available to the Welsh Ministers earlier.

**ACCEPT.** It is first worth noting that, if an anti-avoidance power had been introduced some years ago, it would not necessarily have been drafted in the way it is presented now, and the landscape in which it would have been used has also evolved (as a result of case law, for example). As with any power, its use would also be subject to consultation. An anti-avoidance power may, therefore, have been used differently in previous years to how a new power could be used in future. Secondly, the response to this recommendation is necessarily limited to how a power could have been used. It is not a question of how primary legislative opportunities could also have been used, had they been available before now.

Setting aside those matters, the Welsh Ministers may have sought to use an anti-avoidance power to address avoidance arrangements which rely on:

- third party, openly advertised, rates mitigation schemes;
- occupation arrangements not made on a commercial basis;
- phoenix companies exploiting relief for unoccupied properties;
- illegitimate “charities” exploiting charitable relief for unoccupied properties.

The Committee will be familiar with concerns about the exploitation of charitable relief for unoccupied properties, as this matter is now addressed by section 6 of the Bill. This issue has been known about since we consulted on a range of measures to address avoidance in 2018. Had an anti-avoidance power already been available at that time, the Welsh Ministers could have used it to address the issue promptly. In the absence of such a power, this Bill is the first available opportunity to take steps to address the exploitation. Amendments to the 1988 Act are considered sufficient in this case, because the avoidance can be addressed by strengthening the evidence requirements which need to be satisfied before the relief is granted. This demonstrates our commitment to adjusting existing legislation where we identify that improvements can be made, and other examples of this approach are noted in response to recommendation 10.

However, we consider that many avoidance arrangements cannot be adequately addressed simply by altering the existing legislative provisions which are being exploited. The availability of a distinct anti-avoidance regime which provides for liability to be adjusted in specific cases of artificial avoidance arrangements responds to that problem. This regime will be provided by the new anti-avoidance provisions in the 1988 Act and the statutory instrument which will define the specific artificial arrangements. This legislative approach ensures that tax avoidance techniques, which continually evolve, can be dealt with in a timely manner, so that the revenue risk to public funds is minimised.

**Recommendation 10:** The Minister should explain how such anti-avoidance behaviour has previously been addressed by the Welsh or UK Governments given the long established nature of non-domestic rating.

**ACCEPT.** As described in response to recommendation 9, the absence of some of the powers in the Bill has constrained the Welsh Government's ability to address avoidance in a timely manner. Addressing non-domestic rates avoidance is an area in which the Welsh Government is ahead of the UK Government, having made incremental progress with the implementation of a range of measures announced in 2018. Some measures have been possible to deliver using regulations (e.g. increasing the period between instances of eligibility for relief for unoccupied properties), but primary legislation has been necessary for most (e.g. powers for local authorities to enter and survey properties or request information from third parties conducting a business in relation to a property). Where primary legislation has been required, opportunities for provisions in a suitable legislative vehicle have been limited. For this reason, sections 6 and 13 of this Bill provide for two of the measures first announced in 2018.

**Recommendation 11:** In the absence of specific evidence demonstrating a need for the power, the Minister should table an amendment to the Bill to leave out section 13.

**REJECT.** Adopting this recommendation would lead to a delay in addressing identified anti-avoidance arrangements, resulting in the prolonged avoidance of liability. The power to make regulations in section 13 of the Bill has been carefully designed to be as limited as possible while still enabling the long-established and uncontroversial policy intention behind the provisions to be achieved. Proposals to define new artificial avoidance arrangements will have been subject to consultation prior to regulations being brought forward.

**Recommendation 12:** The Minister should table an amendment to the Bill to leave out section 18.

**REJECT.** Adopting this recommendation would mean the Welsh Ministers would continue to be restricted in changing elements of the discounts currently provided for in the LGF Act 1992. It would prevent Welsh Ministers from introducing new discounts or ensuring discounts can be targeted to help support the most vulnerable and low-income households. The existing arrangements are a mix of provisions which are not as clear as they could be, and which do not work particularly well together.

Removing this section could disadvantage council tax payers, local authority practitioners and advice services who would benefit from the policy aims to simplify the arrangements in relation to Wales, providing clarity and removing the ambiguity that exists in some of the current provisions in the 1992 Act. Removing this section could also disadvantage some council tax payers from benefiting from the Welsh Government's policy aims of meeting broader socioeconomic goals, such as tackling poverty.

**Recommendation 13:** The Minister should clarify which scrutiny procedure will apply to regulations made under section 13(1) of the 1992 Act (as amended).

**ACCEPT.** Regulations made under section 13(1) of the 1992 Act will be subject to the negative procedure as already provided in the 1992 Act. Table 5.1 in the Explanatory Memorandum will be amended to reflect this position.

### **Responses to Committee conclusions**

You will note below that I provide a single response to cover conclusions 1-10 and 12.

**Conclusion 1:** The capacity of, and pressures on, the Welsh Government should not be confused or conflated with the Senedd's capacity and duty to perform its legislative function.

**Conclusion 2:** We disagree with the Minister's statement that "the arrangements proposed in this Bill will enhance the Senedd's role considerably".

**Conclusion 3:** We are unclear how the Bill will, in the Minister's view, "give the Senedd more power over decisions that are taken here in Wales in respect of non-domestic rates and council tax".

**Conclusion 4:** We find the Minister's comments that the Bill is a legislative framework for futureproofing to be at odds with her views that it is also consistent with long-standing principles in relation to the role of the legislature.

**Conclusion 5:** While we acknowledge that there may well be occasions in any given year where unforeseen and urgent circumstances may require legislative changes, this of itself is not a sufficient enough reason to justify the taking of substantial executive power when the Senedd has procedures in place to accommodate expedited scrutiny of primary legislation.

**Conclusion 6:** We do not welcome the remarks by the Minister that the Bill will "allow future governments to think creatively about different things", especially in light of the constraints on the Senedd itself to influence this "creative thinking".

**Conclusion 7:** We do not consider that the Bill represents an appropriate way for a government to legislate. Primary legislation that creates extensive regulation-making powers should not be proposed by a government to enable future governments 'to think

creatively'. This facilitates the avoidance of detailed scrutiny by Members of a democratically elected Senedd.

**Conclusion 8:** Through the Bill, the Minister is asking this Senedd to grant broad delegated powers to an unelected future government for unknown reasons and to do a wide range of things that are not necessarily understood today. The excessive granting of secondary legislative powers denies the Senedd its proper constitutional role.

**Conclusion 9:** We have repeatedly commented on the 'futureproofing' justification often put forward by the Welsh Ministers. Excessively futureproofing primary legislation takes away powers from future Seneddau and is not an acceptable practice.

**Conclusion 10:** We believe that the Bill is an example of the Welsh Government making inappropriate legislative choices, and this is particularly concerning in the context of Senedd reform.

**Conclusion 12:** In line with long-standing parliamentary principles, we believe that significant changes to local taxation should be made by primary legislation once specific policy has been developed.

**NOTED.** I acknowledged during my evidence to the Committee that, capacity aside, it is also a matter of what is reasonable and proportionate in terms of legislating in this area. I have set out my reasons for the approach taken in this Bill, as the Committee's report has recognised. It is for these reasons that the Government is seeking these regulation-making powers, rather than introducing separate primary legislation each time a change is required. Based on the volume of local tax changes in recent years, such an approach is not considered achievable. I appreciate that the Committee takes a different view on this.

I have also been clear in my evidence that I consider the proposed approach set out in this Bill to be a significant improvement in comparison to the system we have relied on to date of seeking consents for Wales through UK Parliament Bills.

Finally, I note the Committee's comment in relation to the increased capacity of the Senedd to undertake scrutiny in future, should the Senedd Cymru (Members and Elections) Bill be passed.

**Conclusion 11:** The Minister is asking the Senedd to delegate significant powers to be exercised by the executive and the Senedd should know the exact number, location and type contained in the Bill.

**NOTED.** The information requested in recommendation 4 is in **Annex B** to this letter.

**Conclusion 13:** Section 9 is another example in the Bill where broad powers to make subordinate legislation are being taken with no evidence or policy aim in mind. We do not consider this to be appropriate or acceptable.

**NOTED.** The context and rationale behind section 9 of the Bill has been clarified. As set out in the information previously provided, and reflected in the Committee's report, the power in section 9 is no more significant in its potential effect on non-domestic rates liability than other legislative and discretionary mechanisms which already exist.

**Conclusion 14:** Given the example the Minister has cited as regards a multiplier for small businesses, we are unclear why the Bill is not being used to create such a multiplier.

**NOTED.** This matter is clarified in my response to recommendation 7.

Title of legislation	Link to details relating to legislative consent	The reason(s) for adopting this approach outlined in the Legislative Consent Memorandum
The Localism Act 2011	<a href="https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=1334&amp;Opt=0&amp;AIID=2878">https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=1334&amp;Opt=0&amp;AIID=2878</a>	<p><b>Advantages of utilising this Bill</b></p> <p>It is the view of the Welsh Government that it is appropriate to deal with these provisions in this UK Bill as it represents the most appropriate and proportionate legislative vehicle to enable these provisions to apply in Wales at the earliest opportunity.</p>
Local Government Finance Act 2012	<p><a href="https://business.senedd.wales/mglIssueHistoryChronology.aspx?lId=3938&amp;Opt=2">https://business.senedd.wales/mglIssueHistoryChronology.aspx?lId=3938&amp;Opt=2</a></p> <p><a href="https://business.senedd.wales/documents/s8221/CELG4-15-12-Paper%203%20Legislative%20%20Consent%20Memorandum%20-%20Local%20Government%20Finance%20Bill.pdf">https://business.senedd.wales/documents/s8221/CELG4-15-12-Paper%203%20Legislative%20%20Consent%20Memorandum%20-%20Local%20Government%20Finance%20Bill.pdf</a></p>	<p><b>Advantages of utilising this Bill</b></p> <p>It is the view of the Welsh Government that it is appropriate to deal with these provisions in this UK Bill as it represents the most appropriate and proportionate legislative vehicle to enable these provisions to apply in Wales at the earliest opportunity. These provisions will allow the Welsh Ministers to introduce appropriate legislation in accordance with Welsh priorities and concerns, prior to the abolition of Council Tax Benefit in March 2013.</p>
The Growth and Infrastructure Act 2013	<p><a href="https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=5396&amp;Opt=0&amp;AIID=9232">https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=5396&amp;Opt=0&amp;AIID=9232</a></p> <p><a href="https://senedd.wales/media/pq2ogkd3/lcm-ld9146-e-english.pdf">https://senedd.wales/media/pq2ogkd3/lcm-ld9146-e-english.pdf</a></p>	<p><b>Advantages of utilising this Bill</b></p> <p>It is the view of the Welsh Government that it is appropriate to deal with these provisions in this UK Bill as it represents the most appropriate and proportionate legislative vehicle to enable these provisions to apply in relation to Wales at the earliest opportunity. Waiting for similar provisions to be included in an Assembly Bill could lead to a delay which would lead to Wales being at a disadvantage in comparison with the position in England. The provisions will allow the Welsh Ministers to introduce appropriate secondary legislation in accordance with Welsh priorities.</p>
The Enterprise Act 2016	<a href="https://business.senedd.wales/mglIssueHistoryChronology.aspx?lId=13706&amp;Opt=2&amp;AIID=26974">https://business.senedd.wales/mglIssueHistoryChronology.aspx?lId=13706&amp;Opt=2&amp;AIID=26974</a>	<p><b>Advantages of utilising this Bill</b></p> <p>It is the view of the Welsh Government that it is appropriate to deal with these provisions in this UK Bill for reasons of timing and coherence. The interconnected nature of the relevant Welsh and English administrative NDR systems and the cross-border operation of the VOA as an agency of</p>



Title of legislation	Link to details relating to legislative consent	The reason(s) for adopting this approach outlined in the Legislative Consent Memorandum
	<a href="https://senedd.wales/laid%20documents/lcm-ld10372/lcm-ld10372-e.pdf">https://senedd.wales/laid%20documents/lcm-ld10372/lcm-ld10372-e.pdf</a>	HMRC mean that it is effective and appropriate for provision for both the Wales and England administrations to be taken forward at the same time in the same legislative instrument.
Telecommunications Infrastructure (Relief from Non-Domestic Rates) Act 2018	<a href="https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=19909">https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=19909</a>	<p><b>Advantages of utilising this Bill</b></p> <p>It is the view of the Welsh Government that it is appropriate to deal with these provisions in this UK Bill for reasons of timing and coherence. This includes the need to provide parity with England to ensure investment in fibre infrastructure in Wales is not adversely affected. The interconnected nature of the relevant Welsh and English administrative systems also supports provision being taken forward at the same time in the same legislative instrument.</p>
Non-Domestic Rating (Nursery Grounds) Act 2018	<a href="https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=22279&amp;Opt=0">https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=22279&amp;Opt=0</a>  <a href="https://senedd.wales/laid%20documents/lcm-ld11580/lcm-ld11580-e.pdf">https://senedd.wales/laid%20documents/lcm-ld11580/lcm-ld11580-e.pdf</a>	<p><b>Reasons for making these provisions for Wales in the Bill</b></p> <p>The possibility of making this change through a future Welsh Government Bill has been discounted because there is not currently a firm legislative opportunity within the timescale required. Also, using a Welsh Government Bill would result in different valuation approaches operating in Wales and England for a period, i.e. until such time as a Welsh Government Bill became law. This would not be desirable or justifiable.</p>
Non-Domestic Rating (Lists) Bill 2019  (The Bill fell when UK Parliament was prorogued, but was re-introduced)	<a href="https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=25705">https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=25705</a>	<p><b>Reasons for making these provisions for Wales in the Bill</b></p> <p>Considerable preparatory work is required in preparing new rating lists to take effect on 1 April 2021 and in making ratepayers aware of the prospective changes. The confirmation of the valuation date in legislation provides the statutory basis for this work. The possibility of making this change through a future Welsh Government Bill has been discounted because there is no suitable legislative opportunity within the timescale required to enable the VOA to complete the necessary valuation work. Also, using a later Welsh Government Bill would result in less certainty for businesses and other ratepayers in Wales in the interim. The Bill will ensure that the timing of the revaluation in Wales aligns with that in England and that valuations are carried out in a consistent manner.</p>

Title of legislation	Link to details relating to legislative consent	The reason(s) for adopting this approach outlined in the Legislative Consent Memorandum
Non-Domestic Rating (Public Lavatories) Bill 2019  (The Bill fell when UK Parliament was prorogued, but was re-introduced)	<a href="https://business.senedd.wales/mgIssueHistoryChronology.aspx?Ild=25775&amp;Opt=2">https://business.senedd.wales/mgIssueHistoryChronology.aspx?Ild=25775&amp;Opt=2</a>	<b>Reasons for making these provisions for Wales in the Bill</b> The possibility of making this change through a future Welsh Government Bill has been discounted because there is currently no suitable primary legislative opportunity which would allow the rates liability on public lavatories to be removed in Wales at the same time as in England. Including provisions for Wales within the Bill provides the zero-rating of liability for public lavatories in Wales and will reduce the cost of maintaining them and may help them to remain open.
Non-Domestic Rating (Lists) Bill 2020  (The Bill was superseded by the Non-Domestic Rating (Lists) Act 2021)	<a href="https://business.senedd.wales/mgIssueHistoryHome.aspx?Ild=28724">https://business.senedd.wales/mgIssueHistoryHome.aspx?Ild=28724</a>	<b>Reasons for making these provisions for Wales in the Bill</b> Considerable preparatory work is required in preparing new rating lists to take effect on 1 April 2021 and in making ratepayers aware of the prospective changes. The confirmation of the valuation date in legislation provides the statutory basis for this work. The possibility of making this change through a future Welsh Government Bill has been discounted because there is no suitable legislative opportunity within the timescale required to enable the VOA to complete the necessary valuation work. Also, using a later Welsh Government Bill would result in less certainty for businesses and other ratepayers in Wales in the interim. A Welsh Government Bill would need to be laid, debated, passed and commenced before the end of June for the changes to be effective for April 2021. The Bill will also require the amendment of the Non-Domestic Rating (Chargeable Amounts) (Wales) Regulations 2016 and these revised regulations must be in force by 31 December 2020, otherwise they will not be effective. The Bill will ensure that the timing of the revaluation in Wales aligns with that in England and that valuations are carried out in a consistent manner.
Non-Domestic Rating (Public Lavatories) Act 2021	<a href="https://business.senedd.wales/mgIssueHistoryHome.aspx?Ild=28394">https://business.senedd.wales/mgIssueHistoryHome.aspx?Ild=28394</a>	<b>Reasons for making these provisions for Wales in the Bill</b> The possibility of making this change through a future Welsh Government Bill has been discounted because there is currently no suitable primary legislative opportunity which would allow the rates liability on public lavatories to be removed in Wales at the same time as in England.

Title of legislation	Link to details relating to legislative consent	The reason(s) for adopting this approach outlined in the Legislative Consent Memorandum
		Including provisions for Wales within the Bill provides the zero-rating of liability for public lavatories in Wales and will reduce the cost of maintaining them and may help them to remain open.
Non-Domestic Rating (Lists) (No.2) Bill / Non-Domestic Rating (Lists) Act 2021	<a href="https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=29631&amp;Opt=0">https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=29631&amp;Opt=0</a>	<p><b>Reasons for making these provisions for Wales in the Bill</b></p> <p>Considerable preparatory work is required in preparing new rating lists to take effect on 1 April 2023 and in making ratepayers aware of the prospective changes. The confirmation of the valuation date in legislation provides the statutory basis for this work. The possibility of making this change through a future Welsh Government Bill has been discounted because there is no suitable legislative opportunity within the timescale required to enable the VOA to complete the necessary valuation work. Also, using a later Welsh Government Bill would result in less certainty for businesses and other ratepayers in Wales in the interim. The Bill will also ensure that the timing of the revaluation in Wales aligns with that in England and that valuations are carried out in a consistent manner.</p>
Rating (Coronavirus) and Directors Disqualification (Dissolved Companies) Act 2021	<a href="https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=37958">https://business.senedd.wales/mgIssueHistoryHome.aspx?lId=37958</a>	<p><b>Reasons for making these provisions for Wales in the Bill</b></p> <p>These changes can only be made by way of primary legislation. The possibility of making these changes through a future Welsh Government Bill has been discounted as no suitable legislative vehicle is planned within the time-scales necessary for these provisions. Using a later Welsh Government Bill would result in uncertainty for businesses and other ratepayers in Wales in the interim. It would also give rise to significant financial implications. A Welsh Government Bill would need to be laid, debated, passed and commenced for the changes to be effective retrospectively. Any delay would increase the administrative burden on ratepayers, the VOA and Welsh local authorities. Consenting to provisions in the Bill would enable the matter to be resolved promptly, enabling resources to be better targeted and allowing targeted support to be introduced for ratepayers negatively affected by the legislation. The Bill would ensure that the treatment of appeals in Wales aligns with that in England and that Welsh ratepayers would be treated in a consistent manner.</p>

Title of legislation	Link to details relating to legislative consent	The reason(s) for adopting this approach outlined in the Legislative Consent Memorandum
The Non-Domestic Rating Act 2023	<a href="https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=41256">https://business.senedd.wales/mglIssueHistoryHome.aspx?lId=41256</a>	<p><b>Reasons for making these provisions for Wales in the Bill</b></p> <p>These changes can only be made by way of primary legislation. The possibility of making these changes through a future Welsh Government Bill has been considered. The changes have been identified as suitable for pursuing through a UK Government Bill on the basis that they would be beneficial to implement as soon as practically possible. Awaiting the Welsh Government's planned Local Government Finance (Wales) Bill would lead to both the Welsh Government and ratepayers in Wales being put at a disadvantage and rescheduling the Senedd Bill would have wider negative impacts on our legislative programme.</p>

Section of Bill	Provision in amended Act	Power in relation to Wales to (description)	Procedure	New or restatement
4	Section 54AB(1) of the Local Government Finance Act 1988 (the 1988 Act)	Amend sections 41ZA(3) and 52ZA(3) of the 1988 Act to: (a) substitute a different year for the year that is for the time being specified as the revaluation year (b) insert a reference to a different year from the year that would otherwise be the revaluation year (c) substitute a different interval between revaluation years for the interval that is for the time being specified there (d) make other amendments consequential on, or incidental to, the amendments made under paragraph (a), (b), or (c)	Draft affirmative	New
5(2)	Paragraph 8A(2)(b)(i) of Schedule 4ZA to the 1988 Act	Prescribe conditions to confer an additional partial relief in respect of occupied local list hereditaments	Draft affirmative	New
	Paragraph 8B(2) of Schedule 4ZA to the 1988 Act	Prescribe conditions to confer an additional full relief in respect of occupied local list hereditaments	Draft affirmative	New
	Paragraph 8C of Schedule 4ZA to the 1988 Act	Amend or repeal any provision in Parts 2 and 3 of the Schedule for the purposes of varying or withdrawing a relief set out in those parts in respect of occupied local list hereditaments	Draft affirmative	New
	Paragraph 9A of Schedule 4ZA to the 1988 Act	Amend paragraph 9 of the Schedule for the purpose of providing for the calculation of the chargeable amount when more than one relief applies to occupied local list hereditaments	Draft affirmative	New
	Paragraph 10(6A) of Schedule 4ZA to the 1988 Act	Prescribe the value of "F" in the formula used for the purposes of conferring a new partial relief in respect of occupied local list hereditaments	Draft affirmative	New
5(3)	Paragraph 2A(2)(b)(i) of Schedule 4ZB to the 1988 Act	Prescribe conditions to confer an additional partial relief in respect of unoccupied local list hereditaments	Draft affirmative	New

<b>Section of Bill</b>	<b>Provision in amended Act</b>	<b>Power in relation to Wales to (description)</b>	<b>Procedure</b>	<b>New or restatement</b>
	Paragraph 2B(2) of Schedule 4ZB to the 1988 Act	Prescribe conditions to confer an additional full relief in respect of unoccupied local list hereditaments	Draft affirmative	New
	Paragraph 2C of Schedule 4ZB to the 1988 Act	Amend or repeal any provision in Part 2 of the Schedule for the purposes of varying or withdrawing a relief set out in that part in respect of unoccupied local list hereditaments	Draft affirmative	New
	Paragraph 2E of Schedule 4ZB to the 1988 Act	Amend paragraph 2D of the Schedule for the purpose of providing for the calculation of the chargeable amount when more than one relief applies to unoccupied local list hereditaments	Draft affirmative	New
	Paragraph 3(5A) of Schedule 4ZB to the 1988 Act	Prescribe the value of "F" in the formula used for the purposes of conferring a new partial relief in respect of unoccupied local list hereditaments	Draft affirmative	New
5(4)	Paragraph 4A(2)(b)(i) of Schedule 5A to the 1988 Act	Prescribe conditions to confer an additional partial relief in respect of central list hereditaments	Draft affirmative	New
	Paragraph 4B(2) of Schedule 5A to the 1988 Act	Prescribe conditions to confer an additional full relief in respect of central list hereditaments	Draft affirmative	New
	Paragraph 4C of Schedule 5A to the 1988 Act	Amend or repeal any provision in Part 2 of the Schedule for the purposes of varying or withdrawing a relief set out in that part in respect of central list hereditaments	Draft affirmative	New
	Paragraph 5B of Schedule 5A to the 1988 Act	Amend paragraph 5A of the Schedule for the purpose of providing for the calculation of the chargeable amount in when more than one relief applies to central list hereditaments	Draft affirmative	New
	Paragraph 6(5A) of Schedule 5A to the 1988 Act	Prescribe the value of "F" in the formula for the purposes of conferring a new partial relief in respect of central list hereditaments	Draft affirmative	New
9(2)	Paragraph 20A(1) of Schedule 5 to the 1988 Act	Insert, amend, revoke or repeal any provision in the Schedule to confer, vary or withdraw an exemption	Draft affirmative	New

<b>Section of Bill</b>	<b>Provision in amended Act</b>	<b>Power in relation to Wales to (description)</b>	<b>Procedure</b>	<b>New or restatement</b>
10	Paragraph A16(1)(a) of Schedule 7 to the 1988 Act	Specify the description of local list hereditaments to be subject to a differential multiplier	Draft affirmative	New
	Paragraph A16(1)(b) of Schedule 7 to the 1988 Act	Specify the rateable value of central list hereditaments to be subject to a differential multiplier	Draft affirmative	New
	Paragraph A16(2)(b) of Schedule 7 to the 1988 Act	Prescribe the value of "N" for the purposes of calculating a differential multiplier	Draft affirmative	New
	Paragraph A18(a) of Schedule 7 to the 1988 Act	Substitute for references to the consumer prices index references to another index, for the purpose of calculating the multiplier	Draft affirmative	Restatement (without amendment)
	Paragraph A18(b)(i) of Schedule 7 to the 1988 Act	Substitute the figure for B in the formula used for the purpose of calculating the multiplier	Draft affirmative	Restatement (without amendment)
	Paragraph A18(b)(ii) of Schedule 7 to the 1988 Act	Substitute the figure for C in the formula used for the purpose of calculating the multiplier	Draft affirmative	Restatement (without amendment)
13	Section 63H(1)(a) of the 1988 Act	Specify a type of artificial avoidance arrangement to be counteracted in accordance with the provisions in section 13 of the Bill	Draft affirmative	New
	Section 63M(1) of the 1988 Act	Provide for the imposition of a financial penalty for failure to pay an amount due to counteract an advantage gained from making an artificial avoidance arrangement	Draft affirmative	New
	Section 63M(6) of the 1988 Act	Substitute for a different amount the maximum penalty specified in that section	Draft affirmative	New
17	Section 5(4B)(a) and (b) of the Local Government Finance Act 1992 (the 1992 Act)	Amend or substitute the proportions and bands used in council tax calculations	Draft affirmative	Restatement (without amendment)

Section of Bill	Provision in amended Act	Power in relation to Wales to (description)	Procedure	New or restatement
	Section 5(4B)(c) and (d)	Amend the valuation band used as a mid-point in formulas applied under sections 36 and 47 of the 1992 Act used to calculate the amount of council tax that is payable	Draft affirmative	New
18	Sections 6 and 9 of the 1992 Act	Prescribe which persons should be disregarded for the purpose of determining joint and several liability in relation to council tax	Draft affirmative	New
	Section 11E of the 1992 Act	Make regulations to: (a) set the levels and prescribe the conditions or criteria that must exist for a discount to apply (b) determine categories of resident that are disregarded for the purposes of discount	Draft affirmative	New
	Section 11F of the 1992 Act	Prescribe classes of dwellings in relation to which a billing authority may by determination either disapply or reduce a discount	Draft affirmative	Restatement (with amendment)
19	Section 13 of the 1992 Act	Provide for persons liable to pay council tax to pay a reduced amount in some circumstances	Negative	New
21	Section 22B(3C) of the 1992 Act	Amend subsection (3B) so as to: (a) substitute a different year for the year that is for the time being specified as the revaluation year (b) insert a reference to a different year from the year that would otherwise be the revaluation year (c) substitute a different interval between revaluation years (d) make other amendments to subsection (3B) that are consequential on, or incidental to, the amendments made under paragraph (a), (b) or (c)	Draft affirmative	New
	Section 22B(7A)(a) of the 1992 Act	Specify a date other than 1 September for a draft list compiled under subsection 22B(3A) to be sent to authorities by the Listing Officer	Negative	New
23	N/A	Make incidental, supplementary, consequential, transitional or savings provisions as required as a result of the Bill	Draft affirmative to amend primary	New



<b>Section of Bill</b>	<b>Provision in amended Act</b>	<b>Power in relation to Wales to (description)</b>	<b>Procedure</b>	<b>New or restatement</b>
			legislation, but negative otherwise	
Paragraph 12(2)(m) of the Schedule	Paragraph 5F(A1) of Schedule 9 to the 1988 Act	Make regulations about the notices which can be issued in relation to the notification duties extended to Wales by section 12 of the Bill	Negative	New
Paragraph 12(2)(n) of the Schedule	Paragraph 5FB of Schedule 9 to the 1988 Act	Make regulations to increase or decrease the amount of any penalty issued in respect of failure to comply with the notification duties extended to Wales by section 12 of the Bill	Draft affirmative	New

# Agenda Item 4

By virtue of paragraph(s) ix of Standing Order 17.42

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# Agenda Item 6

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