

## **Government Response: The Renting Homes (Model Written Statements of Contract) (Wales) Regulations 2022**

### **Technical Scrutiny point 1:**

It would be possible to set out the term of the contract in several places within Part 2 of the model written statement of a fixed term contract – for example, as part of the information about when further payments are to be made. However, the Welsh Government accepts that the model written statement could be clearer about precisely where information about the duration of the contract should be included. When it next becomes necessary to amend these, we will seek to amend these Regulations to include this information.

### **Merit Scrutiny point 3:**

- (a) The explanatory information set out in the model written statement of a fixed term contract explains that the contract initially lasts for a specified period of time agreed between contract-holder and the landlord but the contract-holder cannot be evicted without a court order. The Welsh Government considers that this would indicate to the contract-holder that they have the right to remain at the end of the term. Furthermore, in the footnotes relating to Part 2 of the model written statement, it states that ‘If you remain in occupation of the dwelling after the end of the term, you and the landlord are to be treated as having made a new periodic standard contract in relation to the dwelling’. However, the Welsh Government accepts that this point could be clearer, and when it becomes necessary to next amend these Regulations, we will seek to amend so that this information is explicitly included in the explanatory information section to put the matter beyond doubt.
- (b) The explanatory information set out in the model written statement of a fixed term contract explains the wide ranging nature of additional terms and that they can cover any other matter. However, were a landlord’s break clause to be included in a fixed term standard contract, it could not be included as an additional term. Rather, it would be incorporated as fundamental term in accordance with the requirements of the 2016 Act. The Act severely restricts the circumstances in which break clause can be included and the Welsh Government expects that contracts including such clauses will be made relatively infrequently. The model written statements included in the Regulations relate to those contracts that we expect to be used most frequently. Therefore a model written statement relating to a fixed term contract that includes a break clause is not set out in the Regulations. (Regulation 3(2)(b) makes it clear that the model written statement set out in Schedule 3 does not apply in the case of such a contract.) Consequently, we do not think it would be appropriate to make reference to a landlord’s break clause in the model written statement. The Committee may wish to

note that where an occupation contract does incorporate a break clause, regulation 8(v) of the Renting Homes (Explanatory Information for Written Statements of Occupation Contracts) (Wales) Regulations 2022 requires the landlord to provide additional information in relation to the operation of break clauses.

**Merit Scrutiny point 5:**

The Welsh Government is satisfied that rationale for identifying the costs and benefits of producing model written statements set out in the Regulatory Impact Assessment (RIA) that accompanied the 2016 Act, remains sound. Furthermore, we consider that the method used to calculate the costs and benefits remains the appropriate one. Therefore, the RIA that accompanies the Renting Homes (Model Written Statements of Contract) (Wales) Regulations 2022 uses that same rationale and method of calculation. However, in recognition of the significant amount of time that has elapsed since that previous RIA was written, and the various changes to costs that will have occurred during that time, the calculations set out in the RIA accompanying the 2022 Regulations have been revised to reflect current costs.