

## **Government Response: The Coronavirus Act 2020 (Residential Tenancies: Extension of Period of Protection from Eviction) (No. 2) (Wales) Regulations 2021**

### **Merit Scrutiny point 2:**

The Explanatory Notes to the Coronavirus Act 2020 set out the Act's overarching aims, three of which are:

- containing and slowing the virus
- easing the burden on frontline staff; and,
- supporting people.

Section 4.4 of the Explanatory Memorandum that accompanied the Regulations sets out in detail how an extension to the relevant period to which Schedule 29 applies will support these three aims – specifically through reduced homelessness, reduced pressure on services, increased security and reduced anxiety, and increased scope to support individuals at risk of eviction. It is for these reasons that the provisions set out in Schedule 29 are to continue to apply.

The Explanatory Memorandum recognises, as the Committee has noted, that delaying evictions is unlikely to play a significant role in controlling the transmission of the virus at a time when the rate of community transmission is very low. However, the Explanatory Memorandum also notes that there remains a considerable degree of uncertainty regarding the trajectory of the pandemic and that a third wave in Wales appears possible as current evidence suggests that the Delta variant is more transmissible than the previously dominant Alpha variant. The Explanatory Memorandum goes on to note that the impact of any new wave would be significantly exacerbated if accompanied by a sudden wave of evictions and a resultant increase in homelessness. It concludes that in these circumstances, taking continued action to limit the risk of a sudden spike in evictions so that public health continues to be protected, is considered proportionate.

The Committee will be aware that the current restrictions on the enforcement of evictions came to an end when the Public Health (Protection from Eviction) (Wales) (Coronavirus) Regulations 2021 expired on the 30 June. This will inevitably lead to an increase in the number of evictions taking place. These Regulations will mitigate and 'even out' that potential increase in evictions in the light of the risk to public health that is posed.

The Committee has asked for evidence that tenant evictions pose a greater risk to public health than other areas where restrictions have been lifted. In addition to the points already made above, it is also worth noting that those other restrictions could be re-imposed in the light of a sudden worsening in the pandemic and would have immediate effect on the transmission of the virus. Were arrangements for notice periods to revert to the pre-pandemic requirements, however, any subsequent re-imposition of increased notice periods would have no immediate impact on the number

tenants at imminent risk of eviction as a consequence of a notice already issued. In this regard, increased notice periods are a very different form of restriction from the others to which the Committee refers.

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

As the Committee will be aware, throughout the pandemic the Welsh Government has taken decisions in the light of the Welsh context, on the basis of the evidence that we have at our disposal, and with the objective of keeping people in Wales safe. As set out in the Explanatory Memorandum, the option of retaining increased notice periods but at a reduced level was considered, and its potential benefits taken into account. However, in the light of the concerns relating to a potential third wave arising as a consequence of the increased transmissibility of the Delta variant, and the significant proportion of the population who have yet to have both doses of the vaccine and for whom protection is therefore still limited, the more cautious approach taken in the Regulations best reflects our objective of keeping people safe.

### **Merit Scrutiny point 6:**

The Explanatory Memorandum acknowledges that extending the relevant period, so that notice periods remain at an increased length, could result in tenants accruing greater levels of rent arrears, resulting in financial hardship for landlords in the private rented sector – particularly small-scale landlords who may rely on their rental income to cover mortgage payments, or as their only source of income. However it also notes that landlords would still be able to recover possession if a tenant fails to pay rent, or otherwise breach the terms of their tenancy. As the Explanatory Memorandum notes, with the expiry of the Public Health (Protection from Eviction) (Wales) (Coronavirus) Regulations 2021 on 30 June, there will be no continued restriction on landlords taking action to evict tenants for rent arrears once the notice period has expired.

At the same time we have provided a package of support for the sector. This has included:

- £4.1 million to top up Department for Work and Pensions funding for Discretionary Housing Payments to help those in receipt of housing related benefits who are in rent arrears,
- funding of the Private Rented Sector (PRS) Debt Helpline to advise and support private sector tenants struggling with rent, income and housing benefits; delivered by Citizen's Advice Cymru,
- funding of £166 million to local authorities in 2021-22 through the Housing Support Grant to deliver housing related support services. The services help to prevent people from becoming homeless, stabilizes their housing situation, or helps potentially homeless people to find and keep accommodation,
- Providing additional funding through the Discretionary Assistance Fund (DAF),
- Our Tenancy Saver Loan scheme; which made low cost loans available to private sector tenants who suffered a temporary change of income and fell into rent arrears;
- Funding for Shelter Cymru to advise and support tenants.

- Our new Tenancy Hardship Grant, will support private rented sector tenants in Wales who are in significant rent arrears as a direct consequence of the pandemic.