

Florence Eshalomi MP

Chair,

Housing, Communities and Local Government Committee

2 March 2026

Pre-legislative scrutiny of the draft Commonhold and Leasehold Reform Bill

Dear Florence,

Thank you for your letter inviting the Local Government and Housing Committee to share our views on the draft Commonhold and Leasehold Reform Bill to help inform your pre-legislative scrutiny. Although we have not undertaken any specific work on leasehold reform in Wales, our colleagues on the Senedd's Petitions Committee conducted an inquiry into estate management charges between 2022 and 2025 in response to a petition: P-06-1307 The Welsh Government should commit to the adoption of the maintenance of new housing estates by local authorities. That Committee published a report with recommendations in May 2025, which the Welsh Government responded to. Consideration of the petition was closed in November 2025 following a plenary debate on 17 September.

Members of the Petitions Committee paid tribute to the important work done by the late Hefin David MS, and stressed the importance of resolving the issue of 'fleecehold'. The Committee inquiry highlighted the lived experience of Welsh residents, and called for swift implementation of a regulatory regime that ensures prospective purchasers in Wales do not face these problems in the future. The Committee's position on this issue is set out here: Stop 'wild west' of housing estate management fees.

Additionally, we recently conducted scrutiny of the Welsh Government's Building Safety (Wales) Bill. In our Stage 1 report on that Bill we noted our concern at "the clear and significant risk identified in evidence that additional costs incurred by Accountable Persons and Principal Accountable Persons in order to meet the Bill's requirements will be passed on to residents and that such costs could further increase rents and service charges that many people are already struggling to meet". We therefore recommended (recommendation 6) that the Welsh Government should engage with representative

bodies on behalf of tenants and leaseholders, including those engaged in provision of legal advice, to consider the adequacy and effectiveness of existing legal protections against the passing on of unreasonable costs by landlords to tenants and leaseholders. Our recommendation also called on the Welsh Government to consider whether further legal protections are needed within Welsh law, to ensure their suitability for the Welsh housing context.

This recommendation was accepted by the Welsh Government and the Cabinet Secretary for Housing and Local Government committed to engaging with representative bodies on behalf of tenants and leaseholders “to ensure that there is an understanding of the legal protections imposed by the Landlord and Tenant Act 1985 which imposes requirements for what costs can be taken into account when determining the amount of service charge payable”. The Welsh Government’s **response** noted that the requirements are that costs are reasonably incurred and the service is of a reasonable standard to ensure that excessive costs are not permitted to be passed on to leaseholders. The response also referred to working with the UK Government on legislative reforms to improve protections and provide additional rights to leaseholders in England and Wales and noted that the draft Commonhold and Leasehold Reform Bill would include important reforms for leasehold homeowners in Wales.

I hope this information is helpful to your scrutiny of the draft Bill.

I am copying this letter to the Senedd’s Petitions Committee.

Yours sincerely,



John Griffiths MS

Chair, Local Government and Housing Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.