

Lesley Griffiths AM
Minister for Communities and Tackling Poverty

8 June 2015

Draft Private Rented Sector Code of Practice for Landlords and Agents

Dear Minister

Thank you for your letter dated 17 May in which you outline the timetable in relation to the Private Rented Sector Code of Practice for Landlords and Agents (“the Code”).

You may be aware that, at its meeting on 4 June, the Committee took evidence from representatives of private sector landlords, letting agents, tenants and advice agencies on the draft Code. Following the evidence sessions, the Committee agreed that I write to you setting out its views on the draft Code.

It was clear from the evidence we heard that there is limited support from representatives for the Code, as currently drafted. We are concerned that, as it stands, the draft Code does not meet the needs of the groups that it will apply to, or to tenants seeking to understand the standards that they can expect when renting in the private sector.

Given that the Code will be a key element in the new landlord and agent licensing regime and has been held up as a means of helping to raise standards within the private rented sector, it is essential that the Code is clear in its intent, fit for purpose and robust.

We understand that there is still an opportunity for you to revise the draft Code in light of the responses received to your consultation before it is laid before the Assembly in July. With that in mind, we would like to draw your attention to the areas that are of most concern to us in the expectation that you will address them before the draft Code is laid.

Stakeholder involvement in development of the Code

In your letter, you state that the draft Code has been “formulated with the input from stakeholder groups” and that there was pre-consultation with the main



landlord, agent and tenant organisations prior to the recent public consultation. While that may have been the case, we were disappointed to hear from the various representatives about their limited involvement in the drafting of the Code. In addition, we were told that, despite requests from representatives of advice services and tenants, there has been no direct input from tenants. This seems to be a significant omission from the process of developing the draft Code.

General points

We are concerned that the representatives we took evidence from did not believe that the Code, as currently drafted, would have any impact on the day-to-day practices of letting agents, who already adhere to various codes of practice.

Representatives of tenants and advice agencies doubted that the Code, as it stands, would have any impact on improving practices and raising standards in the private rented sector and in fact believed that it could reduce expectations on landlords and agents. As an example, representatives told us that the Landlord Accreditation Wales Code of Conduct sets a higher standard than the draft Code.

Representatives raised concern that the structure of the draft Code is confusing and there is considerable repetition between the two parts (Statutory Requirements and Best Practice). The use of separate parts to denote statutory requirements and best practice could mean that some landlords and agents choose not to accept any of the best practice recommendations. In addition, representatives of tenants and advice agencies highlighted that the language used is unnecessarily legalistic and in some places confusing. We would urge you to reconsider how the Code is presented so that it is clearer and more accessible.

There is no reference to the penalties for landlords and agents if they fail to comply with the Code. Given that compliance with the statutory requirements set out in the Code is a condition of licence under the Housing (Wales) Act 2014, we believe that this is a significant omission.

Specifically in relation to the best practice element of the Code, in our Stage 1 report on the Housing (Wales) Bill, we recommended that the Code sets standards to which the sector should aspire. In our view the draft Code fails to take this recommendation forward.

While we accept the need for the Code to be made to coincide with the introduction of the licensing scheme, we are concerned that, within a short space of time, the Code will have to be re-written to take account of the Renting Homes (Wales) Bill.



I should be grateful if you would respond to the above and outline how you intend to address the concerns raised before the draft Code is laid before the Assembly.

Yours sincerely,

Chris Chapman.

Christine Chapman AC / AM

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