

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol
Communities, Equality and Local Government Committee
CELG(4)-15-15 Papur 8 / Paper 8

Supplementary Written Information Part Two – Communities, Equalities and Local Government Committee held on 6th May 2015

18th May 2015

For further information about this paper please contact:

Emma Reeves-McAll

Policy and External Affairs Officer

emma@taipawb.org

029 2053 7634

Who we are

Tai Pawb (housing for all) is a registered charity and a company limited by guarantee. The organisation's mission is, "To promote equality and social justice in housing in Wales". It operates a membership system which is open to local authorities, registered social landlords, third (voluntary) sector organisations, other housing interests and individuals.

What we do

Tai Pawb works closely with the Welsh Assembly Government and other key partners on national housing strategies and key working groups, to ensure that equality is an inherent consideration in national strategic development and implementation. The organisation also provides practical advice and assistance to its members on a range of equality and diversity issues in housing and related services.

Tai Pawb's vision is to be:

The primary driver in the promotion of equality and diversity in housing, leading to the reduction of prejudice and disadvantage, as well as changing lives for the better.

A valued partner who supports housing providers and services to recognise, respect and respond appropriately to the diversity of housing needs and characteristics of people living in Wales, including those who are vulnerable and marginalised.

For further information visit: www.taipawb.org

Charity registration no. 1110078
Company No. 5282554

Introducing a standard equivalent to WHQS into the private rented sector in Wales

1 Introduction

1.1 We would like to thank the committee for inviting Tai Pawb to provide oral evidence on 6th May 2015, the opportunity to submit further written information on areas of interest to the committee which were unable to be covered at the hearing due to time constraints, and the opportunity to return to our members to seek further information to submit to the committee in consideration of introducing a standard for the private rented sector in Wales.

1.2 This response forms the second part of the additional information we were asked to submit to the committee. Tai Pawb has returned to our members to seek their views on 'what could be included in an equivalent to the Welsh housing quality standard (WHQS) for the private rented sector' and more broadly on the overarching principle of a standard, similar to WHQS for that sector.

1.3 We received responses mainly from our Local Authority members, although we did also receive responses from our Registered Social Landlord (RSL) members who have connections to the PRS through social letting agencies, and one Third Sector organisations.

2 Summary

2.1 Of those members who responded to our call for further evidence there was a mixed response the suggestion of introducing a standard for the private rented

sector. Some respondents felt that imposing any standard on the private rented sector (over and above that proposed in relation to ‘fit for human habitation’) would place a burden on the sector likely to have a detrimental impact on the availability and affordability of housing within the sector.

2.2 Tai Pawb echoes the responses from our members that it would be inappropriate to impose WHQS on the private rented sector, currently. However we do feel that in order to promote equality of opportunity work should be undertaken to lessen the divide between standards in this sector and that of the social housing sector. We recognise this is an ambitious target which cannot be achieved overnight. We strongly recommend that the Bill is reviewed and amended to help progress this objective.

3 Would WHQS be an appropriate standard for the private rented sector in Wales?

3.1 While most noted that WHQS was well placed and appropriate for the social housing in sector in Wales all felt that this standard would not be appropriate for the private housing sector for a number of reasons discussed below:

3.1.1 Most noted that the type and age of properties typical within the private housing sector would likely mean that the standard set within the current WHQS would be unachievable. There were concerns that using the WHQS would either be setting a proportion of the private rented sector up to fail, or would result in such numbers being classed as exempt from the standard that the system would, in effect, undermine itself.

3.1.2 All respondents thought that the current WHQS standard would be cost prohibitive for the private rented sector and imposing it could result in some landlords leaving the sector. There were concerns this would negatively impact on rental prices and additional demand for the social housing sector. Some respondents were concerned that those landlords who didn’t leave the sector would seek to recoup these costs associated with upgrading their properties to WHQS from their tenants. Currently the Bill would allow for rent increases to cover these costs and there is no maximum % increase for rented stated in the Bill.

3.3 Most respondents suggested that lessons could be learnt from the implementation of WHQS and this is something Tai Pawb agrees with. It would be beneficial to fully understanding the difficulty that some organisations had in meeting the WHQS initial timescale and the costs that were involved. It is useful to remember that many landlords within the private sector are not owners of vast property portfolios with multi-million pound turn-over but individuals with one or two properties.

4 What could a standard for the private rented sector look like?

4.1 Echoing the concerns related to achievability other respondents welcomed a standard but felt that WHQS would not be achievable. We had respondents who commented that whilst they recognised that improvement within the private rented sector was desirable there was a potential that imposing any standard within the private rented sector could drive landlords away. The available evidence from England in relation to the Decent Homes Standard doesn't support this and was suggested by other respondents as a potential standard to be considered. It would, however, be advisable, to consider any potential to inadvertently shrink the private rented sector when setting a standard for the sector. Tai Pawb agrees a standard such as the Decent Homes Standard used in England would be worth exploring in greater detail.

4.2 We would recommend, however, that before any amendments are made to the Bill in relation to this that a full consultation is undertaken with tenants, landlords of the private rented sector, and those with expert knowledge of the sector, specifically on this issue. On that basis we will not be providing detailed commentary on the shape of any new standard, over and above those already outlined. However we will provide some additional broad considerations and concerns relating to setting an appropriate standard.

4.2.1 From the respondents comments it seems likely that the scale and reach of WHQS would be unreasonable for many landlords in the private rented sector. This is a view which Tai Pawb supports, although we would suggest an alternative standard over and above 'fit for human habitation' should be fully explored. We echo the concerns expressed to us by our members that introducing a standard which is too high could result in landlords being unwilling to rent to those perceived as more 'risky' tenants – younger people and those leaving prison (a disproportionate number of which will be BME males). The concern from landlords would be related to the cost of repair to property damaged. This was a comment made in relation to a recent event discussing the impact of the new homelessness duty and removal of the 6 month moratorium but is equally applicable here.

4.2.2 The private rented sector, by its very nature, varies considerably. Any standard would, ideally, need to be applicable for all properties within the sector. Having several standards for different property types potentially based on age, size, location etc would make any system far too complicated for tenants, landlords, and those enforcing the standard.

4.2.3 Potentially any standard which is set too high could have a significant negative impact on local authorities being able to discharge homelessness into the private rented sector, due to both a lack of available stock, and reluctance for landlords to rent to those they perceive as more 'risky' tenants (see above).

4.2.4 While it has been noted that under Part 4, Chapter 2 s91-92 of the Bill there is provision for a property to be kept in good repair during the tenancy and

enables potential contract holders to request additional terms to be added in relation to improvements which are to be made to the property by the landlord. Some people may not be able to negotiate in this way and could be disproportionately impacted these would likely be; older and younger people, disabled people, and those from BME backgrounds.

4.2.5 A number of respondents highlighted if a standard were to be introduced into the private rented sector that to make it meaningful it would have to be inspected, enforced, and be consistent. Consistency is a particular concern for some of our members – noting the variability of housing stock within the private rented sector and then further questioning how a universal standard could be applied to both the private and social rented sectors? Local Authority Environmental Health teams are already likely to see an increase in work when landlord registration and licensing is introduced for the private rented sector. It is unlikely that Local Authorities would have the capacity to undertake inspection and enforcement of a private rented sector standard without additional resources being made available. If private landlords were able to self certificate that they have met the standard that would help reduce the impact on Local Authorities, however there would need to be a mechanism for tenants to report landlords and properties which fall below the standard. This approach would result in a large amount of awareness raising of the standard within the population of Wales, introduction of a reporting mechanism, and support and advocacy made available for those individuals who may be unable to make reports without assistance (again this is likely to impact on particular equality groups).

4.2.6 Tai Pawb recognises the concerns expressed in responses from our members. We are concerned that if any standard were to be introduced that would need to be meaningful and helps to increase the standard of housing in the private rented sector whilst still protecting the most vulnerable. Given this we have real concerns that imposing a standard which is too high could have the unintended impact of pushing up rents, making people who already struggle to afford rents in the private rented sector effectively excluded. Some of our members are already starting to see particular groups being pushed out of the private rented sector due to rental prices, particularly impacting those who are claiming benefits. There is a huge potential that an over ambitious standard for the this sector would result in yet higher rents and further increase demand on an already oversubscribed social rented sector and increased reliance on 'slum landlords'. In relation to equality this is likely to negatively impact on those groups of people who have low income levels (people from BME backgrounds, older people, younger people, and disabled people).

5 Conclusion

5.1 We would like to reiterate our opening comment:

'Tai Pawb echoes the responses from our members that it would be inappropriate to impose WHQS on the private rented sector, currently. However we do feel that in order to promote equality of opportunity work should be undertaken to lessen the

divide between standards in this sector and that of the social housing sector. We recognise this is an ambitious target which cannot be achieved overnight. We strongly recommend that the Bill is reviewed and amended to help progress this objective.'