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Llywodraeth Cymru  
Welsh Government

# **Renting Homes (Amendment) (Wales) Bill**

Statement of Policy Intent for Subordinate  
Legislation to be made under this Bill

February 2020

# **Renting Homes (Amendment) (Wales) Bill**

## **Statement of Policy Intent for Subordinate Legislation**

### **Introduction**

This document provides an indication of the current policy intention for the subordinate legislation which the Welsh Ministers would be empowered or required to make under the provisions of the Renting Homes (Amendment) (Wales) Bill (“the Bill”).

The Statement has been prepared in order to assist committees during the scrutiny of the Bill. It should be read in conjunction with the Bill and the Explanatory Memorandum and Explanatory Notes which accompany it. Details of the Assembly procedure associated with each of these powers are set out in chapter 5 of the Explanatory Memorandum and are not repeated in this document.

The Bill will amend the Renting Homes (Wales) Act 2016 (“the 2016 Act”), prior to its coming into force, to provide greater security for people who rent their homes in Wales, in particular those who live in the private rented sector.

The Bill increases security of tenure in relation to standard occupation contracts, primarily by increasing the minimum period of notice that a landlord must give before making a claim for possession under section 173 of the 2016 Act from two to six months. This is a possession ground under which the landlord does not have to cite specific behaviour on the part of the contract-holder as the reason for seeking possession. The period before which a notice under section 173 can be issued following the occupation date of the contract is also increased from four months to six months. Other associated changes are also made to the 2016 Act, primarily with a view to ensuring the increased security arrangements cannot be undermined. This includes the removal of the ability of a landlord to issue a notice to end fixed term standard contracts (other than contracts of a type listed in new Schedule 9B) and restrictions on the use of break clauses.

In developing subordinate legislation, the Welsh Government will work closely with stakeholders in order to ensure the provisions are relevant, valid and proportionate.

Ref.	Section of the Bill	Description of Power	Reason for and Policy Intention of the Power
1.	Section 13(2)	<p>Section 13(2) inserts a regulation-making power into section 121 of the 2016 Act. Section 121 (1) of the 2016 Act allows for periodic standard contracts to contain provision that the contract-holder is not entitled to occupy the dwelling as a home for specified periods. Regulations made under section 13(2) of the Bill, may amend the 2016 Act so as to provide that subsection (1) of section 121 does not apply, or applies only to contracts of a particular description, as well as for the purpose of specifying limits to such exclusions or circumstances in which such exclusions may not apply.</p>	<p>The reason for the power is to address instances where certain landlords currently exclude tenants or licensees for periods that are predefined in the contract. The most common example is where Higher Education Institutions host residential conferences or other events during student vacation periods, and need to make accommodation available for those attending such events. There are also instances where a landlord rents out a property for occupation by a tenant during the week but lives in the property themselves at weekends.</p> <p>The policy intention is to limit the use of the exclusion power to tightly defined circumstances, such as those indicated above, thereby preventing use of the exclusion power in an inappropriate way.</p> <p>It is intended to make regulations prior to implementation of the 2016 Act (as amended by this Bill) to prevent such abuses from the outset. However, the power will also provide the Welsh Ministers with the flexibility to respond to evidence that may come to light which demonstrates that further restrictions or changes are required.</p>

Ref.	Section of the Bill	Description of Power	Reason for and Policy Intention of the Power
2.	Section 13(3)	Section 13(3) inserts a regulation-making power into section 133 of the 2016 Act. Section 133(1) of the 2016 Act allows for fixed term standard contracts to contain provision that the contract-holder is not entitled to occupy the dwelling as a home for specified periods. Regulations may amend the 2016 Act so as to provide that section 133(1) does not apply, or applies only to contracts of a particular description, as well as for the purpose of specifying limits to such exclusions or circumstances in which such exclusions may not apply.	<p>The reason for the power is to address instances where certain landlords currently exclude tenants or licensees for periods that are predefined in the contract. The most common example is where Higher Education Institutions host residential conferences or other events during student vacation periods, and need to make accommodation available for those attending such events. There are also instances where a landlord rents out a property for occupation by a tenant during the week but lives in the property themselves at weekends.</p> <p>The policy intention is to limit the use of the exclusion power to tightly defined circumstances, such as those indicated above, thereby preventing use of the exclusion power in an inappropriate way.</p> <p>It is intended to make regulations prior to implementation of the 2016 Act (as amended by this Bill) to prevent such abuses from the outset. However, the power will also provide the Welsh Ministers with the flexibility to respond to evidence that may come to light which demonstrates that further restrictions or changes are required.</p>
3.	Section 17(2)	Allows the Welsh Ministers to provide for commencement of section 6(5) and paragraph 24 of Schedule 6 of the Bill.	This power is necessary to bring into force in a planned manner those provisions that do not come into force on the date of Royal Assent or a specified date thereafter. A Commencement Order will specify the date upon which section 6(5) and paragraph 24 of Schedule 6 of the Bill come into force. The policy intention is to enable effective implementation.

Ref.	Section of the Bill	Description of Power	Reason for and Policy Intention of the Power
4.	Schedule 1, Paragraph 14	Schedule 1 sets out new Schedule 8A to the 2016 Act, which lists standard contracts that can be terminated on two months' notice by giving notice under section 173 or under a landlord's break clause. Schedule 8A includes, at paragraph 14, a power for the Welsh Ministers to amend Schedule 8A.	This power is required to enable the Welsh Ministers to amend the list of standard contracts included in the Schedule to reflect changes in the provision of housing. The policy intention is to ensure the Schedule can be updated in a timely manner, when necessary.
5.	Schedule 2, Paragraph 10	Schedule 2 sets out new Schedule 9A to the 2016 Act, which lists restrictions on giving notice under section 173, under section 186, and under a landlord's break clause. Schedule 9A includes, at paragraph 10, a power for the Welsh Ministers to amend Schedule 9A.	This power is required to enable the Welsh Ministers to amend the list of restrictions included in the Schedule to reflect changes in the provision of housing and legislative changes. The policy intention is to ensure the Schedule can be updated in a timely manner, when necessary.
6.	Schedule 3, Paragraph 12	Schedule 3 sets out new Schedule 9B to the 2016 Act, which lists fixed term standard contracts which can be terminated by giving notice under section 186. Schedule 9B includes, at paragraph 12, a power for the Welsh Ministers to amend Schedule 9B.	This power is required to enable the Welsh Ministers to amend the list of fixed term standard contracts included in the Schedule to reflect changes in the provision of housing. The policy intention is to ensure the Schedule can be updated in a timely manner, when necessary.
7.	Schedule 4, Paragraph 12	Schedule 4 sets out new Schedule 9C to the 2016 Act, which lists fixed term standard contracts which may contain a landlord's break clause even if made for a term of less than two years. Schedule 9C includes, at paragraph 12, a power for the Welsh Ministers to amend Schedule 9C.	This power is required to enable the Welsh Ministers to amend the list of fixed term standard contracts included in the Schedule to reflect changes in the provision of housing. The policy intention is to ensure the Schedule can be updated in a timely manner, when necessary.