

## SUPPLEMENTARY LEGISLATIVE CONSENT MEMORANDUM (MEMORANDUM NO 2)

### RENTERS' RIGHTS BILL

1. This legislative consent memorandum (LCM) is laid under Standing Order ("SO") 29.2. SO29 prescribes that a legislative consent memorandum must be laid, and a legislative consent motion may be tabled, before Senedd Cymru<sup>1</sup> if a UK Parliamentary Bill makes provision in relation to Wales for any purpose within, or which modifies the legislative competence of the Senedd.
2. The Renters' Rights Bill ("the Bill") was introduced in the UK Parliament, the House of Commons on 11 September 2024.
3. I laid an LCM on 26 September. The LCM can be found [here](#).
4. Subsequently, the UK Government tabled 47 amendments on 8 January 2025 (available [here](#)) for consideration at Commons Report Stage. Two of the amendments make provision which fall within the legislative competence of the Senedd, as detailed in paragraphs 8 and 9.

#### Policy Objectives

5. The UK Government's stated policy objectives are to deliver the Government's manifesto commitment to transform the experience of private renting, including by abolishing section 21 evictions and introducing a robust Decent Homes Standard in the sector for the first time. The objective of the Bill is to ensure private renters not only have access to a secure and decent home but that they can exercise their rights to challenge poor treatment and bad practice. Landlords should retain the confidence to repossess their properties where they have good reason to but with suitable safeguards for tenants who may lose their home.

#### Summary of the Bill

6. The Bill is sponsored by the Ministry for Housing, Local Government and Communities.
7. The key provisions of the Bill cover
  - Abolish Section 21 'no fault evictions', removing the threat of arbitrary evictions and increasing tenant security.
  - Strengthen tenants' rights and protections to challenge punitive practices such as unreasonable rent rises and rental bidding.
  - Give tenants the right to request a pet, which landlords must consider and cannot unreasonably refuse.

- Apply a Decent Homes Standard to the private rented sector to give renters safer, better value homes and remove the blight of poor-quality homes in local communities.
- Create a digital private rented sector database to bring together key information for landlords, tenants, and councils.
- Provide for the introduction of a new ombudsman service that will provide quick, fair, impartial and binding resolutions for tenants.
- Make it illegal for landlords to discriminate against tenants in receipt of benefits or with children when choosing to let their property
- Strengthen local authorities' enforcement powers, expand financial penalties from which councils can keep the proceeds and use for future enforcement.
- Significantly expand rent repayment orders, including extending them to new offences, making superior landlords and company directors liable.

### **Amendments at Report stage which require consent**

8. **Amendment GOV 51** This amendment provides that a landlord under a tenancy agreement or licence to occupy cannot rely on a term under that agreement or licence about the occupation of the building, or part of the building, to on its own prove a defence to the offence of failing to obtain a licence for an HMO.
9. **Amendment GOV 52** This amendment provides that a landlord under a tenancy agreement or licence to occupy cannot rely on a term under that agreement or licence about the occupation of the house to on its own prove a defence to the offence of failing to obtain a licence under Part 3 of the Housing Act 2004.

### **UK Government view on the need for consent**

10. UK Government approached Welsh Government on 13 November 2024 to explain the proposed amendments, and to ask for Ministerial agreement to make the changes in relation to Wales.

### **Reasons for making these provisions for Wales in the Renters Reform Bill**

11. The Legislative Consent Memorandum I laid at Bill introduction included provisions which applied in Wales in relation to Houses in Multiple Occupation (HMO) to ensure that action can be taken against superior landlords in relation to licensing offences regarding HMOs.
12. These provisions close a loophole which allows landlords of sub-standard properties to hide behind complex management structures to evade

sanctions. Although I do not have evidence of widespread problems in Wales, I am aware that these types of arrangements exist.

13. The provisions contained in the Bill as introduced came about as a result of a Supreme Court ruling in [Rakusen v Jepsen & Ors \[2023\]](#) which held that superior landlords could not have rent repayment orders made against them. It ensures that superior landlords cannot hide behind a complex ownership model (“Rent to Rent”) to avoid duties placed on landlords by the Housing Act 2004 in relation to HMOs.
14. “Rent-to-rent” schemes are where a property owner or superior landlord agrees to rent or lease their property to another entity, usually at a below market rate in exchange for a ‘guaranteed’ rent, regardless of whether the property is occupied or not. This can sometimes confuse the picture when it comes to establishing who has the legal responsibilities for compliance with housing law.
15. Following a recent Upper Tribunal judgement, [Kumar v. Kolev \[2024\]](#) I am of the view that superior landlords will still too easily be able to escape enforcement action for licensing offences by signing away responsibility for licensing through their tenancy agreement with the immediate landlord and then relying on the reasonable excuse defence.
16. Amendments Gov 51 and Gov 52 amend clause 102 of the Bill which amend sections 72 and 95 of the Housing Act 2004 to ensure that for the purposes of new subsections (4B) and (3B) of those sections respectively, a term in the tenancy agreement or licence to occupy relating to the occupation of the building that is a HMO or house does not on its own constitute a defence under any of paragraphs (a) to (c) of new subsections (4B) and (3B). So, in proceedings for an offence under subsections (1)(b), it is a defence if that person proves they did not know, and had a reasonable excuse for not knowing, that the building was a HMO/that the house was one to which Part 3 applies, took all reasonably practicable steps to ensure that the HMO was licensed under Part 2/house was licensed under Part 3, or had some other reasonable excuse for failing to ensure the HMO/house was licensed.
17. The intention is that superior landlords must take steps to supervise their property and rent-to-rent arrangement on an ongoing basis to make sure it is and remains compliant with the requirement to hold a licence, if one is needed. The amendments prevent superior landlords from relying on contractual clauses as a defence in proceedings for an offence of failing to licence a HMO or house where required to do so under Parts 2 or 3 of the 2004 Act..

## **Financial implications**

18. No financial implications have been identified to date should these provisions apply in Wales.

### **Conclusion**

19. In my view it is appropriate to approve the amendments to this UK Bill. The amendments ensure that superior landlords cannot rely on contractual clauses to circumvent compliance with licensing requirements under Parts 2 and 3 of the Housing Act 2004. Therefore, I recommend that the Senedd supports the proposals and gives its consent.

**Jayne Bryant MS**  
**Cabinet Secretary for Local Government, Housing and Planning**  
**January 2025**