WELSH STATUTORY INSTRUMENTS

# 2022 No. 781 (W. 170)

# **HOUSING, WALES**

The Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022

Made	15 July 2022
Laid before Senedd Cymru	18 July 2022
Coming into force in accordance with	th regulation 1

The Welsh Ministers make the following Regulations in exercise of the powers conferred by sections 236(3) and 256(1) and (2)(1) of and paragraph 15(2) of Schedule 12 to the Renting Homes (Wales) Act 2016(2).

#### Title and commencement

**1.** The title of these Regulations is the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022 and they come into force on the day on which section 239 of the Act comes into force(**3**).

#### Interpretation

2. In these Regulations—

"the Act" ("y Ddeddf") means the Renting Homes (Wales) Act 2016;

"billing authority" ("*awdurdod bilio*") has the meaning given by section 1(2) of the Local Government Finance Act 1992(4);

"category of dwellings" ("*categori o anheddau*") has the meaning given by section 30(1) and (2) of the Local Government Finance Act 1992(**5**);

"dwelling" ("annedd") has the meaning given by the Act (see section 246(6));

Section 256(2) was amended by section 18 of and paragraphs 1 and 21(a) of Schedule 6 to the Renting Homes (Amendment) (Wales) Act 2021 (asc 3)

<sup>(2) 2016</sup> anaw 1. Schedule 12 is introduced by section 240.

<sup>(3)</sup> Section 239 of the Renting Homes (Wales) Act 2016 comes into force on a day appointed by the Welsh Ministers in an order made by statutory instrument.

<sup>(4) 1992</sup> c. 14. Section 1(2) was amended by section 35(5) of the Local Government (Wales) Act 1994 (c. 19).

<sup>(5)</sup> Section 30 was amended by paragraph 8 of Schedule 7 to the Localism Act 2011 (c. 20).

<sup>(6)</sup> Section 246(1) was amended by section 14 of and paragraphs 1 and 7 of Schedule 5 to the Renting Homes (Amendment) (Wales) Act 2021.

"hereditament" ("*hereditament*") has the meaning given by section 3 of the Local Government Finance Act 1992;

"landlord" ("landlord") has the meaning given by the Act (see section 244(2));

"relevant contract-holder" ("*deiliad contract perthnasol*") means a contract-holder (which has the meaning given by the Act (see section 7(5)) under a relevant converted contract;

"relevant converted contract" ("*contract wedi ei drosi perthnasol*") has the meaning given by the Act (see paragraph 15(3)(7) of Schedule 12 to the Act);

"relevant improvement" ("gwelliant perthnasol") means an improvement-

- (a) carried out in relation to the relevant converted contract at any time after the contractholder became entitled to occupy the dwelling to which the notice under section 104 or 123 of the Act applies, or
- (b) which satisfies the following conditions—
  - (i) the improvement was carried out not more than twenty-one years before the date of service of the notice under section 104 or 123 of the Act,
  - (ii) at all times during the period beginning when the improvement was carried out and ending on the date of service of the notice under section 104 or 123 of the Act, the dwelling has been let under a relevant converted contract or a relevant preceding tenancy or licence, and
  - (iii) on the coming to an end of a relevant converted contract or a relevant preceding tenancy or licence, during that period, the relevant tenant or licensee or relevant contract-holder (or, in case of joint relevant tenants or licensees or joint relevant contract-holders, at least one of them) did not quit;

"relevant preceding tenancy or licence" ("*tenantiaeth neu drwydded flaenorol berthnasol*") means a tenancy or licence which existed before the appointed day and which on or after the appointed day became a relevant converted contract;

"relevant tenant or licensee" ("*tenant neu drwyddedai perthnasol*") means a tenant or licensee under a relevant preceding tenancy or licence;

"rent" ("rhent") does not include-

- (a) any service charge within the meaning of section 18 of the Landlord and Tenant Act 1985(8), or
- (b) any payments prohibited under section 4 of the Renting Homes (Fees etc.) (Wales) Act 2019(9),

but, subject to that, includes any sums payable by the relevant contract-holder to the landlord on account of the use of furniture, in respect of council tax or for any of the matters referred to in section 18(1)(a) of the Landlord and Tenant Act 1985(10), whether or not those sums are separate from the sums payable for the occupation of the dwelling concerned or are payable under separate agreements; and

"rent assessment committee" ("*pwyllgor asesu rhenti*") means a rent assessment committee constituted in accordance with Schedule 10 to the Rent Act 1977(**11**).

<sup>(7)</sup> Paragraph 15(3) of Schedule 12 to the Act was amended by regulation 12(b) of the Renting Homes (Wales) Act 2016 (Amendment of Schedule 12) Regulations 2022 (S.I. 2022/795 (W. 173)).

<sup>(8) 1985</sup> c. 70. Section 18 was amended by section 41 of and paragraph 1 of Schedule 2 to the Landlord and Tenant Act 1987 (c. 31) and by section 150 of and paragraph 7 of Schedule 9 to the Commonhold and Leasehold Reform Act 2002 (c. 15).

<sup>(9) 2019</sup> anaw 2. Section 4 was amended by sections 15(2) and 16(1) and (3) of the Renting Homes (Amendment) (Wales) Act 2021.

<sup>(10) 1985</sup> c. 70. Section 18(1)(a) was amended by section 41 of and paragraph 1 of Schedule 2 to the Landlord and Tenant Act 1987 (c. 31) and section 150 of and paragraph 7 of Schedule 9 to the Commonhold and Leasehold Reform Act 2002 (c. 15).

<sup>(11) 1977</sup> c. 42. Schedule 10 was amended by sections 71(2), 148 and 152 of and paragraph 56 of Schedule 25 and Schedule 26 to the Housing Act 1980 (c. 51), section 26 of and paragraph 56 of Schedule 6 to the Judicial Pensions and Retirement Act 1993

#### Application to a rent assessment committee

**3.**—(1) Following receipt of a notice under section 104 or 123 of the Act, a relevant contract-holder may apply to a rent assessment committee for a determination of the rent for the dwelling.

- (2) The application to a rent assessment committee must be made—
  - (a) in the prescribed form, and
  - (b) within 2 months following receipt of the notice under section 104 or 123 of the Act.
- (3) The prescribed form is as set out in the Schedule.
- (4) An application in a form substantially to the same effect as the prescribed form is valid.

#### Determination of rent by a rent assessment committee

**4.** A rent assessment committee must determine all applications made under regulation 3 in accordance with the assumptions set out in regulation 6.

#### Variation of rent upon a determination by a rent assessment committee

**5.** A rent determined by a rent assessment committee, in accordance with the assumptions set out in regulation 6, will be the rent for the dwelling under the relevant converted contract with effect from the date specified in the notice under section 104 or 123 of the Act, unless the landlord and the relevant contract-holder otherwise agree.

#### Assumptions in accordance with which a rent assessment committee must determine rent

6. When making a determination of rent for a dwelling under these Regulations, a rent assessment committee must determine the rent at which it considers the dwelling concerned might reasonably be expected to be let in the open market by a willing landlord under the same type of relevant converted contract as that to which the notice under section 104 or 123 of the Act relates, assuming that—

- (a) the relevant converted contract begins on the date specified in the notice under section 104 or 123 of the Act,
- (b) the granting of a contract to a sitting contract-holder has no effect on the rent,
- (c) any increase in the value of the dwelling attributable to a relevant improvement carried out by a person who at the time it was carried out was the relevant tenant or licensee or relevant contract-holder has no effect on the rent, if the improvement was carried out—
  - (i) otherwise than in pursuance of an obligation to the immediate landlord, or
  - (ii) pursuant to an obligation to the immediate landlord being an obligation which did not relate to the specific improvement concerned but arose by reference to consent given to the carrying out of that improvement,
- (d) any reduction in the value of the dwelling attributable to a failure by the relevant tenant or licensee or relevant contract-holder to comply with any terms of the relevant preceding tenancy or licence or relevant converted contract has no effect on the rent,
- (e) where the landlord or a superior landlord is liable to pay council tax in respect of a hereditament of which the dwelling forms part, under Part 1 of the Local Government Finance Act 1992, the amount of council tax which, as at the date on which the notice under section 104 or 123 was served, was set by the billing authority—

<sup>(</sup>c. 8), sections 222 and 227 of and paragraph 22 of Schedule 18 and paragraph 1 of Part 13 of Schedule 19 to the Housing Act 1996 (c. 52) and section 62(2) of the Wales Act 2017 (c. 4). Amendments were also made by the Transfer of Tribunal Functions Order 2013 (S.I. 2013/1036), which abolished rent assessment committees in England, and article 5(2)(c) of the Local Government Finance (Repeals, Savings and Consequential Amendments) Order 1990 (S.I. 1990/776).

- (i) for the financial year in which the notice was served, and
- (ii) for the category of dwellings within which the relevant hereditament fell on that date,

has an effect on the rent, but any discount or other reduction affecting the amount of council tax payable has no effect on the rent, and

(f) neither the landlord nor a superior landlord is paying rates in respect of the dwelling.

#### Landlord and relevant contract-holder notice to a rent assessment committee

7. Nothing in these Regulations requires the rent assessment committee to continue with its determination of a rent for a dwelling under the relevant converted contract if the landlord and relevant contract-holder give notice in writing that they no longer require such a determination or if the relevant converted contract has come to an end.

#### Consequential amendments to the Rent Assessment Committees (England and Wales) Regulations 1971

**8.**—(1) The Rent Assessment Committees (England and Wales) Regulations 1971(12) are amended as follows.

- (2) In regulation 2 (interpretation)(13)—
  - (a) in the definition of "reference", after "Local Government and Housing Act 1989", replace the full stop with ", or which is made under regulation 3 of the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022(14).";
  - (b) at the appropriate places, insert the following definitions—

""dwelling" has the meaning given by section 246 of the Renting Homes (Wales) Act 2016(15);";

""relevant contract-holder" means a contract-holder (which has the meaning given by section 7(5) of the Renting Homes (Wales) Act 2016) under a relevant converted contract;";

""relevant converted contract" has the meaning given by paragraph 15(3)(16) of Schedule 12 to the Renting Homes (Wales) Act 2016;";

""relevant preceding tenancy or licence" means a tenancy or licence which existed before the appointed day and which on or after the appointed day became a relevant converted contract;";

""relevant tenant or licensee" means a tenant or licensee under a relevant preceding tenancy or licence;".

- (3) In regulation 2A (1988 and 1989 Act references)(17)-
  - (a) for the heading, substitute "References";

<sup>(12)</sup> S.I. 1971/1065.

<sup>(13)</sup> Regulation 2 was amended by regulation 2 of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1998 (S.I. 1988/2200), regulation 2(a) of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1993 (S.I. 1993/653), regulation 9 of the Rent Assessment Committees (England and Wales) (Leasehold Valuation Tribunal) (Amendment) Regulations 1997 (S.I. 1997/1854) and regulation 2(1) of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1990 (S.I. 1990/427).

<sup>(14)</sup> S.I. 2022/781 (W. 170).

<sup>(15) 2016</sup> anaw 1. Section 246(1) was amended by section 14 of and paragraphs 1 and 7 of Schedule 5 to the Renting Homes (Amendment) (Wales) Act 2021 (asc 3).

<sup>(16)</sup> Paragraph 15(3) of Schedule 12 to the Act was amended by regulation 12(b) of the Renting Homes (Wales) Act 2016 (Amendment of Schedule 12) Regulations 2022 (S.I. 2022/795 (W. 173)).

<sup>(17)</sup> Regulation 2A was inserted by regulation 2(3) of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1988 (S.I. 1988/2200) and amended by regulation 2 of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1997 (S.I. 1997/3007).

- (b) in paragraph (1), after "Housing Act 1988;", omit "or";
- (c) in paragraph (1), after "Local Government and Housing Act 1989", in the second place it occurs, replace the full stop with—

"; or

• regulation 3 of the Renting Homes (Rent Determination) (Converted Contracts) (Wales) Regulations 2022(18).".

(4) In regulation 3(3)(c)(19), after "tenant", insert ", relevant tenant or licensee, or relevant contract-holder".

- (5) In regulation 5(1)(b)(20)—
  - (a) for "assured tenancies or agricultural occupancies", substitute "assured tenancies, agricultural occupancies, relevant converted contracts, or relevant preceding tenancy or licence", and
  - (b) after "dwelling-houses", in both places it occurs, insert "or dwellings".

(6) In regulation 7-

- (a) in the heading, after "dwelling-house", insert "or dwelling", and
- (b) in paragraph (1), after "dwelling-house", insert "or dwelling".

Julie James Minister for Climate Change, one of the Welsh Ministers

15 July 2022

(18) S.I. 2022/781 (W. 170).

 <sup>(19)</sup> Regulation 3(3) was substituted by regulation 3 of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1980 (S.I. 1980/1699) and amended by regulation 4 of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1981 (S.I. 1981/1783).

<sup>(20)</sup> Regulation 5(1)(b) was amended by regulation 2(5) of the Rent Assessment Committees (England and Wales) (Amendment) Regulations 1988 (S.I. 1988/2200).

## SCHEDULE

Regulation 3

### APPLICATION TO RENT ASSESSMENT COMMITTEE

For use by a contract-holder following receipt of a notice of rent variation under section 104 or 123 of the Renting Homes (Wales) Act 2016. The occupation contract must be a relevant converted contract within the meaning of paragraph 15(3) of Schedule 12 to that Act.

1. Details of Contract-Holder		
Name:		
Address of dwelling:		
Address for correspondence (if different):		
Telephone:		
2. Details of Landlord(s) or Their Agent		

Name(s):

Address:

Telephone:

3. Details of Dwelling					
a) What type of accommodation do you rent?					
Room(s)		Semi-detached house			
Flat		Fully detached house			
Terraced House		Other (please specify)			
b) If it is a flat or room(s), where the second sec	hat floor(s	) is it on?			
Basement		First			
Ground		Second			
Other (please specify)					
c) Give the number and type of rooms, e.g. 1 living room, 2 bedrooms, 1 bathroom etc.					

d) Does the occupation contract include any other buildings or land?	facilities e.g. ga	rden, garage or other separate
Yes No		
e) If yes, please give details.		
f) Do you share any of the accommodation with:		
(i) the landlord	Yes	No 🗌
(ii) another joint contract-holder	Yes 🗌	No 🗌
g) If yes, please give details.		

# 4. Tenancy or Licence/Occupation Contract

When did the tenancy or licence/occupation contract originally begin? Note: The tenancy or licence is now an occupation contract under the Renting Homes (Wales) Act 2016 (following the coming into force of that Act).

5. Premium		
a) Did you pay a premium? Yes No		
A premium is a payment which is additional to rent and is equivalent to more than two months' rent. It may have given you the right to assign the tenancy or licence/occupation contract.		
b) If yes, please give details.		
6. Services		
a) Are any services provided under the occupation contract (e.g. cleaning, lighting, hot water or gardening)?		
Yes No		
b) If yes, please give details.		
c) If yes, is a separate charge made for services, maintenance, repairs, council tax, landlord's costs of management or any other item?		
Yes No		

d) What charge is payable? per [e.g. week, month, etc.]				
e) Does the charge vary?	Yes 🗌	No 🗌		
f) If yes, please give details.				
7. Furniture				

a) Is any furniture provided under the occupation contract?	Yes 🗌	No 🗌
b) If yes, please give details. Continue on a separate sheet if a inventory.	necessary or provid	e a copy of the

## 8. Improvements

a) Have you or any former tenant(s) or licensee(s)/contract-holders(s) carried out improvements or
replaced fixtures, fittings or furniture for which you or they were NOT responsible under the terms
of the tenancy or licence/occupation contract?
Yes No



b) If yes, please give details. Continue on a separate sheet if necessary.

## 9. Repairs

a) What repairs are the responsibility of the landlord?

b) What repairs are the responsibility of the contract-holder?

10. Documents and Signature		
I/we enclose copies of:		
The tenancy or licence agreemen The notice of variation of rent pr		andlord
I/we apply to the rent assessment committee for a determination of the rent for the dwelling listed above.		
If there are joint contract-holders, then each joint contract-holder or their agent(s) must sign, unless one signs on behalf of the rest with their agreement.		
I have the agreement of all joint-contract holders to sign on their behalf (if applicable).		
Please specify whether you are the:		
Contract-holder	Yes 🗌	No 🗌
Joint contract-holder	Yes 🗌	No 🗌
Contract-holder's agent	Yes	No 🗌
Signed:		
Name(s):		
Date:		

## **EXPLANATORY NOTE**

(This note is not part of the Regulations)

Sections 104 and 123 of the Renting Homes (Wales) Act 2016 (anaw 1) ("the Act") allow the landlord under a secure contract and a periodic standard contract, respectively, to vary the rent payable under the contract by giving the contract-holder a notice setting out a new rent to take effect on the date specified in the notice.

These Regulations make provision, as required by paragraph 15(2) of Schedule 12 to the Act, to enable a contract-holder under a relevant converted contract (as defined by paragraph 15(3) of Schedule 12 to the Act) to apply to a prescribed person for a determination of the rent for the dwelling where they have received a notice under section 104 or 123 of the Act and for that determination to be the rent under the contract.

Regulation 3 provides for a contract-holder under a relevant converted contract, who has received a notice under either section 104 or 123 of the Act, to apply to a rent assessment committee, constituted in accordance with Schedule 10 to the Rent Act 1977, for a determination of the rent for the dwelling. Regulation 3 also prescribes the form of application to the rent assessment committee, which is set out in the Schedule to these Regulations. An application which is in a form substantially to the same effect is valid.

Regulation 4 provides that a rent assessment committee must determine all such applications in accordance with the assumptions set out in regulation 6.

Regulation 5 provides that the rent determined by a rent assessment committee will be the rent for the dwelling unless the landlord and contract-holder agree otherwise.

Regulation 6 sets out the assumptions that the rent assessment committee must apply whilst determining the rent for the dwelling.

Regulation 7 allows for a rent assessment committee's involvement in an application to cease following notice in writing from both the landlord and the contract-holder confirming they no longer require a determination.

Regulation 8 makes consequential amendments to the Rent Assessment Committees (England and Wales) Regulations 1971 (S.I. 1971/1065), which specify the procedure to be followed by a rent assessment committee when considering an application made to it under these Regulations.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, a regulatory impact assessment has been prepared as to the likely costs and benefits of complying with these Regulations. A copy can be obtained from the Department of Housing, Welsh Government, Rhydycar Business Park, Merthyr Tydfil, CF48 1UZ.