

### 3.1 Landlord and Tenant (Private Housing) Bill 2014 – Second Reading approved

Mr Robertshaw to move:

*That the Landlord and Tenant (Private Housing) Bill 2014 be read a second time.*

**The Speaker:** We turn to Item 3, Bill for Second Reading, the Landlord and Tenant (Private Housing) Bill.

Hon. Members, before I call on the mover, I wish to declare a personal interest, a registered interest in the subject matter. I would perhaps invite, at this stage, any Member who is not intending otherwise to speak in the debate – if they have such an interest to declare, it might be more efficient to declare it now before the debate begins.

Mr Karran.

**Mr Karran:** The only interest I have is that I have a property across in the United Kingdom, but not in the Isle of Man, and so in effect there is no –

**The Speaker:** Mr Anderson.

**Mr Anderson:** I would declare an interest, as my wife has a property that is rented.

**The Speaker:** Thank you very much.

Mr Singer.

**Mr Singer:** I have a property which is rented at the moment.

**The Speaker:** Mr Quayle.

**Mr Quayle:** Thank you, Mr Speaker.

I have a business of property rentals which I wish to declare.

**The Speaker:** Mr Ronan.

**Mr Ronan:** I have one property, which up until recently I rented, sir.

**The Speaker:** Mr Crookall.

**Mr Crookall:** Thank you, Mr Speaker.

Yes, I declare an interest.

**The Speaker:** Mr Hall.

**Mr Hall:** Thank you, Mr Speaker.

I declare a pecuniary interest on this matter, which is entered in the Members' Register, as my wife and I let a property in the Isle of Man, so we are technically landlords.

**The Speaker:** Thank you very much, Hon. Members. That is very helpful.

I call on the mover, Mr Robertshaw.

**Mr Robertshaw:** Thank you, Mr Speaker.

Before I begin, I would like to inform Hon. Members that I am not a landlord myself, but members of my immediate family are. I know that there will be others in the House who may be speaking to also indicate their position.

One of the three priorities of this Government is to protect the vulnerable in our community, and this was the initial policy driver for this Bill. The Government pays out approximately £4 million per annum in benefits to individuals for housing support. These are people on low incomes, and research demonstrates that they are the most likely to live in substandard housing; therefore, the public purse is not being used effectively.

As we have progressed with this work, it has become apparent that light-touch regulation of this sector is vital due to the increasing trend towards private renting – a trend driven by issues such as the limited availability of mortgage for first-time buyers. In the UK, private renting has now overtaken the public sector for the first time since the 1960s.

One of the main aims of the Bill is to introduce a central register for all private rented properties across the Island, because currently we do not know how big the private rented sector is, but evidence from the UK shows that the sector has nearly doubled in the last 10 years.

Also, due to individuals seeking greater investment returns on savings, there has been a growth in the number of landlords with only one property. Not surprisingly, therefore, many are unaware of their responsibilities under existing legislation. In the same way that employers running smaller companies find employment regulation helpful, I am confident that people with little or no experience in the rental sector will be guided by the scheme and find it helpful.

As Hon. Members are aware, there is some existing legislation in place that governs the relationship between landlords and tenants, and some have questioned the need for additional legislation; so I will turn now to the gaps in existing legislation provision.

Firstly, the Island has no comprehensive information on the exact size of the private rented sector. Members have raised the point that there are lists held by local authorities of flats, and now houses, of multiple occupancy; however, for flats, these are only when first built or converted, and so there is no up-to-date information on ownership past that point. There is no record of overall numbers of landlords or private rented properties across the Island, as individual houses are not registered.

Secondly, because of this lack of information, enforcement on property condition is reliant on receipt of complaints from a tenant. They are reluctant to do this for fear of repercussions and research shows that the more vulnerable are the least likely to complain. There is real vulnerability here for some tenants, and those who attended the presentation will recall me talking about one particular tenant I found to be in quite dreadful circumstances. She was doing her utmost to provide for her children, and despite the unforgivably low standard of the property – penetrating damp in the children's room, rotten floorboards, totally inadequate heating, non-existent insulation, draughty windows and doors and totally botched cowboy repairs – she nonetheless defended her landlord to me. I spoke to you about the Stockholm syndrome.

People like this feel trapped and it impacts heavily on their health and well-being. Do not underestimate the profoundly damaging impact this type of property is having on outcomes for some of our families. (**A Member:** Hear, hear.) If in *any* doubt, please talk to our public health doctors and seek out their views in this regard, and they will tell you. In addition, without any central register, currently when inspections take place officers have no way of knowing if the landlord has other properties which are being let, which may have similar problems.

As mentioned previously, with the growth in landlords, many are unaware of their obligations under existing legislation, which can cause problems for them and their tenants. By introducing mandatory registration, all landlords will be aware from the beginning what their rights and responsibilities are, thus providing greater protection and comfort for both parties.

The Island is not alone in seeking to address this issue of regulation for the private rented sector. Other jurisdictions either have registration schemes in place or are bringing legislation forward to

address the issue. In developing this legislation, the Department has looked at the numerous examples of schemes for private landlords elsewhere.

In terms of other European countries, private renting has been historically a predominant housing option. Therefore, regulation is much stronger, particularly in relation to rent control and protection of tenancy. Their legislation goes much further than we wish to here.

In the UK, under the Housing Act 2004, individual local authorities are required to register houses of multiple occupancy, but local authorities can also introduce selective licensing schemes; and indeed, in the last few years, local authorities have introduced such wider schemes – for example, Newham in London now registers all private rented dwellings. Licence costs vary between authorities, but can be in excess of £1,000 depending on the number of properties a landlord has. Failure to license is an offence under the Housing Act and carries a maximum fine of £20,000. Research has shown that selective licensing has not adversely affected the private rented market. Furthermore, both the Labour and Conservative parties have indicated clearly their intention for further regulation of the sector going forward.

Turning to Wales, under their proposed new Housing Bill, landlords and agents will be required to register and become accredited with a local authority. Landlords and agents who do not sign up to the scheme will be guilty of a criminal offence with *no* maximum ceiling placed on the fine level. The proposed registration fee to join the scheme will be £50, plus an annual administration fee of £20. Landlords and agents will also be required to pass a fit and proper test to become approved and will then have to complete an accredited training course paid for by the landlord.

In Scotland, registration for landlords has been mandatory now since 2006, and landlords register by authority area. Registration costs £55, plus £11 per property. There is a maximum fine of £50,000 for being unregistered.

In the Republic of Ireland, a very different scheme operates, whereby the tenancy itself – each and every tenancy – is registered. Registration costs €90.

Northern Ireland has its Housing (Amendment) Act, which has been passed and will introduce mandatory registration for landlords. Registration costs £70.

The Department has used evidence from other jurisdictions to create legislation that is actually unique to the Island. The proposed legislation takes account of existing legislative provision, the Island's size and the nature of the housing market.

The Bill has three main elements. Number one is mandatory registration. The legislation will require all landlords of private rented properties who are not exempt to be registered with the Department. If they are not registered, it will be illegal for them to operate. This will create a central register for all private dwellings, regardless of whether they are a flat or a house, and will enable the Island to have comprehensive data on the private rented sector.

Number two is compliance with minimum standards. All landlords, or letting agents if one is used, and their rented dwellings will be required to comply with minimum standards. These standards are not set out in the Bill, as the majority are drawn from existing legal requirements that cover all housing on the Island – for example, the condition of the property – but they also include the following. Personal requirements: the landlord must be a fit and proper person, i.e. not convicted of certain offences. If they have been and the conviction is not spent under the rehabilitation of offenders rules, then they can still rent their property but must use a letting agent to manage the tenancy. Letting standards mean that a landlord cannot discriminate against a prospective tenant on the basis of their race, ethnicity or sexual orientation. Property management standards are related to how the landlord must manage the tenancy – for example, ensuring that a tenancy agreement is in place, which provides certainty for both parties in their roles and responsibilities as well as clarity over who does what with regard to repairs and maintenance.

Number three is empowering the Department to enforce against the minimum standards. If a landlord fails to comply with the minimum standards, the Department will be able to take enforcement action. In the same way as enforcement is currently undertaken, the approach will be transparent, appropriate to the age and type of property, and proportionate. Property management

standards will be considered on application to the Department, with key documents having to be submitted – for example, the standard tenancy agreements, an inventory and repairs contact details. Environmental health officers of the Department of Environment, Food and Agriculture will inspect the condition of a property on behalf of the Department of Health and Social Care. They will be the ones authorised to enter premises, as is the case now. The registration scheme that the Bill creates will ensure all landlords are aware of their responsibilities, but the minimum standards are as much about protecting a landlord as they are the tenant, by ensuring tenants' responsibilities are also captured.

The Department launched a voluntary registration scheme in February 2013 so that landlords could better understand the process and feedback could be sought on the process. This has helped the Department begin to dispel some of the myths about how the scheme will operate in practice. There are now over 30 landlords and over 100 properties registered under the voluntary scheme. Registration is a straightforward process. It involves a landlord submitting one form to the DHSC, on which are listed their property details and on which they *self-declare* that they are meeting each of the minimum standards.

If a landlord does not personally meet the requirements of being a fit and proper person, they can still let their property but must use a letting agent. These are referred to as a 'representative agent' under the Bill. A landlord who does meet the requirements can still choose to use a letting agent, referred to in the Bill as a 'nominated agent', but ultimately it is the landlord who is responsible for notifying the Department of any changes to their details or their property details.

There will not be an automatic requirement for an inspection on registration. Instead, officers will conduct these on an information or knowledge-led basis; but, rather than as currently, they will not be predominantly reliant on a complaint from a tenant. Furthermore, unlike the current situation, officers will be able to inspect more than one property in a landlord's portfolio to ensure any issues are not prevalent in all. As currently, environmental health officers, who will be authorised officers under the Bill, will take an open and proportionate approach to inspection and enforcement. DEFA already have a published policy on enforcement, which has clearly defined steps.

Finally, there has been some concern over the level of fees. Interim fees were contained in the draft Bill which went out for consultation, and have stayed the same. The fees for registering are £55 per landlord and £11 per property every three years. To give some examples, a landlord with one property would pay £66 to register for three years – that works out at £22 per year, or 42 pence per week. For a landlord with 10 properties, the cost over three years would be £165, working out at £5.50 per property per year, or 10 pence per property per week.

Let me now turn to a brief overview of the specific provisions of the Bill. The Bill is made up of part 1, the introductory. This part contains the opening provisions. This part mainly covers the Bill's short title and commencement, purpose, application and exemptions in the Bill, and definitions for certain key terms.

Following the presentation on the Bill to Hon. Members, the point was raised that some Members may seek an amendment to remove the exemption for public sector housing. As outlined, one of the main aims of the new legislation is to create one centralised register of private sector landlords. This is already available to Government and the public for all public sector housing. Furthermore, local authorities have to submit performance data to the DHSC, setting out how they meet certain standards, and Government already has powers to tackle local authorities who are failing in their housing duties under the Local Government Act. In addition, there are not similar issues in terms of tenants' unwillingness to complain, as there are complaints processes in place.

Second, it is to ensure that all private sector properties are meeting minimum standards. These minimum standards are not listed in the Bill as the majority are around property condition and are drawn from existing housing legislation. This legislation covers both private and public sector housing. The only additions in the minimum standards are around the standards relating to personal requirements, letting or managing the property, and some of the standards in relation to managing the tenancy. These standards are either not applicable or already apply to public sector housing as

detailed below. The personal requirements in the minimum standards are not applicable to public sector housing as the letting process is undertaken by the local authority or the DHSC, not an individual landlord.

In relation to letting or managing the property, there are standard procedures in place for the allocation and management of all public sector housing, as agreed by Tynwald. To give examples, public sector housing has standard tenancy agreements charging a weekly rent which is payable in advance; all tenants are issued with a rent card or equivalent, which clearly sets out the charges to the tenant – rent, heating charge where applicable, and the rates charged.

Standard procedures are also in place for managing public sector tenancies. Again, to give some examples, landlord contact details are contained on every letterhead, are printed on the rent card or equivalent and tenants' handbooks – including office opening hours, how to report a complaint, or repair and emergency repair numbers. Occupancy levels are determined by the size of the property and are set out in the affordable housing standards.

Turning to part 2 – the landlord registration – this states the offences and consequences of not being registered and contains the details of the registration process and access to the register. Only those with an appropriate interest – for example, a prospective tenant – can be provided with information from the register. I understand there have been some concerns about the provision for giving information to the UK. Information will not be freely provided. The provisions state DHSC *may* provide information, and that would be confirmation of whether a landlord was registered or if the DHSC had taken any enforcement action on any of a specific landlord's properties. We also may share general statistical information for research purposes.

Some Members have raised concerns about the maximum level of fines set out in the legislation, which I should also like to address. The robust penalties contained in the Bill, as with any piece of Manx legislation, set out the maximum amount a court can impose on serious breaches of the law. These penalties represent the final step in a long process of non-compliance, where the landlord has been given ample formal opportunity to address the situation and has refused to do so. The extent of such penalties will be determined by the court, based on the evidence placed before it, *not* the Department. No court would apply a fine simply for forgetting to renew an application or having substandard property, unless there had been a repeated and deliberate failure to put right following the various formal requests to do so. Legal action is only taken when every other remedy has been exhausted and will be used as a last resort against a landlord who has fallen below acceptable standards. The maximum amounts are consistent with other recent housing legislation – for example, Hon. Members recently agreed a maximum penalty for failure to register a flat or a house of multiple occupancy under the Housing (Miscellaneous Provisions) Act in 2011, of £20,000.

Turning to part 3 – compliance with the minimum standards – this contains details on enforcement under the legislation, including powers to enter premises, issue notices of non-compliance and improvement notices, and the power to suspend or cancel registration. This part also states the offences for failing to comply with minimum standards.

Part 4: a review of decisions. This part provides details of the review and appeals procedure under the Bill.

Part 5 – miscellaneous – provides for evidentiary and other matters for proceedings, regulations under the legislation, and other general matters.

Part 6: transitional and consequential provisions. This part of the Bill provides for the transitional provisions and amendments to existing legislation detailed in schedule 2. The schedules contain the definitions and amendments of existing legislation.

Mr Speaker, when the Bill was first proposed, it led to a strong reaction from some sectors; but during the consultation period and beyond, officers have been able to engage and there is now something of a greater understanding of the aims of the Bill and many are beginning to see the benefits.

I have been encouraged by the establishment of the Manx Landlords Association, representatives of which have been meeting with officers from the Department as the Bill has progressed. Whilst

there are still some areas of disagreement, the Association are now seeing the benefits of registration as being in the interests of *good* landlords by protecting them and their profession from the small minority of bad landlords. The legislation will avoid situations where landlords are competing unfairly in a sector where others are not meeting basic standards. It will also ensure potential new investors are not dissuaded from entering what they currently see as an unregulated market, and there is evidence to that effect.

Mr Speaker, during the initial stages of policy development, queries were raised about the potential impact on the Island's private rented market. The Department does not believe that there will be a negative impact. The process, as I have outlined to Hon. Members today, will be *light touch*, and the total involvement of most landlords will be to simply complete the registration form every three years. There is no automatic inspection on registration and we will trust landlords to self-certificate through the completion of the registration form.

As detailed, registration schemes are becoming the norm and are already in place in many countries. Recent research has found English councils which have brought in selective licensing found that it had resulted in a small minority of landlords selling their properties. However, overall there has been little to no reduction in private properties for rent. In addition, the introduction of licensing has seen less churn on the part of tenants and fewer empty properties.

I hope, through the policy presentation to Hon. Members and through the further detail provided in the House today, Members will have a greater understanding of the need and intention of the legislation.

Mr Speaker, I beg to move that the Landlord and Tenant (Private Housing) Bill 2014 be read a second time.

**The Speaker:** Hon. Member, Mr Houghton.

**Mr Houghton:** I am sorry, Mr Speaker, I am not seconding it.

**The Speaker:** Mr Ronan.

**Mr Ronan:** Mr Speaker, I beg to second and reserve my remarks.

**The Speaker:** Mr Houghton.

**Mr Houghton:** Thank you, Mr Speaker.

I think there are quite a number of Members who have got concerns about this Bill, and I think... if I may slightly pre-empt the debate by saying there is a move later that this is likely to go on to a committee, which I would be very supportive of.

First and foremost, Mr Speaker, when the Minister gave a presentation, quite some time ago, on his intentions of bringing forth a Bill, the target that I was asking him to bring about at that time, and hoping he would come back with, was *targeted* legislation at those landlords who were specifically ruthlessly out of order.

If I might just give a couple of instances on that, there are I think at least three very large property-owning landlords on this Island, and out of those three, some of those properties are really poor. (**A Member:** Hear, hear.) A lot of those sit in the hon. mover's constituency, a number of which I have been in. It has been shameful to see, when you have a small family – usually a single-parent family – who are stuck in the basement of a dump flat, running in damp, dangerous, jerry wiring and everything else.

I will give you just a few instances. We all know, we have probably all been in there, and the Member moving this Bill has been in there. In fact, he showed us a photograph of one of the properties in the presentation he gave... of some really poor premises that people are expected to live in, and there is no doubt that legislation needs to be tightened up to deal with that, Mr Speaker.

The jerry wiring was jerry. This is bare wires hanging out of knackered plug sockets. The very best example I can bring was a house in Mona Street that I was in a good few years ago now – it was the best example – where this careless landlord had done a botch-up of the premises... moved walls around with partitions, the partitions were not right and the doors were not hung properly. Do not worry about that: there was loads of vermin coming in under the door and it was awful. But the best was he had put a bath in this room, where there was a light right above it on a pendant set. On the pendant set was a bulb hanging down on a wire, in view of the spray of the shower, on the bulb, and the person using those premises, with a young child, did not realise how dangerous it was. Any of those amongst us who are electrically minded know that in most premises there is no protection on lighting power. The lighting power is not protected by earth linkage arrangements, as it is on power supply. But you can forget all this: these were old wired-in... a fuse wire situation that went out with the ark, *long* after the ark. It was highly dangerous. I got that particular tenant out of there within a week, and told them not to use the shower in the future, and so on; but of course I am not certain what actually happened after that flat was vacated. It might have been re-let again; I just do not know. That is what I was looking for in this legislation – targeting, where environmental health officers have real power to deal with those circumstances in particular.

I have been in many dump flats. On other occasions, some of the landlords had keys to the premises and were actually entering the premises, without the tenant's knowledge, when the tenant had just come out of the shower, or what have you. This was wholly wrong, disgraceful behaviour – that still goes on, Mr Speaker. We understand landlords having keys to property, but they may not enter without the tenant's knowledge and understanding or prior arrangement. We all understand all of that.

So that was the power of the legislation which I was hoping the Minister was going to come back with in order to deal with those specific examples, of which there are many – and I mean *really* deal with them, not doing what happens on many occasions with Government legislation, where you always hit the good guy.

There are a lot more landlords now who have been pushed into buy-to-let properties because of the lack of interest or return on capital investments in banks and elsewhere; but in those cases, where someone buys a very nice house and puts the whole thing in really tip-top order and then leases the property out, they themselves fall foul of really bad tenants. I can tell you of dozens, and I am sure the other Members in this Hon. House can tell you of dozens of complaints about tenants making a mess of properties, ill-treating them and leaving the premises, when they have left usually owing thousands in debt, in unpaid rent... the property has been smashed to pieces, in a really bad state and so on. That is something that happens a lot, Mr Speaker.

In my former life in the Isle of Man Constabulary in the past, you would go into flats after a drugs raid and see these dumps – which were not dumps when they were actually let out by well-meaning landlords – where the place was totally wrecked: they had even had fires in rooms, they had sawed up floor boards, they had done all sorts of things. It is unbelievable. You really do need to get into some of these flats to see what I would like to say 'rogue tenants' have actually caused to people's properties. (**A Member:** Hear, hear.)

I list a number of issues here that those well-meaning landlords – and that is most of them probably; I do not know, I would say 70% or 80% of landlords – who keep their premises and let their premises to a very high standard... When they get the premises back, by fair means through the court – longstanding waiting cases going to court, then the eventual possession order, then the eventual eviction, and even then the Coroner will not play ball and get them out on the date of their eviction etc – the place is an absolute wreck of a place: it has been trashed time and time again.

What I would ask the Minister is where in the legislation is the protection for well-meaning, high-standard, good-meaning landlords? (**Mr Quirk:** Hear, hear.) Where is it in this legislation? Because there are two sides to this: bad tenants, of which there are very many; and bad landlords, which we need to target more specifically. *Not* the good guy. We always shoot the good guy in legislation and let the monkeys run off still, where they are able to do so.

What I was hoping to see in this legislation was, for instance, a list – a way, a meaningful list, by fair means or foul – of bad tenants, badly behaved tenants; because when that tenant moves out, he moves out into another tenancy. He does not buy a first-time buyer's house, or what have you. Those sorts of people leave their flats in good order and get their deposit back.

Where is the list? Where is there a list that the Department could hold to warn other landlords of bad tenants and their behaviour – that is, their antisocial behaviour? By gosh, there is some antisocial behaviour that goes on in tenancies. The couldn't-care-less tenants keep the rest of the block of flats awake at night with bad behaviour and loud music. Of course, I have been to this Hon. House before and got legislation under the Noise Act to deal with that, so that is a lot less, but it is still there: people banging doors, jumping up and down and all the rest of it all night – because they have been asleep in the daytime when other people in that block of flats, working, have been out in the daytime. They are sleeping, and while those hardworking people want to sleep, the good tenants, they are being upset by bad tenants. Where is the strength in dealing with that?

The contravention of the tenancy agreement, and I am talking about in the larger pale of... the significant aspect of bad behaviour and easy means of immediate eviction. Somebody says, 'Oh no, but they have human rights. The person that you are going against has human rights. He might not have done that and he might not have done this.' So you might get an officious landlord, who might want to throw this tenant out because he just wants to do it, blaming other things on him. So I turn to independent sources that eventually eke their way through to the courts under the system that we have, and that is the Isle of Man Constabulary. They are the ones who are visiting these premises late at night and see and hear all the bad behaviour. Perhaps a senior police officer can sign an immediate order of eviction after a drugs raid to get that bad tenant out and then get them on a list of tenants who do not know how to behave themselves. A bit harsh, and a lot of people call me for being harsh with harsh ideas; but when you are out there in the street, dealing with thugs and hooligans and criminals who could not care less and who are above the law – because that is what they are – then what chance has the landlord got? Where is it in the Bill to deal with things like this?

I have dealt with non-payment of rent; but in the non-payment of rent, shouldn't there be an easier way to have them evicted? A bit of thought in it, a bit of thought given to the boldness of it, because if a tenant... and the courts look at these tenants in a whole different way than the actual landlords do, where they are given more time, and 'Oh, well, try and pay it,' and this, that and the other, and there are methods for the former DHSS – the DHSC now, or whatever you call them... We keep changing the name of that Department more than we do our laundry, don't we, these days? (**A Member:** Hopefully!) But the DHSS that everybody understands, because it is still there in the thing, isn't it, when landlords say, 'We don't want any DHSS tenants in the properties' – and you can understand why, but there are an awful lot of really good DHSS tenants, a lot of them. So it is the ones who are misbehaving who are the ones we want to deal with.

Mr Speaker, also damaged premises. I mentioned that earlier, but that is a huge add-on to the cost of a business of a landlord. When the premises are damaged, there is usually non-payment of rent. It can take an age to get them out, so that runs into £1,000 or £2,000 – and I will bet I am being miniscule on that. There are the damaged premises that cost a fortune to do up, and then the time that those premises are offline is a loss of main profits to the landlord. Where in the Bill is there some credible protection for dealing with that? Because it is not fair to a business and a landlord, renting out domestic premises, that they are not properly protected, and that is what I wanted to see in the Bill.

So if I could summarise, Mr Speaker, and I am sure there will be other Members saying the same thing, but if I can summarise... Strict targets of legislation at the cowboy and rogue landlords, of which most of them are not, and very swift action within powers for the environmental health officers to deal there. And then, for the case of protecting landlords, very strict legislation that is supported and has to be supported by police evidence, because they are the people on the scene and it usually ends up in that particular area where the police have to attend upon premises, time and time again, like I have already mentioned. So they could file a report that is quickly dealt with

and more quickly leads to that tenant being evicted because of his behaviour and all the rest that goes on in the premises of those tenancies – and there are a great number of areas that really need to be looked at.

So I will leave it at that, Mr Speaker, but I just wanted to set the scene on all of this because there are two sides to every story and there are two sides to this story.

Thank you.

**The Speaker:** Hon. Member for Douglas South, Mr Cretney.

**Mr Cretney:** Thank you, Mr Speaker.

I rise to strongly support the Second Reading of this Bill, as I have since prior to the last General Election.

Like a number of Members, I attended the presentation put on by the Department recently, and amongst the first slides were pictures that I have seen many of over the years, in terms of inadequate and even squalid, at times, accommodation. Housing is and remains the biggest issue that I receive representation about, and that is in all its forms. I have been pleased to have played my part in a number of improvements, but *much* remains to be done.

I said at the presentation, and repeat here, that with the massive investment in the public sector housing stock over the last 20 years, there is no question that we have witnessed significant improvements, but I am aware from first-hand experience that in some areas in the public sector there remain serious problems about its condition. Some elements of the private rented sector remain in very poor condition. I have recently visited properties in the private sector, one of which was in very poor condition and the landlord, who lives off Island, was not responding to concerns expressed. This new proposed legislation would have assisted that Manx family.

I made it clear at the presentation that it seemed that this legislation and the problems highlighted by the slides should not only apply, as it seemed to me, to the private sector, but also to public authority housing and agricultural workers' dwellings, and I have made that clear publicly.

I have since been in extended dialogue with the Attorney General's Chambers and legislative drafters, and latterly the Minister and senior housing officers provided me the opportunity to express my concerns about issues that still apply to publicly owned properties. These include, on occasions, maintenance work not being carried out on a timely basis, or at all sometimes. They include the situation where local authority houses have remained vacant over an extended period after a tenancy is finished. They include major issues with damp ingress in areas and a number of other concerns where we are all aware that ultimately the taxpayer picks up the deficiency on local authority housing.

Can I say here, as I did in the meeting, that the senior housing official at my local authority, in my opinion, is doing an excellent job in trying to make the housing system repairs and allocations much fairer and efficient, and I am sure he would agree that a major task still lies ahead.

What became apparent in my discussions is that much of the proposed legislation in this Bill already applies to local authorities and agricultural workers' tenancies. Government is clearly already aware of what property is owned by which public sector body. Public sector tenants or their representatives, if they are doing their job right, are not reluctant to report issues for fear of intimidation or threat. Local authorities have to submit performance data to the Department about how they meet certain standards and Government already has the powers to tackle local authorities who are failing in their housing duties under the Local Government Act.

From my observation, there is no doubt, however, that this element should be subject to an ongoing and healthy challenge and debate on behalf of tenants, as I have outlined previously.

In my opinion, good landlords, who are the vast majority, have nothing to worry about in the proposals before us today because what the legislation proposes is that all private sector properties are to meet minimum standards not listed in the Bill as they are drawn from existing housing legislation which already applies to both public and private accommodation.

If I can respond just a little, and I am sure the Minister will do it much more adequately than I, but in terms of the Hon. Member for North Douglas and his comments, all I would say is that all legislation, sadly, has to be framed in a way that it tackles those who abuse areas of our life. That is why, in my opinion, good landlords have nothing to worry about; but bad landlords, look out, because it is about time we caught up with you. (**Mr Houghton:** Hear, hear.)

On that point, I was assured at the meeting I had that the housing review that has been taking place will lead to improvements in the areas I have outlined around efficient maintenance and management of the public sector housing stock. I can assure the Department that I, and I am sure others, will be challenging it to deliver on this.

In relation to agricultural workers' dwellings, I have been given assurances that such properties already have to meet all property condition standards and environmental health officers can take action to enforce this. Having come across some very poor accommodation in this area in the past, I do hope that such standards can be properly enforced. The reason it is not appropriate for these properties to be included, I have been advised, is that they are contained in the Agricultural Holdings Act 1969 and Agricultural Tenancies Act 2008, which provide unique conditions and rights of redress for the tenants of those properties. I am not aware of how these operate in practice, so I have accepted such advice at face value.

There can be very few areas of life that are as important as decent housing. If we truly are an inclusive society that cares for the vulnerable, I believe we not only have an obligation to support this Bill, but to support and encourage the Department to ensure we continue to see an ongoing improvement in the housing stock, which in a number of areas is clearly overdue. This includes ensuring legislation is up to date and appropriate and that management of the stock in both public and private sectors is efficient and continues to improve in terms of its quality and the impact of those who live in it.

Mr Speaker, I strongly support the Second Reading of this important piece of legislation.

**The Speaker:** Hon. Member for Ramsey, Mr Singer.

**Mr Singer:** Thank you, Mr Speaker.

Taking up a couple of points made by the previous speaker, I also wanted to just comment on the exemptions in the Act of certain privately rented tenancies. If we come on to the agricultural tenancies, and I certainly have not received any assurance as the previous speaker has, but I would think that tenants need coverage under this Act to ensure that they have equal protection. (**A Member:** Hear, hear.) We do not need two Acts. We should have everybody protected under the same Act. (*Interjection*)

Secondly, the exemption of holiday home lets: I think anybody who is in a holiday home let deserves a minimum standard of protection. They book a holiday, they come across and they walk into a premises and they do not know what standard it is going to be. Also, we do know that many holiday lets have become long-term lets, and we know certain people who will, probably illegally, let their holiday lets over the full year.

If I can then refer to the local authority housing, I think most Hon. Members here from time to time do receive complaints of problems that are not resolved in a reasonable amount of time by the local authority. Those tenants then have no further action they can take against the local authority and therefore they need the protection if the local authority behaves occasionally as a poor landlord. So I really think we will need to look at these exemptions. I do not see why we should...

Under this Act, we do not have the level playing field that we are saying we need, and therefore I really think these exemptions need to be looked at, and the exemptions that I have mentioned actually need to be incorporated into this Act so that everybody has equal protection.

**The Speaker:** Hon. Member for Douglas East, Mrs Cannell.

**Mrs Cannell:** Thank you, Mr Speaker.

I agree entirely with the comments made by the Hon. Member for Ramsey, Mr Singer. The fact of the matter is the Isle of Man does not have a homeless persons Act, which is a safety net for all these places that the Minister, when moving this morning, has quoted in terms of what provisions they have, what licensing scheme they have, how they deal with this, what their charges and their fees are. The difference here is that they have a homeless persons Act to fall back on and we do not.

So you take an example of a small landlord, someone who owns a property, lives in part of it and rents out the rest of it perhaps to one or two tenants. That person becomes registered, but one of the tenants makes a complaint. Environmental Health come in and give that landlord – this small landlord who is living in the property as well – a long list of works that the environmental health inspector requires to be done to the fabric of the property. We are looking at a Victorian property, of which there are many in my constituency. The landlord looks at that, he gets builders in, he gets quotations in, he works out how he is going to do it, how long it is going to take to do it, and his finances; and he discovers that he cannot do it within the time framework that is given to him. So he goes back and he tries to barter a deal with the environmental health inspectors to give him more time, but there is no **(A Member: Discretion.)** security of knowing that you are going to be able to bargain for more time.

So what does a small landlord do? Well, he or she, the first thing they are going to have to do is to serve a notice to quit and go for an eviction order in order to get the premises empty, in order to spend the money over a reasonable period of time to bring the property up to scratch. In the United Kingdom, if that were to happen, the onus would be on that landlord to find alternative accommodation for those tenants whilst the work was being done. That is the difference.

So, please, Hon. Members, do not be swayed by what the Hon. Member has done, in terms of his research – and I am pleased they have researched other jurisdictions away from the Isle of Man, but the one key element that they have, and we have not got, is a homeless persons Act. That is the first point.

The Hon. Member moving the Bill said this is light-touch legislation. There is no such thing as light-touch legislation. *(Laughter)* It does not exist. There is no legal definition for 'light-touch' legislation.

What he did say is that landlords should not be fearful of this new Bill coming forward because they have to self-declare the minimum standards. Currently, as the law stands, if you register your property for renting out, you are subject to an inspection, which is the right way to do it. If you register a flat and you want to rent it out, it is inspected to make sure that it complies with the minimum standards – which are not going to change, according to the mover. We are reliant upon other legislation to provide the minimum standards. So that, to me, is a backward step and not a forward step, the self-declared standards.

I think it is a big mistake that if landlords are going to have to apply for registration on a mandatory basis they are not automatically inspected, because what this legislation is is another piece of legislation that is going to be reactive and not proactive. So, in terms of the Hon. Member for North Douglas, Mr Houghton, he wanted targeted legislation, and I do not blame him, but this does not provide for that. **(Mr Houghton: Hear, hear.)**

The only minimum standards being provided here are in terms of... the Minister said there will have to be a tenancy agreement. I have no problem with that. For every tenant there should be an agreement with the landlord, in terms of who is responsible for what.

I am a bit curious that a landlord who has an unspent offence cannot be the landlord but is allowed to enlist someone to act as the landlord, such as an agent. I cannot see the rationale of that. What does it matter if someone has an unspent conviction? If they are a good landlord and they are providing a good roof over somebody's head, why can't they continue to be the landlord? I do not see the rationale for that to be included in any kind of law.

The Minister said the voluntary registration scheme that he brought in, we criticised – some of us criticised – when it came in because we knew that what would happen is that the heavy hammer

would come in with legislation to make it mandatory. The Minister said he was quite encouraged that 30 out of 100 properties have registered. Well, actually, my intelligence is we have 70 landlords on the Isle of Man – they may well own 100 properties between them, but 30 out of the 70 went on the voluntary register and the others did not because they were not in agreement with the ethos that was being used in terms of bringing forward this legislation.

So what do we have in this new law? What we have is that the tenants have got extra rights. The tenants already have quite a large number of rights under the Housing (Miscellaneous Provisions) Act 1976. That is going to stay, so everything in terms of the enforcement of non-compliance of minimum standards will fall back onto the 1976 legislation, where the tenant involves Environmental Health and Environmental Health gets involved... or, for non-payment of rent or disruptive behaviour or damage to the property, notice to quit and then an eviction order is sought and it goes to the court. The Hon. Member for North Douglas referred to this. The Deemster has the power, under the 1976 Act, to defer and stay the execution for up to one year. So that is not going to change; that is going to stay as it is. *(Interjection Mr Houghton)*

How is this Bill going to address the fact that there are in fact a lot of property owners who go through an agent to rent out the property, but they actually live abroad? Currently, under the existing legislation, which will stay in terms of enforcement, the local authority will chase a private property owner for... and I have got three properties in Douglas East where they have been abandoned, they are not habitable – they are mid-terrace and they are causing *huge* problems to the adjacent properties in terms of rising damp and all the rest of it, and the local authority, in trying to pursue rights for the people either side, can do very little about it because the owners actually live abroad.

There was one case recently with a property in Derby Road, where in the end a sheriff in South Africa had to be engaged to try and hunt down and find the owner to serve a notice on him to tell him that, if he did not do something pretty quick, this property was going to be acquired by the local authority or it would be up for auction by the Coroner – it would be wrested by the Coroner. It took nearly *five years* to achieve that.

So what does this new Bill provide? Does that improve that situation? No, it does not. It does not, so it is not dealing with the fundamental issues. The only thing it is really dealing with is forcing for the first time a landlord to become registered, and if they forget to renew their registration they have got problems. They could be fined, they could be put in prison; but furthermore, if they have a tenant who is renting that flat during the period of non-registration, because the landlord has forgotten to do it, that tenant can claim back all the rent they have paid during that period. *That* is new in here. Where has that come from? Why do we need that? The Bill is not dealing with the fundamental problems that we have had in terms of the private property market. It is not dealing with them, but it is upsetting the market – it really is.

I am in agreement that there should not be as many exemptions in the legislation as there currently are. Mr Singer mentioned about the holiday accommodation. I know that there are flat dwellers who will always be flat dwellers because they like living in flats and they like to move around. They move around and they shop the market, and what they do, many of them – not all, but many of them, single people usually, will actually approach the landlord of a private tourism flat to see if they can rent it in the winter, because they can rent it cheaper in the winter than they could in the summer. Then, at the end of the winter, they will go back to perhaps another favoured landlord, where they have had good premises, a good relationship and the rent is not too dear, and go back into that flat.

We have a transient population within the flat market, and Douglas East, my constituency, accommodates the largest proportion of the transient population. I have represented that area for 18 years in here and three years as a local town councillor. I understand the market. I know of all the problems, and I also would echo that there are some *appalling* places where people are living, where you can see slug trails all the way through on the carpet – if you can call it carpet; it sticks to your feet when you walk in. I am not saying something does not need to be done about that; quite

the opposite, what I am saying is that this new law that is being proposed is not harnessing any of that. It is tinkering with the market.

No impact assessment. We are at a time when the economy is struggling. The mover of the Bill said that the private rental market is growing. Yes, it is, and why is it growing? Because there are many people unable to sell their property, but they are still forced... because of their job, they have had to relocate and go back perhaps to the United Kingdom. That is happening a lot at the moment, so people are wanting to rent out their property because they are unable to find a buyer. So yes, that is growing and it will continue to grow.

So we need to be mindful of what the impact is going to be on this market, particularly in view of the fact that we have no homeless persons Act. If we had a homeless persons Act, I would feel a little bit reassured that there is a safety net for people; but there is not, and what we could end up with is a lot of people... and the Minister said that there is some evidence that it happened, I think in Wales, when the regulations came in and some of the small property owners, the landlords, threw in the towel and said, 'Well, enough is enough. I cannot be doing with this. I have got a lot of paperwork to do and a lot of responsibility now in terms of just making sure all the fire equipment is tested and I comply with all the fire regulations. Oh, I'm not doing this anymore.'

The other thing that has not been mentioned yet but might come up is this toilet charge of £50 a year. I have spoken to some small landlords, responsible landlords, and they said, 'I cannot pass that on to my tenants. Some of my tenants have lived with me a long time. They are still on the same rent. I have never increased their rent because they are good tenants. I cannot now impose this toilet charge. I will have to cover that.' This is what this legislation is targeting: the small sector, the good sector, the responsible sector, whilst the big boys will still get away with murder.

There is a lot more that could be said, but I am not going to say it. (**A Member:** Hurray!) What I would say is that I will not be supporting Second Reading. I am disappointed that the next Item on the agenda is subject to the Bill receiving approval of Second Reading. What I will say is this: before we even get to the vote and the end of this debate, this definitely needs to go to a committee of the House. (**Two Members:** Hear, hear.) It *has* to go to a committee of the House because it is tinkering with a market that is *very* sensitive and very important in terms of putting roofs over people's heads, and we do not have the caveat of a homeless persons Act, which we *should* have.

Thank you.

**The Speaker:** Hon. Member for Onchan, Mr Quirk.

**Mr Quirk:** Thank you, Mr Speaker.

I would just like to echo the sentiments from the last speaker, and also Mr Singer from Ramsey.

First of all, if I could say that the consultation exercise that was done some time ago in 2013, the original consultation response was that the landlords themselves... 67 people responded to the consultation. That was, in percentage terms, by the Department's own figures, 47.9%. Over nearly 50% of the responses came from the landlords themselves, and we know what they said because it is in here. There were a number of local authorities that submitted views... [*Inaudible*] I have not been able to gain any of those, whether they think it is quite sensitive or not, but maybe in the life... or maybe in the *short* life of this Bill they will come out.

What gives me a concern, to the Minister, is when in his opening address he said that his Department has been consulting with the Landlords Association all the way up. I do not believe that is correct, and I am sure the landlords who were waiting for further talks with the Department... I know the committee has had talks with the Department, the officers concerned. I think they have had one meeting with the Minister at an early stage. But, hey-ho, we have a meeting, I think it is on Thursday, and I am sure somebody will probably just nod to me there... Wednesday it is, at the South Douglas Old Friends in Finch Road –

**A Member:** Available for Bar Mitzvahs!

**Mr Quirk:** Yes, available for parties and Bar Mitzvahs... where the officers are going to explain the finer points of the Bill after the consultation exercise, which one would have hoped the Department would have done a little bit earlier, and for reasons I do not know, it has not been able to happen. But the Bill has gone forward before the second bit of the consultation exercise or the explanation to those people who are going to be affected is going to take place, and I think that is quite peculiar. It does not need to be rushed.

If I could say that if we are bringing legislation into the Isle of Man, then it has to be fair to all the citizens of the Island – that is whether they are tenants or they are landlords, and I do not think this is... The Bill does say ‘Landlord and Tenant (Private Housing) Bill’, and a number of Members have already hit on the thing that it is skewed and one-sided.

Where is the fairness in play for those landlords who are fair? There are some of them, and we do have legislation, current legislation... We have four sets of legislation that have been in for some time to tackle those other issues that have come about. I have not had any explanation from various Departments. One agency is with Agriculture and Fisheries, the environmental health officers. I would like some facts and figures from the Department too, because a lot of people quote damp, and I can say that 90% of the damp issues are condensation, mostly to do –

**Mr Henderson:** That is a load of rubbish, Mr Quirk.

**Mr Quirk:** It is, Mr Henderson, (*Interjection Mr Henderson*) and in the coming months – (*Interjection Mr Henderson*) sorry, Mr Speaker – I will actually prove it to Mr Henderson, and maybe he can eat his words.

**A Member:** It will be a long day for you.

**Mr Henderson:** If you come up to Willaston –

**The Speaker:** No private conversations, please.

**Mrs Cannell:** Hear, hear.

**Mr Quirk:** Thank you, Mr Speaker.

Maybe some of the Members are realising and they getting a bit worried.

I can also say that the Environmental Health Department have an onerous job to do sometimes with some of these in making that fine judgement and balance. Well, here we have in the Bill, and the Minister’s words here today, that some of the environmental health officers will take a courteous view and look at each situation; but the legislation quite clearly says that if you are in default, something happens. You can go to court.

I have, if the Minister is not aware, also taken advice from the Attorney General’s department on some amendments, and I will be... and I hope the Bill does not get its Second Reading... I will put that. It is a shame it does not go to committee first, but I will be supporting it if it does go to committee because it needs examination – which brings me to the consultation exercise again, where a number of advocates and the Law Society are a consultation organisation. I know for a fact, because I have spoken to a number of advocates in private business and also large advocacy firms as well, who have indicated that the legislation may not be drafted in the best way for the Isle of Man, never mind the parts it is supposed to regulate, which I have already said is the landlords and tenants, and maybe in the future would give the courts some difficulties, which brings me to a point where were the Minister is saying that the tribunal will be the rates and valuations tribunal to examine difficulties or disputes in there.

I would like to see, as Mrs Cannell said, something in the Bill that gives the Bill a bit more wow factor for the future, that the landlords can take an issue to the tribunal, if that is non-payment of

rent or a dispute over the property, the conditions in the property there, and that tribunal will make a decision in about say six to 10 weeks. That is something new that the Minister could do, and we are here in the Isle of Man – we can do things differently.

We are talking about 5%, or less than that, of landlords who are bad who need to be addressed. I still think it is strange to me to find out why the Government agencies we have got at the present time are not tackling that 5% by putting a prohibition notice on them or an improvement notice on them and dealing with that particular issue.

The concern I do have as well, Mr Speaker, is regarding, at the moment... and I agree with the Department's view that they need a definitive list, and I do not know why you could not have actually approached the Landlords Association and said to them, like you have done with some other charities, to say to them to provide a definitive list and provide it for yourself. The concern I have with the law element too, the £20,000, for which I have some amendments listed as well, is that if a tick boxing exercise fails and we have a person, a JP, a judge or a Deemster who makes a definitive decision in law which then gives a landlord something against his reputation for the future, it seems to me quite strange.

The other parts in the Bill... I just wonder whether the Minister is driving the Department of Social Care, which I am a Member of now, but I know my Minister had a pre-declared issue before he became a Member on that. In that particular Health and Social Care Department now there is enough in that team to address these particular issues without actually bringing this Bill forward. The local authorities themselves hold the registers and have done for some years. Where the Minister was indicating... I think he meant the UK actually bringing improvements there. I have looked at the registers on a number of local authorities. I have yet to see the register, which you are entitled to see. The Minister says, 'Well, if I become a tenant, I can see the register that is held by Douglas Corporation.' You cannot see that register now, because it is not in book form anymore, because the law of the land says that, because they put it in an electronic version, you cannot see it under the Data Protection Act. Well, that is a bit strange, isn't it? But the law says if you have kept it in a book form, which they have done in other local authorities, then I can examine it. I could take copies of it.

**Mr Henderson:** A data request –

**Mr Quirk:** So there are strange things in this particular Bill, and I still think that, to put good legislation together for the benefit of the two parties here – which are the landlords and the tenants, and the Isle of Man as a whole and our reputation – maybe we should be taking that step back and examining it a little bit more. I would plead with the Minister to use the committee to do that. I know there may be some concern with the Minister regarding the sending to a committee, but by including a date in it, by even saying that the committee reports by October 2014, it does not cost you a lot of time, but what it does do for the Isle of Man residents is it brings a Bill forward that is sound and has engagement from both parties on the Island.

**A Member:** Hear, hear.

**The Speaker:** Hon. Member for Douglas West, Mr Thomas.

**Mr Thomas:** Thank you, Mr Speaker.

If the Second Reading is successful, I will be moving that this Bill is referred to a committee, and so I will reserve my remarks to making that motion later. But at this point, I just wanted to say that I will be voting for the Second Reading and explain why, and in that context explain why I think it should go to a second committee, very briefly.

The first point is that the aim of the Bill is to protect the legitimate interests of both landlords and tenants, and who could disagree with that? That is why I will be supporting the Second Reading, but

it has got to be a balanced and fair approach to both and as we have heard today, we need a committee to investigate whether that is the case.

The second objective for the Bill is to ensure there is clarity of the rights and responsibilities of both parties, and who could disagree with that? That is why I will be supporting the Second Reading.

But this law could muddy the waters. I believe it has the potential to do so and that is why we need a committee. Any Bill with 69 clauses and two schedules – the second of which changes quite a lot of existing legislation – needs a committee to look at it, a legislative committee, in the same way that in 2010 the Criminal Justice (Miscellaneous Provisions) Bill needed a legislative committee.

**The Speaker:** Hon. Member, just to be absolutely clear, we are not debating the merits of the committee at this stage. We are very much in the second stage reading of the Bill itself and its content. I appreciate, when you indicated you were reserving your remarks, I think what you meant was that you would elaborate further on the case for a committee, should that be moved; but at the present moment we are discussing the Bill itself.

**Mr Thomas:** Thank you, Mr Speaker.

I agree entirely with your understanding of the way I am going to make my presentation and make no remarks.

So at this stage, completely independently of the need for a committee, I just wanted to say as well that if there is a need for extra education around the responsibilities of landlords, something that has not come up, we should bear in mind that there are other approaches that could be taken and I wanted to put on record in this debate. For instance, under the Housing Rent Control Act 1948, we have the ability to refer rent matters to the commissioners, although there have only been eight such referrals in total in the five-year period from 2007-11, and that is something we should be looking at.

Also, in the presentation that we had, it is very clear that £4 million is paid annually to provide support in relation to housing costs, and if that is the case, why can't the Department of Social Care look more closely at how it pays its money without actually having this big scheme?

So, in essence, in this first part I wanted just to say that my basic belief is that enforcing current landlord and housing regulations equally between the private and public sectors around the Island and informing the public better, whether they be landlords or tenants, is the primary thing and I hope that we can actually... I will be supporting the Second Reading. This Bill can contribute, but only to an extent.

**The Speaker:** I call on the mover to reply. Mr Robertshaw.

**Mr Robertshaw:** Thank you, Mr Speaker.

Turning, first of all, to Mr Houghton's comments, he spoke of tighter targeting towards specific landlords. I think I have to say to that that every jurisdiction that has faced this challenge has and is effectively moving to the same conclusion that broad-based registration is necessary. It simply is not possible to necessarily isolate bad landlords and treat them separately. One has got to know who they are and one has got to remember – and I have repeated this a number of times – that a vulnerable tenant is the quietest of all.

Today, we have significant support from landlords in the public gallery, and it is good to see; but a landlord, in broad terms, is a competent, articulate person who can let their views be known, and I think all Members have been recipients of that, but there is a silence from the vulnerable. (**Mr Henderson:** Hear, hear.) (*Interjection*) Hon. Members do not hear the vulnerable, and if we have one duty above all else – and it is one of the three main colours of this administration – it is to protect the vulnerable. Hon. Members, we have to listen to the silence; we have to know where that vulnerability is. Broad-based registration helps us in that extremely important task.

Mr Houghton also used the phrase 'hitting the good guy'. I do not accept that at all. I have tried to... and thank you, Mr Speaker, for the House bearing with me in what was quite a long reading on my part. I did want to get through a lot of issues because there has been a significant amount of smoke and mirrors, and myths developed around this Bill – sometimes, I would argue, to distort the facts, and I find that very unfortunate; but talking about hitting the good guy is not right.

As has been articulated by a number of Members, there are quite a few landlords with a single property or a couple of properties. They come into that new. They have never had to engage in anything like this in the past. I am absolutely convinced that the process that we are asking them to go through in registration will be enormously helpful to them in that process and inhibit the possibility of them getting it wrong. This is not about hitting the good guy, and I do not believe for one second that we are hitting them financially – I have indicated in my opening remarks that we are talking about pence per week – and it is not intrusive, and it is not bureaucratic.

I think Mr Houghton touched on a particularly important point about the courts. He spoke of perhaps landlords not getting a fair deal in the courts, and I have some sympathy for that view. But see it from the courts' point of view. If the courts could see that they were dealing with a registered, well-respected landlord who was complying with a range of criteria, then I would argue to Hon. Members, Mr Speaker, that this would allow the courts to see the landlord's position with a greater degree of empathy than has thus been the case, because I think the tendency towards being unsympathetic to landlords is borne out of not being able to see a regulated market. A regulated market will help the courts to provide greater degrees of understanding.

I am grateful for Mr Cretney's comments. He has shown a deep interest in this legislation. He did quite clearly articulate his concerns about public sector housing not being within this particular Bill. Others have argued about agricultural housing not being in it and others again about tourist sector accommodation not being in, so I would just like to go through those three areas.

Why is public sector housing exempt? Firstly, public sector properties already have to meet all property condition standards, as set out in the existing legislation. Secondly, environmental health officers can and will continue to be able to take action against local authorities or the Department if public sector properties do not meet the existing standards. Environmental health officers enforce against the standards, regardless of the owners; they would not be fulfilling their duties if they did not. Thirdly, there are publicly accessible management arrangements in place for all public sector housing. These are overseen and audited by the Department and exceed those minimum management standards introduced in the Bill. Finally, public sector tenants have greater redress if they make complaints through formal complaints procedures, but also the political process; hence why a lot of Hon. Members are aware of the issues. Hon. Members are aware when things are not right in the public sector housing. How many of us truly understand the circumstances in some of these low-quality private sector rentals? The answer is we do not, and that is the issue here.

There would also be a number of dangers in removing the exemption for public sector housing from the Bill. Firstly, it would cause conflict in relation to existing powers the Department has under the Local Government Act. Secondly, it would reduce the force of existing legislation provisions and the standards in place for public sector housing.

Finally, I would note, Hon. Members, that the private and public rented sectors are very different markets. Provision of public sector housing is not a light-touch process; it is prescriptive and subject to much greater control – for example, DHSC has the ability to set rents for the sector. The aim of the Landlord and Tenant Bill is about light-touch regulation, ensuring compliance with minimum standards through a simple registration process.

Turning to the issue about agricultural holdings and farm business premises and why they are exempt, again these properties already have to meet all property condition standards as set out in the existing legislation, and environmental health officers have and will continue to be able to take action against landlords for properties that do not meet these existing standards. But tenancy arrangements for those properties are very different and are contained in legislative provisions under the Agricultural Holdings Act 1969 and Agricultural Tenancies Act 2008. These provide unique

conditions and rights of redress for the tenants of those properties – for example, notice to quit periods, a tenant’s right to remove fixtures and fittings, rent reviews and compensation for improvements. Their inclusion in this Bill would therefore not be appropriate.

Elsewhere... I think it was the Hon. Member for Ramsey, Mr Singer, who started discussing tourist premises. I will not dwell long on that because I think there is a pretty good understanding effectively that tourist premises are highly regulated and inspected as a matter of routine. He touched on, and I think other Members did as well, the concept of winter rentals. That does not in any way diminish the likelihood – or the certainty, in fact – of those premises being inspected for each of the following summers. So we are talking here chalk and cheese: the tourist premise gets inspected regularly; in this Bill, private sector rental properties will perhaps be inspected on information.

I would also say to Mr Cretney, and he is perfectly right, that he did outline a number of concerns, but in his discussions with the Department we did outline to him, and he accepted the point, that this Bill – and I would make this point to a number of Members who spoke – is a specific determination to deal with a specific set of issues, and it is part of a suite of work that is being done by the Department as an outcome of the Housing Policy Review.

There have been a number of occasions where people have tried to diminish this Bill by referring to issues outside of it. That is a mistake, because this deals with a particular area and other initiatives and actions taken by the Department will deal with other areas. It would be wrong to try to accept this particular Bill to be capable and able to capture all the other myriad of issues that exist. But I come back to the point, Mr Speaker: I think that Hon. Members must agree that the vulnerable have suffered now long enough with regard to poor-quality properties in part.

I did not quite grasp Mrs Cannell’s point, the Hon. Member for Douglas East. She went on a fairly meandering journey around a number of areas –

**A Member:** Eighteen years.

**Mrs Cannell:** Twenty one.

**Mr Robertshaw:** – and I could not quite capture where she was. Was she supportive of the principle of this Bill that we need to protect vulnerable tenants?

**Mrs Cannell:** It doesn’t do that.

**Mr Robertshaw:** The Hon. Member knows better than anybody else, as the fellow Member for Douglas East, that we have a fundamental problem; and of all people, *all people* in this House, I would have expected support from my fellow Member for Douglas East (*Interjection by Mr Quirk*) – clear, explicit support – and I am very sorry that I have not had it today.

**Mrs Cannell:** Well, do it right and you might get it in future.

**Mr Quirk:** Hear, hear. (*Interjections*)

**Mr Robertshaw:** I will pick a couple of points out as best I can. She spoke about unspent convictions. The concept of unspent convictions relates to issues which would be seen to have impact upon the ability of a person to conduct themselves properly as a landlord. The Hon. Member, my fellow Member for Douglas East, seems to indicate that actually that sort of thing does not matter. Yes, it does; but what the Bill says is that we are not inhibiting that owner with an unspent conviction from continuing to own and let the property, but they have to do it through a third party. I think that is perfectly reasonable. I think the Hon. Member is just grasping at straws to create smoke and mirrors.

**Mrs Cannell:** You do that by yourself.

**A Member:** You're a great team!

**Mr Robertshaw:** Mrs Cannell also dragged in the issue from out the ionosphere that homeless legislation is somehow relevant to this: no, it is not. Homeless legislation does not provide homes; but this Bill, by its provision, helps to ensure a higher quality of accommodation, and that will help all.

I am not at all surprised, I think, that I found criticism from Mr Quirk, the Hon. Member for Onchan, who has constantly been against this process. His position has moved from place to place over time. Again, I am sorry that he does not seem to have the necessary empathy with the people who need our support today. (*Interjections*)

He criticised the Department for lack of involvement with the Landlords Association. Nobody is trying harder to encourage the Landlords Association to come into being. When I first met with them, as a direct result of that meeting I extended the consultation for a further six weeks. I have encouraged them throughout. They had a presentation soon after Hon. Members had a presentation, there is a meeting on Wednesday, officers have met them consistently; and despite what Members are being told, there is a growing general understanding that this legislation is necessary. There is discomfort in parts because the landlords feel there is a sense of imbalance between the legislation as it relates to them and how it relates to the tenant, and a certain amount of alarm and despondency has come out of that.

If Members would genuinely engage with this Bill, they would see, I am sure, that there is a variety of different reasons why landlords should effectively engage with this Bill constructively. What does it do for the landlord? It does a number of things.

In our consultation with the landlords, we agreed as part of the Bill that the tenant would have to have a minimum of occupiers' negligence and liability insurance – that was again on the part of the landlords out of the consultation process.

The registration form is a guide to good practice. It *helps* landlords. Do not be fooled by the concept of regulation and registration. A regulated market will open itself up to greater external investment. We have found that process has been inhibited because a number of respectable investors will not come into an unregulated market. That is of help to the landlords in boosting the market. Landlords do not want to be undercut by substandard provision by landlords who are cutting corners – it is not in their interest. This is helpful to landlords and it gives the landlord a clear understanding of their rights and responsibilities, but it also gives a clear understanding as to the rights and responsibilities of the tenant.

I have said this to Hon. Members before, that I see significant parallels between this and employment legislation when it came in. There was a similar sort of resistance that we are seeing now in some quarters, through lack of understanding, about employment legislation. Small employers felt it was an imposition. Just like the landlords are saying, 'I am a good landlord,' employers were saying, 'I am a good employer; I don't need this legislation,' and yet the world changed when the employment legislation came in because employers saw it as a touchstone. It was something that they could share with their employees, and the employees better understood the responsibilities of their employers – and yes, *their* responsibilities as well.

I see *very* clear parallels between the two, and I am absolutely convinced, despite the current noise, that once this Bill is enacted it will be appreciated by landlords as helpful to them; quite contrary to this view that it imposes or bears down – no, it does not.

I thank Mr Thomas for his support and look forward to his further comments when he puts forward his motion later.

In closing, I would like to thank the Hon. Member for Castletown for seconding the motion and beg to move, Mr Speaker.

**The Speaker:** Hon. Members, I put the motion that the Landlord and Tenant (Private Housing) Bill be read for the second time. Those in favour, please say aye; against, no. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

<b>FOR</b>	<b>AGAINST</b>
Mr Anderson	Mrs Cannell
Mrs Beecroft	Mr Hall
Mr Bell	Mr Quirk
Mr Cannan	
Mr Cregeen	
Mr Cretney	
Mr Crookall	
Mr Gawne	
Mr Henderson	
Mr Houghton	
Mr Karran	
Mr Quayle	
Mr Robertshaw	
Mr Ronan	
Mr Shimmin	
Mr Singer	
Mr Skelly	
Mr Teare	
Mr Thomas	
The Speaker	

**The Speaker:** With 20 votes for and 3 votes against, the motion carries.

**Landlord and Tenant (Private Housing) Bill 2014 –  
Referral to committee –  
Amended motion carried –  
Mr Cretney, Mr Singer and Mr Thomas elected**

Mr Thomas to move:

*That the Landlord and Tenant (Private Housing) Bill 2014 be referred to a committee of three Members, with powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, as amended, for consideration and to report.*

**The Speaker:** I now call on the Hon. Member for Douglas West, Mr Thomas.

**Mr Thomas:** Thank you, Mr Speaker.

I move that the Landlord and Tenant (Private Housing) Bill 2014 be referred to a committee of three Members, with powers to take written and oral evidence pursuant to sections 3 and 4 of the Tynwald Proceedings Act 1876, as amended, for consideration and to report.

This is legislation – 69 clauses, two schedules – that needs the most searching of scrutiny, something that has already been amplified by the debate to date.

Moving to a legislative committee has become not that frequent an occurrence – indeed it has become less frequent through recent years – but in 1988 the Landlord and Tenant Bill 1988 was referred to a legislative committee, as was the Estate Agents Bill 1998, and other Bills of this technical nature have been referred to legislative committees; so I cite precedent as my first reason.

Moreover, there are other benefits to this referral. First of all, as has emerged in the debate today, it sounds like Mr Houghton has got amendments in three or four areas; Mrs Cannell has; Mr Singer has suggested some and he has not had the assurances that Mr Cretney has received; and I have got some which I will identify in a moment. So the first benefit is that already overstretched legislative drafters could have their time and their expertise better managed if we can consider the political aspects (**Mr Houghton:** Hear, hear.) of what we want to try to achieve in a committee

before we actually get to the consolidated stage of amendments to actually debate in this Hon. House.

The second point is that, as has become apparent during the debate, this Bill interacts with basic law, both in terms of documents of law and also statute and statutory law: the Public Health Act 1990; the Housing Act 1955, particularly as amended in 1976; the Housing Multi-occupancy Act, and so on and so on... the Landlord and Tenant Act 1954; Recovery of Rent Act, Tenancies (Implied Terms) Act; Building Control Act; and the Fire Services Act. So it interacts with a great deal of existing law – that is self-evident – and what I would like this committee to do, Mr Speaker and Hon. Members of this House, is actually have the chance to call the legislative drafter to find out what the political intention of the Bill is and how it serves that purpose in the Bill, and actually how the interaction with all these others Acts and the existing procedure and practice is actually handled in the process.

Another angle of that review is that a great number of potential conflicts with human rights issues – particularly article 8 and article 14 from clause 53 – have been identified as being possible, and I notice that the Tribunals Act procedures are varied, to my mind, in this proposed piece of legislation. So that is something else for the committee to consider.

The Minister has suggested that we are drawing on examples from the UK, but my perusal of examples in the UK is different, and that in itself is something that should be considered in a committee.

Also, some information has been provided to us about the fact that there is no information about the private rented sector for 10 years, but I am not sure that is true, because when I read the Housing Policy Review Progress Report of October 2010, there is some quite specific information about how the standard of houses had changed for uninhabitable houses and also unfit houses. There is some information that I think it might be helpful for the committee to actually review with the environmental health officers who compiled that report up to October 2010 – some of the figures and background; and also, perhaps going forward, because some statements have been made, in particular by landlords' representative bodies, that the market might be affected to the detriment, and that needs to be tested if we are bringing in some new legislation.

Some additional points I wanted to make to include in the scope of this committee's work, if Hon. Members choose to set it up, are that, as I read the legislation, we will end up with the same firms being licensed and regulated by *two* bodies after it. For instance, when they act as an estate agent, they will be regulated by the OFT; but when they act as a letting agent, they will be regulated by the DSC. Does that make sense? (*Interjection*) That is something for the committee to consider.

When I was at Douglas Council, we were actually asked to consider the first draft of this Bill and the Housing Policy Review more generally, and we actually considered offering to Government to set up a central register of all landlords – and surely that would make sense. If the Minister's objective is to collect data and to actually deal with everybody equally and fairly and get the best for the tenant and the landlord, surely it makes sense to... what is already there, with the central register in one place that is already doing it – Douglas Council perhaps as agent for other bodies, other commissioners, or perhaps the Government could do it where there is not an existing commissioner that does it.

Likewise, many issues have been raised about the difficulties of enforcement. I can assure this Hon. House that, in parallel situations with dilapidated property and unfit property, the Council has had a great deal of difficulty getting behind the corporate veil and finding who actually owns the houses, and that is experience that we can learn from, rather than reinventing the wheel and creating a new bureaucracy to do something that is already being done.

So, in summary, there are many benefits to considering this committee and I cannot actually see any negatives. We are not kicking this into the long grass. We are merely having a committee review it for some months to actually come back to us with a consolidated proposal. This is not anti-anybody; it is just better. It is just looking to have better Government (**Mr Houghton:** Hear, hear.) and better law for everybody. (*Interjections*)

So I beg to move. It is an entirely positive move, in the same way that it was in 2010 when the Criminal Justice (Miscellaneous Provisions) Bill was put into a committee. Mr Robertshaw, the Minister in this case, served on that committee with Mrs Cannell and with the Hon. Member for Douglas West. It produced good results and I can see no reason why a committee with a similar composition this time could not produce similar good results.

**The Speaker:** Mr Houghton.

**Mr Houghton:** I am very happy to second that.

**The Speaker:** You wish to second. Thank you.  
Mr Henderson.

**Mr Henderson:** Vainstyr Loayreyder, thank you.

I wish to move an amendment to Mr Thomas's proposal. I am firmly in favour of the idea of a committee, in one sense. I would first like to put on record that I am also firmly supportive of the legislation, because I truly believe that the vulnerable in our society require protecting and there are issues out there that need to be addressed. We have discussed that, and that is fine.

Vainstyr Loayreyder, I just want to report to the House that I have had several micro-meetings, if I can put it like that, this morning, both with the Secretary to yourself, the Clerk of Tynwald, the Minister, and indeed Mr Thomas. I think if I were to put my amendment, which says at the end of Mr Thomas's proposal that we put 'to the end of October', that would be acceptable to all parties and we might actually find a way of moving this forward and calming things down by having an assessment with a timeframe put forward to work to, which I think has been the Department's fear. If we just give the impression of throwing something in the long grass, then of course when is it ever going to come back? (**A Member:** Exactly.) So, if we put a timeframe on it... I did ask for the amendment to be circulated. It was supposed to have been written, but I will move it on the hoof, Vainstyr Loayreyder, that we have the committee report back at the end of October –

**A Member:** By the end of –

**A Member:** This year.

**Mrs Cannell:** By the end of October.

**Mr Henderson:** – and leave it at that, with the timeframe on the end of it.  
Vainstyr Loayreyder, I think I have the agreement of all parties.

**The Speaker:** Just for the guidance of the House, I do have the amendment in writing, and the amendment is:

*After the word 'report', add 'by the end of October 2014'.*

That is the motion before the House.

**Mr Robertshaw:** Mr Speaker, I have pleasure in seconding the Hon. Member for North Douglas's amendment. I do consider this a profoundly important Bill, and yet I have to accept that, despite our best efforts, there is still some degree of misunderstanding and I think a period of reflection for everyone to review it will be helpful. But I consider it incredibly important that Mr Thomas's motion, the Member for Douglas West, is not seen to be kicking it – to repeat the comment – into the long

grass. This is too important, and so I would be very pleased to see a thoughtful process through the summer and for it to come back for further consideration in October.

Thank you, Mr Speaker.

**The Speaker:** Hon. Members, may we go straight to a vote? (**Several Members:** Hear, hear.) (*Interjections*) If any one wishes to speak –

**Mr Karran:** No, I want to speak. (*Interjection*)

**The Speaker:** That is why I asked the House. (*Laughter*)

**A Member:** That is why you said 'Vote'.

**A Member:** We are voting for the committee –

**The Speaker:** Mrs Beecroft.

**Mrs Beecroft:** Thank you, Mr Speaker.

I am going to be very brief. I am not going to reiterate what others have said, but I think there are just a couple of points that I would like to make that have caused me some concern.

I am very happy to support it going to a committee, because I think where there is such a diversity of opinion it is actually the right thing to do to take evidence and to come back and report. What has disturbed me today is the Minister implying that Members have not felt ready to support his Bill because of a lack of understanding. I find that quite patronising. I think we do understand, I think we understand the implications, and I think that is why we are going to vote, hopefully, for it to go to a committee so it can be looked at in more depth.

**Mr Henderson:** Vote!

**Mr Houghton:** Vote!

**The Speaker:** Mr Karran.

**Mr Henderson:** People will vote for it.

**Mr Karran:** Vainstyr Loayreyder, I think it is important today that... occasionally Government gets something right, and when they get something right we should support them.

I am glad to see that the mover of this Bill is seconding this proposal, because the usual mantra that we get in this House (*Interjections*) as far as this situation is concerned...

Mr Speaker, I think that one of the other things that needs to be looked at is how we could end up with a situation where we could have a Second Reading when there has not been the courtesy of a meeting... expecting the House to do a Second Reading before there has been the meeting with the Landlords Association. These are important facts and what we want is an accountable government. That is what this House is for.

As far as I am concerned, I am delighted to see the idea as far as coming back by the maximum by October as far as this legislation is concerned... that we supported this Bill at Second Reading stage. It is about getting a fair balance.

There are other issues that I would like the committee maybe to consider: issues such as the management companies and leasehold companies that own the freehold of properties. I had to go to one of the mover of this Bill's constituents at half nine last night, where this particular individual is

living in accommodation that would be illegal if she was a tenant in that accommodation, because she had been completely conned.

I do feel it is important that we must congratulate the Government for actually doing the right thing as far as this issue is concerned, and let's have a proper parliamentary process, instead of things just being nodded through. I hope that with the reshuffle we are going to see that balanced a little bit more in this House until the next General Election.

**Mrs Cannell:** Hear, hear. *(Interjections)*

**The Speaker:** Hon. Members, we have had six contributions, all of them speaking in favour of the committee. **(Mr Anderson: Vote!) (Mr Henderson: Let's vote!)**

Mr Quirk, do you wish to speak?

**Mr Quirk:** Thank you, Mr Speaker.

I will be brief, Mr Henderson.

I just wanted to correct... the Minister indicated that his organisation met with the Landlords Association: they did not. His organisation met with the *committee* of the Landlords Association. He missed out the vital part in this, which was the Landlords itself. That was the issue. But I am happy to put on record that I am glad the Minister is doing something, and I will avail myself... If he needs any help, I am here to help him. *(Laughter)*

**The Speaker:** Mr Ronan, do you wish to speak?

**Mr Ronan:** Just briefly, Mr Speaker.

Personally, today I would have moved on with no amendments, but I am also happy with Mr Henderson's amendment, simply as it has a timeframe and Mr Thomas's does not.

I believe your amendment, Mr Thomas, may have dragged on too long: this is too important a Bill and we need to get on with it.

The landlords, I totally agree, have absolutely nothing to fear from this. This is about the vulnerable and about creating a central registry which is fit for all.

Thank you, sir.

**The Speaker:** Thank you, Hon. Members.

I put first of all the amendment in the name of Mr Henderson. Those in favour of the amendment, please say aye, against, no. The ayes have it.

*A division was called for and electronic voting resulted as follows:*

<b>FOR</b>	<b>AGAINST</b>
Mr Anderson	None
Mrs Beecroft	
Mr Bell	
Mr Cannan	
Mrs Cannell	
Mr Cregeen	
Mr Cretney	
Mr Crookall	
Mr Gawne	
Mr Hall	
Mr Henderson	
Mr Houghton	
Mr Karran	
Mr Quayle	
Mr Quirk	
Mr Robertshaw	

Mr Ronan  
Mr Shimmin  
Mr Singer  
Mr Skelly  
Mr Teare  
The Speaker  
Mr Thomas

**The Speaker:** Unanimous: 23 votes for and no votes against the amendment.  
The motion as amended: those in favour, please say aye; against, no. The ayes have it. The ayes have it.

Thank you, Hon. Members.  
We now turn to Item 4, Bill for –

**Several Members:** The committee. (*Interjections*)

**The Speaker:** A committee of three Members. I will accept nominations.  
Mr Quirk.

**Mr Quirk:** Can I propose Mrs Beecroft from South Douglas?

**The Speaker:** Mr Cretney.

**Mr Cretney:** Could I propose the Hon. Member for West Douglas, Mr Thomas.

**Mr Houghton:** I second Mr Thomas.

**Mr Shimmin:** I propose Mr Cretney, Member for South Douglas.

**Mr Anderson:** I second Mr Cretney for South Douglas.

**Mrs Cannell:** Mr Speaker, could I propose Mr Singer, please?

**The Speaker:** Mr Thomas.

**Mr Thomas:** I second Mrs Beecroft.

**The Speaker:** Mrs Beecroft... [*Inaudible*] Mr Singer has been proposed.

**Mrs Beecroft:** I second Mr Singer.

**The Speaker:** Mr Singer has been seconded.

**Mr Houghton:** Nominations closed.

**The Speaker:** Any further nominations?  
Mr Karran.

**Mr Karran:** I was meant to propose the Hon. Member for Rushen, Mr Skelly.

**Mr Quirk:** To get revenge? I second Mr Skelly.

**Mrs Cannell:** Mr Speaker, I would like to propose Mr Henderson.

**Mr Henderson:** On Treasury.

**Mr Anderson:** No, that's alright.

**Mr Quirk:** No, it is a parliamentary –

**Mrs Cannell:** You can still sit on... *[Inaudible]*

**Mr Houghton:** Nominations closed.

**Mrs Beecroft:** I would like to propose Mr Quirk, Mr Speaker.

**The Speaker:** Is there a seconder for Mr Quirk? *(Interjection)*

**Mr Quirk:** No, nobody likes me now.

**The Speaker:** In that case, I will ask the Secretary to read out the names of the candidates.

**The Secretary:** The following Members have been nominated and seconded: Mrs Beecroft, Mr Cretney, Mr Henderson, Mr Singer, Mr Skelly and Mr Thomas.

**Mrs Cannell:** Mr Quirk?

**The Secretary:** No, he was not seconded.

**Mr Anderson:** No, he was not seconded, sadly, on this occasion.

**The Speaker:** Mr Quirk was not seconded.

**Mr Quirk:** I'll have lunch on my own!

**The Speaker:** So there are six candidates for three places.

*A ballot took place and electronic voting resulted as follows:*

**Vote Results**

Mr Cretney	19
Mr Singer	13
Mr Thomas	13
Mrs Beecroft	12
Mr Henderson	9
Mr Skelly	3

**The Speaker:** The result of the voting is: Mr Cretney, 19 votes; Mr Singer, 13 votes; Mr Thomas, 13 votes; Mrs Beecroft, 12 votes; Mr Henderson, 9 votes; and Mr Skelly, 3 votes.

**Mr Quirk:** Not very popular!

**The Speaker:** Therefore, Mr Cretney, Mr Singer and Mr Thomas are duly elected to the Committee of the House.

Thank you, Hon. Members.