

**WRITTEN EVIDENCE TO COMMUNITIES & CULTURE COMMITTEE ON
HOUSING AND REGENERATION PORTFOLIO**

Introduction

1. This paper highlights the key developments over the period November 2009 to October 2010 in the portfolio of the Deputy Minister for Housing and Regeneration.

National Housing Strategy

2. A new national strategy for housing “Improving Lives and Communities: Homes in Wales” was published in April 2010. It sets out, as simply as possible, the challenges, priorities and action that will be taken. Improving people’s lives is at the heart of the approach.
3. The strategy will result in action under three broad priorities: providing more housing of the right type and offering more choice; improving homes and communities, including the energy efficiency of new and existing homes and improving housing-related services and support, particularly for vulnerable people and people from minority groups.
4. The pressures on public finances are recognised and there will be an emphasis on spending available money wisely in order to achieve the biggest impact for as many people as possible, and finding new and more efficient ways of running services. A key development is the Welsh Housing Investment Trust, which will aim to draw in private investment to deliver more affordable housing.
5. A new Programme Board has been set up to drive forward the implementation of the strategy. This brings together all the main organisations in the field of housing, from public, private and voluntary sectors.

Private Rented Sector

6. The Assembly Government has consulted on a range of additional regulatory measures for the private rented sector. A summary report on the response to the consultation will be published on the Assembly Government’s web site.
7. Action to improve the part that the sector plays in meeting housing need is in hand. A working group comprising officials and representatives of organisation that work in, or interface with, the sector and officials is examining the need for further developments and action. It is taking into account the response to the consultation and the different approach being taken by the new UK Coalition Government.

Equality of Opportunity Committee Report on Home Maintenance and Adaptations Services for Older People

8. Officials are currently working in partnership with the Welsh Local Government Association and other organisations to implement the recommendations contained in the Assembly's Equality of Opportunity Committee Report on *Home Maintenance and Adaptations Services for Older People*. A working group has been set up to address the concerns raised by the Committee. We intend to provide the Committee with an update on progress in the Autumn.

Housing for Older People: Living Well, Living Independent Lives

9. This report suggests a strategic approach to addressing the housing needs of older people. It was commissioned in light of demographic trends and was published on the Assembly Government's website in March 2010.
10. Officials in the Housing, Health and Social Services Directorates are working together to address future needs. This is supplemented by work with organisations outside the Assembly Government through a Programme Board set up to implement the national housing strategy. Improving joint working across professional and organisational boundaries is a priority.

One Wales target to deliver 6,500 additional affordable homes

11. In the first two years (2007/08 – 2008/09), a total of 4,235 additional affordable housing units were delivered across Wales, which is well over half way towards the target. Funds from the main Social Housing Grant Programme and additional funds from the Strategic Capital Investment Fund have been made available to support the provision of affordable housing. Updated statistics will be issued in autumn 2010.

Using publicly-owned land for affordable housing

12. Three sites were transferred during 2009-10. Sites across Wales continue to be identified for disposal to housing associations to address both shortfalls in affordable housing supply and provide contracts that support the construction industry. Action is in hand with local authorities and housing associations to speed up considerably the transfer of sites. Currently working to utilise fifteen more sites.

Housing Revenue Account Subsidy and Social Rents policy

13. Independent reviews of Housing Revenue Account Subsidy (HRAS) and Social Sector Rent Policies were launched in 2009. They are closely linked and capture the current realities and continue with the

partnership way of working developed by the Essex Implementation Programme. A Joint Steering Group, comprising key stakeholders and officials, is guiding both reviews and has met three times.

14. The HRAS Review aims to take into account the implications of the Review of the Council Housing Finance in England, more generally compare the HRAS regime in Wales with the Housing Finance arrangements in England and Scotland and to identify options for reform.
15. HRAS applies to all local authorities with housing stock and, in Wales, all authorities are in a negative subsidy position. This means that in 2010/11, approximately £78m will be collected from Welsh local authorities and forwarded on to HM Treasury.
16. Options for reform for Wales are in development, through the Review, working in conjunction with the Welsh Local Government Association and others. The Assembly Government is liaising closely with the Department for Communities and Local Government to monitor progress on the review in England and to ensure that provisions within the forthcoming Decentralisation and Localism Bill, announced in the Queens Speech, are appropriate for Wales and made in the Welsh context.
17. As regards social rents, the Housing Directorate is responsible for setting guideline rents for HRA Subsidy purposes for Local Authorities and benchmark rents for the Registered Social Landlord Sector. Rent is the main source of income for housing associations and provides funding for private sector borrowing. It is fundamental to the sustainability of business plans and meeting Welsh Housing Quality Standards.
18. The Joint Steering Group has met on three occasions and undertaken modelling work which has been used to develop a provisional new framework for a revised rent regime. The new model will take into account each property's size, type, location and quality. A public consultation on the new model will take place once preliminary statistical research is complete. This consultation should take place next Spring.

Welsh Housing Investment Trust

19. Discussions have been taking place between the Assembly Government and its partners in the social housing sector to develop new a new vehicle to access the capital markets in the financing of social housing.
20. The Social Housing Finance Summit chaired by the First Minister in July 2009, endorsed a proposal in principle that the idea of a "Welsh Housing Investment Trust" be taken forward. This new body would

invest directly in property including property leased to housing associations. Its objective would be to promote capital market investment in a wider range of initiatives than just housing association - owned affordable housing, and would include intermediate and market rent and possibly "rent to buy" initiatives.

21. The Assembly Government has awarded a grant of £173,500 to Community Housing Cymru, in order to undertake further development of the Welsh Housing Investment Trust proposal. The Assembly Government is represented on a project board hosted by Community Housing Cymru overseeing the design of the Trust, which ultimately will be separate from Government. The concept of the Trust is currently being fully proofed and tested. If it looks likely to meet the objectives, the intention is to establish the Trust by the end of 2010. This will depend in part on whether the Assembly Government is content to invest in the Trust in the light of the final design.

Intermediate rent

22. Work is continuing to offer more flexibility as regards tenure and therefore more choice in housing options. Pilot guidance for an intermediate rent scheme for Wales which is called "Rent First" completed a consultation period on 28 May 2010. The guidance will be used to design pilot intermediate rent schemes which we have been able to fund as a result of the Strategic Capital Investment Fund monies and which will begin during 2010/11.

Housing and Local Government Legislative Competence Order (LCO)

23. The LCO was approved by Her Majesty in Council on 21 July 2010. Considerable efforts were made to develop the Housing and Local Government Legislative Competence Order to provide the National Assembly for Wales with competence to make Measures in the areas of social housing providers, social housing tenure, disposal of social housing, housing related support, provision of Gypsy and Traveller sites, homelessness and Council Tax on empty and second homes. The LCO was supported by the housing sector in Wales, the National Assembly for Wales, and the Welsh Affairs Committee.
24. An Assembly Measure on Housing has been included in the Legislative programme for 2010/11. The proposed Measure covers two specific areas:
 - i) enabling local authorities to apply to the Welsh Ministers to suspend Right to Buy in areas of housing pressure; and
 - ii) provide the Assembly Government with enhanced regulatory and intervention powers concerning the provision of housing by Registered Social Landlords.

Review of Housing Related Support

25. An independent review of the Housing-related Support Programme has been commissioned. Led by Professor Sir Mansel Aylward CB, Chair of Public Health Wales, it is due to report in October this year.
26. The Programme, the current budget for which is £140 million, provides support to a wide range of vulnerable people throughout Wales. The review will provide information on more efficient ways of working and will inform decisions on the distribution of funding.

Homelessness Plan

27. Following the publication of the Ten Year Homelessness Plan in July 2009, representatives from the voluntary sector, private sector and local authorities have worked with Assembly Government officials to draft an action plan to take forward the vision outlined in the plan. The implementation of the Plan is time limited and will be overseen by officials and representatives from the voluntary sector, local authorities and the private sector.
28. This is supported by additional funding of approximately £1 million for 2010-11 for additional action to prevent homelessness. The funding is supporting 16 projects across Wales to improve the efficiency and effectiveness of services and initiatives to develop further the support that is available to people who are homeless and those who are at risk of becoming homeless.

Mortgage Rescue

29. A Mortgage Rescue Task Group was established in 2008 to advise on tackling the rise in mortgage repossessions. The Mortgage Rescue Action Plan was launched in 2009 which sets out a programme of action to reduce repossessions.
30. Progress is being made through our Mortgage Rescue grant scheme, expanding debt advice services and increased co-ordination involving the courts, local authorities, housing associations and housing advice services.
31. The scheme has been very successful in helping families across Wales. Most recent figures (up to 31st July) confirm that 359 Mortgage Rescue approvals had been made, helping 736 adults and 369 children to stay in their homes.

Welsh Housing Quality Standard (WHQS)

32. Sixteen Welsh authorities have advised that the Welsh Housing Quality Standard (WHQS) can be achieved and maintained for 30 years. This

follows stock transfer to new Registered Social Landlords (RSLs), or a decision by Councils to retain their housing stock.

33. In accordance with the One Wales agreement, time extensions have been provided to seven retention authorities ranging from 2014 to 2015. One local authority having received a positive tenant ballot result is working towards transferring its housing stock. A time extension to 2017 has been granted to these.
34. Three authorities in Wales have passed council resolutions to ballot tenants on proposals to transfer their housing stock in order to achieve WHQS. One local authority and the two local authorities who received a negative tenant ballot result have accepted support provided by the Assembly Government to consider their options. Overall progress is good.
35. However, WHQS is more than bricks and mortar and local communities are already benefitting from significant social and economic regeneration including additional jobs, an increase apprenticeship schemes and new opportunities for local small and medium sized enterprises.

The “i2i” initiative

36. The “i2i” initiative is supported by the Assembly Government’s Housing and Regeneration Directorates and is operated by the Chartered Institute of Housing. It is continuing to advise and support local authority tenants, staff and members to help achieve Welsh Housing Quality Standard. In support of this agenda, two 'Can do toolkits' have been produced to encourage targeted recruitment and training a core contractual requirement and the other on SME friendly procurement.
37. A recent independent study of 12 housing organisations that have used this approach found that 487 training and employment opportunities have been created for unemployed people.

Regeneration Areas

38. We have expanded the number of regeneration areas from five to seven, with Barry and Aberystwyth in the list of areas to be regenerated. The action plans are being developed for these areas and activity will be commencing there soon.

Jobmatch

39. Jobmatch has been an extremely successful programme to support people into work. Since 2003 when it first launched, Jobmatch has helped over 5000 people back into work, mainly in the Heads of the Valleys. Jobmatch comprises of five elements which combine to

address the barriers to work (Engagement, Assessment, Development, Placement, In work support).

40. Work is underway to incorporate these into the work programmes of regeneration areas and other deprived areas across Wales. The approach is to work with existing support for work programmes operating in the area to address any elements that are missing.

Arbed

41. The arbed programme is a large scale programme to retrofit housing stock with energy efficiency and micro-generation measures. It was originally carried out in the Heads of the Valleys as part of a suite of measures to carry out the low carbon zone, and is now being rolled out across all the regeneration areas. It supports our One Wales ambitions to eradicate fuel poverty, boost economic development and regeneration in Wales. It will also help to meet the 3% CO2 reduction targets.
42. Around £30m of Strategic Capital Investment Fund (SCIF) monies are being invested in *arbed* in 2010-11. Over 21 projects are underway, targeting low-income communities in Wales' regeneration areas. Matching funds with other sources could make a potential pot of £350m over 3 years, including a £1m grant from the Department of Environment and Climate Change (DECC). Phase 2 will draw on ERDF funds to extend the *arbed* programme over a period of 3-5 years. Treasury labour coefficients estimate that, at 2009 prices, 16-32 person years of employment are generated for every £1m spent on housing retrofit initiatives.
43. Housing associations will help to deliver this programme, and suppliers will enable businesses based in Wales to take advantage of the opportunities it provides. The programme involves working with training providers to ensure that the skills that are needed to carry out this work are in place and that local people can benefit from the investments.

Ebbw Vale Steelworks (the Works)

44. Some of the major developments are well under way and the centrepiece – the restoration and greening of the little valley that runs through the site - is already attracting local people. The 200 acre site is being transformed into a varied sustainable development. The total cost is £350 million and the aim is to create 2,000 new jobs as well as community facilities, from a new hospital to a new primary school.
45. There are a number of projects on the site that were unveiled at the Eisteddfod (held in Ebbw Vale in August) including two Welsh “Passive Houses” which will form the nucleus of Future Homes and a

demonstration centre for sustainable development. The Genealogy Café, map room, and 5D cinema were also opened.

Valleys Heart and Soul Campaign

46. The campaign is part of a £22m investment over 3 years to raise the profile of the South Wales valleys, intending to encourage visitors and create a sense of pride in the area. The last 6 months have seen the launch of the Valleys Heart and Soul website, concerts by the Lost Prophets and Only Men Aloud, the annual Valleys Spring Clean and the launch of the Capture the Valleys Heart and Soul photography competition.