



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Pwyllgor Deddfwriaeth Rhif 2
Legislation Committee No. 2**

**Dydd Iau, 9 Rhagfyr 2010
Thursday, 9 December 2010**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Christine Chapman	Llafur (yn dirprwyo ar ran Lorraine Barrett) Labour (substitute for Lorraine Barrett)
Paul Davies	Ceidwadwyr Cymreig (yn dirprwyo ar ran Brynle Williams) Welsh Conservatives (substitute for Brynle Williams)
Gareth Jones	Plaid Cymru The Party of Wales
Val Lloyd	Llafur (Cadeirydd y Pwyllgor) Labour (Chair of the Committee)
Rhodri Morgan	Llafur Labour
Jenny Randerson	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Ceri Breeze	Pennaeth y Gyfarwyddiaeth Dai, Llywodraeth Cynulliad Cymru Head of Housing Directorate, Welsh Assembly Government
Jocelyn Davies	Aelod Cynulliad, Plaid Cymru, y Dirprwy Weinidog dros Dai ac Adfywio Assembly Member, Plaid Cymru, the Deputy Minister for Housing and Regeneration
Maggie Frith	Gwasanaethau Cyfreithiol, Llywodraeth Cynulliad Cymru Legal Services, Welsh Assembly Government
Helen Kellaway	Gwasanaethau Cyfreithiol, Llywodraeth Cynulliad Cymru Legal Services, Welsh Assembly Government

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Jonathan Baxter	Gwasanaeth Ymchwil yr Aelodau Members' Research Service
Bethan Davies	Clerc Clerk
Gwyn Griffiths	Uwch-gynghorydd Cyfreithiol Senior Legal Adviser
Leanne Hatcher	Dirprwy Glerc Deputy Clerk

Dechreuodd y cyfarfod am 1 p.m.
The meeting began at 1 p.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Val Lloyd:** Good afternoon, everyone. Welcome to this afternoon's meeting of Legislation Committee No. 2. I will deal with a few housekeeping arrangements first. We are not expecting a test of the fire alarm, so if it sounds, the exit is via that door. Please check that all mobile phones and similar equipment are switched off, as they interfere with the broadcasting equipment. As you know, the National Assembly operates through the media of Welsh and English. Headphones are provided, which provide instantaneous translation on

channel 1, and amplification of the sound on channel 0. I am sure that everyone is familiar with the instruction not to touch the buttons on the microphones, as they come on automatically.

[2] I welcome to today's meeting Christine Chapman, who is substituting for Lynne Neagle, and Paul Davies, who is substituting for Brynle Williams—he has been a long-term substituting member of the committee.

1.01 p.m.

**Y Mesur Arfaethedig ynghylch Tai (Cymru)—Cyfnod 1
Proposed Housing (Wales) Measure—Stage 1**

[3] **Val Lloyd:** The purpose of today's meeting is to take oral evidence in connection with the Proposed Housing (Wales) Measure. I am delighted to welcome Jocelyn Davies, the Deputy Minister for Housing and Regeneration, who is responsible for introducing the proposed Measure, and I of course welcome her accompanying officials. I would be very grateful Deputy Minister, if you and your officials would introduce yourselves for the record.

[4] **The Deputy Minister for Housing and Regeneration (Jocelyn Davies):** I am Jocelyn Davies, and I am the Deputy Minister with responsibility for housing and regeneration.

[5] **Mr Breeze:** I am Ceri Breeze, head of housing.

[6] **Ms Frith:** I am Maggie Frith, one of the lawyers who have been working on the proposed Measure.

[7] **Ms Kellaway:** I am Helen Kellaway, one of the lawyers working on the right-to-buy part of the proposed Measure.

[8] **Val Lloyd:** Thank you; that is very helpful. Are you ready for us to go into questions, Deputy Minister?

[9] **Jocelyn Davies:** Yes.

[10] **Val Lloyd:** We are waiting for two members of the committee. One has sent apologies and will be a bit late, and we are expecting the other.

[11] We have heard evidence from a respondent to our online consultation stating that,

[12] 'the impact of the right to buy is no longer significant enough to reduce housing pressure',

[13] and that,

[14] 'removing the right to buy just takes away aspirations from... tenants'.

[15] What is your response to those remarks?

[16] **Jocelyn Davies:** A good many properties have been sold under the right to buy. The Assembly Government certainly is not opposed to the right to buy. In fact, we have a number of low-cost home ownership schemes, and right to buy is one of them. I suppose that, with the right to buy, the finance around the disposal of the stock does not allow that money to be reinvested in new stock. It is something that we just have to live with. Its temporary

suspension would give respite in areas of extreme pressure for something to be done during the suspension period. Members will note that, on the face of the proposed Measure, we stipulate that as a condition of making an application. We certainly do not want to undermine aspirations, and no tenant would be prevented, although such aspirations may have to be put off for a few years while the suspension is in place.

[17] **Val Lloyd:** Are you ready to take the second question, Rhodri, or shall I ask it?

[18] **Rhodri Morgan:** You should probably ask it.

[19] **Val Lloyd:** All right. I will carry on while you are getting your papers. Again, with regard to the suspension of the right to buy, we have heard evidence from stakeholders that the introduction of this proposed Measure is a case of

[20] ‘shutting the stable door after the horse has bolted.’

[21] In the light of these comments, do you think that the provisions included in the proposed Measure are required?

[22] **Jocelyn Davies:** It was in manifestos leading up to the last Assembly elections. This is a manifesto commitment. It was in our manifesto, and those of the Labour Party, the Lib Dems, Shelter, the Welsh Local Government Association and the community health councils. There was a great deal of support for this leading up to the last elections. It was a ‘One Wales’ commitment, and we are delivering on it. I am sorry, as I do not feel that I am responsible for the intervening years, but it certainly depends on whether you say that your glass is half empty or half full. My glass is half full.

[23] **Paul Davies:** What assessments have you undertaken as a Government to satisfy yourselves that the suspension of the right to buy will work? For example, how many social housing units do you expect to generate from this policy?

[24] **Jocelyn Davies:** We know from the Scottish experience, where this has been available for a number of years—since 2002, I think—that it is not used very often, but it is effective where it is used. I cannot tell you how many units it would generate, because the proposed Measure says that if a local authority feels that there is extreme pressure, it can make an application for a temporary suspension, but it has to say why it feels that that condition exists, it has to consult with those who would be affected, and it has to say what it would do in the intervening period. So, if a suspension were granted, the area would be subject to the action that the local authority has said that it would carry out. So, there would be an alleviation of the pressure given that action would be taken in the intervening period. Without action being taken in the intervening period, nothing would be gained, unless a tenant in that time moved out or passed on. We have made that quite clear all along. We do not see this as a panacea but as one tool that is available to local authorities to address housing need in their areas.

[25] **Paul Davies:** Have you carried out specific assessments in relation to this policy?

[26] **Jocelyn Davies:** We know that several local authorities have encouraged us to do it, which is why I suppose the proposed Measure has had the support of the Welsh Local Government Association. However, we have not carried out a specific assessment meaning that I could give you numbers, because it all depends on how a local authority feels and on whether it thinks that this would be one thing that could aid it.

[27] **Mr Breeze:** To add to that, the support for this has come from local authorities

themselves, and they see it as an important step. The numbers involved in any given local authority area may be quite small, but every little helps in a small area. The local authority could decide that it wishes to suspend it in only one part of its area, or it may wish to suspend it for a certain type of house, reflecting its pressures or needs. The actual numbers may be small and they will vary from authority to authority. The purpose of the assessment process is to provide that evidence, and the suspension then provides a focus for action to address those needs.

[28] **Paul Davies:** I understand that there are leading housing experts who think that this will not make any difference at all. Professor Wilcox has made some comments to that effect. How do you respond to that, Deputy Minister?

[29] **Jocelyn Davies:** As I said, I do not think there is any disagreement between Professor Wilcox and I. If you had a suspension and did not do anything in the intervening period, you will not have any more properties, but you will not have lost any either. You have to look at his comments in context, and he was suggesting that you could use the income generated from sales to build more properties. That has not happened, and considering how the finance works, certainly for local authority stock, it is not possible. He also suggested reducing the discount, and the discount in Wales currently is a maximum of £16,000. We feel that if you go below that level—and it is lower in Wales than it is in England—it is no longer a low-cost home ownership scheme. So, we want to find the balance between offering a discount, in effect fulfilling those home ownership aspirations, and making the finance work. So, I do not disagree with his assessment that if you only did this, it would not alleviate the pressure. We are quite open about that. However, we are suggesting that there would be no point in a local authority applying unless it intended to take action in the intervening period. That is the difference.

1.10 p.m.

[30] **Rhodri Morgan:** I apologise for arriving a minute or two late.

[31] Only local authorities can apply for suspension, and only you or your successor Minister can grant it. As we understand it, where a local authority does apply, the Welsh Minister must grant an application to suspend if they agree with the authority's conclusion of why the housing pressure condition exists. That is not agreeing or disagreeing that the housing pressure exists, but agreeing with why the housing pressure exists. Does that tell us anything about the possible circumstances in which you might refuse a local authority's application, even though the implication is that that would be done only in unusual circumstances and where you have a disagreement about the reasons or the housing pressure behind the application?

[32] **Jocelyn Davies:** The reason why only a local authority can do that is that it is the local authority that would make the application on behalf of registered social landlords in its area, because of its strategic housing function. So, even local authorities that did not have stock would still make the application. In addition, we have put as much on the face of the proposed Measure as we possibly could. It could be that the assessment of the numbers of people who want to access this sort of housing has not been collated in a way that we find acceptable or useful. It is often said that there are 90,000 people on waiting lists, but we know that many people are on several, which results in double or treble counting. I am sure that you know from your own experience that, if someone comes to you, you try to get them on as many waiting lists as possible. Many people are in no need of housing at all as perhaps they are being adequately housed in the property that they already—

[33] **Rhodri Morgan:** Or they might think that they are, but then the council tells them

that they are not, because the file has been lost or for some other peculiar reason.

[34] **Jocelyn Davies:** I do not know about files being lost, but I am saying that, as an owner occupier, you might well be entitled to be on the local housing waiting list. So, there are people on waiting lists who are not in housing need, and there is duplication, so it could be that the measure of the pressure might not be accurate at all.

[35] **Rhodri Morgan:** The question that I was asking was really about the circumstances in which the local authority applies. The presumption is meant to be that you are supposed to agree to it, unless there is a pretty good reason for not doing so. What would that reason be? We are asking you to speculate, in a way, on the circumstances in which you might end up disagreeing with a local authority applying, despite the presumption in favour of agreeing with it.

[36] **Jocelyn Davies:** The example that I was giving you—

[37] **Rhodri Morgan:** On double counting.

[38] **Jocelyn Davies:** Yes, where the numbers of people on the housing waiting list do not reflect the pressure on social housing, because there could be a great many people who are in no need of housing, whose names are duplicated, or perhaps because the waiting list has not been reviewed for a long time.

[39] **Rhodri Morgan:** What about the possibility that you might disagree with the authority because it is not proposing to take any substantial action to reduce the imbalance between the demand and supply during the proposed suspension period of five years? In other words, you might say, 'You are not doing a lot to help yourself, because you are not proposing any actions to release land, to build, or to assist those other providers that might want to build'. Would that be a reason why you might want to say that they are not doing enough to help the situation?

[40] **Jocelyn Davies:** Yes. When we gave assurances in the debates on this, we said that the key to this working is to take action during the suspension period—action that works.

[41] **Rhodri Morgan:** The evidence that we received from the Welsh Tenants Federation Ltd indicated that each local authority should not just look after its own turf, because each bit of turf has a borderland that has adjoining bits of turf, namely other local authority areas. At the moment, as I understand it, the consultation is undertaken within the turf and does not extend beyond its boundaries. The tenants' federation is saying that you should extend the consultation provided for in section 2 to the neighbouring local authorities. Is there anything that you can do about that? What assurances can you give that we might want to consider?

[42] **Jocelyn Davies:** Section 2 on consultation clearly says

[43] 'such other persons as the authority considers appropriate.'

[44] Obviously, that could be the neighbouring local authority.

[45] **Rhodri Morgan:** Should it be?

[46] **Jocelyn Davies:** It depends on the area being considered for the suspension. It might not be on the boundary of another local authority area. It could be a very small area in the middle of a local authority rather than on the edge, and it might not have any impact at all. However, the words

[47] 'such other persons as the authority considers appropriate'

[48] cover other local authorities.

[49] **Rhodri Morgan:** Do you think that you could strengthen the proposed Measure by listening to the tenants' federation, which says that you could specify that, if the supply shortage is in an area near the boundary with an adjoining local authority or includes an area that is on the boundary with an adjoining authority, the consultation should extend across the border into the neighbouring local authority?

[50] **Jocelyn Davies:** If we could find words that would encompass that—

[51] **Roger Morgan:** You would not have an objection to that, then.

[52] **Jocelyn Davies:** No, none at all. Obviously, what we want to see here is as much consultation as is appropriate to the situation.

[53] **Rhodri Morgan:** Okay. Let us look at the question of the five-year period. We always remember the famous question by Alun Cairns, who asked how frequently a quinquennial review occurs. Actually, it was a very good question, because they do not always occur every five years, but it created great mirth at the time. [*Laughter.*] That was before your time, Paul.

[54] **Jocelyn Davies:** But we are still talking about it. [*Laughter.*]

[55] **Rhodri Morgan:** How was the maximum five-year period arrived at?

[56] **Jocelyn Davies:** We considered it appropriate because the local authority might be required to take action in the intervening period, such as acquiring land, seeking planning permission, building, or making a consideration of the economic climate. So, we thought that five years was a reasonable period, taking into consideration the fact that a number of things could happen. Five years just seemed to be suitable.

[57] **Rhodri Morgan:** Fine. It is possible to get an extension for a second five-year period straight after the first period. The same question then applies. How did you come to the conclusion that you should have the right to extend for a further five years, but not for a further five after that—or at least not straight after? Was it just a nice round figure—10?

[58] **Jocelyn Davies:** No, we were taking into consideration the balance between the need to allow enough time for something to happen and, as I mentioned earlier, the aspirations of tenants. We think that to go beyond 10 years would be unfair to someone who has that aspiration. Ten years is quite a long time anyway, but if you were then to be in a position of purchasing and securing a mortgage—and you obviously have to pay the mortgage back—adding 10 years to a mortgage period could mean that people were getting on in years before they were able to repay their mortgage. We did not want the maximum period to be so long that someone would not have an opportunity to pay off their mortgage.

[59] **Rhodri Morgan:** Okay. However, we presume that, when we park our car in a restricted parking area for an hour, we cannot come back the next hour but that we can in the hour after that. Presumably you could have a five-year period, which could be extended to a 10-year period, after which there would be a break. However, in theory, way in the future, you could come back for another five, but not straight away after the 10-year period. How long do you have in mind as a cordon sanitaire between the end of the 10 years and the commencement of a further five or 10-year suspension?

[60] **Jocelyn Davies:** I would not expect the variation—the extra five-year period that we have talked about—to happen without good reasons. I suppose that, then, we could find ourselves in the position of questioning whether the action taken by the local authority was effective anyway.

[61] **Rhodri Morgan:** What about the break period? Are you saying that it would be a year later or two or three years later? Or would there have to be a minimum break of five years? Have you given thought to when a renewal, or rather a fresh application, could be made? What is the shortest break that you would permit in any circumstances, having finished the 10-year period? Have you given any thought as to what is the shortest break that you would permit, under any circumstances, having finished a 10-year suspension, before a local authority would be entitled to have another go at making an application under the legislation?

1.20 p.m.

[62] **Jocelyn Davies:** Helen is whispering that it is a year; however, if after 10 years the action has been ineffective, you would have to question—

[63] **Mr Breeze:** After five years, part of the process of reviewing the application will be to look seriously at what has been done in the intervening period, before we would even get to the end of the 10-year period.

[64] **Rhodri Morgan:** I am not clear what you are saying. Are you saying that under no circumstances will you accept a renewal after 10 years, or are you saying that maybe you will, but you are not sure about what the cordon sanitaire period will be? Is Helen telling you that you have decided that the period is a year, but that it is not on the face of the proposed Measure, or are you still considering what the period should be?

[65] **Ms Kellaway:** Section 29 of the proposed Measure deals with restriction on repeat applications. The first part of that states that one has to wait a year before reapplying when Welsh Ministers have refused an application. Subsections (3) and (4) state that if you have applied for a direction and have gone up to the end of the 10-year period, you have to allow a year before you can make a fresh application.

[66] **Rhodri Morgan:** So, it is not on the face of the proposed Measure, but it is in the detail that the minimum break is a year—

[67] **Jocelyn Davies:** It is on the face of the proposed Measure; the restriction on repeat applications is covered in section 29, but it is under the heading of general provisions rather than the area that we have been looking at under enlarging and the power to apply.

[68] **Rhodri Morgan:** I stand corrected. You could, therefore, have a situation where you have a five-year suspension and think that things are getting better, a year passes, after which you think that things are not getting any better and you come in to apply for a second five-year agreement, which could lead to 10 years eventually. Alternatively, you could go for a whole 10-year suspension before having a break for a year and making another application.

[69] **Jocelyn Davies:** It is possible for a local authority to make an application. However, when you look at the conditions that we have set, you would have to question—

[70] **Rhodri Morgan:** I understand all of that; they would struggle to get it past the Minister under those circumstances, would they not?

[71] **Jocelyn Davies:** I hope so.

[72] **Paul Davies:** How did you arrive at a period of 12 months?

[73] **Jocelyn Davies:** That period applies if a local authority's application has been rejected, because we do not want to subject people to repeat applications; we want local authorities to understand that they have to do it properly, and that they have to be serious about the application. There will be guidance to help them. We would not be in a position where any application that is received would be the first that we had heard of it, because the consultations would already have taken place. We think that 12 months is a reasonable period. We would not want officials to be reassessing the same application from a local authority.

[74] **Jenny Randerson:** The regulatory impact assessment notes that one alternative to suspending the right to buy was to reduce the maximum discount, stating that it would reduce the number of sales and encourage the development of more homes. Can you tell us whether you think that that would have worked and, if not, why not?

[75] **Jocelyn Davies:** As I mentioned earlier, the maximum discount in Wales is £16,000, and if you go below that level of discount, it is no longer a low-cost home-ownership scheme. Properties in some local authority areas would still be very expensive even with a maximum discount of £16,000; if you go below that, people would be deterred from aspiring to own their home because they would not be able to afford it.

[76] **Jenny Randerson:** Other than reducing the maximum discount—which you obviously considered—and suspending the right to buy, what other options did you consider?

[77] **Jocelyn Davies:** Do you mean in relation to the discount?

[78] **Jenny Randerson:** In relation to preserving the supply of social housing.

[79] **Jocelyn Davies:** Other than restricting people's ability to purchase homes, I wonder under what circumstances it would be lost. Due to the new competence Order and its successful passage, it is only now that we have the powers over disposals by social landlords. We have been governed by primary legislation. Previous Ministers had taken the action of reducing the maximum discount and, of course, increasing the length of time that a local authority has after you have purchased in order to purchase back. We know that very little of that has happened. Therefore, that is not an effective tool. Now that we have powers over disposals, as well as powers over tenure law, one of the policies that we are looking at with the Chartered Institute of Housing, but it is at a very early stage, is the concept of flexible tenure whereby you could build up equity share in your property without going to 100 per cent. This is something that would allow tenants to staircase up and down, but not purchase 100 per cent. Therefore, when you leave that property, the registered social landlord, who still has an equity share, could either sell that property on to someone on the waiting list, or it could become a tenanted property again. We have not had the legislative powers, Jenny, in order to develop that. However, now that we have powers over tenure and disposals, we can consider a great many other things. The truth is that there were no tools available.

[80] **Jenny Randerson:** Section 31 of the proposed Measure states that where the Welsh Ministers decide to consider a local authority's application to suspend the right to buy, a claim by a social housing tenant to exercise his or her personal right to buy would be stayed. How long do you envisage that it would take you, as Welsh Ministers, to make a decision based on the local authority's application?

[81] **Jocelyn Davies:** We would imagine that that would not be a long period of time. I cannot tell you exactly how long it will take, but we do assess information that comes from local authorities now. Therefore, we have a fair idea. For example, in relation to stock transfer, our guidance states to the local authority that it should expect us to have that for six

weeks and they are very complicated documents that have to go to lawyers and so on. I know that Ceri is keen to come in on this. We do not think that it would take very long and we have had experience because we now would require local authorities to submit to us their affordable housing delivery statements, which probably would be more in line with what we would expect these applications to consist of. Do you know how long it will be, Ceri?

[82] **Mr Breeze:** Based on our previous experience of assessing local authorities' affordable housing delivery statements and the stock transfer process, as the Deputy Minister said, as a rough guide, it would be several weeks. Much depends on the quality of the application. Obviously, if there are gaps in it and our review identifies them, it would extend the period. We would want to take soundings from a range of officials internally to make sure that the assessment is robust, but I think that several weeks would be a rough guide. Obviously, it would be treated as a priority because as soon as the application is made the applications from tenants are stayed. Therefore, it would be treated as a priority.

[83] **Jocelyn Davies:** I think that I would caveat that because I know that, with stock transfer, you could be considering two at the same time. I suppose that it would depend on how many you have from local authorities. Based on the Scottish experience, it appears that this would come in periodically; therefore, we do not think that this would take so long that someone would be in limbo. Of course, they would have already been consulted before the application was made; therefore, they would be well aware that this was happening. The reason why we thought that the application should just be stayed rather than rejected is that no more work would be taking place on that, but they may have made a valid application and their discount could continue to accrue. They would not be disadvantaged during that period, or indeed during the period of the suspension, as far as the discount is concerned.

1.30 p.m.

[84] **Jenny Randerson:** Do you not think that perhaps your estimate of how long it would take for you to make a decision is a little optimistic? I do not want to compare Ministers with Ministers, but I am going to. When a local education authority applies to the Minister for Children, Education and Lifelong Learning to close a school, we have numerous examples of it taking over a year for the Minister to go through the processes and make that decision. If you are thinking about that sort of time frame, that would put a completely different complexion on staying that application.

[85] **Jocelyn Davies:** Yes, it certainly would, because I do not think that anyone should be in the position of not knowing whether that can happen. However, we have said on the face of the proposed Measure what we would require, which would also be stated in detailed guidance, and before the application comes in all the consultation would have been done, and this says that if all the conditions are met the Welsh Minister must agree it.

[86] **Jenny Randerson:** Did you think of stipulating a period of time in the proposed Measure in order to give tenants who want to buy their property some kind of certainty?

[87] **Jocelyn Davies:** It is something that I thought about, but I thought, 'If that period of time was breached, what would happen?'. Does that mean that the application either succeeds or is rejected? I am not sure what would happen at the end of that period. If we stipulated so many weeks or months, what would happen if that was exceeded? Would the application succeed or be defeated? I was not sure. So, I do not think that we would want to be in that position because, if the application was then rejected, the other statutory procedures would mean that that local authority, through no fault of its own, could not then make another application for 12 months. If you say that the application would succeed, the conditions may not have been met.

[88] **Mr Breeze:** Going back to delivery statements, we were assessing very similar information to that which would be included in an application, and that is where the estimate comes from. We had 22 of those in at the same time, which obviously created a bit of a bottleneck. I am fairly confident that these would not all come in at the same time, so they could be staged, hence the ‘several weeks’.

[89] **Jocelyn Davies:** Helen, who was the lawyer who worked on this part, might have a more convincing answer for you.

[90] **Ms Kellaway:** All I want to add is that all applications will be considered on their own merit. The complexity of each would have a bearing on how long an application would take to consider.

[91] **Jocelyn Davies:** Jenny, I know that, in the past, other legislation has included time frames. For example, for a child with special educational needs, the process must be completed within six months. Having worked as a volunteer advocate in that area, I know that, for the parents, if it was not completed within six months, it did not mean that the child got the provision; it meant that you complained that it was not done within the six months. So, sometimes, having time frames in legislation does not mean that you can meet them. So, on the whole, not knowing what would happen if it was breached and thinking that, if you meet these criteria, the Minister must agree, we thought that it was better not to put a time frame in. However, the guidance that will go out will tell the local authority how long we estimate that we will take, in the same way as we do with the stock transfers. However, we imagine that it would be weeks rather than months, and it certainly would not be longer than that.

[92] **Mr Breeze:** Another point is that, as you do more applications, you develop your systems and processes, so it becomes a more effective and efficient system. So, as time went on, that would help as well.

[93] **Jenny Randerson:** Section 32 restricts a tenant’s right to buy while a direction suspending the right to buy has effect. Does that apply to a tenant’s right to acquire and preserved right to buy as well?

[94] **Jocelyn Davies:** No, it does not. I think that Helen could give you more information on that.

[95] **Ms Kellaway:** This section amends the Housing Act 1985, which does not refer to related rights; it just refers to the right to buy. So, it would also apply to those via amendments to SIs to include the new provisions inserted into Part 5 of the Housing Act 1985.

[96] **Jenny Randerson:** So, those other categories—the right to acquire, and preserved right to buy—are not covered at all.

[97] **Jocelyn Davies:** Where do we cover those?

[98] **Ms Kellaway:** I think that that is covered in section 1(3), where the right to buy includes the preserved right to buy and the right to acquire.

[99] **Jenny Randerson:** Sorry; I have misunderstood. It does not say it, but, by implication, it does include it.

[100] **Ms Kellaway:** Yes.

[101] **Jenny Randerson:** Is there a technical, legal reason why it is not possible to be

clearer on that?

[102] **Ms Kellaway:** Yes. We are amending the Housing Act 1985, which does not refer to related rights, just to the right to buy. We are putting it in the proposed Measure and including it under the definition in section 1(3).

[103] **Jenny Randerson:** My other questions have been dealt with.

[104] **Christine Chapman:** When Sue Essex's task and finish group looked at housing, it found an urgent need for the reform and upgrading of the regulatory arrangements in Wales. Why is a new statutory framework for registered social landlords necessary?

[105] **Jocelyn Davies:** Yes, this is Part 2 of the proposed Measure, and the Essex review recommended wholesale change to the regulatory regime, which we have undertaken. However, that has been done under the executive functions, and what you see here, I suppose, is the statutory face of that. The regulatory regime has undergone that change, and it was felt during our consultation that, in the current financial circumstances, where lenders were looking to reduce risk and we wanted to ensure that they had full confidence, the current regime should be given statutory force. We had two consultations on changing the regulatory regime, and that was one of the responses. We wanted a more appropriate or robust regulatory regime that was risk-based and proportionate with early intervention, and this gives us that. Of course, we hope that we will never need to use the provisions in this proposed Measure, because we hope that the regime that we have now would spot things early, with everything done by voluntary undertaking. I am sure that that is the case. So, we have worked with the sector to produce our regulatory regime, which we have in place, and this is the statutory face of it.

[106] **Christine Chapman:** Moving on to section 35, you talk about standards of performance, and we have heard evidence from stakeholders that, rather than some top-down survey of the sector being necessary, they would hope that the registered social landlords, in conjunction with local authority partners, would be working together to ensure that the standards that they met complied with that framework. I wonder whether you would agree with that view.

[107] **Jocelyn Davies:** Yes—that is what we are doing now.

[108] **Christine Chapman:** When evidence was given to this committee, the Welsh Tenants Federation Ltd stated that the consultation requirements relating to the setting of standards included in section 37 should be extended to involve the national representative organisations, such as the federation. What are your views on this?

[109] **Jocelyn Davies:** It could include others, because Welsh Ministers must consult one or more bodies—oh, I see; it has commented because we have included only the registered social landlords. If the federation felt that it should be included I would have no objection to taking that on board. There is no strong reason why it is not included there.

[110] **Ms Frith:** Perhaps I can help out here. This has been drafted so that the consultation requirements in sections 37 and 40 are slightly different, because it was felt that they were slightly different audiences. However, we understand the points, and we are looking at the possibility of introducing an amendment in relation to that point.

1.40 p.m.

[111] **Christine Chapman:** We have also heard evidence from the Welsh Tenants Federation Ltd that you have set up a regulatory board for Wales and a tenants' advisory

panel as mechanisms that you can use to get a feel for what is happening on the ground. Is it your intention that those fora will be consulted prior to the setting of performance standards by Welsh Ministers?

[112] **Jocelyn Davies:** Yes. The idea behind those networks is that the Minister can stay informed and can hear the voices of the whole sector. That is the way in which we open up Government to people who receive the services and so on. It is a way of keeping abreast of things, and it is very useful. I have done that in relation to my other functions with regard to housing, and I intend to do that in relation to regeneration. If people are prepared to give you their expertise and time for nothing, I do not think that you should turn it down. So, that happens to be my style as a Minister.

[113] **Christine Chapman:** You did not want to put that on the face of the proposed Measure, though.

[114] **Jocelyn Davies:** That is my style as a Minister. I suppose that not every Minister would have that style, but I think that you benefit a great deal from it.

[115] **Mr Breeze:** The regulatory board and the advisory service add considerable strength to the whole regulatory framework. The fact that they work closely together further reinforces the approach, and that will include standards.

[116] **Gareth Jones:** Hoffwn gyfeirio at adran 48, sy'n ymwneud â phwerau mynediad. Yr ydym wedi clywed tystiolaeth gan Ffederasiwn Tenantiaid Cymru Cyf bod yr adran hon o'r Mesur arfaethedig yn amwys, gan nad yw'n glir a fydd aneddiadau preifat wedi eu heithrio o arolygiadau o'r fath. A ydych yn cytuno â'r farn y gellid drafftio'r adran hon mewn modd sy'n gwneud yr ystyr yn gliriach?

Gareth Jones: I want to refer to section 48, which relates to powers of entry. We have heard evidence from the Welsh Tenants Federation Ltd that section 48 of the proposed Measure is ambiguous, in that it is not clear whether private dwellings will be exempt from such inspections. Do you agree with the view that this section could be drafted in a clearer way?

[117] **Jocelyn Davies:** This matter was raised in another committee; in fact, I think that it was Rhodri Morgan who raised it with me in the Constitutional Affairs Committee. So, I have given it a little thought. Obviously, it is not intended to refer to dwellings, and refers only to those premises that registered social landlords occupy. I am told that the Housing Act 1996 gives us the right of entry to dwellings, but only for a specific purpose, namely to perform a survey if repairs have not been carried out. However, tenants need to be given notice of that. If Members felt that that could be clarified so that it does not keep raising the same doubts, I would be happy to look at the wording to see whether we could improve it. I am happy to put on record that it is not intended for entry into tenants' dwellings. Of course, the provision in section 48 would only occur if a voluntary undertaking could not be obtained from the registered social landlord.

[118] **Val Lloyd:** We are reassured to hear your personal guarantee, so to speak, Deputy Minister, but I am sure that we would also like to see it added in perpetuity, as it were.

[119] **Ms Frith:** I have taken the opportunity to have a chat with the legislative counsel about this matter, and we are both happy that the clause does what the Deputy Minister has just described. We appreciate that it is not necessarily seen in that way, so we are looking at whether we can introduce wording to make it more accessible.

[120] **Gareth Jones:** Mae adran 57 yn **Gareth Jones:** Section 57 allows Welsh caniatáu i Weinidogion Cymru roi cosb Ministers to impose a financial penalty on a

ariannol i landlord cymdeithasol cofrestredig mewn rhai achosion penodol. A ydych o'r farn y byddai dirwy nad yw'n fwy na £5,000 yn ddigonol i sicrhau bod landlord cymdeithasol cofrestredig yn cydymffurfio â'r fframwaith rheoleiddio arfaethedig?

registered social landlord in certain specified cases. Do you believe that a maximum fine of £5,000 is sufficient to ensure that a registered social landlord complies with the proposed regulatory framework?

[121] **Jocelyn Davies:** We felt that the sum was significant enough. Perhaps Maggie could expand on this point, because I think that we may be restricted in the financial penalties that we can impose. The sum of £5,000 is not insignificant, but would not be too onerous. It would not put a financial burden on a registered social landlord that would mean that tenants and others would suffer. That is why we thought that it was an appropriate sum. However, I think that we are restricted, are we not, Maggie?

[122] **Ms Frith:** Off the top of my head, I think that we are in criminal cases, but I am not sure about this, because it is not a criminal penalty. I would have to check that point.

[123] **Jocelyn Davies:** It is a reasonable sum. As I said, we would not want for the finances of a registered social landlord to be affected or for this to impinge on services. So, this is not tokenistic, but it is appropriate.

[124] **Gareth Jones:** Hoffwn symud ymlaen i ystyried adrannau 64 i 71 y Mesur arfaethedig. Mae'r rhain yn caniatáu i Weinidogion Cymru ei gwneud yn ofynnol i landlord cymdeithasol cofrestredig dalu iawndal. A allech egluro o dan ba amgylchiadau y byddech yn gwneud hynny?

Gareth Jones: I would like to move on to consider sections 64 to 71 of the proposed Measure. These allow Welsh Ministers to compel a registered social landlord to pay compensation. Could you explain under what circumstances you would do that?

[125] **Jocelyn Davies:** The proposed Measure is quite clear that there would have to be a failure to meet the standard under section 3A or a failure to comply with an undertaking that had been given. So, the circumstances are very strict. We would not find ourselves in a position where Welsh Ministers could just order housing associations and others to pay compensation. They would be involved only if there was a statutory failure to comply with these standards.

[126] **Gareth Jones:** Yn dilyn ymlaen o hynny, i bwy y byddai'r iawndal yn cael ei dalu?

Gareth Jones: Following on from that, to whom would the compensation be paid?

[127] **Jocelyn Davies:** To the person who had suffered the loss.

[128] **Gareth Jones:** Would that be the tenant?

[129] **Jocelyn Davies:** It does not say 'tenant', but if someone had suffered a loss, the compensation would be payable to the person who suffers a loss. We assume that that would be the tenant. I imagine that there are communications between landlords and tenants all of the time about compensation. Welsh Ministers would not be getting involved in that unless there had been a breach of this statute. However, I do not think that that is confined to tenants.

[130] **Gareth Jones:** I see.

[131] **Ms Frith:** That is correct. It is not confined to tenants, because we thought that there would be circumstances when, for example, people in the next house might be affected by disrepair, or something like that.

[132] **Gareth Jones:** Could it be a builder who has not been paid, or someone like that?

[133] **Jocelyn Davies:** Yes.

[134] **Gareth Jones:** Eto, yn ymwneud â'r iawndal, yr ydym wedi sôn am £5,000, ond pam nad ydych wedi cynnwys y swm uchaf posibl ar gyfer iawndal ar wyneb y Mesur arfaethedig?

Gareth Jones: Again, on the compensation, we have talked about £5,000, but why have you not included the maximum amount of compensation possible on the face of the proposed Measure?

[135] **Jocelyn Davies:** Compensation is normally awarded because of loss, it is not? It is normally the sum that is lost. However, any Welsh Minister awarding compensation would have to take into consideration the financial viability of the registered social landlord and weigh that up. Some registered social landlords are very small and some are very large indeed. So, for example, the stock transfer housing associations might have 12,000 properties, or more. Therefore, they can be very large and the sums involved could be considerable. Others are very small. I have no idea in what circumstances this would be used, but it would have to be used if there was a statutory failure. We assume that compensation is paid according to the level of the loss.

[136] This does not cut across the ability of any body or any legal entity to use other means to get what is owed to them. This would not stop someone, for example, suing through the courts.

[137] **Mr Breeze:** Or taking action via the ombudsman, for example.

[138] **Gareth Jones:** Hoffwn symud ymlaen i drafod adran 69 y Mesur arfaethedig. Mae'r adran hon yn caniatáu i landlordiaid cymdeithasol cofrestredig gyflwyno sylwadau i Weinidogion Cymru ynghylch iawndal. Pam nad yw tenantiaid sy'n disgwyl canlyniad cais am iawndal yn cael cyflwyno sylwadau tebyg i Weinidogion Cymru?

Gareth Jones: I would like to move on to discuss section 69 of the proposed Measure. This section allows registered social landlords to make representations to Welsh Ministers about compensation. Why are tenants awaiting the outcome of a compensation claim not permitted to make similar representations to Welsh Ministers?

1.50 p.m.

[139] **Jocelyn Davies:** I suppose that, because you are making a decision that affects the registered social landlord, there is a requirement to allow those representations to be made. However, as I said, this would not be the only route open to a tenant to get compensation, as they could claim on the insurance of the registered social landlord or they could take a case to court. To make a comparison with the courts in criminal cases, in those cases, they can award compensation, but the victim does not have the right to make representations about that. However, the courts are allowed to do it. This is not the main function of the legislation, but it falls from it.

[140] **Mr Breeze:** There are specific requirements in the proposed Measure for the Welsh Ministers to take on board the views of tenants when taking enforcement action.

[141] **Ms Frith:** Section 68 inserts a new section, section 50S, to the Housing Act 1996, and they have to take on board the views of third parties, which would include the person who will potentially be compensated.

[142] **Gareth Jones:** Symudaf i adrannau 72 i 78, sy'n rhoi pwerau ychwanegol i reoli landlordiaid cymdeithasol cofrestredig. A allwch esbonio sut y byddai defnyddio'r pwerau hyn yn fodd effeithiol o fynd i'r afael â phroblemau gyda landlordiaid cymdeithasol cofrestredig sy'n tanberfformio?

Gareth Jones: I move on to section 72 to 78, which provide additional powers in relation to the management of registered social landlords. Can you explain how the use of these powers would be an effective means of getting to grips with issues surrounding the underperformance of registered social landlords?

[143] **Jocelyn Davies:** Currently, or certainly since I have been Deputy Minister, if we know that a registered social landlord is experiencing some management difficulties, we ask people with experience elsewhere to sit on boards for a temporary period. That has happened and it has been a great help. We must remember that there is considerable public investment on the balance sheets of housing associations in Wales. If you add it up, it comes to over £2 billion, so we need to be able to protect that public investment. We also need to ensure the welfare of tenants and the viability of the sector as a whole. Sometimes, you need to act very quickly. There was one example of a housing association in Wales becoming insolvent, although it was a long time ago. So, there are sometimes circumstances in which you need to act quickly, and this would be a long way down the chain from the voluntary undertaking. This would be an escalation if things did not work, and, by this point, you would need to act quickly for the reasons that I mentioned, namely safeguarding homes, the global financial viability of the sector, the confidence of lenders and others in the sector in Wales, and demonstrating that we, as a regulator, take our responsibilities seriously.

[144] **Gareth Jones:** Mae'r adrannau hyn yn gymhleth a rhaid bod yn dra gofalus gyda hwy. Mae hynny'n arwain at fy nghwestiwn olaf. O ran defnyddio'r pwerau hyn neu reoli, yr ydym wedi clywed tystiolaeth sy'n pwysleisio pwysigrwydd ymgynghori'n drwyadl â thenantiaid, gan gynnwys defnyddio pleidleisiau, o bosibl, cyn i newidiadau gael eu gwneud i'r modd y caiff y darparwr tai cymdeithasol dan sylw ei reoli. Beth yw eich barn am hyn? A ydych o'r farn y dylai darpariaethau o'r fath gael eu cynnwys ar wyneb y Mesur arfaethedig?

Gareth Jones: These sections are complex and it is necessary to tread quite careful with them. That leads onto my final question. As far as using these powers or management are concerned, we have heard evidence that emphasises the importance of rigorous consultation with tenants, including the possible use of ballots, before changes are made to the management of the social housing provider in question. What are your views on that? Are you of the opinion that such provisions should be included on the face of the proposed Measure?

[145] **Jocelyn Davies:** No, I am not. It would be unfair to ask tenants to vote if you had reached that point. It is not like a voluntary stock transfer. At this point, you would need to save an organisation, and a ballot of tenants would be completely inappropriate. When I appeared before the Constitutional Affairs Committee, I said that I did not think that this was an instance in which it would be appropriate for the Assembly as a whole to take a vote, because of what you would have to take into consideration. I do not think that it would be fair to include that information. It is not like a stock transfer.

[146] **Paul Davies:** Section 78 of the proposed Measure would allow the Welsh Ministers to bring about the amalgamation of one society of a registered social landlord with another. Under what circumstances would you envisage bringing about such an amalgamation?

[147] **Jocelyn Davies:** I suppose that if there had been a failure and there was a danger of the collapse of one organisation and it would be appropriate for it to amalgamate with another organisation that was functioning well, as laid out in the proposed Measure. It would be a draconian step to take, and, as I have said before, we hope that none of these powers will ever need to be used, but the powers are there so that our regulatory regime has statutory force.

[148] **Paul Davies:** So, it would be the last resort.

[149] **Jocelyn Davies:** It would be the very last resort, yes.

[150] **Mr Breeze:** With these powers, you would be forcing an amalgamation. It is entirely possible that if problems were encountered, a voluntary arrangement between two associations could achieve the solution to the problems. I emphasise the strength of the regulatory framework. It is a very challenging system before we even get to any of these stages. There is challenge built in and there is self-assessment by the regulatory team, and tenants are involved all the way down the line in great detail. So, on some of the issues that we are covering, tenants would already be involved in the whole process.

[151] **Jocelyn Davies:** You would also have had to carry out an inquiry and there would have had to be misconduct and mismanagement. You really would be at the extreme end of what could possibly go wrong with a registered social landlord.

[152] **Paul Davies:** I notice that section 83 of the proposed Measure gives Welsh Ministers the power to appoint an interim manager of a registered social landlord in the case of insolvency. Why is it necessary for the Welsh Ministers to have such a power?

[153] **Jocelyn Davies:** As I mentioned to Gareth earlier, it is about the ability to act as quickly as possible, because you would want tenants to know that you were taking action and that whatever it was that was going wrong had been addressed. You would also want to protect the investment from the public purse that had gone into that, and you would want lenders to know that you were taking action as quickly as possible.

[154] **Paul Davies:** I understand that housing associations have failed in the past and that a prominent housing association in England collapsed in 2008. Will the proposed Measure help to prevent a situation like that from occurring in Wales in the future? Do you think that the regulatory framework set out in the proposed Measure is strong enough to ensure that similar insolvencies do not occur in Wales?

[155] **Jocelyn Davies:** Even without this, the regulatory regime that we have ought to prevent that because it gives us early indications if anything is going wrong. You can often help an association to put things right without no-one even noticing. However, we have been urged by lenders to give it a statutory force, and they are pleased with how this looks. I think that the regime without the statutory force would prevent that, but the proposed Measure will make it transparent for everyone to see what would happen if a situation did escalate.

[156] **Mr Breeze:** I understand from the experience in England that the financial management problems often stem from governance failures that the boards of associations have allowed to develop. This is where our regulation framework has its strengths, because it is challenging all the way down the line. So, the strength of the regulation framework is in tackling these issues early in the process, as the Minister said, and preventing them from developing further. The common problems in Scotland are poor performance and poor leadership. The whole challenge of the regulatory framework and the role of the regulation team in keeping close touch with the associations are fundamental to preventing that from happening in the first place.

2.00 p.m.

[157] **Paul Davies:** So, you are saying that if the regulatory framework had been in place in the past, it would have prevented some housing associations from collapsing.

[158] **Jocelyn Davies:** Well, there has been one very famous case in Wales—

[159] **Rhodri Morgan:** It was in my constituency.

[160] **Jocelyn Davies:** Right. As with Alun Cairns's comment, we are still talking about it, even though it happened 20 years ago. Since I have been Deputy Minister, we have needed to give assistance to an association on one or two occasions. It has worked well and has been done on a completely voluntary basis. In the past, the Wales Audit Office undertook an inspection of housing associations, but it did not look at their governance or finance arrangements. So, we are now changing the way in which we deal with associations, so that governance and finance get a special focus from us. When the Essex review was carried out, the common complaint was that our staff were focusing on micromanagement rather than looking at governance and finance, but strengthening that part is the key to it. So, I would like to say that the regulatory framework will prevent associations from collapsing, but I actually think that it our regulatory regime that will prevent that from happening. If something did escalate, we certainly have all this available to us to ensure that we do not see a collapse.

[161] **Rhodri Morgan:** For what it is worth, according to my memory, Corlan collapsed because it was paying top dollar for land prices at a time of falling land prices in the early 1990s, and it just did not recognise that. Then, when it came to borrowing on the back of the land prices, the borrowing capability was not there, because it was very programme driven. Do you think that that programme-driven mentality—that is, of wanting to continue to acquire and remain committed to land purchases, the price for which is agreed at the top of the market, but failing to accept the need to undo that and start again because land prices have collapsed—could still be there in the future?

[162] **Jocelyn Davies:** I hope that it would not. Currently, associations have been able to take advantage of the fact that people have bought at the top of the market and now need to sell.

[163] **Rhodri Morgan:** They need to offload.

[164] **Jocelyn Davies:** Yes, and we have been able to take advantage of that. Given that we are now trying to develop good relationships between associations and the local authority with that strategic housing function, I think that we would be alerted much earlier. In that case, I suppose that there was poor judgment and there was not enough challenge—

[165] **Rhodri Morgan:** It was overenthusiasm, really, I suppose.

[166] **Jocelyn Davies:** Okay, but a good many experts have made that same mistake again, have they not? However, there needs to be a challenge from the board to ensure that it does not escalate. We have found that if lenders perceive that the risks are not very low, other associations will have to pay more, even if they can borrow. So, we have tried to ensure that the regulatory regime demonstrates to all lenders that it is safe to lend in Wales, that the risk is low, and that there is a benefit for us all in that.

[167] **Rhodri Morgan:** Would you accept that it is still the case that the boards of the housing association end of the Welsh RSL market tend to be more risk averse than those of England and Scotland? Would you accept that we have, from time to time, wondered whether it might be better if they were less risk averse, in one sense at least, in that they could consider schemes through the Welsh housing investment trust and others that are trying to raise more money from the private sector, but that they would have to be less risk averse, or more like their English or Scottish counterparts to do so? Are the Welsh housing associations generally considered to be risk averse and conservative in their attitude?

[168] **Jocelyn Davies:** That may well be. However, since the Essex review, we have set up the working groups, which comprise private developers, lenders, and local government. Anyone with an interest in housing has been invited to come along, so we know that there has been more sharing of information and intelligence, in working up things like the housing investment trust. Even if you have a small number—and we have 37 associations that would be covered by this—they are all different. They are of different sizes and they operate in different ways, and I suppose that that is appropriate. We now have very large associations that have brought different approaches to stock transfer, and in future, once they have achieved the WHQS, they could become significant players and adopt a different approach. Things are developing, and we need to share intelligence and hope that the investment trust becomes a success.

[169] **Mr Breeze:** A robust approach to risk in the first place is a fundamental part of that.

[170] **Paul Davies:** Have you had any discussions with the UK Government about the likely impact of the decentralisation and localism Bill on the social housing sector in Wales? How do you think that the provisions of that Bill will work alongside the proposed Measure's aims and objectives?

[171] **Jocelyn Davies:** Officials are in constant contact with their Westminster counterparts. I met with the new Minister of State for Housing and Local Government, Grant Shapps, and we came to an understanding that things that are done on a Westminster level can have impacts here; he acknowledged that, and gave an assurance that he would take it into consideration whenever he brings legislation forward.

[172] **Mr Breeze:** We are also in touch with officials in England on this issue.

[173] **Paul Davies:** So, your discussions are ongoing.

[174] **Jocelyn Davies:** Yes. The Minister and I had an amiable conversation when we met. He realised that there are sometimes impacts on Wales as a result of things done in England, and he said that he would take that into consideration.

[175] **Mr Breeze:** While the direction of regulation in England is changing, the powers are exactly the same. We are as one on two things in our discussions with our counterparts in England, in that whatever arrangements we put in place, they have to make sense to tenants and they also have to protect tenants. There is a common view in that regard, and we are working with our colleagues to bring that about.

[176] **Jocelyn Davies:** I think that he was quite jealous that we are the regulator in Wales, as I think that he would like to consider certain things—I suppose that what I am saying is that it is not always a one-way street.

[177] **Val Lloyd:** In our consultation, we heard evidence from an individual that the provisions in the proposed Measure should be revisited in five years' time to evaluate how effective it is in reducing housing pressures in Wales. Do you have any review processes in place?

[178] **Jocelyn Davies:** On the regulatory regime, I hope that the statutory framework will stand us in good stead for many years. It remains to be seen whether local authorities take up the offer of using the provisions in relation to the right to buy. When the legislation was first put in place in Scotland, I think that it took a little while for any applications to come in, so I would not judge it on the first five years. We have to bear in mind that there are virtually no sales at the moment, not because of legislation or Government action; it is because of people's inability to secure mortgages. Last year, there were fewer than 200 sales, so there are

other things that impact on supply and so on that are well beyond the reach of legislation. If we were to assess it after a number of years, it would be difficult to know whether the mere existence of this legislation will have made a difference, regardless of whether it is used or not; I am not sure how we would assess it. I would not give an assurance that an assessment after five years would give a good indication of whether the legislation is effective or not.

[179] **Val Lloyd:** Would any time span accord with your views?

[180] **Jocelyn Davies:** What would you do after five years if the legislation was not effective? Would you repeal it? If it falls into disuse, so be it.

[181] **Val Lloyd:** Thank you. We have come to the end of our questions. Is there anything that we have not touched on that you or your officials wish to raise?

[182] **Jocelyn Davies:** Please let us know if there is anything else that you need from us, as perhaps we can supply that information.

[183] **Val Lloyd:** Thank you for your open and frank answers to our questions. The draft transcript will be sent to you before it is published.

[184] The next meeting of the committee will be in 2011, on 12 January. We will meet on Wednesday mornings in the new year.

2.10 p.m.

Cynnig Trefniadol Procedural Motion

[185] **Val Lloyd:** I ask the committee to agree to exclude the public from the remainder of the meeting. I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).

[186] I see that you are all agreed.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth y cyfarfod i ben am 2.10 p.m.
The meeting ended at 2.10 p.m.*