

Cynulliad Cenedlaethol Cymru
Y Pwyllgor Cyfiawnder Cymdeithasol ac Adfywio

The National Assembly for Wales
The Social Justice and Regeneration Committee

Dydd Iau, 23 Tachwedd 2006
Thursday, 23 November 2006

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynnddi 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 o'r Cynulliad yn bresennol: Mick Bates (Cadeirydd), Edwina Hart (y Gweinidog dros Gyfiawnder Cymdeithasol ac Adfywio), Mark Isherwood, Trish Law, Sandy Mewies, Catherine Thomas, Leanne Wood.

Swyddogion yn bresennol: Mike Harmer, yr Uned Ymchwil a Gwybodaeth; Chris Hobday, y Gyfarwyddiaeth Dai; Jo Jordan, Cyfarwyddwr, Uned Diogelwch Cymdeithasol; Karyn Pittick, y Gyfarwyddiaeth Gymunedau; Dr Emyr Roberts, Cyfarwyddwr, yr Adran Cyfiawnder Cymdeithasol ac Adfywio; Anne Stephenson, Cyfarwyddwr, y Gyfarwyddiaeth Gymunedau; Paul Webb, y Gyfarwyddiaeth Dai; Linda Whittaker, Cyfarwyddwr Tai.

Eraill yn bresennol: Simon Harris, Cadeirydd, Rhwydwaith Mentrau Cymdeithasol; Michael Jones, Prifysgol Caergrawnt; Simon Smith, Prif Swyddog Tân, Awdurdod Tân Gogledd Cymru.

Gwasanaeth Pwyllgor: Dr Virginia Hawkins, Clerc; Claire Griffiths, Dirprwy Glerc.

Assembly Members in attendance: Mick Bates (Chair), Edwina Hart (the Minister for Social Justice and Regeneration), Mark Isherwood, Trish Law, Sandy Mewies, Catherine Thomas, Leanne Wood.

Officials in attendance: Mike Harmer, Research and Information Unit; Chris Hobday, Housing Directorate; Jo Jordan, Director, Community Safety Unit; Karyn Pittick, Communities Directorate; Dr Emyr Roberts, Director, Social Justice and Regeneration Department; Anne Stephenson, Director, Communities Directorate; Paul Webb, Housing Directorate; Linda Whittaker, Director of Housing.

Others in attendance: Simon Harris, Chair, Social Enterprise Network; Michael Jones, University of Cambridge; Simon Smith, Chief Fire Officer, North Wales Fire Authority.

Committee Service: Dr Virginia Hawkins, Clerk; Claire Griffiths, Deputy Clerk.

Cynhaliwyd y cyfarfod yng Nghanolfan Casnewydd, Casnewydd
The meeting was held in the Newport Centre, Newport

Dechreuodd y cyfarfod am 1.33 p.m.
The meeting began at 1.33 p.m.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introduction, Apologies, Substitutions and Declarations of Interest

[1] **Dr Hawkins:** Good afternoon, ladies and gentlemen. Welcome to the meeting of the Social Justice and Regeneration Committee here at the Newport Centre. Unfortunately, Janice Gregory, our Chair, is unable to be with us today; therefore, under Standing Order No. 8.20, I call for nominations for a temporary Chair. Mick Bates has been nominated. Is everyone happy with Mick Bates? I see that you are. Thank you.

*Penodwyd Mick Bates yn gadeirydd dros dro.
Mick Bates was appointed temporary chair.*

[2] **Mick Bates:** Thank you very much. It is very rarely that I have known everyone to be happy with me, but there you go.

[3] I will start by wishing Janice Gregory all the best. As some of you may know, Janice is still in hospital. I am sure that you would wish us to convey our best wishes to her for a speedy recovery.

[4] Welcome to everyone to Newport, including members of the public, who are at the back. I am pleased that the committee is once again meeting outside of Cardiff bay. It is very important that we travel around. I do not know what they are doing around here but it is certainly a job to get here; there are lots of alterations in the traffic scheme. I am sure that it will be much better when it is finished.

[5] I have to mention a few housekeeping issues. In the event of a fire alarm, please leave the room by the marked fire exits, and follow the instructions of the ushers and staff. There are several fire exits around the room. There is no test forecast for today, so we should be all right. I remind you that all mobile phones, pagers and BlackBerrys should be switched off, as they interfere with the broadcast equipment. The National Assembly for Wales operates through the media of the Welsh and English languages, and headphones are provided for the simultaneous translation; they are also useful to amplify the sound for those people who cannot hear otherwise, or who are hard of hearing.

[6] Members of the public will be able to access refreshments at the cafeteria, which is located on the first floor, overlooking the swimming pool. I also remind committee members not to touch any of the buttons on the microphones, as this can disable the system; please ensure that the red light is on before you speak. I hope that you have all received the current awareness briefing from the Members' research service, together with the committee activities paper, which was circulated on 20 November.

[7] I have apologies for absence from Huw Lewis, Janice Gregory and Laura Anne Jones. I welcome Catherine Thomas, who is substituting for Huw.

1.36 p.m.

Cofnodion y Cyfarfod Blaenorol Minutes of Previous Meetings

[8] **Mick Bates:** Do any Members have any comments on the minutes? I see that you do not. For information, for those of the public who are attending, a verbatim record of that committee meeting has already been published.

*Cadarnhawyd cofnodion y cyfarfod blaenorol.
The minutes of the previous meeting were ratified.*

1.36 p.m.

Adroddiad y Gweinidog Minister's Report

[9] **Mick Bates:** Thank you for your report, Minister.

[10] **The Minister for Social Justice and Regeneration (Edwina Hart):** I have an update on my meeting with the chief constables. On 6 November, I held the latest of my regular meetings with the four Welsh chief constables. I will also put this out as a letter to Members, so that they can have the information to hand for the future.

[11] We talked about the chief constables' ideas for a vision for policing, specific to Wales, which can be more closely aligned with the Assembly's key strategic aims. We also talked about the need to build effective links with other Assembly departments, such as health and education; I will say more about this later. We also talked about the substance misuse education programmes, and, in particular, how local schemes integrate with our all-Wales school programme. Members will be aware that the subject of one such programme, Don't Touch—Tell!, has been raised in Plenary on several occasions.

[12] Our view is that there is a place for such local programmes, but we need a co-ordinated approach to how they are planned and commissioned, so that we can ensure that they are consistent with the all-Wales school programme. We agreed that there needs to be some mechanism by which, in the future, the community safety partnerships only commission local education programmes that are consistent with the all-Wales programme. As a first step, I have asked my officials to consider the feasibility of an accreditation requirement for local schemes; I will keep the committee updated on this.

[13] We also discussed the difficult question of drug consumption rooms. Members will recall that I have written to Tony McNulty on this issue, and I am awaiting a response from him. I understand from my office that a response has come in today, which I have not had the opportunity to go through yet. I will update the committee on that in due course. I took the opportunity to ask the chief constables whether they would be prepared to sanction pilot projects in their area. The chief constables confirmed that they would all support such pilot schemes, although we agreed on the likely difficulties of identifying suitable sites, and overcoming local opposition. We well know the difficulties that we have with alcohol rehab sites, even, and so on. However, the legal position remains unclear; once I receive a response from Tony McNulty, I will seek advice from Assembly lawyers on this matter. I hope to be able to report back fully to the committee in January.

[14] Finally, we discussed the shortfall in the refund of costs associated with police restructuring, which I know the committee is much concerned about. An update is included in my written report, but the chief constables wished to emphasise the current pressures on budgets. I have written to Tony McNulty about the recent announcement of job losses in north Wales, with specific reference to the conditions associated with the Home Office crime-fighting fund. We suspect that that causes police authorities to hold on to police at the expense of civilian staff, with police officers often then being removed from front-line duties to fill the vacancies created.

[15] On the same day, the chief constables attended Cabinet. This was an opportunity for the chiefs to discuss with Cabinet members how they are delivering the Assembly Government's safer communities vision, and engaging with such issues in health, education and transport. We had a useful discussion, and it has been agreed that we will take the following forward. The chiefs will identify a senior police officer for each portfolio who will then work with officials to identify one or two key areas in which joint working would be mutually beneficial.

1.40 p.m.

[16] If I may digress, we are all aware of the good work that has been done in some accident-and-emergency centres, in which the police have been involved. This is the type of area that we need to discuss. When we see attacks, particularly on staff in hospitals, it is a wide area of work that we can engage in. The minutes of the meeting, along with the Cabinet paper, will be published in the normal way in December.

[17] Members will note from the update on the action points from previous meetings that we are talking to the chief constables about the prevalence of crack cocaine. I intended to provide an update in our next meeting. However, we have now received an update from our police liaison officer, who has been speaking to the police on the ground throughout Wales. Police data show no evidence that crack cocaine misuse is on the increase in Wales. There have been limited seizures of crack cocaine across Wales in the last 12 months. In north Wales, the number of seizures is low and has reduced slightly. Drug-testing-on-charge data show little increase in such use over the relevant period. The vast majority of seizures are of cocaine powder rather than crack cocaine, and there has been no increase in the seizure of cocaine powder, nor are there any indications that the users who have been targeted have converted or cooked their cocaine powder into crack cocaine. Users tend to buy powder and use it straight away. We will, of course, continue to keep a close eye on the crack cocaine issue and we are supporting services for crack users where there is an identified need, such as the stimulant service in Newport, which is funded by the substance misuse action fund, and which has had 28 referrals since it became operational in September.

[18] As I indicated in my annual report on substance misuse to committee in September, as part of our research programme we intend to establish regular estimates of the prevalence of heroin, crack cocaine and injecting drugs use across Wales. The evidence that we have at the moment does not appear to suggest that the number of crack-cocaine users is significantly increasing in any way, but we have to be alert to the issue all of the time.

[19] Members might also be interested to know about potential updates on mergers in the registered social landlords sector. I think that this will be of interest to Members. The Pontypridd and District Housing Association and Cynon Taf Housing Association are on course for a new operational arrangement from 2 January 2007. Rhondda Housing Association has voted in favour of becoming a subsidiary of Hendre Housing Association. The merger of Eastern Valley Housing Association and Gwerin Housing Association will create a new organisation, which I anticipate will be established in April 2007. I will hand this information out in written form to assist Members.

[20] **Mick Bates:** Thank you very much, Minister.

[21] **Edwina Hart:** I had not finished; I was just taking a breath. [*Laughter.*]

[22] **Mick Bates:** I am sorry, I thought you had finished. You do not normally pause for such a long time.

[23] **Edwina Hart:** I would also like to advise committee, further to my agreement to support the refurbishment of homes as show homes to demonstrate the Welsh housing quality standard in areas where the decision has been taken to ballot tenants, that the feedback from those authorities has been very positive. The refurbished parts have now been let, but we must ensure that tenants have the opportunity to see what they look like when they are done. We are content with the work that we have done in that area.

[24] However, there is one area on which I will seek some advice from committee. You may recall that I had a disadvantaged groups development fund. The document on this went out to consultation on 31 October. My officials have been analysing the responses and have advised me of several concerns that have been expressed about the nature of the fund that we proposed. Some were concerned about the terms of reference, the administration, and the proposed name of the fund. In light of this response to the consultation, I propose to do some more development work and I am looking to establish a task and finish group involving key stakeholders to refine the proposals in light of the responses received. This means that the fund will not get off the ground in this financial year. However, I hope that committee members will support me in this. Following this, I propose to write to the Chair. I will send the consultation responses to committee members and then you can have an input into the future discussions about the fund if you wish to do so. There is no point in establishing this fund for the voluntary sector if it is worried about how it will be administered and how it will be done. I think that it is safer to take the time to go through it to see what its concerns are. That will be sent to Members in due course.

[25] **Mick Bates:** That is not a pause for breath—you have finished?

[26] **Edwina Hart:** Yes, I have.

[27] **Mick Bates:** Thank you very much, Minister. Before we move on to Members' questions on the Minister's report, I invite any declarations of interest, which I forgot to ask for during my opening remarks.

[28] **Leanne Wood:** I should declare an interest as a member of the management committee of Cwm Cynon Women's Aid as there is an item on the report regarding domestic abuse funding.

[29] **Mick Bates:** Thank you, Leanne. I see that there are no other declarations of interest.

[30] I welcome Simon Smith to the meeting for the items on the Minister's report relating to the risk reduction planning by fire authorities. Are there any questions?

[31] **Sandy Mewies:** Thank you, Minister, for the report. I would be delighted to support your suggestion about the fund. It is no good asking the voluntary sector to do something that it is not happy with. I look forward to hearing about that in due course.

[32] Thank you again for taking up the matter of the shortfall in police costs. I am sure that it is a concern everywhere, but it has caused great consternation in north Wales in particular, and it does not seem to be a fair way of dealing with matters for the police to face that sort of shortfall.

[33] I am interested in the Home Office funding for domestic abuse projects, which is very fitting this week. How can people access that, and what criteria are being used? If bids are in now, what will be the—
[*Interruption.*]

[34] **Mick Bates:** Sorry, Sandy. I think that a window is open. It sounds like a steam roller is outside, but it is passing—slowly. Obviously someone did not appreciate my remarks about the roadworks. Sorry for the interruption, Sandy.

[35] **Sandy Mewies:** Minister, can we also know, at some stage, what bids have been successful?

[36] On the report on the home energy efficiency scheme, which I think is excellent, and which is well used in my area and throughout north Wales, there is a concern, if an installer fails in any way, about how quickly can that be dealt with. I am not sure what procedures are in place. If something should go wrong with the installation, or if the work is not carried out properly, how will it be dealt with?

[37] I am glad to see the information on stock transfer—it is fair that everybody should know exactly what the situation is before they take a decision, so that it is an informed decision.

[38] Thank you again for your considerable efforts on behalf of our post offices. I see that you are continuing those efforts.

[39] Congratulations to rural north Flintshire, which is now part of Communities@One. I can assure you that that has gone down very well, and I know that that scheme will be particularly well used in Flintshire.

[40] On the Welcome to Wales pack, how will that be distributed? There is a real need for this—I launched a health directory in Flint recently, which was a Communities First effort, along with other organisations, and given that we have a significant Polish community and people of other nationalities, I was glad to see that that was translated into several minority languages to allow people to access the information.

[41] On the social enterprise mentoring in the north Wales projects, can you tell me what and where that will be? Thank you very much again for your report.

[42] **Mick Bates:** Thank you, Sandy. There are several points to deal with, Minister.

[43] **Edwina Hart:** On the police costs, we have to continue to rattle the Home Office's cage and make our views known. However, when I met the four chairs of the police authorities, even though they had been forced to do some of the work—obviously—as a result of Home Office pressures, they recognised that some of the work had given them a good basis for future working together between the four forces. Obviously, the case for north Wales is slightly different, as it is much easier for the three southern forces to collaborate, but they did feel that they made good progress and have in fact agreed to keep together the team that did the work on the possible mergers, to look at where they can streamline their work and obtain more efficiencies to get more resources into front-line services. So, that was a very positive discussion with the police authorities chairs.

[44] Of course, their main concern is the level of the council tax precept and those issues and, like me, they are very concerned to ensure that the quality and standard of policing that we have come to enjoy is maintained.

[45] To digress from Sandy's point, if I may, talks are still ongoing about what will happen to the police funding formula in the future. We understand that that will be reviewed, and there are some major issues for us in Wales about how the funding formula does not work to our advantage, because Wales is essentially rural in nature. So, we are looking forward to any confirmation in the long term about how the Home Office intends to deal with that issue.

[46] With regard to domestic abuse, it is good to see that there is now such interest in the domestic abuse strategy. It is good that organisations are mainstreaming so many domestic abuse issues. When you think about where we were 30 years ago, we were nowhere near our current situation, but there is still a lot to be achieved because there are still some people who have not signed up properly to this agenda and do not recognise its importance.

1.50 p.m.

[47] The bids are going via officials with you, and you hope to make an announcement fairly shortly, Jo, about the success of the bids. All the community safety partnerships and organisations were aware of the additional money that was available in that area. On HEES and installation problems or failure, I find that, as a Member, the first query I get is if there is a problem with installation or failure. People come to us first so that we can rattle cages about what happened with the installers. On many occasions I have had people say to me that their boiler is not working properly—and I have visited a few properties myself. It is up to the Eaga partnership, but I will ask officials to look at whether there is a more effective way to raise these points with the partnership. At this time of year, in particular, we do not want people to be worried that the boiler that has been installed is not efficient and effective, as it is the wrong time of the year to be without one. So, I will ask officials to have a further look at that.

[48] On stock transfer, I am pleased that we have provided the information, but Mark will have noted that there is nothing about prudential borrowing in there. My officials are producing a paper for local authorities and tenants' organisations to explain what that means. We use the phrase here, but I recognise that it is not well understood outside the Assembly. That work should be completed fairly shortly, so I will issue it within the next week. I will provide the committee with copies of what I issue, if that is of help.

[49] On post offices, we continue to fight the good fight. I am visiting some post offices myself tomorrow in Carmarthenshire and I am pleased to see what the post office has done and some of the experiments in the more efficient use of post offices that have been undertaken. However, I am concerned that those will not be properly evaluated before decisions are made about future funding. It is important that we maintain this service, particularly in rural areas and isolated areas of social deprivation—it is a lifeline for such communities. I think that we can do more than we have in lobbying and making our views known. However, given the tenor of the correspondence coming back to us, I am not particularly hopeful on this.

[50] On Communities@One, I visited that lovely hall in rural north Flintshire with you, and was asked about Communities@One. It was in the process of being reviewed and extended, so I am very pleased that it has now reached that patch.

[51] On the Welcome to Wales pack, we consulted widely with our partners in the voluntary sector and there is good distribution of that. It is important that it gets out to everyone.

[52] Sandy, you alluded to a north Wales project, but I did not quite catch what you said because of the background noise.

[53] **Sandy Mewies:** It was a health directory that Communities First produced with other organisations in Flint. It makes people aware of how many health-related organisations and services there are.

[54] **Edwina Hart:** Such publications are very useful. The voluntary sector usually also produces good publications locally, which send people in the correct direction for services. People are not always sure where to go and that is a useful role and function for the voluntary sector and Communities First, in particular, to be engaged in.

[55] **Mick Bates:** Before we move on, I ask Members to state the number of the item that they wish to discuss from the Minister's report.

[56] **Sandy Mewies:** Could I raise something about the Social Enterprise Network?

[57] **Mick Bates:** There is an item on the social enterprise strategy—we will pick up the point then, if you raise it at that time.

[58] **Leanne Wood:** On the first item, the costs of police force reorganisation work, I welcome what the Minister has done in terms of making her views clear to Tony McNulty on this issue. However, when we met him informally as a committee, we raised this issue and he said at that time that he did not feel that the money that had been spent to date was a waste, because the forces would have needed to spend that in terms of collaboration in any case. However, the major question is what services will have to be cut to fund this deficit. Is it a case of the services having to be cut or will the council tax increase, or will it be both? It would be useful to know from the chief constables how they see that funding gap being met.

[59] Secondly, on that issue, you mentioned the all-Wales programme in addition to your report, but what evidence are you using for that? You have obviously decided that this is the best drugs prevention programme available, because you are funding it so well. However, what research is there that what is being done is effective? When we scrutinised them in terms of their evidence and evaluation in this committee, in my view, they did not show that what they were doing was very effective.

[60] On the drug and alcohol services expenditure, I welcome the news on the safer injecting facility from the chief constables, and I look forward to hearing from you with regard to the legal opinion of the Home Office. There will be problems with making this happen, because local communities will be wary of having any facilities set up in their areas, so it would be useful if this could come to the committee as a regular item for discussion to see what we can do to try to change public opinion and to try to convince local communities that these facilities are really needed.

[61] On the figures for dedicated alcohol and substance misuse services, there is a big imbalance in the expenditure when you consider that 51 per cent of people who present themselves cite alcohol as their major problem. I am not sure whether we have got the balance of funding right. I accept the point that substance misuse treatment is more expensive per head than alcohol treatment services, but I would like us to keep an eye on that, because alcohol is the bigger problem, so it should be the greater priority.

[62] I also want to raise another issue that concerns me, which is slightly related. As part of our committee's review of youth homelessness issues, I went with the committee clerk to Swansea earlier this week, and met some youth homelessness workers. They said that they had noticed a big increase in the number of young people smoking heroin on the streets of Swansea. The workers put that down to the fact that there is a lack of cannabis available at the moment and so people are moving from smoking cannabis to smoking heroin. It has become socially acceptable among that age group, which is very concerning, because the next step from smoking heroin is injecting it, and that is a far more difficult drug to come off. The workers whom I spoke to put it down to the recent police campaign to remove cannabis dealers. Could you speak with the chief constables to find out their view on this and to see whether something can be done?

[63] On the Home Office funding for domestic abuse projects, last week, I met with an organisation called Women in Need in Newport, which works with prostitutes in Newport on and off the street. I went there to talk specifically about the issue of trafficked women, which I have written to you about before. I met with the police there as well, and they identified the need for some kind of safe house for trafficked women somewhere in the area of Swansea, Cardiff or Newport. They find that women are coming into contact with them through prostitution and then, when the police want to take evidence from them, their safety has to be guaranteed. At the moment, the police have no way of guaranteeing their safety, not just through the process of taking evidence, but also afterwards, when they may be in even more danger, particularly if there has been a conviction and a ring has been broken. Could this funding be used to support some kind of project like that? I can see that the deadline has passed, but when is the next application round? As it requires collaboration across a lot of areas, could this fund be used to support that?

[64] Finally, on the housing stock transfer note, I admit that I am a bit confused about the issue of tenure and security of tenure—and if I am confused, I presume that some tenants might also be. In the note, on page 8, in answer to the question,

‘Would it be easier to get evicted?’,

[65] you say that,

‘Tenants’ security of tenure is not affected’.

[66] Yet, in the next paragraph, it says,

‘you would get a new Assured Tenancy’,

[67] and

‘Currently you are a Secure Tenant of the Council’.

[68] However, you will then become an assured tenant. There is a difference between an assured and a secure tenancy. From your note, it looks as though you are saying that there is no difference. Could you clarify that point? Is there a difference and, if so, what is it? That is all, Chair.

2.00 p.m.

[69] **Edwina Hart:** On police funding, the police authorities were very concerned to maintain the level of services. They recognised that we would not be pleased if there were massive hikes in council tax or the police precept, and they are currently looking at all the options to deal with the issues. My concern on this is that some of the main Home Office targets—and Jo will correct me if I am wrong—are to do with neighbourhood policing, so the targets that they have to bear in mind when they are setting their budgets are those on the neighbourhood policing issues. There is an issue about level 2 policing, but I think that if you were to ask most members of the public what that was, they would look at you askance. However, once you had explained what it was, they would understand the need for it. My view is that they should look at their priorities in light of their responsibilities to communities in Wales, which is the protection of those communities in the first instance, if I am honest in what I have been saying to police authorities. Level 2 policing is an issue, but perhaps central Government should be addressing issues to do with the funding requirement of it.

[70] The all-Wales programme is relatively new, but we are about to embark on a full-scale look at it to see whether it is successful. I would be happy to share that information with the committee when the analysis of how the programme will work and so on has been done.

[71] On safer injecting facilities, we know the difficulties that we have with the public's perception of simple drug and alcohol rehabilitation centres. There is a perception that it is never your family or your child who will use these facilities, so why should they be near you. However, it is always someone's family and someone's child, and it is important that we have a proper public debate about it if we are to look further at safer injecting facilities. It has been very interesting to read the discussions in the newspapers on this matter today, with suggestions of what should be done about drugs, and how people should be helped in more innovative and different ways. I am pleased that those discussions are taking place, particularly in the police service, because I think that we must have a more open and honest discussion about drugs and how we manage them, in the United Kingdom. When I report back, and whatever you, as a committee, or I, as Minister, decide to do, we will have to have an open and frank discussion on this; otherwise, people will not understand where we are coming from. At the end of the day, we want to protect users and try to stop others from becoming users. That is the important point on that issue, and that is where we are coming from.

[72] I did not think that the balance between drugs and alcohol was right years ago, and that is why it has crept up to a better balance. I recognise that there are problems with alcohol and, when you think of the long-term implications for health of alcohol abuse, the issues around binge drinking and the impact of what happens with alcohol, particularly with young girls being attacked, you realise that they are big issues, and so we have to bear in mind where we put the resources. I am very mindful of how we would use additional resources if we had them.

[73] No problems have been reported to me because of the police's cannabis crackdown. However, I will take up your suggestions, Leanne, and we will ask our police liaison officer to have a word with the chiefs before my regular meeting with them to see whether they have any idea of anything that has happened in Wales. There may also be patterns outside Wales that we would be interested in. As it is a national operation, other areas will be able to feed back, and I should be able to feed that back to the committee meeting in January.

[74] On the money that is coming to deal with domestic abuse, the criteria are set by the Home Office and it would not have been possible in this round to do something like that. However, I am mindful of what you said about trafficked women and their need for a safe centre, Leanne. I will ask officials to take that up with the organisation that you met to see whether we could look at any proposals to help and assist in this area. The responsibility will not necessarily be all ours, but I have a funny feeling that we will end up with the financial responsibility if we are to do something meaningful in this area. I am very concerned about trafficked women and about what happens if they are to give evidence and so on. Where are they going to stay that gives them safety? You are dealing with vicious criminal gangs that traffic women, and we have to be mindful of the women's safety and their future, and help them to retain their anonymity, which will also be quite difficult.

[75] On stock transfer, I am fortunate to have officials with me who will now explain the note.

[76] **Ms Whittaker:** You were asking about the difference between secure and assured tenancies. Registered social landlords or housing associations cannot grant a secure tenancy; the tenancies that they can offer are assured tenancies. Within that, there is only one element that does not cover what is covered in a traditional secure tenancy, and that is the ability to manage their own homes. In Wales, we have developed the community housing mutual model, which deals with that specifically, so that tenants are able to do that. The assured tenancy plus the community mutual model in Wales means that tenants who are looking at stock transfer are protected as equally as they would have been in their secure tenancy. What we are finding in the consultation on the offer document is that they are going further than that in their secure tenancy, by including matters such as succession. So, tenants have more rights under the new tenancy than they would have had under the tenancy with the council.

[77] **Edwina Hart:** Would Members like a written note on that?

[78] **Leanne Wood:** Yes, please. I will just ask one short question on that, if I may. If it is exactly the same, why can you not call it a secure tenancy?

[79] **Ms Whittaker:** A registered social landlord cannot grant a secure tenancy under the Housing Act 1996, only an assured tenancy.

[80] **Edwina Hart:** Mark is nodding; he knows.

[81] **Catherine Thomas:** I will start by saying that it is nice to be visiting again, and begin with the money from the Home Office for domestic abuse projects. I very much welcome this, and I endorse what Leanne has said in relation to trafficked women and your response to her, Minister. That matter is of huge importance. As Sandy said, it is very appropriate to be discussing this today, as this week we mark the International Day for the Elimination of Violence against Women. Will the funding that is coming through to support the four or five projects across Wales be to assist men and children and women? You are right that it has taken a long time to get domestic abuse on the agenda, but it is still not high enough in some quarters. My concern is that so much educating remains to be done in relation to the victims of abuse, and there is still a perception that women are the only victims. However, while they make up the greatest number of those abused, men are also abused and children also suffer because of domestic abuse in the home. Could I have a little more detail about the projects that will receive the money?

[82] The home energy efficiency scheme is an excellent initiative, but I have concerns about its take-up. I organise several differently themed surgeries in my constituency and they are usually very well attended. I held about six on HEES, but I was surprised that they were not so well attended. I held them in the summer and the spring, hoping that people would be able to sign up if they were eligible and then, when the weather changed and the winter came, they may be able to benefit from the initiative. However, there is still a problem in relation to its perception, which is partly due to some bad experiences although I think that they are in the minority. However, people talk and people become very worried, especially the older people whom I deal with. We are still trying to convey to older people that they do not have to disclose all of their financial details. They are very anxious about that, and the issue is really about clarifying that. How else can we get to the harder-to-reach groups that are really in need of this initiative? It saddens me when I visit an older constituent at home and see that the house is freezing and that they are in need of the grant but, for whatever reason, they are very hesitant about applying for it. Could we look at this and at how we can reach those groups?

[83] I also have to comment on the Polish centre in Llanelli, as I was delighted when the funding came through for it. I take this opportunity to congratulate the Llanelli and District Credit Union on its role in the community and the support that it has given many of the migrant workers who have been in Llanelli for the past 18 months to two years. For many, if the credit union had not been there, they would have struggled even more than they have up to now. The credit union has thought outside the box and has been very innovative in its approach to giving support to these migrant workers. I have been especially concerned about the impact on children who have come over, especially in relation to their health needs and education. Many of them do not have English-language skills, and I have not felt that there was a concerted effort to tackle that deficiency, but I hope, through this centre, that that need can be met.

2.10 p.m.

[84] I also hope that the local authority will be more pro-active and will realise the need for intense tuition for the children, so that they can get their language skills up to speed and can engage fully in full-time education in Llanelli and throughout Wales, where we have a high density of migrant workers.

[85] My final point relates to post offices. The support that the Welsh Assembly Government is giving to post offices throughout Wales comes across clearly. However, as you said earlier, Minister, my fear is that it is falling on deaf ears at Westminster, because I do not think that they are waking up to the problems that post offices face. I have raised the point with you before that I am aware of a number of post offices that have been recipients of the post office development fund, and they fear that their future is no longer viable. There is also concern about the potential clawback of the funding that they received. So, they are worried because they do not feel that they have a future, and also because they fear that they will have to pay money back and are extremely concerned about how they can afford that. This shows a lack of joined-up thinking between governments. While we are doing everything to give with the one hand, I fear that, on occasion, some services are being taken away with the other hand, by another tier of government.

[86] **Edwina Hart:** To comment on the domestic abuse issue, we are very grateful for the additional funding that we have received. Projects for men were not barred; as long as someone put them through the correct systems, through the partnerships and so on, they could have been funded in that way. I will circulate details of the successful projects to you when the final decisions have been made, and I will let the other partners know.

[87] There is a problem with perception regarding HEES, and I do not think that we necessarily get to all the hard-to-reach groups. I do not think that people realise how much money they can get once they are over the age of 60; they do not fully understand the scheme. We have not sold some of its benefits all that well. We go to the voluntary sector, and we use Care and Repair—we use everyone to try to get the message out. I know that the fire service also tries to do that. When firefighters go to people's homes to carry out their fire safety checks, I know that they take a look around and make suggestions. So, we have quite good coverage. I am happy to do some further work on that issue, and perhaps we will have a further discussion with Care and Repair on what we can do.

[88] The Llanelli and District Credit Union deserves a big round of applause for the work that it has done on the Polish centre. Jeff Hopkins and his team have been marvellous, because they identified those needs immediately and just set out and did it, with no thought for themselves or the financial implications for them. It is only recently that it has received any element of support. I went to the opening of the Polish centre, and it was lovely to see the children and the families, and to see some of the migrant workers establishing businesses that are now up and running. They are finding Wales a very hospitable place in which to live. I thought that that was nice, because the community has really taken to them. However, the issue that you raised about language skills is actually quite serious, and we have been in discussion with the Minister for Education, Lifelong Learning and Skills about budget lines and what needs to be done. We are particularly concerned about children, because we want them to learn the language, but we also want their parents to learn, as we do not want the children translating for parents in difficult situations, as currently happens. We are making good progress on all the issues about language training. We have projects up and running with translators and so on, as a result of our refugee

integration strategy. However, there is room to do more work in that area.

[89] I can understand the concerns about the clawback of funding for post offices, but that had to go in. I am aware that because nothing is happening at the centre, it is making their representatives even more vulnerable to worry about clawback, which I will look at with Anne Stephenson and my officials. I do not want to cause undue worry to people who are struggling. To be honest, they are struggling against the current because of decisions that are not being made by us as a Government.

[90] **Mick Bates:** Thank you, Minister. You do not wish to comment on the deaf ears in Westminster, then.

[91] **Mark Isherwood:** I wish to refer to the Minister's opening comments. You referred to your discussions with chief constables on education and drug awareness, and you referred to the Don't Touch—Tell! campaign, which I am very pleased about. Yesterday, DangerPoint was in the Assembly—and Simon is wearing another hat today—and can you confirm that you will include consideration of its needs in this initiative, and in the proposed roll-out to other regions in Wales, alongside the more sustainable longer-term funding?

[92] I had a meeting on Monday with representatives of the Choose Life project. I think that a number of committee members visited Walton prison a couple of years ago. You may be aware that the new governor has stopped the productions of plays inside the prison, because he feels that they are too much of a security risk in the current environment. However, the plays are now being taken out to schools using supervised ex-offenders. I am told that it sends out a powerful message, so I would be grateful if you could give that your consideration.

[93] On the point about drug consumption rooms, you are right to say that the problem is Nimbyism. Most people accept the problems, but do not want to share the solutions. You are right to say that we need a proper public debate, but what consideration can you give to how we can engage with people, and get local people to contribute to the solution, so that they are more accepting when a needle exchange is proposed, or when a pharmacy is having a room for maintenance treatment, or whatever?

[94] There are three aspects to the police funding: the merger costs, which are referred to here; the immediate funding issue raised in our context by North Wales Police, which was referred to earlier; and the shortfall in the costs of restructuring. When the cross-party group met Tony McNulty in July, after his meeting with the Minister, he said that the merger costs were an investment in future co-operation and collaboration, so I am glad that you have written to him, but you should just be mindful of that. I wrote to you about the problems in north Wales and the impact that they could have, and you wrote back saying that you had written to the Minister. I am grateful for that, and we will keep our fingers crossed, because I know that Sandy is in the same in position as I am. I have been lobbied in person by the chief constable and the chair of the police authority, emphasising how serious the situation is.

[95] In terms of the shortfall in the costs of restructuring, you may recall that I put a question to Tony McNulty on invest to save, which is critical, because the evidence that the committee has taken in the past has made it clear that any efficiency savings would take a number of years to bed in. The answer was that I had asked the wrong question, so I would be grateful if you could share with the committee—now or in future—any progress that you have made in helping the Home Office to understand that invest to save is a serious issue.

[96] On the fire and rescue service, I thank Simon from the North Wales Fire and Rescue Service for briefing Assembly Members so well on the development of the risk reduction planning. Could you mention briefly the performance management system that you are integrating into this, to keep everyone on board and feeling part of the ownership of the scheme?

[97] On migrant workers, Wrexham has the largest Polish population in Wales. When I visit factories, I see excellent labour forces, nearly all of whom in the Wrexham area seem to be Polish. Sandy and I were at the north Wales police federation community awards a couple of weeks ago, and the winner was a police officer from Wrexham who has learned Polish. That was a wonderful example to set. What communication are you having with London, Minister, over more sustainable public service provision in the future, such as housing, education and health, in those communities where there has been a significant increase by way of new populations?

[98] I was at a Communities First project on Monday in a meeting about a proposed health centre, which the local community has chosen as its key priority. The meeting was attended by the local health board and the health trusts, because the land size available does not exactly fit the model for locality centres. What support could your department give to help them to overcome the problem? They are applying for lottery funding, but they are coming up against all sorts of barriers, which would be avoidable if the issue were approached differently.

[99] In terms of housing stock transfer, thank you for referring to prudential borrowing and for agreeing to look at that again. On tenure, you are probably aware that Community Housing Cymru has suggested to Assembly Members that the new Assembly should use its new Orders-in-Council mechanism to bring in a standard system for registered social landlords and council property.

2.20 p.m.

[100] I am wondering whether we need to address priority needs allocations. This has been raised with me by some councillors who are concerned that if the councils do not get it right up front, they might, in effect, lose this key aspect. Is it possible to have a greater emphasis in this paper on giving tenants a voice? I think that it is mentioned once in the context of communities mutual, but could it explain to them what additional tenant power this gives them if it goes through properly, and also explain the linkages with sustainable regeneration, the skills, education and additional services that can be brought in on the back of transfer? Also, is it possible to explain the difference between large-scale voluntary transfer and community mutual, how the two can work together as well as apart, and, again, give tenants a voice, perhaps, with an estate tenants' trust to which the registered social landlord is accountable while maintaining expertise and assets?

[101] Would it also be possible to mention that the board of management is a voluntary board of management, and explain how it would be made up of councillors, experts and tenant members? That might be useful to put in.

[102] Finally, I will just mention the home energy efficiency scheme. A few weeks ago, with cross-party support, we put an amendment through, in the Chamber, to support further research into the causes of excess winter deaths. Can you tell us what progress has been made since then on this?

[103] **Edwina Hart:** On the police, I have taken up the points that you are making on education about Don't Touch—Tell! and the powerful messages from Choose Life. DangerPoint was raised at the meeting between Cabinet and the chief constables. The north Wales chief constable said that he was not looking for any money, just for Assembly endorsement. Therefore, that was quite interesting in the context of the points that you have raised with me.

[104] You are quite right about the whole issue about drugs. On the other hand, perhaps politicians should also be careful about what they do in relation to their constituents. Sometimes, you have to stand up and be counted on some issues, and say that it is right to have a facility somewhere because there is a need within the community. It is very important that we do not get taken in by Nimbyism, if we believe that we should have a drug rehabilitation centre or facility, as long as there has been proper consultation and discussion. Sometimes you have to say to the few that are still opposed, 'Hang on, the majority are quite content'. We have to do some of these things, but it is a very difficult area. I do not know what people think that these centres are. It is quite important, when we are discussing setting up such facilities, that we offer residents the opportunity to visit other places where they are, to see how they work there and see how other residents, perhaps, did not like it in the first instance, but now it has all settled down. In some places that you would not even know that such facilities existed in residential areas and those are the types of examples that you have to sell to people.

[105] In terms of police funding, merger costs and so on, there has been an element of investment in the future of collaboration, but Welsh police forces were much further down the line in terms of collaboration than many of their English equivalents. They have always had a fairly collaborative approach. On Invest to Save, I think that that is quite a serious point. Post-Beecham and the acceptance of that, I think that there are mechanisms that we need to explore within that particular area.

[106] In terms of migrant workers, I only tend to have dialogue with London on non-devolved matters or policy areas of theirs that impact on my portfolio and cost me money, to be frank. Housing, education and health are matters for us. Populations are coming in and we should try to make the best use of our available resources. I will lobby if I think that we require further resources but, ultimately, in the main, it is a matter for the Welsh block, I am afraid. That is what devolution means.

[107] On Communities First, if you can send me the specific details of that issue relating to the local health board and the trusts, I would be interested to receive it. We have demands relating to healthy living centres and other things within Communities First that are not strictly within my portfolio, and which I do not have the money to fund. However, if I can help and facilitate in any way, I will.

[108] We will have to look at the points that you have raised on stock transfer, tenants' voices and priority needs allocations, as well as the issues on the home energy efficiency scheme, which is a very important scheme for us. Simon, do you want to deal with the issue of the fire authorities?

[109] **Mr Smith:** Thank you, Minister. I will just make two quick points. On the performance management system, I am assuming that Mark is referring to the work going on in north Wales to introduce more challenging targets for the number of home fire safety risk assessments, because there is a very clear link between the number of risk assessments that are done in the home and casualty rates—death and injury rates. We want to extract the most that we can from that to make further progress.

[110] My second point relates to that in a way, because, as part of the work leading up to the risk reduction plans, it has become clear that the method of recording fires, and recording fire deaths and injuries in particular, although it is a national system, is somewhat flawed. For example, the cause of a fire may be recorded as 'carelessly discarded smoking materials', when we know that the real cause was the lifestyle of the individual concerned. We want to try to make the link, through our home fire safety risk assessment, and the work that we are doing with the local authorities and the voluntary sector, and to get behind some of the lifestyle issues, instead of taking what could be, if we are not careful, a fairly superficial approach to it. I hope that that is helpful.

[111] **Edwina Hart:** On winter deaths, I will give you an update when we know what is going on with the discussions that we will have on the back of my report.

[112] **Trish Law:** I am concerned that the proportion of empty council houses in Blaenau Gwent is the highest in Wales, at 5 per cent. I hear heartbreaking cases daily of people who cannot get homes. I am also concerned that 105 council houses are awaiting demolition in Blaenau Gwent, when only 300 are awaiting demolition in the whole of Wales. Is there anything that you can do, with Blaenau Gwent County Borough Council, to bring it to book as to why we have this problem with council houses that are not being done up for rental, or whatever, and the demolition issue?

[113] **Edwina Hart:** I am concerned about some of the statistics across Wales. I cannot believe that we have empty homes in some authorities that are not being utilised. We appreciate that some are damaged, and have to be brought up to standard. However, I am sure that most of them are probably quite habitable. I feel, like you, that families in need would rather be in those houses. I have never understood this mentality—and it is not just in the authority for the area that you represent, it is across Wales—that everything has to be done before tenants go into a house. Many people would rather be in a home, and have the electrician, the carpenter and the plumber working around them, as we all do in our own homes, to get the job done. We do not have any powers in this regard—it would be nice to have powers in this regard, especially with regard to demolition.

[114] Demolition has been a policy used by councils for a long time, historically, to get rid of houses that they say that people do not want. I will ask my official, Linda Whittaker, to go up to Blaenau Gwent, and the other authorities with high levels, and report back to the meeting in January on whether there is anything that we can do to stir it up a little.

[115] **Mick Bates:** On item 13 in your report, Minister, improving affordability through non-traditional/innovative construction methods, paragraph 4 notes that officials visited a private sector developer's building pods, which I believe will arouse considerable interest, because of the 30 per cent reduction in build time. However, Llansantffraid is in Montgomeryshire; it is quoted here as being near Oswestry, which is in Shropshire.

[116] **Edwina Hart:** It is quite far up.

[117] **Mick Bates:** Yes, it is. It is a lovely project.

[118] **Mr Roberts:** Llansantffraid is also misspelled in the report.

[119] **Mick Bates:** Yes, it is—thank you for pointing that out.

[120] Thank you for that report. Some good points were raised, Minister, in your usual robust way. We all look forward to the updates that you have offered.

2.29 p.m.

Ystyried y Gyllideb Ddrafft Consideration of the Draft Budget

[121] **Mick Bates:** The next item is the consideration of the draft budget—over to you, Minister.

[122] **Edwina Hart:** Before you ask me anything, I know that you are going to ask me about a separate budget line for the homebuy scheme. I know that that question will come up. As you know, we have a paper on the review of low-cost home ownership in Wales for discussion later on in today's meeting. In response to the report, my officials will undertake a thorough review of all aspects of homebuy, and I will consult widely on any proposed changes. I will ensure that, as part of that consultation, a separate budget for the scheme is considered. So, that deals with that—I am anticipating an early question on this matter.

2.30 p.m.

[123] It is self-explanatory to Members what is going on with the budget. I am pleased to have had the £1 million to implement the infrastructure improvements to Gypsy/Traveller sites, because that is an important aspect. It is one of the most socially excluded groups that we have in Wales, and it is important that we have a proper integrated structure. It has always proven to be a difficult issue for local government, but having some cash might assist in this regard. There is also £1 million for the Wanless social housing grant. This cuts across my budget and the health budget. So, that is quite good. I am also pleased that we have had an extra £1 million to help local authorities with the cash from the abolition of the means test for parents of disabled children with regard to the disabled facilities grant. A transfer of funds between budget expenditure lines will be included in the draft budget. It is important for us to note that there have been some improvements and I think that many of the committee's priorities have been addressed in the budget as it stands at the moment. In view of the time, Chair, I would be more than happy to take any questions or pointers that members of the committee might have.

[124] **Leanne Wood:** Minister, in the July meeting of this committee, we were united on a cross-party basis that housing would be the committee's priority for expenditure in this budget round. However, we have, in effect, a decrease of 2.5 per cent for that in real terms. The homelessness and rough sleeping grant has increased by only 0.88 per cent in real terms at the same time as there has been a steady increase in the numbers of the homeless. Shelter says that the grant needs to double in order to get people out of temporary accommodation. Do you think that the budget sufficiently prioritises housing and homelessness services?

[125] **Edwina Hart:** Chair, when Members are speaking, could they indicate which budget line they are referring to in the paperwork please?

[126] **Mick Bates:** Can Members try to refer to a budget line?

[127] **Edwina Hart:** I am not certain whether we are now getting into what is mainly an annually managed expenditure or departmental expenditure limit issue unless I can see the budget line.

[128] **Mick Bates:** Okay. The first reference was to the housing budget line. Which part, Leanne?

[129] **Leanne Wood:** I cannot tell you that, I am afraid, Chair.

[130] **Mick Bates:** The overall point was that there was a reduction in the overall housing budget.

[131] **Dr Roberts:** I think that that is because it includes the AME, which is the housing revenue account subsidy.

[132] **Leanne Wood:** Can you explain this?

[133] **Dr Roberts:** I am not sure that I can.

[134] **Ms Whittaker:** There are very few people in Wales who can explain it.

[135] **Mick Bates:** That is a good question for you.

[136] **Dr Roberts:** It is not directly within the control of the Assembly Government, basically.

[137] **Edwina Hart:** Jo, you can explain it, can you not?

[138] **Ms Jordan:** I might be able to. This is the budget line that supports housing benefit and so on. It is a demand-led budget from the Treasury. So, the budget will show only what the demand is expected to be and that will need to go up if there is additional demand. However, it is built into the total figures. If there is a reduction in that line—and I do not know whether that is the case—

[139] **Ms Whittaker:** It is a deficit.

[140] **Ms Jordan:** Yes, a deficit. That will show. So, you need to look at the housing lines without the AME element to see the growth.

[141] **Ms Whittaker:** It shows on the line as a negative.

[142] **Mick Bates:** Has that helped, Leanne?

[143] **Leanne Wood:** I will get back to you on that.

[144] The only other thing that I wanted to raise relates to the home energy efficiency scheme. The Welsh Assembly Government estimate suggests that an additional 30,000 households have fallen back into fuel poverty as a result of the recent massive energy price rises. However, the Centre for Sustainable Energy calculates that the figure is 300,000. Do we know how we can get a true figure on that, because it is important in relation to your targets?

[145] **Edwina Hart:** We will try to bring a report back on those figures if you want, Leanne, to see whether we can get more satisfactory figures, because energy costs have had a massive impact on our citizens. I acknowledge that I am sailing close to the wind in terms of Government targets given the energy price rises and the impact that whatever further money we put into HEES will have on the overall issues. We will have a look at that report by the Centre for Sustainable Energy and see whether we can get something for you so that Members can have a better understanding of where we might be going on this budget line and how many we will cover.

[146] **Mick Bates:** Thank you, Minister. I think that that will be appreciated by us all. So many different figures are available, both from the Government and from the Centre for Sustainable Energy. That would be very useful. Would that be in time for the next committee?

[147] **Edwina Hart:** We will try.

[148] **Dr Roberts:** We have to contact the Local Government Data Unit, but we will try to do it as soon as we can.

[149] **Mick Bates:** Thank you very much.

[150] **Sandy Mewies:** I have just a few points to make. I am glad that you are continuing your support for Supporting People. Given the fact that the Treasury has year-on-year cuts there, it is extremely valuable. Also, I am pleased to see the Children and Family Court Advisory and Support Service centres going in as well. We were all very concerned about them when we discussed the CAF/CASS transfer, were we not? I am glad to see that happening now.

[151] Following the abolition of the means test for parents of disabled children for the disabled facilities grant, £1 million is going, quite rightly, to local authorities. Have we looked to see whether any authorities are using more of DFG money, rather than putting it in from other pots, if you follow what I am saying?

[152] **Edwina Hart:** I know exactly what you mean. I have written to the chair of the Welsh Local Government Association about issues related to this matter, and I will provide an update report to the committee. As you recall, on the issue of housing, I wrote to committee at one time about certain housing allocations, asking about hypothecation. Nobody objected to my paper, so I am now pursuing some of those matters in the housing arena, because I am very concerned. You referred to Supporting People. We have done a good job in getting additional money in, but there is an awful lot of concern about Supporting People, because local authorities want money transferred to them, but I still do not have the confidence that I can transfer that money, as I am so worried that if we do transfer it, it will not be managed properly. There are many issues around this particular agenda, Sandy, about which I have major concerns.

[153] I welcome your comments about CAFCASS. We had a raw deal with the transfer of CAFCASS, and we have had to put in additional resources. However, the centres are vital for mediation projects and other things. You do feel that, when families are with CAFCASS, and you are doing the projects properly, things can be dealt with in the right and proper manner.

[154] I will be happy to report back to committee on the related housing issues at the next meeting, and I am sure that some of you might well be surprised by some of the figures. I am concerned, because local government is always saying to me about housing, 'Where's the prioritisation coming?'. As it is not hypothecated, the money can be used for other purposes. Now, some authorities are very good, and look at how much more they can do, while others do not. Some of this housing is for some of the most vulnerable people in society, and we need to look at that, and my concern is that the vulnerable are not always being dealt with in the appropriate manner in local government, whereas other projects seem to steam ahead because, perhaps, they make for better pictures in the local newspapers.

[155] **Catherine Thomas:** I welcome the funding for the Gypsy/Traveller sites. This is of huge importance, and is an area that has been neglected for far too long. I work closely with the permanent Penybryn site in Llanelli, and I have been aghast at what I have seen there. There are no play facilities for children. There are separate concrete-and-brick units for each home in which the bathrooms and kitchens are accommodated, and there is no heating in those. There are children who have quite advanced bronchial problems, because they have to bathe in a bathroom that is ice cold. I have been going on and on about this since becoming involved, and I just hope that this funding can address such situations. In twenty-first-century Wales, such situations should be completely unacceptable and should not exist, when we consider the impact on everybody living there, and especially on the children.

[156] **Edwina Hart:** The Assembly is very focused on what we need to do about children, and bringing them out of poverty. This is a very vulnerable group that does not, in the first instance, have basic amenities, but this money should help to alleviate that problem. However, in the future, we have to think of what further funding will have to go towards the development of these sites and facilities. People's perception of Gypsy/Travellers can make it very difficult, but if you have dealt with them in any way, you will know that the perception does not reflect the reality of their lifestyles, what they do, or how they treat their children. They live in very close communities in the main, and worry about their children just as much as anybody else does, but they are very much on the periphery of society. It is important that Government money is spent to draw them in while, at the same time, respecting the differences in lifestyle, which is also important.

[157] **Catherine Thomas:** I can speak only from my own experience in Llanelli, but the site is next to the dogs' home and the sewage works, which is pretty abysmal. There are no postal services and the nearest bus stop is a mile and half down a country road without any lighting. When this money is made available, will you be looking at other amenities, which any other community would see as the norm, but which do not exist in so many of these permanent sites?

2.40 p.m.

[158] **Edwina Hart:** I do not think that the report from Partnerships and Communities Together dealt with those wider issues in that sense, because we have adopted what has come from the report across portfolios. However, we can certainly ask for some further work to be done on that, because you are right. It is almost as if people think, 'This is a problem; we will put the site there, and it will no longer be a problem', but it has not gone, and is creating more problems in terms of the housing. I am happy to put that into the system, because now that we have this report and are putting in cash, it is up to us to develop this policy agenda. It is an agenda that has been neglected. Even though the Assembly took an interest in Gypsies and Travellers from day one, it has become a mainstream issue in local government only because of the pressure coming from us, but that is from a different direction than some people would like. We want to make improvements and so on, but there is still a great deal of hostility out there.

[159] **Mark Isherwood:** I endorse your comments on the Gypsy/Traveller budget and welcome the fact that the proposed £3 million, which was originally to be over five years, is to be over three years. Let us hope that that makes the difference that we all hope for, for the settled and travelling communities.

[160] On the Supporting People revenue grant, this is a massive concern for the sector. I am getting all sorts of representations from supported housing groups and their representative bodies about the fact that the budget for it has been cut in real terms, given the 0.8 per cent increase. If you factor in inflation that is a cut. Organisations have told me that if there is much more of this, they will not be able to continue and yet I know that they are exemplary and often the only providers for homeless people in their own areas.

[161] On the Supporting People grant to local authorities, there is an increase of £5 million, but I have been asked whether this is new money or whether you have consolidated the extra £5 million that you gave last year, because there is concern that there is no new money there. Perhaps you could clarify that.

[162] On the social housing grant, there is massive concern in the social housing sector that there is no increase. Even with the extra Wanless money, there is still a huge cut in the budget compared with what it was 10 years ago and has been since. The provision excluding extra care is £72.8 million, which is £25 million less than it was 10 years ago, before the massive house price increases of the past decade. The sector knows that the most successful community regeneration schemes across the UK and abroad have virtually all been held together by housing regeneration strategies linked in with sustainable community regeneration strategies, and that unless we prioritise this—not just you, Minister, but the Assembly Government as a whole—it will not achieve its wider health, education and regeneration goals. I will stop at that point.

[163] **Edwina Hart:** On the Supporting People grant, that budget has increased. The problem related to our original expectation—we thought, along with every provider, that the Treasury would give us more money. Over the past five to six years, the budget line has increased, except in terms of meeting our expectation. It is important to recognise that. You cannot see that in these figures, but I recall that I had information from officials at one time showing how it had increased.

[164] I understand the concerns in the sector about Supporting People because it deals with the most vulnerable people, but I am pleased that the additional money that we had last year has been consolidated into budget lines this year, which is quite important. So, that shows that we have been as one on the Supporting People line and that we have additional resources.

[165] On the social housing grant, if money is available, I try to move money in for that in-year. However, as you indicated, Mark, we are discussing a draft budget, which has not yet been agreed by the Assembly. I am part of a minority Labour administration that requires the co-operation of opposition parties to get a budget through. I hear what you are saying about the prioritisation of housing, but I am not aware that that has featured in the discussions that are occurring.

[166] **Mick Bates:** I welcome your opening remarks about investigating a budget line for homebuy, which I am sure will add to its transparency for those wishing to take it up. A lot of the discussion has taken place on the budget for housing because that is our first priority, but I would also like to mention the effectiveness of the community facilities and activities programme, in which I think there has been a small increase. Many Members will have had contact with that scheme and will have found it very useful. One of the Government's duties is to promote sustainable development, and the impact of climate change comes within that. In your portfolio, I do not see any obvious place in which you are looking to plan for the future, particularly through integrated planning systems, given that it is predicted that there will be hotter and colder spells, which will have a great impact on the number of deaths particularly in certain age groups. Can you point to where that is in the budget?

[167] **Edwina Hart:** The home energy efficiency scheme is the most obvious example of where we are looking at those issues. I will increase the budget line as appropriate there. So, that is the most obvious example. However, I will ferret through the rest of them to see whether there is anything for you.

[168] **Mick Bates:** I draw your attention to the need to look at design, particularly with all the improvements in extra care facilities through housing grants. They should take into account the needs that climate change will impose on us.

[169] **Edwina Hart:** That point is well made, and I will look into it.

[170] **Mick Bates:** I see that there are no further points on the budget, so let us move on to item 5.

2.47 p.m.

Strategaeth Mentrau Cymdeithasol Social Enterprise Strategy

[171] **Mick Bates:** This was a paper to note on 19 October and there was a request that time be found to discuss the update. The paper was tabled and you will recall that it was Laura Anne Jones who specifically asked for committee time to be made available for this, but I know that that was on a previous point. Do you want to introduce the paper, Minister?

[172] **Edwina Hart:** Yes, I will introduce it briefly. We had such a good discussion when we talked about social enterprise previously, and I was grateful for the views of the committee on it. I am pleased to say that organisations outside the Welsh Assembly Government are taking ownership of the strategy and are starting to deliver on it. Excellent work has been done, particularly in procurement. We should be pleased that Galeri Caernarfon won the prestigious Enterprising Solutions Award 2006, which is good news, because it is a beautiful building. When we went there with the voluntary sector, we very much enjoyed the visit. That has been a very successful social enterprise.

[173] The committee asked for regular updates on the strategy, and I am pleased to have officials with me today, along with Simon Harris who is the chair of the Social Enterprise Network. I am sure that he will be happy to pitch in on any comments from Members or if there are any particular issues.

[174] **Mick Bates:** In that case, I invite you to make any opening comments, if you wish.

[175] **Mr Harris:** Thank you for inviting me. You have received the update and the report on what is going on. I will take this opportunity to share a few other things that are happening. The Social Enterprise Network is keen to take advantage of the convergence funding that is just around the corner—well, I say that, but I do not know if it is actually around the corner. We are looking at working up some potential projects that can capitalise on convergence funding. We are looking specifically at trying to get people to work together to identify suitable finance for social enterprises. There is also a working group in the Assembly looking at finance.

[176] From the social enterprise perspective, I am keen to try to make really good links with other departments in the Assembly. At the Wales Co-operative Centre, my day job, our work involves co-operatives, business successions, and employee-owned business, and we are also interested in clustering and consortia. That all falls within the responsibility of the Department for Enterprise, Innovation and Networks, but there is a big issue for us in recognising that this clearly sits within the social justice portfolio while also making those links with DEIN.

[177] To give you a quick update on Communities@One, we are administering that project, and the majority of the grant funding is now out of the door, and so our focus is shifting towards supporting the projects and those groups that have received funding.

2.50 p.m.

[178] As a final point, last week was a big week for social enterprise in the UK, because the Treasury launched the social enterprise action plan. After looking over it briefly, I do not think that there is anything in it that our social enterprise strategy does not already cover, but it did come with £18 million from the Treasury, so I will just make that plug.

[179] That was just a brief update on some of the things that have been going on.

[180] **Sandy Mewies:** I have a question on the mentoring project in north Wales. What is that project and where is it being run? I have gone ahead of myself this morning, I am afraid. The one thing that I would say about this paper is that the meeting that we had on social enterprise fascinated me. The breadth of what is going on was unknown to me, so I am particularly glad to see that this is happening in north Wales.

[181] **Edwina Hart:** We are currently going through a tendering process. We have had many excellent expressions of interest from organisations that wish to undertake the work, which is always a good sign. The pilot project will be run right across north Wales. What are the timescales for the project, Karyn, and when will we know the outcome?

[182] **Ms Pittick:** The full invitation to tender is due out next week. We are hoping to hold interviews in early January, so that we can select which organisation will take forward the pilot, and then we should have the interim report by May or June.

[183] **Mick Bates:** That is very positive.

[184] **Mark Isherwood:** We took evidence earlier this year on social enterprise—or was it last year? Anyway, I know that we were told by those who gave evidence that, thus far, we are reaching only the tip of the iceberg and a huge amount more can be achieved. I fully support that statement. Social enterprise is a great asset as it grows from the ground up, and is not parachuted in somewhere. It therefore has a real sense of empowerment and ownership about it and encourages community engagement; it is by the people, with the people, for the people in the community.

[185] I also want to look at the funding aspect. The paper refers to meetings with private and third-sector financial institutions. What type of response are you receiving from them? Is it an avenue to be explored? Are they going to participate? I would imagine that the mutual sector might have a particular interest in supporting this, as well as the private sector. That might also tie in with the funding gap that was identified for small and medium-sized social enterprise, and with microfinance. What discussions are being held with the mutual sector in particular to target that gap?

[186] **Edwina Hart:** I understand that we have had very successful discussions and there is a lot of interest in the various sectors. I do not know whether one of my officials wants to outline the specifics of any discussions that they have had or of any ongoing talks.

[187] **Ms Pittick:** Not really, no. [*Laughter.*] Colleagues of mine have had a number of discussions with large organisations, such as mutual and co-operative banks, the Charity Bank and so on. A number of projects are in the pipeline. However, I can provide you with more details after the committee meeting.

[188] **Mick Bates:** Catherine, do you want to come in?

[189] **Catherine Thomas:** My question has been answered.

[190] **Edwina Hart:** If you would like me to, I will include a little note in my next ministerial report to outline the discussions. I think that that will be quite helpful to Members and then we can pick up any points on it.

[191] **Mick Bates:** I have a couple of points to make from the chair, if I may. I welcome this paper and I am very keen on the whole process, as I am sure we all are. Will the assistance that is available through, for example, the community development finance institution be available throughout Wales, because convergence funding does not apply to all of Wales?

[192] **Mr Harris:** That is a very good question. The working group looking at the potential for an all-Wales community development finance institution is still debating the need for a new structure for finance and a CDFI. The key for us is to ensure that we have a structure that ensures that existing funds cover all of Wales in some instances, because some cover just local authority areas and some cover regions. For example, the Coalfields Regeneration Trust and the community investment fund just cover Communities First areas. We also have all these sources of funding and the potential for private sector investment in the sector. We are trying to work on a potential structure that will allow us to accommodate all of this. I guess that some funds will always be regionalised and some will always be local, but we want to try to bring all of this thinking together to produce something that provides some sort of national approach to funding for social enterprises. It is a bit of a challenge, really. Whether it should be a CDFI or not, I am not yet convinced, but the working group is looking at it.

[193] **Mick Bates:** Do you have any indication of when you would be able to come to a conclusion on that?

[194] **Mr Harris:** As an organisation that is working with co-operatives and social enterprises, which would be the end users and beneficiaries of this fund or range of funding, I am keen to get it sorted out as quickly as possible so that there is clarity, and so that the punter is not confused. It is difficult to put a time on it, really. We have to get a model sorted out on paper and then try to deliver it and get people signed up to it. I was at a meeting yesterday looking at getting five authorities to meet. Those five all have different pots of funding for social enterprises, and so trying to get them to work together is a challenge. We want to do that in the Heads of the Valleys programme. It is difficult to put a date on it, but I am keen to get it done as soon as possible.

[195] **Edwina Hart:** Perhaps what we should do is try to put some dates on it, and I shall take advice from officials to get some clarity so that further discussions can be taken forward. In that context, you mentioned the Coalfields Regeneration Trust and, as you know, I started a review of its funding back in May 2006. That is coming to fruition and, once I have made a decision on it, I will share it with committee. These pots are quite interesting. There are loads of little pots right across the piece and they will have to be fleshed out so that we can get the policy moving. Perhaps I will do an interim note on progress in the January meeting and then we can keep it as ongoing item in my ministerial report until we get an outcome.

[196] **Mick Bates:** That would be immensely useful, because most of the voluntary sector suffers a great deal of confusion about where to go for funding. If there were a single portal to access this, it would be of great assistance to many people. We will look forward to that. Thank you, Minister. Are there any further points on that item? I see that there are not.

2.57 p.m.

Is-ddeddfwriaeth Secondary Legislation

[197] **Mick Bates:** Does anyone wish to raise anything on item 6?

[198] **Mark Isherwood:** I have just one point. Could you clarify whether the proposed legislation on mobile homes and caravan sites would include holiday and home parks or just main residence sites?

[199] **Edwina Hart:** It is for main residences, I believe, but I will check for you.

[200] **Mark Isherwood:** If that is the case—and this possibly relates to the former too—is there any reference to the Unfair Contract Terms Act 1977? It has come to my notice that some owners in the sector and their representative bodies are not very forthcoming in informing people about the Unfair Contract Terms Act until they have fallen foul of the site owner.

[201] **Edwina Hart:** It is a totally bizarre system. I will check on the legislation and drop a note to the Chair.

[202] **Mick Bates:** Are there any further points on this item? I see that there are not. We will now break. We will stick to a 15-minute break and we will reconvene at 3.15 p.m..

*Gohiriwyd y cyfarfod rhwng 2.58 p.m. a 3.15 p.m.
The meeting adjourned between 2.58 p.m. and 3.15 p.m.*

Cynllun Gweithredu Cymru ar Dai i Bobl Dduon a Lleiafrifoedd Ethnig Black and Minority Ethnic Action Plan for Wales

[203] **Mick Bates:** Welcome back. I remind you to switch your phones off and so on. I also remind you that the Assembly operates through the media of Welsh and English, and that headphones are provided for translation and to help you to hear the proceedings. I invite the Minister to introduce item 7.

[204] **Edwina Hart:** The black and minority ethnic action plan for Wales has been one of the most successful pieces of work that we have undertaken in the Assembly in dealing with some of these issues. Equality is a core objective, and is not something that you add on or that is on the periphery. This action plan is an important tool to help us to achieve equality. I launched the action plan in 2002, and I want to make it quite clear that at that stage it was a working document; we did not put it on a shelf and walk away from it, as we could improve on it. The monitoring review that has been undertaken by the black and minority ethnic housing review group, made up of stakeholders, has been very valuable. During the summer, a working group was established to analyse the current action plan, which is now before us for comments from Members. However, the community is pleased that we have something that truly reflects its housing needs. We are also trying to implement the policy direction contained in it, as that will be important if we are to look at issues such as proper social inclusion.

[205] **Catherine Thomas:** My one question relates to migrant workers and how this action plan would encompass and meet their needs. Based on my experience in Llanelli, many of the migrant workers there are employed by an agency that takes a cut from their wages to pay the costs of their accommodation, which is frequently a house in multiple occupation. Something called ‘hot-bedding’ is common in these houses, where about eight workers go out to work as another eight arrive back from work, so they share the same beds but they are not there at the same time. It is a very sly way of complying with housing and health and safety regulations; if all the people who use the accommodation were there at the same time, the house would not comply. I worry about their health and safety, because that is sailing very close to the wind. I also worry about their exploitation and their real need for housing, especially those migrant workers with children. Would you comment on that, please, Minister?

[206] **Edwina Hart:** The Welsh Refugee Council is part and parcel of the working group. However, we have been dealing with the points that you raised in our strategy meeting with the inclusion forum, and we are taking up these issues across the housing portfolio. I will also take it forward. The Welsh Refugee Council is part of this steering group, so I think that it almost crosses over between the two groups. It is important that local authorities also look at their housing and accommodation responsibilities properly. A lot of the accommodation comes via the person who has brought them into work; they have the properties and are taking the money off them in advance, making them share beds. So, it is a big issue arising out of our discussions across the divisions on migrant workers. Your point was well made.

[207] **Mick Bates:** Are there any other points from Members?

[208] **Mark Isherwood:** I had a meeting last month with the North Wales Race Equality Network, which works closely in partnership with registered social landlords in north Wales. The network's representatives raised the concern that they are increasingly being approached for legal advice, not only by the RSLs directly, but by other providers and associated agencies, and, although that they have the information, they are not lawyers and they are not properly resourced to provide that advice. One of their pleas was that the Assembly Government consider some method to ensure that all these organisations have easy access to the legal frameworks that apply in this respect, and that they are easily understood.

[209] **Edwina Hart:** I am quite surprised by that comment from RSLs, because they meet with my officials regularly to discuss all the problems and issues that arise, but I do not think that that has been raised with us once—and I am looking at my officials now for confirmation. I would be very interested if you could get further information on that, because it goes directly to the heart of our discussions and our relationship with the housing associations if there are concerns and issues. I would be delighted to take this matter up outside committee.

[210] **Mick Bates:** Are there any further points on item 7? I see that there are not. In that case, let us move on.

3.20 p.m.

Tai Cymdeithasol Social Housing

[211] **Mick Bates:** This paper provides the committee with an annual update on issues connected with social housing, covering the social housing grant, the Welsh housing quality standard and the regulation of housing associations.

[212] **Edwina Hart:** As we know, the new regulatory code for housing associations registered in Wales was issued in March 2006, and the first year of inspections has been carried out and completed. We have introduced reforms to the social housing grant and programme, and they have started to bed in. To be honest, we still have a few little comments from the housing associations about it, but, as far as I am concerned, there will be a full take-up of resources this year, and the housing association consortia are working well. There are better objectives coming through, we know what is going on there, and I think that it is starting to bed down. I would not say that it was perfect just yet, but we are getting there.

[213] **Trish Law:** I noted that forward allocations amounting to £8 million for three further schemes have been given for 2007-08. Could you tell me what those schemes are, please?

[214] **Edwina Hart:** Linda, do we know what those schemes are?

[215] **Ms Whittaker:** We do, but not offhand.

[216] **Edwina Hart:** They are the extra care schemes. I will furnish the committee with the details of those schemes.

[217] **Ms Whittaker:** We know that there are schemes in Flintshire and Denbighshire.

[218] **Edwina Hart:** I do not remember where the third is.

[219] **Ms Whittaker:** There is not one in Blaenau Gwent.

[220] **Mick Bates:** That information will be provided.

[221] **Mark Isherwood:** Two such schemes were proposed for Denbighshire, but only the Rhyl scheme is going ahead. I think that the Prestatyn scheme has problems with the land—or so I was told yesterday.

[222] **Mick Bates:** There are always problems with land.

[223] **Edwina Hart:** There is always an issue with the land in terms of pricing, and so on. It is very difficult.

[224] **Leanne Wood:** In your report, you mentioned that a number of housing associations would merge. Larger housing associations have obvious potential benefits, in terms of economies of scale, sharing expertise, and so on, but do you have any concerns that there are also disadvantages to being too big? Traditionally, housing associations in Wales have been quite small, and, in England, where there have been far bigger housing associations, there have been bigger problems.

[225] Under the housing stock transfer, you talk about possibly agreeing to extend the rent guarantee beyond five years. How long beyond five years are you looking at?

[226] **Edwina Hart:** Indefinitely. That is important, because it was an issue that was raised, so that is fine.

[227] On the size of housing associations, you are right to say that our housing associations are far smaller than they are in England, and the ones that are looking to come together are quite tiny compared with those in England. To be perfectly frank with you, I think that we probably have just about the right size for some of our larger ones, as I am not in favour of huge housing associations. Some of the smaller housing associations have worked well with their communities, and that good community link is important. That is my personal opinion. If you want a more professional opinion, you can ask Linda and Chris, who deal with the housing associations daily. Do you want to comment, Chris?

[228] **Mr Hobday:** One of the emerging and possibly preferred models is where smaller associations become subsidiaries of a larger body. That way, they can retain their local management base and their local engagement with the community and the local authorities with which they work while having the improved strength and financial security of being part of a larger organisation. So, in many cases, we are trying to get the best of both worlds.

[229] **Ms Whittaker:** That is what is happening with the Rhondda Housing Association joining the Hendre Group. That is how it is looking to get advantages.

[230] **Leanne Wood:** How autonomous will Rhondda Housing Association be within that?

[231] **Ms Whittaker:** It will still have its own independent board and annual audit, so it will still be an independent organisation under its rules. However, it will be able to get the benefits of cheaper financing, for example, from the main group, and also specialisms that the main group can afford but that smaller housing associations cannot. So, it gets all of that.

[232] **Edwina Hart:** We must be clear about this. I have been very impressed by the work of some of the small housing associations in Wales and their links with the community. They are quite specialist, and I would hate to lose all that just to get something that is bigger but that might not be that wonderful. I think that what we are trying to do with them is the right way forward. We have good support in the housing associations for taking it forward in this way. I recognise that it can be increasingly difficult for the smaller ones to offer the full range of services that they should provide and some of the expertise, due to costs. Therefore, at least they will be able, within this type of structure, to link in to that. That is quite a positive move and we should probably monitor that over the next few years, to see what benefits that has for communities.

[233] **Mick Bates:** Are there any further points on social housing?

[234] **Mark Isherwood:** Are we including the homebuy scheme in this section?

[235] **Mick Bates:** The next item is about homebuy.

[236] **Mark Isherwood:** Okay, I shall wait.

[237] **Mick Bates:** You will see that there will be a PowerPoint presentation. I have one point, Minister. Could you remind us what, if any, powers you have at present to make sure that people achieve the Welsh quality housing standard?

[238] **Edwina Hart:** With regard to housing associations—

[239] **Mick Bates:** Do you have any powers to make them achieve a standard?

[240] **Ms Whittaker:** Through us, or local authorities?

[241] **Mick Bates:** All of them.

[242] **Ms Whittaker:** Within the registered social landlord movement, it is done through the regulatory code in that it is a standard that we expect them to reach. So, in that way, there is a power. With local authorities—

[243] **Edwina Hart:** There is no power: it is not statutory.

[244] **Mick Bates:** So, basically, in both cases, it is a question of very close monitoring of their progress?

[245] **Edwina Hart:** With regard to the housing associations, I think that it is much easier. I have no doubt that we will be able to reach that satisfactorily. In terms of local authorities, it is not statutory. These are areas that would be of interest, I think, post-May, with regard to what we want to look at in legislation within the housing field—not only on the right to buy, but some other issues.

[246] **Mick Bates:** Thank you for that comment, Minister.

3.26 p.m.

Perchentyaeth Cost Isel Low-cost Home Ownership

[247] **Mick Bates:** To remind Members, the Minister commissioned this work to review and develop existing low-cost home ownership schemes to make them more relevant to local housing strategies. The review also took place within the context of increasing affordability problems for newly formed households wishing to buy. The final report identifies that the homebuy scheme is the most successful low-cost home ownership product currently available, but it also identifies a number of weaknesses, which will be outlined in the presentation.

[248] I welcome Mike Harmer from the research team and Michael Jones from the University of Cambridge. Would you like to introduce the item, Minister?

[249] **Edwina Hart:** No. We would just like to let Michael from Cambridge get on with the presentation for us.

[250] **Mick Bates:** Very good. It is over to you, Michael. I remind you that the Members have received a hard copy of your presentation.

[251] **Mr Jones:** That is good. This is a presentation of the report that we have produced for the Assembly. It is a 110-page report, which is currently being translated and will be published in due course. We were asked to look at low-cost home ownership across Wales in general, but focusing particularly on the current scheme in operation, homebuy. The first slide on the PowerPoint presentation gives us a summary of the background. Ninety per cent of all low-cost home ownership has been supplied through the right to buy—there have been 128,000 such sales of property since 1980. Nearly half of the local authority stock available at that time has now been sold. Nearly all of those have been family houses. As a consequence, the proportion of one-bedroomed stock that local authorities own has risen, and because one-bedroomed dwellings turn over faster than family houses, 40 per cent of the lettings available to local authorities now consist of one-bedroomed homes rather than family homes. Interestingly, in the context of homebuy, we discovered, in looking at the files, that 60 per cent of the houses being bought under the homebuy scheme are themselves former right-to-buy properties. Therefore, the same properties are being circulated around the system.

[252] In the past, there have been a number of schemes and experiments with shared ownership and other low-cost home ownership programmes in Wales. Between them, they provide around 6,000 dwellings. Since 1995, the homebuy scheme has provided around a further 3,000 dwellings and is now, in effect, the only scheme in operation; although it is worth noting that Cardiff County Council has its own new-build homebuy scheme using section 106 money rather than social housing grant. Clwyd Alyn Housing Association has continued its programme of new build, shared ownership, which it funds from recycling sales.

3.30 p.m.

[253] The homebuy scheme is a straightforward, transparent scheme, which is easy to understand, particularly for purchasers. It offers outright ownership, without additional costs, such as the rent element payable in shared ownership and leasehold schemes. As a consequence, demand for homebuy is far in excess of the supply of resources. Inevitably with this sort of project, we concentrate on problems. However, in this case, these are problems of the scheme's success, rather than of any kind of failure within it.

[254] To put homebuy in its context, in the broader housing market 57,000 homes are bought and sold every year in Wales. Therefore, a quarter of those—about 14,000—are in the bottom quarter of the market, or the cheap end of the market, and 5,700 are in the bottom 10 per cent of house prices. On average in Wales, there are about 16,000 first-time purchasers every year, but only 220 homebuy purchases. The first conclusion that we can draw is that homebuy is highly unlikely to have an inflationary effect on house prices.

[255] If we were to have a different kind of scheme, which would give every one of the 16,000 first-time buyers £1,000, then there would be a huge inflationary effect on house prices—it would translate into house price inflation. However, even if the homebuy programme were doubled or trebled in size, it seems pretty clear that it would have little effect on house prices.

[256] We have a typical IT gremlin here—each of the next three slides is supposed to have a map on it, but does not. Homebuy was introduced in 1995-96, when the housing market was at its lowest—house prices were at their cheapest in relation to incomes as they have almost ever been. The map on the right, which you cannot see, would show that, in most of Wales, you could buy an average terraced house for less than £45,000, and certainly for less than £65,000, at that time.

[257] The next slide shows the situation in 2000. It would show you that the cheap house price areas are starting to shrink, and that higher prices are starting to appear in Cardiff, the rural Vale of Glamorgan, and some of the more desirable coastal areas. In the third map, which, again, you cannot see, the picture is transformed. Within 10 years, the blue areas—the cheap house prices—have disappeared, and green, which signifies houses under £65,000, is confined to the upper parts of the Valleys, and the rest of Wales has turned yellow, orange and bright red, with very high house prices. Terraced houses are now in excess of £200,000 in Cardiff, the Vale of Glamorgan and the desirable coastal areas.

[258] The graph on the next slide shows what has happened. The blue line running along almost flat horizontally, shows earnings, which have gone up by just over a quarter within six years, since house prices started to increase. However, the average house price has risen by more than double in that period. Therefore, income is lagging well behind house prices.

[259] What has happened is that the characteristics of those being helped by homebuy have changed dramatically over that period. When homebuy was introduced, half the purchasers were single people or single parents. By 2005, only 20 per cent were single people or single parents. When the scheme was introduced, 70 per cent of the purchasing households had only one earner; by 2005, 75 per cent of the households had two earners. In 1995, more than half the couple households had a non-earning or a part-time working partner; now, that is down to less than 10 per cent. Homebuy is now helping households whose pay—for similar work, judging from the job titles—is twice that of 1995, or whose jobs are much higher graded, or both. Therefore, we have moved to a different group of people entirely.

[260] What is interesting is that households are borrowing similar multiples of income. In other words, these are not people who are taking advantage of the four-times and five-times income offers that the lenders are making now. People are still borrowing the same amount in proportion of income as when the scheme came in 10 years ago. However, it is a different group of people—these people earn more than twice as much.

[261] Therefore, the homebuy programme has adjusted to the increasing problems of affordability by shifting up the income scale, in effect—we have gone from single-earner to dual-earner households, and they are better paid. One interesting feature of the scheme is that less than half of all purchasers under homebuy put down any deposit at all and two-thirds of those who do put down less than £5,000. So, it is a scheme that is helping people who have no savings at all. I think that that is quite significant. As you would expect, the properties that have been bought using homebuy have also changed over that period. Homebuy purchasers generally are buying houses that are larger than is required to meet their immediate need. So, three-quarters of single people and childless couples have been enabled to buy two or three-bedroomed homes. A quarter of all single people buying, and half of the childless couples, were able to buy three-bedroomed houses. So, there is quite a disparity between what people need, and the way in which they would be assessed if they went into social housing, and the way in which homebuy is helping them in the housing market.

[262] Homebuy is also helping people to buy better quality homes, in the sense that, for example, 60 per cent of all purchases were end of terrace or semi-detached houses. To some extent, that reflects what is available in the market, but we are not seeing a scheme that is helping people into the sort of run-down mid-terrace cheap property at the bottom end of the market; we are talking about houses that are significantly better than that. As I have already mentioned, a significant number of the purchases are of former right-to-buy properties.

[263] As I think you would expect, there are significant differences between urban and rural areas. Rural areas have the higher proportion of grant, at 50 per cent. That is reflected in the kind of people who are buying. In rural areas, only 10 per cent of purchasers are single and none of them, in the files that we looked at, were what one might describe as young and single; these tended to be middle-age people or people with children who had left home, or who were separated or divorced. A higher proportion of households had children than in urban areas, but fewer households had two earners and the second earner often had very low earnings, with incomes of £1,000 or £2,000 a year, so very much part-time work. As a result, as you would expect, household incomes were only two-thirds of those in urban areas. Interestingly, the houses purchased tended to be in or near larger towns and market towns; no-one seemed to be buying in what I have described here as ‘deep rural’ villages.

[264] So the programme is helping people very substantially, but is it offering value for money? I have given two examples on the slide. For one, it is clear that it does offer value for money, and for the other it is doubtful. I think that everyone has a print-out of the slide in front of them, and you can see from that that the one that I have said offers value for money is the case of a housing association tenant, a single parent with one child, working as a nursing assistant in the NHS. This person, therefore, had quite a low income, and was enabled to buy a two-bedroomed terraced house and to move out of the social housing sector. This seems very good value for money, as we have helped someone into owner-occupation and have released another dwelling to let to someone else and, in this particular case, the scheme was done using section 106, so the social housing grant element was less.

[265] However, there were not many cases similar to that. There were far more cases, in the files that we looked at, similar to that outlined on the right side of the slide. This case was of a couple, both aged 21, with no children, both of whom were in administrative jobs and earning nearly £28,000 a year between them. They were enabled to buy a two-bedroomed house for £120,000. They had a mortgage for £84,000 and a 30 per cent equity share of £36,000. Both were living with their parents and neither had any savings. They have struck it lucky—they have had a £30,000 deposit supplied through social housing grant. They had no distinguishing characteristics or features other than the fact that they were a young couple with no savings. I found it extremely difficult to justify why they should be getting this assistance, and why they should be part of our 220 loans each year as opposed to someone else. I could not see why that was the case.

[266] This raises the question of whether the homebuy programme is sufficiently focused. We have around only 200 loans a year and there are 16,000 first-time buyers. So, some form of prioritisation would seem to be essential. However, there are some problems here. Local authority housing strategies barely mention homebuy. They occasionally mention affordability problems, but there is almost no mention of this scheme, yet some authorities are spending quite large proportions of their SHG on it.

3.40 p.m.

[267] Oddly enough, two of the highest spenders in terms of proportion are the two areas with the cheapest house prices: Merthyr Tydfil and Blaenau Gwent. So, in Blaenau Gwent, 30 per cent of the social housing grant is going on supporting homebuy in an area with the lowest house prices. The Member for Blaenau Gwent commented earlier on the existence of empty houses, at the same time. This raises the question of whether the SHG is being applied to the right problem.

[268] There is also very little advertising of homebuy. The housing associations that administer the programme on behalf of local authorities publish occasional advertisements, but most of the people on the list come to them because of word of mouth, or because estate agents have referred them, and that is quite enough to create waiting lists three to four years long. As a result, housing associations are simply working through the list in date order. Local authorities have not set out any other strategic aims for them to follow, so they are doing their best.

[269] I was particularly struck by the fact that I did not see any evidence, in rural areas, especially in Welsh-speaking areas, of the homebuy programme being used to support local strategic objectives. There are three policy areas that we could usefully identify for consideration by elected Members. The first is that of focusing the homebuy programme to meet strategic housing objectives. The second is to revise the criteria for the scheme, so that they match those objectives. The third is to look at homebuy in rural areas to see how it could be used to support other social objectives there.

[270] In the first case, given the limited resources available and the almost unlimited demand for homebuy, it seems that we need to look at social objectives, such as concentrating the programme on releasing social housing for reletting by assisting existing tenants to move out and buy and, possibly, by reducing the demand for social housing and preventing homelessness by helping existing homeowners to stay in their homes when some kind of financial catastrophe has struck them. The difficulty with that, of course, is that you may find that you have far more demand than supply if the housing market collapses. So, it is really in the first group that we get the double hit of benefit.

[271] The criteria tend to get a bit technical, but the point is that several of them could well be reviewed to try to focus them more on whatever the key objectives are. At the moment, in any local authority area, the maximum purchase price is set at the highest acceptable cost guidance band, and an area such as Rhondda Cynon Taf has all six bands. So, it has the highest price, but you could go up the valley and buy yourself a detached mansion, I would imagine, for the money. There is no evidence of people doing that, but it does not seem to match the prices, and so the price limits in the scheme are not very well matched.

[272] There ought to be a more effective review of the alternatives available to people, because there are comments on the fact that very few people are buying mid-terrace houses at the bottom of the market; they are all able to buy houses some way up the market. Should the size of property be more closely related to the size of the household? Should there be some link between the homebuy programme and people's savings? At the moment, it is very much focused on supporting people who have no deposit at all. Finally, should it have a more specific focus in rural areas on supporting wider social objectives? These might include resale covenants, similar to those imposed on right-to-buy properties. There is no covenant on the homebuy scheme; someone may be helped into home ownership, but that person can sell on to anyone, as there is no covenant on them at all.

[273] The homebuy programme could be used, for example, to support villages or small towns where local services are at risk, and the committee has already discussed the position of post offices today. There are areas in which an increase in population or a change in its age structure might help to support local services. The obvious case is supporting local primary schools that teach through the medium of Welsh. Where a primary school may be under threat owing to population change and ageing, one must ask whether it is possible to use homebuy to refresh the age structure of the population to keep that school viable and in business. So, there are a number of possible areas for discussion. Thank you.

[274] **Mick Bates:** Thank you for that excellent report, which raises a great many interesting questions—and some stimulating policy issues, given that our election is coming up next May. It is a great driver, as you can imagine.

[275] **Edwina Hart:** Thank you for your presentation. I am very pleased with the report, and I will take recommendations from my officials on it. What you said about right-to-buy properties confirms what we have all felt—with the exception of the party that has left the room—about being able to restrict the right to buy, because of the difficulties that it has caused in distorting the housing market, as well as related difficulties. Furthermore, as a committee, we have always been concerned about housing in rural areas. For example, as the Chair here today said, why can we not have more affordable housing on the outskirts of villages? Why does planning seem to go against what you want to do on these issues? That has brought some of this into sharp focus. I am interested in Members' comments and views on this, and my officials are here to listen to those before they make recommendations to me. I am keen to get this far more focused. It also brings out another point on local authorities and their responsibilities for the strategies, which they do not undertake properly and which, therefore, comes back to bite us on a range of issues.

[276] Trish's point about empty properties is relevant in this context. Local government wants these duties and housing responsibilities, but, unless it is prepared to take an integrated approach to this, with joined-up government, we will not solve some of the problems that we have in the marketplace. Even though it is not homebuy, it reinforces some of our concerns in other areas relating to the administration of housing.

[277] **Mick Bates:** Local authorities and planning are crucial in this context.

[278] **Sandy Mewies:** Thank you for that thought-provoking presentation, even without your little map. I do not like graphs anyway, so it was great for me that there were not any. It has brought into focus what is happening, because the homebuy scheme sometimes seems to be buried in mystery. People tell me that they have been to ask for money only to be told that there is no money for homebuy because the local authority did not make a bid, and the local authority then says, 'Yes, we did', and so trying to find out where the truth lies is difficult. I must say that some people have asked me about homebuy, and I have thought, 'Well, you are not really the sort of person the scheme is aimed at', though it is not up to me to make that judgment. So, you have brought that into focus here.

[279] Looking at these examples, I really think that we must do something about this. It is an enormous amount of money and it could do a lot of good if only it were focused on the right area. I can foresee some difficulties; for example, you could have a couple aged 21 applying and so on, and, in reality, we would be carrying out a form of means testing. Someone would have to do it. It is a matter of judgment, and I do not know how easy it would be to make that necessary judgment. That is an issue for debate and I agree entirely with what you say.

[280] On the rural areas, Trish made the point about knocking houses down in Blaenau Gwent.

[281] **Trish Law:** They are better off being knocked down than being left there for people to think, 'Oh my gosh, I have got to live next door to that'.

[282] **Sandy Mewies:** Yes, but it shows how homebuy fits into the bigger picture and how what you are talking about fits into a bigger picture. That is why any areas being developed should be in local authorities' housing plans. All that I can say at this stage is that a lot of work needs to be done judging by what has been presented to us today, and that has surprised me. We need to consider refocusing this programme so as to give the maximum benefit to those people who really need it.

[283] **Mick Bates:** Michael, do you wish to comment on Sandy's points?

[284] **Mr Jones:** There is no technical answer to the whole question of focusing the programme; it is a social judgment, and I am afraid that it is the role of Assembly Members to make those sorts of judgments. I can offer no simple, technocratic solution, as it were.

3.50 p.m.

[285] On one level, the programme is already means-tested. The maximum purchase price limits are in force, and housing associations do not means-test so much as try to test that people can afford it. The housing associations' tests have been undermined by the willingness of lenders to lend more money than the housing associations thought people could afford in lots of cases. However, they do put people through a test in that sense. It is not a test to eliminate the better paid, but a test to try to ensure that people can afford it. There is obviously a debate to be had about how one might focus on the 200 people who are in real need of this programme. On one level, all first-time purchasers could be eligible, but who are the 200 who are in real need of it?

[286] **Sandy Mewies:** To come back briefly on this, one of the points that you made that has a bearing on this is who hears about the homebuy scheme.

[287] **Leanne Wood:** There is so much to discuss here that I do not know where to focus my comments. First of all, I think that it is completely outrageous that we are now buying back the properties that we sold off under the right to buy. It seems like a huge waste of public money, because, in the meantime, the value of those houses has increased immensely. Anyway, there is no point in going over that again. The programme is clearly not focused enough, but, like Sandy, I am wary of going down the means-testing route. However, I liked the idea of matching this with some form of savings so that there is an incentive for people to save for it.

[288] You also raised the issue of people being given houses that do not meet their needs, so you get couples with no children going for two or three-bedroomed houses. We must be wary of trying to reduce that practice, because people are obviously planning ahead, thinking about families and intending to stay there for some time. I just wanted to throw that in.

[289] My final point is the need to focus more on community planning and the rural issue with the Welsh language and community services. That is crucial. If we could be more targeted towards protecting the language in those small rural communities where services are under threat, I would definitely support that.

[290] **Mick Bates:** Do either of you wish to comment on those points?

[291] **Mr Jones:** I very much take your point about couples buying a family house; it is perfectly obvious why they would want to do that, and I was raising my eyebrow more at single people buying three-bedroomed houses. That is planning for the future at the public's expense, because the public is putting up 30 per cent or 50 per cent of the purchase price. It is fine that people are planning for the future, but the Welsh taxpayer is paying for that.

[292] **Leanne Wood:** I have a question on process. This will clearly have to come back to us in some form with recommendations for changing the programme.

[293] **Edwina Hart:** In all honesty, it is for me to make recommendations for changing the programme, and I can change the homebuy arrangements. That is why I said in my introduction that if Members want to make any suggestions as a result of this presentation, they should send them to me, as I anticipate making a decision on this matter before Christmas, based on papers from officials.

[294] **Leanne Wood:** So, you will not be bringing it back to committee?

[295] **Edwina Hart:** I was hoping to get on with some of this, to be frank. I am more than happy for people to come in on this, but it is essential that I take forward some of the common concerns that have risen here at the earliest opportunity. I would be interested in having suggestions sent in, but I am conscious that we will not meet again until the end of January, and I want to get some things moving before then. I will consider whether I can make my suggestions and circulate them in a paper, which people can comment on, and so have comments in advance of anything that I might do.

[296] **Mick Bates:** That is useful and it was a good point, Leanne. Minister, would you also consider circulating that paper to all local authorities?

[297] **Edwina Hart:** To be frank, we will make the decision for local authorities on some of these issues. We talk a lot about consultation but, at the end of the day, we consult with them about local housing strategies, we give them extra cash to do things, but things like this just do not occur to them as a proper consideration. So, I will be guided by my officials, but I do not necessarily want to consult on any changes with local government; I do not need to, do I?

[298] **Ms Whittaker:** No, you do not.

[299] **Mick Bates:** Okay. Catherine is next.

[300] **Catherine Thomas:** To be honest, much of what I wanted to say has already been said by Sandy and Leanne, and I echo much of what they have said. I agree with the Minister's comments that many local authorities do not really have an adequate housing strategy. I must say that I think that the housing strategy for my patch, Carmarthenshire, is pretty good, but there are other authorities around Wales where much more needs to be done. This goes back to the point about the voids that exist, which I find really annoying when the housing need is so great, because, often, though not always, it is a lot of cosmetic work that needs to be done. This goes back to the point that the Minister made. Why are people who are in need of social housing treated differently from people who want to buy? I moved into a house where quite a lot of cosmetic work needed to be done, but I was keen to get into the house. So, why are people who are going into social housing treated differently? That really needs to be addressed, because people are not being treated equally. There is a difference there, which must stop.

[301] In relation to how the homebuy scheme is determined, I found the presentation interesting, but I also found it worrying in that there is no strategic focus. That has to be addressed. In the two examples that you gave, and in what Sandy said about a couple both aged 21, I do not think that those people should have qualified, to be honest, because I can think of people in much greater need. It is hard to make those decisions and it will be a real challenge to decide how you meet that demand and be fair about it. Those criteria need to be introduced to ensure that there is fairness, and that will not be easy. I would have huge worries about any sort of means testing and I would not be able to support that. The information that you have in relation to Blaenau Gwent and Merthyr Tydfil, and the social housing grant spends there is very worrying. That made me sit up, as did the point about who hears about it. I meet and speak to constituents about homebuy, but they do not have a clue what I am on about.

[302] That was just repeating what other Members have said, but those were my main comments.

[303] **Mick Bates:** Do you wish to respond to any of that, Michael?

[304] **Mr Jones:** No, I think that that has been covered.

[305] **Mick Bates:** Finally, I would like to ask what evidence you have found in local authorities of good integration between the planners and the housing department. While you highlight these issues, are there any examples of good practice to overcome some of the barriers that you have identified?

[306] **Mr Jones:** I suppose that the obvious one to point to is Cardiff council. It is running a scheme that does not require the social housing grant, so that is a double benefit, in a sense, of its having got its act together on the planning front. My impression is that other authorities are catching up quite quickly; however, Cardiff has it on the ground and is selling houses that people are buying, so it is actually happening there.

[307] **Mick Bates:** So, in general, you did not find planners and housing administration staff sitting in the same room working together. [*Laughter.*] Let us get that clear for the Record, please.

[308] **Mr Jones:** I certainly did not find people sitting in the same room. I think that there are a lot of good intentions, and people are conscious that they could be doing far more.

[309] **Edwina Hart:** Yes, but good intentions do not provide homes.

[310] **Mick Bates:** The road to hell is paved with good intentions, as they say. Are there any further comments on that? I see that there are not. I thank you for an interesting report, which has stimulated a great deal of thought. We will look forward to the Minister's paper on it.

3.59 p.m.

[311] **Mick Bates:** Item 10 is the spring forward work programme, to be found in paper 8. Are there any comments on it? I will just point out that the February meeting, which is to be external, will be held in the new Welsh Assembly Government building in Merthyr Tydfil. We all look forward to that visit.

[312] Finally, I thank everyone for attending the meeting today. I also thank the staff of the Newport Centre for their assistance. The next meeting will be held on Wednesday, 6 December, with a 9.30 a.m. start, when the final evidence on youth homelessness will be gathered.

[313] In response to a Member's request that the Members' research service provide a briefing for the meeting, I invite Members to identify specific areas on which they would like the research service to gather evidence.

4.00 p.m.

[314] **Leanne Wood:** Do we know who will be giving evidence at the next meeting?

[315] **Mick Bates:** Yes.

[316] **Ms Griffiths:** It is the Welsh Local Government Association, which has been written to with the specific point that you raised at the November meeting when we took evidence. It is also Barnardo's, the National Association for the Care and Resettlement of Offenders, and GISDA, Grwp Ieuentid Sengl Digartref Arfon, which is a charity for young homeless people in Caernarfon.

[317] **Mick Bates:** Thank you. If you wish the Members' research service to prepare particular briefings for you, please ensure that you make a request as soon as possible. I declare the meeting closed.

Daeth y cyfarfod i ben am 4.00 p.m.

The meeting ended at 4.00 p.m.