

“Better Homes for People in Wales”

The National Assembly for Wales’ proposals for a National Housing Strategy

Foreword

statement by Edwina Hart AM

This consultation document seeks to take into account the needs and views of all parts of Welsh society in building upon the development of a national housing strategy for Wales. I know the process adopted has been widely welcomed for its inclusiveness and partnership approach to policy development under the National Assembly. This consultation seeks to further refine the work of the four Housing Strategy Task Groups and the National Consultative Forum on Housing in Wales. It sets out clearly a comprehensive national strategy to take housing in Wales into the 21st century.

The development of a national housing strategy is an important step towards delivering the commitment in our strategic plan “Better Wales” to significantly improve the lives and opportunities of all in Wales. The national housing strategy will embrace our three guiding themes of ‘sustainable development’, ‘tackling social disadvantage’ and ‘equality of opportunity’.

Equality of opportunity has particular significance in accessibility to housing. To realise our aim of a fully inclusive society, we must ensure that equality of opportunity is ingrained in all policies and guidance, if we are to overcome perhaps the most evident examples of inequity among our people - poor or inadequate housing or, in the extreme, no housing at all.

The national housing strategy will make a real contribution towards reducing social disadvantage and provide the framework within which we can develop thriving and vibrant sustainable communities. These will be places where people feel valued and want to live – they will provide decent homes, good facilities and a safe and healthy environment which is free from crime. With our partners, we will transform our most deprived communities through our flagship programme ‘Communities First’. In doing so, we must learn from the past. We must build on what was done well, and avoid the mistakes that have contributed to the problems that are prevalent in our most deprived areas. In this way, we will tackle our housing needs without compromising the ability of future generations to meet theirs.

You will all recognise the problems we face such as: a backlog of essential repairs to council houses and the need to bring them up to modern standards, poor energy efficiency and the related problem of ‘fuel poverty’, the condition of some of our older owner-occupied stock and particularly acute problems in the private rented sector. These problems were largely inherited by the National Assembly, the legacy of many years where priorities lay elsewhere. Those other priorities have not gone away, but we are committed to ensuring that our housing policies are properly integrated into the National Assembly’s vision for a Better Wales. By doing this we are recognising and addressing the links between decent housing and our nation’s standards of health, academic achievement, and support and care for the most vulnerable people in our society.

Moreover, this will be a strategy made in Wales and, where powers are not devolved to the National Assembly, it will provide the basis for influencing UK Government policies. To play your part, I ask for your responses to the proposals within the consultation paper and to receive your suggestions for measures that the strategy should contain.

I promise you that all views and ideas will be carefully considered. Creating and delivering a successful national housing strategy means harnessing the best ideas from across the spectrum of Welsh society.

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Executive Summary

[to be drafted]

1.1 PURPOSE OF THIS CONSULTATION PAPER

This consultation paper sets out the National Assembly's strategic vision and priorities for housing in Wales. The paper takes account of the recommendations of the Housing Strategy Task Groups and, where appropriate, the United Kingdom Government's proposals in the Housing Green Paper *'Quality and Choice: A decent home for all'*.

1.2 THE NATIONAL ASSEMBLY'S POWERS

The National Assembly has extensive powers and responsibility, through the transfer of functions under the Government of Wales Act 1998, to craft distinctive housing policies to meet the specific needs of Wales. The National Assembly can exercise these powers through a number of means including making subordinate legislation, providing funding and issuing guidance and best practice advice. Where it has fewer direct powers to act, such as in the home ownership sector, the National Assembly can facilitate change and influence matters through discussion and negotiation with relevant industry representative bodies.

While the National Assembly does not have primary legislative powers, it can work closely with the UK Government to ensure that new primary legislation is framed so as to provide maximum flexibility for the National Assembly to determine the detailed implementation in a way which reflects the needs of Wales.

Similarly, for non-devolved functions such as Housing Benefit, the National Assembly will ensure that Welsh needs and views are considered by the UK government. We have the means to do this. The principles which underlie relations between the UK Government and the devolved administrations are set out in a *'Memorandum of Understanding'* and a series of supporting concordats. In addition, section 33 of the Government of Wales Act 1998 provides a specific power for the National Assembly to consider and make representations about any matter which affects Wales.

The proposals in this paper, while concentrating on areas in which we can take direct action, nonetheless embrace the full range of powers and means of influence open to the National Assembly.

1.3 CONSULTATION RESPONSES

This consultation builds on the extensive discussions that have already taken place with a wide range of organisations and individuals through the National Consultative Forum on Housing in Wales and the Housing Strategy Task Groups.

To assist the reader we have highlighted by shading, within the text, action or proposals.

Responses to this paper are invited by [3 month period]. Responses should be sent to:

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or e-mailed to: www.Housingstrategy@wales.gsi.gov.uk

Responses should clearly indicate the identity of the writer and, if appropriate, their position and who they represent.

Individual responses will normally be made publicly available unless they are marked confidential, in which case they will not be disclosed without the express permission of the writer.

Further copies of this consultation paper can be obtained from the above address. The paper can also be viewed on the National Assembly's web site:
www.wales.gov.uk

1.4 NEXT STEPS

Following debate of the strategy, in light of the consultation responses, by the National Assembly it is intended that the national housing strategy for Wales will be launched in 2001.

2. THE PROCESS OF DEVELOPING A NATIONAL HOUSING STRATEGY FOR WALES: Key Milestones

2.1 WHY A NATIONAL HOUSING STRATEGY ?

An effective strategic approach to housing in Wales is necessary if we are to ensure that people have access to, and choice over, decent housing to meet their needs. By having an explicit strategy we can also ensure that our housing policies and programmes are effectively integrated into the National Assembly's vision for a Better Wales.

In practical terms, a national strategy will enable informed decisions to be made and will provide the direction needed to optimize the contribution of all the organisations and individuals with a stake in the future of Welsh housing policy.

This inclusive approach can be realised through the new, open and inclusive form of government that the National Assembly has brought to Wales and which has been embraced throughout the process of developing a national housing strategy.

2.2 NATIONAL CONSULTATIVE FORUM ON HOUSING

As part of a more participatory approach to Government in Wales, in 1998 then Welsh Office Ministers established the National Consultative Forum on Housing in Wales. The Forum, comprising a range of key cross-sector national housing organisations, was intended to facilitate open dialogue with Government on the development of housing policy and its role in the wider social agenda. A key achievement of the Forum was the production of '*A Framework for a National Housing Strategy for Wales*'.

2.3 'A FRAMEWORK FOR A NATIONAL HOUSING STRATEGY FOR WALES'

The National Consultative Forum on Housing in Wales presented its Framework document to the National Assembly in July 1999. The Framework set out the key issues in Welsh housing and highlighted some broad options to be considered by the National Assembly in determining its housing policies and priorities.

The National Assembly welcomed and endorsed the Framework, which provided an ideal platform from which to make an early and informed start on the development of a national housing strategy, relevant to the needs of Wales.

2.4 HOUSING STRATEGY TASK GROUPS

Following publication of the Framework in August 1999, four, independently chaired, multi-agency task groups were set up to develop the issues and options for addressing them, into more detailed policy proposals for consideration by the National Assembly.

This approach to policy development demonstrates clearly our commitment to work closely with our partners in shaping the policies which will help to improve the lives of all those living in Wales. In all, some 80 organisations from the public, private, voluntary, professional and academic sectors contributed to the work of the Housing Strategy Task Groups. As well as mainstream housing organisations, the groups included representatives from a range of other services including health,

social services, education, public protection, planning, the police and the probation service, reflecting the need to integrate housing policies and actions with those of other services.

The Task Group reports make almost 200 recommendations. These include: policy options, proposed ways of improving service delivery, suggestions for further research or data gathering to inform future policy development and service delivery at both national and local level.

2.5 NATIONAL HOUSING STRATEGY DOCUMENT

This consultation paper follows on from the work and recommendations from the four Housing Strategy Task Groups and is the final stage towards the production of a National Housing Strategy. The strategy, which will be published in Spring 2001, will continue to be a dynamic set of policies which will change according to market and other factors affecting housing and related policies. We will ensure that it is a working document which will be monitored, reviewed and updated in an open and collaborative process.

2.6 PROGRESS TO DATE

While the National Assembly, together with its partners, has invested a great deal of time and effort in the process leading up to the publication of this consultation paper this has not been at the expense of taking action to tackle the most pressing housing challenges in Wales. Some significant strides forward have been achieved, notably:

- Consulting on *Communities First* – a new programme which will provide a non prescriptive, co-ordinated and targeted approach to community regeneration based on priorities determined by the people who live in those communities.
- All-Wales coverage of Care and Repair agencies has recently been achieved which will assist many elderly and disabled owner-occupiers who want to improve the condition of their properties.
- New Home Energy Efficiency Scheme developed with a target to help lift 38,000 of the poorest Welsh households out of fuel poverty by March 2003.
- Extending categories of homeless people who are regarded as being in priority need of accommodation
- The development of an integrated package of measures to increase action to ensure that no one in Wales has to sleep rough, and a strategic approach to combat homelessness.
- Regulation of Welsh registered social landlords to maintain and improve standards of housing services and maintenance for tenants; and to help safeguard the financial viability of the sector.
- Consultation and promotion of guidance on “Best Value” in Housing and Tenant Participation compacts.

- Development of the 'Supporting People' proposals.
- Guidance to local authorities on stock condition surveys.
- Report on raising additional investment in local authority housing through private finance and promulgating the findings to Welsh local authorities (half of whom are carrying out feasibility studies).
- The introduction of a new, simpler and more flexible, capital grant, which also provides greater financial certainty, to replace Housing Exchequer contributions for local authority expenditure on private sector renewal.

3. THE ROLE OF HOUSING IN THE NATIONAL ASSEMBLY'S STRATEGIC PLAN 'BetterWales'

3.1 One of the fundamentals underlying the attainment of the vision set out in the National Assembly's strategic plan "Better Wales", is to ensure that the people of Wales have access to, and choice over, housing that meets their needs. Everyone has a fundamental need for decent housing. A home provides shelter, security, privacy and underpins our individual, family and social lives. The quality of our homes and neighbourhoods can have a significant impact on the quality of our lives. Poor housing can have consequences for our health, educational attainment and access to employment and is often directly linked with social exclusion and disadvantage. Decent housing, where people have access to jobs, services, transport and local amenities, is fundamental to ensuring that our communities are sustainable and our people are not socially disadvantaged.

3.2 THE ROLE OF HOUSING IN "A Better Wales"

Better Wales was launched on Wednesday 10 May 2000. It sets out our long term vision for a better Wales, together with the National Assembly's values and commitments to the people of Wales.

While all the actions in the programme will contribute to the overall vision, the National Assembly's strategy is presented under five key action areas:

- Better opportunities for learning
- A better, stronger economy
- Better health and well-being
- Better quality of life
- Better, simpler government

Housing policy and investment has the potential to contribute to all five of these key areas.

A National Housing Strategy needs also to embrace the National Assembly's three key themes of 'sustainable development', 'tackling social disadvantage' and 'equal opportunities'; and the values and principles which guide its work.

3.3 A FRESH PROGRAMME FOR WALES

The National Assembly's strategic plan contains a programme for action to achieve the Government of Wales' vision of a Better Wales. It sets out what the Government of Wales believes success will look like in the longer term to 2010; and a programme for action made up of over 100 major areas where results are expected by 2003, which will act as milestones on the way to the longer term goals.

3.4 'WALES 2010' BENCHMARKS

The strategic plan sets out 2010 benchmarks against which progress and success in meeting the aspirations of the people of Wales will be judged.

None of the priority areas or benchmarks should be looked at in isolation, but must be seen as part of a broader effort to create the sustainable economy and fairer, more inclusive, society that we wish to see.

The quality of housing and housing investment will make a contribution to many aspects of the benchmarks, but the strategic plan contains a number of specific benchmarks where housing has an important part to play:

The economy

“13. Wales must be able to retain a far higher proportion of its young people. It must be a place where the young want to live, work and enjoy a high quality of life.....”

Better health and well being

“17. Everyone who can realistically be expected to live independently – irrespective of age or impairment – should be able to do so with appropriate support.”

“18. Effective and significant joint working with social services must have long been the norm.”

Quality of life

“22. The quality of life in our most disadvantaged communities as judged by their residents, must have improved sharply. Most communities across Wales should have worked out what they want, and many more people should be taking action in their communities to meet those needs.”

“23. High quality social housing must be readily available for those who cannot afford to buy. A flourishing private rented sector should enhance choice and labour mobility, but must be effectively regulated to prevent serious risk to health and safety. The need for people to sleep rough must be eliminated.....People must feel safer on the streets and in their homes.”

Government

“25. Independent assessments must show that the National Assembly and all major public bodies have achieved service and efficiency improvements which at least match those secured by comparable organisations elsewhere in the U.K. Satisfaction with the services provided by the National Assembly...local government...should exceed 90%, compared with typical satisfaction rates of 75 – 90% today.”

“26. We should have a local government that has adopted the most modern management practices, gives the highest priorities to the principles of best value, has streamlined and transparent decision-making structures and engages closely with local communities and businesses.....”

“27. The policies and actions of all public sector bodies, including the National Assembly, its sponsored bodies and agencies and local government must take account of the needs and views of all parts of society.....”

3.5 2003 RESULTS

Like the 2010 benchmarks, housing will contribute, to a greater or lesser degree, to many of the results that we want to achieve, with our partners, by the end of the present Assembly.

Within the programme for action, the National Assembly makes clear its determination to tackle the root causes of ill health, including poor housing, unemployment and the stresses and strains that are often linked to living in rundown, threatening communities with high levels of crime. Through the ‘*Communities First*’ programme, when in place, we are committed to work with local people to transform our most disadvantaged communities into places where everyone would want to live – to provide decent homes, good facilities and a safe and healthy environment which is free of crime.

In addition to the introduction of ‘*Communities First*’, the strategic plan contains a number of specific housing targets in support of these important aims:

“To reduce the number of occupied houses in serious disrepair to less than 4 per cent of the stock, by 2002, and to extend the Care and Repair scheme to all parts of Wales.”

“To use more private funding to improve poor quality housing estates; for all new social housing to be of good quality, with high standards of safety and energy efficiency and located in attractive, non-threatening environments designed to reduce crime.”

“The proportion of vacant social housing to be cut to less than 3%, the number of homeless families living in temporary housing to be below 500 and the need for rough sleeping to be eliminated.”

“30,000 “fuel poor” households, receiving income or disability benefits, to be covered by the new Home Energy Efficiency scheme.”

3.6 PUTTING WALES FIRST: A PARTNERSHIP FOR THE PEOPLE OF WALES

The advent of a partnership administration in October 2000 launched an ambitious programme of reform and renewal.

The Partnership programme reaffirmed the commitment to the three guiding themes agreed by the National Assembly of: *Sustainable Development*; *Tackling Social Disadvantage*; and *Equal Opportunities*. In the spirit of these principles we will, as a priority, target our programmes at the regeneration of the most

disadvantaged communities and hold as principle aims: the development of thriving communities and a commitment to the achievement of good quality housing for all people throughout Wales.

In terms of detail, the programme proposes the following measures. Resource considerations are dealt with in the budget proposals table that follows:

- Additional investment to tackle low quality housing, one of the foremost indicators of social disadvantage.
- The establishment of a Wales-wide Housing Commission to be investigated.
- Additional resources for renovation and disabled facility grants, targeted at the worst properties.
- The integration of the Home Energy Efficiency Scheme with other grant regimes to be explored so as to ensure better targeting of the available resources.
- All local authorities in Wales to be encouraged to develop a homelessness strategy with a designated homelessness co-ordinator. Legislation extending the categories of people recognised to be in need of priority housing to be introduced, and ensuring the provision of appropriate needs assessment and tenancy support.
- The establishment of a capital investment fund for local authorities to bid for new facilities to assist in eradicating homelessness and to develop initiatives for Houses in Multiple Occupation (HMOs).
- The development of a Housing in Multiple Occupation strategy to improve the standard of private rented accommodation. Seek to extend the powers and remit of the Social Housing Ombudsman to cover private rented housing.
- Participation in the on-going review of the capital finance of council housing and ensuring that appropriate community regeneration strategies are developed alongside strategies for future financing of the public housing stock.

3.7 KEY ELEMENTS OF THE BUDGET PROPOSALS

Social Housing Grants/Receipts

No net change in the total available for the programme.

Receipts received by registered social landlords from the disposal of properties are retained in a designated reserve and recycled as Social Housing Grant to supplement the programme.

Supported Housing Revenue Grant	<p>Increases of £0.9 million in 2002-3 and £1.2 million in 2003-4.</p> <p>To provide an additional 200 bed spaces a year by 2002-3 for the homeless and other vulnerable people.</p> <p>Will facilitate the extension of the categories of homeless people in need of accommodation.</p>
Local Authority General Capital Funding/Supplementary Credit Approvals	<p>£5.0 million increase in 2001-2; £15 million increase in 2002-3 and £20 million increase in 2003-4.</p> <p>To assist local authorities improve public and private sector housing, with the emphasis on community regeneration.</p>
Community Purposes	<p>Increases of £3.0 million 2001-2; £10.0 million 2002-3 and £15 million in 2003-4.</p> <p>To fund the expansion of the flagship programme 'Communities First' and complementary action.</p>
Home Improvement Agencies	<p>An increase of £0.03 million in 2001-2; £0.06 million 2002-3 and £0.09 million in 2003-4.</p> <p>Uplifts in line with projected inflationary factors to support the cost of Care and Repair throughout Wales.</p>
Homelessness and Rough Sleeping	<p>Increases of £1.0 million 2001-2; £1.2 million in 2002-3 and £1.3 million in 2003-4.</p> <p>Will fund an additional 15 projects to help eliminate rough sleeping and make progress towards 'Better Wales' targets of less than 500 homeless families occupying temporary accommodation by 2010.</p>
Home Energy Efficiency Scheme	<p>Increases of £2.0 million and £4.0 million in 2002-3 and 2003-4 respectively.</p>

To extend the coverage of the new Home Energy efficiency scheme to 38,000 households by 2003.

To progress towards the target of meeting the needs of all fuel poor households by 2010.

3.8 TABLE OF MAIN FIGURES

NATIONAL ASSEMBLY FOR WALES' BUDGET 2000 DRAFT BUDGET FOR 2001 – 02 TO 2003 - 04

	2001-2002 ORIGINAL BASELINE	2001-2002 NEW PLANS	2002-2003 ORIGINAL BASELINE	2002-2003 INDICATIVE PLANS	2003-2004 ORIGINAL BASELINE	2003-2004 INDICATIVE PLANS
Social Housing Grant	56,400	56,400	56,400	56,400	56,400	56,400
Supported Housing Revenue Grant	11,592	11,592	11,592	12,492	11,592	12,792
Local Authority Housing – General Capital Funding	145,652	149,402	145,652	156,902	145,652	160,652
Local Authority Housing SCA's	48,551	49,801	48,551	52,301	48,551	53,551
Housing – General Capital Funding/SCA's	194,203	199,203	194,203	209,203	194,203	214,203
Community Purposes	18,854	20,054	18,854	28,854	18,854	33,854
Home Improvement Agencies	1,300	1,330	1,300	1,360	1,300	1,390
Homelessness and Rough Sleeping	2,336	3,336	2,336	3,536	2,336	3,636
Research/Surveys/Evaluations/Publicity/ Fees & Charges	1,134	1,134	1,134	1,134	1,134	1,134
Home Energy Efficiency Scheme	8,925	8,925	8,925	10,925	8,925	12,925
Housing Management Promotion	390	390	390	390	390	390
Expenses of Rent Officers	1,743	1,743	1,743	1,743	1,743	1,743
Housing Management Projects Education & Training	1,333	1,333	1,333	1,333	1,333	1,333
Other Housing Revenue	17,161	18,191	17,161	20,421	17,161	22,551
Housing Revenue Account Subsidy (Annually Managed Expenditure)	213,000	190,000	213,000	181,000	213,000	176,000

4. A NATIONAL STRATEGY TO GUIDE LOCAL ACTION

4.1 FRAMEWORK FOR LOCAL STRATEGIES

A national housing strategy will provide the overall framework for local strategies and actions to ensure that people have access to, and choice over, housing to meet their needs. This will require a strategic approach which encompasses all tenures, and maximises the contribution of all partners to the common objectives of:

- sustainable home ownership;
- a thriving, well managed, private rented sector, with good standards of accommodation;
- sufficient high quality social housing, managed efficiently and effectively; and
- locating homes in communities where people actually want to live.

4.2 LOCAL STRATEGIES

Local strategies and plans will provide the context for identifying housing need and demand and in formulating action to tackle those local needs and priorities. Currently these issues are identified in authorities' housing strategies and operational plans (HSOPs), which must be integrated with all other social, environmental and economic policies. In particular there needs to be a close relationship between HSOPs and the local authority's Unitary Development Plan, containing its policies and proposals in relation to housing provision, including housing land allocations and the Local Transport Plan. Ensuring that proper links are in place with authorities' other planning processes is given added impetus by the new duty to draw-up an overarching "community strategy" for promoting the well being of its area. These must be developed collaboratively with all relevant stakeholders and partner organisations.

A fundamental review of the HSOP process has recently commenced.

4.3 EVIDENCE BASED POLICY MAKING

To be successful, it is essential that national and local policies to combat problems such as poor housing and social disadvantage are founded on good quality information.

To strengthen our wider capacity for research and development and to make better use of sound evidence to support and improve policy making, we have established new arrangements to co-ordinate research activity.

The 'Housing Research Audit for Wales' conducted by the Centre for Housing Management and Development at Cardiff University and the Chartered Institute of Housing in Wales in 1999 has already assisted in identifying current research and gaps in knowledge in the housing field. Following on from this a small advisory panel has recently been formed to take forward the housing audit and help determine the content and operation of the National Assembly's Housing and Community Regeneration Research Programme. The panel comprises representatives from relevant National Assembly divisions, the academic world and Welsh housing organisations. It is thereby able to gather views from a wide cross-section of interests and to take appropriate account of related research activity.

The panel is able to consider all of the research and information needs relating to housing and community regeneration - commissioned research, funded research and statistical surveys. It will meet twice a year.

Information on the research programme is contained in Annex 2.

5. STRATEGIC ROLE OF THE LOCAL AUTHORITY

5.1 We have established a strong partnership with local government in Wales, reflecting the crucial role that local authorities play in their communities. An effective partnership between the National Assembly and local government is vital if the aims and objectives of Better Wales and this strategy are to be achieved.

5.2 POLICY AGREEMENTS

The partnership between us and local government will be underpinned by Policy Agreements between the National Assembly and individual local authorities, through which we will jointly share the broad policy aims and objectives set out in Better Wales. The agreements will set out specific targets in areas of shared priority, which the council will seek to achieve with the aid of National Assembly. They will also set out how the National Assembly and the council will work together and with other partners to pursue the broader shared aims of Better Wales.

Through policy agreements with each local authority, the intention is to focus on the results we want to achieve rather than the programmes or spending. This would give each local authority discretion to determine where and how to deploy its resources in order to achieve those results, while showing the people of Wales that together we mean business in tackling the issues which matter to them. (We are currently considering responses to a recent consultation exercise on a draft framework for such agreements).

5.3 COMMUNITY STRATEGIES

Community leadership is at the heart of the role of local government. Councils are the only organisations which can take a comprehensive overview of the needs and priorities of their local areas and lead the work required to meet them.

The Local Government Act 2000 places a new duty on local authorities in Wales to prepare a “community strategy” to promote or improve the economic, social and environmental well-being of their area and to contribute to the achievement of sustainable development. This will require authorities to work in partnership with other local bodies and communities themselves, to put in place strategies for their area which establish common priorities and determine the steps needed to address them.

5.4 STRATEGIC HOUSING ROLE

Local authorities have a key strategic role, supported by effective local partnerships, in ensuring that people in their area have access to a decent home in a sustainable community. A local authority’s housing strategy, together with its unitary development plan, will have an important role to play within the context of the community strategy.

Housing Strategy Task Group 1 recommended that consideration should be given to a separation of the local authority housing strategy and service delivery/operational functions, reflecting the introduction of Best Value performance plans and the increased emphasis on the strategic role of local authorities. **We support this recommendation, and will be considering how best it can be achieved as part of a planned review of the housing strategy and operational**

planning process. But we also consider there is a need to move forward quickly on the development of a more rigorous and structured planning regime for investment in the local authority stock. We intend, therefore, to consult shortly on the detail of introducing (subject to available resources) local authority housing stock business plans from April 2002.

Authorities should have long term plans for housing provision of all tenures. Our consideration will be informed by the development of local authority asset management plans. Business plans would be concerned with the separate landlord function of the council, as opposed to strategic housing responsibilities. They should aid the National Assembly in delivering its housing and community renewal objectives, particularly the pressing need to reduce the backlog of repairs and maintenance on council housing. This backlog has resulted from sustained under-investment in the local authority stock. This requires a new approach to the way in which authorities plan their investment programmes, to ensure the longer-term viability of the housing stock.

Business plans will ensure that an authority has a much clearer assessment of the investment needs of its stock and how they will be met. They will enable an authority to demonstrate that its proposed options and expenditure plans represent value for money, and provide a framework for monitoring and evaluating the progress of its landlord function. Together with the Best Value regime, they should ensure better performance and more efficient investment in the stock. The cost implications of introducing business plans will be considered alongside the review of the housing strategy and operational planning process. Given authorities' existing responsibility for managing their stock, we would expect any additional costs to be met from within their existing resources.

5.5 COMMUNITY HOUSING AGREEMENTS

Registered social landlords are the main providers of new public (or social) rented housing in Wales. The allocation of Social Housing Grant to registered social landlords reflects the strategic priorities of the relevant local authority. It is particularly important, therefore, that local authorities and registered social landlords form effective partnerships to develop and deliver strategies for meeting local housing needs.

Community Housing Agreements, developed jointly by the Welsh Federation of Housing Associations and the Welsh Local Government Association, are a means of underpinning this relationship. The agreements set out the primary aims and objectives of the respective local authority and registered social landlord, including monitoring, liaison and review mechanisms. The agreements also contain a performance plan outlining the respective targets for the coming year, against which progress will be reviewed annually.

All local authorities have signed up to the principle of Community Housing Agreements; and 6 have signed agreements or are developing them. The National Assembly endorses the view of the Housing Strategy Task Groups that all local authorities should put in place Community Housing Agreements with their partner registered social landlords.

We want to see local authorities and registered social landlords working effectively in partnership to meet local housing need, including through the operation of common housing registers. All local authorities and registered social landlords should sign Community Housing Agreements. We will prepare advice on the benefits to assist the adoption of such agreement.

6. REGENERATING OUR COMMUNITIES/TACKLING SOCIAL DISADVANTAGE

6.1 COMBATING POVERTY AND SOCIAL DISADVANTAGE

In 'Better Wales', the National Assembly committed itself to combating poverty and social disadvantage and to bridging the gap between the most deprived communities in Wales and the more affluent ones.

6.2 COMMUNITIES FIRST

Our commitment to deliver on this priority is reflected in our new programme Communities First, which was launched on 31st March 2000. This is a new concept in community regeneration in Wales. Communities First offers a non prescriptive approach based on the principle that regeneration and community renewal should meet the needs and priorities determined by communities themselves. The Communities First programme will be targeted at the most deprived communities in Wales; it will involve long term commitment by local authorities, the National Assembly and other key agencies to promote real partnerships at local level for the delivery of action. It will help communities to take the lead and build their capacity for sustainability.

We are consulting further on the main proposals for the final shape of the Communities First programme. These are that:

- **100 of the most deprived communities** in Wales should be identified, using a combination of the Index of Multiple Deprivation and local knowledge;
- up to five deprived communities should be selected from **every local authority area**;
- the National Assembly, and other partners, will make a **long-term commitment** to funding and otherwise supporting the communities participating in 'Communities First', both through a specific grant scheme and through the National Assembly's mainstream Programmes;
- **capacity building** will be an integral aspect of the Programme, to ensure lasting and sustainable change is achieved;
- **community partnerships** will develop their community's vision and plan its delivery; will manage, review and evaluate its implementation; and will engage with the community and local agencies to ensure that the local plan continues to meet local needs and priorities; and
- progress should be measured by means of a system of **benchmarking** against a set of twenty-five measures (covering the fields of economic activity, education and training, environment, health and civil society) which would be externally validated.

The detailed guidance for the programme will be further informed by the second consultation with a view to launch in April 2001.

These proposals are the result of a comprehensive consultation and participative policy development exercise. Discussion sessions were held in all 22 local authority areas, and a number of community focus groups were set up to enable people at a local level to become involved and contribute their ideas and concerns.

The initial consultation provided us with a wealth of information and identified a number of detailed issues which need to be addressed. These included barriers to community development, poor service provision, housing quality, diet and health, skills, numeracy and literacy, better transport, good facilities, services and cultural services, maintenance and improvement of the physical environment, criminal activity and anti-social behaviour and youth disaffection and general community indifference.

A directory of community initiatives in Wales, part funded by the Welsh Federation of Housing Associations, has been compiled and will be published on the National Assembly web site at www.wales.gov.uk.

6.3 PEOPLE IN COMMUNITIES (PIC) PROGRAMME

Our proposals for Communities First build both on the findings of the consultation exercise and on the good work which has already been done in Wales, including through the People in Communities Programme, which is a set of demonstration projects, in tackling social exclusion in 16 deprived communities in Wales. It recognises the need to promote community participation in policies to regenerate deprived areas. The policy aims of the PIC programme are:

- that all people in the community should have access either to work, to training or education or to another meaningful activity (such as community or voluntary work);
- that everyone should have somewhere decent and safe to live;
- that everyone should be able to lead healthy lives and to have access to appropriate health care;
- that all children in the community should feel safe and be provided with appropriate education and opportunities for play;
- that people should be empowered to voice and contribute to decisions made about their community, so that there is collective ownership and capacity building.

PIC was launched in June 1998 with a budget of £750,000. As a result of an invitation to bid, eight deprived communities across Wales were selected to take part in the Programme. A second round of successful projects was announced in June 2000, bringing the total of PIC projects to 16 in Wales, with a budget of £1.754 million.

To assist us with the development of community regeneration policy we have conducted a best practice review of community and area based regeneration strategies. Drawing on evidence from community regeneration strategies in the USA, Europe, the United Kingdom and from Wales specifically. A number of critical concerns evident in all partnership based regeneration strategies have been identified and a set of 32 core principles of effective community regeneration practice have been developed. The review is also illustrated by examples of good practice drawn from a wide range of community initiatives in Wales.

Work is underway to update and improve the information contained in the National Assembly's web site about social disadvantage

6.4 THE SUSTAINABLE COMMUNITIES PROGRAMME

The Sustainable Communities programme, under Section 126 of the Housing Grants, Construction and Regeneration Act 1996, was established in 1999-2000 to provide support for small projects which add value to community development.

For the first year of the programme, the funding (£250,000) was targeted at projects which would increase the sustainability of public investment in housing. Funds were targeted via the development programmes of both registered social landlords and local authorities. The key criterion was to complement major investment completing or commencing in the financial year. Much good practice was supported as a result - community houses, IT training and facilities, a sports wall, capacity building projects and staff training in community development for instance.

For the second round new eligibility criteria have been developed. Proposals have been invited from the wider Voluntary Sector as well as local authorities and registered social landlords, against key principles such: as partnership, local strategic directions and "joining up" with existing local activities and projects.

Funding for these schemes has been absorbed into the new Community Purposes fund which will provide £84.562 million over the next 3 years, to support the Communities First, People in Communities and Sustainable Communities programmes.

6.5 REVIVING OUR RURAL COMMUNITIES

Welsh Society and culture is heavily influenced by the character and prosperity of our rural areas. 'Putting Wales First' made clear that we are committed to doing more to support, modernise and enhance agriculture, rural life and rural communities. Many of our rural communities will benefit from the significant resources available through European Structural Funding.

Rural communities, by their often isolated nature, can suffer from poor access to mainstream services, such as health care and public transport, and face a lack of local amenities which many of us take for granted. Encouraging long term rural sustainability requires an integrated approach which takes account of the specific social, economic and environmental factors in such areas.

While many of the housing issues confronting our rural communities are similar to those of valley and urban areas, there are markedly higher levels of unfitness and disrepair than in other parts of Wales. In-migration and the purchase of second homes has been one of the most influential factors on community structures in some rural and coastal tourist areas of Wales, while Right to Buy sales have removed large numbers of dwellings from the social housing stock.

The Housing Strategy Task Groups' reports point to the need for:

- more affordable housing, particularly for young people on low incomes;
- more flexible use of low cost home ownership schemes and other support;
- further research into problems of stock condition and affordability; and
- investigation of the effectiveness, and potential for greater use, of planning system mechanisms in providing affordable housing for local people.

We are already supporting local authorities to undertake effective local housing need assessments, to inform the preparation of local housing strategies. Many of our existing policies, together with proposals contained in this paper, such as more flexibility in the application of low cost home ownership schemes and private sector renewal arrangements, will enable local authorities to take appropriate action to tackle problems in rural areas. However, we would welcome further views on the extent of problems in rural communities and how they might be better tackled. The planning aspects are being considered alongside similar recommendations of the Land Use Planning Forum, as part of a wider review of planning guidance (see section 7).

6.6 THE WELSH LANGUAGE

In many parts of rural Wales in particular, the Welsh language is an essential part of the Welsh culture, and must be taken into account in developing effective housing strategies and planning new housing provision and services in these areas.

In July 2000, we issued more detailed guidance on planning and the Welsh language in 'Technical Advice Note (Wales) 20, The Welsh Language – Unitary Development Plans and Planning Control'.

This guidance recognised that decisions about the location of new housing between different areas, can affect the character of those areas including the linguistic balance.

In preparing their unitary development plans, local authorities should take account of the needs and interests of the Welsh language. Policies and proposals to provide adequate housing, including affordable housing, and to increase employment opportunities in relation to individual communities could help support those communities and thus benefit the Welsh language. These policies and proposals need to reflect the implications of the distribution of housing development between individual settlements, and the effect of phasing particular developments in order to meet housing needs while not eroding the position of the Welsh Language. Unitary Development Plan policies should not, however, seek to introduce any element of discrimination between individuals on the basis of their linguistic ability, nor seek to control housing occupancy on linguistic grounds.

The Housing Strategy Task Groups' reports point to a need for a more sensitive approach to management of the social housing stock, with landlords having more

flexibility to take account of cultural, language and sustainability issues, as well as housing need, when allocating accommodation.

We are keen to promote a customer-centred approach to the allocation of social housing, as well as taking account of relative housing need. It is our aim to see social housing provided within mixed, settled communities which are socially inclusive (see section 10). We will consult widely on these issues in framing new allocations legislation and subsequent guidance.

6.7 UNITARY DEVELOPMENT PLANS

The regeneration of our communities is supported by the land use planning system. Unitary Development Plans and planning decisions should take account of social needs and problems as well as to environmental matters and to economic considerations. Planning policy provides support for housing provision, including affordable housing, for environmental protection and enhancement, for employment provision and for integrated transport and locating development where access by public transport, cycling and walking is available. Where the use of Welsh is part of the social fabric of a community the needs and interests of the language should be taken into account in the formulation of the policies in a Unitary Development Plan.

6.8 HEALTH

Better health and well being is one of five priorities of Better Wales. Improving the health and well being of communities and tackling inequalities in health is a key objective of the National Assembly's national housing strategy.

The poorest health in Wales is often found in our most disadvantaged communities where economic, social and environmental circumstances combine in a way that does not encourage healthy living. The recent consultation document *Promoting Health and Well Being* recognises that there is a broad range of influences on health and that many people and organisations have a part to play in addressing the underlying causes of ill health.

We believe that strategic area based renewal should be driven by the needs of communities and not the services of organisations. The community leadership role of local authorities is vital in facilitating, supporting and enabling the partnerships that are necessary to help identify and address these needs (as set out in section 5).

Local authorities have been called upon to establish **Local Health Alliances** as a means of developing the partnership necessary to focus action on the underlying influences on health in local communities. Alliances can help to ensure that all those factors that impact upon health are addressed together and not as separate policies.

6.9 FUEL POVERTY

One particular manifestation of social disadvantage in housing is fuel poverty, this situation often affects the most disadvantaged members of society (see also Section 11 for proposals).

We place great store in tackling the debilitating effects of fuel poverty in Wales. Fuel poverty affects households that have to spend in excess of 10 per cent of their gross income on maintaining a satisfactory heating regime, with many people forced to make the decision between keeping warm and other basic necessities. We estimate that at least 220,000 homes in Wales lack basic insulation and/or heating in their homes and could potentially suffer from the problems of fuel poverty.

We are working to combat the problem of fuel poverty on a number of fronts. The New Home Energy Efficiency Scheme for Wales (for further details see Section 11) will provide grant assistance to help those worst affected, while we are also exploring the potential to link with other similarly focused schemes of help and advice, such as the public utilities Energy Efficiency Commitments.

We are also heavily involved in examining the wider issues involved, through our involvement with organisations such as National Energy Action, whom we are grant aiding to establish a Welsh presence, and the Energy Saving Trust. In addition we also participate in the Wales Fuel Poverty Forum and the UK Inter-Ministerial Working Group on Fuel Poverty, which aims to examine all aspects of fuel poverty, its causes, affects and solutions.

7. MEETING HOUSING NEED AND DEMAND

7.1 THE ROLE OF THE PLANNING SYSTEM

The planning system exists to enable appropriate decisions to be taken on proposals for housing and other development. National policy is set out in Planning Guidance (Wales) Planning Policy (1st revision) April 1999. The guidance is currently under review with the aim of issuing new draft guidance "Planning Policy Wales" for consultation in January 2001. Policies in these documents indicate in broad terms where development should - or should not - be located, and will contribute to the emerging Spatial Framework for Planning in Wales. For example, it is national policy to locate development where access by public transport, cycling and walking is readily available. This spatial approach will also be applied within the development of a framework Transport Policy by the National Assembly, where the provision of public transport to promote accessibility to jobs, leisure and social services will be a central objective. The Welsh Transport Forum, an advisory group consisting of transport operators, passengers' groups and representatives of other interested groups will advise on the development of this framework.

At local level, decisions on housing policies in development plans, planning applications for new housing, and improving existing stock, should all take social, economic and environmental considerations into account. The factors will include the availability of transport, education, shopping, recreation and health provision. Where the use of Welsh is part of the social fabric of a community the needs and interests of the language should be taken into account in the formulation of the policies in a **Unitary Development Plan**.

Draft revised guidance on the preparation of Unitary Development Plans was issued for consultation in July 2000. This emphasises the need to prepare plans speedily so that they contain up to date policies on land allocations. Final revised guidance should be issued in early 2001.

The aim at all levels is to ensure sustainable development. In particular, national planning policy encourages the use of previously developed land for all purposes, including housing. However, there are no targets for use of this land as its distribution is uneven, it may have considerable ecological value, and or it may not be in a sustainable location. Consideration is being given to the recommendations of Housing Strategy Task Group 1 for classifying and monitoring the supply and re-use of previously developed land as part of work on the spatial framework. Research already undertaken (detailed in Annex 2) will be used to inform the options for taking this forward.

We will consider appropriate means of monitoring the supply and promoting the re-use of brownfield land in the context of developing a spatial framework for planning in Wales. Betterwales commits the National Assembly to prepare the National Spatial Planning Framework for Wales before the end of 2003. This framework will have a significant role in setting the future context for the planning work of local planning authorities.

7.2 PLANNING FORUM

A Planning Forum was established in January 2000 to engage local government, business and the voluntary sector in the development of land use planning research and policy in line with the values and priorities of the National Assembly. One of its main functions was to provide timely and practical advice on the preparation of the second revision of Planning Guidance (Wales): Planning Policy.

The Planning Forum established a number of working groups, including one covering housing issues. The Planning Forum reported in July 2000 to the Assembly Secretary for Environment and the deliberations of the working groups form the basis of its report which can be viewed on the National Assembly's website - www.wales.gov.uk . The report will be considered by the Assembly Minister for Environment as part of the review of planning policy guidance.

We are reviewing our planning policies for housing in the light of the recommendations of the Planning Forum and the work of other fora, including the Housing Strategy Task Groups, and the views of the National Assembly's Committees as appropriate.

7.3 THE ASSESSMENT OF HOUSING NEEDS AT NATIONAL LEVEL

Housing Strategy Task Group 1 recommends that the National Assembly should undertake a regular (e.g. triennial) national assessment of housing need and suggests that this might be undertaken through a national household survey. At present, little is known about the totality of Welsh housing needs beyond the information presented by local authorities through their housing strategies and operational plans and some limited information gathered through the 1998 Welsh House Condition Survey.

A comprehensive assessment of housing needs at national level would be costly and also complex. In our view the value of such an assessment would not justify the cost.

However, an initial 'snap-shot' of needs could constitute an important part of the 'Housing Audit' to which we are committed. Regular updates could be used to monitor progress towards reducing or eliminating particular manifestations of housing need which are National Assembly targets, such as the percentage of stock in serious disrepair.

There is a need to monitor progress accurately against national performance targets and to do so requires data to be gathered for Wales as a whole. Much of the data needed about households and their housing circumstances could be collected through a regular Welsh Household Interview Survey. Supplementary approaches could be introduced to cater for groups not living in conventional households, such as rough sleepers and those in institutional settings.

We propose to institute a triennial Welsh Household Interview Survey linked to studies of the housing needs of non-household groups e.g. such as those living in institutions or bed and breakfast accommodation and those sleeping rough. The method of doing this will be considered by the Homelessness Commission. This would form the core of the 'Housing Audit' and enable accurate monitoring against

specific targets. We are also going to evaluate the most appropriate method of carrying out a smaller stock condition survey.

The Welsh Household Interview Survey would serve a wider purpose than simply the assessment of housing needs. The opportunity would be taken to gather data on a wide range of issues of policy interest. The survey would look at matters such as mobility, migration, housing costs, income, health and disability, employment characteristics, wealth and access to services. The survey would also provide a means of gathering attitudinal data on, for example, the local neighbourhood.

7.4 ASSESSING LOCAL HOUSING NEEDS

A clear understanding of the nature and extent of housing needs is fundamental to the local authority's role. The authority's housing strategy and operational plan depends upon having an accurate and comprehensive picture of housing conditions in its area. Registered social landlords, house builders and other housing organisations also need to be able to plan their activities within the context of a soundly based local authority strategy. Intervention, whether through negotiating an element of affordable housing via the planning system, through supporting development by registered social landlords or through funding agencies providing support, care or advice, can be justified only if there is convincing evidence that it is needed.

In 1997 the Welsh Local Government Association called for a standard approach to measuring local housing needs which could be applied in all local authority areas. In response, the Welsh Office convened a Working Group encompassing a wide range of Welsh housing interests which, in 1999, produced *Local Housing Needs Assessment: a good practice guide*. The guide encourages a more rigorous and consistent approach to assessing needs at local level. Nearly half of Welsh local authorities are carrying out, or will shortly begin, assessments using the guide. Gradually, a much improved evidence base for local housing strategies will thereby emerge.

We will continue to encourage local authorities to carry out detailed local assessments of need with the aid of grant funding and advice. Authorities carrying out assessments which follow the principles of the guide have been offered a grant by the National Assembly to cover half of the cost of any commissioned element.

8. SUSTAINABLE HOME OWNERSHIP

8.1 We are committed to sustainable home ownership – where householders can meet the long term cost of buying and maintaining a home. We support the less well off and those who live in areas where prices are relatively high, to become owners through low cost home ownership schemes. A number of other measures, detailed below, support this aim. We aim to improve housing conditions in Wales by ensuring suitable help and advice is available to owners, landlords and tenants in the private sector.

8.2 CURRENT PROGRAMMES

Wales has the highest proportion of home ownership (72 per cent) in the UK. But it also has the highest proportion of homes built before 1914, and 98,200 (8.5 per cent) homes classified as unfit. A Council of Mortgage Lenders' survey showed that 87 per cent of adults surveyed aspired to home ownership in ten years time. We wish to work in partnership with people in Wales to enable them to achieve this goal, where home ownership is a sustainable option. We believe home ownership can make a major contribution in combating social disadvantage through creating more stability and a better mix of incomes on large rented estates.

However, we must be cautious of encouraging home ownership at the margins, where people may have insufficient resources to meet normal household bills and to keep their home in good repair. An increase in repossessions would be most unwelcome as it can have a very detrimental impact on health and family life.

A range of means tested grants and assistance is available to those homeowners/landlords and tenants in greatest need to repair and improve their homes. These include individual renovation grants, home repair assistance, area based renewal and grants to landlords including Houses in Multiple Occupation (HMO) grants. Local authorities are also able to develop strategic area based renewal schemes involving renewal areas, group repair, relocation grants and targeted individual renovation grants.

Help is also available to enable disabled and elderly people to remain in their own homes. Disabled facilities grants provide help with adaptations to disabled peoples homes and home repair assistance provides help to carry out minor repairs and adaptations for elderly people and those on income related benefits.

8.2.1 A number of schemes are available to support low cost home ownership. The **Right to Buy** has contributed to a significant increase in the proportion of home owners since its introduction 20 years ago. The scheme has enabled 109,811 (local authority, new town and registered social landlord dwellings combined) tenants in Wales to purchase their own homes between October 1980 and December 1999. However, the scheme has resulted in many of the more desirable properties being removed from the social rented sector with authorities being left with a smaller stock of poorer quality homes to rent to people needing their assistance. It has also led to many people facing difficulties in maintaining their homes.

8.2.2 The **Right to Acquire** gives qualifying tenants of registered social landlords a right to purchase their homes if they were provided using Social Housing Grant or transferred from a local authority after April 1997. Qualifying tenants are entitled to a discount of 25 per cent of the value of the property up to a maximum of £16,000. Levels of activity are relatively low.

8.2.3 The **Homebuy** scheme is operated by registered social landlords and enables people who are not able to meet their housing needs in the market to purchase suitable property with the aid of an interest free equity loan which is repayable when the property is sold. The equity loan is currently fixed at 30 per cent of the value of the property. Funding may be made available to registered social landlords where the local authority identifies this as a priority for the use of Social Housing Grant. Although it has been popular, especially in the DIY form, few local authorities currently give low cost home ownership priority and levels of activity are relatively low.

8.2.4 The **Shared Ownership** scheme is operated by registered social landlords and allows people to own a minimum share of 40 per cent of the value of their property and to pay rent on the portion which remains in the ownership of the registered social landlord. The combined outgoings on mortgage repayments and rent on a 40 per cent share are similar in most cases to the mortgage repayments on 70 per cent of the value of an equivalent property under the *Homebuy* scheme and it is now rarely used.

8.2.5 The **Homefinder** scheme is similar to the *Homebuy* scheme but is operated by some local authorities. It also has to compete with other local authority spending priorities.

8.3 PRIVATE SECTOR RENEWAL

Very substantial resources have been made available to support private sector renewal in Wales. Successive house condition surveys have shown that this investment has had a substantial impact on reducing unfitness and repair costs. Housing stock in poor condition is symptomatic of wider social, economic and environmental issues which underlines the importance of developing strategic approaches to community renewal. There is a growing emphasis on area based renewal with local authorities increasingly developing strategic approaches to tackling local issues.

8.4 FUTURE PROPOSALS

The primary responsibility for the maintenance, repair and improvement of privately owned homes, must first and foremost rest with owners and landlords.

Following a recommendation from the Housing Strategy Task Groups we have written to remind local authorities of their powers to grant and indemnify mortgages. This facility can be of considerable help to people experiencing difficulties in obtaining commercial loans, for example, on properties of non-traditional construction.

However, some owners, particularly elderly people and those on lower income will need specific help and assistance. Similarly, some communities, particularly those

with a highest level of deprivation often benefit from an integrated approach to regeneration. This will be a principal feature of “Communities First” (considered in section 6).

As local authorities in Wales develop a more strategic approach it is important that they have suitable powers and mechanisms in place to tackle local issues and priorities and to ensure that the public resources available are used effectively where they are most needed.

8.5 STRATEGIC AREA BASED RENEWAL

The experience on strategic area based renewal in Wales has shown that a comprehensive approach to the investment of public resources can lead to an increase in confidence in both the community and private sector which can provide additional support and boost to regeneration.

We believe that the current private sector renewal arrangements should be developed and improved to provide greater opportunities for people to maintain and repair their homes by introducing new arrangements which are less prescriptive and widening the range of assistance available to include both grants and loans.

We believe that local authorities are best placed to make decisions locally which ensure that help goes to those households that are: at most risk from poor housing, where owners cannot afford to repair their homes, where poor condition is having a detrimental impact on wider the wider community or where there are clear wide ranging benefits to adopting a broadly based co-ordinating approach to regeneration.

The current arrangements for private sector renewal are considered to be too closely prescribed to give local authorities the flexibility they need to ensure that resources are targeted most effectively and to take account of local circumstances.

It is important that local authorities have the flexibility and freedom to decide on priorities for the use of resources available to them and the flexibility to develop policies and strategies which are sensitive to local issues.

We believe that these broadly based objectives would be best met by adopting a new less prescriptive approach where local authorities would have a variety of help and assistance available for the repair and improvement of individual houses. This assistance could take the form of a grant or a loan, the provision of low cost maintenance schemes, or advice and help in taking out a commercial loan.

Changes in the current arrangements would also increase the flexibility local authorities have to tackle community based issues through strategic area based renewal.

In future local authorities would have the freedom to determine grant eligibility, levels of grant and grant conditions. They would be able to decide on the most suitable form of assistance, for example, grant or loan and more freedom over where they could declare renewal areas along with certain criteria for group repair

schemes which would help them target communities and areas in greatest need. The existing powers to give relocation grants would be broadened with local authorities having greater freedom to determine eligibility criteria, amounts and grant conditions. These changes would not only help improve private sector renewal arrangements but would also help underpin and extend the principles of low cost home ownership.

8.6 LOW COST HOME OWNERSHIP

We wish to continue to support low cost home ownership.

The *Right to Buy* and *Right to Acquire* are statutory rights although the National Assembly can make changes to the rates of discount and cost floor rules. Some changes were introduced to the *Right to Buy* scheme in 1999 to improve its value for money and ensure that it only encourages sustainable home ownership.

We have no proposals to make any significant changes to the Right to Buy. The Housing Strategy Task Group recommendation to undertake research on the experiences of purchasers in order to inform policy development is being considered among the other possibilities for the research programme.

We have also recently issued a consultation paper on revisions to the cost floor on the **Preserved Right to Buy**. The proposed changes will limit the amount of discount a tenant can receive when exercising the Preserved Right to Buy. At present the only costs which can be included in the cost floor are those of acquisition, construction and improvements. However, it is proposed that the cost of some repairs and maintenance should also be included. And where the dwelling has no value on transfer the costs are proposed to be extended further to include the costs of certain community facilities, professional fees and some administrative costs. The reason for the proposed changes is that under the current rules the discounted sale price of a property could be less than the transfer landlord had borrowed to spend on the dwelling. Responses to the consultation are currently being considered.

The non-statutory schemes have been mainly used to give economically active people who would otherwise be tenants the opportunity of home ownership. While this may offer benefits to the participants and to the public purse (it requires less subsidy than a rented dwelling) it has done little to promote mixed tenure and may have reduced the number of economically active people living on social housing estates.

We would welcome comments on ways in which existing schemes may be extended to promote social cohesion.

Possibilities for consideration:

- Dispense with the Shared Ownership scheme and improve the flexibility/accessibility of Homebuy/Homefinder.
- Give all prospective social housing tenants the option to purchase the offered dwelling on Homebuy/Homefinder terms, with flexibility to increase the maximum equity loan in places where values are high or incomes low.

- Offer all existing tenants the option to purchase their existing dwellings on Homebuy /Homefinder terms where the application of Right to Buy cost floor rules and Right to Acquire grant caps make it more attractive.
- Unify Homebuy/Homefinder rules so that participants in both schemes are on an equal footing.
- All housing provided with grant to be tenure neutral, that is, not specifically identified as “for rent “ or “for LCHO”, but offered on the basis of the needs, means and preferences of the individual.

8.7 LIFETIME HOMES

A major potential factor on sustainable home ownership is the principle of lifetime homes, we have introduced “**Lifetime Homes**” for all new social housing from April 2001 (see section 12 for details) and will look to continue discussions with the private sector house builders with a view to adoption of the principles.

The report of the Housing Strategy Task Groups refers to distortions in the housing market in rural and coastal areas caused by in-migration, the purchase of second homes and the Right to Buy (which has removed many homes from the social housing stock). Consequently there has been a significant impact on local people’s ability to access affordable housing and also pressures on the Welsh language in those areas.

The Task Group recommended that the National Assembly should take action in a number of areas. For example: commission further research, develop low cost home ownership schemes and investigate wider restrictions on the right to buy. On the latter the current limitations (in section 157 of the Housing Act 1985) are based on restricting the resale of former right to buy properties, rather than restricting the Right to Buy itself. The removal, or restriction, of a right enjoyed by qualifying tenants for some 20 years may be contentious and would require primary legislation.

However, we welcome comments on this proposal as well as on how satisfactorily the current arrangements (restricting resale on former National Parks, Areas of Outstanding Natural Beauty and designated rural areas) are working.

8.8 HOME BUYING AND SELLING

Following earlier consultation, the Government’s proposals to improve the home buying and selling process were announced in October 1999. The key proposal is a requirement that, before putting a home on the market, the seller or seller’s agent should put together a pack of standard documents and information for prospective buyers. This should include: copies of title documents, replies to standard buyers’ preliminary enquiries, replies to local searches, copies of planning and other consents, copies of warranties and guarantees, a draft contract and a home condition report. The seller’s pack will provide at the very start of the process, most of the documents and information needed to enable the transaction to proceed speedily by restricting the window between offer acceptance and exchange of contracts when problems can occur. This will be introduced by primary legislation, the timing of which is a matter for the UK Government.

8.9 COMMONHOLD AND LEASEHOLD REFORM

The reforms proposed in the Commonhold and Leasehold Reform Draft Bill and Consultation Paper are intended to address the problems experienced by leaseholders by providing a better system for the future ownership and management of blocks of flats and other interdependent buildings with shared services and common parts. Whilst the Commonhold provisions of the draft bill are not devolved, the leasehold provisions are. Should the draft bill become law then the National Assembly will use its powers to make the associated secondary legislation. There are considered to be no separate issues for Wales.

Current Position

The Commonhold and Leasehold Reform Draft Bill and Consultation paper was issued in August 2000 for comments by 20 October 2000. In Wales, the National Assembly undertook the consultation on behalf of the Secretary of State for Wales. It is envisaged that the Bill will be put before Parliament in the session commencing November 2000.

Main Proposals

To introduce “Commonhold”, a new form of tenure for blocks of flats and other multi-unit properties, under which occupiers would own their own units individually and, through an association, own and manage the common parts collectively. For new developments, this will provide a complete answer to many of the problems, which have plagued flat owners over the decades. There will, also be opportunities for existing leasehold properties to convert to Commonhold, where all interested parties are in agreement.

In order to help the large number of leaseholders who are unable to, or choose not to convert to commonhold, a range of reforms are proposed, including:

To give leaseholders of flats a new right to take over the management of their building without having to prove shortcomings on the part of the landlord and without payment of compensation;

A number of changes to the collective enfranchisement provisions to make it easier for leaseholders of flats to buy their freeholds;

Amending the rules giving individual leaseholders of flats the right to buy a new lease;

Providing new rights for leaseholders of houses who have extended their leases under the Leasehold Reform Act 1967;

Changes to leaseholders’ rights in relation to service charges under the Landlord and Tenant Act 1985.

9. THRIVING PRIVATE RENTED SECTOR

9.1 We want to see the development of a healthy vibrant well managed private rented sector with homes in good condition.

While the private rented sector forms a relatively small part of the total housing stock in Wales (9 per cent), it has an important part to play in meeting the housing requirements of those who are unable, or choose not, to purchase their own home. However, the 1998 Welsh House Condition Survey found that problems of unfitness were proportionately greatest in private rented housing (18.4 per cent), with problems often concentrated among houses in multiple occupation. A modernised private rented sector, providing a quality service, would be better placed to make an enhanced contribution to addressing housing need. The National Assembly intends commissioning research in the near future to gain a clearer picture of the nature and problems of the private rented sector in order to inform the development of policies which are appropriate to the prevailing circumstances in Wales.

9.2 LICENSING OF HOUSING IN MULTIPLE OCCUPATION/WHOLE SECTOR

Current Arrangements

Local authorities currently have inspection and enforcement powers in connection with the private rented sector which enables them to insist on good standards of management and condition. They have discretionary powers to operate HMO registration schemes and are able to provide assistance to landlords through renovation/conversion/HMO grants. This include the development of arrangements which incorporate incentives through grant assistance with enforcement against landlords who do not maintain their properties to a satisfactory standard.

Proposals

Although local authorities currently have extensive powers to tackle problems in the private rented sector, including HMOs, these are considered inadequate. The Government, therefore, has made a commitment to introduce mandatory licensing arrangements for HMOs. In future, local authorities will be under an obligation to license all HMOs deemed to be high risk. Authorities will also have a discretionary power to license other HMOs where it is felt appropriate for an area. There will again be discretionary powers for other private rented properties to be licensed in certain circumstances. Both mandatory and discretionary arrangements will require Primary legislation on an England and Wales basis and we will consider the nature and extent of how the mandatory arrangement should apply in Wales. The detailed implementation of the new arrangements will be through secondary legislation and we are in consultation with the WLGA about the financial implications. This will enable us to ensure that it is sensitive to the needs of Wales. The proposed licensing arrangements will also be incorporated in a future HMO strategy. In addition to these improved powers of enforcement, local authorities will continue to be able to offer assistance to landlords through the proposed new private sector renewal arrangements.

9.3 LANDLORD ACCREDITATION SCHEMES

In England a number of local authorities and universities have developed local landlord accreditation schemes, which set and monitor the standards required by members. These schemes have grown up independently of each other and the details of how they operate and the standards required vary considerably. The DETR has therefore commissioned research into such schemes with a view to publishing best practice guidance.

We will consider the potential of accreditation schemes in Wales when the DETR exercise is complete.

9.4 ACCESS TO BOND SCHEMES

The Housing Strategy Task Groups recommended that there should be equal access to bond schemes across Wales. We recognise the important role that bond schemes play in helping people to access private rented accommodation.

Current arrangements

We currently fund 5 schemes in different parts of Wales. These schemes make an important contribution to improving access to private rented accommodation for the homeless and the vulnerable in the areas they cover.

Future Proposals

We accept the Task Groups' recommendation and will look to develop, subject to available resources, access to Bond schemes in all parts of Wales.

We will map during 2001 the extent of current provision, however funded, to identify the gaps in coverage and to assess the resources required to ensure access everywhere.

We will also act undertake a review in 2001-2002 in order to establish best practice on Bond Schemes.

10. QUALITY RENTED HOMES FOR THE 21st CENTURY

10.1 The National Assembly believes in the value of high quality rented housing irrespective of who the provider is. The issues facing council-owned housing, registered social landlords and the private rented sector, are slightly different. Our strategy will work towards establishing a more even playing field, so that tenants can be confident that we are working to establish common standards, rights and responsibilities as far as possible across the entire rented sector.

10.2 INVESTING IN OUR COUNCIL HOUSING

Challenge

There is an estimated backlog of at least £750 million worth of essential repairs and modernisation in Wales' council stock. Furthermore, a significant number of households are considered to be in fuel poverty, half of these are in the social housing sector, a major cause of which is the poor energy efficiency of the stock. The challenge for the National Assembly, working in partnership with local authorities and others, is to overcome these sorts of problems to ensure that within the next ten years all our council estates are places where people wish to live and are able to do so in good, well-built and affordable homes.

Local authorities should seriously examine all credible options to secure investment for improvements. All communities will have a unique set of problems and challenges. This is why we must endeavour to promote a variety of investment options to local authorities.

Current Programmes

Local authorities are best placed to judge the relative council housing investment priorities in their area. We have increased the amount of unhypothecated local authority housing resources from 50 per cent to 75 per cent of the total housing capital provision for local authorities. These new arrangements will allow local authorities to set their own priorities on a strategic basis.

10.3 RESOURCE ACCOUNTING

Proposals

Interest has been shown by Welsh local authorities in the raft of proposals to be introduced in England under the Resource Accounting banner.

10.3.1 Capital charges on a resource accounting basis

In England, capital financing costs in the Housing Revenue Account (HRA), based on historic debt, are to be replaced with capital charges linked to the value and the cost of depreciation of the housing stock. However, change should only be implemented in Wales if benefits can be clearly demonstrated.

Views are invited on whether the introduction into the HRA of capital charges linked to the value and cost of depreciation of the housing stock would be welcomed in Wales.

10.3.2 Housing Business Plans

For detail refer to section 5.

10.3.3 Removing Rent Rebates From The Housing Revenue Account

We understand the concerns about the subsidy system brought in by the previous Government. However, removing rent rebates from the Housing Revenue Account (“HRA”) could be expensive for some authorities if no additional resources were made available: there would be losers as well as winners. A significant sum would have to be found by central government to meet the overall costs of such changes if this is to be avoided. The majority of respondents to the DETR’s proposal to remove rent rebates from the HRA in England, including the Local Government Association, have agreed that this problem should be addressed by the current assumed surpluses being redistributed through a pooling mechanism. Furthermore, the Department of Social Security has not yet agreed to accept responsibility for the payment of rent rebates.

Views are invited on:

- Whether the removal of rent rebates from the HRA would be welcomed in Wales, if the Department of Social Security agrees to accept responsibility for the payment of rent rebates; and,
- Whether the current assumed surpluses should be redistributed through a pooling mechanism.

10.3.4 Major Repairs Allowance (“MRA”)

The introduction of a Major Repairs Allowance to be used on major capital repairs. would provide authorities with a dedicated, recurrent, funding stream for major work to their housing stock. Furthermore, it would provide authorities with a dedicated funding stream which could be used for Housing PFI schemes where there was a need to undertake a significant amount of major repairs work quickly.

The most obvious options approximations on level of MRA would be the same level of MRA per dwelling as in England (approximately £100 million); the level of notional HRA surpluses (currently approximately £90 million); or £70 million, the current level of HRA credit approvals.

However, it is recognised that the introduction of MRA, at much above the current level of HRA credit approvals, could have an impact upon the resources for other housing activities.

Views are invited on:

- whether the introduction of MRA would be welcomed in Wales; and
- the level it might be set at.

10.4 ARMS LENGTH COMPANIES

The creation of arms-length companies on the same basis as that in England would in effect top-slice resources for the best-performing authorities. If this proposal were to be implemented without extra funds being made available, it could only be done if the majority of Welsh authorities had a reduction in available resources. With the introduction of Best Value and the proposed consultation on

housing business plans (see section 5), priority should first be given to see how these mechanisms can improve the performance of all housing authorities.

Consequently, it is proposed that arms-length housing companies should not be introduced in Wales at this stage. The situation will be kept under review.

10.5 STOCK TRANSFER

Stock transfer is another option for investing in council house stock. The advantage of this is that independent social landlords can borrow outside the constraints of public borrowing requirements. Stock transfer can only proceed on a voluntary basis

We propose that there should be no timescale and no target should be laid down about the number of houses to be transferred.

In England a levy is payable at 20 per cent of the excess of capital receipts over the attributable housing debt.

In Wales we propose to suspend the levy for a period of 3 years from April 2001.

Other Proposals

We will aim to assist local authorities with overhanging debt, either by a one-off grant to clear the debt, or by continuing to pay Housing Revenue Account (HRA) subsidy.

We aim to remove the constraint that requires local authorities to complete the transfer of their housing stock within one financial year; a measure well received in the recent consultation exercise.

10.5.1 INVOLVEMENT OF TENANTS

Authorities considering stock transfer will be expected to appoint independent consultants to act as a **Stock Transfer Tenants' Advisor** at an early stage..

To raise tenants' understanding of, and confidence in, the stock transfer process, work is underway on developing criteria for Tenants' Advisers and a Tenants' Stock Transfer Charter via consultation with TPAS Cymru and the Welsh Tenants' Federation. These will be integrated into the Stock Transfer guidelines.

We intend to sponsor the development of good practice guidance on tenant relations in major works projects.

10.6 PRIVATE FINANCE INITIATIVE (PFI)

There is potential for value for money benefits to the public sector through the use of PFI. PFI in essence is just another procurement method. At present local authorities are permitted under the capital finance regulations to enter into **PFI contracts** for the provision of social housing. We are monitoring the experience of eight pilot PFI schemes in England. If the MRA (see above) were to be introduced,

this would provide dedicated funds from which housing PFI schemes could be financed.

The award of a PFI credit in effect top-slices the amount available to support revenue expenditure generally by local authorities, and therefore reduces the amount available for distribution unless we make additional provision for local authorities available within our assigned budget.

Local authorities should not overlook the potential to fund schemes by PFI if they will generate offsetting savings on existing management and maintenance expenditure. However, care must be taken about over-committing resources in future years.

We propose that PFI should be considered as a credible option for social housing. The progress and outcome of the DETR pathfinder projects will be reviewed to assess relevant lessons for Wales.

Public consultation has been undertaken by the National Assembly on how PFI might be developed in Wales across the various sectors including housing. We plan to put forward proposals in due course as to how PFI in all areas can be carried forward and developed in Wales.

In Wales, we propose that any initiative that involves change of ownership of the stock or a change of the identity of the manager of the stock should be subject to a formal ballot of the tenants affected.

10.7 BEST VALUE

Best Value provides a framework for improving the way in which housing and other services are provided by local authorities, and to make those services much more accountable.

Current problems

We recognise that there is too little involvement of individuals and communities at the grassroots level of service provision and that there is a need for improved partnership working and greater local accountability.

Current policies/action

Best Value aims to tackle these problems, and it is central to our local government modernisation agenda which is aimed at encouraging better performance in local authority services. The regime requires the publication of performance plans and performance indicators (BVPIs), as well as service reviews and other requirements. A Housing Inspectorate has been established by the Audit Commission to inspect local authority housing services in Wales.

Our Best Value in Housing Working Group has been reconstituted to monitor how our policy is being implemented and to disseminate good practice across Wales.

Proposals

We wish to see the principles of Best Value applied across all public housing in Wales. To this end:

- the application of Best Value to the RSL regulatory regime is being taken forward with WFHA; and
- we are working towards the introduction of Best Value . Into the RSL sector in April 2001.

We will also be encouraging improvements in customer service standards by promoting awareness of good practice in the area of customer care.

10.8 TENANT PARTICIPATION

Our aim is to improve the contribution and widen the involvement of tenants and complement and reinforce our application of Best Value to housing; to deliver more efficient housing services with better quality decisions and sustainable improvements in council and RSL performance which will benefit everyone; and to place tenants at the heart of the management of housing services in the future.

Current problems

It is clear from a recent review of tenant participation by the National Assembly that there are differences across the social housing sector in organisations' tenant participation practices. This is to be expected since there is diversity of needs and circumstances within Wales. Nonetheless performance is currently patchy and improvements are needed across the board.

Current policies/action

Tenant compacts are local agreements between local authorities and tenants, establishing standards and expectations for joint working and tenant participation.

We have issued guidance to local authorities and RSLs on the introduction of Tenant Participation Compacts in Wales. The guidance encourages local authorities to develop Compacts which ensure that all tenants' views are adequately represented. We have made available £500,000 this financial year to help local authorities and RSLs introduce Compacts.

We are also considering other initiatives to promote tenant participation and training, possibly through the use of tenant empowerment grants

We have completed a review of the progress social landlords have been making in implementing published guidance on tenant participation, the results of which will be available shortly.

Proposals

We will:

- monitor the implementation of Tenant Compacts in 2002;
- support information sharing across Wales between LAs, RSLs by monitoring and reviewing outcomes of tenant participation annual audits and, developing good practice;
- monitor the implementation of Tenant Participation Compacts;
- work with the Audit Commission's Best Value Inspectorate to check compliance with guidance .

10.9 TENURE IN SOCIAL HOUSING

We believe that everyone should have access to housing which is reasonably secure. We recognise that the legal form of tenure must meet the needs of landlords and funders as well as tenants. However, the different forms of tenure in social housing should be as consistent and comparable as possible. This is why we wish to promote fairness and consistency of principle between secure and assured tenants.

Current Policy

Local authority tenants are granted secure tenancies under the Housing Act 1985. RSL tenants are granted assured tenancies under the Housing Act 1988. Landlords do have some discretion, in specific circumstances, to grant other types of agreements: in particular, for new tenants of social housing, for residents of some hostels and supported housing projects, and for low cost home ownership housing.

Problems

The current tenure system for social housing tenants can be confusing for tenants transferring between different types of social landlord. This can cause unnecessary anxiety, and may be regarded as inequitable.

Proposals

We will explore the benefits of, and options for, moving to a single form of tenure for the vast majority of tenants in social housing and discuss how this can be done with organisations representing tenants and landlords in Wales. We will make a case for the introduction of the necessary primary legislation to the Government.

10.10 TENANTS CHARTER/ TENANTS GUARANTEE

We expect all tenants to receive good information on their housing rights in a form which is clear and easy to read.

Problems

The Tenants Charter and Tenants Guarantee do not currently reflect recent legislative and policy developments, particularly Best Value and Tenant Participation Compacts.

Current Policy

Secure tenants enjoy a body of statutory rights which are set out for tenants in plain language in the Tenants Charter, which includes the right to buy, the right to exchange and the right to be consulted. The Charter is available for tenants in booklet form. Registered social landlords are expected to provide their assured tenants with similar rights to the Charter, as set out in the Tenants Guarantee which is also provided in a booklet for tenants.

Proposals

The National Assembly will publish revised versions of the Tenants Charter and Tenants Guarantee to reflect recent changes in legislation and policy.

10.11 ACCESS TO HOUSING AND ALLOCATIONS

We believe that social housing works most successfully if people are housed where they wish to live. We therefore wish to optimise choice for applicants, and to see allocation systems respond to applicants' preferences as well as needs.

Current Policy

We expect publicly funded housing resources to be focused on meeting its objective of making high quality social housing readily available for those who cannot afford to buy.

Social housing should therefore be allocated to meet a diversity of needs, including those in greatest need. We wish to minimise the barriers to social housing for people in need, and to enable everyone to have their needs fairly considered.

Following the introduction of the Housing Act 1996, the Welsh Office issued a Code of Guidance on Allocations and Homelessness to all local authorities in Wales. We have already issued a revised Code of Guidance for consultation, and the responses are currently being considered.

Standards on allocations for Registered Social Landlords are set out in Regulatory Requirements. Current policy guidance emphasises the importance of giving priority to those in greatest need, although RSLs can take account of local circumstances and the need to prevent or reverse social decline.

Problems

Applicants are too often not treated as customers. The process of how tenants are chosen may not be clearly explained, and they may be given inadequate information on the housing options available and little choice on where they wish to live. Some landlords give insufficient priority to explaining how their allocation system works, and take insufficient account of applicants' own housing preferences.

Proposals

We are keen to promote a customer-centred approach to the allocation of social housing. This will include in particular the maximisation of genuine choice for all applicants. The allocation process must also take account of the relative need of applicants in awarding priority for rehousing, as well as choice.

Social housing should therefore be allocated to meet a diversity of needs, including those in greatest need. We wish to minimise the barriers to social housing for people in need, and to enable everyone to have their needs fairly considered. It is our aim to see social housing provided within mixed, settled communities which are socially inclusive.

We will bring forward proposals for wide-ranging discussion on future policy in this area. We will establish a Sounding Board involving external organisations to ensure that this issue is given full consideration.

We will take account of the outcome of this consultation process in considering the need for further secondary legislation and revisions to guidance and regulatory standards, within the context of any amendments to primary legislation.

We will encourage local authorities and registered social landlords to collaborate over the establishment of common housing registers. This will help the process of clarifying the true nature of local need, and create a one-stop service for applicants.

10.12 LOW DEMAND HOUSING

It is our aim to maximise the use of publicly-funded social housing. It is a key target in 'Better Wales' to reduce the proportion of vacant social housing to less than 3 per cent by 2003.

Current Policy

We expect social landlords to minimise the proportion of its stock which is empty. We have published good practice advice on reducing voids, and set performance indicators for social landlords in this area.

We have already commissioned research into the changing demand for social rented housing, see annex 2 for details.

Problems

The image of social housing has deteriorated in recent years, and certain parts of the stock suffer from a particularly negative reputation, which is often undeserved.

Proposals

We will promote and publish good practice guidance on the marketing of social housing.

10.13 SOCIAL HOUSING RENTS AND AFFORDABILITY

We recognise the important connections between social housing rent levels and tackling social disadvantage. Where rent levels are fair and affordable, tenants will have a greater incentive to get off benefits and move into work.

We will aim to:

- work in partnership with local authorities to achieve fair and transparent rent systems which deliver affordable rents;
- regulate registered social landlords (RSL) rents to achieve levels which are affordable, whilst enabling RSLs to be financially viable and deliver a good standard of service;
- to compare differences between the rent levels of local authorities and RSLs, and seek to address unjustifiable differences.

Current Policies

10.14.1 LOCAL AUTHORITY RENT POLICY

By setting Housing Revenue Account System (HRAS) guideline rents, the National Assembly is able to exert significant influence to help ensure a more rational distribution of overall average rent levels across Welsh local authorities.

Actual rents, however, are the responsibility of individual authorities. Underpinning this responsibility, authorities have a legal requirement to charge consistent rents under section 24(3) of the Housing Act 1985 (inserted by section 162 of the Local Government and Housing Act 1989). In simple terms, authorities must ensure a broadly consistent relationship between the rents of all of the council's dwellings and market rents.

10.14.2 REGISTERED SOCIAL LANDLORD RENT POLICY

For a number of years Wales has led the way with policies designed to moderate registered social landlord rents. This is reflected in the National Assembly's Regulatory Requirements for RSLs which require that: *"RSLs should set rents and service charges which are as low as possible, whilst remaining financially viable and providing a good standard of service to their tenants."*

The benchmark rent system requires registered social landlords to charge maximum rents for key property types which when averaged are no greater than the benchmark laid down by the National Assembly. The benchmark is reviewed annually and increased in line with inflation.

As a result of the operation of the benchmarking system in Wales, the disparity of rents for social housing in different sectors has been much less of a problem than in England. In many local authority areas there is already convergence between local authority rents and registered social landlords. At a national level the estimated difference between Welsh local authority and registered social landlords' rents is around 12 per cent, compared to around 20 per cent in England.

In addition to benchmarking, some all-Wales initiatives have been undertaken where affordability has been one of the desired outcomes. For example, the RSL benchmarking system has been used in conjunction with energy efficiency schemes to share, between landlords and tenants, the financial gains of improved energy efficiency resulting from additional investment.

10.15 CURRENT PROBLEMS

Affordability is still considered an important issue in the social housing sector in Wales. This is because many Welsh tenants still face difficulties in meeting their housing costs, with some critics claiming that policies often fail to take account of non core rent costs such as service charges and utility bills.

In addition to affordability issues, there remain concerns about the fairness and consistency of rents. We are concerned about indications that suggests the broad pattern of rents across Wales' social housing sector is not always a coherent one.

While there are often valid reasons for inconsistencies between different landlords, there are nonetheless sometimes inconsistencies within an authority's or RSL's

own stock which are far less rational. This issue has been the subject of recent press attention with stories highlighting the most extreme cases, where, for example, a four-bedroom house might be cheaper to rent than a bedsit in the same local authority. For some local authorities, problems with inconsistent rents resulted after local government reorganisation in 1996. Consequently some have begun long term programmes to reform their rent structures. Since April 2000, some authorities have set rents in a new way, calculating levels using a mixture of a “points formula” and a base rent. Points are awarded for categories such as property type, number of bedrooms, size of internal living area, heating, glazing and other features.

Future proposals

10.16.1 FAIR AND AFFORDABLE RENTS

We believe that local landlords are ultimately best placed to determine rents in their areas and do not propose the introduction of any nationally uniform system to structure social rents. We consider that there is a strong case for social landlords to review their rent structures with the aim of achieving greater consistency and fairness.

From April 2001 we will work in partnership with local authorities and RSLs to enable all Welsh social landlords to put in place long-term schemes to periodically review their rent levels, and where major inconsistencies are widespread, to restructure their rent systems. In support of this task, a project will be established to carry out research into actual social housing rent levels (and associated costs) in Wales and produce guidance on local rent policies.

In carrying out this project it will be necessary to make links to other policy areas and initiatives. In our view, any measure of affordability needs to take account of the cost of all major household necessities. Of notable importance are:

- energy efficiency and fuel poverty; and
- the “Supporting People” proposals, given that it seems that many local authorities are including support costs within general needs rents.

10.16.2 RENT CONVERGENCE

To achieve progress towards convergence of rent levels between the local authority and RSL housing sectors, it is important that we have sound rent data so that meaningful comparisons can be made.

To this end, we propose to review the data we collect on rents, and to openly publish analysis of that data.

10.16.3 SERVICE CHARGES

Looking at rent levels alone will not lead to effective policies for tackling the problem of affordability. One important cost which falls to most tenants but which is often ignored in policy debates is service charges. It is clear that the way that service charges are charged by landlords varies radically across the local authority and RSL sectors.

We consider that the way that service charges are levied in some areas can seem unfair and confusing to tenants. The research project that looks at social housing rents will encompass service charges. This will lead to the production of guidance on social housing service charges.

11. PROVIDING QUALITY NEW HOMES

11.1 STOCK CONDITION SURVEYS

By 2006 all local authorities will have detailed knowledge of the condition of their stock which will enable them to develop strategies for tackling the backlog of repairs and planning of future improvements.

Problems with Current Policy

Not all Local Authorities have undertaken detailed surveys of their stock, and those which have been undertaken are not on a common basis or the level of detail is variable. Housing stock condition surveys undertaken to a common standard and level of detail are considered an important planning tool to LA's in the management of their stock and as a valuable source of information for the National Assembly are to be encouraged.

Task Group Recommendation

It is the intention that the new stock condition survey guidance will incorporate advice on additional information that may be gathered at the same time as surveying the condition of the properties; as suggested in task group 3's recommendation 5.

Proposals

Grant funding has been provided for five local authorities to undertake pilot stock condition surveys. From the pilot surveys, we are developing good practice guidance for local authorities to undertake stock condition surveys and propose to offer grant funding to authorities adhering to these guidelines.

Guidance has been distributed to all local authorities. Local authorities will be able to apply for grant to help fund future surveys. The grant will be made available over a three year period to encourage local authorities to implement reliable condition surveys; thereby enabling them to assess the future cost of repairs and plan their strategies and budgets accordingly.

11.2 HEALTH AND SAFETY RATING SYSTEM

The introduction of a new Health and Safety Rating System will provide a measure for the condition of homes that is sensitive to health and safety issues, providing a standard which meets the needs of the 21st century.

Current Arrangements

The current "Fitness Standard" for homes has been in place since 1990. It is a 9 Point system and homes either pass or fail on any of the individual elements of the Fitness Standard. Although the standard is designed to ensure that people live in homes which are safe and healthy it is not sensitive to modern health and safety issues and is very subjective, based on the assessments generally of environmental health officers.

Proposal

The new Health and Safety Rating System will be introduced when there is a legislative opportunity. The new system will more closely link house conditions with the health and safety of occupants. The new arrangement will identify faults in dwellings and evaluate the potential affect of those faults on the health and safety of occupants and visitors. It provides a means of grading the sensitivity of danger which may be present in a dwelling and differentiating between dwellings which pose no risk and those which pose a higher risk. To assess the degree of severity and the likely spread of risk, local authority surveyors and environmental health officers will collect information on the condition of the property and will scour the hazards. This will take account of the likelihood of affect on health/injury and the spread of health outcomes.

Any new legislation will include powers for regulation/guidance/directions to be issued to local authorities by the National Assembly. This will ensure that the application and the system is sensitive to the particular circumstances and needs of Wales.

11.3 TACKLING FUEL POVERTY

Better Wales set a target to help lift 30,000 of the poorest Welsh households out of fuel poverty by March 2003. Our vehicle for achieving this will be the **New Home Energy Efficiency Scheme** (New HEES).

Current Problems

Around 220,000 households in Wales (almost half a million people) are estimated to live in properties with poor standards of heating and insulation. The very worst households, containing people who have to spend an inordinate amount of their gross income (generally acknowledged as in excess of 10 per cent) on heating their homes to an acceptable standard, are classed as 'fuel poor'. This situation often affects the most disadvantaged members of society, the elderly, benefit dependent families and the sick and disabled, with associated problems for health and general well-being.

Proposals

Our Budget proposals provide an additional £6 million to increase the number of households benefiting from the new HEES from 30,000 to 38,000. It will also enable progress towards our target of meeting the needs of all fuel poor households by 2010. This is on top of over £15 million funding already provided for the new scheme over the course of the next two years. These resources will fund a range of insulation and, for the worst cases, the provision of central heating systems to a grant maximum of £2,000. In addition, for pensioners in areas acknowledged to suffer from a high fear of crime, the scheme will also provide a range of basic home security measures.

In all the scheme will aid the comfort, health, safety and cut fuel bills of the poorest and most vulnerable members of society.

11.4 DEFINING STANDARDS/DEVELOPMENT QUALITY REQUIREMENTS

To develop standards that will ensure the rented housing stock, both new and existing, will be good quality, energy efficient and adaptable to changing household needs.

Current policy

Quality Standards for both new and rehabilitated housing (Development Quality Requirements) are currently published by us. The standards provide for levels of energy efficiency in higher than statutory requirements, and incorporate community safety best practice through the use of the police 'Secured By Design' Scheme (see below) and pay particular attention to safety inside and outside the home.

In support of the standards, we have also published:

- site layout design guidance for social housing schemes dealing with landscaping, car parking, energy efficiency and maintenance and crime prevention; and
- standard contract documentation to ensure that the built product is of an acceptable and consistent standard.

The Development Quality Requirements (DQRs) are regularly reviewed in consultation with Registered Social Landlords, Local Authorities and tenant organisations. The next review is due for completion in March 2001.

Proposals

To carry out a consultation and evaluation on DQRs which links to:

- changing government policy on reducing CO2 emissions
- our responsibility for sustainable development
- changes to the Building Regulations including those dealing with accessibility (see also section 12 - Lifetime Homes)

11.5 DESIGN AND CONSTRUCTION - 'Rethinking Construction'

The National Assembly in its vision for a Better Wales wants a better, stronger economy and a better quality of life. It wants to see a broader effort towards creating a sustainable economy, in which the design and construction of housing has a large part to play.

Current Problems

There is concern that the construction industry is not achieving its full potential. It has low profitability and invests too little in capital, research and development and skills training.

The report presented in July 1998 to the Deputy Prime Minister, "Rethinking Construction" (referred to as the Egan Report), recommended ways of improving the quality and efficiency of the UK construction industry. It identified five key drivers of change for the industry, and proposed seven indicators of improvement in performance: reductions in capital cost, construction time, defects, accidents and increases in predictability, productivity, turnover and profits. The application of the principles of the Egan Report would greatly increase the contribution which housing construction can make towards meeting our objectives for economic improvement, sustainable development and quality of life.

Current Policy

We set minimum quality and performance standards in our Standard Contract Documentation which RSL's must comply with for the construction of new build, but these deal with a limited part of the construction process.

At present there is no policy for adopting the principles of the Egan Report in the procurement of housing. More comprehensive policies are required to achieve the improvements in performance recommended by the Egan Report, contributing to meeting our objectives.

Our proposals respond to Housing Strategy Task Group 1's four recommendations for 'Rethinking Construction' in house construction.

Proposals

In the short term actions are underway to increase awareness within the public sector of the new approach to procurement based on 'Rethinking Construction'.

During 2000-01 we will also:

Monitor and evaluate completed demonstration projects registered with the Housing Forum.

Promote partnering as the procurement method for the majority of National Assembly funded registered social landlord developments and encourage its use in other areas of construction activity.

Co-operate with partners in the construction industry to deliver on-going training and awareness events related to 'Rethinking Construction'.

Convene ad-hoc working groups (as recommended by the Housing Strategy Task Groups) to assist in the formulation of policies for implementing 'Rethinking Construction' procurement methods in National Assembly funded and public sector construction activities.

For 2001-2 we will seek to provide further promotion by:

Examination of the potential for using the principles of 'Rethinking Construction' in public sector construction projects, in support of the National Assembly's broader objectives of better quality of life, better value for money and sustainable development.

Provision of guidance for registered social landlords on Social Housing Grant funded projects based on the principles of 'Rethinking Construction' and incorporate this guidance into the Development Quality Requirements. This to include partnering as a construction procurement method, subject to National Assembly guidance.

In partnership with the Construction Best Practice Programme and its related organisations, promote a programme of best practice events.

Investigation of options for providing incentives to bring forward schemes which can demonstrate innovation in design or procurement methods, construction techniques, energy efficiency or sustainable development.

11.6 REMOVAL OF THE VAT BURDEN ON REPAIR, MAINTENANCE AND IMPROVEMENT WORK

"Better Wales" seeks to reduce the number of occupied houses in need of serious disrepair to less than 4 per cent of the stock, by 2002. Reducing the burden of VAT on repair and maintenance work would mean LA assistance to the private sector would go further and help raise the quality of work by removing the differential between legitimate tax paying contractors committed to good standards of workmanship and the so called 'cowboy builders' of the 'black economy'

Current Policy

Generally repair and maintenance of buildings has always been standard rated since the introduction of VAT in 1973. The construction of new housing, residential buildings and some charity buildings is zero-rated. (VAT is not a devolved matter.)

There is already however provision for reduced rate of VAT for works to housing provided as part of a social policy. The UK has also chosen to apply the reduced rate to certain items of particular concern to this Government (insulation and heating works as part of government funded grant schemes).

There is also an EC Directive which provides for an experimental reduced rate of VAT for selected labour-intensive services. The aim of the Directive is to boost employment and create jobs by stimulating demand for certain services through lower consumer prices. The Government believes that unemployment can be tackled more effectively by targeted schemes such as the new Deal.

11.7 COWBOY BUILDERS

The construction industry is unfairly penalized by a high threshold and a high tax rate, which encourages people to employ unregistered traders at the expense of legitimate VAT registered builders.

The threshold is carefully fixed to strike a reasonable balance between the need to limit the administrative costs for both trader and Government, and the need to maintain the tax yield and minimise distortion of competition between registered and unregistered traders, whilst meeting obligations under EC agreements.

H.M. Customs and Excise recognise the importance of a level playing field for small and medium construction businesses. Customs have set up a Hotline to combat cowboy builders which complements other Whitehall initiatives such as the development of specific proposals to tackle the problem by DETR, following the 'Merrick' report.

In 1999 the then First Secretary wrote to the Chancellor conveying our view and asked for the matter to be taken into account in the Chancellor's consideration of possible changes in taxation policy.

Proposals

We will continue to press the Government for an equalisation of the rates of Value Added Tax on housing repair, maintenance and renovation work with that on new buildings.

12. MEETING THE NEEDS OF SPECIFIC GROUPS

12.1 EQUALITY OF OPPORTUNITY

As one of the National Assembly's three key themes, equality of opportunity has particular significance in terms of accessibility to housing. To realise its aim of a fully inclusive society, we must ensure that equality of opportunity is ingrained in all policies and guidance. By tackling the problems associated with specific disadvantaged groups we aim to deal with the most evident examples of inequity among our people.

12.2 SUPPORTING PEOPLE

Supporting People is a new policy and funding framework for delivering accommodation based support to vulnerable people, in different types of accommodation and across all tenures. It puts on a secure and legal footing the funding that has been delivered in an ad hoc way through Housing Benefit, as well as replacing a complicated tangle of other funding streams and overlapping management structures. It is being preceded by a Transitional Housing Benefit Scheme, operating from April 2000 to April 2003. The new system will start in 2003.

"Supporting People" is an integrated approach to support services, that joins up budgets and distributes them at a local level on the basis of need. It is also intended to create incentives for local housing, social services, and probation services to work together with other partners to deliver cost- effective and high quality services to vulnerable people.

The voluntary sector has expressed grave concerns for the future of services to client groups which have been termed "non – statutory," the single homeless and women fleeing domestic violence for instance. We have consistently indicated that these disadvantaged people are a priority and wish to ensure that services for them will continue and are protected. But we are also committed to the principle that local government should have freedom and flexibility in determining local priorities, and want to ensure that local authorities are able to discharge their responsibilities in relation to community care.

In England DETR will pay "Supporting People" monies as specific grant to local authorities, and will retain central control of a "cross authority" pot for the "non – statutory" client groups.

It has been decided that this is not appropriate in Wales, so some key elements of the budget will pass to local authorities as part of the local government revenue settlement. All the "Supporting People" expenditure on housing projects for older people and in the private sector will be transferred to local authorities in this way.

To provide continuity of funding for vulnerable tenants in existing projects, Supported Housing Revenue Grant (SHRG) will be retained. To avoid inconsistencies, we will incorporate the housing benefit payments in respect of these projects into the SHRG system. Probation Accommodation Grants (PAGs) will also be incorporated into the SHRG system.

It is possible that parts of the SHRG budget, particularly those relating to community care, could be transferred to local authorities after 2003.. We will consult the Welsh Local Government Association, the Welsh Federation of Housing Associations, and the voluntary sector on which elements of the budget might be transferred, and in what timescale. A separate consultation paper is to issue in November 2000.

Much work needs to be undertaken in readiness for the introduction of this new system in 2003. Detailed guidance will be produced next year in consultation with the Wales External Reference Group. We will also continue to liaise with both England, Scotland and Northern Ireland on implementation issues.

12.3 BLACK, MINORITY ETHNIC (BME) GROUPS

The National Assembly's aim with social housing (as its general approach to the government of Wales) is to ensure that race equality is promoted as part of the wider agenda to combat racism and to provide equal rights, opportunities and responsibilities within a stakeholder society.

Current problems

A number of areas remain critical for improving access to social housing for people from BME communities. Specific concerns include the lack of involvement and consultation of BME people and organisations in the management of social housing, the continuing problems of racist harassment and the need to address specific requirements in terms of design and layout of accommodation. More generally, there is a need for further research in this area to establish an accurate picture of BME people in Wales, and in particular of local assessments of their needs.

Current policies/action

We have widely distributed the report "From the Margins to the Centre" which recommended that a national BME housing strategy be incorporated within the National Housing Strategy. We are pursuing all the recommendations in the report. A joint conference on BME housing needs with the Commission for Racial Equality (CRE) was held in October 2000.

Proposals

We are funding a feasibility study into the establishment of a black led housing association in Wales under the S16/S87 grant scheme from a group which includes: Cardiff registered social landlords, All Wales Ethnic Minority Association and 'Black and Asian Women Step Out'. .

The project will also promote the development of BME people within the management structures of social housing organisations, and good practice in meeting the housing needs of BME people.

We are developing a specific strategy for meeting the needs of BME groups, through consultation with the CRE, BME representatives and housing organisations. The strategy will form part of the broader National Housing Strategy,

and will address key issues such as capacity building, empowerment, research, fair access to housing, and tackling racist harassment.

12.4 OLDER PEOPLE AND THE DISABLED

See also section 8, sustainable home ownership.

12.4.1 CARE AND REPAIR

We want to ensure that elderly and disabled people have access to the help they need to remain in their own homes.

Current Arrangements

Means tested disabled facilities grants (DFGs) are available to help disabled people in need to adapt their homes. Home repair assistance is available to assist elderly people and those in receipt of income related benefit for minor repairs to enable them to continue to live in their own homes. Elderly and disabled people often have difficulty in knowing what help is available, accessing that help and liaising with builders etc. Care and Repair agencies play a vital role in the provision of services to the elderly and disabled, assisting with adaptations, repairs and improvements to their homes. This relieves the anxieties created by disrepair, reduces the potential for exploitation by disreputable (“cowboy”) builders and ensures that they are aware of, and in receipt of, all assistance which may be available to them.

Proposals

We fully support the important services provided by Care and Repair across Wales. In 2000-2001, we provided an additional £200,000 to extend cover of the Care and Repair service to all Welsh local authority areas.

The current Care and Repair service will be consolidated and the agencies will continue to develop more innovative approaches to tackling the problem that elderly people face. The proposed changes to private sector renewal arrangements, will offer Care and Repair further opportunities and scope to extend the help and advice they provide, particularly with the increasing availability of loans alongside grants. Care and Repair will also work with other public sector agencies including social services, health authorities/trust and voluntary agencies to help to provide a more co-ordinated approach to providing assistance for elderly people.

12.4.2 ACCESSIBILITY/ADAPTATIONS REGISTER

The Housing Strategy Task Groups have recommended that the National Assembly should develop an all-Wales housing register of accessible or adapted dwellings. We do consider that this is a practical proposition, but recognise the potential benefits of such registers at the local level. We will encourage local authorities to adopt this approach in their areas.

We will consult on information and advice services for disabled people and how they can enable better access to housing services.

We will consult with key representatives to consider how disabled people can gain better access to appropriate housing, including the need for a specialist disabled persons housing advice service.

We will also examine the current funding arrangements for the provision of physical adaptations operating in the private and public sectors.

12.4.3 LIFETIME HOMES

We want to ensure that all communities, including individual homes of all tenures and the general environment in which they are situated, are accessible by everyone. We also wish to provide residents with the opportunity of staying in their homes longer by making their houses capable of adaptation in order to meet the changing needs faced by most families in a lifetime.

The concept which is promoted by the Joseph Rowntree Foundation comprises 16 major standards and aims to provide homes which are flexible and can cater for people with a wide range of disabilities. In the long term it will also help relieve some of the demand for residential care and reduce the pressure on hospital beds by allowing earlier release from hospital.

Lifetime Homes Standards will therefore contribute towards the building of more sustainable homes and fit in with our statutory responsibility to promote sustainable development.

Current Policy

We are committed to the principle of Lifetime Homes and all new housing built by registered social landlords in Wales after April 2001 will be built to design standards which will incorporate the Lifetime Homes principles. Also the Pattern Book of housetypes produced by the National Assembly will be amended to reflect the new design standards.

To date the principles have only been applied to new housing developments, but the importance of applying them, where practically possible, to existing dwellings and communities is recognised and research into the application of Lifetime Homes standards to rehabilitation projects is currently being undertaken with a report expected in 2001.

Proposals

To promote the principles of Lifetime homes and barrier free housing across all tenures through the dissemination of good practice and lead by example by constructing all public sector housing to the standards.

12.4.4 ROYAL COMMISSION ON LONG TERM CARE

Welsh response

We are looking carefully at the UK Government's response to the Royal Commission on Long Term Care in the context of the development of a broad and

comprehensive strategy for elderly people. Such a strategy will epitomize our commitment to give priority to improving the health and well being of elderly people and their carers through a system based on the principles of quality, choice and fairness.

The UK Government's response proposals tackle the key anomalies of the present funding system - in particular by extending free nursing care and by avoiding the need for immediate home sales. The proposals also contribute to the wider objectives of promoting independence, in particular by creating much stronger NHS incentives for rehabilitation and prevention and protecting people's homes while opportunities for rehabilitation are explored. In addition they will improve the quality of care provided, particularly through bringing NHS and social care partners together in the commissioning of modern, integrated long-term care. The bigger picture is about providing better services for everyone and reducing the need for people to go into care at all.

Proposals

A task group is being established to consider how to help prepare a long term strategy for the elderly in Wales supported by smaller groups looking at detailed issues. This process will draw upon the work of the Emergency Pressures Task Force, the Carers Strategy and other relevant material including Better Government for Older People. Among the early tasks will be: an audit of existing programmes and initiatives targeted at the care of the elderly, a review of current policy objectives, an analysis of gaps in current programmes and consideration of priorities for future development.

It is proposed that the strategy will have a wider focus than just health and social care of the elderly. It will embrace housing, transport, environment, health promotion and advice about transitional phases in life. It will also be an opportunity to consider other aspects of the wider agenda and include promotional and positives messages.

We also need to evaluate the current and future relevance of existing forms of housing provision for the elderly.

We intend to commission a project, in conjunction with local government, to examine the demand for elderly person housing, particularly sheltered accommodation and the need to develop other forms, such as frail elderly schemes. This project would take into account the impact which specially designed housing for the elderly can have on residential and nursing home provision.

12.5 YOUNG PEOPLE LEAVING CARE

New arrangements for care leavers, introduced by the Children (Leaving Care) Bill, will come into force from 1 April 2001. Local authorities will be under a duty, subject to eligibility criteria, to assess and meet the care and support needs of 16 and 17 year olds who are looked after, or who have left care, and to assist young people aged 18 to 21, in particular in respect of their employment, education and training.

Care leavers aged 16 and 17, other than single parents and some children with disabilities, will not be entitled to claim: Income Support, income based Job Seekers Allowance, or Housing Benefit. The responsible local authority will be required to safeguard and promote their welfare and to support (can be in cash) them by: maintaining them, and providing them with or maintaining them in suitable accommodation;

It is important that the housing needs of young people leaving care are addressed before they leave care. Each care leaver will have a Pathway Plan which will include planning for accommodation. Any consideration of accommodation needs should have regard to the young persons needs for emotional and financial support and their education, employment and training and health needs. It is essential in negotiating accommodation arrangements that the local authority and any other interested party ensure that the accommodation to be provided is considered to be "suitable accommodation". Local authorities will also need to satisfy themselves that the landlords/ladies are suitable persons to work with young people by ensuring that they are not on any police list of offenders or other official lists of person unsuitable to work with children.

The National Assembly consulted on proposals for regulations in a paper, "Children (Leaving Care) Bill, Proposals for Regulations, issued on 25 October 2000. It is proposed that "Suitable accommodation" means accommodation:

- (i) which so far as reasonably practicable is suitable for the child in light of his/her needs, including his/her health needs;
- (ii) in respect of which the responsible authority has satisfied itself as to the character and suitability of the landlord or other provider;
- (iii) in respect of which the responsible authority has so far as reasonably practicable taken into account the child's wishes and feelings and educational, training or employment needs.

Where a care leaver who is in further or higher education needs accommodation during a vacation, local authorities will be required to assist by:

- a) providing suitable accommodation, or
- b) paying enough to enable the young person to secure suitable accommodation for themselves.

We are developing guidance on the new arrangements and will consult on this in the coming months. A seminar for local authorities has been arranged for December 14 2000.

12.6 ASYLUM SEEKERS AND REFUGEES

We wish to enable social housing providers to support the implementation of Government policy toward asylum seekers through the provision of social housing and other associated services.

Current Policy

We are in discussion with the National Asylum Support Service and other agencies on the issues facing housing organisations providing services to asylum seekers. The likely progress of the resettlement programme is still being clarified.

Problems

The National Asylum Support Service manages the strategic arrangements for temporary settlement whilst applications are being assessed. Housing providers have indicated their willingness to co-operate in the provision of housing and related services to asylum seekers. However, housing providers may be unclear about the standards to which they should be working. This uncertainty could affect the quality and availability of appropriate housing services to asylum seekers. There may also be some uncertainty about how the housing needs of refugees will be met.

Action

We will develop, consult on and issue good practice guidance on the provision of housing services to asylum seekers and refugees.

13. HOMELESSNESS AND ROUGH SLEEPING

13.1 EQUALITY AND INCLUSION

'Better Wales' demonstrates the importance that we attach to equality and inclusion. At its extremity the socially disadvantaged are exemplified by rough sleepers and the homeless.

We have set ourselves challenging targets to eliminate the need for rough sleeping and to reduce the incidence of homelessness. To initiate the attainment of these aims an integrated package has been developed to increase action to ensure that no one in Wales has to sleep rough, and to take forward strategic approaches to homelessness more generally.

The National Assembly is considering carefully the recommendations of the Housing Strategy Task Groups and the earlier 'Rough Sleeping in Wales' report, in developing its policies for tackling homelessness and rough sleeping.

13.2 LOCAL HOMELESSNESS STRATEGIES

Both the Housing Strategy Task Groups and Rough Sleeping in Wales identified the importance of developing strategic approaches to homelessness and rough sleeping.

The issue of whether there is a role for a single homelessness strategy for Wales will be considered by the Homelessness Commission.

Better Wales sets the overall strategic context for the development of local homelessness strategies, which are recognised as the key to tackling homelessness. To support this a one-off funding package in 2000-2001 of £3.6 million is enabling local authorities to develop better local strategies to tackle homelessness based on good evidence of local need, and to work with the private rented sector by developing registration schemes for houses in multiple occupation. Authorities are encouraged to seek nomination rights from landlords as part of these schemes and to consider using their housing funds to improve conditions where appropriate agreements on standards, affordability and access can be secured

Local strategies are best placed to deliver priority services at the local level. These will vary depending on local need. One task group recommendation, however, to ensure that all areas of Wales have access to bond schemes (TG2 Recommendation 17), would improve access to housing generally. Whilst there are financial implications in ensuring access, this recommendation follows existing policy on Section 180 funding, and is supported in principle. We will be undertaking a mapping exercise to identify the extent of coverage of existing bond schemes and the resources required to extend coverage to the whole of Wales (see chapter 9).

Individual housing plans have also been proposed to improve targeting of resources and services to homeless people. Such plans would need to be linked to

local authorities' strategic approaches to local problems, recognising that prevention and support go much wider than housing provision. We will monitor the development of local strategies and the extent to which individual planning is used. We would also welcome comments on the practical aspects and resource implications of implementing plans.

The voluntary sector plays an important role. Services such as Shelter's 'Shelterline' complement local authority services and provide an easily accessible way of making sure that advice is available to anyone who needs it, at any time of the day or night. A 3 year programme, commencing this year, with an increased budget (of £1.85m from £1.05m) for voluntary organisations working with the homeless will help to establish flexible new schemes such as: emergency nightshelters; outreach support; bond schemes; tenancy support schemes and direct access hostels. There will also be Winter Shelter, Day Centre and Heavy Drinkers programmes. These programmes: kick-start those projects concerned with alleviating the problems of rough sleeping, plug gaps in current provision, and identify the need for support services.

We will increase funding by £3.5 million over 3 years to provide for an additional 15 projects to help eliminate rough sleeping and to make progress towards achieving the 'BetterWales' targets of less than 500 homeless families occupying temporary accommodation by 2010.

The Housing Green Paper includes new proposals to strengthen the protection available to the homeless, extending the statutory safety-net to a wider group of vulnerable homeless people and giving flexibility to authorities to help non-priority homeless people such as childless couples and single homeless people, and extending duties to provide advice and support.

We will be pressing the UK Government to ensure that the primary legislation, when enacted, provides for the National Assembly to determine the appropriate arrangements for Wales.

Ahead of this legislation, we have consulted ('Tackling Homelessness and Rough Sleeping in Wales') on proposals to extend the existing categories of homeless people who are regarded as being in priority need of accommodation to include:

- homeless people aged 16 to 18
- care leavers
- prisoners immediately after being released from custody who have no accommodation to return to
- people leaving the armed services who have no accommodation to go to
- people fleeing from violence and harassment.

Our consultation paper on these proposals recognised that, in many cases, support will be required to ensure that the tenancy can be maintained. Our Budget proposals include an additional £2.1 million in Supported Housing Revenue Grant over the next three years to provide an additional 200 bed spaces a year by 2002-2003 for homeless and other vulnerable people.

13.3 HOMELESSNESS COMMISSION

This is a high priority for the National Assembly and to take all of these issues forward as quickly as possible but in a comprehensive way we have established a Homelessness Commission comprising representatives of those charged with tackling homelessness and rough sleeping and also practitioners in the field. The Commission will work on a task and finish basis and will complete its work by the Summer of 2001.

13.4 HOUSING ADVICE AND INFORMATION SERVICES

Local authorities have a statutory duty to ensure that advice and information about homelessness, and its prevention, is available free of charge to anyone in their area. Authorities can fulfil this duty by providing the service themselves, or by contracting or working in partnership with the voluntary sector.

The type and quality of this housing advice appears to vary widely between different local authorities. In order to inform the understanding of how homeless advice services are delivered, both in the statutory and voluntary sectors, we have commissioned an independent audit of the range and scope of housing advice services across Wales. The audit will examine: the nature and quality of existing services, assess how accessible they are, and obtain the views of people who use the services. It will also identify good practice and make recommendations on developing standards for housing advice services in Wales. The aim being to disseminate best practice and improve standards.

The importance of preventative measures as well as emergency provision is acknowledged. Problems of homelessness are not always due to housing shortages, but are often the result of inadequate support for people who need help to sustain their independence. Vulnerable people leaving relationships often have to negotiate a maze of avenues to find appropriate assistance. Proven co-operation between the key agencies will reduce the time and confusion inherent in such situations, providing, instead, a speedy, complete resolution to the problems.

Prompt and accurate advice on practical issues may prevent people becoming homeless, losing legal rights, getting into debt or experiencing violence or, tragically, even death. For landlords, the advantages will be a speedier resolution of housing problems and the ability to manage their housing more efficiently.

Effective housing advice is vital in enabling people to secure and sustain the housing that will best meet their needs. Our aim will be to promote universally high quality advice services in all local authorities.

13.5 FOYERS

Foyers combine accommodation with training and development for young people.

The focus is on helping disadvantaged young people, aged 16-25, who are homeless or in housing need, to achieve the transition from dependence to independence. The Foyer offers integrated access to, at a minimum,

accommodation, training, personal development and job searching facilities. The relationship with the young person is based on a formal agreement as to how the Foyer's facilities and local community resources will be used in making the transition to independence, commitment to which is a condition of continued residence in the Foyer.

Foyer development in Wales has been specifically tailored to Welsh circumstances. Our working closely with Foyer Federation Wales has led to a move away from the concept of large purpose built Foyers, towards smaller and more dispersed provision that brings together high quality self contained accommodation and better opportunities to develop life skills and training for employment.

We have decided not to approve any further schemes of the size and type of the Swansea and Wrexham Foyers. Future Foyer schemes (following normal housing allocation capital procedures) will be dispersed with clusters normally not exceeding a maximum of 10 or 12 self contained units. In recognition of the high and complex needs of the young people referred, where it can be demonstrated that such provision is capable of meeting local need and local priorities, 100 per cent of the bedspaces will be eligible for Supported Housing Revenue Grant.

14. HOUSING BENEFIT

14.1 There is a uniform Great Britain wide system for Housing Benefit. While Housing Benefit has not been devolved to the National Assembly, we are committed to making representations to the UK Government where there are Housing Benefit issues and proposals that have an impact on Wales. There is very close liaison between the National Assembly and the Department of Social Security (DSS) on matters of mutual interest.

14.2 Current problems

The importance of Housing Benefit to any debate on Welsh housing policy cannot be underestimated given that there are currently around 214,000 Housing Benefit recipients in Wales. Changes to Housing Benefit levels are directly linked to the housing circumstances of all of these people.

The UK Government's Housing Green Paper identifies key problems with the current system of Housing Benefit:

- claimants find the delivery complex, confusing and time-consuming;
- rules are complex;
- a significant proportion of local authorities that administer Housing Benefit fail to do so efficiently;
- Housing Benefit fraud is taking money out of the social security system which could be directed to other important priorities;
- many people of working age are deterred from taking up work because they do not understand how their entitlement to Housing Benefit works;
- many landlords are collecting high rents for poor properties paid for by Housing Benefit;
- as the benefit can be paid directly to the landlord (often in full) many claimants take little responsibility for their rents.

14.3 Proposals

14.3.1 Housing Green Paper

To tackle these problems the UK Government has put forward proposals to improve administration, to more energetically attack fraud and error, and improve incentives to work. These include:

- developing a single claims process for benefits which would reduce duplication and shorten processing time;
- improving information sharing between DSS and local authorities;
- reducing the complexity of Housing Benefit rules;
- developing a new funding regime based on performance against targets in individual local authorities to cut fraud and error; and
- increasing the incentive to work by targeting earning disregards on key areas or groups of people.

The Green Paper includes the caveat that there can be no structural change until rents in England have been restructured in a fairer and more consistent way and

allocation policies in England have been reformed to provide a better degree of choice. We propose to address these issues through approaches set out elsewhere in this consultation paper.

14.3.2 The Welsh Response

The National Assembly will continue to ensure that the implications of Housing Benefit policy proposals impacting on Wales are brought to the attention of the UK Government. There are some Housing Benefit issues where we are already aware that we will need to work closely with the DSS. These are discussed below:

14.3.3 Housing Benefit Administration

Given the high levels of government expenditure committed to Housing Benefit, we support the need for robust administrative controls. Nevertheless, concerns exist about the fragmented way in which the benefit is currently delivered and the administrative complexity and delays that result from this, which in turn often leave tenants with rent arrears (and in the most extreme cases, threats of eviction) through no fault of their own. Landlords' cashflows can also be affected which can prejudice their renting to Housing Benefit claimants.

The organisational, procedural and technological proposals contained in the Green Paper should go some way to tackling these problems. In implementing these, we believe that resultant changes to Housing Benefit regulations should be introduced in a structured and timely manner that gives affected parties sufficient notice to put proper systems and safeguards in place.

We consider that a fundamental review is required to make Housing Benefit administration less complex and more efficient. The Housing Green Paper invites views on a range of options for improving the operation of the Housing Benefit system in the UK. If there are other issues of particular relevance to Wales, we would be glad to receive comments on them.

We will nonetheless make representations to the DSS to improve partnership working with local authorities on Housing Benefit. This is of crucial importance to us as any changes to Housing Benefit can have an impact on the finances of the National Assembly and Welsh local authorities.

14.3.4 Single Room Rent Restriction

One issue of particular concern to the Housing Strategy Task Groups was the effect of the restriction in limiting the amount of Housing Benefit paid to under-25s which can make it difficult for young people to access and maintain accommodation.

We share this concern and will make representations to the Department of Social Security to bring Housing Benefit entitlement for under 25 year olds into line with that for the over 25's. Failing that we look to the DSS to implement its proposal to broaden the definition of the Single Room Rent so that a range of rents for shared accommodation are used (e.g. shared houses, flats and bedsits).

14.3.5 New Forms Of Housing Support

The Housing Green Paper draws attention to concerns about the lack of a “shopping incentive” within the Housing Benefit system, whereby tenants would make a minimum contribution to their rent and thus have an incentive to make better decisions about their housing requirements. The Green Paper discusses options for addressing this issue, including a fixed rate allowance system which would meet average housing costs for specific household types. Claimants would then be able to decide how much of their income to spend on their housing.

There is a question about whether many tenants are free to make choices about their housing. Any new system will need to have built-in safeguards for the most vulnerable groups. For example, it is important that the elderly remain secure in their homes. Furthermore any changes would need to incorporate significant transitional protection, perhaps even permanent protection, for existing claimants.

We consider that the Housing Benefit system should provide more opportunities for claimants to make choices about their housing, and so in theory make better decisions about their housing requirements. We will ensure that Welsh views are brought to the attention of the Department of Social Security in deliberations on the reform of the Housing Benefit system.

The suggestion that the availability of Housing Benefit should be conditional on the landlord providing decent standards of accommodation and housing management is being considered by the Government. Such a change has many implications not least for tenants. The over-riding concern is to ensure that the changes encourage landlords to improve their housing and not penalise those in receipt of Housing Benefit.

15. HOUSING AND COMMUNITY SAFETY

15.1 Better Wales sets a benchmark to help local people to live in communities that are free from crime and are non-threatening. We aim to reach this benchmark by promoting a cross-cutting approach to policy-making that encompasses a number of housing-based initiatives designed to develop high quality environments.

Specifically, we aim to:

- promote high standards of safety in new social housing with housing located in non-threatening environments, and developments designed in ways that reduce opportunities for crime; and
- reduce the distress caused by problems like neighbourhood nuisance and anti-social behaviour by finding effective, value-for-money solutions.

15.2 CURRENT PROBLEMS

In our most disadvantaged communities levels of crime are often far higher than in more prosperous areas. The links between poor housing and declining communities, with high levels of crime, are well documented.

In particular there has been an increase in reported, and unreported, cases of neighbour nuisance and anti-social behaviour in both private and public sector housing. As well as causing real distress to the people involved, communities can be blighted by the fear of anti-social behaviour. This has become especially apparent in social housing, resulting in stigma, causing difficulties for residents and for landlords who find their properties hard to let.

15.3 PARTNERSHIP

Our vision can only be realised through effective strategy and action at the local level. The Crime and Disorder Act 1998 has put in place the structures and processes to achieve this. Under the Act every local authority has a duty to develop a statutory partnership responsible for formulating and implementing a local strategy for the reduction of crime and disorder. These strategies will complement, and be complemented by, a broad range of National Assembly policies and proposals. Many of these are housing-based, and are set out below.

15.4 ONGOING ACTION AND FUTURE PROPOSALS

15.4.1 COMMUNITY SAFETY IN NEW HOUSING (*Secured By Design*)

The National Assembly in its role as regulator of registered social landlords (RSL), publishes Development Quality Requirements (see section 11) which apply to all new RSL developments. These require developments to comply with 'Secured by Design', the Police Force's housing design crime prevention initiative. (This policy does not apply to developments carried out by the private sector or other public sector bodies, representing approximately 75 per cent of newbuild development).

Incorporating Secured By Design measures into new build developments has been shown to reduce levels of crime and fear of crime. In view of this, we believe that

there should be a more consistent application of 'Secured by Design' standards in public and private sector developments.

In the short term it is proposed to promote 'Secured by Design' as best practice in all new housing developments, in conjunction with the Police, to raise awareness of the benefits amongst local authorities.

It is also proposed that our new supplementary planning guidance (Technical Advice Note) on Design will promote the adoption of 'Secured by Design' in development.

15.4.2 ANTI-SOCIAL BEHAVIOUR AND NEIGHBOUR NUISANCE – THE LANDLORD ROLE

Social landlords are expected to apply and enforce conditions of tenancy which prohibit nuisance. They are also expected to provide advice and support to tenants to overcome problems with anti-social behaviour, including referral to other services such as mediation and environmental protection services.

To support landlords, we are funding a good practice project by the Chartered Institute of Housing in Wales which aims to examine the use made of legal remedies by local authorities and registered social landlords in dealing with anti-social behaviour; and to evaluate the strengths and weaknesses of these different approaches within the context of strengthening and sustaining communities.

15. 4.3 MEDIATION

Current policies/action

We have funded the development of research into the use and outcomes of mediation services in Wales, and this research is being used to promote good practice in this area.

We are at a formative stage on the role of mediation services in relation to social landlords, particularly in respect of anti-social behaviour. Meetings with key players in the mediation field are currently being held to discuss the way forward for mediation services in Wales.

We are also funding a number of good practice projects in this area:-

- Mediation Wales, in partnership with TPAS Cymru and the Welsh Federation of Housing Associations, is being funded to support the strategic development of community mediation services across Wales and to raise awareness and understanding of the uses and benefits of mediation.
- Monmouthshire Mediation, in partnership with Monmouthshire County Council, are receiving project funding to establish whether mediation is a best value approach in dealing with neighbour nuisance and anti-social behaviour in social housing.

15.4.4 NEIGHBOURHOOD WARDENS

We are supporting neighbourhood warden schemes because we believe that, in the right circumstances, and when set up in the right way, they can be an effective way of addressing crime and other social and environmental problems in our most deprived communities.

We have used funding, totalling £300,000, to support neighbourhood warden schemes in Cardiff, Swansea, Merthyr Tydfil, Caerphilly and Caernarfon. The best practice from these schemes will be disseminated across Wales. We will consider funding further schemes in the future.

15.4.5 CCTV

We are giving financial backing to the provision of CCTV in city and town centres, car parks, housing estates and other public places such as part and ride stations and hospitals. A total of £3 million has been ring-fenced for the provision of CCTV on social housing estates in Wales. While the main priority is areas with high levels of crime, lower crime areas are being considered where there is evidence of a high fear of crime.

15.4.6 OTHER MEASURES

Many other policies and proposals contained in this strategy can make a contribution to reducing levels of crime. Notable among these are:

- the new Home Energy Efficiency Scheme which provides funding for basic crime prevention measures; and
- funding for security and crime prevention measures under the “Sustainable Communities” programme.