

LOCAL GOVERNMENT AND HOUSING COMMITTEE

NATIONAL HOUSING STRATEGY FOR WALES – CONSIDERATION OF DRAFT CONSULTATION PAPER

PURPOSE

1. This paper invites Committee to offer views on the draft consultation paper on the National Assembly's proposals for a national housing strategy for Wales 'Better Homes for People in Wales' (see Annex).

RECOMMENDATION

2. That the Committee considers the draft consultation paper and submits views to the Minister for Finance, Local Government and Communities.

TIMING

3. Subject to consideration of Committee's views on the consultation document and the logistics of printing, it is intended to issue the document as early as possible in December. A plenary debate to consider the paper is scheduled for 28 November.

BACKGROUND

4. The consultation paper sets out the National Assembly's proposals for housing policy in Wales, in light of the recommendations of the Housing Strategy Task Groups and the UK Government's Housing Green Paper 'Quality and Choice- a decent home for all'. This follows Committee's consideration of the Task Groups' reports (LGH-03-00 (p.1)) and the Green Paper proposals (LGH-03-00 (p.2)) on 18 May. Committee also considered and agreed a response to the Green Paper at its meeting on 12 July (LGH-08-00 (p.5)).

CONSIDERATION

5. The key aspects of the consultation document are below. An 'Executive Summary' will be included in the document before publication.

Chapter 2 – Key Milestones

6. This sets out the background and key milestones in developing a national housing strategy for Wales, including some of the important developments in housing policy while this process has been under way. The consultation document builds on the work that has been undertaken by the National Assembly and its partners to date.

Chapter 3 – The Role of Housing

7. This describes the strategic context and role of a national housing strategy in meeting the aims and objectives of the National Assembly's Strategic Plan and 'Putting Wales First – A Partnership for the People of Wales'.

8. It summaries the key housing aspects of the Budget proposals announced on 19 October, including additional funding over the 3 years of the Budget of:

- £2.1 million in Supported Housing Revenue Grant, to provide 200 extra bed spaces a year by 2002-2003 to facilitate the extension of the priority categories of homeless people in need of accommodation.
- £40 million to assist local authorities improve public and private sector housing, with the emphasis on community regeneration.
- £28 million to fund the expansion of the Communities First programme aimed at up to 100 of the most deprived communities in Wales, and other complementary programmes.
- £3.5 million to fund an additional 15 projects to assist in eliminating rough sleeping and make progress against Better Wales' 2010 target of less than 500 homeless families occupying temporary accommodation.
- £6 million to extend the coverage of the new Home Energy Efficiency Scheme from 30,000 to 38,000 households by 2003, and move towards target of meeting the needs of all fuel poor households by 2010.

Chapter 4 – A National Strategy to Guide Local Action

9. The national strategy will provide the policy framework for local strategies and action to ensure that people have access to, and choice over, housing to meet their needs. While the national strategy will be a published document, it will be a dynamic set of policies which will change according to market and other influences. It will be a working document, which will be monitored, reviewed and updated in an open and collaborative process. It is vital that policies pursued by the National Assembly and its partners are based on a sound understanding of the issues and situation in Wales. The recent strengthening of the National Assembly's housing and wider research capacity will play an important part in supporting future policy development.

Chapter 5 – Strategic Role of the Local Authority

10. The consultation document underlines the importance of the strengthening strategic role of local authorities. It supports the view of the Housing Strategy Task Groups that there should be a separation of the strategic and service delivery/operational functions of local authorities (supported by Committee in its response to the Housing Green Paper). The chapter also signals the intention to undertake a detailed consultation on the introduction of housing business plans. These would aim to ensure that local authorities have a much clearer assessment of the investment needs of their stock, and how they will be met.

Chapter 6 – Regenerating Our Communities/Tackling Social Disadvantage

11. This chapter summarises the National Assembly's proposals for tackling social disadvantage through Communities First and its predecessor programmes. Detailed consultation on the final shape of the Communities First programme will take place shortly. The National Assembly's Budget proposals include an additional £28 million for community purposes over the next 3 years to expand the Communities First programme aimed at the 100 most deprived communities in Wales.

Chapter 7 – Meeting Housing Need and Demand

12. The land-use planning system has a fundamental role to play in the planning of future housing development. The Housing Strategy Task Groups make a number of recommendations on the interaction of housing and planning policy at national and local level. These recommendations are being considered alongside the Land-Use Planning Forum's recommendations on the preparation of revised National Assembly planning guidance 'Planning Policy Wales', which is expected to issue for consultation in January 2001.

13. In keeping with the recommendation of the Housing Strategy Task Groups for a national assessment of housing need, the recently established Housing Research Advisory Panel supported the principle of a regular Welsh Household Interview Survey, allied to a smaller Welsh Stock Condition Survey, which would provide some information on housing need. The survey would combine housing need assessment with gathering data on a wide range of other social and economic factors.

14. The National Assembly will continue to encourage local authorities to carry out detailed local housing need assessments with the aid of grant funding and advice.

Chapter 8 – Sustainable Home Ownership

15. This chapter sets out the National Assembly's proposals for supporting home owners and helping others into home ownership, where this is a sustainable option.

Private Sector Renewal

16. The paper mirrors proposals in the Housing Green Paper for reform of the home renovation grant regime to give local authorities greater flexibility and freedom to decide priorities for the use of resources, in accordance with local needs. These proposals were supported by the Committee in its response to the Green Paper. The National Assembly's Budget proposals provide an additional £40 million to local authorities over the next 3 years to improve public and private sector housing, with a particular emphasis on community regeneration.

Low Cost Home Ownership

17. The consultation paper points to an on-going role for low cost home ownership schemes, where they accord with locally identified need and priorities. In seeking to ensure that such schemes remain relevant to current circumstances, the paper seeks comments on possible increased flexibility in the application of these schemes.

18. The paper recognises the impact that the Right to Buy has had on the level of home ownership in Wales over the past 20 years. The Housing Strategy Task Groups pointed to the need to develop a better understanding of the wider impact of Right to Buy sales. This is being considered alongside other possibilities for inclusion in a housing research programme. The paper seeks views on the Task Groups' recommendation for restrictions on the Right to Buy to protect the remaining social housing stock in rural areas, and on the effectiveness of current restrictions on resale of such properties in National Parks and other designated rural areas. Changes to these arrangements would require primary legislation.

Other

19. The paper also highlights proposed changes to the home buying and selling process, leasehold reform and the introduction of commonhold which have already been the subject of widespread consultation.

Chapter 9 – Thriving Private Rented Sector

20. This chapter recognises the important role that the private rented sector has to play in meeting the housing requirements of those who are unable, or choose not, to purchase their own home. The chapter points to the National Assembly's wish to see a healthy, vibrant and well managed private rented sector with homes in good condition. The National Assembly needs a much clearer picture of the nature and problems of the sector to inform the development of policies appropriate to the needs of Wales. A research proposal is being developed to take this forward.

21. The paper mirrors the Housing Green Paper proposals for mandatory and discretionary licensing of Houses in Multiple Occupation. The National Assembly also intends to act upon the recommendations of the Housing Strategy Task Groups by ensuring access to bond schemes throughout Wales and establishing best practice for deposit management schemes. The outcome of research on landlord accreditation schemes in England will also be considered for its relevance to Wales.

Chapter 10 – Quality Rented Homes for the 21st Century

22. This chapter concerns the quality and management of local authority and registered social landlord provided homes in Wales.

Quality

23. The National Assembly will continue to encourage local authorities to consider the full range of options available to finance the improvement of their stock. A number of detailed proposals are included in the paper including suspension of the levy payable on excess capital receipts from stock transfer for 3 years from April 2001; assisting authorities with overhanging debt; removing the constraint on transfers having to be completed within 1 year; and the development of good practice guidance on tenant relations in major works projects. Account will also be taken of the outcome of LGH Committee's review of stock transfer, when available.

24. It is not proposed to introduce arms length companies, as proposed in the Housing Green Paper, but the situation will be kept under review. The paper seeks comments on other options such as the introduction of resource accounting, where the National Assembly is more ambivalent about the potential benefits. The introduction of a 'Major Repairs Allowance' is one of the main planks of resource accounting in England. The allowance would give authorities a dedicated funding stream for major capital repairs to their stock, that could be used for housing PFI schemes. The paper seeks views on the introduction of the allowance in Wales.

Management

25. The National Assembly wants to see fairness and consistency of principle between secure tenants of local authorities and assured tenants of registered social landlords. It is intended, therefore, to explore the benefits and options for moving to a single form of tenure for the vast majority of local authority and registered social landlord tenants. This would require primary legislation. The consultation paper indicates that the National Assembly is keen to promote choice in the allocation of social housing, responding to applicants' preferences as well as needs. A "Sounding Board" will be established to facilitate full consideration of how this can best be achieved.

26. Best Value provides the framework for improving the accountability and way that housing

and other services are provided by local authorities. The National Assembly is moving forward on the application of Best Value principles to the registered social landlord regulatory regime, alongside the development of common performance indicators for both sectors.

27. The paper proposes a number of measures to improve tenant participation in Wales, including guidance setting out clear standards for social landlords to work to. This follows guidance and funding of £0.5 million provided this year to support the introduction of Tenant Participation Compacts in Wales.

Social Housing Rents and Affordability

28. The paper recognises the important connections between 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. This section indicates that the National Assembly will:

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

29. Specifically, the National Assembly will work in partnership with all social landlords to enable them to put in place long-term schemes to periodically review rent levels and restructure their rent systems where there are widespread major inconsistencies. The National Assembly will support this through research into rent levels and associated costs, and guidance on local rent policies.

Chapter 11 - Providing Quality New Homes

30. This chapter builds on the proposals described in other chapters, such as changes to the Home Renovation Grant regime. The National Assembly will continue to encourage local authorities to undertake condition surveys of their stock, with the help of guidance and funding.

31. A new 'Health and Safety Rating System' will provide a measure of the condition of homes linked more closely to the health and safety of the occupants, providing a standard which meets the needs of the 21st century. This is subject to Parliamentary time being found for the required primary legislation.

32. The new 'Home Energy Efficiency Scheme' will tackle problems of "fuel poverty" in Wales' poorest households. The National Assembly's Budget proposals provide an additional £6 million over the next 3 years to increase the number of households benefiting from the scheme from 30,000 to 38,000 by 2003. It will also enable progress towards the Better Wales target of meeting the needs of all fuel poor households by 2010.

33. The chapter also indicates that the National Assembly will continue to make representations to the UK Government for a review of the burden of Value Added Tax affecting repair, maintenance and renovation work.

34. Other proposals include:

- a review of the 'Development Quality Requirements' to ensure that both new and existing stock will be good quality, energy efficient and adaptable to changing household needs.
- promotion and adoption of 'Egan' principles in house construction.

Chapter 12 – Meeting the Needs of Specific Groups

35. This chapter deals with support for vulnerable and disadvantaged groups, consistent with the National Assembly's commitment to equality of opportunity.

Supporting People

36. This section sets out the National Assembly's approach to implementation of this new policy and funding framework for delivering accommodation based support for vulnerable people, such as those with learning difficulties or mental health problems, announced on 3 August.

Black, Minority Ethnic (BME) Groups

37. This section deals with action to improve access to social housing for people from BME communities. The National Assembly is taking forward the recommendations of the report "From the Margins to the Centre", which has been distributed widely. We have recently sponsored a joint conference on BME housing needs with the Commission for Racial Equality and are funding a feasibility study into the establishment of a black-led housing association. Work will also be undertaken to develop a specific strategy for meeting the needs of BME groups. This will form part of the wider national housing strategy and will address key issues such as capacity building, empowerment, research, fair access to housing and tackling racial harassment.

Older People and the Disabled

38. The National Assembly has moved quickly, providing £200,000 in the current year, to achieve its Better Wales target of extending coverage of Care and Repair services to the whole of Wales. Through continued National Assembly funding and the proposed changes to the private sector renewal arrangements, Care and Repair will have further opportunity and scope to extend the help and advice they provide.

Lifetime Homes

39. The National Assembly has already decided that all new housing built by registered social landlords in Wales after April 2001 will be built to Lifetime Homes standards. The principles of Lifetime Homes and barrier free housing will be promoted across all tenures.

Asylum Seekers and Refugees

40. The National Assembly is in discussion with the National Asylum Support Service and other agencies on the issues facing housing organisations providing services to asylum seekers. Guidance and good practice advice on the provision of housing services to asylum seekers and refugees will be developed.

Chapter 13 – Homelessness and Rough Sleeping

41. This chapter sets out proposals for meeting Better Wales' aims of eliminating the need for anyone to sleep rough and to reduce the incidence of homelessness.

Homelessness Commission

42. Tackling homelessness and rough sleeping is a high priority for the National Assembly. To take forward work on these issues as quickly as possible, but in a comprehensive way, a Homelessness Commission will be established comprising representatives of those charged with tackling homelessness and rough sleeping and practitioners working in the field. The Commission will operate on a task and finish basis and will complete its work by the summer 2001.

Local Homelessness Strategies

43. It is considered that the development of comprehensive local homelessness strategies is the key to tackling homelessness and rough sleeping in Wales. The National Assembly is providing one-off funding of £3.6 million in the current year to support local authorities in developing better local strategies to tackle homelessness and rough sleeping, and to work with the private rented sector by developing registration schemes for houses in multiple occupation.

44. The Budget proposals provide for an extra £3.5 million over 3 years for section 180 funding to voluntary organisations working with the homeless. This funding will support an additional 15 projects to help achieve the National Assembly's commitment to eliminate rough sleeping, and assist in making progress against the Better Wales target of less 500 homeless families occupying temporary accommodation by 2010.

Homelessness Categories

45. The Housing Green Paper contains 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. The consultation paper indicates that the National Assembly will press for the primary legislation to be framed to enable it to determine the appropriate arrangements in Wales. These arrangements will take account of new arrangements for care leavers, to be introduced from April 2001, which will extend local authorities' responsibilities to arrange suitable accommodation and provide support and assistance to this particularly vulnerable group of young people.

46. Ahead of the primary legislation, the National Assembly has consulted on proposals to extend the existing categories of homeless people who are considered to be in priority need. The Budget proposals include an additional £2.1 million in Supported Housing Revenue Grant over the next 3 years to provide an additional 200 bed spaces a year by 2002-2003. This will provide support for homelessness and other vulnerable people who need help in maintaining their tenancies to facilitate the extension of the priority categories.

Housing Advice and Information Services

47. The National Assembly has commissioned an independent audit of the range and scope of housing advice services across Wales. The audit will examine the nature, quality and accessibility of the existing services. This will inform the dissemination of best practice advice with the aim of promoting universally high quality advice services in all areas.

Foyers

48. Consistent with the views of the Housing Strategy Task Groups, the National Assembly has worked closely with the Foyer Federation in Wales and other organisations to develop a flexible approach to Foyer provision that is unique in the United Kingdom. In future, Foyer provision will move away from large purpose built Foyers, to smaller and more dispersed provision that brings together high quality self-contained accommodation and better opportunities to develop life skills and training for employment. In recognition of the high level and complex needs of the young people concerned, 100 per cent of bed spaces will be eligible for Supported Housing Revenue Grant, where such provision accords with local needs and priorities.

Chapter 14 – Housing Benefit

49. This chapter deals with the Housing Benefit aspects of the Housing Green Paper. While generally supportive of the proposed changes, the chapter makes it clear that the National Assembly will work closely with the UK Government to ensure that the potential impact of proposals in Wales are properly considered. In particular, the paper points to the need for a fundamental review to make Housing Benefit administration less complex. The paper invites views on whether there is a need for Housing Benefit to be administered on a uniform UK basis. The paper indicates that the National Assembly shares the concerns of the Housing Strategy Task Groups and others about the effects of the restriction limiting the amount of Housing Benefit paid to under 25 year olds, which can make it difficult for young people to access and maintain accommodation. The paper indicates that the National Assembly will make representations to the UK Government to implement an option in the Housing Green Paper for broadening the definition of the Single Room Rent so that a range of rents for shared accommodation are used instead of the current one room non-self contained accommodation definition.

Chapter 15 - Housing and Community Safety

50. This chapter sets out a number of housing based, or related, initiatives that will contribute to the National Assembly's cross-cutting approach to ensuring that people live in communities that are free from crime and non-threatening. Specifically:

- the promotion of 'Secured by Design' as best practice in all new housing developments, supported by new supplementary planning guidance.
- a National Assembly funded study of good practice by landlords in the use of legal remedies in dealing with anti-social behaviour will inform future action.
- development of good practice in use of mediation.
- wide dissemination of best practice from National Assembly funded neighbourhood warden schemes.
- support for closed-circuit television (CCTV) in town centres, housing estates and other public areas. A total of £3 million has been ring-fenced for the provision of CCTV on housing estates.

COMPLIANCE

National Assembly Powers

51. The National Assembly is able to produce and consult on its proposals for a national housing strategy under its general power in section 40 of the Government of Wales Act 1998 ("the 1998 Act"). The National Assembly has a wide range of secondary statutory powers to develop and implement housing policy in Wales. Though its powers in respect of the private sector are more limited, it can promote better and different ways of doing things, for example, through discussions with lenders and house builders. Section 33 of the 1998 Act enables the National Assembly to make representations to the United Kingdom Government in the case of proposals requiring primary legislation, or in respect of non-devolved functions impacting on Wales.

Financial Implications

52. The consultation document reflects the National Assembly's autumn Budget proposals and the priorities contained in the National Assembly's Strategic Plan and 'Putting Wales First: A Partnership for the People of Wales'. Where additional resources have not specifically been identified in the draft Budget, proposals will either be delivered within existing programmes, or will be subject to future Budget deliberations.

53. Financial Planning Division, Assembly Compliance Office and Local Government Finance Division have been consulted and are content with the financial and compliance aspects.

National Strategy Branch

Housing and Community Renewal Division November 2000