

LOCAL GOVERNMENT AND HOUSING COMMITTEE

CHANGES TO PRIVATE SECTOR RENEWAL ARRANGEMENTS – REGULATORY REFORM ORDER (RRO)

Purpose

1. To note and discuss the forthcoming changes to private sector renewal arrangements

Summary

2. The changes will replace the current housing renovation grant arrangements and increase the flexibility local authorities have to develop strategic solutions to housing issues in line with their local pressures and priorities. Much of the current prescription will be removed and authorities will have a wide range of opportunities to offer assistance. That could take the form of grants, loans, purchases of alternative homes and the development of co-ordinated strategic solutions to housing problems.

Timing

3. The new arrangements are being introduced using a Regulatory Reform Order and are currently being scrutinised by Parliament. The proposals will shortly complete the first stage of Parliamentary scrutiny and it is timely for the Committee to discuss the changes prior to the Plenary debate on 16th April 2002.

Background

4. The current renovation grant system is very prescriptive and has increasingly restricted the scope local authorities have to develop strategic solutions to tackling local housing issues comprehensively. The new arrangements will give local authorities that flexibility.
5. The new arrangements are within the framework of the Assembly's National Housing Strategy for Wales: "Better Homes for People in Wales" and received very positive support following widespread consultation last year. The changes are principally a matter of deregulation and are being introduced using a Regulatory Reform Order under the Regulatory Reform Act 2001.

Main Proposals

6. The new arrangements will replace the current range of grants with a new general and wide-ranging power enabling local authorities to give assistance to improve living conditions in their area. Existing grants for renovation, HMOs, Group repair, common parts and home repair assistance will be replaced with a new power for authorities to give grants and loans for acquiring accommodation, adaptation, improving or repairing accommodation, demolishing and replacing accommodation.
7. The new general power will also enable local authorities to continue give discretionary support to disabled people although Mandatory Disabled Facilities Grants (DFGs) are not affected by the changes and will continue to be available.
8. Renewal Area legislation will remain but proposed changes will give authorities more flexibility and discretion over how and where they can declare renewal areas.
9. Although there will be considerable less prescription and regulation local authorities will have a statutory duty to publish a housing renewal policy showing clearly how they intend to deliver assistance locally. They will not be able to introduce the new arrangements until they publish such a policy.

Guidance

10. The Welsh Assembly Government will issue detailed guidance to local authorities, which will identify overarching principles, and draw attention to issues such as Best Value and the avoidance of fraud etc. The guidance will also emphasise the importance of local authorities ensuring that their policies are fair, give priority to vulnerable households, ensure that applicants for loans are properly advised and take realistic account of people's ability to contribute.
11. Subject to parliamentary and Assembly approval it is expected that the new arrangements will be in place by May/June 2002. There will be a transitional period of 12 months to enable local authorities to develop their new policies. During that time the existing grant system will remain in place but all authorities must publish a policy within the 12 months.

Compliance

12. The changes involve the deregulation of the current arrangements and will be introduced using a Regulatory Reform Order under the Regulatory Reform Act 2001. The proposals have already been subject to widespread consultation. The arrangements in the Regulatory Reform Order are subject to parliamentary scrutiny and agreement by the Assembly. Proposals for the Regulatory Reform Order were laid before Parliament

on 13th December 2001 and will be debated by the Assembly on 16th April 2002.

Financial Implications

13. There are no additional financial implications for the Welsh Assembly Government. The changes will increase local authorities flexibility to improve targeting and develop a more strategic approach to renewal. All capital expenditure will be contained within budget provision or indicative planned provision.

Cross-cutting Themes

14. The new arrangements will complement the current agenda for Modernising Local Government and will emphasise the importance that is placed on healthier and safer accommodation for older and disabled people. It will also contribute to the Assembly's priorities identified in 'Better Health Better Wales', 'Plan for Wales 2001' for improving the quality of life, as well as the Assembly's National Housing Strategy "Better Homes for People in Wales".

Action for Subject Committee

15. The Committee is asked to note and discuss the new arrangements for private sector renewal.

March 2002

Private Sector Renewal Branch

Housing Directorate