

## **Agenda – Local Government and Housing Committee**

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Meeting Venue:

**Committee Room 5**

Meeting date: 20 June 2024

Meeting time: 09.15

For further information contact:

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Committee Clerk

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**(Pre-meeting 09.00 – 09.15)**

**1 Introductions, apologies, substitutions and declarations of interest**

(09.15)

**2 Social housing supply – Evidence session 6**

(09.15 – 10.00)

(Pages 1 – 37)

Craig O'Connor, Head of Placemaking, Planning Officers Society Wales

Sam Rees, Senior Public Affairs Officer – Wales, Royal Institution of Chartered Surveyors (RICS)

**(Break 10.00 – 10.10)**

**3 Social housing supply – Evidence session 7**

(10.10 – 11.10)

(Pages 38 – 50)

Ben Murphy, Estates Director, Duchy of Cornwall

Rebecca Kentfield, Faith in Affordable Housing Project Manager, Housing Justice Cymru

Avril Roberts, Senior Property and Business Policy Adviser, Country Landowners Association

**(Break 11.10 – 11.20)**



#### **4 Social housing supply – Evidence session 8**

(11.20 – 12.20)

(Pages 51 – 86)

Alicja Zalesinska, Chief Executive, Tai Pawb

David Wilton, Chief Executive, TPAS Cymru

Debbie Thomas, Head of Policy and Communications Wales, Crisis

Casey Edwards, Project Manager, Cwmpas

#### **5 Papers to note**

(Page 87)

##### **5.1 Letter from the First Minister to the Legislation, Justice and Constitution Committee in relation to the international agreement between the UK and Denmark**

(Pages 88 – 89)

#### **6 Motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting**

(12.20)

**(Private)**

#### **7 Social housing supply – Consideration of evidence**

(12.20 – 12.30)

#### **8 Forward work programme**

(12.30 – 12.45)

(Pages 90 – 97)

#### **9 Committees remits – Letter from Business Committee**

(12.45 – 13.00)

(Pages 98 – 100)

Document is Restricted



## Housing Justice Cymru response to Senedd's Local Government and Housing Committee inquiry into social housing supply.

We welcome this opportunity to submit written evidence to the Housing and Local Government Committee's inquiry into the supply of social housing.

Housing Justice Cymru (HJC) is a Christian Charity which addresses homelessness and housing need in Wales. We provide a range of services, covering all 22 local authority areas in Wales.

HJC will be submitting evidence gathered through the Faith in Affordable Housing project (FiAH), which aims to increase the supply of affordable homes by working with churches to identify church-owned land and buildings to sell to social housing providers. FiAH was developed in recognition of the shortage of affordable housing and the presenting opportunity of the increasing rate of church closures. [This short video outlines the work of the FiAH project: \*Helping Housing Justice Cymru use Land for Good.\*](#)

To date in Wales, working with churches and housing associations we have overseen the building of 105 homes (from 10 sites) and have a further 24 (on 2 sites) currently under construction, and a further 34 (across 2 sites) that will begin construction soon, with many more in the pipeline.

With church congregations in decline there is potential for FiAH to unlock sites for the provision thousands of new affordable homes. However, the process of FiAH, from site identification, to planning, land sale and construction of new homes, is complex and often lengthy. In the current climate many such buildings are closing, leading either to decay and dereliction, private development for unaffordable rents, or as second homes. This submission makes suggestions to overcome the barriers blocking the building of social homes at speed and scale.

We have just begun new housing research activities which directly relate to this inquiry. HJC are exploring many of the same areas of concern and look forward to updating the Committee and Senedd Members on our findings as we move forward.

In partnership with Bevan Foundation and Cwmpas, we are looking more closely at land supply. Our research will look at the potential of land held by different types of social and public owners for the development of affordable social and community-led housing and the barriers preventing this being done at scale.

This response will address the Terms of Reference for the inquiry as they are listed, you will find our recommendations at the end.

1. Progress towards meeting the target of 20,000 low carbon social homes for rent; and the extent to which current and projected levels of social housebuilding are likely to meet housing need.

The target of 20,000 low carbon social homes for rent in the 2021-26 Programme for Government is admirable and welcome, however the reality of social housebuilding today is rendering this goal unlikely. We have now entered year 4 of the 6-year timeframe, with conservative estimates indicating that there are still around 14,225 homes left to build to meet target. These current figures do not, however, account for discrepancies or nuance, and do not show that social homes have also been lost over this period either by demolition or through sales.

It is also relevant that the calculation of projected need for 20,000 social homes was made pre-pandemic<sup>1</sup>, and since this time there has been a significant cost of living crisis, and homelessness has risen along with numbers of individuals and households accessing temporary accommodation.

In addition, Wales has the most rapidly ageing population of any UK nation, with the largest proportion of people in the UK aged over 70, and 26% of the population expected to be 65+ by 2033. This demographic is also increasingly applying for Universal Credit<sup>2</sup>, and is more likely to be divorced and less likely to be widowed, indicating an expected increase in single households that will put pressure on both social and private rental sectors, and that current affordable housing projections are not accounting for.

Further, the definition of the 20,000 affordable homes was always inclusive of homes purchased through shared equity schemes<sup>3</sup> (such as Help to Buy), despite home ownership and these schemes being unattainable to most of the population for whom rented social housing is intended. Overall progress towards the 20,000 goal is not on track and the projected need for 20,000 affordable homes by 2026 is likely below actual need.

2. The challenges faced by social landlords in increasing supply.

Through the FiAH project, HJC work closely with RSLs across Wales bringing sites forward with the intention of increasing supply, and have observed the following challenges (in no particular order):

Damp & mould – RSLs are now facing understandable pressure to ensure that their existing housing stock are free of all damp and mould, this is directing financial and human resource away from new development.

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<sup>1</sup> Statistics Wales, 2019.

<sup>2</sup> Care & Repair Cymru, 2023

<sup>3</sup> Future Generations Commissioner for Wales, 2020.

Phosphates – the ability to build has halted in many areas across Wales due to the presence of phosphates. When new rules about phosphates came in, Community Housing Cymru<sup>4</sup> reported that seven housing associations, which were due to deliver 1,000+ affordable homes were unable to progress as a result. To avoid pollution through construction, RSLs now must implement expensive processes. Available funding has not been adjusted or increased to recognise these new demands.

Competing priorities – RSLs are currently looking to retrofit their existing housing stock to EPC B and C or above, while also building new stock to the same standard, costing time and money.

Cost of labour – in the cost-of-living crisis, labour costs have increased, making builds more expensive overall and thus reducing RSLs ability to build at pace and scale.

Cost of materials - these have also increased, making builds more expensive overall and thus reducing RSLs ability to build at pace and scale. One housing expert informed HJC that where it used to cost £1800 per sqm to build, it now costs £3000.

Inflation –this has impacted everything. One example, in terms of borrowing costs, is that long-term loans that were at 2% interest are now 6.5% interest.

Staffing – Development staff are in high demand and competitive salaries mean a high turnover within RSLs, delaying site start-ups.

Smaller sites – these add to the overall delivery of affordable homes but there is a lack of incentive to build. They face the same costs in terms of resourcing as larger edge of settlement sites and due to economies of scale RSLs prioritise these. However, small sites offered through the FiAH project add to the overall target and are often at the heart of a community, meeting Wellbeing of Future Generation (Wales) Act 2015 goals of being near transport links, schools, and other community provision.

Standard Viability Model (SVM) - when pursuing Social Housing Grant on a site RSLs need to demonstrate viability and value for money. The Welsh Government SVM released in July 2023 considers the level of grant required for a scheme to break even. Whilst it is paramount to ensure that public funds are used efficiently, some smaller sites can be difficult to ensure viability, and this is reducing the number of schemes FiAH can bring forward. Viability needs to be seen in bigger picture terms, to include sustainable reuse of a site and its contribution to the cultural wealth of a local area.

### 3. How housing standards and decarbonisation affect the delivery of new social housing

HJC believe that standards set out in the Development Quality Requirements (DQR) and Welsh Housing Quality Standard (WHQS) are vital in ensuring the best conditions for people living in

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<sup>4</sup> CHC, 2023 <https://chcymru.org.uk/news-and-blog/wales-housing-development-barriers#:~:text=Seven%20housing%20associations%2C%20which%20were,in%20fewer%20people%20being%20housed.>

affordable housing, however they can limit what it is possible to develop and slow down pace of development. To achieve unit numbers at the statutory standards, RSLs can only feasibly consider larger parcels of land, of which there are few in Wales and even fewer that fall into LDP settlement boundaries. This is because the standards often render smaller sites non-viable, due to the high costs that would be incurred for the resulting lower number of units.

The standards also mean that demolition often becomes favourable over retrofitting of existing buildings. However, the repair and re-use of existing churches is usually less carbon intensive than new build on greenfield sites, in terms of the materials and processes used in construction. Lifecycle carbon emissions can be addressed and there are opportunities to reduce a building's overall carbon footprint whilst preserving its historic significance. Research from Historic England's *The Heritage Counts* report published in 2021 shows that demolishing a historic building and replacing it with a new one can result in greater emissions due to the associated embodied carbon.

A project partner from the Baptist Church who has gone through the process of selling a church hall to an RSL for affordable housing commented that the process to meet standards and decarbonisation goals was time consuming and expensive, and that in contrast, there are no regulations holding large private developers to account to meet net zero targets.

Another RSL project partner stated that: "Decarbonising the social housing stock is imperative, but housing associations require support from the Welsh Government to achieve ambitious targets while maintaining viability (...) We would support an uplift in SHG to meet net zero standards."

#### 4. The opportunities and risks in increasing government borrowing and institutional investment?

There are organisations that are more expert in this topic that will no doubt provide more sufficient evidence than we are able, we therefore do not wish to comment at length. However, the availability of Social Housing Grant in Wales is vital to the continuation of social house building.

#### 5. How effectively the planning system is supporting social housebuilding.

The process of FiAH, from site identification, to planning, land sale and construction of new homes is complex and often lengthy. This can deter church partners from engaging in it when compared with a straightforward open market sale. This is even more relevant as congregation numbers continue to decline, and denominations face the need to sell more assets over a short period of time.

The opportunities for social housebuilding on church land are many, across the spectrum of scale from village and town centre sites to edge of settlements. FiAH act with the church landowner to identify the potential of a site and then with an RSL partner to build out the scheme. HJC understand that the Local Planning Authority (LPA) must balance aspiration on a site with the demands of land use policy and viability, but the process is convoluted and lengthy.

Pre-application requirements for a social housing scheme require costly fees for surveys such as ecology and sustainable drainage. For the options appraisal of the demolition of a church building or part of a church site, the LPA often require a full planning application so they can fully understand the impact of a new social housing development. This takes time and money.

Some sites will be required to have a Sustainable Drainage System (SuDS) to manage on-site surface water, to be approved by a Suds Approving Body (SAB) which often works across LPA boundaries. This adds to the planning application timeframe.

A project partner from a faith-based organisation stated that they found the planning process ineffective and inefficient in their experience.

Some church or religious buildings in Wales have listed, or locally listed status, but have come to the end of their working worship life. When churches look to dispose of these in a charitable manner in keeping with Christian values, they come up against myriad planning challenges and costs. The alternative to not repurposing these building for a use such as affordable housing, is to lose these important heritage buildings to disrepair.

Planning Policy Wales explains how the planning system must consider Welsh Government's objectives to protect, conserve, promote and enhance the historic environment as a resource for the general well-being of present and future generations. It also sets out the planning policies for the sustainable management of historic assets. Indeed, listed churches in Wales add to our sense of community, cultural identity, and shared history. In Wales 30,000 buildings and structures are listed. 2,000 are places of worship, with more than a third of these listed Grade I and II\*.

The balance between building conservation and viable re-use of churches is becoming increasingly important. However, LPAs give considerable weight to the preservation of listed buildings which is a requirement under the Planning (Listed Buildings and Conservation Areas) Act 1990. This elevates the preservation of a listed church above that of a general planning consideration of providing new homes.

## 6. [How to improve the strategic management of public and private land for social housebuilding, including compulsory purchase](#)

Every year an increasing number of church buildings in Wales are closing due to declining and ageing congregations. Similarly, many churches are seeking to reconfigure their facilities to provide sustainable places of worship and multi-purpose buildings for wider community activity. Many of these buildings and associated land can be part of the solution to affordable housing supply, whilst sustaining worship and protecting heritage.

In Wales churches and religious organisations own 3,290 hectares of land, inclusive of at least 4,364 known places of worship and religious buildings. Not all of these will be closing or available for sale, and nor would all the land necessarily be suitable for development, however



at a very conservative estimate this portfolio of land and property could provide anything from 5,000-10,000 units of housing.

If church attendance continues to fall at the current rates, then the property portfolios of churches will change significantly over the next decade, which will lead to a substantial change of land use across Wales. Factoring in that churches and church buildings tend to be in village and town centres, and that other community and high street buildings that may be next door to churches; post offices, pubs, banks, halls, working men's clubs, are closing at rapid rates across Wales, there is an urgent need for a strategic appraisal of the potential of these buildings and the land they sit on, Wales-wide. A mapping and strategic plan of the future of these buildings, accompanied by easing of planning processes, and an uplift in SHG for refurbishment of buildings, could greatly increase the stock of affordable social housing in the centre of communities.

FiAH has worked with Knight Frank, a leading UK real estate agency, to develop a mapping tool that provides data on all church-owned land and assets in Wales. It also maps characteristics such as environmental risk from flooding and phosphates and can be overlaid with Housing Needs Assessment data. The mapping tool is helping us to work with church landowners who are seeking to rationalise, repurpose or reimagine their estates, and identify sites where there is a potential for delivery.

FiAH and churches across Wales can work together with other big estate owners such as Local Authorities, Welsh Government, Health Boards and the Crown Estate, to use institutional weight to influence strategic land use planning practice and to deliver affordable homes across communities. The mapping tool can assist in this strategic approach – this is a visual display which can be interrogated at scale to look at landholdings in a community. It provides a transparent overview of sites across Wales.

The concept of placemaking is highlighted as a key element to deliver on the aspirations of the Future Generations (Wales) Act 2015 and the Placemaking Wales Charter (2020). FiAH embodies the placemaking policy agenda. Churches and church land are often at heart of a community and can support the regeneration of towns and villages. The opportunity for affordable housing sites in communities also converges with the aims of the Active Travel (Wales) Act 2013, linking active travel and public transport to housing development and the Placemaking and Covid 19 Recovery Plan (2020) which outlines the importance of well located, secure and affordable homes on people's health and wellbeing.

An RSL partner stated that: "We support exploring innovative approaches including more support for added social value into the charitable disposal notice and certificate processes and more guidance to the charity sector as a whole on disposals to RSLs."

A faith-based organisation partner stated that: "(we need to) work with all parties to have a Wales wide plan."

The FiAH mapping tool can assist with site assembly when looking at a range of land in various ownerships, and also as part of any compulsory purchase process.

7. The potential for increasing income from land value capture mechanisms to invest in social housing.

There are organisations that are more expert in this topic that will no doubt provide more sufficient evidence than we are able, we therefore do not wish to comment at length. We recognise that land value capture mechanisms may be effective ways to secure pots of funding for investment into social housing. These would need to be clearly ringfenced and regulated to ensure the efficient use of monies for social house building, and in addition, any contract of sale would need to clearly stipulate that the profits from any alteration of land use were to go to the Local Authority, not the vendor.

8. The Welsh construction sector's capacity to build new low-carbon social homes; the potential for acquisitions of existing homes and remodelling of existing buildings.

Capacity to build new low carbon social homes is dependent on appropriate land being made available, and funds and resources being made available, or existing funds and resources being increased to acknowledge complexity of low carbon builds. This answer has been expanded upon for ToR 3 above.

Acquiring existing homes to retrofit into low-carbon social homes is achievable but will require flexibility around DQR and WHQS. Wales has the highest number of pre-1919 buildings in the UK, equating to around 2/3s of total building stock<sup>5</sup>, and this must be considered in acquisition and remodel for decarbonisation goals.

One of our RSL partners on the FiAH project commented that;

“These projects often require more specialised skills and resources compared to new build developments. More design and technical survey work at the early stage. This leads to additional capital at risk and can often cross the threshold of an organisation's risk appetite. We would advocate for feasibility grants on church-owned land and assets. These could be deducted from capital grant approvals if they proceed.”

Another RSL partner highlighted the types of costs that get passed onto tenants:

“the nature of these projects (already) has an expected higher level of abnormal costs associated with them such as demolition of derelict buildings, with this case there is (...additional work/maintenance), these costs would be passed on to the tenants, which is very difficult to justify”

When a property has listed building status, the above issues are exacerbated, and some potential FiAH sites have been aborted when listing and heritage constraints have been too costly for RSLs.

One of our RSL partners on the FiAH project commented that;

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<sup>5</sup> Architectural Heritage Fund, 2023.

“When a church is listed or located within conservation areas – it is not often possible to recover additional costs through increased density.”

In terms of listed church assets and conservation areas HJC and our RSL partners would welcome a flexible and proactive approach from CADW and the LPA when identifying appropriate sites for repurpose. The constraints imposed by heritage regulations can result in reduced development potential and increased project costs, leading to diminished financial viability for RSLs.

An RSL partner further commented that:

“To address these challenges and promote the redevelopment of redundant church land for affordable housing purposes, we recommend exploring alternative funding mechanisms, such as higher grant levels, to offset the increased costs associated with refurbishment and renovation projects.

An increase in grant funding would enhance the financial viability of such projects, enabling housing associations to undertake more ambitious redevelopment schemes while ensuring equitable returns for landowners.”

#### 9. How local communities can be effectively engaged in social housing developments in their areas.

Organisations such as Cwmpas are working in Wales to effectively engage more communities in housing. Community-led housing is thriving in Scotland and England, but in Wales where there is no legislation supporting the community right to buy, there is less community ownership of land and buildings.

Rural Housing Enablers previously conducted local housing needs assessments; however, loss of funding has meant that valuable local insight is being lost in communities.

Churches are community assets, and many congregations support re-purpose for social housing or mixed use. However, time pressures, planning delays, and high costs may mean that church owners may choose to sell on the open market to a private developer or second homeowners, for a guaranteed fast and straightforward sale.

A partner from a faith-based organisation noted that mixed use schemes encourage greater community cohesion, and that local authorities have cut funding for preventative activities that are effective in preventing homelessness, such as youth services and community spaces. They added that providing better funding opportunities to the third sector may lead to greater community engagement in social housing development.

#### Recommendations

HJC call for a strategic, top-down mapping and appraisal exercise of building and land use and ownership in Wales, accompanied by a plan for predicted building closures with a focus on community buildings, such as churches, in town, city and village centres.

This must be accompanied by easing of planning processes, and an uplift in SHG for refurbishment of buildings.

Standard Viability Model – The current model favours larger sites, however, to meet social housing need, placemaking agenda and Wellbeing of Future Gen Act, small infill sites in town/village/city centres must be considered. Viability needs to be seen in bigger picture terms, to include sustainable reuse of a site and its contribution to the cultural wealth of a local area.

With increased financial pressures on RSLs from damp and mould, phosphates, cost of living and inflation, retrofitting existing stock and building to WHQS and DQR, a re-evaluation of available funds is required.

HJC and our RSL partners would welcome a flexible and proactive approach from CADW and the LPA when identifying appropriate sites for repurpose.



## **SOCIAL HOUSING SUPPLY**

### **Introduction**

The CLA is the membership organisation for owners of land, property and businesses in rural England and Wales. We help safeguard the interests of landowners and those with an economic, social and environmental interest in rural land and the rural economy. CLA Cymru has approximately 2,600 members in Wales who between them own and manage roughly half of the rural land in Wales. Our membership is engaged in all sectors of the rural economy and includes farmers, landowners and around 250 types of rural business.

### **The challenges faced by social landlords in increasing supply.**

Landowners play a critical role in making land available for the delivery of social housing, particularly in rural areas. While land prices may be one barrier to delivering social housing, it is also true that in rural areas the cost of building the houses themselves is higher. Sites tend to be smaller and therefore it is harder to achieve economies of scale, additionally social housing has a lower ongoing income, meaning the payback period of the development will be longer. The sunk costs of delivering a site of social housing in rural areas will be of a similar level regardless of how many homes are being delivered. For example, costs such as a planning application and associated surveys will cost a similar amount for two homes, as it will for ten.

One solution to addressing these financial barriers is to incentivise landowners to put forward land for development. One incentive which would encourage landowners and would also improve financial viability of sites is to remove capital gains tax liability on sites sold for social/affordable housing. The CLA modelled the cost to HM Treasury of removing the capital gains tax liability on land sold to registered providers; on a small site of 1-2 acres, the liability would be no more than £48,000, which, to the Treasury, is a minimal cost. However, £48,000 on a small site is nearly the same value as five more plots for affordable housing, which would improve viability on these small sites.

Another solution is to allow for a greater level of cross-subsidy on sites for social housing. Planning Policy Wales (PPW) allows sites for 100% affordable housing, defined as small sites, to be brought forward if they are located within, or adjoin, an existing settlement and would otherwise not be allocated in a development plan. These sites are known as Rural Exception Sites (RES). RTPI Cymru<sup>1</sup> acknowledges that there is no consensus on whether PPW should be amended to allow market-housing to cross-subsidise affordable housing on RES. Conversely, the National Planning Policy Framework in England allows local planning authorities to consider whether to allow some market housing on RES to facilitate the delivery of affordable housing to meet local needs. If an element of cross-subsidy was allowed, it would increase the income achieved on the site which would offset the higher cost of developing social homes in rural areas.

### **Recommendations**

- **Support the amendment of section 269 Taxation of Chargeable Gains Act so that all sales of land to registered providers is treated as made on a no gain, no loss basis, effectively providing relief from Capital Gains Tax on these disposals.**
- **Amend Planning Policy Wales to allow an element of cross-subsidy market housing on rural exception sites.**

### **How housing standards and decarbonisation affect the delivery of new social housing**

Housing standards are incredibly important, and the Welsh Development Quality Requirements 2021<sup>2</sup> are admirable in their aim. However, the requirements set a standard of EPC 'A' for all new build dwellings, which also must not have fossil fuel heating. While the CLA appreciates the need to decarbonise our housing stock, and that we should, wherever possible, be moving away from carbon intensive heating options, the reality is that, particularly in rural areas, the capacity of the electrical grid is not sufficient to install electric heating in all new build homes.

An inquiry into Grid Capacity in Wales<sup>3</sup> found that “delays and upfront costs [of increasing grid capacity] are often greater in rural areas, which lack existing grid infrastructure”. Additionally, the inquiry acknowledged that 25% of Wales is in a National Park or Areas of Outstanding Natural Beauty, and there was a strong presumption that cables for increasing capacity should be laid underground. Underground grid infrastructure is “expensive and hugely disruptive” and therefore it is likely that these protected landscapes will instead be avoided when upgrading grid connections. If these areas are left behind, they will remain isolated from low-carbon energy options, and it will be very difficult to install the infrastructure required to deliver net zero social housing. The result will be that social homes are not built in rural areas, because the cost of developing them to the new requirements are too high.

### **Recommendations**

- **Welsh government should consider flexibility on the Welsh Development Quality Standards for social housing in rural areas, particularly where grid connection costs to meet EPC 'A' and the requirement to install electric heating are prohibitive, and the homes would otherwise not be developed.**

### **How effectively the planning system is supporting social housebuilding**

The Rural Growth Cross-Party Group (CPG) held an inquiry into rural productivity in Wales<sup>4</sup>, where one topic of the inquiry was to explore housing and planning. It was clear from those who gave evidence at the inquiry that the planning system was impacting Wales's ability to deliver homes at a sufficient rate to meet housing need. It quoted that housebuilding in Wales has declined since 2015/2016, with only 5,785 completions in 2022/23. Some of the issues highlighted were the increase in fees charged for services against the level of services delivered; the speed in which planning applications are processed; the speed of external consultee responses to planning applications; and the level of training provided to planning committees.

Many of these issues could be solved and encourage great social/affordable housebuilding if two changes were implemented; firstly, the Welsh government could increase support for Rural Housing Enablers (RHEs). RHEs are independent from local authorities and can engage all parties involved in delivering affordable and social housing in rural areas, including communities, community councils, local planning authorities, and members of

planning committees. RHEs also have the important role of assessing housing need, and therefore the level of housing required in an area. Since a package of funding for RHEs in Wales in 2014, their coverage has declined. If Welsh government were to introduce a new package of funding for RHEs, the number of sites for social housing should increase, and the awareness of the importance of rural affordable housing should increase amongst local councils, including planning committees.

Secondly, social housing delivery would be improved by introducing a bespoke Permission in Principle route for Rural Exception Sites. The CLA has co-developed the Planning Passport, a new mechanism for delivering Rural Exception Sites which aims to speed up the implementation of existing RES policy. It splits the planning process into two distinct stages, the requirements of which reduce risk and increase certainty, leading to more delivery of affordable housing in small rural communities. The Planning Passport lowers upfront costs at stage 1, and clearly defines what reports and information will be required at stage 2. Achieving permission in principle at stage 1 gives greater certainty to those delivery affordable housing. The Planning Passport also strengthens officer, elected member and community support for a scheme by requiring the tenure mix to be a part of the application. Upfront community engagement ensures transparency throughout the process.

A significant barrier to all housebuilding, including social housebuilding, is the planning moratorium on development in Special Areas of Conservation (SAC) due to phosphate loading. No applications can be approved in these areas unless it can be demonstrated that they will not add phosphates to the water in the area. It is unclear how this can be demonstrated which has led to a backlog of applications. Until clearing this backlog is prioritised, and a solution agreed, social housebuilding in SACs will remain a near impossibility.

## **Recommendations**

- **Provide additional funding for an extra two planning officers in all 25 local planning authorities in Wales.**
- **Ensure that all local authorities have up-to-date local development plans that accord with Planning Policy Wales and *Future Wales: the national plan 2040*.**
- **Create a route of Permission in Principle specific to Rural Exception Sites to encourage their greater use, the Planning Passport.**
- **Increase the urgency of the actions stemming from the *Relieving pressure on Special Areas of Conservation (SAC) river catchments to support delivery of affordable housing programme* and provide additional funding to do so.**

## **How to improve the strategic management of public and private land for social housebuilding, including compulsory purchase**

Allowing local authorities to force landowners to sell their land for social housebuilding via compulsory purchase would be very damaging. Farmers are already hard-pressed and forcibly taking land from them risks upsetting the profitability of their business. Many CLA members would willingly put forward land for development. Engaging positively and encouraging them to sell land, rather than forcing their hand through a compulsory purchase process, will result in better and more sustainable housing development. Engaging positively will mean that land, which is best suited for housing development, as well as reducing any severe impact on a farm's profitability, will be put forward for development. The issue is not that landowners do not want to provide land for social housebuilding, it is that the planning system at a national and local level has not been operating effectively – compulsory purchasing land will not solve this problem.

We would however support the prioritisation of public buildings and land being sold for affordable or social housing development. This would be of particular value for community groups looking to deliver housing. In 2010 there was funding available for communities to purchase publicly owned land and buildings in Wales through the Welsh Government's Community Asset Transfer Fund. However, this did not fund projects which were solely for housing. As of 2022 there were no homes completed by Community Land Trusts in Wales<sup>5</sup>. By encouraging Community Land Trusts and easing their ability to purchase publicly owned land and buildings, this should increase the amount of affordable housing built in Wales, using community engagement rather than forcefully purchasing land from landowners.

## **Recommendations**

- **Explore options for enabling community groups to purchase public buildings and land to be developed for affordable housing.**

## **The potential for increasing income from land value capture mechanisms to invest in social housing**

The rise in the value of land that is generated by the grant of planning permission, known as uplift, is undoubtedly significant, particularly in certain areas of the country. The proportion of this value, however, which is then taken by Government, at a local and national level (Land Value Capture (LVC)) and the amount that the landowner receives, is much less clear. Understanding what proportion of uplift Government is currently capturing from developments is important, before exploring the potential for more to be taken.

In 2019 the CLA surveyed members across England and Wales about planning permissions obtained on their land since 2011 and asked them to provide financial details of the development. Our survey was to understand what value of land is captured already; to calculate the LVC on these developments we included the cost of Section 106 agreements which included affordable housing contributions, and also included any Community Infrastructure Levy payments and taxation. These were included as the residual land value method is used by most developers and registered housing providers, with any contributions called 'developer contributions' being simply subtracted from the land value, and therefore ultimately lowering the price the landowner receives. Our analysis showed that 57% of the uplift after planning permission was captured by Government, whereas the landowner retained an average of 43% of the uplift. S106 contributions made up on average 81% of the value captured by government.

Our LVC survey demonstrated that the land value captured is already significant. While increasing the income received from land value capture may be assumed to increase funding available to invest in social housing and deliver more homes, in fact the opposite may be true. By reducing the amount the landowner receives, it could disincentivise them putting forward land for development, resulting in less social housing being built.

The Home Builders Federation in 2023 published a report<sup>6</sup> exploring unspent developer contributions in England and Wales, it found that the 14 Welsh Councils which responded to an FOI request, had a combined £71,405,329 of S106 contributions which were unspent. Welsh government should first encourage local authorities to spend these developer contributions, before exploring how to capture more land value.

## **Recommendations**

- **Encourage local authorities to allocate unspent developer S106 contributions, which in Wales amounts to over £71 million.**





promoting equality in housing  
hybu cydraddoldeb ym maes tai

## Tai Pawb

### Response to:

April 2024

Prepared by: David Rowlands

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## Who we are

Tai Pawb (housing for all) is a registered charity and a company limited by guarantee. We are Wales' leading national organisation promoting equality and diversity in housing. We imagine a Wales where everyone has the right to a good home. Too many people in Wales don't have somewhere to live in security, peace, and dignity: we are determined to change that. We support and work with our members to help them put ideas into practice while influencing policy makers to make housing policy fair. We are the thought leaders on equality, diversity, and human rights issues for the housing sector and beyond.

Tai Pawb operates a membership system which is open to local authorities, registered social landlords, third sector organisations, other housing interests and individuals.

## What we do

Tai Pawb works closely with the Welsh Government and other key partners on national housing strategies and key working groups, to ensure that equality is an inherent consideration in national strategic development and implementation. The organisation also provides practical advice and assistance to its members on a range of equality and diversity issues in housing and related services, including QED – the equality and diversity accreditation for the housing sector.

For further information visit: [www.taipawb.org](http://www.taipawb.org)

Charity registration no. 1110078

Company No. 5282554

## 1. Introduction

- 1.1 Tai Pawb welcomes the opportunity to respond to this consultation on Social Housing supply in Wales. We believe social housing plays an essential role in addressing poverty, including housing (and wider) inequalities. Wales' housing emergency highlights social housing is needed more now than ever. The aftermath of Covid-19, rising cost of living, Ukraine, and Afghan refugee crises and significant challenges in adequately financing public services mean housing is under unprecedented, sustained pressure. Inflation has left social landlords struggling to maintain and build new properties. With record numbers in Temporary Accommodation and a huge waiting list for social housing, **we need more social housing** in Wales. We recognise Welsh Government's commitment to creating 20,000 social homes over this Senedd term. While we commend this commitment, alone it is insufficient to resolve our housing emergency.
- 1.2 This submission will focus on the areas relating to social housing and our expertise around tackling inequalities. Initially, we'll focus on a right to adequate housing and the "bigger picture" questions we feel need to be posed. Following this, we'll provide more detail into specific areas including ensuring the right type of homes, the planning system, investment, and acquisitions.
- 1.3 Our [Back the Bill](#) partners Shelter Cymru and the Chartered Institute of Housing Cymru will also be responding to this consultation, and we endorse their responses. As a coalition, we believe there is an urgent need in Wales for 'systems change' in our approach to housing. This starts with considering the housing system as a whole, recognising interdependencies exist.
- 1.4 Tai Pawb welcomed the opportunity to present verbal evidence at the Committee's recent hearing into the Private Rental Sector. At the conclusion of the session, there was broad discussion and agreement on the need to broaden these focused conversations to look at the bigger

picture. Doing so can allow for longer-term, collaborative, and sustainable change. Without this, we fear our housing emergency will continue and people across Wales will struggle to have the suitable, affordable, and safe home they deserve.

## 2. The role of social housing in Wales

### 2.1 Social housing provides [affordable, good quality and secure homes](#).

Given the cost-of-living crisis, challenges in the PRS and the need to decarbonise our housing stock - clearly social housing is one piece of the jigsaw to solve our housing emergency. But social housing does not operate in a vacuum - it's one part of the housing system in Wales. To best understand the supply of social housing it's necessary to first consider the following questions centred around what we as a society want it to fulfil:

- The role of social housing in Wales and its purpose – *What do we want social housing to achieve and how do we know if it's successful?*
- Who social housing is for – *Is it a universal right or should it be more narrowly defined? If it's more limited in scope – how do we define this (and those who are not suitable)?*
- Identify communities currently poorly served by social housing – *Understand whether there are any communities (of both people and place) currently poorly served by social housing – why is this the case and what can be done to rectify it?*
- Identify any complimentary alternatives - *Given the focus on social housing and the Private Rental Sector, identify alternatives to compliment them which meet a need – i.e., Community-land trusts.*

### 3. The need for a housing strategy

- 3.1 While answering the questions posed above may help inform better social housing supply, solely answering these questions in isolation will only provide a partial answer. To fully understand and make the ‘systems change’ we need in housing in Wales – we can’t just have a plan for social housing. Or a plan for the private rental sector, or owner occupiers as all impact on each other. If we want to end our housing emergency, we first need to have a plan for housing in Wales for the 21<sup>st</sup> Century. The type of change required won’t be achieved through investigating and seeking to resolve one area of our housing system at a time. Wales needs a housing strategy – and having this in place should be a priority to carefully plan future policy, laws, and investment.
- 3.2 A housing strategy can ensure a proper evidence-based approach to home building can be developed – based on the number and type of homes across tenure. While there is a lot of emphasis on the 20,000 homes – do we know if this is enough? Research commissioned by Back the Bill partners and undertaken by Alma Economics assumed in addition to the existing commitment, a further [20,000 social homes](#) would be required if we are to meet growing demand. The type and location of homes will also be crucial.

### 4. The right to adequate housing

- 4.1 The summer of 2024 will see the publication of a White Paper on incorporating the right to adequate housing in Wales. We welcome the interest in this area of the Welsh Government and it’s potential to solve the housing emergency. In our view, the right to adequate housing is the essential ‘systems change’ needed to ensure everyone has a home fit for the 21<sup>st</sup> Century. Adequacy is recognised by the UN through a framework of [seven factors](#) (with the recent addition of sustainability) and the changes expected include:

- Decriminalisation of homelessness
- Commitment of the maximum available resources and no retrograde steps
- Community participation in housing planning and strategy
- Additional scrutiny and mechanisms to hold government to account
- The publication of a housing strategy with milestones and timelines to ensure it is achieved.

4.2. Specifically, we believe the right to adequate housing could help deliver more social homes through:

- Increased investment – The right to adequate housing means a commitment to the maximum available resources (including land, staff, finance, and technology). This commitment means the Welsh Government would have to strongly consider the level of resources needed to fulfil the right to housing and consider investing more. While there is a commitment to building 20,000 social homes this Senedd term, Alma’s [cost-benefit analysis](#) assumed a further 20,000 social homes are required to realise a right to adequate housing.<sup>1</sup>
- Political pressure – A right to adequate housing would place increased pressure and scrutiny on the Welsh Government to deliver on its commitments – for instance how it is currently delivering on its commitment to 20,000 additional social homes.
- Community involvement in the planning regime – Enhanced participation would mean that the right types of social homes meeting community’s needs were built. This is essential with an ageing population and high levels of disabled people already accessing social housing.
- Provide and drive a long-term goal and vision – A right to adequate housing would require the Welsh Government to provide a long-term

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<sup>1</sup> To calculate a Cost-Benefit model to realise the right to adequate housing Alma calculated a figure of a further 20,000 social homes. For further information of their model and assumption, see [pages 8-10](#) of their research, “The right to adequate housing in Wales: cost-benefit analysis.

strategy with milestones, costs, and timelines. This would help social housing as it would help clarify the number of homes needed, funding to deliver them and how the Government feel social, the private rental, and owner-occupied sectors are interconnected.

- Complement existing (and proposed) policy and legislation – The Welsh Government produced ambitious proposals last year to help end homelessness. While we welcome these proposals, they lacked a focus on supply. Given the focus of the White Paper on extending the groups eligible for support, there will be a natural need to enhance the supply of social homes. We believe a right to adequate housing would therefore strengthen this proposed legislation – as well as others in delivering social housing.

## 5. Progress towards meeting the target of 20,000 low carbon social homes

5.1 We understand from conversations with partners that progress on creating the 20,000 homes has been difficult. Challenges include environmental issues (phosphates), inflation and global supply chain. Recognising these challenges on delivering the target, Tai Pawb's concern is less about the number of homes built, but more about ensuring new homes meet local demand (and sustainability requirements) while having an understanding of who currently uses social housing.

5.2 We know certain groups are overrepresented in social housing. Some 34% of social tenants are disabled compared to 21% the general population, while ethnic minorities make up around 8% of social tenants compared to 6.3% of the population (Census 2021). We also know that Ethnic minority groups are much more likely to experience overcrowding: 3.8% of White British people in Wales experience overcrowding compared to 24.6% of Gypsy or Irish Travellers, 25.5% of Bangladeshi people, 24.5 % of Black African people, 21.2% of Pakistani

people and 19.9% of Arab people (Census 2021). Based on these facts, it's fair to assume that social housing needs to be designed to be suitable for disabled people and ethnic minority groups; some of whom for example are more likely to live in multi-generational homes.

- 5.3 In Wales we have what the EHRC call a [hidden housing crisis](#) – not enough accessible homes. The number of older people with physical impairments is estimated to rise by over [50% between 2015 and 2035](#). Based on what we know around the population currently accessing social housing, it is likely that there will be a growth in the number of disabled people who need social housing or are already living in social housing in the medium–long term. Connected to this issue is accessibility standards for non-social housing which remain basic. There needs to be an increase in private housing accessibility standards and building regulations. In England, the UK Government has [consulted](#) on this. While their building regulations already define a visitable home and a wheelchair accessible home (which Welsh standards don't) which enables them to [forecast delivery](#) compared to need.
- 5.4 Currently there is no national plan for how we will meet this growing need for accessible homes. Data is also limited – with no data available demonstrating to what extent accessible housing need is met or unmet. For example, Lifetime homes and Wheelchair accessible homes. In England, the UK Government is better able to do this because of the English Housing Survey which allows for more [specific plans](#).
- 5.5 The Welsh Government have prioritised a target of creating 20,000 social homes over this Senedd term. While we welcome this ambition, Tai Pawb believe the Welsh Government needs a more detailed understanding of the diverse needs of the people who need social housing. A solely 'unit led' approach means there is a real risk that by focusing on the total number of homes, the wrong type of homes could be built in the wrong places. Resolving this can be achieved through the better alignment of local needs with national data and needs assessment. We strongly believe a Welsh Housing survey would be hugely beneficial to this process and would give more meaning to



targets across all sectors. Data could then be used to guide future policies and targets.

- 5.5 In 2019, the Welsh Government declared a climate emergency and has also published plans to have a carbon free economy by 2050. This is recognised within the target of 20,000 homes with the focus on being low carbon. However, climate change is about more than just reducing carbon footprint. Research by Dr Satish BK looked at kitchens and differences between white British and Asian British households. It found Asian British households studied had much more condensation, higher average temperatures and higher Co2 emissions, due to longer cooking times than average and being less likely to open windows. Given that the weather is likely to be warmer and wetter in the future as a result of climate change– this study highlights a risk for all social housing – especially when there is a focus on houses retaining heat. Therefore, future social houses need to have better ventilation systems in place to prevent damage to people’s homes and also their health.

## 5 How effectively the planning system is supporting social housebuilding

- 5.1 As an organisation, we do not regularly deal with the planning system. As an ethos, Tai Pawb support enhanced participation in the planning system by communities, as outlined by the right to adequate housing. Recognizing participation can come with risks, steps need to be taken to ensure those traditionally marginalised or ‘seldom heard,’ including people with ethnically diverse backgrounds, are heard in the process. Participation should also allow for different communication needs, for instance people whose first language is neither English or Welsh and people who are neurodivergent.
- 5.2 More broadly, we feel research would be beneficial to understand if there are any groups of people who particularly miss out on the planning system in relation to social housing. For instance, are certain types of homes harder to get approval for? Understanding who these groups of people are and why properties suitable for them struggle to be built could see improvements to existing processes.

5.3 Undertaking the research above could allow a wider discussion on which groups of people or communities are negatively affected by the planning system as a whole across tenures. Highlighting whether our current tenure mix is right in terms of owners, private renters, or social tenants and if there is a need for other models to fill this gap. For instance, community land ownership.

## 5. The potential for acquisitions of existing homes and remodelling of existing buildings

6.1 Engagement with our members has identified that there is potential for remodelling existing buildings to better meet the demand for social housing. In particular Taff housing have achieved this through loft extensions and by re-converting buildings previously split into flats into family homes. Doing this successfully not only provides a home but one that best meets the needs of an area and individuals/families within it, as well as tackling overcrowding. We know that overcrowding particularly affects certain ethnic minority communities - therefore there are opportunities to use this approach in certain areas, easing housing challenges while helping Wales become an anti-racist nation.

6.2 Caerphilly Keys, led by Caerphilly County Borough Council, helps private landlords find long term tenants for properties, while also preventing homelessness. Support offered includes managing a tenancy, budgeting, maximising income, alleviating debt, support with education, learning and employment, and referral to other organisations. One landlord who has used the scheme for many years commented: “Working with the Local Authority to provide suitable accommodation in this difficult sector and receiving their guidance and support at every turn, has been to our mutual benefit. The Local Authority has access to resources far beyond ours, not only within the Authority but also in the private sector. These include health, mental health, drug dependence, debt, counselling, etc.”

6.3 Given the challenges around interest rates rises, and in particular difficulties for the buy-to-let market, there may be increased numbers of landlords looking to sell properties. This is supported by evidence in last year’s Green Paper into the right to adequate housing highlighting a number of landlords are either at or approaching retirement age and

may be looking to leave the sector soon. Now might be a good time for increased funding to allow Social Landlords to purchase homes and convert them to social lets. This would have the short-term benefits of increasing the number of affordable and social homes, reducing the competition while in the longer-term helping to rebuild our social housing stock.

## **7. Conclusion**

7.1 Wales needs more and better social housing to help resolve it's housing emergency. While the Welsh Government recognises this in its target of 20,000 social homes this Senedd term, it's not clear how this target was set and how many further social homes will be needed to truly tackle Wales' housing crisis.

7.2 Taking a step back, while it's clear we need more social homes – this is only part of the solution. We first need to understand and identify:

- The role of social housing
- Who is it for?
- Identify communities currently underserved by social housing
- How many homes and where should they be?

7.3 These questions need to be fully explored in how they fit in with the wider housing sector. To do this, we need a Welsh Housing strategy. We believe this can be one of the first steps in achieving the 'systems change' required to resolve our housing emergency.

**Senedd Local Government and Housing Committee**  
**Social housing supply inquiry**  
**April 2024: Crisis response**



## About Crisis

Crisis is the national charity for people facing homelessness across Wales, Scotland and England. We know that homelessness is not inevitable, and we know that together, we can end it.

We provide services directly to people experiencing homelessness, carry out research into the causes and consequences of homelessness, and campaign for the changes needed to end it.

## Introduction

A safe and settled home is the foundation on which people can build a decent life and meet their true potential. Having a decent home is vital for good health and wellbeing and makes it easier for people to succeed at work and in education, to maintain relationships with family and friends and to contribute to their community. Making sure that everyone has a safe and affordable home benefits us all.

However, the chronic undersupply of housing in Wales means that thousands of people are living without a home - the most recent annual statistics show that 12,537 households were homeless during 2022-23<sup>1</sup> and the most recent monthly statistics show that 11,501 individuals are living in temporary accommodation, while 126 people are sleeping rough.<sup>2</sup>

Our Homelessness Monitor Wales in 2021 reported that 18 of 22 local authorities disagreed or strongly disagreed that social housing provision in their locality was adequate.<sup>3</sup>

Nearly 8,000 people are on the waiting list for social housing in Swansea<sup>4</sup>, where our Crisis Skylight South Wales Centre is located. The length of social housing waiting lists affects Crisis members in the following ways:

- **Temporary accommodation** – many of our members are stuck in temporary accommodation for several months, and in some cases, years. This accommodation is often substandard and unsuitable, which can strip a person of their dignity and leave them with little autonomy and control over their own lifestyle and future. In temporary accommodation, our members often lack basic laundry and cooking facilities and face restrictions on visitors, curfews or requirements to report at a certain time.

<sup>1</sup> Welsh Government (2023) [Homelessness: April 2022 – March 2023](#).

<sup>2</sup> Welsh Government (2024) [Homelessness accommodation provision and rough sleeping: January 2024](#).

<sup>3</sup> Fitzpatrick, S., Pawson, H., Bramley, G., Young, G., Watts, B. & Wood, J. (2021) [The Homelessness Monitor: Wales 2021](#). London: Crisis

<sup>4</sup> Youle, R. (2024) [Housing waiting list is now around 8,000 in Swansea](#). Wales Online.

- **Deterioration of mental health** – lack of access to social housing and the uncertainty caused by the length of waiting lists increases anxiety and depression.
- **Unsuitable alternative housing** – because of the lack of social housing available, our members often feel pushed into housing that is unsuitable for their needs. This can include unaffordable and/or uninhabitable private rentals, as well as feeling under pressure to accept an unsuitable social housing placement. This, in turn, can increase the risk of repeat homelessness.
- **Distrust in public services** – some of our members have lost belief that they will ever be allocated a social home, which leads to feelings of hopelessness and a lack of trust in the system.
- **Re-offending and return to prison** - some of our members are prison leavers who are trying to make a positive change to their life, but rehabilitation and reintegration into the community can be extremely difficult without access to stable housing.

Crisis is also acutely aware of the pressures that the lack of social homes and, in turn, the dependency on temporary accommodation places on local authority support services. For example, in a recent report on homelessness services in Flintshire, Audit Wales reported that the council forecasted a spend of £4.847 million on bed & breakfast / hotel accommodation in 2023-24 compared to £1.503 million in 2022-23.<sup>5</sup>

### **Housing supply and the commitment to end homelessness in Wales**

Crisis welcomes the Welsh Government's outlined commitment to ensure homelessness in Wales becomes rare, brief and unrepeatable. As set out within the Welsh Government's National Action Plan on Ending Homelessness, "supply and availability of housing for households who have experienced or face homelessness plays a vital role in meeting this objective." As part of this, the plan also commits to moving towards a model of rapid rehousing (where everyone can access a stable home as swiftly as possible) and, crucially to ensuring that plans to increase housing supply matches housing needs.

While the Welsh Government has taken strides forward in aspects of the Action Plan, such as its recently published White Paper to overhaul homelessness legislation and ensure support is more inclusive, it is clear that there remains a distance to travel in addressing the issues with housing supply across the country.

Indeed, within its most recent annual report, the Ending Homelessness National Advisory Board's (EHNAB) identified that it is "crucial to keep driving forward a step-change in increasing the supply of housing that people can afford."<sup>6</sup> The report added:

*"We must work together to closely evaluate and address the gaps in housing supply which threaten to undermine the transition towards the rapid rehousing approach. Supporting local authorities in their strategic planning and adoption of rapid rehousing is*

<sup>5</sup> Audit Wales (2023) [Homelessness services – Flintshire County Council](#)

<sup>6</sup> Ending Homelessness National Advisory Board (2023) [Annual Report to Welsh Ministers 2022-23](#)

also crucial, given that this is so fundamental in making homelessness rare, brief and unrepeated.”<sup>7</sup>

Similarly, the Expert Review Panel, which was tasked with making recommendations to the Welsh Government on how legislative change can help to end homelessness in Wales, emphasised:

*“While the panel believes these recommendations to be a robust package of reforms, it is imperative that appropriate resourcing accompanies the reforms and that the underlying deficits in housing supply are addressed. Throughout the past year, the panel has heard concerns from all corners that our homelessness support services are under unprecedented pressure and that the social housing supply across Wales falls far short of matching demand. Although changes to the law certainly set clear baseline standards, these standards will not be consistently met without sufficient investment in [...] housing supply.”<sup>8</sup>*

If we are to achieve the aims of the Welsh Government’s Ending Homelessness Action Plan and truly end homelessness in Wales, it is abundantly clear that we need social homes to be delivered at pace – homes that deliver against the wide-ranging housing needs of those who are facing homelessness. We are therefore pleased that the Committee is conducting this inquiry to understand how the supply of social housing can be accelerated in Wales and have provided evidence corresponding to the terms of reference below.

## **Inquiry terms of reference**

- 1. Progress towards meeting the target of 20,000 low carbon social homes for rent; and the extent to which current and projected levels of social housebuilding are likely to meet housing need**

Crisis understands that while progress has been made towards the target of 20,000 low carbon social homes for rent, it is unclear whether the target will be met by 2026. We are aware that there have been a number of challenges in meeting this target, including issues around phosphate levels, flooding, delays within the planning system and increased construction costs. It is our understanding that, as a result of these challenges, Welsh Government officials are looking beyond new builds and including acquisitions in working towards this target.

We understand that Audit Wales will be publishing a report later this year assessing progress towards meeting the target and would advise the Committee to scrutinise the findings of the report.<sup>9</sup>

As outlined within the Welsh Government’s National Action Plan to End Homelessness, it is important that we ensure data on housing need drives and connects to the social housing that local authorities plan and build across Wales. We know there is a particular problem with the supply of certain types of housing required to meet the housing needs

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<sup>7</sup> Ending Homelessness National Advisory Board (2023) [Annual Report to Welsh Ministers 2022-23](#)

<sup>8</sup> Expert Review Panel (2023) [Ending Homelessness in Wales: A Legislative Review](#)

<sup>9</sup> Audit Wales (2024) [Annual Plan 2024-25](#)

of people experiencing and at risk of homelessness. For example, there is a severe shortage of one-bed properties which makes it difficult to find properties for homeless single people, and a lack of suitable properties for larger families,<sup>10</sup> as well as a lack of suitable accommodation for disabled people and people with complex health needs.<sup>11</sup>

The Welsh Government has recognised that in order to end homelessness, we must ensure that our social housing supply is able to deliver “*the right homes in the right communities with the right support, in order for people to succeed and thrive*”.<sup>12</sup> However, while there are mechanisms in place to assist with aligning housing need with supply, it remains to be seen whether or not the social housing programmes that are currently underway will effectively achieve this aim.

Indeed, within its report to the Welsh Government, the Expert Review Panel recognised that:

*“...existing legislation requires local authorities to produce various strategies, including the Homelessness Strategy and, at present, Rapid Rehousing Transition Plans. Guidance calls for these strategies to be utilised in “co-ordination between the planning cycles.” However, the panel understands that these strategies are not working effectively to increase housing supply in practice.”<sup>13</sup>*

To this end, the panel emphasised the need for the Welsh Government to address this issue in tandem with legislative reforms.

Crisis is aware of a number of areas of ongoing work which seek to ensure that housing need and planning better align, but much of this work is still under development (as outlined below).

Firstly, Crisis is aware that the Welsh Government recently moved to a new LHMA template and, in line with the recommendation from the 2019 review,<sup>14</sup> requested each local authority to submit returns to Welsh Government by 31 March 2024. While there has yet to be any data published from this, we understand that engagement levels have varied across local authorities. It will be important that the Welsh Government carefully analyse the LHMA returns and consider whether these returns are sufficiently encapsulating the level of housing need.

In addition, Rapid Rehousing Transition Plans should be at the heart of strategic local plans for developing housing supply that aligns with local housing needs. Moving towards a rapid rehousing approach is a crucial part of ending homelessness in Wales, but this simply cannot be achieved without addressing the relevant gaps in housing supply. While Crisis is pleased that the Welsh Government called for all local authorities to produce a Rapid Rehousing Transition Plan, we are aware that progress in developing these plans varies across different local authorities. A clear review of these plans and the processes involved in their development is needed to ensure the commitment to rapid

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<sup>10</sup> Expert Review Panel (2023) [Ending Homelessness in Wales: A Legislative Review](#)

<sup>11</sup> Equality and Human Rights Commission (2018) [Housing and disabled people: Wales' hidden crisis](#)

<sup>12</sup> Welsh Government (2021) [Ending Homelessness in Wales: A High Level Action Plan 2021-2026](#)

<sup>13</sup> Welsh Government (2021) [Ending Homelessness in Wales: A High Level Action Plan 2021-2026](#)

<sup>14</sup> Independent Review of Affordable Housing Supply (2019) [Final Report April 2019](#)

rehousing is appropriately reflected in plans for increasing housing supply across the nation.

Crisis is currently working with Heriot Watt University on the latest edition of the Homelessness Monitor for Wales, and we hope that this will provide further insight on the status of Rapid Rehousing Transition Plans and the barriers towards their progress. Anecdotally, we understand barriers that local authorities have faced in producing these plans, include a lack of buy-in from planning colleagues and from elected council members. It is imperative that the Welsh Government continues to drive forward the Rapid Rehousing agenda, continuing to support the development of Rapid Rehousing Transition Plans and placing particular emphasis on the importance high-level strategic ownership of these plans across local government departments.

Crisis is pleased that the Ending Homelessness National Advisory Board has emphasised the need for a *“greater understanding of the approach across local government departments as well as strengthened strategic collaboration to ensure efforts to increase housing supply are effectively matched to plans for a Rapid Rehousing approach.”* To this end, the Board’s Rapid Rehousing Task and Finish Group intends to embark upon a project which will deep dive into three local authority areas, analysing how data and information on the housing needs of people who are experiencing homelessness informs the delivery of housing supply, both in planning and in practice. The group intends to use this analysis to identify detailed recommendations for how local authorities across Wales can improve the alignment of the needs of those experiencing homelessness with the expansion of housing supply, drawing on good practice, learning and any identified barriers. It will be imperative that learnings from this work are brought forward to improve systems across the country.

In summary, it is important to maintain a focus on the 20,000 target, but it is also crucial to consider whether the types of social homes made available within this target will meet housing need and alleviate the stresses in the system and rising levels of homelessness. It is imperative that the Welsh Government continues to explore how strategies can better align to build more social homes at pace that match housing need and addresses homelessness across local demographics. It will be of upmost importance that learnings from the areas of work outlined above are brought forward, and that there is careful and continuous monitoring of progress in this area. If we are to truly end homelessness in Wales, we must ensure that the funding and planning of social and affordable homes in every local authority connects with the Welsh Government’s national commitment to make homelessness rare, brief and unrepeatable.

Crisis would also like to take this opportunity to highlight that, as highlighted above, the need for social housing is growing – not least because increasing numbers of people are presenting to their local authority as homeless. This not only points to the importance of meeting this target, but also to consider how social housing supply must continue to grow at pace beyond meeting this target.



## 2. The challenges faced by social landlords in increasing supply

Crisis enjoys good working relationships with organisations across the housing and homelessness sector in Wales, including registered social landlords. From our engagement with our colleagues within the sector, as well as policy research, we understand that social landlords are facing many barriers to increasing supply. These include but are not limited to:

- Cost of borrowing – high interest rates negatively affecting the financial viability of developments
- Skill gaps within the planning and construction sectors<sup>15</sup>
- The cost and availability of construction materials, particularly since Brexit
- National Resources Wales environmental targets (phosphates)
- Planning system – delays, politicisation and stigma (explored further in response to **Question 5**)
- Barriers and challenges of joint working with local authorities
- Fluctuation in grant rates for development of new social housing

## 3. How housing standards and decarbonisation affect the delivery of new social housing

Crisis believes that meeting housing standards and decarbonisation targets is an important part of ensuring that new and existing housing can realise its potential as truly sustainable homes that meet the needs of current and future generations of Wales.

Housing standards are essential to ensuring that newly delivered housing provides an environment where people can make a home where they feel safe and that their dignity is protected. We know from our work with people with lived experience of homelessness that this is key to preventing and sustainably ending homelessness.

The decarbonisation of housing will also help to ensure that homes in Wales are sustainable – energy efficiency is essential for reducing fuel poverty and ensuring that people living in social housing can afford to heat their homes.

In efforts to achieve high quality housing and the decarbonisation of housing, we must ensure that the people living in social housing are not shouldering the costs of improvements via increased rent levels.

We support the Welsh Government's investment in this area and welcome news that the Welsh Government is working with social landlords and local authorities to assess the decarbonisation needs of social housing stock. We recommend that the results of this research inform the establishment of a "fully-costed plan and deliverable timetable and strategy" for decarbonisation at scale, as called for by Community Housing Cymru.<sup>16</sup>

It is important to remember that, whilst meeting these standards and targets incurs significant up-front costs, the benefits of high quality, energy efficient homes justify the

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<sup>15</sup> RICS (2024) [Confidence rises in UK construction sector](#)

<sup>16</sup> Senedd Climate Change, Environment, and Infrastructure Committee (2024) [Scrutiny of the Welsh Government Draft Budget 2024-25](#)

investment in the longer term, not just within housing budgets, but across the public sector.

For example, Public Health Wales research shows that every £1 spent on improving warmth in homes occupied by vulnerable households yields £4 in health benefits.<sup>17</sup>

Adherence to these standards and targets is also imperative in our work towards enshrining the right to adequate housing in Wales.

#### **4. The opportunities and risks in increasing government borrowing and institutional investment**

There is a growing body of evidence to show that increasing UK Government investment in the delivery of homes at social rent levels delivers value for money.<sup>18 19</sup>

Homelessness is not only traumatic on a personal level but can also be costly to the public purse, so it makes economic sense to invest in social housing as part of strategy to prevent and end homelessness. Investment would play a critical role in reducing housing waiting lists and, in turn, reduce reliance on expensive and unsuitable temporary accommodation.

We also know that longer-term homelessness and poor housing standards often lead to increased and more complex health and support needs, which incurs costs for health and social care. Public Health Wales estimate that poor quality housing in Wales is costing the Welsh NHS more than £95m per year in first year treatment costs alone and that the overall cost to Welsh society is over £1bn.<sup>20</sup>

In the long-term, increasing investment in this area will lead to savings across the Welsh public sector, especially as it works in tandem with other areas of the ending homelessness national plan to ensure that homelessness becomes rare, brief and unrepeatable in Wales.

To maximise opportunities for local authorities to invest in social housing, Crisis supports the case for reform of the UK's fiscal and accounting rules to bring us in line with other OECD countries and facilitate borrowing for investment.

Current UK Government fiscal rules mean that additional local authority borrowing counts against public sector debt, even though the borrowing is fully self-financed from local authority housing revenue accounts and social housing owned by local authorities is run by public corporations. Under these rules, if local authorities borrow money to

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<sup>17</sup> Watson I, MacKenzie F, Woodfine L and Azam S. (2019) [Making a Difference. Housing and Health: A Case for Investment](#). Cardiff, Public Health Wales.

<sup>18</sup> House of Commons Committee of Public Accounts (2022) [The Affordable Homes Programme since 2015: Twenty-Ninth Report of Session 2022–23](#)

<sup>19</sup> CEBR (2024) [The Economic Impact of Building Social Housing](#)

<sup>20</sup> Watson I, MacKenzie F, Woodfine L and Azam S. (2019) [Making a Difference. Housing and Health: A Case for Investment](#). Cardiff, Public Health Wales.

increase social housing supply, this is added to public debt. It would be possible however for the UK Government to reform these rules, bringing the UK in line with other countries.

In accounting terms, public corporations are public sector bodies which are judged to service their debts principally from their own revenues. In the UK, this includes borrowing within their housing revenue accounts by local authorities. Many other countries exclude borrowing by public corporations from their measure of national debt on the grounds that these agencies are responsible for servicing their debts from their own revenues. However, in the UK this borrowing is treated as part of the overall debt figure that national government is seeking to minimise. If the UK Government were to align with practices in other OECD countries, it would mean that it no longer had to monitor borrowing for council housing investment in the same way as it controls other public borrowing. This would allow councils to manage their borrowing within levels permitted by borrowing rules, in a similar way to housing associations, without this prejudicing the government fiscal targets.

The UK Government is also unusual in the way it sets its fiscal targets, often without regard to whether government borrowing is financing a current deficit, or whether it creates an investment in an asset (such as new homes). We believe that the UK Government should adopt fiscal rules which reflect a preference for borrowing that creates an asset, a further way of promoting investment by local authorities in new housing.

## 5. How effectively the planning system is supporting social housebuilding

As outlined at the start of this response, Crisis is pleased to be supporting the Ending Homelessness Advisory Board as it seeks to embark upon 'deep dive' research into three local authority areas in order to assess how effectively planning systems and information on the needs of those facing homelessness in the locality interconnect. It will be imperative to take on board learnings and recommendations from this work across the nation.

More generally, we often hear that the planning system presents obstacles to fast-paced delivery of social housebuilding – a sentiment that was echoed during stakeholder engagement sessions as part of our work on the Ending Homelessness Expert Review Panel last year.

In the last Senedd term, the Public Accounts Committee conducted an inquiry on the effectiveness of Local Planning Authorities in Wales. The Welsh Government accepted all the recommendations within the Committee's report<sup>21</sup>, and it would be useful to be provided with an update on the progress of realising these recommendations.

We were particularly concerned to hear evidence raised during this Committee inquiry suggesting that Section 106 agreements are not being adhered to, likely because of local authorities' lack of capacity to enforce them.<sup>22</sup> These agreements can include vital

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<sup>21</sup> Minister for Housing and Local Government (2021) [Response to the Senedd Cymru Public Accounts Committee Report on Local Planning Authorities](#)

<sup>22</sup> Senedd Public Accounts Committee (2020) [Inquiry into the Effectiveness of Local Planning Authorities in Wales](#)

commitments on affordable housing and Crisis would, therefore, welcome investigation as to whether these aspects of agreements are being enforced. Furthermore, Crisis is aware that guidance for local authorities on using Section 106 to deliver affordable housing was last updated in 2009<sup>23</sup> and would suggest that there may be benefit in considering a refresh of this guidance in light of the current housing landscape.

We have heard from our partners within the housing and homelessness sector that planning departments within local authorities are under-resourced, and that this is leading to a variety of problems, including delays with planning consent.<sup>24</sup>

As well as lack of capacity and resource, we are also concerned that the over-politicisation of the planning process is slowing down the development of new social housing. We worry that the stigma attached to social housing is influencing planning decisions. Whilst we understand the need for democratic accountability, we feel that this can only be truly realised if decision makers fully understand the vital role of social housing in society, and particularly its role in preventing and ending homelessness. Raising awareness of homelessness and debunking generalised stereotypes would be beneficial in this regard.

We also feel that part of the solution to this problem is ensuring join-up of the many departments within local government which contribute to this area of work. As identified earlier in this response, it will be particularly important to ensure that in addition to housing support teams, lead planning officers also hold ownership of local Rapid Rehousing Transition Plans. We are pleased that planning is now part of the Cabinet Secretary portfolio which also includes housing and local government, and hope that work in this area could become a part of this portfolio.

## **6. How to improve the strategic management of public and private land for social housebuilding, including compulsory purchase**

Crisis is aware that acquiring land for house building, including for homes for social rent, is expensive and slow. We need to make it easier and cheaper for developers to secure land to build homes for social rent.

We support calls for the public sector to have more control over the strategic management of land and the establishment of a publicly accountable corporation to lead on this.

We welcome the provisions included within the UK Levelling Up and Regeneration Act 2023 which strengthen council powers to capture more of the value of any uplift in land value generated by planning permission ('hope value') for the benefit of the community. We were pleased to see that Julie James, then Minister for Climate Change, confirmed their applicability in Wales in August 2023 and emphasised that the Welsh Government is committed to improving the compulsory purchase process to encourage greater use of

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<sup>23</sup> Welsh Government (2009) [Affordable housing using section 106 agreements: guidance](#)

<sup>24</sup> Hill D., Buckle, C., Williams, E. (2024) [Welsh Housing Market and Supply Update](#). Savills.

the powers.<sup>25</sup> We would welcome further consideration and/or guidance on how local authorities can utilise these powers effectively.

We are also aware that the Bevan Foundation, Housing Justice Cymru and Cwmpas are just beginning a research project in this area, and would advise that the Welsh Government consults this research when it is published.<sup>26</sup>

## **7. The potential for increasing income from land value capture mechanisms to invest in social housing**

Land value capture mechanisms play an important part in ensuring that the benefits of land value increases are invested back into communities. Crisis believes there is certainly room for improvement in this area.

Firstly, the Welsh Government should look to increase the contribution made through Section 106 to deliver social housing, ensuring that local plan policy targets are grounded in robust assessments of local need that include appropriate provision for social housing.

We also need to ensure that local authorities are maximising the potential of the income they already receive through Section 106 agreements. Research from the Home Builders Federation shows that a significant amount of income from Section 106 contributions is being held unspent by local authorities; they report that a total of £71,405,329 is held unspent in Wales, an average of £5.1 million per local authority.<sup>27</sup> Crisis believes that research must be done as soon as possible to understand why this amount of money is being held unspent to ensure that the spending potential is realised.

## **8. The Welsh construction sector's capacity to build new low-carbon social homes; the potential for acquisitions of existing homes and remodelling of existing buildings**

Whilst Crisis does not have extensive information to share in regard to the capacity of the construction sector, we are aware, as noted above, that there are significant skill gaps within the construction sector.<sup>28</sup>

We understand that work is underway in establishing Unnos and that key objectives will include to improve supply chains, sharing information on modern construction and assisting in bringing empty homes back into use.<sup>29</sup> Each of these objectives are welcome areas of work and we look forward to seeing more detail on plans to develop this work.

Crisis suggests that the Welsh Government works with house builders, education establishments and the construction industry to attract school leavers and apprentices to the construction industry, increasing the capacity of the sector to build more homes for social rent. The Welsh Government should also allocate funding for research and

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<sup>25</sup> Welsh Government (2023) [Levelling-up and Regeneration Bill – Compulsory Purchase Amendments - Hope Value and Compensation](#)

<sup>26</sup> Bevan Foundation (2024) [Optimising socially owned land to boost the supply of social homes](#)

<sup>27</sup> Home Builders Federation (2023) [Section 106 Agreements and unspent developer contributions in England and Wales](#)

<sup>28</sup> RICS (2024) [Confidence rises in UK construction sector](#)

<sup>29</sup> Drakeford, M. First Minister for Wales (2023) [Committee for the Scrutiny of the First Minister: Ministerial scrutiny session - the co-operation agreement 08/12/2023](#)

development of new construction techniques, with the caveat that any new social homes built with new or innovative techniques should still comply with standards around size and quality.

Although Crisis strongly believes that building new social homes is crucial, it is also crucial to ensure that we make best use of existing stock.

There are over 25,000 empty homes in Wales – bringing them back into use is an obvious part of the answer to the dearth of supply. We would welcome further consideration of how effectively the Empty Homes Scheme is progressing.

Similarly, the Welsh Government's Leasing Scheme is a commendable initiative, but application numbers are low, and we are aware that not all local authorities are signed up to the scheme. We would encourage the Welsh Government to consider how the scheme might be further improved in order to attract more local authorities and, in turn, property owners.

To encourage property owners to participate in the Leasing Scheme, we would also advise the Welsh Government to disincentivise property owners from keeping homes empty on a long-term basis by making it clear to the general public that homes left empty on a long-term basis are contributing to the housing crisis and homelessness rates.

Another option to explore would be how homes that have been empty on a long-term basis could be acquired by public bodies and brought into public ownership for use as social housing. This could also extend beyond empty homes into tenanted property acquisition: local authorities, housing associations, or community and cooperative organisations should be supported to purchase housing and convert it into social homes. The Welsh Government should explore how to provide financial support in a way that would minimise the financial risk of investment in this area.

Beyond the conversion of privately-owned residential properties into social homes, there is also the potential to explore how we could maximise opportunities to convert unused commercial buildings into social housing. Given that the spaces within these buildings were not initially designed for residential use, it will be imperative to ensure at the initiation of any such projects that the homes delivered will be able to meet housing standards.

## **9. How local communities can be effectively engaged in social housing developments in their areas.**

Crisis is clear that communities should be engaged in planning for new housing developments. However, we do have concerns that the stigma attached to social housing serves as a blocker to new social housing being built in certain areas.

As explored earlier in this response, making sure that everyone has a safe and affordable home benefits us all. It is imperative that the general public are supported to understand this social context of social housing development and the positive impact that it has on communities.

There are a number of tried and tested ways to engage communities in the planning process – we would like to see efforts to engage with communities encompassing targeted inclusion of people with lived experience of homelessness and groups who are at higher risk of homelessness.

Our Crisis Skylight in Brent, London was involved in facilitating the establishment and work of Harlesden [Neighbourhood Forum](#), to help develop Harlesden Neighbourhood Plan, a document developed through engagement with the community to set out local aspirations for new development<sup>30</sup>.

There is some evidence that areas with neighbourhood plans may be more accepting of housing development, with plans also commonly addressing affordable housing delivery.<sup>31</sup>

We would suggest that the Welsh Government reviews guidance on facilitating community involvement in Place Plans, to help ensure that people with lived experience of homelessness are effectively engaged.

We would also advise that community engagement in social housing development planning adopts the principles of co-production.

When planning engagement, facilitators should conduct an equality impact assessment to ensure that engagement sessions are accessible to all members of the community. We would suggest a range of different formats of engagement to ensure that everyone within the community is empowered to contribute. It is worth noting that online engagement sessions may not be accessible to those who are digitally excluded, whereas in-person sessions may be inaccessible for people with certain disabilities. To ensure meaningful and informed engagement, it is also important to make sure that plain language is used – the use of technical jargon is likely to lead to confusion and disengagement.

## Conclusion

Increasing the supply of social housing is crucial to the success of the Welsh Government's Ending Homelessness Action Plan. We are in the midst of a housing crisis in Wales, with record numbers of us spending prolonged periods in temporary accommodation, unable to move on and rebuild a life beyond homelessness.

In this situation, it is imperative that the Welsh Government looks to make investment in building social homes at pace a clear priority and that this is linked to its ambition and plan to end all forms of homelessness.

Crisis welcomes the Welsh Government's clear acknowledgement of the need to ensure that planning supply effectively aligns with local housing need, particularly the needs of those who are experiencing homelessness. LHMA's, Rapid Rehousing Transition Plans and other strategies have a key role to play in this regard, but much work is needed to instil their effective implementation and realise their full potential. Continued work in developing this alignment is fundamental, as is effective monitoring of these systems. In

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<sup>30</sup> Harlesden Neighbourhood Forum (2019) [Harlesden Neighbourhood Plan](#)

<sup>31</sup> Parker, G. et al. (2020) [Impact of Neighbourhood Planning in England](#)

order to ensure everyone in Wales has a safe place to call home, the Welsh Government must not only drive forward with plans to build more social homes; it must also work to ensure these plans interconnect and dovetail with the needs of those who are experiencing homelessness in every local authority across the nation.

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*Thank you for reading this response. For more information, please email Jasmine Harris, Senior Policy and Public Affairs Officer [jasmine.harris@crisis.org.uk](mailto:jasmine.harris@crisis.org.uk)*



- Progress towards meeting the target of 20,000 low carbon social homes for rent; and the extent to which current and projected levels of social housebuilding are likely to meet housing need
  - The challenges faced by social landlords in increasing supply
  - How housing standards and decarbonisation affect the delivery of new social housing
  - The opportunities and risks in increasing government borrowing and institutional investment
  - How effectively the planning system is supporting social housebuilding
  - How to improve the strategic management of public and private land for social housebuilding, including compulsory purchase
  - The potential for increasing income from land value capture mechanisms to invest in social housing
  - The Welsh construction sector's capacity to build new low-carbon social homes; the potential for acquisitions of existing homes and remodelling of existing buildings
  - How local communities can be effectively engaged in social housing developments in their areas.
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## Inquiry into Social Housing Supply

### Senedd Housing and Local Government Committee

Cwmpas is a development agency working for positive change. We are a co-operative, and our focus is on building a fairer, greener economy and a more equal society, where people and planet come first. The current economic system is failing to tackle the key challenges our communities face today, from climate change to economic hardship. It does not have to be this way. Established in 1982 as the Wales Co-operative Centre, at Cwmpas we have made it our mission to change the way our economy and society works.

Homes are the foundation of our lives. They are essential to our physical health, mental health, and wellbeing. Yet, the current housing system is failing many people who need it to provide them with a solid foundation. We do not have the right number of homes, the right type of homes or homes in the right places.

At Cwmpas, like other third sector partners, we believe that everyone has the right to adequate housing and our Communities Creating Homes programme, funded by the Welsh Government and the Nationwide Foundation, provides advice and support to community groups and organisations across Wales looking to develop their own affordable, low carbon community-led homes. Community-led housing (CLH) involves local people coming together, alongside key stakeholders, to decide what kind of homes and communities they want to live in. People with a shared vision come together and have an influential voice in

the delivery of affordable homes. It can play an essential role alongside councils, developers, and investors to create affordable homes which meet local community needs.

The Communities Creating Homes programme is currently supporting thirty-six community groups and organisations across Wales, with a pipeline to deliver 235 affordable homes of all tenures for people in need. Some groups are delivering affordable homes for themselves, like [Gwyr Community Land Trust](#), some are working in partnership with housing providers to deliver housing for local people in need, like [Nolton and Roch Community Land Trust](#), some are providing housing to meet a specific need, like DreamHome Swansea, a development led by young people with learning difficulties who want more of a say over their homes and futures.

Whilst we are not best placed to respond to some of the questions in this consultation, we can give evidence on the current community-led housing movement, how CLH organisations are working to deliver affordable homes in innovative ways, and the potential to scale this approach to increase supply by removing some of the known barriers.

- **Progress towards meeting the target of 20,000 low carbon social homes for rent; and the extent to which current and projected levels of social housebuilding are likely to meet housing need**

We agree that the supply of social and affordable housing should be a priority for the Welsh Government and believe that community-led housing can play a part in tackling the current housing crisis, by giving people a voice and a choice in their homes and communities.

We were pleased to see a commitment from the Cabinet Secretary for Housing, Local Government and Planning that community-led housing counts towards the 20,000 social homes target, as well as CLH being included in the Programme for Government and Co-operation Agreement. As mentioned above, through our Communities Creating Homes programme, we are supporting a number of CLH organisations across Wales to deliver low carbon social homes for rent, to help reach the target.

However, we need to ensure that any homes delivered to reach the 20,000 homes target are high quality, truly affordable, and meet the need of local communities, including those communities typically marginalised or left behind. We feel that the current assessment method for understanding housing need is not effective and not reflective of the true need. Many communities that we work with will often say that they will not apply to housing need registers as they feel that they will never be rehoused.

Community-led housing is a great approach to delivering homes that truly meets local housing need. Due to the grassroot nature of CLH projects, they will be embedded in their community so will have good grasp on the challenges faced by local people trying to access affordable housing. Projects will also often conduct their own research and consultation to gather data on needs of the local community on a micro level, rather than relying on local authority data, which is often out of date and not relevant. In rural areas CLH organisations will work closely with the Rural Housing Enablers to help determine the local housing need.

This approach results in delivering a wide variety of home types and tenures, which meets the local need.

This approach has been recognised by the Welsh Language Communities Housing plan, which places CLH as central part for understanding and tackling the housing need in areas with high numbers of second homes and holiday lets. We are working closely with the Dwyfor Pilot Project to bring forward CLH projects delivered by and for local people, such as Nefyn Town Trust and Ymddiriedolaeth Tir Cymunedol Bro'r Eifl.

• **The challenges faced by social landlords in increasing supply**

Whilst we cannot speak for social landlords on this matter, we can share the challenges faced by CLH organisations in increasing affordable housing supply.

One of the most significant barriers is the ability for CLH projects to access appropriately priced and structured finance through the development process. CLH organisations face a range of additional funding needs and challenges, reflecting the fact that many groups are relatively new, lack a track record and are under-capitalised as a consequence of either not have a significant existing asset base, equity capital or alternative income streams which can be leveraged.

The following image illustrates the typical funding needs of CLH groups across the five typical stages of a development. Groups typically source finance from a range of sources for grant, debt, and risk capital/equity.

		GROUP	SITE	PLAN	BUILD	LIVE
Activity		Group formation Business plan Incorporation	Site search and identification Land/building secured	Scheme detailed design and plans submitted. PP risk resolved.	Homes built or property renovated. New tenants or owners move in	Properties lived in and managed and maintained
Relative Funding Need	Revenue	High	Medium	Low	Low	Low
	Capital	Low	Medium	Medium	High	High#
Investment Risk Profile		Very High	High	High	Medium	Low
Funding Source		Grant	Grant	Grant	Grant*	
			Risk Capital	Risk Capital	Risk Capital**	Risk Capital**
					Debt	Debt

Based on analysis of the sector, there are a number of key barriers facing groups in Wales.

These include:

- Shortage of grant funding/risk capital for covering upfront pre-development costs such as site searches, development appraisals and undertaking planning applications.
- Lack of dedicated funding for land acquisitions, in particular to allow groups to secure non-public land.

- Low depth of market for secured lending with groups often reliant on a small number of specialist social lenders.
- Lack of a single financial pathway, with groups reliant on making multiple applications to multiple different funders.
- Absence of grant for groups looking to deliver affordable housing but who are unlikely to work with registered social landlords.

Land is another significant barrier to CLH organisations bringing forward affordable homes. The current market-led system is dominated by developers competing for land, which is often in short supply, and therefore, those with the deepest pockets usually win, making it difficult for communities to access land and sites to take a leading and lasting role in developing affordable homes in their areas.

The privatisation and sale of large amounts of public land has led to private landowners having too much power over development in our communities. Private landowners have little incentive to offer consideration to the local community as to how they use their land and who benefits from this. Land has become a capitalist asset and the object of speculative lending and investment. Land and property owners are able to earn and store wealth in the form of rent and appreciation, allowing them to buy even more land and property, which in turn increases their income and drives a cycle of wealth accumulation and increasing inequality.

The uplift in land value when allocated for housing also causes challenges, especially when trying to deliver affordable housing. Many landowners, including public landowners will aim to get best value for their land, or be reluctant to sell it at a reduced cost for affordable housing, if they believe it could be utilised for market housing. A hectare of land is worth, on average, 100 x as much when used for housing. This hope value makes it challenging for groups to acquire land and also affects the financial viability of being able to provide affordable homes, making developments heavily reliant on grant intervention.

This system is not working for communities across Wales. It is causing landowners to hold onto their land and wait for the highest price, which delays the supply of affordable housing. Secondly, it is the landowners that benefit from the uplift in value, even though it is usually the community which has caused the price to rise.

Currently the CLH sector is heavily reliant on philanthropic landowners selling their land privately to CLH projects, sometimes for a reduced cost, because they recognise the value that CLH can bring to a community. This, however, is clearly not an option for every project, and not sustainable in the long term in terms of increasing supply. CLH groups continue to struggle to compete on the open market for land due to upfront capital costs, timescale, and competition.

Planning is another challenging area for CLH projects, but this is addressed in a following question.

- **The opportunities and risks in increasing government borrowing and institutional investment**

We have been pleased to be able to work with Welsh Government over recent years to help CLH organisations access existing government funding streams for pre-development finance, which would not have previously been available to them in the past. Recently we have supported the Gwyr Community Land Trust to access funding from the Welsh Government's Land and Buildings Development Fund which will enable them to purchase a site, undertake the necessary site searches and apply for planning, to bring forward their development of fourteen affordable shared ownership homes for local people in Bishopston, Swansea. We continue to support groups to access this route of funding for pre-development costs.

However, as mentioned above, finance is still a barrier for CLH schemes bringing forward affordable homes. Developing a revolving loan fund for community-led housing could be a way of overcoming this.

In 2019 Cwmpas had conversations with senior Welsh Government civil servants and the Minister responsible for Housing about accessing the underutilised financial transaction capital (FTC) money to develop a Revolving Loan Fund (RLF) model for community-led housing. As a result, Cwmpas commissioned work to create an outline business plan and RLF model. Unfortunately, due to the Covid-19 pandemic, the underutilised FTC was used for Covid recovery. However, the model is still viable, and we are keen to see it being developed.

The fund would provide finance to CLH organisations at three distinct points in their development journey (pre-development loans, development loans, long-term mortgage finance) to address the key financing challenges that arise from the under-capitalisation of groups, combined with the absence of significant levels of grant and appropriately priced risk capital/equity. The fund has been developed with the aim of addressing gaps in existing financing landscape and thereby would look to work with existing senior bank lenders and other funders to ensure that the nature of finance offered is supportive and does not cannibalise or crowd out existing offers.

Local authorities can also play a key role in providing finance support for CLH projects, through commuted sums, income from second homes/empty homes tax, and prudential borrowing. In Pembrokeshire, the local authority provided Nolton and Roch Community Land Trust with one million pounds, from their second home tax income, to buy land to develop nineteen affordable homes for local people in partnership with Ateb Housing Association. We would like to see more local authorities in Wales use these mechanisms to enable more CLH projects to progress and increase the supply of affordable homes for people in need.

- **How effectively the planning system is supporting social housebuilding**

We were pleased to see the release of the updated version of Planning Policy Wales (PPW) earlier this year which includes a reference to CLH organisations being able to deliver affordable homes, as defined by Welsh Government. We are grateful that the Welsh Government continues its support for the CLH sector and recognises the ability of CLH organisations to deliver affordable homes to tackle the housing crisis that we face in Wales.

However, in reality, the CLH organisations that we support are still facing adversity when engaging with some local planning authorities about potential affordable CLH developments, as there is still a lack of awareness and acceptance of CLH. In one example, following a pre-planning submission by a CLH project, the local planning authority has completely disregarded the updates to PPW and seem resistant and reluctant to accept that CLH organisations can deliver truly affordable homes in perpetuity. This is frustrating for groups, who feel that they are being scrutinised more heavily than other housing providers that are bringing schemes forward, which again, is slowing down the supply of affordable homes.

There is a lack of consistency across local planning authorities, with some very supportive and open to CLH developments, but others reluctant and unwilling to engage, despite a clear message in the national policy that CLH organisations can deliver affordable housing. Local authority planning departments are also severely under resourced, which is causing delays to applications being considered, and in turn, delaying the development of new homes.

To overcome some of these challenges, we suggest that Technical Advice Note 2 (TAN2) should include a definition of community-led housing as well as recognise the role CLH organisations can play, alongside RSLs, local authorities, and private developers, in delivering affordable homes. This, we hope, will reinforce, and strengthen the message set out in PPW, and help local authorities understand the role that CLH can play in delivering affordable housing.

Local authorities themselves should also have supportive policies in place that recognise CLH as a way to deliver affordable homes for local people, this could include the local development plan itself, place plans or specific guidance such as Supplementary Planning Guidance. Below are some examples of how local authorities across Wales and the UK have implemented supportive policies of CLH:

[Conwy Place Plan](#) – the recently adopted Colwyn Bay Place Plan includes a commitment to investigating opportunities for community-led housing.

[Pembrokeshire Coast National Park](#) adopted an SPG referencing how community land trusts can bring forward affordable homes.

East Cambridgeshire District council also have [a Supplementary Planning Document](#) for CLH which supports their wider commitments in the [local plan](#).

Community-led housing plays a key role in delivering affordable homes in both the [2023 Bristol Local Plan](#) and [2018 London Housing Strategy](#).

- **How to improve the strategic management of public and private land for social housebuilding, including compulsory purchase**

In March 2022, we published a report titled "[Community ownership of land and assets: enabling the delivery of community-led housing in Wales](#)" to stimulate discussion and innovative thinking on community ownership in Wales in relation to housing, in particular, community-led housing. The report gave several recommendations on how improving

community ownership rights to land and assets in Wales could help bring forward more affordable homes that meets local need. Recommendations included introducing new legislation giving communities power and funding to acquire land and assets for community benefit, including affordable housing, and local authorities using compulsory purchase powers more effectively to bring forward sites for affordable CLH projects. It would give communities a better change to access and acquire private land and assets for CLH, which is currently extremely difficult to do. Communities in Wales are the least empowered across the UK and introducing stronger legislation on community ownership of land and assets, would help bring more homes forward, as well as protecting local assets/services, regenerating high streets, and protecting our natural environment and resources.

Alongside stronger rights for community groups, and as mentioned above, local authorities can enable more affordable CLH scheme to be developed with supportive policies around land/asset disposal/management. In [Bristol](#) and [Liverpool](#), the local authorities both have policies and processes for disposing of publicly owned land for CLH projects. If local authorities across Wales took a similar approach, this would help to scale and speed up the supply of CLH.

CLH can actually be a way of bringing forward sites for developing affordable homes, particularly smaller, more challenging sites, where larger housebuilders cannot or would not want to develop, such as infill or garage sites. In Bristol, the [WeCanMake CLT](#) is using a gentle densification approach, whereby they are working with the local authority to bring infill, garage, and even large back gardens into use for affordable housing. It is highly doubtful that these sites would have been brought back into use without the involvement and leadership by the community.

Other public bodies, such as health boards, fire authorities and Welsh Government itself, should also be required to and have policies to transfer their surplus land and assets for the development of affordable homes.

The Wellbeing of Future Generations Act has placed a duty on these bodies to think long-term, yet some public bodies are still reluctant to sell land for less than best consideration, even for affordable homes projects. If public bodies truly embodied the act, they would appreciate the additional value, both economic and social value, that affordable housing and community-led housing could bring to a local area and sell/lease their land at an affordable price, to ensure affordable homes can be developed to meet local needs.

In one example of this, we are working with a group in Cardiff, Serenity Cohousing, who have identified a suitable site for their affordable social rented project in the city, owned by a public body. Despite a number of attempts by us, and the group, the public landowner seems unwilling to engage in even an early conversation about bringing forward the land for an affordable housing project, despite the site being allocated for housing in the local LDP.

We are working closely with the Bevan Foundation and Housing Justice Cymru on the issue of land supply for affordable housing, as well as many others covered in this consultation. The Bevan Foundation will be conducting research at the potential of land held by different

types of social and public owners for the development of social and community-led housing and the barriers preventing this being done at scale.

- **The potential for increasing income from land value capture mechanisms to invest in social housing**

In our experience the current land value capture mechanisms, such as S106, are not as effective as they could be, and are not bringing forward more affordable housing or the infrastructure required. It is too easy for private developers to negotiate their way out of having to provide affordable homes, land or commuted sums that would benefit the local community.

Community-led housing in itself can capture value for the benefit of the community in perpetuity, by not only providing affordable homes for local people, but often, also delivering other community services and facilities. [Coin Street Builders](#) in London is one example of this. Following a campaign against so much commercial development in an area, which had led to school closure and of loss of key services, a local community came together to change the status quo. The local authority transferred the land to the community organisation at a reduced cost, which enabled the group to develop affordable homes for local people, as well as community space, and an income-generating conference space.

CLH organisations should therefore be considered, alongside local authorities and RSLs, as a vehicle for delivering affordable homes as part of S106 agreements. Priority should be given to onsite provision, but if that is not achievable, then alternative land could be provided for CLH projects, or financial support through commuted sums. Wilsford Community Land Trust in Lincolnshire received £100,000 from North Kesteven District Council' S106 monies. The funding allowed the CLT to purchase a site to bring forward ten affordable homes for local people.

Community-led housing projects across the UK have also developed innovative ways to capturing land value. The [Stretham Model](#) in Cambridge is an example of this. In this case, a community land trust (CLT) has worked with a local landowner to bring forward land for housing, which would not usually be considered because it fell outside of the settlement limits. The landowners received a capital receipt for the land, which is then allocated housing. A percentage in the uplift of the land allocated for market sales is then given to the CLT to cross-subsidise and finance the affordable homes. This model exemplifies how CLH projects can bring forward land for affordable homes otherwise unavailable for development, with a financial model that requires minimal grant funding.

- **The Welsh construction sector's capacity to build new low-carbon social homes; the potential for acquisitions of existing homes and remodelling of existing buildings**

Whilst we are not placed to comment on the construction sector's capacity to build new low-carbon homes, we do feel that CLH can play a role in bringing empty homes back into use and remodelling existing building into community-led homes. Recognising that affordable homes created via this route need to be providing additional affordable homes, rather than safeguarding existing occupied homes.



We are supporting a number of CLH projects that are looking to do just this.

Ymddiriedolaeth Tir Cymunedol Bro'r Eifl are working in partnership with Antur Aelhaearn to bring two empty homes back into use in Llanaelhaearn as part of the regeneration of the local bakery in the village. These two homes, which have been empty for years, will be rented out to local people at an affordable rent.

In Maen y Groes, Ceredigion, we are supporting Maenygroes Congregational Chapel to bring the empty chapel house back into use as affordable housing for a local family, utilising Welsh Government's Empty Homes Grant Scheme.

CLH can also remodel existing buildings into affordable housing. Rhisom Housing Co-operative in Cardiff are working to bring back an empty commercial building back into use for affordable housing, whilst retaining the ground floor space for commercial/community activity.

We are also supporting CLH organisations to take on existing community assets to be used for affordable housing and other community activities, like Ysgol Cribyn in Ceredigion and Llanfywio in Conwy.

While finance still remains a challenge for CLH organisations bringing empty homes back into use or remodelling existing buildings, especially to retrofit/bring the properties up to standard, it does also offer an opportunity to leverage in additional finance that might not be available to other housing developers e.g., community shares or loanstock. Refurbishing an existing property, instead of building new, saves the embodied carbon within the building, which is better for the environment.

- **How local communities can be effectively engaged in social housing developments in their areas.**

Community-led housing in itself is the most effective way for local communities to engage in affordable housing developments. It is not only a way of delivering affordable housing that meets local need, but it also helps to create cohesive and resilient communities.

Community-led housing comes in many shapes and sizes, but the beauty of it is that local people participate in decisions about the homes and communities that they live in. CLH is a not a tokenistic consultation exercise, it is true engagement, co-operation, and co-production of affordable homes.

There is no one size fits all approach to CLH, but all projects should be based on the following principles:

- Developments are led by the community and local people
- Homes are owned, managed, or stewarded by the community in the long term
- The homes are not-for-profit and benefit the local community
- Homes are affordable and meet local need.

While many CLH are formed to tackle the affordable housing need in an area, CLH can also be a way of giving communities of interest or typically marginalised communities a voice and

control over their housing. We are supporting Rhisom Housing Co-op in Cardiff who have come together to develop affordable housing for members of the LGBTQ+ community, a community that typically experience poor housing conditions. We are also supporting DreamHome Swansea, a group made up of young people with learning difficulties and their families who want to develop better, affordable accommodation for their future. Later this year, we will also be launching our internship programme which will be dedicated to collaborating with communities that are typically underrepresented and less engaged in community-led housing. Our first intern will focus on Black and ethnic minority communities, engaging people in CLH, understanding their housing challenges, and hopefully working with them to develop homes that meets their needs.

As mentioned above, we're also working closely with the Dwyfor Pilot Project, and other Welsh language support schemes, like Perthyn and Arfor, to support communities to take action to provide affordable homes for local people in areas with high numbers of second homes/holiday lets, to ensure that the Welsh culture and language is sustained and people are able to afford to live in the communities in which they grew up.

We're working with Arfor to share best practice around the challenge of second homes and the need for housing for local communities, including hosting event to start the conversation around CLH and encourage community engagement. The Arfor Programme has also provided funding for one CLH project through the ARFOR Challenge Fund, which will see two homes being brought forward, alongside the purchase of a local bakery, which will provide jobs for local people.

Community-led housing goes beyond engagement, it is a participatory approach to delivering low carbon homes, empowering people to exercise their power and autonomy over their homes, communities, and futures.

## **Conclusion**

Community-led can increase the supply and diversity of affordable housing options in Wales. Homes are tailored to the needs and developed with local people in mind and rents and prices are set, based on the location population, ensuring affordability, now and in the future. CLH empowers communities to shape their own neighbourhoods and address their specific local housing needs, such as providing homes for older people, key workers, or young families. CLH can help to unlock sites that are not wanted by other housing developers and remodel or bring back into use properties for affordable housing.

However, it is well researched that community-led housing provides so much more than just bricks and mortar. CLH can also deliver wider social, economic, environmental, and cultural benefits, such as improved health and wellbeing, community cohesion, local employment, and reduced carbon emissions. In 2019, research that we commissioned about [the benefits of living in CLH](#) found that people felt more confident and connected to their community. In other [research](#) we conducted during the Covid-19 pandemic, we found that people living in CLH felt far more supported with improved wellbeing. In research conducted by the [London School of Economics](#), CLH was found to help to tackle loneliness and social isolation, and

communities developed in this way have the potential to reduce pressure on social and health services due to the informal support provided amongst neighbours and communities.

Community-led housing can and should play a key role in the supply of affordable housing, alongside local authorities, RSLs and private developers to tackle the housing crisis in Wales. The recommendations in this response can help unlock the potential of community-led housing in Wales, allowing communities to play a role and determine their own future.

Please contact [casey.edwards@cwmpas.coop](mailto:casey.edwards@cwmpas.coop) for further information.

# Agenda Item 5

Local Government and Housing Committee

20 June 2024 – papers to note cover sheet

<b>Paper no.</b>	<b>Issue</b>	<b>From</b>	<b>Action point</b>
Paper 6	International agreements	First Minister to Legislation, Justice and Constitution Committee	To note



Llywodraeth Cymru  
Welsh Government

Mike Hedges MS  
Chair  
Legislation, Justice and Constitution Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

13 June 2024

Dear Mike,

**Agreement between the UK and Denmark on the Participation in Certain Elections of Nationals of Each Country Resident in the Territory of the Other**

I am writing in response to your predecessor's letter of 16 May regarding the above Treaty ("the UK-Denmark Agreement").

Your predecessor's letter asked about an issue raised by the former First Minister, and whether the Senedd would have the power to remove the franchise from citizens of countries with reciprocal agreements should it wish to in future. Specifically, the letter asked:

- whether the issue raised by the former First Minister has been resolved
- if the issue is unresolved, whether the Welsh Government has considered the use of any legislative means, such as the tabling of amendments to the Elections and Elected Bodies (Wales) Bill, to seek its resolution;
- whether the Welsh Government has considered the use of emergency legislation to reverse any potential legislative action by the UK Government to remove or limit the entitlement of nationals from a particular EU Member State to stand and vote in any UK local elections, so as to enable those citizens to continue to be enfranchised in devolved Welsh elections.

The situation is not fully resolved, however given current Welsh Government policy and cross-Senedd support for a wide franchise for Welsh elections, this is not a matter we have pursued with great urgency.

Bae Caerdydd • Cardiff Bay  
Caerdydd • Cardiff  
CF99 1SN

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

If the potential situation were to arise where a future Welsh Government or Senedd wished to amend the franchise in a way that was more restrictive and therefore not compliant with any of these agreements, there are mechanisms in place allowing the UK Government to negotiate changes to the relevant international agreements on our behalf. If such an issue arose we would expect positive engagement between the Welsh Government and the UK government to reach an agreeable solution.

The UK-Denmark Agreement aligns fully with this Welsh Government's commitments to ensure that EU and Commonwealth citizens retain their rights to vote. As a matter of law, entering into international obligations which bind the UK is reserved. However, the observation and implementation of certain international obligations, are matters which are not reserved. We will therefore continue to emphasise to the UK Government that it is essential that the Welsh Government is fully engaged in the negotiation of such agreements, and to provide sufficient opportunity for the Welsh Government to engage with the Senedd in advance.

Given the ongoing Senedd support for the current franchise, we have not sought any legislative means to address these potential issues, but we would consider all viable options if a scenario arose like the one described above.

We have a good relationship with the UK Government in terms of discussing electoral issues. We have no reason to believe the UK Government would attempt to legislate to remove or limit the entitlement of EU citizens to vote in Welsh local elections. We would object to any such attempt and we would work with the Senedd to consider all viable options to deal with the situation.

I am copying this letter to the Llywydd, the Chair of the Equality and Social Justice Committee, and the Chair of the Local Government and Housing Committee.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive, slightly slanted style.

**VAUGHAN GETHING**

# Agenda Item 8

By virtue of paragraph(s) ix of Standing Order 17.42

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Chairs of Senedd committees

22 May 2024

### Committee remits

Dear Chair,

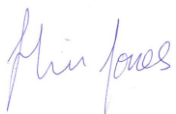
During the Business Committee's meeting on 14 May, we considered a letter from the Chair of the Climate Change, Environment, and Infrastructure Committee regarding challenges in relation to that Committee's remit which have arisen from recent changes to ministerial portfolios.

The Business Committee agreed to write to other Senedd committees to invite you to provide any views that you have on current committee remits, in order that we can consider any issues that have arisen in a coordinated manner.

I intend for the Business Committee to return to consider these matters further ahead of the summer recess and would therefore be grateful to receive any views or reflections that your Committee has by Friday 21 June 2024. Please let me know if you anticipate having any difficulty responding in this timeframe.

I enclose a copy of the correspondence sent from the Chair of the Climate Change, Environment, and Infrastructure Committee concerning their remit for context.

Kind regards,



**The Rt Hon. Elin Jones MS**

Y Llywydd and Chair of the Business Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.





Elin Jones MS

Llywydd

Chair of the Business Committee

10 May 2024

Dear Llywydd,

### **Committee Remits following the recent reconfiguration of the Welsh Government Cabinet**

I am writing to request that the Business Committee consider the remits of policy committees following the appointment of the First Minister and subsequent reconfiguration of cabinet portfolios.

You will be aware that the recent changes to ministerial roles resulted in a significant redistribution of responsibilities, particularly those of the former Minister for Climate Change. The Climate Change, Environment and Infrastructure Committee's remit now covers the portfolios of four cabinet secretaries, encompassing diverse and substantial policy areas, as follows:

#### **Cabinet Secretary for Economy, Energy & Welsh Language**

- Energy policy, including renewable energy
- Circular economy
- Ports policy, including freeports
- Oversight of Cardiff Airport
- Digital connectivity infrastructure

#### **Cabinet Secretary for Climate Change & Rural Affairs**

- All matters relating to climate change and the environment.

#### **Cabinet Secretary for North Wales and Transport**

- Rail services through the Wales and Borders franchise
- Bus services
- Active travel
- Roads policies

- Transport for Wales

### Cabinet Secretary for Housing, Local Government & Planning

- Planning, including Future Wales: The National Plan 2040
- National Infrastructure Commission
- Coal tip safety
- National Parks

I do not believe it is realistic to expect the CCEI Committee to scrutinise such a wide range of portfolios effectively. I am concerned that certain significant areas of Welsh Government policy will likely go without scrutiny because of the challenges presented by the changes to cabinet portfolios. Scrutiny of the Welsh Government's draft budget, in particular, is likely to prove difficult, especially considering the time constraints under which committees already operate.

I would be grateful, therefore, if the Business Committee would consider a reconfiguration of committee remits to streamline the number of Cabinet Secretaries the CCEI Committee is required to scrutinise. This could include the transfer of planning and related matters, as set out above, to the Local Government and Housing (LGH) Committee. This could also include transferring the matters that fall within the portfolio of the Cabinet Secretary for Economy, Energy & Welsh Language to the Economy, Trade and Rural Affairs (ETRA) Committee.

These changes would decrease the number of Cabinet Secretaries requiring scrutiny by the CCEI Committee from four to two. However, they would not affect the number of Cabinet Secretaries requiring scrutiny by the ETRA or LGH committees.

Of course, given the overlapping nature of Senedd policy committee remits, I recognise that changes to the CCEI Committee's remit would not prevent the Committee from looking at a matter through the lens of the environment or climate change. However, these changes would mean that the CCEI Committee would not be the Committee with primary responsibility for scrutiny in that policy area.

I recognise the Business Committee will wish to consult other committees as part of this process and would be happy to discuss any issues with the Committee.

Yours sincerely,



Llyr Gruffydd MS,  
Chair, Climate Change, Environment and Infrastructure Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.