

Communities, Equality and Local Government Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date:

Thursday, 19 June 2014

Meeting time:

09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Sarah Beasley

Committee Clerk

029 2089 8032

CELG.committee@wales.gov.uk

Agenda

Private pre-meeting (9.00 – 9.15)

1 Introductions, apologies and substitutions

2 General Scrutiny Session: Minister for Housing and Regeneration (9.15 – 10.15) (Pages 1 – 20)

Carl Sargeant AM, Minister for Housing and Regeneration

John Howells, Director of Housing and Regeneration

Kath Palmer, Deputy Director Homes and Places

3 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the meeting for the following business: items 4, 5 and 6

4 Human Trafficking: consideration of draft letter to Minister for Local Government and Government Business (10.15 – 10.40) (Pages 21 – 29)

5 Consideration of correspondence from the Business Committee

(10.40 – 10.45) (Pages 30 – 34)

6 Consideration of correspondence from Darren Millar AM in relation to the Holiday Caravan Sites (Wales) Bill (10.45 – 10.50) (Pages 35 – 36)

Break (10.50 – 11.00)

7 General Scrutiny Session: Minister for Communities and Tackling Poverty (11.00 – 12.15) (Pages 37 – 59)

Jeff Cuthbert AM, Minister for Communities and Tackling Poverty

Kate Cassidy, Director Communities and Tackling Poverty

Eleanor Marks, Deputy Director of Communities Division

8 Papers to note (Pages 60 – 63)

9 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the meeting for the remainder of the meeting

10 General scrutiny session: Minister for Housing and Regeneration – discussion of evidence (12.15 – 12.25)

11 General scrutiny session: Minister for Communities and Tackling Poverty – discussion of evidence (12.25 – 12.35)

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CELG Committee: General Scrutiny - 19 June 2014

Evidence Paper

The Housing and Regeneration Department has an essential contribution to make to Welsh Government's Programme for Government. Our housing and regeneration programmes are improving the quality of life in some of our most disadvantaged communities. Improving Planning Services and boosting housing supply both have an economic as well as social impact. My number one priority is therefore to tackle the shortage of homes by ensuring that people have access to quality, affordable housing thereby helping to tackle poverty, improve health and wellbeing, and support jobs and growth. I am also continuing to work with local authorities and housing associations to mitigate the impact of UK Government's welfare reforms on the poorest and most vulnerable in our communities.

This paper sets out the areas that I have identified for priority action and the subsequent funding that has been allocated to deliver them.

1. Increasing Housing Supply and the Choice of Housing

In only two years of this administration, 4,474 additional affordable housing units have been delivered across Wales - 60 per cent of the target previously set for this term of Government.

I was therefore very pleased to be able to announce, on 4 March, an increased target of 10,000 new affordable homes for this term of Government. In order to ensure we achieve this important target I have put in place a housing supply delivery pact with Community Housing Cymru, setting out commitments from both Welsh Government and the housing association sector. I welcome this deepening of our partnership with housing associations in Wales. As a government we will continue to target government grant on the development of new affordable homes. In 2014-15 the Social Housing Grant Programme stands at £58.301million (per the final budget published in December 2013).

We are also supporting the development of market housing. The launch of Help to Buy – Wales in January 2014 was an essential component of this support. By April 2016 the scheme is expected to support the sale of 5,000 homes across Wales. We have seen keen demand for the shared equity product and now have over 60 developers fully registered with the scheme and offering Help to Buy – Wales shared equity loans as part of their developments.

By increasing the supply of new build properties Help to Buy - Wales will support thousands of jobs as well as training and apprenticeship opportunities and stimulate growth in this important sector of our economy. In developing the scheme we have also been keen to ensure that our initiative works for smaller housebuilders as well as for the volume home builders.

At an earlier meeting the Committee asked about the arrangements for repaying the financial transaction funding made available for help to Buy Wales to the Treasury. The repayment arrangements are still being negotiated and I will report these arrangements to the Committee once that process has been concluded.

We have also launched our Housing Finance Grant which will lead to the construction of more than 1,000 new affordable homes over the next 2 years which will in turn tackle poverty and improve community health and well being. Collaboration with housing associations has been key to this innovative funding mechanism. The scheme uses new funding sources amounting to approximately £125 million. The Welsh Government will provide annual revenue funding of £4 million to 19 housing associations over 30 years in order to assist the repayment of this private finance. As part of the evaluation of the initiative, community benefits are to be gathered following the completion of each development – including for example the number of jobs sustained and apprenticeships created.

Last year the Committee asked me about monitoring the scheme and delivering value for money, and progress on building 1,000 properties. We monitor each development on a quarterly basis. We request evaluation data for each site completion to report on value for money, including community benefits. 26 schemes have been approved to date. We have had one site completion with 15 new affordable homes funded by the Housing Finance Grant. Schemes are on track to be completed by Christmas 2015.

The Housing Finance Grant is just one more example of our commitment to deliver innovative and new schemes to support our housing partners to invest in affordable housing. I have also agreed a number of pilot schemes that will allow housing associations to develop new ways to use capital grant and explore the best use of existing affordable housing and land. In addition, the Innovative Finance Conference on 15 May was a great success and highly regarded by the more than 200 housing professionals attending. The conference was an opportunity to put the right people together to realise new funding streams for Wales' housing sector and encourage organisations to turn ideas into reality. The event allowed local government and registered social landlords to see at first hand a range of innovative finance models to fund the development of housing in Wales which will support economic growth and employment in this sector.

Elsewhere, Houses into Homes continues to be successful in targeting empty properties to be brought back into use. So far, £20 million has been distributed to local authorities who in turn provide interest-free loans to owners to improve their empty properties to sell or rent within two or three years. Based on applications received, this first round of funding will see at least 900 units of accommodation being turned into much needed homes.

As these loans are repaid the funds will become available to provide more loans, thus targeting more empty properties. The scheme will play a key role in helping to meet our

target of returning 5,000 empty properties into use by the end of this Assembly term in 2016. We are currently on target with 2,100 brought back into use in the first two years.

As part of the suite of measures I have announced to boost housing supply I am also revising Technical Advice Note 1 - Joint Housing Land Availability Studies (JHLAS). This is intended to facilitate an increase in the supply of market housing. The JHLAS is the principal mechanism for monitoring the supply of housing land through the planning system. The review will make the monitoring of housing land supply more closely integrated with the Local Development Plan system. Officials are working with an advisory group of house-building and local planning authority representatives on the review and expect to consult on it over the summer.

2. Housing Services

Through the Supporting People Programme I am investing over £134 million to help over 70,000 people remain in their own homes. Housing Associations – and our work with them - are pivotal to the success of this programme. They provide houses, temporary supported housing and tenancy support to many vulnerable people across Wales.

I am also committed to assisting Care & Repair Cymru to find the best way to manage the reduction in the budget whilst protecting the front line services the agencies provide. In turn, they have been working closely with the agencies to try and find ways of reducing their operating costs by looking at sharing services, pooling resources and looking at the viability of some agencies merging to form larger agencies with reduced management, administration and infrastructure costs. This process is ongoing and is expected to continue towards a successful outcome with fewer agencies by the start of 2015-2016.

We have made further funding available in 2014/15 to tackle homelessness and to enable preparation for the implementation of the new homelessness provisions in the Housing Bill from April 2015. This funding has enabled continuation of work to mitigate the impact of housing benefit cuts where local authorities have made this a priority. We are working closely with the local authority Homelessness Network to support local authorities to strengthen their work in preventing homelessness. We have introduced a new statistical return to measure the effectiveness of homeless prevention in each area and how it is being achieved.

3. Improving Housing Standards and Quality

The Welsh Housing Quality Standard (WHQS) is at the heart of our commitment to improving the existing stock of social housing. 60 per cent of social housing in Wales – that's nearly 134,000 homes – achieved the WHQS at 31 March 2013, up from 42 per cent a year earlier. This means that thousands of our poorest families now live in safe, secure homes. Current statistical returns supplied by landlords suggest that by May 2016 at least 75 per cent of their housing stock will comply with the standard. We will be monitoring these returns carefully.

All social landlords are now required to evaluate the large volume of community benefits achieved from their procurement activity through the Value Wales Measurement Tool and to report the resulting outcomes. This will allow more accurate reporting of the jobs and training opportunities delivered through housing investment. Social landlords are in total investing around £500 m per annum improving the social housing stock, with £108 m of this provided by Welsh Government.

Housing investment supports job opportunities and growth across Wales and I want to ensure that all housing associations, regardless of size or location, look for every opportunity to achieve positive outcomes for their communities to ensure that those communities receive maximum benefit from the investment they make. Capturing these outcomes is vital and I have asked all housing associations to ensure we evidence the achievements consistently.

The Committee has asked about evaluation of the WHQS. The Altair report "Welsh Housing Quality Standard – Verification of progress in achieving the standard" was published on 13 May 2014. Officials are considering the recommendations and I will respond to the report's findings in due course.

In addition I have established a Review Group to look at Development Quality Requirements in relation to new homes. I expect the Review to balance the important need for quality and the benefits to society and the public purse with our overall aim of delivering more homes for people in need. I want to ensure that the standards we endorse are fit for purpose.

As the Committee will be aware, I announced in January that we would run a £1m pilot programme installing fire sprinklers into new social housing in Wales. I am pleased that we received good quality bids and we will be running 16 separate projects with ten Housing Associations, installing sprinklers into around 230 new social housing units. We will be commissioning consultants to monitor the learning and experience of the fire sprinkler designer and installer, the builder, the Building Control Body, the relevant water company, and the Housing Association. This will include looking at the costs of sprinklers. We will publish a final report detailing the lessons learnt in Autumn 2015, in preparation for the requirement for fire sprinklers to be installed into all new and converted houses and flats in Wales from 1 January 2016. The project is being overseen by a Steering Group, which includes representatives of house builders, the Home Builders Federation, a Housing Association, and the fire sprinkler industry.

Amendments to Part L of the Building Regulations on conservation of fuel and power will come into force on 31 July 2014. These changes mean that new houses will be 8 per cent more energy efficient when compared to current building regulations, for non domestic new buildings the improvement is 20 per cent. The changes reflect the 'fabric first' principle aimed at reducing energy demand first. The building fabric such as walls, floors and roofs will need to meet certain standards in order to comply. This will ensure that all new houses are fit for purpose and perform to a high standard which will require less heating or cooling in the long term.

We believe that for new housing the changes will have a close to cost neutral effect on building costs when compared with the sustainable buildings planning policy (TAN22). However, we will provide a regulatory backing for emission reductions which are currently sought through planning guidance. We will review Part L again in 2016 as the next step in our progression towards the EU target of nearly zero energy buildings by 2019 for all new public buildings and 2021 for all new buildings.

4. Regeneration

Our Vibrant and Viable Places Framework sets the policy for the regeneration of town centres in Wales. Our vision is that everybody in Wales should live in well connected, vibrant, viable and sustainable communities with a strong local economy and good quality of life.

The VVP Framework outlines our national objectives and has been aligned with the Communities First programme – Prosperous Communities, Learning Communities and Healthier Communities. Through the Programme we will support activities to achieve outcomes such as an improved level of economic activity and more jobs; a skilled and confident existing and future workforce; and healthy and cohesive communities, able to grow and work together. We will monitor our progress with outcome indicators that are outlined in the Framework.

This Framework is supported by over £100 million for targeted regeneration investment over the next three years, drawing in substantial additional investment from other sources. This £100 million main pot will be supported by a £7 million tackling poverty pot for a further seven settlements in our most deprived areas.

Housing led Regeneration is a key element of our Vibrant and Viable Places Framework. Housing associations and community mutuals are key economic players in Wales, not only as landlords and developers, but in their wider role as investors in the regeneration of local communities.

The Town Centre Loan Fund will reduce the number of vacant, underutilised and redundant sites and support the diversification of town centres. The scheme will encourage more sustainable uses for empty sites and premises, such as residential, leisure and for key services.

A pilot scheme of £5 million for release in 2014/15 will provide loan funding to support town centre regeneration and develop vibrant and viable places. The funding is to be recycled over a 15 year period with return to the Welsh Government suggested in years 11-15. The funding is to be shared between a limited number of local authorities for the pilot initiative. Ceredigion, Powys, Pembrokeshire and Monmouthshire - the four local authorities that are not in receipt of VVP funding - are to be considered for this pilot initiative.

I am considering launching a campaign in support of our High Streets this autumn and we have written to every local authority outlining our plans and seeking partnership working. Local authorities have been asked to outline their support, key settlement involvement and suggested events and activities. We plan to facilitate a national brand and resources for all stakeholders to use to highlight our High Streets. Local authorities, local Chambers of Commerce or business owners will be able to deliver events to raise the profile and importance of high streets and the important role they play in vibrant communities.

I intend to hold a Regeneration Summit, the key theme of which will be the regeneration of town centres and high streets in Wales and will focus on the Vibrant and Viable Places programme and the Business Improvement Districts (BIDs) initiative. It will also take a look at key examples of the many local and self-funded projects taking place in town centres throughout Wales. Sub themes are proposed to include housing led regeneration, regulation of town centres and social community. The summit will provide an opportunity to share best practice and support regeneration across Wales.

The Planning research report *'Town Centres and Retail Dynamics: Towards a Revised Retail Planning Policy for Wales'* was published in April. The report was commissioned by the Welsh Government following recommendations to review retail planning policy made by the Enterprise and Business Committee in January 2012 in their report *'Regeneration of Town Centres'*. The research report identifies key retail statistics in Wales, considers the affect of retail development on town centres, and assesses the appropriateness of current national retail planning policy. The report makes a number of recommendations which are being considered and will help inform any potential future review of retail planning policy and advice in Wales.

5. Legislation

The Housing (Wales) Bill

The Housing (Wales) Bill has completed Stage 2 and is now in Stage 3 of the scrutiny process. The CELG Committee scrutinised the Housing Bill at Stage 2 and the contribution made by the Committee and stakeholders has created an improved Bill which will deliver significant benefits. These include ensuring the private rented sector is fit for purpose; access to services to help prevent homelessness and ensure more households are in secure accommodation; and that local authorities are able to apply

additional council tax charges in relation to empty properties and second homes to help alleviate pressures on communities and help turn more houses into homes. I look forward to Stage 3 and the final Stage 4 when I hope the Bill will receive approval from the National Assembly for Wales.

Renting Homes Bill

Renting Homes will provide much-needed reform of the rented housing sector. Based upon recommendations from the Law Commission in 2006, it will provide a simplified system of secure and standard contracts. These two contracts will replace, almost entirely, the numerous types of tenancy and licence currently in existence. These contracts will provide clarity and consistency in many areas allowing Landlords and occupiers to benefit from a clear and practical framework for renting a home. The legislation will include

- making provision for one secure contract based on the local authority secure tenancy and one standard contract similar to assured shorthold tenancy (expected to be used mainly by the private sector);
- requiring landlords to provide written contracts, and providing the Welsh Ministers with powers to issue model contracts;
- statutory 'prohibited conduct terms' within contracts covering anti-social behaviour and domestic abuse;
- standardising succession rights;
- standardising eviction for rent arrears;
- enabling landlords to legally recover possession of abandoned properties without requiring a court order;
- ensuring accommodation is fit for human habitation.
- preventing retaliatory eviction; and
- establishing a legal framework for supported housing.

Draft Planning (Wales) Bill

On 4 December 2013 I issued the draft Planning (Wales) Bill and the supporting paper, *Positive Planning: proposals to reform the planning system in Wales*, for public consultation. Through my Positive Planning proposals I aim to see planning becoming an enabler of appropriate development that helps to provide the jobs, infrastructure, homes and communities that Wales needs. The twelve week consultation period closed on 26 February 2014 and has provided interested parties with an opportunity to have their say on my reform proposals. A summary of the consultation responses will be published in due course. The responses will allow refinement of the Bill before I introduce it to the National Assembly for Wales later this year.

Holiday Caravan Sites (Wales) Bill

Members will be aware, from my recent evidence to them, that the Welsh Government does not support the Holiday Caravan Sites (Wales) Bill as it stands. In our view, the Bill is not proportionate and if implemented is likely to place the tourism industry in Wales at a disadvantage compared to England. I await the Committee's findings with interest.

Mobile Homes (Wales) Act 2013

The Mobile Homes (Wales) Act received Royal Assent in November 2013 and is due to come into force on 1 October 2014. The Act contains five sets of regulations:

- Site Rules,
- Sales and Gifting,
- Pitch Fee Reviews,
- Written Statements and
- amendments to the Residential Property Tribunal Procedures and Fees Regulations.

A consultation on Site Rules, Sales and Gifting and Pitch Fee Review regulations has recently been completed and these regulations are to be laid shortly so that they come into force at the same time as the Act on 1 October.

My officials are currently working with local authorities in preparation for the implementation of the new Act, developing a standard site licence application form and a fees and fines tool kit which can be used by all authorities to ensure consistency and transparency. A series of engagement events have been planned across Wales and leaflets and factsheets are being produced for site residents, site managers and local authorities to ensure that all stakeholders are fully aware of their rights and responsibilities under the new legislation.

6. Governance

I attach the highest importance to high standards of corporate governance and to the need for advisory boards and working groups to reflect the communities they serve and to take decisions and, communicate with their stakeholders in as transparent a manner as possible. Over recent months I have placed a particular focus on ensuring that these boards and groups develop a diverse mix of members, specifically considering how they will address their balance of gender, age, race, disability and professional experience. With this approach I want to achieve better equality and representation and in addition groups which are open to new ideas and to constructive external challenge, which listen to their stakeholders and learn from their everyday experiences.

7. Budget

The budget for the Housing & Regeneration MEG for 2014-15 is summarised as follows:

	2013-14 Final Budget	2014-15 Final Budget £m
Revenue	172.6	169.3
Capital	331.7	366.3
Total DEL budgets	504.3	535.6

The 2013-14 figures reflect the position at the second Supplementary Budget, published in February 2014. The Final Budget figures for 2014-15 are as stated in the Final Budget published in December 2013.

2013-14 Position

The final outturn position for 2013-14 is under audit by Wales Audit Office and it is too early to publish full figures. However, draft figures show a Revenue spend of £172.4million and a Capital spend of £331.5million showing my department utilised 99.9% of the budget available.

Revenue Position

The revenue budget figure for 2014-15 is 3.8% lower than the baseline figure for 2013-14 and 1.9% below the Final Position for 2013-14. This reflects the pressure on revenue budgets across the Welsh Government. However, priority is being given to protecting as far as possible the Supporting People and Homelessness budgets given the funding these budgets provide to some of the most vulnerable people in our society.

Capital Position

The Housing and Regeneration capital budget has overall increased by £34.6million compared to the final position for 2013-14. The net increase to the capital budget for the year reflects:

- An increase of £34.5million funding for Help to Buy – Wales, our policy to help increase the supply of new houses in Wales.
- £15million to support the Intermediate Care Fund, additional funding directed at enabling people to remain in their homes for longer and free up pressure on the health and social service budgets.
- No allocation for the Houses into Homes scheme (£10million in 2013-14), our policy for bringing empty properties back into use now the recyclable loan scheme in local authorities has received £20million of funding and whilst the scheme is evaluated.
- A drop in funding of £5million for the Social Housing Grant which reflects additions and transfers to this budget normally allocated during first and second supplementary budgets in year.

The department continues to take full advantage of the financial transaction funding available. In 2014-15 the Department will use £79million of this type of capital funding comprising:

- £69million for Help to Buy Wales.
- £5million pilot for land for affordable housing
- £5million pilot for town centre regeneration

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Agenda Item 5

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

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**Communities, Equalities and Local Government Committee
Communities & Tackling Poverty Evidence Paper – 19 June 2014**

Introduction

1. The Communities and Tackling Poverty portfolio is driving a coherent, cross-government approach to tackling poverty. It works to improve outcomes for children, families and deprived communities and to secure that action on jobs, skills, education and health reaches those who might otherwise be the last to benefit. Prevention and early intervention are key. The portfolio covers:
 - Tackling poverty and promoting community resilience including Communities First;
 - Co-ordinating the Welsh Government’s response to welfare reform;
 - Increasing financial and digital inclusion, including the Discretionary Assistance Fund, Advice Services and Credit Unions;
 - Supporting families and children, in particular through Flying Start and Families First;
 - Increasing the availability of quality, affordable childcare and play provision;
 - Promoting the rights and participation of children and young people;
 - Promoting equality and inclusion;
 - Supporting the development of the Third Sector and enhancing its strategic relationship with government; and
 - Promoting sustainable development into the work of the Welsh Government and its partners.
2. Responsibility for the portfolio is split between the Minister for Communities and Tackling Poverty and the Deputy Minister for Tackling Poverty. Day to day responsibility for the core delivery programmes of Communities First, Families First and Flying Start rests with the Deputy Minister. Detailed questions in relation to areas of responsibility falling to the Deputy Minister may be responded to in writing as necessary.

Funding

	2013-14 (Supplementary Budget) £000	2014-15 (Final Budget) £000
Revenue	175,891	192,246
Capital	27,200	20,450

TOTAL DEL	203,091	212,696

3. The budget for the Communities and Tackling Poverty portfolio in 2014/15 includes:

- £39.450m for Communities First;
- £72.094m Revenue and £8m Capital for Flying Start;
- £46.908m for Families First;
- £ 0.901m for Credit Unions;
- £12.363m under the Discretionary Assistance Fund (Grant and administration);
- £ 1.500m for Gypsy and Traveller sites;
- £10.950m for the Community Facilities Programme.

Tackling Poverty Action Plan (Deputy Minister has day to day responsibility)

4. Implementation of this Plan is focusing on six priorities: early years; the educational attainment gap; young people not earning or learning; reducing the number of workless households; ensuring equal access to high quality healthcare; and housing and regeneration.
5. In addition to internal monitoring and co-ordination through the Implementation Board chaired by the Deputy Minister, engagement with external partners is encouraging local authorities, local health boards, public health professionals, third sector organisations and the managers of our key tackling poverty programmes to work together on these priorities.
6. We will publish a report on the Tackling Poverty Action Plan in July 2014. This will provide an update on progress for our commitments in the Action Plan, as well as outline key developments in relation to tackling rural poverty and in-work poverty in Wales.

Flying Start (Deputy Minister has day to day responsibility)

7. The expansion of Flying Start is now well underway.
8. We are committed to double the number of children benefiting from the programme from 18,000 to 36,000 by the end of this Assembly term.
9. Based on the unvalidated management information received for the 9 months to December 2013, we are on track to meet the target number of Flying Start beneficiaries for 2013-14, with over 27,000 children benefitting in these first 9 months of the year. This data is currently undergoing validation and data for the entire year will be formally published in July 2014.
10. Officials in Communities and Tackling Poverty are continuing to work closely with local authorities to monitor the expansion of the programme and to ensure that the additional resources are focused on the most disadvantaged children within those communities. Links with midwifery are also an increasing focus.

11. Through the expansion of the programme, Flying Start has created a range of jobs in communities across Wales. These range from construction jobs to childcare workers, healthcare professionals and admin staff.
12. Flying Start is subject to a robust, independent programme of evaluation and a series of reports were published at the end of 2013. The findings presented evidence that families in Flying Start areas received more visits from health visitors and had higher awareness and take up of parenting programmes than families in similar, non Flying Start areas. Parents interviewed also reported positive impacts upon their children's development.

Flying Start Capital Programme (Deputy Minister has day to day responsibility)

13. The Welsh Government has made a significant investment in infrastructure to support the delivery of the Flying Start programme. To date, over £28million of funding has been made available to capital projects across Wales.
14. By the end of 2015-16, the Welsh Government will have funded the development of settings to provide nearly 9,000 high quality, part time childcare places across Wales. It will also have created a range of accommodation for the multi agency teams that are delivering Flying Start services on the ground, as well as venues for delivering parent courses and language and play sessions.

Families First (Deputy Minister has day to day responsibility)

15. The Welsh Government's Families First programme is creating an integrated, whole-family approach to supporting families in Wales. It aims to develop effective, multi-agency support for families in order to improve their outcomes, particularly those living in poverty, or at risk of poverty. It has a clear emphasis on early intervention and prevention, on starting from a strengths-based approach and on bringing together organisations to work with the whole family to help stop problems from escalating towards crisis.
16. Two key features of the programme are the requirement for local authorities to develop increasingly family-focused assessment and engagement processes through the 'Joint Assessment Family Framework' (JAFF), and to improve coordinated support through 'Team Around the Family' (TAF) models. The JAFF assesses the families' strengths and needs in a number of areas and is used to design a tailored plan of interventions to help families overcome the problems they face. TAF is a model which brings together a wide range of professionals to work together with a family in order to help them address the breadth of challenges they are facing.
17. Families First is subject to an independent programme of national evaluation. The second year report is scheduled for publication on the 12th June 2014. It provides an update on programme delivery and includes family case studies that present their experiences and reported early impacts of the programme.

Communities First (Deputy Minister has day to day responsibility)

18. The Communities First programme focuses on tackling poverty with three strategic outcomes: Prosperous, Healthy and Learning Communities. We have continued our commitment to the programme, which will be maintained for the life of this Government. A first evaluation report on the reshaped Communities First programme is due in July.
19. Funding arrangements for all 52 new Communities First Clusters were agreed by January 2013 with £75 million allocated for the period to 31 March 2015. The programme now covers a larger proportion of the population, with approximately 24% of the population of Wales being included.
20. Performance is monitored and measured against an outcomes framework which allows comparisons to be made across the programme and demonstrates the impact on tackling poverty at a local and national level. As a Tackling Poverty Programme, Communities First features heavily in the Tackling Poverty Action Plan and has a number of key targets to report against by 2020. Communities First monitors the areas where improvements have been made in the circumstances of an individual, therefore any single person may have more than one "better off". Better off covers a broad range from securing a qualification, re-entering activity to find employment, securing a job and measures such as improved mental well being, parenting skills and increased physical activity.

Prosperous Target:

- 45,000 interventions with people, 26,250 better off (58 per cent).
- Actual as of 31 March 2014:
- 53,895 interventions with people, 13,947 better off (26 per cent).
- Interventions under this theme include getting people back into work through skills programmes, training initiatives, jobs clubs and projects to improve the economy and entrepreneurship in the area.
- In the first 12 months of the Programme, numbers indicate that 26 % of interventions have resulted in a significant improvement in circumstances, such as entering employment.
- The number of interventions under the Prosperous theme has been exceeded by 9,000. This increase in participants affects the relative percentage of those considered better off. However, the percentage of those 'better off' (26%) already exceeds the half way point of the 58% target at only 12 months into the Programme. As the programme progresses we would expect to see this percentage increase as the long term impact of the interventions come into fruition.

Learning Target:

- 30,000 interventions with people, 18,750 better off (63 per cent).
- Actual as of 31 March 2014:
- 39,858 interventions with people, 13,345 better off (33 per cent).

- Projects under the learning outcome include initiatives to help people learn new skills, learn basic skills, become digitally included as well as initiatives particularly focussed on improving educational outcomes for young people and children, addressing family literacy and attendance.
- The figures show that learning projects have exceeded their anticipated intervention level by nearly 10,000 and 33% of those involved are better off as a result. This is good progress towards meeting the target, demonstrating that the half way point has already been exceeded just 12 months into the new Programme and the *number* (not percentage) of people better off is only 5,000 off the original target at this early stage of the Programme.

Health Target:

- 26,250 interventions with people, 16,875 better off (64 per cent).
 - Actual as of 31 March 2014:
 - 45,273 interventions with people, 22,364 better off (49 per cent).
 - Health Interventions include initiatives around healthy eating, healthy and independent lifestyles, growing and cooking healthy food, exercise, smoking cessation, pre and post natal health and alcohol awareness.
 - The figures show that the target number of interventions has been exceeded by 20,000, almost doubling the target number. This inevitably affects the percentage figure of those feeling better off, meaning that only 49% of participants (against a target of 64%) were better off. However, when looking at the numbers of people better off, there are over 5,000 more people better off than expected as a result of these initiatives.
21. There is a high level of interventions within the Communities First Programme and the percentages of those better off are very encouraging as the Programme's new Cluster structure has only been established since January 2013 and many were not fully staffed until late in 2013. As the Programme proceeds into its next second full financial year we would expect to see the percentage ratio increase, particularly as the results of some of the longer term projects are yet to bear fruit. Many of the people the Programme works with are from groups who are hard to engage and work with, so improvements in circumstances are likely to happen over a longer period. We expect future figures to reflect that.
22. Welsh Government officials are working closely with Clusters to manage the number of interventions and participants to ensure that we are making a real difference to the most deprived within our communities and ensure that people are better off as a result.
23. Improving alignment between Communities First, Families First and Flying Start, as well as other programmes, and ensuring that there is consistent, systemic join-up will reduce duplication in areas of programme overlap and ensure maximum use is made of resources. The development of a combined outcomes framework for Communities First, Families First and Flying Start is fundamental to this

alignment and a task and finish group, made up of stakeholders from across Wales, has been established to ensure that this is in place by September 2014.

24. A key feature of Communities First is that it employs professional staff in our most deprived communities and provides an infrastructure which others can use or supplement in order to ensure that their programmes reach these communities. Examples of Communities First working in this way include:

- Joint funding with the Pupil Deprivation Grant, to promote family learning in the early years, support young people to do well at school and increase parental engagement in their children's education;
- The piloting of the over 50s health checks in Communities First areas, to help ensure that the scheme would be taken up by those who could most benefit from it;
- Work with Jobcentre Plus to place Parent Employment advisers in Communities First areas;
- Projects supported by the Arts Council for Wales to work with young people not earning or learning;
- The "StreetGames" initiative supported by the Sports Council and others;
- The "Come Outside!" programme, supported by Housing and Regeneration, Big Lottery and Natural Resources Wales;
- The Jobs Growth Wales and Lift Programme initiatives, below.

Jobs Growth Wales

25. The Jobs Growth Wales Communities First project was established in December 2013. As of 10 May 2014, 258 job opportunities have been created. Of those, 128 job opportunities have been filled by young people living in Communities First Clusters. A further 130 are currently going through the recruitment process.

Lift Programme

26. We have also established the Lift programme, which aims to provide 5,000 training and employment opportunities to people from workless households by the end of 2017. Lift will operate in nine Communities First Cluster areas across Wales. The programme is now fully operational in six areas, with the three remaining areas set to follow by mid-June. Lift staff have already started working intensively with people from workless households, with over 200 already having taken up opportunities.

27. All Welsh Government Departments have been asked to identify training and employment opportunities that can support the Lift programme and details of Departmental contributions are currently being finalised. The Chief Medical Officer has, though, already written to Local Health Boards indicating that she expects the NHS to make a sizeable contribution – up to 1,000 training and employment opportunities – towards the programme target.

Welfare reform

28. Welfare reform has compounded the impact of recession, which itself has had most impact in our deprived communities and for people with protected characteristics. For example, the Women's Equality Network Wales published research on the issues facing older women in Wales including the impact of the recession in April 2014.
29. We have voiced our concerns consistently about the scope, scale and nature of the welfare reforms. We cannot compensate for these changes, which will impact most heavily on our most deprived communities; on non-working families; and on disabled people and carers. However our understanding of the impacts¹ is enabling us to target our action where it will help most.
30. Within the Communities and Tackling Poverty portfolio, this has reinforced the importance of our work on digital and financial inclusion, as well as the actions described above in relation to employment for young people and opportunities for workless households.

Digital Inclusion

31. Through our revised Digital Inclusion Delivery Plan and our Digital Inclusion programme, Communities 2.0, we are making good progress in getting more people to improve their lives through the use of digital technologies. National Survey for Wales figures released in May 2014 show a reduction in digital exclusion among adults to 21% from 24% in the previous year.
32. Communities 2.0 has helped to support over 39,000 individuals to get online and has engaged key stakeholder organisations including Age Cymru, RNIB and Shelter, to support the agenda. Digital Inclusion continues to contribute to the delivery of the overarching Digital Wales strategy and will continue to integrate with other strands of Welsh Government's digital work like Superfast Cymru and the emerging Digital First Strategy. In July I will be formally announcing with the Minister for Culture and Sport the extension of Communities 2.0 to the most deprived areas of Newport, Cardiff, the Vale of Glamorgan and Monmouthshire.

Financial Inclusion

33. The Implementation of the Financial Inclusion Strategy focuses on five themes of access to mainstream financial services, providing affordable credit and savings, improving access to financial and debt advice, increasing financial capability and income maximisation. Work has been implemented under these themes with a range of partners.
34. After the abolition of the discretionary elements of the Social Fund by the UK Government, the Welsh Government put in place the Discretionary Assistance Fund. In 2013-14, the Fund made over 27,000 awards, totalling £7.2m, to support people in a crisis or emergency situation or to help them resettle in the community. There are now over 400 Discretionary Assistance Fund "partners" able to help refer people to the Fund for assistance.

¹ <http://wales.gov.uk/topics/people-and-communities/welfare-reform-in-wales/analysingreforms/?lang=en>

35. The jointly funded Welsh Government and WEFO “Access to Financial Services through Credit Unions” project ended in December 2013 – supported by just under £4 million of funding since October 2010. The project was extended until March 2014 with Welsh Government funding alone. It exceeded targets by enabling 33,000 financially excluded people to have access to financial services. Total membership of Credit Unions in Wales is now estimated at more than 78,000.
36. Alongside the Credit Union Project, an additional £1.2 million was awarded to Credit Unions in January 2014 to support their sustainability and reach within communities. In March 2014, Welsh Government announced further Credit Union funding of £1.9m which will be provided until March 2017, on a tapered basis.
37. A Credit Union Conference will take place on 17 July 2014, building on the joint working we’ve seen through the £1.2m collaboration funding. This will give us time to reflect on the support already provided by Welsh Government and to look together at what is needed from this point onwards.
38. We are also ensuring that there is practical support available in the form of front-line advice services to help people who may be facing changes in their benefits or are struggling to make ends meet. An additional £1million is being made available in 2014-15 to organisations providing free advice services on issues relating to welfare rights; housing; debt and money management and discrimination. This is in addition to the support we are already providing through the Better Advice: Better Lives (BABL) scheme, delivered by Citizens Advice Bureau in Wales and the shared outcomes project which provides outreach debt and welfare benefits advice in 36 Communities First Cluster areas across Wales. In 2013-14, BABL alone saw over 20,000 clients and enabled them to claim over £16 million in additional benefits up to December 2013.
39. As well as funding to support front-line advice services, the Advice Services Review, which reported in 2013, identified the need for a more strategic and coordinated approach to the way advice services are planned and delivered in Wales. One of my priorities for this year is to take steps to establish a National Advice Network in order to facilitate this strategic and collaborative approach. The Welsh Government will also be looking to encourage greater consistency in terms of the quality of advice provided by the voluntary and not-for-profit sector.

Remploy

40. Welsh Ministers have opposed the UK Government's decision to close all the Remploy factories. We lobbied the UK Government to devolve responsibility in Wales. This was refused, and the Welsh Government took action to ensure that those Remploy workers affected in Wales could receive assistance through the Remploy Employer Support Grant.
41. The Welsh Government’s Employer Support Grant (ESG), launched in July 2012, has so far provided new employment for over 200 (or around two thirds) of disabled former Remploy staff in Wales, with many more posts approved and still

available. The deadline for ESG applications by potential employers has been extended until the end of September 2014.

Equality

42. Many of those experiencing poverty across Wales are also facing discrimination for a range of issues. We are committed to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not.
43. The Welsh Government was the first government in Britain to introduce specific equality duties to support implementation of the public sector equality duty in the Equality Act 2010 in listed public authorities in Wales, including the Welsh Government. Amongst others, the specific equality duties include a duty to set equality objectives, report annually on progress, address pay differences, engage people and organisations, to carry out Equality Impact Assessments. Each and every Welsh Government Department has a responsibility to carry out Equality Impact Assessments to ensure that the work that we do takes every opportunity to advance equality, combat discrimination, encourage community cohesion and achieve inclusive outcomes for all the citizens of Wales.
44. The Welsh Government published our first Equality Impact Assessment of the budget in 2010-11, and has focused on improving this year on year. In assessing the impact of the Draft Budget for 2015-16, we will continue to consider the impact of our spending decisions on other areas including children's rights and socio-economic disadvantage. We are still at an early stage in developing an integrated approach, but our aspiration is to provide a more detailed and inclusive impact assessment of our spending plans in future years.
45. Our Framework for Action on Independent Living was published in September 2013. The Framework takes a strategic approach to disability. It identifies and aims to address barriers to independent living, to create an enabling and inclusive society. The Framework was developed in a co-productive way through a National Steering Group of stakeholders, and followed engagement with disabled people and their organisations across Wales. We are confident therefore that we are addressing the issues that are most important to them.
46. It is also important to ensure that people have safe communities in which to live. In May 2014 I launched 'Tackling Hate Crimes and Incidents: A Framework for Action', setting out our approach to tackling hostility and prejudice faced by people because of their protected characteristics of race, religion, disability, sexual orientation, gender identity and age. Alongside this I published a new community cohesion delivery programme and confirmed two years' additional funding for Community Cohesion Coordinators to April 2016.
47. We have maintained our commitment to address the accommodation needs for the Gypsy and Traveller community in Wales, with the first new local authority site since 1997 officially opened in Brecon on 9 April 2014. In addition, six other local authority sites were refurbished in 2013-14. Since 2007-08 we have helped

fund the refurbishment of 44 projects across a number of local authority sites in Wales. The Housing (Wales) Bill currently before the National Assembly for Wales also seeks to address the lack of available accommodation for the Gypsy and Traveller community in Wales by proposing to introduce a new Statutory Duty on local authorities to develop new Gypsy and Traveller sites where there is unmet need.

Diversity in Public Appointments

48. Ministers with responsibility for public appointments wrote to Chairs of key public sector boards in early 2013 asking them to take action to increase the number of women and other under-represented groups in public appointments. Further actions took place throughout 2013 to increase diversity in public appointments. These included:

- highlighting and sharing good practice from the Sport Wales case study with public bodies and sponsor divisions;
- a seminar for Chairs of Public Sector Boards and
- a workshop for sponsor divisions.

49. In Autumn 2013 I asked Ministers to write to Chairs again to reaffirm their commitment to this agenda and to encourage Chairs and Boards to take action to increase diversity. Good practice materials and guidance to support Chairs were included with the letters and are available on the Welsh Government website.

50. Progress reports are expected from Chairs by 30th June 2014. A seminar for Chairs of Public Sector Boards, to share good practice will be taking place on 13th November 2014 at the SWALEC Stadium in Cardiff.

Children's Rights

51. In May 2014 I laid before the Assembly a revised Children's Rights Scheme which reflects the Welsh Ministers' duty, under the Rights of Children and Young Persons (Wales) Measure 2011, to have due regard to the United Nations Convention on the Rights of the Child when exercising their functions.

52. I will be announcing shortly further details on a review of the Office of Children's Commissioner for Wales, which is something the current Commissioner, Keith Towler, has called for and welcomed.

Third Sector

53. The Welsh Government's relationship with the third sector is one of the distinctive features of our devolution settlement. It is also vital that public services work closely with the third sector to tackle the challenge of increasing need and decreasing public sector finances. I was pleased to publish in January 2014 a revised Third Sector Scheme, co produced with representatives of the sector. It sets out the key principles by which the Welsh Government works with the third sector and includes a Code of Practice for Funding the Third Sector.

54. I announced at the same time my intention to move towards more regional working with the third sector infrastructure and to ensure that engagement mechanisms, such as the Third Sector Partnership Council and Ministerial meetings with the sector, are more outcome focused. I have also encouraged local authorities, health boards and other public services to take note of the Scheme and Code of Practice to inform the development and strengthening of Local Compacts with the Third Sector

Future Generations

55. Wales faces a number of complex long-term challenges that we must recognise and address in order to provide for the well-being of Wales. Many of these are a legacy from the past, but it is increasingly recognised that more needs to be done to ensure that the current generations does not leave them as challenges for future generations.

56. This ground-breaking Bill is about our generation taking responsibility for improving the well-being of Wales by providing a sustainable Wales both now and for decades to come. Our Welsh account of sustainable development is an emphasis on social, economic and environmental well-being for people and communities, both now and in the future.

57. This Bill provides a unique opportunity to focus specified public services on addressing the key challenges that face current and future generations. I asked the Commissioner for Sustainable Futures – Peter Davies, to pilot a national conversation on ‘the Wales We Want’, looking forward to what we want our country to look like in 2050. The first phase of this launched in February and over the past few months ‘Future Champions’ from across Wales have been recruited to engage people and communities on the long term future of Wales to feed in to a an interim report on behalf of future generations in Wales. This will be published shortly. The Bill will help tackle the generational challenges Wales faces in a more joined up and integrated way by ensuring specified public services work together to achieve the goals that the Bill will establish. We are on course to introduce the Future Generations Bill (working title) to the Assembly before summer recess.

Sustainable Development

58. As a Government, all our policies and programmes reflect our commitment to sustainability and fairness so that we make sustainable development our central organising principle. This is central to the work of the Communities and Tackling Poverty portfolio. Our programmes and policies are seeking to make changes now that impact long into the future and ensure that the people and communities of Wales are best placed to address the challenges ahead. We are due to lay the next Sustainable Development Annual Report covering the period 2013-14 on 23rd June.

Jeff Cuthbert AM
Minister for Communities and Tackling Poverty

June 2014



Llywodraeth Cymru
Welsh Government

Ein cyf / Our ref: LF/CS/0471/14

Jocelyn Davies AM
Chair
Finance Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

09 June 2014

Dear Jocelyn

Housing (Wales) Bill – Financial implications of Government amendments

In my letter of 19 February 2014, in which I responded to your letter of 7 February, I promised to write again outlining the financial implications of amendments to the Housing (Wales) Bill when they were tabled. As you know, all Stage 2 amendments have now been tabled and voted on by the Communities, Equality and Local Government Committee. A large number of the Stage 2 amendments were technical in nature with no financial implications.

I have set out below the Stage 2 amendments that were agreed, which have financial implications and a brief explanation of that impact. I will write again when Stage 3 amendments are tabled.

Private Rented Sector

Amendment 288 - Rent Repayment Orders and 290 Rent Repayment Orders: further provision

These amendments provide for local housing authorities to be able to apply to the Residential Property Tribunal for Rent Repayment Orders to be made in circumstances where an authority considers certain offences are being committed under Part 1. This amendment will enable a licensing authority, local housing authority or tenant (depending on the circumstances) to apply to a Tribunal for an order requiring rent and other monies relating to the occupation of dwelling to be repaid. The approach reflects that in other housing legislation.

The financial implications of this for the Tribunal are likely to be minimal and are unlikely to add much to the financial implications already set out in the Regulatory Impact Assessment. Even though this will be an additional responsibility for the Residential Property Tribunal, we do not anticipate that Rent Repayment Orders will be used excessively. We anticipate that they will be used where other enforcement action has failed or been deemed inappropriate. In addition, introducing these measures at this stage will mean that all the additional responsibilities for the Residential Property Tribunal can be dealt with in the training courses (already identified) and any changes to forms etc. can be made at the same time.

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Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Correspondence: Carl.Sargeant@wales.gsi.gov.uk

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The Residential Property Tribunal Procedures and Fees (Wales) Regulations 2012 will also need to be amended to take account of the Bill (as previously identified) and fees for rent repayment orders will be set out in the amending Regulations; this will also allow the Tribunal to charge fees in order to recover the costs

Furthermore, where the payment in relation to rent or services is funded by means of housing benefit or relevant awards of universal credit, the licensing authority or local housing authority will be able to apply for these payments to be repaid to itself. The Welsh Ministers will have power by regulations to provide how such receipts are to be dealt with.

Amendment 292 Fixed penalty notices:

This amendment reflects recommendation one from the Finance Committee and recommendation eight from the report of the Communities, Equality and Local Government Committee's consideration of the Bill.

The amendment has inserted a new section into the Bill which provide for a licensing authority and, potentially, local housing authorities to issue fixed penalty notices where it is considered that an alleged offence, under Part 1 of the Bill, has been committed. This will include where a landlord is letting a rental property while being unregistered; where a person is managing a rental property without a licence; or where a person fails to update information as required as part of the licensing process.

The effect of this amendment is to provide the licensing authority and local housing authorities with a means of taking enforcement action and to encourage compliance with the requirements of Part 1 of the Bill, without resorting to court proceedings, in the event of a person paying a penalty. The amendment allows the fines paid as a result of the fixed penalty notice to be retained by the licensing authority or local housing authority and specifies that the monies raised be used for the purposes of enforcing Part 1 of the Bill.

The introduction of fixed penalty notices will also mitigate the concerns raised as a result of the decision of the Court in the *Hemming v Westminster City Council* case which would preclude the licensing and registration fee from being used for enforcement action against unlicensed or unregistered individuals.

The penalties will be £150 or £250 depending on the type of offence. The levels of fines can be amended by Welsh Ministers by order to be approved by the National Assembly for Wales.

Homelessness

Amendment 33: Power to amend or repeal provisions about priority need for accommodation

This amendment provides a power for the Welsh Ministers to add, amend or remove categories of persons who have priority need (by way of an order). This was requested by the Committee and stakeholders and will allow the Welsh Ministers to be able to remove priority need altogether when this is appropriate. I believe that the Bill is a key step towards achieving this aim.

The amendment does not have an immediate financial impact, but the financial impact on local authorities and benefit costs would be felt if and when priority need categories were added / amended in the future if more groups were to be given additional protection or access to services such as emergency accommodation. Any such order made under these powers would be subject to full Assembly legislative scrutiny and a Regulatory Impact Assessment.

Council Tax

Amendment 66: Increase in Council Tax premium that local housing authorities may charge on empty dwellings

The purpose of this amendment is to increase the amount of council tax premium which local authorities will be able to charge for properties classed as being long-term empty dwellings. The increase is from a fixed 50 per cent premium to a maximum 100 per cent premium. This will allow local authorities to determine the rate of premium to be charged in their area based on local circumstances. The rate can go from nil to 100% of the standard Council Tax charge. This is at the discretion of the local authority.

We do not expect local authorities to incur any additional costs as a result of this amendment other than those set out in the Regulatory Impact Assessment when the Bill was originally tabled. The financial implications of this amendment will be met from existing departmental allocations.

The impact of this amendment on property owners is dependent on the number of local authorities that choose to introduce a council tax premium on empty homes, the level at which they set that premium and council tax collection rates. However, if all local authorities choose to introduce a council tax premium on empty homes of 100%, there are no exemptions, and the homeowners retain the property as an empty home, then the additional tax charge on property owners would be a maximum of around £28.8 million (based on the average Band D tax charge for 2013-14 of £1,226, the estimated number of long term empty properties 24,216 and a 97% collection rate (the current average). It is unlikely, however, that a 97% collection rate would be achieved for long-term empty properties.

Amendment 69: Increase in Council Tax premium that local housing authorities may charge on dwellings occupied periodically

The purpose of this amendment is to amend the Local Government Finance Act 1992, by inserting a new section 12B into that Act, which will allow local authorities to charge up to a 100 per cent premium on Council Tax for dwellings occupied periodically (second homes).

Each local authority must make a decision about charging a premium on Council Tax for second homes and cannot vary this in year. The Welsh Ministers will have power to make regulations, subject to negative resolution procedure, setting out the prescribed classes of dwellings that would be exempt from this charge.

It is expected that there will be minimal additional costs incurred by local authorities as a result of this amendment as they already have software systems, collection and reporting mechanisms in place. In addition, they are already likely to be collecting the standard council tax charge on the second homes in their areas, making it less costly for local authorities to administer than the Council Tax Premium on empty properties. However, if an authority chose to charge an additional council tax premium on second homes, there would be requirements to monitor and enforce the collection of council tax. It is estimated that the cost could be the equivalent of one member of staff at £30,000 per annum per local authority – although this would be dependent on the number of second homes an authority has in its area.

It is anticipated that these costs could be contained within the costs that would be incurred by local authorities who apply a council tax premium to long term empty properties. Should there be a case where a local authority chose not to apply the council tax premium for long term empty properties but did apply a premium in respect of second homes, the costs to a local authority would be no more than those for a premium on long term empty properties, as set out in the Regulatory Impact Assessment when the Bill was originally tabled.

It would be for local authorities to balance the additional costs they may incur as a result of charging this premium, against the additional council tax income they could raise, before deciding whether or not to charge a council tax premium on second homes.

The impact of this amendment on property owners is dependent on the number and identity of local authorities that choose to introduce a council tax premium on second homes, the level at which they set that premium and council tax collection rates.

A WLGA survey undertaken in 2011 suggested there were around 23,000 second homes in Wales, although this figure includes some empty properties, and some self-catering holiday lets. There is currently no definitive figure as there are a number of sources of data on second homes in Wales and as council tax discounts for second homes are currently at the discretion of local authorities, council tax returns to the Welsh Government are also incomplete. However, were all local authorities choose to introduce a council tax premium of 100% on second homes, without there being any exemptions, and homeowners retain the property as a second home, the additional tax charge on property owners would be a maximum of around £27.4 million (based on the average Band D tax charge for 2013-14 of £1,226 and a 97% collection rate (the current average)). As with long-term empty properties, it is unlikely that the 97% collection rate could be achieved, although the collection rates for occupied properties do tend to be higher than those for empty properties.

The number of second homes varies by area with North West, South West and Mid Wales in particular having large numbers of second homes. 2011 Census data shows that of the people with a second home in Wales which is used for holiday purposes, around 80% have that second home in Gwynedd, the Isle of Anglesey, Conwy, Powys, Ceredigion or Pembrokeshire. If those six local authorities introduce a 100% council tax premium and there are no exemptions then the additional tax charge on property owners based on the WLGA's estimate would be a maximum of around £21.9 million (again this is based on average Band D tax charge for 2013-14 and the current 97% average collection rate). While this would be a cost to the property owners, there would be an equivalent increase in council tax revenue for the relevant local authorities.

I hope this information is helpful.

I am copying this letter to Christine Chapman AM, Chair of the Communities, Equality and Local Government Committee.



Carl Sargeant AC / AM
Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration