

Agenda – Equality, Local Government and Communities Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date: 9 November 2017

Meeting time: 11.15

For further information contact:

Naomi Stocks

Committee Clerk

0300 200 6565

SeneddCommunities@assembly.wales

Pre-meeting (11.15 – 11.30)

1 Introductions, apologies, substitutions and declarations of interest

2 Scrutiny of the Welsh Government draft budget 2018–19: evidence session 2

(11.30 – 13.00)

(Pages 1 – 29)

Alun Davies, Cabinet Secretary for Local Government and Public Services

Reg Kilpatrick, Director Local Government, Welsh Government

Rob Hay, Deputy Director, Local Government Finance Policy Division, Welsh Government

Lunch (13.00 – 13.30)

3 Scrutiny of the Welsh Government draft budget 2018–19: evidence session 3

(13.30 – 15.00)

(Pages 30 – 75)

Alun Davies, Cabinet Secretary for Local Government and Public Services

Julie James, Leader of the House and Chief Whip

Rebecca Evans, Minister for Housing and Regeneration

Jo-Anne Daniels, Director, Communities & Tackling Poverty, Welsh Government

John Howells, Director of Housing and Regeneration, Welsh Government



4 Paper(s) to note

- 4.1 Letter from the Cabinet Secretary for Education to the Chair of the Children, Young People and Education Committee in relation to Communities First – lessons learnt**

(Pages 76 – 77)

- 4.2 Response from Let Down in Wales to the Welsh Government's consultation on fees charged to tenants in the private rented sector**

(Pages 78 – 92)

- 4.3 Letter from the Cabinet Secretary for Communities and Children in relation to fire safety in high rise blocks in Wales**

(Pages 93 – 96)

- 4.4 Letter from the Chair of the UK Joint Committee on Women to the Secretary of State for Exiting the European Union in relation to Human Rights in Wales**

(Pages 97 – 100)

- 5 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from the remainder of the meeting**

- 6 Scrutiny of the Welsh Government draft budget 2018–19:
consideration of evidence received under items 2 and 3**

(15.00 – 15.15)

Document is Restricted

1. Introduction

This paper provides evidence to the Committee regarding the Local Government portfolio and future programme budget proposals outlined within the draft budget laid on 24 October 2017.

The majority of the Local Government portfolio funding comprises the core unhypothecated funding for Local Authorities and Police and Crime Commissioners in Wales in accordance with the Local Government Finance Act 1988. Funding is also provided through this portfolio to inspectorate and regulation bodies to provide effective statutory oversight of public services in Wales.

For reference, Annex A provides a breakdown of the draft budget figures for Resource, Capital and AME for the LG MEG by Action and by Budget Expenditure Line (BEL).

2. Background

This budget includes spending plans for 2018-19, together with indicative revenue budgets for 2019-20 and indicative capital plans until 2020-21. The table below provides an overview of the Local Government MEG for Resource, Capital and Annually Managed Expenditure until 2019-20. The indicative capital allocation in 2020-21 is £143m.

Table 1: Budget for 2017-18, 2018-19 and 2019-20 showing changes

£'000	2017-18 First Supp Budget	2017-18 Baseline Adjustment	2017-18 Revised Baseline	Change	2018-19 Draft Budget	Change	2019-20 Draft Budget
Resource	3,298,256	6,000	3,304,256	37,465	3,341,721	-85,132	3,256,589
Capital	143,118	0	143,118	0	143,118	0	143,118
Total DEL	3,441,374	6,000	3,447,374	37,465	3,484,839	-85,132	3,399,707
Total AME	1,059,000	0	1,059,000	-7,000	1,052,000	26,000	1,078,000
Total Budget	4,500,374	6,000	4,506,374	30,465	4,536,839	-59,132	4,477,707

This is the second budget of this term of Government and the third year of the UK Government's current Spending Review settlement. Austerity continues to be a defining feature of public expenditure. This long period of sustained reductions has had an impact on all services, even those where we have been able to provide some protection. It means that as the Welsh Government and as the National Assembly for Wales we continue to face tough choices.

Also the possible implications of the UK's exit from the European Union creates further uncertainty across public services. This is particularly the case for local authorities where the EU is a key provider of funding for Local Authorities. The Welsh Government has established a specific team to co-ordinate European Transition issues. The team is working closely with Brussels and the relevant policy departments.

Analysis of the evidence on current trends and projections has informed the prioritisation of resources through the local government budget to ensure the funding is focussed on the areas most critical to delivering the needs of the population of Wales.

The Local Government MEG comprises total DEL and AME provision of £4.537bn in 2018-19, an increase of £30.5m compared to 2017-18.

Within this, there is a net increase of £37.5m to the Resource budget. This includes £91.7m of transfers to the general revenue settlement previously provided through specific Welsh Government grants via other MEGs. The transfer of specific grants provides local authorities with greater control over spending plans for a larger share of their spending and, in turn, offers the opportunity for savings in administration costs and scope for local authorities to engage their communities in the decisions about spending that affect them.

In providing local authorities with greater flexibility through transferring funding into the local government settlement, it is vital that there is ongoing engagement involving Welsh Ministers and local government lead portfolio holders to ensure that the agreed outcomes delivered through these elements of funding continue to be delivered.

The largest component of the Local Government MEG is the provision for the core unencumbered funding of the 22 county and county borough councils. This is delivered as Aggregate External Finance (AEF). AEF is made up of revenue support grant (RSG) and redistributed non-domestic rates (NDR). Revenue support grant is included within the Resource DEL and non-domestic rates are classified as Resource AME. This funding combined with income raised locally through council tax supports the delivery of core local authority services. As the funding is unencumbered, it is for each local authority to determine its spending priorities in line with local needs and priorities. In addition to core funding, local authorities are also funded through income from fees and charges, specific grants from central government and reserves.

Similar arrangements apply to the provision of Welsh Government funding to Police and Crime Commissioners in Wales through the Police Settlement. Although the largest element of the core funding for policing is provided by the Home Office. Details of the 2018-19 police settlement allocations are due to be published in conjunction with the Home Office in December.

Table 2 below shows that, on a like for like basis, AEF funding will reduce by £20m or 0.5% in 2018-19 compared with the current year and by £61m or 1.5% in the following year.

Table 2: Aggregate External Finance for Unitary Authorities (Excl top up funding)

	2017-18 (adjusted to include £91.7m transfers) £'000	2018-19 Provisional £'000	2019-20 Indicative £'000
Unitary Authorities			
RSG*	3,201,884	3,188,855	3,103,237
NDR	1,006,050	999,400	1,024,100
Total	4,207,934	4,188,255	4,127,337

Note * for the purposes of reconciling to Annex A, line above includes £600k for child burials which will be paid separately.

3. Key policies

Welsh Government's priority areas for local government finance in 2018-19

The funding represents the best achievable settlement that continues to protect local government from significant cuts against a backdrop of reducing budgets from the UK Government. Within the settlement we are prioritising funding for essential public services such as education and social care. This means providing £62m through the school element of the settlement in 2018-19 to ensure that we maintain the assumed Welsh Government share of core spending on schools at the level of 2017-18. In 2019-20 this rises to £108m, reflecting our commitment to continue to invest in education and to prioritise schools funding within a tighter overall settlement.

Prioritising £42m in 2018-19 for social care within the settlement means we will maintain the assumed Welsh Government share of core spending on social care at the level of 2017-18. In 2019-20 this will increase to £73m, reflecting, even within a tighter overall settlement, our recognition of the need to invest in social care.

The settlement also includes an additional sum of £6m each year to support delivery of local services to meet homelessness prevention duties, on top of the £6m built into the settlement in 2017-18.

Local Government Settlement

The local government settlement was published separately on 10 October through a written statement to the National Assembly for Wales. The statement set out the distribution of the local government settlement using the agreed funding formula. The distribution included an

additional £1.8m funded floor arrangement to ensure no authority faced a reduction of more than 1% compared with its current allocation on a like for like basis.

The settlement consultative process underpinning the production of the local government settlement is one of the most comprehensive anywhere in Welsh Government. This has involved engaging with local government through a range of mechanisms as we have developed the proposals for the 2018-19 settlement. These include discussions in the Local Government Partnership Council and its Finance Sub Group on the funding considerations and distributional issues.

More detailed discussion on the funding formula has taken place through the Distribution Sub Group which includes Welsh Government and local government officials. The Distribution Sub Group's report on the funding formula to be used to distribute the 2018-19 settlement was agreed by the Finance Sub Group at its meeting on 28 September.

As a major element of the police settlement is funded by the Home Office, details of the 2018-19 police settlement will be published as part of the England and Wales police settlement announcement in December 2017.

Funding floor and top-ups

As mentioned above, in addition to the funding identified within the MEG for the local government settlement, £1.8m of additional funding is being provided to ensure that no authority sees a reduction of greater than 1.0% in cash terms compared to its 2017-18 settlement allocation and, where relevant, top-up funding.

Six authorities benefit from top-up funding in 2018-19: Powys, Merthyr Tydfil, Blaenau Gwent, Conwy, Caerphilly and Monmouthshire.

This top-up funding is fully funded by the Welsh Government and does not involve any redistribution of funding from other authorities.

Council tax reduction schemes

The Welsh Government will continue to protect vulnerable and low-income households in Wales by maintaining full entitlements under our Council Tax Reduction Scheme (CTRS) for 2018-19. To support this, we have maintained the £244m of funding for CTRS provided within Local Government Settlement.

The longer term arrangements for 2019-20 onwards will be determined as part of wider considerations about how to make council tax fairer.

Funding formula

We work closely with local government in determining the distribution of the annual settlement. The Distribution Sub Group Report records the changes proposed to the funding formula in respect of 2018-19. This Report was approved by the Finance Sub Group on 28 September.

The 2018-19 settlement formula reflects only one significant formula change. This is the second and final element of the phasing in of changes to the personal social services element of the formula, to take account of the additional costs of delivering the service to more sparsely populated communities.

Otherwise the formula reflects the normal process of updating population and other data indicators. This ensures the formula remains relevant and timely.

The formula for distributing the police settlement is prepared on an England and Wales basis and is the responsibility of the Home Office.

Preventative spending

Each local authority is an autonomous, democratically elected body which is accountable to its electorate for the decisions it makes. Authorities have a series of statutory duties and functions, and powers to provide a range of other functions and services. These duties, including preventative activities such as home care services to keep people out of hospital and homelessness prevention. These activities are funded through a range of sources including core settlement grant, council tax income and income from fees and charges. Within the settlement, we are prioritising funding for social care and increasing funding for homelessness prevention by £6m in 2018-19.

Each authority must ensure that it undertakes appropriate impact assessments of any policies it implements funded through the local government settlement.

The third sector's 2017 action plan with the Cabinet Secretary for Finance and Local Government sets out joint work by Welsh Government and the third sector to scope work to define preventative spend, using the early action task force methodology as a framework. • While defining expenditure in terms of preventative spend is challenging, understanding different typologies of spend can be helpful.

Conducting full and meaningful engagement on its budget will help to ensure impacts are fully considered. It is for local authorities to set their own spending priorities taking account of this alongside the other sources of funding available to them. Local authorities are required to prepare medium-term financial strategies to ensure they are setting budgets which are stable and sustainable for the medium term. Setting out the revenue allocations for the next two years and capital allocations for the next three years will support that process.

Each authority will make its own decisions based on local need and priorities and must assess the impact of its proposals and decisions on protected groups and in relation to its wider functions.

Welsh Language standards

Each authority is responsible for ensuring it meets its statutory obligations and the needs of its communities in relation to the implementation of Welsh Language standards.

Local government has a crucial role to play in implementation of the Strategy – in particular in efforts to improve planning for Welsh-medium education to drive an increase in the percentage of learners receiving Welsh-medium education (from a baseline of 22% to 24% in 2021, 30% in 2031 and 40% by 2050).

Local authorities are also implementing strategies to promote the use of Welsh within their communities to contribute to the Cymraeg 2050 target of increasing daily use of Welsh.

Equality and sustainability impacts

We have continued to develop our approach to embed the five ways of working in preparing the draft budget with the Future Generations Act shaping the overall approach.

The draft budget plans are based on a clear analysis of long-term factors that are shaping the demand for public services including local authority delivered services. The analysis made clear the need for the preventative approach to funding public service provision.

In setting a budget for the whole of the public sector we have been clear that better integration across public services will be central to more effective service provision, as will collaboration and the involvement of public service users. This is supported through prioritising funding for social services and the requirement to develop pooled budgets with Local Health Boards and the continued support for the Integrated Care Fund.

We have also continued to take an integrated approach to considering impacts on protected groups and support a focus on our shared national goals. An integrated approach to assessing impact is critical, not least because many of the issues around equality, poverty and children's rights are inter-related. Taking this approach helps us to better consider all the potential impacts of our decisions and be confident we can manage them when taken as a whole.

The Budget Advisory Group for Equality (BAGE), co-chaired by the Cabinet Secretary for Finance and Local Government and the Cabinet Secretary for Communities and Children, provides a valuable resource for ensuring that equality considerations is an active strand in all budget decisions.

Our integrated approach provides a more realistic assessment of the overall impact of spending decisions and recognises that there is not always a single answer that will manage the impact of a decision in all areas. This assessment of the impacts of our decisions is vital to ensure the promotion of equality of opportunity and the prevention of discrimination, and this has shaped our approach to the budget process.

In terms of sustainability, Public Service Boards (PSBs) have a key role to play. PSBs have made substantial progress towards meeting their obligations under the Well-Being of Future Generations Act, working in accordance with the sustainable development principle.

Through their Assessments, PSBs are aiming to understand the underlying causes of the problems faced by their communities and the people living in the area.

Moving forward, in developing Local Well-being Plans, PSBs are using the evidence in their Assessments of Local Well-being to inform interventions aimed at finding collective, preventative solutions to these issues. Notable early examples of preventative interventions relate to health inequalities (deprivation in specific areas of the community), community resilience in terms of an ageing population, and climate change at a local level.

We have also used an integrated cross-portfolio approach to allocating our capital budget and considering the expected impact to prioritise budget allocation. We work with local authorities to make the most efficient use of the resources available collectively to address the government-wide challenges and constraints, and identify opportunities for joining-up, for example, to deliver the 21st Century Schools programme.

Also the Cwm Taf Collaborative estate pilot has demonstrated there are clear opportunities for the public sector throughout Wales to make efficiencies through the better use of its land and building assets. This includes better property data capture and asset mapping, enabling improved knowledge of the collective public estate, which as well as potentially identifying opportunities for further efficiencies will also highlight opportunities to integrate and improve delivery of services.

Local government reform

Recognising we are in an era of reducing budgets and greater service challenges means that the status quo is not sustainable. Identifying and pursuing with local government, new and different ways of working is at the heart of an extensive local government reform programme. A key element of the programme is our plans to provide authorities with the mechanisms to deliver systematic and mandatory regional working across the services. This, along with the greater freedoms, such as through making available to authorities the general power of competence, are essential for ensuring that local authorities continue to be financially sustainable and deliver effective and resilient services.

The provision of £5m in 2018-19, rising to £6m in 2019-20 has been made for activities associated with the transformation of local government and the implementation of legislation to support the reform and renewal of local authorities.

These plans include taking forward consideration of a series of proposals for reforms to the local government electoral system, to make it easier for people to vote and to extend the entitlement to vote. They also include the independent review of Community and Town councils in Wales.

Inspectorate and Regulatory Bodies

The local government portfolio includes funding for the Care and Social Services Inspectorate Wales, Healthcare Inspectorate Wales and Estyn. The 2018-19 and 2019-20 budgets for the inspectorates and regulatory bodies have been reduced by 2.3% in 2018-19 and 5.4% in 2019-20. This is consistent with the reduction to Welsh Government running costs. These bodies are already taking action to secure efficiencies and target their resources more effectively, to mitigate the impact of these budget reductions.

Annex A

RESOURCE BUDGET									
Action		BEL Description	2017-18 Supplementary Budget June 2017	Baseline Adjustments	2017-18 Revised Baseline	2018-19 Changes	2018-19 New Plans Draft Budget	2019-20 Changes	2019-20 New Plans Draft Budget
Funding Support for Local Government	0830	Community Support Officers	16,787		16,787	-16,787	0		0
	0840	Local Govt General Revenue Funding (RSG & NDR)	3,110,168	26,000	3,136,168	52,687	3,188,855	-85,618	3,103,237
	0845	City & Growth Deals	20,000	-10,000	10,000		10,000		10,000
	0860	Police General Revenue Funding	85,750		85,750	2,550	88,300	1,200	89,500
	0875	Non-Domestic Rates Rates Relief	10,000	-10,000	0		0		0
	0885	Local Govt PFI Revenue Consequences	3,650		3,650	-261	3,389	-133	3,256
	0887	Transformation & Legislation	5,000		5,000		5,000	1,000	6,000
	0940	Non Domestic Rates Collection Costs	5,172		5,172		5,172		5,172
	1600	Emergency Financial Assistance Scheme	1		1		1		1
Total Funding Support for Local Government			3,256,528	6,000	3,262,528	38,189	3,300,717	-83,551	3,217,166
Valuation Services	1500	Valuation Office Agency Services	8,561		8,561		8,561		8,561
	1540	Valuation Tribunal for Wales	1,074		1,074	-35	1,039		1,039
	1550	Local Taxation Research & Analysis	100		100		100		100
Total Valuation Services			9,735	0	9,735	-35	9,700	0	9,700
Building Local Democracy	1440	Sponsorship of the Local Democracy and Boundary Commission for Wales	572		572		572		572
	1462	Expenditure to promote local democracy	126		126		126		126
Total Building Local Democracy			698	0	698	0	698	0	698
Local Government Improvement	1571	Improvement & Audit	460		460	-110	350		350
Total Local Government Improvement			460	0	460	-110	350	0	350
Academi Wales	7093	Academi Wales	1,109		1,109	84	1,193	-59	1,193
Total Academi Wales			1,109	0	1,109	84	1,193	-59	1,193
Supporting Collaboration and Reform	1574	Community and Town Councils	144		144		144		144
	1575	Public Services Boards	730		730		730		730
Total Supporting Collaboration and Reform			874	0	874	0	874	0	874
Care and Social Services Inspectorate	6775	Care & Social Services Inspectorate	13,953		13,953	-321	13,632	-736	12,896
Total Care and Social Services Inspectorate			13,953	0	13,953	-321	13,632	-736	12,896
Healthcare Inspectorate Wales	6785	Healthcare Inspectorate Wales	3,586		3,586	-82	3,504	-189	3,315
Total Healthcare Inspectorate Wales			3,586	0	3,586	-82	3,504	-189	3,315
Estyn	6280	Estyn-Programme Expenditure	11,313		11,313	-260	11,053	-597	10,456
Total Estyn			11,313	0	11,313	-260	11,053	-597	10,456
LOCAL GOVERNMENT - TOTAL RESOURCE BUDGET			3,298,256	6,000	3,304,256	37,465	3,341,721	-85,132	3,256,589

CAPITAL BUDGET												
Action		BEL Description	2017-18 Supplementary Budget June 2017	2018-19 Plans as per 2017-18 Final Budget	2018-19 Changes	2018-19 New Plans Draft Budget	2019-20 Plans as per 2017-18 Final Budget	2019-20 Changes	2019-20 New Plans Draft Budget	2020-21 Plans as per 2017-18 Final Budget	2018-19 Changes	2020-21 New Plans Draft Budget
Local Government General Capital Funding	1675	Local Govt General Capital Funding	142,837	142,837		142,837	142,837		142,837	142,837		142,837
Total Local Government General Capital Funding			142,837	142,837	0	142,837	142,837	0	142,837	142,837		142,837
Estyn	6280	Estyn-Programme Expenditure	281	281		281	281		281	281		281
Total Estyn			281	281	0	281	281	0	281	281		281
LOCAL GOVERNMENT - TOTAL CAPITAL BUDGET			143,118	143,118	0	143,118	143,118		143,118	143,118		143,118

RESOURCE BUDGET - AME								
Action	BEL No.	BEL Description	2017-18 Supplementary Budget June 2017	2018-19 Changes	2018-19 New Plans Draft Budget	2019-20 Changes	2019-20 New Plans Draft Budget	
Funding Support for Local Government	0870	Non-Domestic Rates Distributable Amount - AME	1,059,000	-7,000	1,052,000	26,000	1,078,000	
Total Funding Support for Local Government			1,059,000	-7,000	1,052,000	26,000	1,078,000	
LOCAL GOVERNMENT - TOTAL RESOURCE AME BUDGET			1,059,000	-7,000	1,052,000	26,000	1,078,000	

Agenda Item 3

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

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Introduction

This paper provides evidence to the Committee on the Communities and Children (C&C) future programme budget proposals as outlined in the Detailed Draft Budget which was laid on 24 October 2017. For reference, Annex A provides a breakdown of the relevant Draft Budget figures for the C&C Major Expenditure Group (MEG) by Spending Programme Area, Action and Budget Expenditure Line (BEL).

Financial Tables

Within the overall C&C MEG, the specific elements for the Committee are Communities, Equality, Housing, Regeneration and Community Safety. The budgets for those elements are summarised in the tables below.

	2017-18 First Supplementary Budget (June 2017) £'000s	2017-18 Revised Baseline £'000s	Change £'000s	2018-19 New Plans Draft Budget £'000s	Change £'000s	2019-20 New Plans Draft Budget £'000s	Change £'000s	2020-21 New Plans Draft Budget £'000s
Revenue	189,510	189,510	24,527	214,037	126,634	340,671		
Non Cash	500	500	-500	0	0	0		
Total Resource	190,010	190,010	24,027	214,037	126,634	340,671		

	2017-18 First Supplementary Budget (June 2017) £'000s	2018-19 Plans as per 2017-18 Final Budget £'000s	Change £'000s	2018-19 New Plans Draft Budget £'000s	2019-20 Plans as per 2017-18 Final Budget £'000s	Change £'000s	2019-20 New Plans Draft Budget £'000s	2020-21 Plans as per 2017-18 Final Budget £'000s	Change £'000s	2020-21 New Plans Draft Budget £'000s
Traditional Capital	243,108	233,896	143,808	377,704	179,982	116,942	296,924	184,319	108,983	293,302
FTR	113,337	98,748	0	98,748	73,067	0	73,067	44,700	0	44,700
Total Capital	356,445	332,644	143,808	476,452	253,049	116,942	369,991	229,019	108,983	338,002

Budget Overview

This budget includes spending plans for 2018-19, together with indicative revenue budgets for 2019-20 and indicative capital plans until 2020-21. This is the second budget of this term of Government and the third year of the UK Government's current Spending Review settlement.

The decision for the UK to leave the European Union has caused uncertainty. The Welsh Government established a specific team to co-ordinate European Transition issues, which is working closely with the existing team in Brussels and policy departments. As the impact of Brexit is so far-reaching many Welsh Government departments are also prioritising their existing resources for dealing with Brexit specific issues. Reprioritising existing resources is an important and responsible approach and one which will need to be utilised further as more information about future changes become available.

Austerity continues to be a defining feature of public expenditure. This long period of sustained reductions has had an impact on all services, even those where we have been able to provide some protection.

I recognise the on-going need to make hard choices given the continuing pressure on public finances and on the level of funding available to this MEG. These budget proposals reflect my continuing commitment to protect and prioritise investment that supports preventative measures. The spending decisions have not only considered how best to meet the current demand for services but have also focused on supporting interventions that are able to prevent problems arising in the future. This preventative approach is an important part of my planning for public services, both now and in the future.

From the outset of my Budget preparations, I have focused on how best to meet the growing needs of key services areas within the MEG in the face of another challenging budget. Over successive years, prioritising preventative spending has been a way of avoiding more costly interventions at a future point and improving the quality of people's lives over the long term.

An analysis of evidence on current trends and projections has informed a focus on the areas most critical to delivering the needs of the population of Wales and has informed these spending proposals.

The National Strategy

In September, the First Minister published the national strategy "Prosperity for all". It sets the aims of this Government and provides clarity about how we want Government and delivery partners to be part of the new approach to delivering priorities. The Well-being of Future Generations (Wales) Act 2015 supports the Welsh Government and delivery partners in making these important changes to the way we work.

The strategy sets out 12 revised well-being objectives and the steps we propose to take to meet them. Together with the well-being statement published alongside the strategy, these objectives set out the areas where the Welsh Government can make the greatest contribution to the seven well-being goals for Wales and provide the basis for strong partnerships with others.

All Cabinet Secretaries are committed to using the Well-being of Future Generations (Wales) Act to improve how we make decisions about the social, economic, environmental and cultural well-being of Wales. Our goal is to ensure we reflect the sustainable development principle and our spending plans aim to achieve a balance between short and long-term priorities. We recognise the need to collaborate with partners and to use our collective resources effectively to plan for the tough choices ahead.

Priorities for my portfolio

The priorities for my portfolio are economic renewal and wellbeing. Inevitably in the face of austerity difficult decisions have been taken to meet the savings needed in 2018-19, and in 2019-20. My priority has been to protect front line preventative services including funding for Supporting People, Flying Start, Families First and Youth Justice Services.

I will be investing an additional £1m for the Discretionary Assistance Fund in 2018-19 and 2019-20 to continue to provide urgent assistance to safeguard the health and well being of some of our most vulnerable citizens as demand increases due to full service roll out of Universal Credit, and an extra £500k each year towards the important work to support survivors and reduce the incidence of domestic abuse.

I am allocating an additional £14.9m capital over three years (£6m in 2018-19, £4.5m in 2019-20 and £4.4m in 2020-21) to support the regeneration of community facilities; this will help build resilient communities. I will invest in community-led projects that develop or improve community facilities such as community hubs, helping to tackle poverty and improve opportunities for local citizens.

As a result of the Budget agreement with Plaid Cymru, I am delighted to have been able to find £10m to maintain the £124m Supporting People Programme, meaning there are no cuts to the programme in either year of the budget. I am also investing a further £10m in homelessness, £6m each year through the RSG to enable authorities to deliver and build on their successful work preventing homelessness and a further £4m for work on long term solutions to issues of homelessness and rough sleeping.

Funding held in reserves of £339.6m has been released over 2018-19, 2019-20 and 2020-21 to support the £1.4bn programme to deliver 20,000 affordable homes. This funding will allow the continuing focus on the delivery of social housing but also to increase the availability of low-cost home ownership. Increasing the supply of affordable housing will help in our work to prevent homelessness and a wide range of personal and social problems for vulnerable people.

I aim to make buying a home more affordable through the Help to Buy, Rent to Own and shared ownership schemes. I will also be bringing buying a home in a high cost rural area within reach of local people through Homebuy. I am committed to supporting the delivery of the right housing solutions for our diverse communities across Wales. I am increasing my investment in the Housing Finance Grant by £3.7m in 2018-19 and a further £1.7m in 2019-20 to help boost investment in the housing sector by £250m. All of these programmes support the wellbeing and economic prosperity of our communities.

In finding savings I have been rigorous in applying the principles of the Well-being of Future Generations Act. I will be ruthless in continuing to root out inefficiencies within my own department, just as I know local authorities have been doing and will continue to do. In 2018-19 I am looking to ensure that within my department we bear down on administrative inefficiencies which is why I have committed to find £2.5m of savings while shielding front line funding and the services they support.

Working with partners

I want all local authorities to be able to respond to the needs of their population, to promote their well-being, to plan for the long term and to focus on early intervention, prevention and support. So I am encouraging all public service boards and local authorities across Wales to engage in service re-design and to do this I want to support them with the funding flexibilities necessary.

To support this I am considering, subject to engagement, introducing a new Early Intervention, Prevention and Support Grant to replace the many funding streams currently in place. Each grant currently has an administrative and compliance burden which we will seek to remove allowing efficiencies to be made. The change could create an environment that will empower local authorities and public service boards to plan around the needs of their citizens.

The creation of a single grant could present some challenges as well as many opportunities. Importantly, greater accountability will need to be established to support the greater flexibility being considered. The mechanisms for this will be developed with key partners to ensure we get this right both strategically and operationally. A small group of local authorities and one public service board will be trialling these flexibilities in 2018-19. This will create the opportunity to learn from each other before possibly extending further in 2019-20. In the meantime all local authorities will be able to benefit from increased flexibility to move funds between grants.

I am confident these proposals, developed collaboratively could mitigate the effects of austerity and reduce the impact of the £16m of savings that need to be found over the next two years.

Through this approach I will aim to release creativity and innovation in local authorities and public service boards to find solutions to long standing local issues. This approach will build on the work of the Cabinet Secretary for Finance and Local Government to reform local government, ensuring greater participation in civil society and democracy.

Poverty Reduction

Overall responsibility for tackling poverty sits with the Cabinet Secretary for Economy and Infrastructure who has the lead for the coordination of cross-cutting measures to promote economic opportunity for all. Supporting a strong economy that generates sustainable employment opportunities that are accessible to all is a fundamental part of our approach to delivering prosperity for all. The evidence is clear that well-paid work is the best route out of poverty, and the greatest protection against poverty for those at risk.

We are taking a whole government approach to tackling poverty, including child poverty. Every Cabinet Secretary and Minister has been tasked with identifying opportunities to work together to create the conditions for Wales to be a successful, flourishing and thriving nation both in terms of financial prosperity and also in terms of the health and well-being of individuals.

There will be difficult times ahead. The UK Government's welfare reform programme and continued austerity measures will create significant challenges while the UK's withdrawal from the European Union has created great uncertainty. However, there is much that Welsh Government can do.

The Welsh Government recognises that poverty is at the root of many difficulties experienced by families with challenges and those on the edge of care. Research consistently shows a very strong relationship between rates of child protection and children in care in Wales and deprivation in local areas. Often the work of children's social services is concentrated in Wales' poorest communities. Poverty reduction needs to be at the heart of early intervention and prevention, including social work and wider support for parents. Investment to support vulnerable families on the edge of care, where it is safe and appropriate to do so, can help reduce the numbers of children in care, reduce the cost burden on local authorities and free up resources within the system to focus on preventative action and improved support for children who are in care.

Tackling child poverty is a vital element of my portfolio. Our approach is to tackle the root causes of poverty, concentrating on those areas where we can have most impact - on the pivotal early years of life, and on maximising employability.

Employability

Employability for those furthest from the labour market is one of the key priorities within my portfolio. The Communities for Work and Parents Childcare and Employment (PaCE) programmes are proving to be highly effective in helping those furthest from the labour market, to tackle complex barriers and take up training and employment opportunities. Communities for Work supports individuals living in our most deprived areas and PaCE extends this support to parents outside those areas. In 2018 I will be introducing further support through the Employability Grant, now known as Communities for Work Plus, building on the learning from Lift and providing support for those in poverty.

These programmes have an important role to play in ensuring we deliver on our commitment to work with all protected groups to counter discrimination and ensure opportunities for all. They represent a major investment by the Welsh Government in the communities they serve supporting our commitment within Prosperity for All to providing tailored community outreach to those furthest from the labour market. Significant cross government working is underway to ensure close alignment with the developing Employability Plan to ensure clear pathways for those furthest from the labour market to access mainstream skills provision.

Communities for Work focuses on reducing the number of 16-24 year olds who are Not in Education, Employment or Training (NEET) and increasing the employability of economically inactive and long term unemployed adults who have complex barriers to employment. The programme is being delivered in partnership with both local authorities and Job Centre Plus (JCP) in 52 delivery areas across Wales. Each area has a dedicated local delivery team employed by the Lead Delivery Bodies, along with additional advisers who are seconded onto the programme by JCP. A total of £71m will be invested in employment support in the most deprived areas of Wales until December 2020.

As of the end of September 2017, Communities for Work had provided employment support to 11,632 people and helped 3,221 into employment across Wales. The rate of delivery is expected to accelerate over the coming years and to meet its target of 10,000 people into employment by 2020.

Parents Childcare and Employment (PaCE) is a £13.5m project jointly funded by the European Social Fund and Welsh Government, working in partnership with Department for Work and Pensions (DWP). PaCE targets economically inactive parents aged 25 and over, and parents aged 16-24 who are Not in Education, Employment or Training (NEET). All parents enrolled onto PaCE will have childcare as their main barrier to accessing education, employment or training opportunities. There is a network of 43 PaCE advisers who work in community settings across Wales, helping participants overcome their barriers and move towards and into sustainable employment. PaCE builds upon services offered via Flying Start and Families First and operates outside Communities First areas, to complement other projects such as Communities for Work and LIFT.

PaCE aims to work with 8,278 parents over the life of the project, and help at least 20% (1,656) of those parents into work. As at the end of September 2017, the project had engaged 2,339 participants and supported 665 into work.

Lift reflects a commitment to provide 5,000 training and employment opportunities to people living in workless households. Funding of around £1.2m per year is available to fund small teams of employment mentors - typically two per area – who work intensively to identify and support people living in long term workless households to overcome the barriers they face to taking up training and employment.

As at the end September 2017 Lift had provided 4,969 opportunities, including 1,043 people from workless households supported into employment, putting it on track to meet its overall target by the end of this year.

Communities for Work Plus - From April 2018, I will introduce Communities for Work Plus to develop this infrastructure, supporting the continued success of Communities for Work and Lift. This will provide support of nearly £12m per annum to enable local authorities to enhance support for employment focussed on those who are furthest from the labour market.

This will also allow them to work outside the previously currently tightly defined geographical boundaries of Communities First, extending the reach of support services across Wales, including the three local authority areas not currently benefitting from Communities for Work - Ceredigion, Powys and Monmouthshire. Significant progress is being made in discussion with local authorities on the implementation of the model. Four local authorities have been identified as early adopters and it is expected that the new model will be operational in those areas from 1 January 2018, with the remaining areas to follow by 1 April 2018.

Financial Inclusion

Financial Inclusion continues to play a vital role in contributing to the Welsh Government's work to reduce poverty and improve the well-being of people living in Wales. By providing access to affordable finance through support for credit unions and access to trusted and independent information through funding of advice services, we are helping people deal with their problems and take greater control of their lives, which can lead to less reliance on the state through preventing escalation of issues. Recent evaluations have been undertaken on the advice funding to demonstrate this. The value of financial inclusion activities, particularly information and advice as preventative measures, can be seen in their growing strategic role in relation to health and social care, housing and homelessness, as well as financial management as a means of debt prevention.

Welfare Reform

Analysis by the Institute for Fiscal Studies (IFS) estimates household incomes in Wales will reduce by around £600m a year as a result of the planned tax and benefit reforms to be introduced between 2015-16 and 2019-20. Households in Wales lose 1.6 per cent of their net income on average or £459 a year compared to 1.3 per cent or £455 a year in the UK as a whole.

Lower-income households, particularly those with children, will lose considerably more on average (around 12 per cent of net income). Better-off households and pensioners will be less affected or will even gain from these changes.

Large families will be particularly hard hit, losing around £7,750 a year or 20 per cent of net income on average. This is mainly due to the restriction of the child element in tax credits and Universal Credit to two children.

On average, households containing a disabled person lose significantly more than those without (2.4 per cent or £618 versus 0.9 per cent or £272 a year). The IFS expect these changes will increase the number of households in Wales in poverty.

Discretionary Assistance Fund (DAF)

Whilst the support the DAF provides does not tackle or reduce poverty, it does mitigate some impacts of welfare reforms in the short term by providing emergency payments to those who have nowhere else to turn for immediate help. The DAF provides potentially vulnerable people with assistance in emergencies whilst also helping to maintain independent living by assisting someone to resettle in the community or remain living independently in their home, by awarding essential household goods necessary to aid this. Since the DAF was launched

in 2013 over £28.5m has been awarded, supporting more than 120,000 applicants in need. An additional £1m of funding has been provided to this programme in 2018-19 and 2019-20.

Credit Union Grant Funding

Credit unions can play an important role in helping those who may be living in poverty to manage their money, and are therefore key partners in the delivery of the Financial Inclusion Strategy published in March 2016. Funding of £422k is in place in 2017-18 for credit unions; funding will remain at the same level in 2018-19. Funding is awarded on a competitive grant basis, so it aligns more directly with the commitments of the Financial Inclusion Strategy and also supports the aims identified in the Credit Union Strategy for Wales, published in March last year. There are twenty-one projects being taken forward across Wales – importantly carrying out outreach work in communities, for example working in schools to develop school savers schemes and in prisons to foster savings habits as well as projects to increase employee payroll membership.

Prevention and early intervention are key principles underpinning credit unions' work and so breaking the cycle of deprivation through preventative approaches, which tackle problems before they develop, is something credit unions are ideally placed to do. This work is being underpinned by collaboration and integration with credit unions sharing best practice and working together to deliver outcomes on a number of projects.

Advice Services

The Welsh Government is committed to promoting sustainable improvements to the health and well-being of all the people of Wales and recognises social welfare information and advice has an important role in ensuring everyone in Wales has access to a fair and equal chance in life. Funding of £5.97m per annum is provided to advice services to deliver the Better Advice, Better Lives project (BABL), the Front Line Advice Services project and the Communities First Shared Outcomes project.

Five organisations (Citizens Advice Cymru in collaboration with Shelter Cymru and Snap Cymru, Age Cymru and Tenovus Cancer Care) are providing services to support the delivery of specialist advice on issues relating to welfare benefits; debt; financial capability; housing; and discrimination. These organisations are helping the advice sector in Wales to maintain its specialist social welfare advisory capacity and during 2016-17 the Front Line Advice Services funding contributed to organisations responding to over 48,000 requests for information and advice, securing over £12.7m in income gains.

Citizens Advice Cymru has successfully embedded, within all twenty-two Welsh local authorities, a model of generalist social welfare advice that positively promotes access to advice services. This generalist advice can help prevent people's situations reaching crisis point, which would require more complex interventions. Since the start of BABL in 2012, the project has provided advice and support to over 93,500 people and helped people to claim welfare benefits totalling more than £101.5m.

The Welsh Government remains committed to ensuring that the most vulnerable people in our society have access to free and independent advice on social welfare law issues including debt, welfare benefits, housing and money management. However, the UK Government's ongoing programme to transform the social security system, in particular the rollout of Universal Credit Full Service across Wales, is continuing to increase the demand for access to advice services. To help the sector meet this demand, officials are working with the National Advice Network and other key stakeholders to develop a more holistic and joined-up approach to advice service provision, which aims to ensure that available resources are being used as effectively as possible.

Council Tax Reduction Scheme

The Welsh Government remains committed to maintaining full entitlements for households to receive support with their council tax bills through our Council Tax Reduction Scheme. As a result, approximately 300,000 vulnerable and low-income households in Wales continue to be protected from any increase in their council tax liability, of which 220,000 continue to pay no council tax at all.

Third Sector

Third Sector Support Wales (TSSW: Wales Council for Voluntary Action and 19 County Voluntary Councils) re-focused work within its business plan for 2017-18. It has made use of the funding provided through the TSSW Core funding (£4.5m in 2017-18) to take forward a range of improvements to the services it provides to both volunteers and volunteer organisations.

Among other things the core funding will by the end of the year provide the following support around fundraising:

- Number of people helped with funding advice – 7,445
- Amount of funding obtained by groups during the period - £17.3m
- Number of participants on training courses – 4,590

While TSSW maintains access to information and advice around fundraising, this remains one of the areas where more could be done and my officials will work with TSSW to improve the volume and quality of funding bids from Wales to charitable Trusts and Foundations based outside Wales.

Refugees & Asylum seekers

The Improving Outcomes for Children Ministerial Advisory Group has a role in ensuring our commitment to supporting unaccompanied asylum seeking children integrate into communities across Wales is met. Wales is standing ready to fulfil its commitment to offer placements and welcome unaccompanied asylum seeking children coming to the UK under the Dubs scheme. The Welsh Government has allocated £410k to supporting unaccompanied asylum seeking children.

The Asylum Rights Programme provides advice and advocacy support to refugees and asylum seekers. The service will be delivered by a coalition of seven organisations, each of which has a strong track record of supporting these individuals in Wales. The Welsh Refugee Council (WRC) will lead the coalition, supported by EYST, BAWSO, Asylum Justice, Tros Gynnal Plant, Displaced People in Action and City of Sanctuary.

The WRC, EYST and BAWSO will provide caseworkers in Swansea, Cardiff, Newport and Wrexham to offer specialist knowledge on asylum support, housing, health, social services, education, employment, bullying, hate crime, discrimination and destitution. BAWSO will also support those experiencing or at risk of gender based violence or Modern Day Slavery.

Tros Gynnal Plant will provide advocacy support to Unaccompanied Asylum Seeking Children (UASC), supporting them through the age assessment process and assisting them to access appropriate support.

Asylum Justice will provide a legal caseworker to provide specialist legal advice and representation in relation to their asylum application. A Swansea drop-in centre will be provided in addition to the existing Cardiff drop-in and outreach services will be available via the internet for the rest of Wales.

City of Sanctuary and Displaced People in Action will host an advocacy forum to provide opportunities for people to identify issues of concern and make the case for positive changes. They will also support Sanctuary Speaker Groups to share experiences of sanctuary with public audiences and the media.

All partners will offer volunteering opportunities and seek to foster good relations between refugees and asylum seekers and the wider community. The Programme will be underpinned by quarterly monitoring by the Welsh Government Equality Team.

The consortium will also work closely with the wider Welsh Refugee Coalition, which comprises approximately thirty organisations (including the consortium members themselves), to ensure that the Asylum Rights Programme is dovetailed as closely as possible with other, existing support for refugees and asylum seekers in Wales.

The Homelessness Prevention Grant also provides approximately £160k to the Welsh Refugee Council to support improved outcomes for new refugees during the 'Move On' period.

Funding arrangements for the independent domestic violence advisers

The current work to transition towards a regional funding and commissioning model does not include any proposals to change the funding arrangements for independent domestic abuse advisers going forward; this is, and continues to be, a matter for the local authorities.

National Adviser for Violence Against Women, Domestic Abuse and Sexual Violence

In June, Rhian Bowen-Davies, National Adviser, indicated her intention to stand down and Rhian will formally leave the role later this month (October 2017). The arrangements for the appointment of a new National Adviser are well advanced and officials are working to ensure the successful candidate(s) is/are in post as soon as possible after Rhian's departure, although this is subject to necessary public appointment processes and clearances.

Looked After Children

Our programme to improve outcomes for children is targeted on reducing inequity; specifically by tackling child welfare inequalities and removing the difference in achievement of well-being outcomes between looked after children and their peers who are not looked after, so that both groups enjoy the same life chances. An example of this would be our joint education and social services strategy 'Raising the ambitions and educational attainment of children who are looked after in Wales'. The strategy is already demonstrating improved outcomes in educational attainment across most key stages. At Key Stage 4 in summer 2016 23% of looked after children achieved the Level 2 inclusive threshold (5 GCSEs at Grade A* - C in English or Welsh first language and mathematics), representing an increase of 6 percentage points on the previous year

This year, the Welsh Government received an additional £20m consequential funding from the UK Spring Budget for improvements in social care. £8m of that budget was allocated to reducing the numbers of children entering care. The set of priorities listed below was agreed between ministers and Cabinet Secretaries:

- £5m investment in expanding local authority edge of care services
- £850k to roll out the Reflect project across Wales which aims to reduce the number of children being taken into care by breaking the cycle of repeat pregnancies and recurrent care proceedings
- £1.625m to support care leavers to successful futures and independent living by providing additional resources to local authority traineeship/work placement schemes and extending the provision of personal advisers up to age 25
- £400k to implement the National Fostering Framework
- £125k to develop adoption support work

In addition the £1m St David's Day Fund was announced earlier this year. This Fund allows local authorities to provide financial support to care leavers so they can successfully access employment, education and training opportunities, improving their opportunities towards independent lives.

Advocacy

With our partners, we have developed a National Approach to Statutory Advocacy for looked after children, children in need and other specified individuals. This means a consistency of entitlement and good practice in the commissioning, delivery and awareness of statutory advocacy provision in Wales. The implementation of the National Approach will cost in the region of £1.1 million and Welsh Government has agreed to provide up to £550k to the Social Services Regional Collaboratives to deliver the offer in full; local authorities will fund the rest.

In addition Welsh Government has awarded a 2 year contract, valued at £550,000 per year, to Pro-Mo-Cymru for the provision of Meic. Meic is the national information, advice and advocacy helpline providing children and young people with a single point of contact via freephone, instant messaging and text.

Equality and Human Rights

Equality and Human Rights are central to the work of the Welsh Government and our vision for Wales. We believe in fair treatment of every person, especially those who are most marginalised by social systems that prevent people from meeting their basic needs. We work towards a more equal Wales, to ensure fairer access to services and support opportunities for all.

The actions that the Welsh Government is taking to improve outcomes for people and communities in Wales are set out in the Strategic Equality Plan 2016-20 which was published in December 2016. The Plan is aligned with 'Prosperity for All: the national strategy, and the Well-being of Future Generations Act (Wales) 2015.

Welsh Government's Equality budget supports the following activities:

Equality and Inclusion Programme – supports the Equality Objectives 2016-20 and protected characteristics as defined by the Equality Act 2010. The Programme funds seven lead agencies working to provide support to individuals and communities across Wales in relation to gender (WEN Wales); disability (Disability Wales); Gypsies, Roma and Travellers (Tros Gynnal Plant); refugees and asylum seekers (Welsh Refugee Council); sexual orientation and gender identity (Stonewall Cymru); race (EYST) and hate crime (Victim Support Cymru).

As well as providing specialist advice and support on the respective issues via dedicated teams embedded within each organisation, the lead agencies are also working together to develop more joined up approaches on cross-cutting issues in relation to equality and human rights in Wales. The expectation is that this collaboration will develop further over the lifetime of the programme, supported by quarterly networking meetings and shared newsletter.

Contribution to **Community Cohesion Grant** – Welsh Government funds the work of Regional Community Cohesion Coordinators, embedded in local authorities. Eight Regional Community Cohesion Co-ordinators work regionally across all 22 local authorities, providing all Wales coverage to support the Community Cohesion National Delivery plan. A total of £0.36m per annum is allocated for this area of work, the additional £0.2m from the Community Cohesion budget.

Contribution to **Front-line Advice Services Grant** – this is aimed specifically for the provision of specialist discrimination advice.

Equality Programme of Work - includes a programme of work taking forward our focus on equality, inclusion and community cohesion, working towards a more equal Wales for current and future generations. This activity includes events, forums and groups; publications and translation; and communication, consultation, engagement and review. It also includes funding of activity around Hate Crime Awareness Week and funding towards a programme delivered through UpRising Cymru.

Budget Advisory Group for Equality (BAGE) - has played a valuable role in successive budgets in helping to improve the equalities evidence base and the understanding of what matters most to those people with protected characteristics. This work has provided an important platform for budget preparations over the years.

A key focus of the Group's work has been to provide an understanding of the Welsh Government Budget process itself, the current economic environment, and the limitations these put on our equality considerations. This has generated a strong focus on the importance of building a solid and robust evidence base, to ensure engagement with people with protected characteristics across Wales, so that underlying equality issues can be identified and understood. It has helped to improve the Impact Assessment of the Budget over time, leading to it becoming a more integrated assessment, covering Children's Rights, the Well-being of Future Generations Act, socio-economic disadvantage and Welsh language, as well as equality.

The group's role is being developed in light of the new two stage budget process. The Cabinet Secretaries for Finance & Local Government and Communities and Children have jointly agreed with the group an outline work plan for 2018, including two meetings in February and July, which will focus primarily on the five cross-cutting priorities in Prosperity for all: the national strategy.

Housing supply

As set out in the budget overview I am committed to delivering 20,000 affordable homes during this term of government, which includes support for both social and market housing. Over this Assembly term I will invest over £1.4 billion in housing, which demonstrates my commitment to delivering decent homes that can improve people's lives. This commitment to housing is further illustrated by its inclusion in Prosperity for All as a cross cutting priority.

At least 6,000 homes will come through the successful Help to Buy – Wales scheme. I am investing £290m in the programme until 2021. To support those who can afford a market rent, but lack the necessary deposit to buy a home in the traditional way, I am launching Rent to Own and shared ownership schemes in 2018.

In September the funding available through the Property Development Fund was increased from £10m to £40m. This Fund is making loan finance available to SMEs to build homes.

I will maintain my support for the Social Housing Grant (SHG) Programme as it is the primary source of subsidy for the provision of affordable housing in Wales and will make a significant contribution to the 20,000 target. The Welsh Government has entered into housing Pacts with both private and public sector bodies to help deliver the 20,000 homes we have committed to across tenures.

Help to Buy – Wales

By supporting home ownership and increasing the supply of new build properties, Help to Buy - Wales is supporting thousands of jobs, training and apprenticeships opportunities, as well as stimulating growth in this important sector of our economy. As at 30 June, there have been 5,482 completions through the scheme - around three quarters of these purchases have come from first time buyers.

Rent to Own

Officials are currently considering how the Rent to Own scheme will be developed. They have looked at similar programmes across the UK and are now modelling how this should be implemented. The Rent to Own scheme offers a route to home ownership for those that are able to meet the monthly payment, but may not have a deposit saved.

Houses into Homes

The successful Houses into Homes scheme has already supported local authorities to bring around 7,500 empty homes back into use.

Social Housing Grant Programme

Social Housing Grant (SHG) funds housing schemes that meet local needs and priorities as identified by local authorities. SHG is provided to Registered Social Landlords (RSLs) and can be used to provide housing for rent or low cost home ownership through new build or the use of existing buildings.

The SHG Programme is the primary source of subsidy for the provision of affordable housing in Wales and will make a significant contribution to the Government's 20,000 affordable homes target.

Housing Finance Grant

Housing Finance Grant 2 will provide registered social landlords with an annual revenue stream towards the costs of borrowing funds to develop new affordable homes. The scheme will deliver 1,500 new homes in this term of government.

Affordable Housing Grant

The Affordable Housing Grant will support stock retaining local authorities who are developing their own new council house building programmes. I have allocated £2.5m revenue funding per year for the next 30 years towards the costs incurred by them in developing these new homes.

Land for Housing Scheme

To date, loan funding totalling £32m (pan Wales) has been provided to Registered Social Landlords for land acquisition, to support the building of up to 2,140 new homes.

Property Development Fund

The Property Development fund provides loans to SMEs, which enables access to affordable finance and will help more local companies build new homes. An additional £30m was announced in September which provides a boost to the fund and will enable further support to even more small to medium-sized developers. The mixed-use and residential projects that can be funded have a direct impact on their local communities through direct and indirect employment opportunities as well as providing much needed quality housing.

Innovative Housing Programme

The Innovative Housing Programme, which was announced in February, will initially be funded by £20m over 2017-18 and 2018-19 to encourage the development and delivery of new models of innovative housing in Wales as part of the 20,000 new affordable homes target.

The scheme will fund innovative homes will inform the Welsh Government about the type of homes it should support in the future. This competitive Programme is intended to encourage schemes across all tenures and all potential developers from social landlords through to self builders.

IHP has been set up to deliver 1,000 affordable homes as part of the 20,000 target. These new models will address key challenges such as the increasing the speed and supply of quality homes, fuel poverty and, in the longer term, identifying enabling technologies to support the decarbonisation of buildings in Wales.

The core principles of the IHP are based on the seven strands of the Future Generations Act (FGA). The Programme's technical specification establishes an evaluative framework by which applications for support from the Programme can be assessed and considered.

Sites for Gypsy and Traveller communities

All local authorities in Wales now have approved Gypsy and Traveller Accommodation Assessments, which have identified a need for 237 residential and 33 transit pitches before 2021. A budget of £26.4m has been allocated for 2017-2021 to address these needs, following a collaborative process whereby local authorities were invited to submit their expected demand for funding in each financial year.

Funding for local authority Gypsy and Traveller sites is provided to enable local authorities to comply with their duty to provide pitches for the identified needs in Gypsy and Traveller Accommodation Assessments. This duty was introduced under Part 3 of the Housing (Wales) Act 2014. Therefore, this funding complies with the Welsh Government's New Burdens Funding Principles.

It is not anticipated that all 237 residential pitches will be funded, as small, privately-owned sites are also encouraged. These are often preferred by community members and would not incur costs to the public purse.

An annual bidding round is undertaken to enable local authorities to submit bids, which are assessed against a range of criteria including value for money and compliance with both the Designing Gypsy and Traveller Sites and Sites Capital Grant guidance.

Since the Housing (Wales) Act was introduced in 2014, 60 new pitches have been funded across Wales and significantly invested in existing local authority sites to improve living conditions for residents. This compares to no new site development in the previous 17 years.

Funding for homelessness services

Preventing homelessness in the first instance is the core of the 2014 Housing Act, and the 2015 Wellbeing of Future Generations Legislation. The Homelessness Prevention Programme Grant provided transitional funding for local authorities to implement their new duties under the Act and supports statutory and third sector organisations to deliver front line services to prevent homelessness.

UK Government policies on Welfare Reform are impacting on homelessness levels in Wales. Individuals and families are struggling to maintain their housing; there are growing numbers of people threatened with homelessness and seeking help from local authorities and, most worryingly, sleeping rough.

Legislation is having a positive impact; between 2015-16 and 2017-18 the numbers successfully prevented from becoming homeless rose from 4,599 to 5,718, whilst the numbers of homeless households successfully rehoused rose from 3,108 to 4,500.

However, whilst the numbers of people helped have increased, so have the numbers seeking assistance, as pressures on affordable housing intensify. As a result, the rate of successful prevention fell from 65% in 2015-16 to 62% in 2016-17. Similarly, the rate of successful relief of homelessness fell from 45% to 41% over this period.

Every household that becomes homeless has an impact on families; individuals who risk losing contact with NHS, social care and education services. This is costly to people whose health and education deteriorates and leads to increased cost to the public purse. This is why I have increased the funding for homelessness prevention.

Funding increases have been targeted at local authorities as well as via Welsh Government specific grant. A recent interim evaluation report commissioned from Salford University concludes “national stakeholders were overwhelmingly positive about the implications of the Act and welcomed its introduction and implementation. Stakeholders felt that the legislation offered a clearer framework for local authorities and partners to work in; provided the opportunity for earlier interventions; strengthened the prevention focus; engendered a change in the culture of local authority homelessness services; and improved the outcomes for people who are homeless/threatened with homelessness.” However, the report highlighted the dependence of local authorities on transitional funding from Welsh Government to maintain outcomes against rising pressures. An additional £6m each year in new funding via the RSG will ensure that local authorities can embed their preventative approaches, build on their success to date and meet growing demand for services.

Supporting People Programme

Supporting People provides support to maintain an independent home for over 60,000 people per year. To provide a stable roof over people’s heads is to meet one of the most fundamental needs we all have and lies at the base of allowing individuals to flourish. That is why I am proud of our record on Supporting People. The programme has developed capacity and capability in Local Government to direct provision to where it is needed and is the envy of other jurisdictions in the UK.

There is a mixed provider sector which provides innovative and high quality support to individuals. Evidence is growing on the impact achieved and the value placed on it by service users. That is not to say there is not room for improvement. There is always the opportunity to help practise match the best and to ensure support is targeted where it is most effective.

I recognise the findings of the WAO who, whilst acknowledging the value of the programme, described a need for increased pace in developing Supporting People. Having consulted on improved guidance and a revised outcomes framework, I am also looking at other innovations in our management of Supporting People which would help ensure all activity is as focused on improvement.

The Supporting People Programme helps protect some of the most vulnerable people in our communities and to date Welsh Government has been proactive in protecting the budget. We continue to do what we can to protect budgets but austerity imposed on us by Whitehall makes this task more and more difficult. As a result of the Budget agreement with Plaid Cymru, we have been able to find £10m to maintain this £124m programme in full in 2018-19 and 2019-20.

The Welsh Government recognises the importance of the preventative role Supporting People plays in saving other budget areas, unlike other parts of the UK. With this in mind, we have maintained the grant to protect services and the vulnerable people this funding helps.

Funding and commissioning decisions for services remain at a regional and local level, as local authorities and their partners are best placed to understand the needs of their communities. I continue to encourage local authorities, service providers and stakeholders to seek out and make efficiencies in order to maximise the impact of available funding and maintain positive outcomes for people using Supporting People services.

Regeneration

Targeted regeneration investment has a crucial part to play in driving prosperity and building resilient communities in all parts of Wales, rather than simply in those areas that offer the best commercial returns. There are particular challenges around tackling inequality and developing well-connected, vibrant, viable and sustainable communities in areas which are economically disadvantaged or blighted by earlier heavy industries. I also recognise there are different challenges in rural areas.

I am seeking to develop a programme of targeted regeneration investment in those communities designed to promote economic regeneration. Local authorities, working with wider stakeholders and engaging closely with communities, have a crucial role to play in collaboratively identifying priorities and delivering projects on the ground. My challenge to our partners is to be ambitious and innovative in developing new opportunities to drive regeneration and spread prosperity. I would like to see investment proposals with a strong and clear economic basis for regeneration – creating opportunities for employment with enhancing skills and employability at the heart of proposals – and targeted at individuals and areas most in need of support.

In line with the reforming local government agenda, local authorities are working together at a regional level and governance arrangements are emerging. Momentum is already gaining pace that takes local authorities, and their partners, to consider investment priorities beyond their traditional boundaries. The regional platform is an important first step in the journey and I would like to see future regeneration proposals prioritised alongside wider regional considerations, such as City Deals, Valleys Taskforce, Growth Bids and Wylfa Newydd, for example. The Regional Plans for Regeneration will draw together these broader strategic considerations and will set the context for regeneration project activity. I am looking to develop a long-term approach to support regeneration investment across Wales making a budget of circa £100m available over the next three years, including the reinvestment of funding from the Regeneration Investment Fund for Wales to support the programme.

Building for the Future:

Building for the Future (BFF) will assist in the regeneration of town centres and the surrounding areas by tackling derelict, under-utilised land or buildings. The programme, led by Welsh Government, will acquire, refurbish or re-develop unused buildings and land within or closely aligned to town and city centres across Wales (specifically West Wales and the Valleys).

The programme is designed to create jobs and growth and contribute to the tackling poverty agenda. The programme is therefore strongly aligned to the key priorities for the Welsh Government.

BFF has been awarded ERDF funding via Priority 4: Connectivity and Urban Development. The specific objective is to increase employment through investments in prioritised local or regional infrastructure supporting a regional or urban economic strategy.

The programme fits with the overarching regeneration strategy for the Welsh Government as set out in *Vibrant and Viable Places*. The objectives of the programme will help deliver the vision for everyone in Wales to live in a well-connected, vibrant, viable and sustainable community, with a strong local economy and a good quality of life.

Welsh Government has worked with local authority partners to prioritise and develop proposals throughout West Wales and the Valleys. Current forecasts suggest the programme will deliver over 1,800 jobs accommodated, over 650 jobs created, include over 240 traineeships on projects, accommodate over 140 enterprises and provide over 58,000 m² of refurbished premises.

Building for the Future has been allocated £38m ERDF which is to be matched with £16m Targeted Match Funding and contributions from public, private and third sector sources. The total programme cost will be dependent on the final mix of proposals approved; this though will be in excess of £100m.

Care and repair

Home Improvement Agencies

Care & Repair agencies provide a wide range of services including practical support within the home renovation grant process, management of building work, advice on reputable contractors and social care. Most of the agencies have 'Safety at Home' initiatives and handyperson schemes covering small-scale but important repairs. In 2016-17, they helped around 27,690 older people.

Front-line Care & Repair agencies remain a priority for the budget. They provide services to help older people remain living safely and as independently as possible in their own homes. There are Care and Repair agencies covering every local authority area. The service is wide-ranging, including practical support with home improvements, management of building work and advice on suitable contractors.

Grant funding provides for core running costs for Care & Repair Cymru and the agencies. Funding for individual agencies may also be obtained from housing associations, local authorities and health sector bodies, or through their own revenue generation. Grant funding for core services is £3.935m in 17-18, 18-19 and 19-20.

Rapid Response Adaptations Programme

The Rapid Response Adaptations Programme demonstrates the importance of making the connection between housing and health, including how something as minor as a handrail or small ramp can help the Health Service save money and reduce the risks of delayed discharge.

The Rapid Response Adaptations Service is another excellent example of how Health and Housing services can work together to make a big difference to people's lives. Funding for RRAP is £2.020m in 17-18, 18-19 and 19-20. This is comprised of £1.641m capital and £0.379m revenue.

Housing Adaptations and implementation of Enable - Support for Independent Living

Each year, around £50m is spent on adapting older and disabled people's homes, helping them to live safely and independently. These adaptations are funded as follows:

- Local authorities provide Disabled Facilities Grants (DFGs) and other funding; primarily un-hypothecated General Capital Funding.
- Housing associations provide support for minor adaptations for their own tenants
- Traditional housing associations can also qualify for capital funding for Physical Adaptation Grants (PAGs) from the Welsh Government.
- Large Scale Voluntary Transfer (LSVT) associations provide support for their tenants through their business plans and agreements with local authorities.
- Smaller levels of funding support are provided for older disabled persons via the Rapid Response Adaptations Programme (RRAP) delivered by Care & Repair Agencies and, in the main, funded by the Welsh Government.

Enable was developed and rolled out during 2016-2017 in partnership with stakeholders. The programme addresses the main concerns and areas for improvement highlighted in the Review of Independent Living Adaptations. It is designed to enhance the existing arrangements by requiring all providers to work in the same way and monitor delivery in a standardised format. The programme also helps to fill gaps in provision to ensure service users can access a simplified adaptation service.

All providers will continue to offer adaptations through the same funding mechanisms as before, i.e. Disabled Facilities Grants (DFGs), Physical Adaptation Grants (PAGS), Rapid Response Adaptation Programme (RRAP), or any other schemes they operate. To help support the implementation of the scheme and the necessary transitional changes, £4m of additional capital funding was made available in 2016-2017. The budget for 17-18, 18-19 and 19-20 remains at £4m.

Warm Homes on Prescription

The Warm Homes on Prescription pilot commenced in November 2016 allowing medical professionals to 'prescribe' new boilers for fuel poor patients suffering from chronic conditions exacerbated by cold homes. In January 2017 the pilot was extended into 2017-18 to allow the pilot scheme to develop further and provide more information on its achievements, to inform decisions on continuation and expansion of the scheme to operate on a national basis.

Evidence from a similar pilot programme run by the UK government identified a 28% reduction in GP appointments and a 33% reduction in outpatient appointments. In addition, there was a reduction in gas consumption and a saving on monthly gas bills.

Consideration is being given to how, following the outcomes of the pilot scheme, any longer-term programme could link with, and inform the targeting of, other existing energy efficiency and home adaptation programmes.

Rent Smart Wales

Cardiff City Council was designated as the Single Licensing Authority to run Rent Smart Wales on behalf of all local authorities. Rent Smart Wales officially opened for business in November 2015.

The first year was deliberately “light touch”, focusing on raising awareness of the new requirements. We worked closely with Cardiff, all local authorities, the WLGA and other key stakeholders in developing and implementing the scheme, particularly communications. In November last year the enforcement regulations came into force.

The Rent Smart Wales team and all local authorities are working hard to promote awareness of the new legislation and encourage compliance. In addition, enforcement activity is being taken where requests to comply are not being met.

Funding was provided to local authorities (£0.3m in 2015-16. £0.5m in 2016-17 and £0.275m in 2017-18) to help support these activities and develop and maintain them in order to maximise its impact and ensure the commitment to make the scheme work is not undermined by limited resources. We are now reaching a critical point in the enforcement process i.e. identifying those landlords who are actively trying to remain under Rent Smart Wales’ radar and for this reason it is important that we continue to support local authorities in this work. The budget includes £0.275m in 2018/19 which will be used to help local authorities track down and, where necessary, prosecute non compliant landlords and agents.

Housing Conditions Evidence Programme

Funding of £1.8m is being made available over 3 years from 2016-17 for the Housing Conditions Evidence Programme. This includes a Housing Conditions Survey in 2017-18, which will consider the quality of the stock across all tenures. The first data on a national level will be available in autumn 2018.

The improved data collected and collated by the HCEP will underpin two of the Well-being of Future Generations National Indicators for Wales (homes free from hazards and homes with adequate energy efficiency measures) and therefore will contribute to the wider monitoring of our progress as a nation against the Well-being Goals. The Programme is being developed and maintained in a collaborative manner, with wide representation from public sector organisations at all levels of Programme governance and detailed user engagement.

Tenant participation services

The Tenant Participation Advisory Service Cymru (TPAS) is funded as the representative body for tenants in Wales. The work programme agreed with TPAS Cymru includes the production of advice and guidance to develop and promote participation in the private rented sector, in collaboration with partner organisations including Rent Smart Wales, the Residential Landlords Association & Shelter Cymru. TPAS Cymru is also a member of the International Union of Tenants.

Welsh Housing Quality Standard (WHQS)

177,219 social homes (79% of the stock) now meet the Welsh Housing Quality Standard (WHQS). We are on track to ensure all meet it by the Cabinet's 2020 deadline and maintain it afterwards. Each year, we provide £108 million to social landlords through Major Repairs Allowance grant and dowry gap funding to support the achievement and maintenance of WHQS.

Welsh legislation

Assessing the costs of legislation and the impact on those it affects is an essential part of the policy development process. I recognise there cannot be a blank cheque for legislation and that every new commitment in this MEG will have to be paid for by a cutback somewhere else.

This is why every bill is subject to a robust assessment of costs and benefits, achieved through consultation and engagement with our stakeholders in the development of the regulatory impact assessments prepared for Government Bills. This is to ensure our decisions are informed by the people who will be affected by them.

Steps are being taken to improve the clarity and consistency of RIAs but changes to the bill during scrutiny and other factors will inevitably result in some variances between estimated costs at the published RIA stage and actual costs during implementation. In accordance with the commitment given by the Cabinet Secretary for Finance and Local Government to the Finance Committee, a year on year table showing the cost of legislation falling to the Welsh Government was included as part of the detailed draft budget published on 24 October.

The Renting Homes (Wales) Act 2016

The Renting Homes (Wales) Act 2016, once implemented, will make it simpler and easier to rent a home. It will replace various and complex pieces of existing legislation with one clear legal framework. Under this framework, landlords will be required to issue a written statement including all the rights and obligations of both landlord and contract-holder under the 'occupation contract'.

This will include a duty on a landlord to ensure a dwelling is fit for human habitation (FFHH), both at the start of, and during the length of, the occupation contract. This duty will address the worst housing conditions as well as place additional obligations on landlords, such as the installation of smoke and carbon monoxide alarms and a requirement for five yearly electrical safety inspections.

The Act also places a duty on the Welsh Ministers to make regulations regarding the determination of whether a dwelling is FFHH. A full public consultation on these regulations is currently underway.

The Act is a significant piece of legislation directly affecting the lives of over one million people who rent their home in Wales. In addition to FFHH, the Act will make provisions regarding retaliatory eviction, succession rights, joint contracts and supported accommodation. For these reasons it is important that landlords, contract-holders and stakeholders are fully aware of the implications of the Act. To help ensure successful implementation, £140k has been allocated during the 2018-19 financial year to cover the costs of communication, training and evaluation activities.

Abolition of the Right to Buy and Associated Rights (Wales) Bill

Abolition of these rights will safeguard our social housing stock for people who are unable to acquire homes through the housing market. The Bill, if passed, will also encourage social landlords to invest in new social housing.

The Regulatory Impact Assessment (RIA) accompanying the Bill at introduction identified transitional costs for the Welsh Government associated with communicating the change in policy to social landlords.

The Welsh Government reimburses registered social landlords for the discount on Right to Acquire sales. Based on 2015-16 totals, it is estimated for 2018-19 a reimbursement of between £72k and £88k will be made. After the one-year notice period, there will be no further Right to Acquire sales, representing an estimated cost-saving to the Welsh Government of approximately £80k per annum from 2019-20.

UK legislation

The UK Government's Homelessness Reduction Act 2017 received Royal Assent this year. The UK Government have amended their legislation to broadly reflect our preventative approach. The UK legislation is not anticipated to have significant cost implications for Wales.

RESOURCE BUDGET - Departmental Expenditure Limit

SPA	Actions	BEL Title	2018-19 New Plans Draft Budget £000s	2019-20 New Plans Draft Budget £000s
Enabling Children and Communities	Early Intervention, Prevention and Support	Supporting Communities	0	6,162*
		Early Intervention , Prevention and Support	0	252,153*
	Financial Inclusion	Financial Inclusion	14,927	14,927
		Support for the Voluntary Sector and Volunteering	6,125	6,125
			21,052	279,367
Safer Communities	Fire & Rescue Services and Resilience	Fire & Rescue Services	5,709	6,309
		Community Fire Safety	848	848
	Community Support Officers	Community Support Officers	16,787	16,787
	Domestic Abuse	Violence against Women, Domestic Abuse and Sexual Violence	5,000	2,562
	Promoting Positive Engagement for Young People	Youth Justice	4,420	0

			32,764	26,506
Equality and Inclusion	Equality and Inclusion	Community Cohesion	200	0
		Equality and Prosperity	2,034	1,874
			2,234	1,874
Housing Policy	Supporting People	Supporting People	124,488	0
	Homelessness Prevention	Homelessness	9,907	7,907
	Independent Living	Independent Living	5,159	4,884
			139,554	12,791
Homes and Places	Increase the Supply and Choice of Affordable Housing	Housing Finance Grant	11,400	13,100
	Housing Revenue Funding	Housing Programme Revenue Funding	1,073	1,073
	Regeneration	Regeneration	560	560
		Cardiff Harbour Authority	5,400	5,400
			18,433	20,133
		TOTAL RESOURCE	214,037	340,671

* New BELs for 2019-20. The Early Intervention, Prevention and Support Grant may be created following a consultation exercise with local authorities to amalgamate current grant schemes into a single scheme to increase funding flexibilities.

COMMUNITIES AND CHILDREN MAIN EXPENDITURE GROUP (MEG)

ANNEX A

CAPITAL BUDGET - Departmental Expenditure Limit

SPA	Actions	BEL Title	2018-19 New Plans Draft Budget £000s	2019-20 New Plans Draft Budget £000s	2019-20 New Plans Draft Budget £000s
Communities and Tackling Poverty	Communities and Tackling Poverty	Gypsy Traveller Sites	9,816	8,300	5,000
		Community Facilities Programme	8,000	5,034	4,838
			17,816	13,334	9,838
Safer Communities	Fire & Rescue Services and Resilience	Fire & Rescue Services	1,230	1,410	1,210
		Community Fire Safety	670	670	670
	Domestic Abuse	Violence against Women, Domestic Abuse and Sexual Violence	969	969	969
			2,869	3,049	2,849
Housing Policy	Independent Living	Rapid Response Adaptation Programme	5,660	5,660	5,660
	Integrated Care Fund	Integrated Care Fund	10,000	15,000	20,000
			15,660	20,660	25,660

Homes and Places	Achieve Quality Housing	Major Repairs Allowance and Dowry Gap Funding	108,000	108,000	108,000
	Increase the Supply and Choice of Affordable Housing	Social Housing Grants (SHG)	207,137	123,219	110,147
		Land for Housing <i>(Financial Transactions)</i>	10,000	10,000	10,000
		Extra Care	4,301	0	0
	Increase the Supply and Choice of Market Housing	Help to Buy Wales Fund and Other Schemes <i>(Financial Transactions)</i>	88,748	63,067	34,700
	Regeneration	Regeneration	21,921	28,662	36,808
			440,107	332,948	299,655
		TOTAL CAPITAL	476,452	369,991	338,002



Llywodraeth Cymru
Welsh Government

Ein cyf / Our ref: MA(P)/KW/3712/17

Lynne Neagle AM
Chair
Children, Young People and Education Committee
National Assembly for Wales
Ty Hywel
Cardiff Bay
CF99 1NA

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau 23rd October 2017
Equality, Local Government and Communities Committee
ELGC(5)-31-17 Papur 3 / Paper 3

Dear Lynne,

Thank you for your letter of 28 September following the Children, Young People and Education Committee's consideration of my letter of 24 July with respect to community focused schools.

You requested clarification of the following areas which I will address in turn:

- Whether Circular 34/03 remains operational and if so, what assessment has been made of the extent to which our delivery partners are following the guidance?

Circular 34/03 is still relevant and will be used when we take forward the commitments outlined in Prosperity for All to establish community learning centres and to ensure that schools take on a more wide-ranging role as community hubs.

The guidance will be a useful point of reference for headteachers, governing bodies and the wider community.

- Whether the definition of community focused schools is still current

This definition is still appropriate. Community focused schools will form a critical part of community learning centres. These new models will not just be about buildings but about service provision delivered from those buildings; for example, providing extended services with childcare, parenting support, family learning and community access to facilities built around the school day.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Correspondence.Kirsty.Williams@gov.wales

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.

It is important that schools connect with the community that surrounds them and that the school team of the headteacher, teaching staff and governing body play their part in enabling joined up work to move forward.

- The inclusion of specific criteria within the conditions for 21st Century Schools funding and Estyn's inspection framework.

Investment in our school and college infrastructure through the 21st Century Schools and Education Programme will be one of the levers to enable our plans for community hubs and learning centres to progress. We will draw upon all our budgets across education, in particular 21st Century Schools, to take forward this agenda.

Appropriate measures will be added to the Estyn inspection framework where necessary.

A copy of this letter will be sent to the Chair of the Equalities, Local Government and Communities Committee.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kirsty Williams'.

Kirsty Williams AM/AC
Ysgrifennydd y Cabinet dros Addysg
Cabinet Secretary for Education

Agenda Item 4.2

Priflywodraeth, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
ELGC(5)-31-17 Papur 4 / Paper 4

Introduction

Let Down Wales has been campaigning since 2013 for Wales to take a lead on reforming the private rented sector. The licensing of landlords under the Housing Act made a positive first step, but the Renting Homes Act did little to improve renters' rights and we have not seen much action on improving conditions in the private rented sector (PRS) since.

In 2016, our manifesto for the Assembly elections called for five proposals:

- A ban on letting agency fees
- Higher quality standards for PRS housing
- Either a housing ombudsman or an expansion of the Residential Property Tribunal, to make mediation and dispute services available to both landlords and renters
- Rent control measures, to ensure rent cannot rise above inflation
- Support for a Tenants Union

We warmly welcome the commitment from the Welsh Government to ban letting agency fees and would like to facilitate this in any way we can. Likewise, the forthcoming Fitness for Human Habitation standards will, hopefully, set a higher standard for renters' homes (as social housing tenants can expect from the Welsh Housing Quality Standard).

For more information on our campaign, see:

- Website: <https://letdown.wales/>
- Twitter: <https://twitter.com/letdownwales>

General questions

1. Who do you represent?

Let Down in Wales is a campaign to improve the rights of renters and the quality of their homes. We represent tenants in the private rented sector. **We have run an online survey of the course of the consultation and gathered answers from a sample of 30 private renters' to the tenants' section of questions.** We describe PRS tenants as 'renters' through most of the consultation, as it is a term that people more easily identify with.

2. Do you agree that Welsh Government should legislate to prevent agents and landlords from charging fees, other than rent in advance and a refundable deposit, to tenants when entering into a new, or renewing an existing tenancy?

Yes. In no other business are costs added on like this at the point of purchase, or even six months after your purchase. Landlords and letting agents, in particular, are running a business and therefore the costs of the business should be borne by the one who owns it and is profiting from it. Let Down has been calling for a letting agent fee ban since 2013 and included it in our 2016 Assembly manifesto¹.

Rent and deposits are financial safeguards which, whilst often too high, we are not against in principle (although we would like to see deposits made transferrable between contracts). But any additional costs of reference checks, inventory fees or renewal fees are not appropriate. They take advantage of renters' lack of choice and the lack of available housing in the market. **Letting agents charge fees because they can and renters pay them because they have no other choice.**

Renters in Wales are made up of 29% living alone; 25% cohabiting couples with no children and 30% with children under 18. Renting is increasing the only option for families and the age demographic is increasing. Shelter

¹ Let Down Manifesto, 2015. 'A 2016 Manifesto for the Let Down renters of Wales'. <https://letdownincardiff.files.wordpress.com/2015/08/let-down-manifesto-2016.pdf>

Cymru's survey² of private renters found that "the figures shatter the stereotype of private tenants as being primarily young and child-free". Half of renters are over 35 and 29% are over 45. 15% are over 55, which shows that more vulnerable older people need to be taken care of in this sector. Due to the Housing (Wales) Act 2014, new homelessness duties mean that more vulnerable people are being referred by local authorities to the private sector.

Particularly considering the poverty often suffered by people who have to rent, it is important for their burden to be lessened and their debt and low income not exacerbated by renting costs. The Joseph Rowntree Foundation found in their evidence review³ of housing and poverty that: "Low rents are important in reducing poverty. The private rented sector is paying an increasingly important role with 18% of private tenants in poverty before housing costs are taken into account and 38% in poverty after housing costs are paid."

Let Down are strongly in favour of a letting agency fee ban, both on principle and to urgently make the sector fit for purpose, particularly given the poverty and vulnerability of the renters in it.

3. If no, please explain why: n/a

4. Which fees, aside from rent in advance and refundable deposits, do you think an agent, landlord or third party should be permitted to charge? Why?

None. The tenant pays their monthly rent, which is inflated to bear the costs of the landlord and letting agent. No further fees should be necessary for

² Shelter Cymru, 2015. 'Fit to Rent: Today's Private Rented Sector in Wales'. <https://sheltercymru.org.uk/wp-content/uploads/2015/02/Fit-to-rent-Todays-Private-Rented-Sector-in-Wales.pdf>

³ The Joseph Rowntree Foundation, 2013. 'The Links between Housing & Poverty: An Evidence Review'. <https://www.jrf.org.uk/report/links-between-housing-and-poverty>

protocol that a landlord or agent considers necessary. Reference checks are usually vastly inflated, considering that an individual can usually access their credit report for free or for a very low cost – approximately £2 – online. The inventory check and staff time should be a business cost borne by the agent or landlord. In reality, they don't have to spare much cost during a tenancy, unless white goods break or damage is done to the property (which, if done by the renter, can be paid for through their deposit).

5. Some agents may charge a refundable holding deposit to take the property off the market whilst reference checks are undertaken. Do you think this is a fair charge? Please explain your answer:

No. A refundable deposit is also rare and isn't heard of much in renters' accounts to Let Down. A letting agent is more than capable of taking a property off a website (or marking it 'let agreed') whilst they conduct reference checks, without charging something extra.

6. Some agents may charge for in-tenancy property management actions that directly relate to an action or service carried out at the request of the tenant, or as a result of the tenant's actions (such as out-of-hours contact, or replacing lost keys). Do you feel that such charges are fair? Please explain your answer:

No, these do not seem fair but renters are usually willing to accept responsibility and costs if they have lost keys or need to get a locksmith out from their own fault. However, if for example they are locked out due to a faulty lock, the cost should be borne by the agent for not fixing the lock to begin with.

7. Agents may occasionally provide bespoke, non-standard services to tenants, for example, when arranging a property for someone currently living abroad who is relocating to Wales. Do you think there are parts of the market where a different approach to handling letting agents' fees may be allowable?

Different kinds of business models and services are welcome; certain renters, like international students, may welcome help with relocation, but

could also easily be taken advantage of i.e. by paying for a property they haven't seen in person. Some renters may still be willing to pay costs, if there are extra services of a high standard. However, **Let Down would still advocate for a blanket ban on fees, as 'standard services' may quickly be relabelled 'extra services', in order to get around the ban.**

Ultimately, if an agent or landlord wishes to provide extra services then this cost should be added to the rent. The rent is an all-inclusive cost to the renter which goes towards agents' profits, the landlord's mortgage and maintaining the quality of the property. If an 'extra service' is offered, the rent should be increased accordingly so the renter knows exactly what they're paying for.

8. What do you think the main impacts of a ban on charging fees to tenants might be? Please include any unintended consequences that you believe may arise:

Letting agents and landlords would be irritated but renters would have more rights, increased fairness and less debt created merely renting. **It would be revolutionary for a lot of renters who have told us how difficult it is to have to find the money for fees, by taking out loans or borrowing off friends or family.**

Agents are likely to use the well-worn argument of 'rents will increase if a fee ban is enacted'. Rents are set by the surrounding area, the income of the local renters' demographic and the quality of the property. Rents are set by supply and demand; if they did increase from this then so be it, but we very much doubt that administration costs would ever be the main factor in setting rent.

We would hope landlords would be in favour of this and that this may increase direct landlord - renter relationships, in avoiding agency costs for both of them (as landlords pay fees too). Our renters' reviews (submitted to

our website to review Welsh letting agents and landlords) overwhelming show that direct relationships are better for both parties, with the poorest service coming from agents.

Tenant questions

9. Have you ever been charged fees before entering into a tenancy agreement? If yes, please detail your most recent pre-tenancy charges, and if possible a breakdown of the charges, here:

Out of the 30 renters that responded to our survey, all but one had been charged fees up front, on top of their deposits and rent demanded in advance. These varied widely, with some paying as low as £90 and others going up to £400. The average between them was £228, but practice clearly depends on which agency you are with.

Whilst most were generally labelled as ‘administration fees’, some of the reasons listed where fees are broken down included:

- £40 – £70 charged to renters required to use a guarantor (where the agency doesn’t think you are solvent enough to be solely responsible for the contract)
- Credit checks between £50 – £80
- Non-refundable holding fees, to take the property of the market whilst checks are done, between £75 – £100
- Pet deposits of around £100 – £150, on top of the regular deposit
- Inventory check fees when moving out
- Renewal fees of £80 – £100 for wanting to continue a contract (e.g. after already living there for say, 6–12 months). The agency charges a renewal fee for the renter to continue living there, often due to the ‘lost revenue’ from not charging new renters administration fees

One renter said they thought it was “normal” to be charged administration fees, on top of holding fees and then renewal fees later on in the contract. But they were surprised when they recently used an agency without fees. It’s important to stress how normal yet still highly unfair renters find these fees.

Another renter said: “I felt particularly hard by having to pay these clearly unfair and ridiculous fees but I felt I had no choice as most one-bed properties [are] rented via letting agents and they always charge fees.”

One highlights most of their charges are “rolled into one” so they had “no idea” what each charge was for separately, or between two or more tenants.

10. Have you ever been charged fees during a tenancy, or for renewal of a tenancy agreement? If yes, please detail the most recent amounts charged to you during the tenancy or renewal of the tenancy, and if possible, a breakdown of the amounts, here:

Again, most renters had been charged renewal fees. These were divided between two kinds:

- Fees for having a new renter added, mostly around £50
- Fees for re-signing the contract, between £40 and £150

Many also cited unfair repair costs, where agencies didn't respond to reports so felt they had to repair it themselves. For example, one said that “we reported [a problem with the washing machine] but the agency didn't send anyone to fix it, and when it finally broke completely they said that because we knew there was a problem and didn't sort it out, that we were liable for replacing it, so we had to buy a new washing machine ourselves”.

One said that their agency charged them £50 every 6–12 months, so they “try to get a 12 month tenancy to avoid the fees and I want more security and longer tenancies”.

Another stated that the letting agency “won't let me sign for more than a year so I cannot avoid these fees”. One who is charged £100 for each renewal said “they will only let me sign for 6 or 12 months so I have to pay £100 a couple of times a year, just to keep my flat”.

For those that hadn't been charged these particular fees, they cited reasons such as moving or being forced to move at the end of a contract so not

renewing. Another said they hadn't had this themselves, "but hear of it all the time; there should be no charge [...] nothing has changed, it's the letting agents making money for nothing".

11. Have you ever been charged fees after a tenancy has ended? If yes, please enter the most recent amounts charged to you after a tenancy has ended, and what the charges were for here:

About half of our respondents had been charged fees at the end of a tenancy, of between £50 – £300. These were mostly made up of 'cleaning fees' and 'repair fees'.

Renters particularly highlighted the spurious nature these fees were claimed for. One said they were charged "to replace a chair that was already broken when I moved in" and another said they were "charged £85 for carpet cleaning from my deposit, although I had already cleaned it". Another was charged £100 for cleaning, despite having hired professional cleaners to help on vacating the property.

One describes: "They took £120 for "cleaning fees" even though we had spent a very VERY long time cleaning the property to get our deposit back. We asked for a breakdown of the cleaning costs or receipts to show that the cleaning had actually cost the amount that they had taken off our deposits. They wouldn't provide us with receipts so we had no other choice but to let the money get taken off our deposits".

In Let Down's survey, we used the the consultation's questions verbatim, with some added explanation on what kinds of fees the questions are referring to. However, in this section, **we also took the opportunity to ask renters about delays or problems with getting their deposit returned.** Deposits are usually 1–2 months' worth of rent, so are a significant sum which are withheld for a long time.

Most who responded on this one said they had to wait weeks or even 4–5 months to return their deposit, with one landlord having to force the agency to, despite already instructing them to return it. One had to go through deposit protection schemes to get it back, with the agency attempting to keep £630 of a £900 deposit.

One had money deducted from the deposit for “the garden having weeds in, despite the fact that it had been fully overgrown when we moved in. We didn't have any photographic proof so couldn't contest. They took roughly £100. We drove past the property after it had been re-let and they hadn't even done any maintenance on the garden, just taken the money”.

12. Were any fees made clear to you before any agreement had taken place? If so, how?

Not as many renters could remember on this one; but of those that could, about a third were not told about fees upfront and the rest were either told after choosing a property or saw them mentioned in the tenancy agreement. Of the third not told, one said they were not made clear and they had threatened going to Trading Standards on one occasion.

However, even where fees are made clear, it's not as though renters feel they have much choice in them. One said the fees were explained verbally, “during quite a pressurised sales pitch where we ‘had’ to act fast to secure the property”.

Another said: “Fees are often in the tenancy agreement but as you have no other agent to choose from and such a limited time scale to look for properties you feel forced to sign for them. The demand for rental properties is too high and it seems all agents now charge fees. I remember once when they were about £125 for referencing but now there's a charge for everything.”

A few mentioned that they knew about upfront tenancy fees, but had no idea about the in-contract fees, renewal fees or outgoing fees. One said they were told, but it was not on the website. In terms of money being taken off the deposit, one said that money is taken when there is “anything beyond ‘fair wear and tear’ although when it comes to the end of the tenancy, they seem to change their minds on that one.”

Another speculated: “Fees seemed to be made up on the spot. They were never on any website. It seemed like one big con to be honest but as a consumer I felt a complete lack of choice as there was no point taking my custom elsewhere as all letting agents charge such fees.”

Some agencies seemed to be downright deceptive. One said an agent “attempted to charge over £100 [for admin fees] when receipt showed it cost £65”.

13. Have tenancy fees ever affected: a. your ability to move to a new rented property? b. your decision to use an agent? c. your overall finances?

To this question, only 3 out of the 29 respondents said ‘no’.

For the rest, the two most common issues cited were:

- Needing their family’s help with the cost of both their rent and agency fees. One had to take out pay day loans to raise the money for fees.
- Not being able to move to a new home, despite being miserable in their current property, because they couldn’t afford the fees. One felt “locked in due to the cost of moving”. These renters cited loud noise, damp conditions and mice for wanting to move, but weren’t able to afford it.

One said that they are “unable to move from private renting to [owning] because of finances and fees [being] too high”. **The vulnerability of renters needs to be borne in mind.** A poignant comment from one renter was: “Yes. I

have had to take out pay day loans to raise deposits and fees. It's the main reason I'm in debt. I've tried to go private but most landlords now use agents. I have been homeless because of the cost of renting, not once but three times in my life and I have serious mental health issues which have been exacerbated by agents/landlords and their underhand methods of money extraction."

On a positive note, **those that rented directly from a landlord (without an agency between them) had a much more positive experience.** One said it was "easier and cheaper" with landlords being more responsive to any concerns or queries than agencies. Another said they tend to have "a trusted relationship" with a landlord rather than agent, and some had approached the landlord directly after one year of a contract to continuing renting with them directly.

One renter posited that whilst they tried to rent directly from private landlords, the relationship between landlord and renter is damaged to the point where agents are brought into mediate: "Problem is that greedy estate agents/landlords treat tenants with such contempt especially with regards maintenance issues that some tenants hit back by trashing flats. I have always been a model tenant and have never done this but I understand that this is the reason why landlords are wary of renting directly to tenant and bypassing estate agents."

Another commented on the letting agent's justification for high fees: "Yes, I viewed two prospective properties which were great, however, was told that agency fees would be over £500. I thought this was completely absurd, however the sales person attempted to justify it by stating that the agency would put together a legal contract as they referred to the tenancy agreement. Whilst I accept a tenancy is a legal document, it is important to note that a bus ticket is also a legal contract."

One respondent said that bad treatment from their last letting agency made them “more proactive as tenants to find problems early and pester our letting agency about it and post as much evidence as possible, as it is obvious that as tenants we're the only ones defending ourselves.”

Letting agent / landlord questions

As a renters' campaign, these questions aren't applicable to us. However, we would advocate for reasonable fees to landlords as well. As the business owner, we'd expect them to pay something if delegating services or paying someone else to manage their business. But it should be reasonable and competitive, as any healthy market would conduct itself.

Further questions

- 28. We would like to know your views on the effects that banning fees charged to tenants would have on the Welsh language, specifically on:**
- i. opportunities for people to use Welsh and**
 - ii. on treating the Welsh language no less favorably than English.**

The three questions on the Welsh language were grouped together in one for our survey.

Most respondents could not see the link between letting agent fees and the Welsh language, with one saying that they could not see any specific effects on Welsh speakers and that “this is about fairness to all renters living in Wales”.

There were two comments on Welsh services specifically:

- “As a Welsh speaker, I am happy to speak in either English or Welsh. I think producing documents in both Welsh and English is viable.”
- “Agents could employ a dedicated member of Welsh speaking staff. They could provide information on their websites etc. in Welsh.”

Another highlighting that they are relocating to Scotland said that they “have had a much better experience and have no fees to pay except the deposit.”

Finally, on Welsh being used by agencies, one remarked: “Adding a second language would no doubt give them cause to ask for money under the guise of there being more paperwork.” Given the array of fees detailed above, this wouldn’t be surprising.

But on principle, Let Down of course supports services being available in the Welsh language, but agency fees cost money in any language.

29. We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Renters raised a lot of issues in this section. We attempt to summarise them below.

- **The high fees:** This was the most common issue. Renters did not understand why fees are so high when their services is so poor. They also highlighted the renewal fees and a lack of any consistency as particularly unfair.
- **Lack of mediation and reprisal services:** A common theme was of not having anyone to turn to when problems arise. One said their MP did not help much and had to go to the Energy Ombudsman just to find out who their property’s electric and gas providers were. Another didn’t find Citizens Advice as providing any help with difficult letting agents. One suggests that there should “really be some kind of official body who can make sure [agents] provide a basic level of service such as handling maintenance issues and complaints.” Let Down campaigns for a Housing Ombudsman (like there is in England) or a Housing Tribunal (like there is in Scotland) in order to fulfil this need in Wales.

- **Taking advantage of those who cannot buy:** Multiple renters referred to the inability to save for a deposit to buy a home, with one suggesting that “letting agents along with private owners are filling the housing gap that should be filled by government and are getting away with exorbitant fees.” One highlighted that their generation – being in their early 20s – was forced to rent but being repeatedly “ripped off” made them lose complete faith in it. Let Down has found that renters aren’t against renting per se, but are angry at the current conditions of the rental market. Home ownership is aspired to more so they can get away from renting than to own property themselves.
- **Discrimination against tenants:** Those with mental health issues or disabilities highlighted particularly bad services, with one being refused a tenancy as their partner had a disability and the letting agents “often refuse to let us view property [...] they say a better tenant will come along”. Any advert marked with ‘No DSS’ or ‘No pets’ or ‘No children’ is displaying a form of discrimination, often simply against more working class people.
- **Lack of information about processes:** Tenants express annoyance at having no proof of the credit checks or why they are charging so much for a simple process, such as printing out a new tenancy with the year changed. One describes letting agents as a “*cowboy industry, with little or no regulation and unfair fees are part of this.*” One renter suggested requiring agencies to provide receipts with a breakdown of all costs. This would be a much more transparent way of proving that fees taken from the renter are used as promised.

Several expressed hope that the Welsh Government and the National Assembly for Wales would make things better for their day to day lives and “*ban these fees once and for all*”.

Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please say.

Our response can be made public but we have not provided the individual survey responses as some wished to remain anonymous. In taking quotes, we have been sure not to identify individual circumstances unless it is a fee amount.

We gathered no information on names, ages, gender or any other demographic information. Let Down has found, through accepting letting agent reviews on our website, that many renters are fearful of retribution if seen criticising their letting agents and landlords.

The sample can be assumed to be representative of renters from Wales, although it was self-selecting as we targeted at people in Wales, of a 'rental demographic' through a social media advert.

We cannot help but point out that this consultation would have greatly benefited from a workshop or other outreach methods to find renters, rather than a voluntary campaigner paying money to advertise a Welsh Government consultation and spending time making it more simple to use by creating a SurveyMonkey page. There is a serious problem with renter engagement if the renters' responses to this are vastly outweighed by landlord and letting agent responses.

Carl Sargeant AC/AM

Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children

Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a Chymunedau
Equality, Local Government and Communities Committee
ELGC(5)-31-17 Papur 5 / Paper 5

Llywodraeth Cymru
Welsh Government

John Griffiths AM

Chair

Equality, Local Government and Communities Committee

1st November 2017

Dear John

Fire Safety in High-Rise Blocks in Wales

Thank you for your letter of 4 October, following my appearance, with the Cabinet Secretary for Environment and Rural Affairs, at the Equality, Local Government and Communities Committee on 27 September. I offered to provide further detail on a small number of issues, and I trust the information below is helpful in that regard and addresses the subsequent questions set out in your letter.

Fire Safety Advisory Group

I established the Fire Safety Advisory Group to offer me advice and recommendations in terms of high-rise buildings in Wales, as well as to link with the UK Expert Panel. As I made clear to the Committee, the Group submitted a Position Statement with recommendations. I have now been further briefed by the Group's Chair and, in responding formally, I will confirm my agreement to extend the Group for a further three months (to be reviewed again in January 2018) and set out my expectations for the extended period. In the interests of transparency and to enable scrutiny, I will make the Group's Position Statement and recommendations, and my response to the same, available to you shortly.

Private Sector Buildings: identification, engagement and compliance

I can report that progress continues to be made in identifying privately owned high-rise residential buildings, with the identification and response rates improving. As I explained, a number of data sources have been used in this exercise, including Geographical Information Systems, information provided by partners including the WLGA, local authorities, fire and rescue services and higher education institutions.

As buildings have been identified, my officials have attempted to contact owners to establish the situation with regard to any presence, or possible presence, of Aluminium Composite Material (ACM) cladding.

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Gohebiaeth.Carl.Sargeant@llyw.cymru
Correspondence.Carl.Sargeant@gov.wales

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.

As I set out to the Committee, ownership details and involvement can be complex and, where direct contact with the owner has been problematic, we have focused efforts on identifying the managing agents. I recently wrote to all Assembly Members to confirm numbers of buildings identified.

My officials have also adopted a 'casework' approach, working with managing agents of private sector buildings with ACM systems which correspond with failed large-scale tests. The local authority (all of the relevant buildings are in Cardiff) has also been involved throughout this process. Officials have established a dialogue with the managing agents and are actively engaged with them and the local authority in monitoring mitigating actions and plans for remediation. Officials report that engagement with residents has met expectations and progress against DCLG guidance is being made. I have noted that the Fire Safety Advisory Group has now heard from the owners or managing agents of the developments with ACM corresponding to failed large-scale tests and will be preparing recommendations for good, effective engagement with residents.

I understand that owners and managing agents are taking their responsibilities seriously, are engaging with tenants and, accordingly, the question of non-compliance has not arisen.

Tenant Engagement

Further to the above, under the terms of the tenant participation grant award, TPAS Cymru has been asked to work proactively with private sector tenants and landlord representative groups to support development of tenant participation and engagement practice across the private rental sector. This is a new area of engagement which is in the early stages of development. I understand, however, that there has been positive feedback from early engagement events to which this sector has been invited.

TPAS Cymru is working collaboratively with its partner organisations, including Rent Smart Wales, the Residential Landlords Association in Wales and Shelter Cymru, to produce sector-specific guidance, aimed at supporting continued development of tenant engagement across the sector, which is particularly important at this time.

Funding Issues

As I set out to the Committee, funding for remedial work is a matter for landlords and, as such, the Welsh Government does not intend to make additional funding available for social landlords or to the private sector. We will, however, continue to work closely with them on their plans and to monitor developments, including any impacts on residents.

I wrote to the Secretary of State for Communities and Local Government last July, in part to ensure that, where discussions were taking place relating to the potential financial impact of any changes to building regulations or fire safety, the Welsh Government is fully involved.

In terms of mortgage availability, my officials actively engage with the Council of Mortgage Lenders and are unaware at this time of any change in lending policy by mortgage lenders. We will continue to engage and to monitor the situation. We are, however, conscious of recent media reports and will continue to engage and to monitor the situation carefully.

Fire Sprinklers

I set out here, as agreed, more detail on the numbers of new-build properties which are not required to fit sprinkler systems.

Under the current building regulations there are no restrictions on the number of dwellings that can be included on a single application, provided they meet the relevant application requirements.

A survey was undertaken with local authority building control bodies, which have a statutory obligation to record the data in relation to building regulation applications. Over 53,093 dwellings were included in building regulation applications made prior to the sprinkler legislation coming into force on 1 January, 2016. The largest application from the survey included 8,000 dwellings in one single application.

Following the expiry of the transitional period, a follow-up survey was undertaken with local authority building control. Of the previous 53,093 dwellings registered, the number of dwellings which commenced on-site and will not have sprinklers fitted will be 25,219.

Applications which did not commence within the transitional period (26,606 dwellings) will now have to install sprinklers. Applications relating to the remainder of the dwellings (1,268) were either cancelled or withdrawn.

I also agreed to provide information on the length of time that developers have to start construction, following submission of plans, before they would be subject to the requirement to install sprinklers. The transitional provisions for the introduction of sprinklers into the building regulations provided that where applications were submitted prior to the coming into force date of the 1 January 2016, the work had to commence on site (excavation of foundations) on at least one dwelling before the 1 January 2017 (i.e. work had to commence on site within 12 months of the coming into force date).

Where applicants complied with this requirement it precluded them from having to install sprinklers on all the remaining dwellings included within the application (If there were 100 dwellings in an application and one started before the 1 January 2017, then the remaining 99 would not have to install sprinklers).

In considering further the issues around the retro-fitting of sprinkler systems, I will, of course, have appropriate regard to the conclusions of the independent review of building regulations and fire safety, the public inquiry and any submissions in this respect from the Fire Safety Advisory Group.

Accompanying guidance to the Fire Safety Order

The 'Fire Safety in Purpose-Built Blocks of Flats' guidance discussed during the Committee session was published by the (English) Local Government Association. While it has no status under the Fire Safety Order, it is sound advice. There are no plans at this time to produce a separate version for Wales. However, as the Cabinet Secretary for Environment and Rural Affairs and I said in our evidence, we believe the Order and its accompanying guidance should be reviewed in light of the lessons learned from the Grenfell tragedy. We will do so at that point

Role of Fire and Rescue Services in the planning and Building Regulations regimes

Finally, I agreed to clarify the role of Fire and Rescue Services in providing advice on the fire safety of high-rise residential blocks prior to construction in both the planning and Building Regulations regimes.

Where a Building Regulations application has been submitted to a Building Control Body (local authority or private approved Inspector) and the building is to be put to a use where the 'Fire Safety Order' 2005 applies (or will after completion of the work), the Building Control Body is required to consult with the fire and rescue authority before passing the plans. The Fire Safety Order applies to, for example, offices, shops, factory, hotel and/or boarding houses and residential premises with common areas such as apartment blocks with communal areas.

Section 15 of the Building Act 1984 makes it a statutory requirement for local authorities to consult the fire and rescue authority. Regulation 12 of the Building (Approved Inspector etc.) Regulations also makes it a statutory requirement for Approved Inspectors to consult the fire and rescue authority.

There is no statutory requirement to consult the fire and rescue authority under the Town and Country Planning Act.

Yours sincerely



Carl Sargeant AC/AM

Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children



The Rt Hon David Davis MP
Secretary of State for Exiting the European Union
9 Downing Street
London SW1A 2AG

WEN Wales
Anchor Court North
Keen Road
Cardiff
CF24 5JW

24th October 2017

Dear Minister,

Re: Gender-blind negotiations surrounding the United Kingdom's withdrawal from the European Union.

We write in our capacity as members of the United Kingdom (UK) Joint Committee on Women, which is the UK's national co-ordination to the European Women's Lobby and as organisations engaged with advancing women's equality and rights. We write to identify our concerns that women and gender as a topic of concern are absent from the Brexit negotiations.

As you will know, equality policies are among the most developed areas of social policy in Europe, and equality is foundational to the European Union. Equal pay for equal work was one of the founding principles in 1957 and it was, and continues to be, embedded in EU Treaties and Directives. Over the last 50 years, EU laws have been underpinned by the principles of equality and non-discrimination, which have promoted and protected women's rights in several areas, including the rights of part-time workers, the rights of pregnant women, and protections for women and girls who experience violence.

As the UK moves forward with its withdrawal from the EU, we grow increasingly concerned about the absence of women's voices and what that means for the erosion of women's rights in the UK. While we were encouraged to learn of gender parity in the Department for Exiting the EU, we are concerned that the commitment to gender balance is not extended to the UK negotiating team. The UK negotiating team biographies, as published by your Department, include only one woman among its nine members. While women represent 51 percent of the population and 32 percent of the UK Parliament, women form only 11 percent of the UK's negotiating team.

In June 2017, Catherine West MP raised a question about the gender composition of the negotiating team. Steve Baker MP responded and noted that the first round of negotiations, held on 19 June 2017, included 12 members, two of whom were women. Mr. Baker further wrote that the Department for Exiting the European Union was "drawing together expertise from a wide range of departments where there is specific relevant knowledge". Given the over-

representation of men on negotiating teams, it would be helpful if your department could set out its plans to ensure that women's lived experience forms part of negotiations. The UK Government has demonstrated its commitment to delivering 'a deal that works in the best interests of all citizens', a commitment which resonates well with us. It is difficult to understand, however, how this can be achieved when the voices of half of the UK's population are not represented at the negotiating table.

We urge your department to draw on the expertise of statutory equality bodies and civil society. It is vital that the two UK equality bodies, the Equality and Human Rights Commission and Equality Commission Northern Ireland, are substantively engaged as the negotiations proceed. Women's organisations in all of four nations are keen to work with the UK Government to provide informed support to ensure women's rights are protected. In the absence of a gender balanced negotiating team, and without statutory or third sector equalities experts involved in the work of the Department for Exiting the EU, we remain unconvinced that the rights of women will be adequately protected following the UK withdrawal from the EU. It is our concern that the current structures for exiting the EU will leave women both simultaneously exposed and invisible.

Our concerns for women's equality are particularly relevant in Northern Ireland, where there is currently no Executive and women have no channels through which to engage with your Department. Women in Northern Ireland are likely to be disproportionately affected including in respect of life, work, trade and conflict resolution and around the border across the island of Ireland.

In February 2017, the Women and Equalities Committee published its report 'Ensuring strong equalities legislation after the EU exit'. Among its findings, the Committee noted that 'ensuring that equality protections are maintained is not simply a matter of transposing existing EU law'. Civil society organisations across the UK have supported these findings and have made representations urging the Government to be cognisant of them in planning and negotiating the exiting arrangements. Despite the Committee's findings, as well as support for the findings by civil society organisations, the European Union (Withdrawal) Bill proposes to end the supremacy of EU law and to convert EU law into UK domestic law.

For 50 years, the EU has promoted gender equality and non-discrimination in policy and practice, and has consistently reaffirmed a commitment to promote and respect women's rights. The absence of the EU legal framework, coupled by an unclear direction of the UK on its review of domestic legislation post-Brexit, puts the rights of women and girls in the UK in a precarious position. As it stands, the European Union (Withdrawal) Bill will do exactly what equality experts have warned would be detrimental to women's equality and rights in the UK. To protect and promote women's rights, we strongly urge the UK Government to build a gender-balanced negotiating team, reflective of the UK's population. We call on you to commit to women's equality and women's rights as priorities for the UK-EU negotiating agenda and for the future post-Brexit UK.

We look forward to your response.

Yours sincerely,

Carwen Howells

Carwen Howells, Chair, UK Joint Committee on Women

Barbara Cleary, Vice Chair, National Association of Women's Organisations
Catherine Fookes, Director, Women's Equality Network Wales
Emma Johnston, Board Member / European Representative, Northern Ireland Women's
European Platform - NIWEP
Emma Ritch, Executive Director, Engender
Jeanette Thornton, President, BPW Northern Ireland
Lynn Carvill, Chief Executive Officer, WOMEN'STEC
Anne McVicker, Director, Women's Resource & Development Agency – WRDA
Jan Melia, Chief Executive Officer, Women's Aid Federation Northern Ireland
Sandy Brindley, Chief Executive, Rape Crisis Scotland
Bill Scott, Director of Policy, Inclusion Scotland
Tressa Burke, Chief Executive, Glasgow Disability Alliance
Talat Yaqoob, Chair, Women 50:50
Anna Ritchie Allan, Executive Director, Close the Gap
Ian Welsh OBE, Chief Executive, Health and Social Care Alliance Scotland (the ALLIANCE)
Marsha Scott, Chief Executive, Scottish Women's Aid
Evelyn Fraser, Development Manager, Scottish Women's Convention
Fergus McMillan, Chief Executive, LGBT Youth Scotland
Tim Hopkins, Director, Equality Network
Katy Mathieson, Co-ordinator, Scottish Women's Rights Centre
Jackie Jones, Chair, Wales Assembly of Women
Lesley Abdela MBE, Senior Partner, Shevolution
Ahlam Akram, Director, BASIRA
Tanya Barron, CEO, Plan International UK
Dr Juliet Colman, Director, SecurityWomen
Britt Gustawsson, Risk Manager, Zonta Club London II
Annette Lawson, Chair, The Judith Trust/NAWO Ambassador
Eleanor Lisney, Co Director, Sisters of Frida
Lynda Dearlove, Chief Executive Officer, Women @ the Well
Eleri Butler, CEO, Welsh Women's Aid

c.c.:

The Rt Hon Justine Greening MP, Secretary of State for Education, UK Government
The Rt Hon James Brokenshire MP, Secretary of State for Northern Ireland, UK Government
The Rt Hon David Mundell MP, Secretary of State for Scotland, UK Government

The Rt Hon Alun Cairns MP, Secretary of State for Wales, UK Government
Michael Russell MSP, Minister for UK Negotiations on Scotland's Place in Europe, Scottish Government
Christina McKelvie MSP, Convener, Equality and Human Rights Committee, Scottish Parliament
Joan McAlpine MSP, Convener, Culture, Tourism, Europe and External Relations Committee, Scottish Parliament
Carl Sargeant AM, Cabinet Secretary for Communities and Children, Welsh Government
John Griffiths AM, Chair, Equality, Local Government and Communities Committee, Welsh Assembly
David Rees AM, Chair, External Affairs and Additional Legislation Committee, Welsh Assembly
The Rt Hon Maria Miller MP, Chair, Women and Equalities Committee, UK Parliament