

Agenda – Public Accounts Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: 21 October 2019

Meeting time: 13.00

For further information contact:

Fay Bowen

Committee Clerk

0300 200 6565

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(Private Pre-meeting)

(13.00 – 13.15)

1 Introductions, apologies, substitutions and declarations of interest

(13.15)

2 Paper(s) to note

(13.15)

(Pages 1 – 8)

2.1 Inquiry into Regulatory oversight of Housing Associations: Letter from the Welsh Government (3 October 2019)

2.2 Auditor General for Wales Report: The ‘front door’ to adult social care

Auditor General for Wales Report: [The ‘front door’ to adult social care](#)

2.3 Auditor General for Wales Report: Fuel Poverty

Auditor General for Wales Report: [Fuel Poverty](#)

2.4 Auditor General for Wales Report: Review of Public Service Boards

Auditor General for Wales Report: [Review of Public Service Boards](#)

2.5 Auditor General for Wales Report: Public Spending Trends in Wales 1999–00 to 2017–18

Auditor General for Wales Report: [Public Spending Trends in Wales 1999–00 to 2017–18](#)



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

3 Scrutiny of Accounts 2018–19: Welsh Government

(13.20 – 14.50)

(Pages 9 – 37)

Research Briefing

PAC(5)–26–19 Paper 1 – [Welsh Government Consolidated Accounts 2018–19](#)

Shan Morgan – Permanent Secretary, Welsh Government

Andrew Slade – Director General Economy, Skills and Natural Resources
Group, Welsh Government

Peter Ryland – Chief Executive WEFO

Gawain Evans – Director of Finance, Welsh Government

David Richards – Director of Governance and Ethics, Welsh Government

4 Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business:

(14.50)

Item 5

5 Scrutiny of Accounts 2018–19: Consideration of evidence received

(14.50 – 15.15)

Agenda Item 2



Llywodraeth Cymru
Welsh Government

Tracey Burke

Cyfarwyddwr Cyffredinol / Director General
Y Grŵp Addysg a Gwasanaethau Cyhoeddus
Education and Public Services Group

Nick Ramsay AM
Public Accounts Committee Chair
National Assembly for Wales
Cardiff Bay
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03 October 2019

Dear Nick

Inquiry into the Regulatory Oversight of Housing Associations - Update

I'm pleased to enclose a Welsh Government update on the Report of the Public Accounts Committee – Inquiry into the Regulatory Oversight of Housing Associations in Wales 2017.

Yours sincerely

Tracey Burke



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

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

Update by the Welsh Government on the Report of the Public Accounts Committee (PAC) – Inquiry into the Regulatory Oversight of Housing Associations in Wales 2017

This document updates progress on the outstanding recommendations. For the Committee's ease, for each of these, we have set out the recommendation, our acceptance, previous updates and the latest position as of September 2019.

Recommendation 2

Furthermore, in the interests of transparency we recommend that in its Annual Report to the Cabinet Secretary for Communities and Children, the Regulatory Board for Wales, should reflect on the current skills and capacity of the regulatory team, which in the spirit of co-regulation will enable other stakeholders to then scrutinise the Welsh Government's ability to regulate.

Accepted – The Regulatory Board for Wales has responded to the recommendations of the report separately. The Board has confirmed its annual reports, the next due in the summer 2018, will include a section on the skills and capacity of the Regulatory Team.

Previous update - The Regulatory Board is developing a new approach to its Annual Report with the result that the report will be delayed until Autumn 2018.

Update Sept' 19 - Completed

The Regulatory Board for Wales published their report in May 2019. Link here: <https://gov.wales/sites/default/files/publications/2019-05/regulatory-board-for-wales-performance-report.pdf>

The report was later than had been anticipated, as the Board wished to undertake a significantly more robust consideration of issues. The Board felt the delay was justified to ensure they provided a comprehensive report. The report includes consideration of, and commentary on, the Regulation Team's skills and capacity. The Board reflects on what it views as a dilution of resource within the function and, in that light, outlines what it sees as the challenges in sustaining the depth and breadth of the Regulator's work.

The Minister for Housing and Local Government responded to the Board on 12 September 2019, a copy of the response is attached.

Recommendation 3

The Regulatory Board for Wales should provide effective challenge to the Welsh Government's regulation team. Given the sensitive nature of some matters discussed by the Board, it was difficult for the Committee to determine how effective that challenge has been. The Committee recommends that the Welsh Government and the Regulatory Board for Wales consider how more openness and transparency can be brought into how they work together

Accepted - The Regulatory Board for Wales has responded to the recommendations of the report separately. The Board will consider the issue of further openness and transparency this year with the intention of providing a summary of specific areas of challenge in their annual report as well as continuing to publish summaries, where

the discussions are not confidential in nature, of its Board meetings which reference how the Board engages and challenges the regulation team.

Previous update - The Regulatory Board is developing a new approach to its Annual Report with the result that the report will be delayed until autumn 2018.

Update Sept' 19 - Completed

Section 1 of the Regulatory Board's report (see recommendation 2) provides a commentary on the performance of the Regulator and the role of the Board in the work of the regulation team, including in serious cases and regulatory interventions.

Recommendation 4

We recommend that the Welsh Government make provision for the availability of clear and comparable data sets to assist tenants in determining and challenging the position and policies of their Housing Association. We were impressed by the approach taken in this regard by the Scottish Housing Regulator and would urge the Welsh Government to take a similar approach.

Accepted - The Welsh Government will work collaboratively with the sector and key stakeholders, in particular tenants, to ensure appropriate data available by October 2018. As the data set for Wales is developed, we will ensure relevant learning from Scotland is incorporated. Please also see Recommendation 9.

Previous update - The user interface for the proposed data set has recently been tested by a small panel of tenants. Their response was positive and work to finalise and publish the data is now proceeding. Published performance data will be available to tenants and other key stakeholders in October 2018.

Update Sept' 19 – Completed

The dataset was published in October 2018.

<https://gov.wales/compare-your-housing-association>

In developing the dataset, officials visited the Scottish Housing Regulator to discuss their Landlord Performance System and also contacted TPAS Scotland, the tenant representative body, to discuss how tenants used and viewed the system. The Welsh system enables people to compare data on 9 indicators of tenant satisfaction, 7 indicators of landlord cost and efficiency, the number of homes which meet the Welsh Housing Quality Standard as well as some contextual information such as total number of homes, number of staff employed, turnover and surplus/deficits generated by each RSL. The pages have been viewed over 2,500 times since publication.

Recommendation 9

We recommend that Welsh Government consider putting in place mechanisms for regular reporting and benchmarking of performance information to provide assurances on how well the sector is performing. We further recommend that this information should be available from a central website, along with other datasets as noted in Recommendation 4.

Accepted – Benchmarking of sector performance will form part of the collaborative work set out in response to recommendation 4. It is our intention that data will be accessible from a single platform, potentially the Welsh Government website.

Update – See Recommendation 4. Additionally, a second phase of work will commence in autumn 2018. This will involve working with key stakeholders,

including tenants to develop a more robust suite of performance data, a platform for publication and arrangements to support effective use of the data.

Update Sept' 19 – Completed

The dataset was published in October 2018.

<https://gov.wales/compare-your-housing-association>

Discussions have commenced with TPAS Cymru and Community Housing Cymru in respect of the second phase of the work. TPAS Cymru have agreed to use upcoming tenant sessions to find out more about other information tenants would like to be able to access, what they would use it for and how they would like to access it. That feedback will underpin development of a revised dataset. The pages have been viewed over 2,500times since publication.



Eich cyf/Your ref
Ein cyf/Our ref MA-P-JJ-2996-19

12 September 2019

Dear Regulatory Board for Wales Member,

Thank you for the annual report, which I discussed with your then Chair, Helen White and Dr Bob Smith on 20th May 2019. I found the report and our subsequent discussion helpful and positive.

As you will have seen, I recently announced the Welsh Government's position concerning the recommendations of the Independent Review of Affordable Supply and, in that light, I am pleased now to respond to your report.

Good, effective governance is key to robust organisations and the services they offer. Equally, strong, transparent, and proportionate regulation is vitally important to ensuring that all Registered Social Landlords (RSLs) deploy and maintain consistently high quality governance. Good governance, supported by strong regulation protects tenants and public investment and supports the sector to help ensure people in Wales have a good quality place to call home.

With that in mind, I welcomed your consideration of the efficacy of the current regulatory model, with its focus on co-regulation, assurance and improvement, in helping support better, stable, good value services for tenants. In my response to the Affordable Housing Review, I referred to the Regulatory Framework, which itself is due to be reviewed next year and your input to that review will be vital.

Like you, I want to see tenants at the forefront of the decisions that affect them – with their voices clearly heard. In that regard, I valued your report, The Right Stuff – Hearing the Tenant's Voice, which seems to me to make sensible, practicable suggestions for RSLs in considering their work with tenants. Therefore, I think it is right for the framework review to consider whether Performance Standard 2 is sufficiently strong and clear, or if a separate judgment category for the tenant dimension is needed.

Our shared ambition is that the RSL sector in Wales should be an exemplar of good governance. Regulatory judgments, underpinned by the performance framework, suggest much of the sector is capable of, and applies, consistently sound governance and is

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financially stable. I too am concerned by the instances of poor governance we have seen recently. You will be aware the regulation team is commissioning work to further develop the approach to assessing governance with the aim of identifying weaknesses at the earliest opportunity so that Boards can address problem areas on a voluntary basis. I will be interested in your comments in due course about the impact of this work.

One of the areas discussed in your report and which is reflected on in my response to the Affordable Housing Review is 'domain regulation'. I am strongly of the view that a social housing tenant is a social housing tenant, irrespective of whether their landlord is an RSL or a local authority. They should expect similarly high-quality, good value services and they can share similar issues in holding their landlords to account.

I intend therefore to commission a review of the scope of regulation in relation to tenant services. The review will analyse the current legislative framework and powers, their current discharge by the various parties and assess the extent to which future alignment options can further protect the interests of all social housing tenants. As I mentioned during my meeting with Helen and Bob, this review will also need to consider the capacity implications in terms of the Regulation team's capacity to undertake effectively any associated additional workload.

Your report makes several references to resourcing and location of the regulation team (i.e. within or outside of the Welsh Government). Of course, the impact of potential domain regulation would need to be fully considered in any future resource plans. That said, Civil Service resources (staff numbers, grades and development) are matters for the Permanent Secretary rather than for me as Minister. I will understand that all resource matters, across the piece, are kept under constant review in this time of ongoing constraint. The regulation team continues to deliver against a challenging workload and that must remain the case if and when the focus broadens or changes. I welcome your support of the team as its new operating model continues to be implemented and, doubtless, the broader issues will continue to feature in ongoing dialogue.

Finally, the RBW itself will be undergoing significant change over the coming months, as a new chair and members are appointed and as any impacts from the recommendations of the Affordable Housing Review and the Framework review are implemented. I trust that you will continue to play an important role in relation to the Regulator at this exciting time of change and challenge. Thank you, and of course Helen White, for your report and for RBW's efforts, energy and engagement throughout the year.

Yours sincerely



Julie James AC/AM

Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government

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