

Local Government and Housing Committee – Right to Adequate Housing

Context

1. Welsh Government has committed in our Programme for Government, and as part of the Co-Operation Agreement with Plaid Cymru, to publish a White Paper in this Government Term (Summer 2024), which will set out proposals for a Right to Adequate Housing. The White Paper will also look at fair rents and new approaches to making homes affordable for those on local incomes.
2. As part of developing the evidence base to understand the potential impacts and consequences of the ways in which these proposals could be taken forward in Wales, we will shortly be launching a Green Paper (Call for Evidence) consultation. In order to support this work we have established a Stakeholder Advisory Group to ensure a collaborative approach and appropriate representation from organisations which represent tenants, landlords and local government. Many of those represented on the Advisory Group have already provided evidence to this inquiry.
3. I welcome the work the Committee is undertaking in this area, which will help to build a robust evidence base to inform the White Paper development.

Housing Adequacy

4. The United Nations identifies seven criteria which must be met for accommodation to be considered as 'adequate housing'.
 - *Security of tenure*: housing is not adequate if its occupants do not have a degree of tenure security which guarantees legal protection against forced evictions, harassment and other threats.
 - *Availability of services, materials, facilities and infrastructure*: housing is not adequate if its occupants do not have safe drinking water, adequate sanitation, energy for cooking, heating, lighting, food storage or refuse disposal.
 - *Affordability*: housing is not adequate if its cost threatens or compromises the occupants' enjoyment of other human rights (e.g. food).
 - *Habitability*: housing is not adequate if it does not guarantee physical safety or provide adequate space, as well as protection against the cold, damp, heat, rain, wind, other threats to health and structural hazards.
 - *Accessibility*: housing is not adequate if the specific needs of disadvantaged and marginalized groups are not taken into account.
 - *Location*: housing is not adequate if it is cut off from employment opportunities, health-care services, schools, childcare centres and other social facilities, or if located in polluted or dangerous areas.

- *Cultural inadequacy*: housing is not adequate if it does not respect and take into account the expression of cultural identity.
5. Welsh Government's ambition is for every person in Wales to be able to secure a safe, and affordable home that meets their needs for the different stages in their lives. Whether it be traditional bricks and mortar houses in the social, private or owner occupied sector, or alternative accommodation such as a park home, caravan, or house boat. The ability to call somewhere home provides security, identity, and a sense of community belonging. Having this security allows people to put down roots, if they wish to do so, whether that be in terms of jobs, education, raising families, or re-locating following retirement.
 6. Across all of its housing related activities, the Welsh Government has already taken, and continues to take, significant steps forward towards meeting the criteria which deliver housing adequacy. One example is the introduction of the Renting Homes Act on 1st December last year. This has helped to give greater certainty to both landlords and tenants of their rights and responsibilities, ensuring everyone should have a contract setting out what is expected in terms of rents, notices, and period of tenure. We have also made inroads in seeking to improve the adequacy of accommodation through the introduction of the Fitness for Human Habitation Regulations.
 7. The table below provides some examples of how our policy interventions are already delivering against the 7 factors.

Criteria	Measures in place
<i>Security of tenure</i>	<ul style="list-style-type: none"> • The Renting homes (Wales) Act extended no fault evictions to 6 months and requires the issuing of either standard or secure occupation contracts. • Social housing providers follow a policy of no evictions into homelessness. • Local authority homelessness services are funded to help prevent homelessness. • Tenancy information and advice – funding Shelter Cymru (through Homelessness Prevention Grant), Citizens Advice (through single advice fund).
<i>Availability of services, materials, facilities and infrastructure</i>	<ul style="list-style-type: none"> • Building regulations require certain minimum standards for design, construction and alterations of dwellings. • Welsh Housing Quality Standards set a minimum standard for social housing to be met by December 2020. A consultation on proposals to update WHQS has been undertaken.
<i>Affordability</i>	<ul style="list-style-type: none"> • Annual increases to social rents are set by Welsh Ministers.

	<ul style="list-style-type: none"> • Private landlords are restricted in issuing rent notices to once in a 12 month period and must give 2 months notice. • Committing £30m into Leasing Scheme Wales to secure private rented property over the medium to long term to be offered at Local Housing Allowance rates.
<i>Habitability</i>	<ul style="list-style-type: none"> • The Renting Homes (Wales) Act 2016 places an obligation on landlords to ensure that a dwelling is in repair and fit for human habitation. • Welsh Housing Quality Standards set a minimum standard for social housing.
<i>Accessibility</i>	<ul style="list-style-type: none"> • The Housing with Care Fund will provide £182 million to regional partnership boards to provide new housing with care, including accessible housing. • £3m capital funding to Care & Repair agencies to provide Rapid Response adaptations, • £4.8m revenue funding to provide Home Improvement Agency services • £6m of grant to local authorities through the Enable Grant, and £10m to Registered Social Landlords through the Physical Adaptations Grant to provide adaptations for the most common types of adaptations including ramps and making doorways wheelchair accessible.
<i>Location</i>	<ul style="list-style-type: none"> • Future Wales: The National Plan 2040, & Planning Policy Wales provide the strategic framework to inform and influence local development plans, which sets out the location where homes will be required in future.
<i>Cultural inadequacy</i>	<ul style="list-style-type: none"> • Local Housing Market Assessments Guidance which inform LDPs now requires consideration of the local needs of Black, Asian and Ethnic Minority people. • The Anti Racist Wales Action Plan outlines a number of actions to improve how housing policies and bodies respond to the needs of Black, Asian and Minority Ethnic people. • The Wellbeing of Future Generations Act requires consideration of the future consequences of current policy, as well as work towards a number of goals, such as a More Equal Wales, a Wales of Cohesive Communities and a Wales of Vibrant Culture and Thriving Welsh Language.

Key Challenges

8. The development of the evidence base also provides an opportunity to further understand a number of potential challenges and barriers, and how we might overcome them.

Robust and Timely Data

9. It is important to be able to collate information across all housing tenures to establish both a baseline, and to be able to monitor delivery and progress towards fully realising the 7 factors identified by the United Nations that demonstrate that a right to adequate housing has been realised. We recognise that there are aspects of data which will need to be improved to enable this to take place. For example, Rent Officers have a duty to collate information on market rents in Wales, however there is no duty to respond to a Rent Officer with information, which could have an impact on the robustness of the data.
10. The timing of data collection is also another consideration, as we have a number of different sources of data, but not all are collected at the same time, or over the same period or geographical extent. Welsh Government already has work underway to try and better understand these issues.
11. For example, we have commissioned Alma Economics to examine the data currently available in respect of the rental market in Wales. As part of this research they have looked at 138 results across different types of indicators: socio-demographic conditions, housing quality, housing stock and construction, housing prices in the sales market, housing rents, homelessness, landlord possession actions and evictions, taxes, housing tenure, utility expenses, housing benefits, dwelling types, and landlord characteristics. Through this review they have identified a number of gaps and limitations including:
 - A lack of robust data on tenant characteristics.
 - Limited data on landlords, including those that leave the sector if they don't update Rent Smart Wales.
 - Geographically granular data (for Lower layer Super Output Areas) is not available for several indicators, including homelessness, energy and utility expenses.
Income estimates at a geographical level below the Local Authority level are not up to date, impacting the robustness of the analysis on housing affordability.

Their full report will be published alongside the Green Paper consultation.

12. Welsh Government is also considering the case for an annual national housing survey that will consider if, and how, these data gaps can be addressed, and will update the Committee on the outcome of this work at the appropriate time.

Defining Minimum Core Criteria over time

13. The United Nations recognises it is vital that effective monitoring is in place to measure the extent to which policy interventions are delivering against core minimum criteria to secure adequate housing. The first challenge that arises is there is no defined and commonly accepted set of standards for what constitutes

the minimum core for housing, and this would need to be established and agreed in order to determine the evidentiary tests for whether “adequacy” has been realised or not.

14. The United Nations recognises that the right to adequate housing is a progressive right that cannot be achieved immediately from the outset. However, as time passes, and technological changes and innovations take place it is likely that the expected minimum core will also change. For example, there was a time where an outside toilet was considered appropriate to meet sanitary standards. Any minimum core would therefore need to be able to respond to such technological advances.
15. It is also important to reflect that according to the 2021 Census 83.5% of households in Wales live in property that is in private ownership (either owned outright, mortgaged, or in the private rented sector). Therefore consideration would need to be given as to how implementation of a minimum core would apply across tenures and the implications for property owners of non-compliance.

Non-devolved aspects

16. Welsh Government is committed to using all the levers we have to help people in a sustainable manner to remain in their homes and avoid homelessness. However, we recognise that not all of the policy levers required to achieve this are devolved. One particularly important lever which is not devolved is Local Housing Allowance (LHA). The LHA is a vital means of support to lower income households to make renting in the private sector affordable, which is one of the factors for adequate housing. Welsh Government has repeatedly called on the UK Government to unfreeze and uplift the LHA from the 2020 rate to reflect the actual costs of renting property in Wales in 2023. However for 2023/2024 they have remained frozen and this is creating a growing gap in affordability and reducing the ability for lower income households to secure a home.
17. Research from the Bevan Foundation (set out in more detail below) has identified that in February this year the largest gap between the current LHA rate for a 4 bed property and the cheapest 4 bed property being advertised for rent was in Anglesey at over £850 per month.

Risk of unintended/conflicting consequences

18. Welsh Government recognises the importance of taking an evidence-based approach to mitigate the risk of unintended consequences. We are cognisant that all elements which go towards securing an adequate home are inter-related, and therefore it is important to understand the potential risks and impacts of making policy changes for one factor in the context of another. For example, measures to require a certain standard of energy performance (habitability) may

have a knock-on impact on demand, as tenants could save money on energy bills but in turn this may result in a higher rent being set, which could impact overall on affordability. Conversely the setting of energy performance standards in some areas may also see the supply of available property reduce if landlords choose to exit the market rather than invest in the property. Consideration of all potential implications is therefore important to ensure a coherent policy approach and package is developed to mitigate against potential unintended consequences.

Age of Housing Stock

19. In considering the path towards a right to adequate housing Welsh Government recognises the need to reflect on the current age and quality of some of the existing housing stock in Wales, and therefore potential limitations and resource requirements that may be needed. For example, data from Rent Smart Wales shows that almost 80,000 rental properties (46%) in Wales pre-date 1929, and over 65% are below an EPC C energy rating.

Housing Supply

20. There is a link between the availability of property and peoples' ability to secure adequate housing. The United Nations Committee on Economic, Social and Cultural Rights identifies that the right to adequate housing must be about more than 'merely having a roof over one's head', but for example where the priority is to get any private rented accommodation in a competitive market with limited supply in a specific location, it is likely people will have to sacrifice other measures of adequacy along the way, either in terms of habitability or more probably affordability.
21. Welsh Government recognises the current pressures in the housing system in Wales and the importance of increasing the supply of good quality, affordable homes. This is why we are investing £330m in social housing in 2023/24 as part of our commitment to deliver 20,000 low carbon homes for rent in the social sector this Senedd term.
22. As outlined above, we recognise particular pressures in the private rented sector, which are exacerbated by the freeze on LHA rates. The Bevan foundation has published a report on the availability of accommodation at LHA rates for those reliant on housing related benefits.¹ LHA is set at the 30th percentile of rents in a Broad Rental Market Area (BRMA), and have been frozen since April 2020. During the 2 week period of the Bevan Foundation's research in February 2023, 32 properties across the whole of Wales were found to be available at LHA rates, equating to 1.2% of the available rental market; 16 local authorities did not have any property affordable within LHA.

¹ [Wales-Housing-Crisis-Winter-2023.pdf \(bevanfoundation.org\)](https://www.bevanfoundation.org/Wales-Housing-Crisis-Winter-2023.pdf)

23. Data held by Rent Officers Wales for the year to the end of September 2022 indicates a shortfall between LHA rates and current rents being charged on an all-Wales basis of just under 9% (8.99%). However, this masks significant regional variations, with Newport and Monmouth showing the greatest differences of 20.20% and 17.55% respectively.
24. Anecdotal evidence from lettings agents suggests that there is fierce competition for properties new to the rental market, especially in 'hot-spot' areas which are in demand. Intense demand may also increase the price of accommodation²
25. ONS 2021 Census data shows that in inner city areas the proportion of households privately renting can be as high as 78% of the homes in an area, illustrating areas of high demand, and correspondingly high rental prices as additional supply is constrained.
26. In Wales we have a plan led approach which includes Future Wales: The National Plan 2040. This plan sits at the top of Development Plan hierarchy and gives a very clear steer to all partners that the planning system in Wales must help deliver the affordable homes we need. We are keen to support SME developers with incentives for developments being offered by the Wales Stalled Sites Scheme and Property Development Fund. Help to Buy in Wales is also continuing post 2023 and Planning Policy Wales is supporting SMEs by requiring Planning Authorities to include small sites in their Local Development Plans for SME development.

Conclusion

27. Whilst there are a number of challenges to overcome, Welsh Government remains committed to our ambition that everyone in Wales has access to a safe, secure and affordable home. I look forward to continuing to work with the sector as we further develop the evidence base to inform and take forward this work.

² [Welsh rents seeing record rises in busy letting market | Peter Alan Estate and Letting Agent](#)