

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



Llywodraeth Cymru  
Welsh Government

Ein cyf/Our ref SF-CS-1289-13

Ann Jones AM  
Chair  
Communities, Equality and Local  
Government Committee  
National Assembly for Wales  
Ty Hywel

15 May 2013

Dear Ann,

I was delighted to appear before your Committee on 17 April. As agreed, I can now provide further information that the Committee sought.

During the scrutiny session on the Inquiry into Home Adaptations I agreed to provide: guidance on disabled facilities grants; guidance on whether means testing is being applied differently across local authorities; and information on the data used in the calculation of the Housing element of General Capital Funding. I attach this information at Annex 1.

I also agreed to provide further information, during the general scrutiny session, on negotiations with HM Treasury to leave the Housing Revenue Account Subsidy System and any replacement scheme in relation to NewBuy Cymru. Unfortunately, I am not in a position, at this early stage, to provide the Committee with further detailed information at present. However, I can advise that negotiations are continuing with HM Treasury to seek a financial settlement that will enable the Housing Revenue Account Subsidy system to end in Wales, as it has been in England. I am committed to exiting from the HRAS and will be seeking to bring an end to the transfer of HRAS revenues as early as possible.

With regards to further home ownership schemes, I am exploring the options available for a scheme with a loan equity arrangement to help buyers into new homes in Wales. Firstly, I am seeking greater clarity on the English Help to Buy Shared Equity Scheme to aid our research in this area. I will write again to the Committee, once I have further information, to ensure it is first to be made aware of any developments.

The Committee also requested further detail on the various Bills that I have responsibility for. I attach this information at Annex 2.

I trust that I have addressed the Committee's queries in full and I look forward to working closely with you in the future.

A handwritten signature in black ink, appearing to be 'C. Sargeant', written in a cursive style.

**Carl Sargeant AC / AM**  
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Minister for Housing and Regeneration

## **Annex 1**

### **Guidance Relating to Disabled Facilities Grants (DFG)**

A link to the current guidance is attached:

**National Assembly for Wales Circular 20/02 – Housing Renewal Guidance – Revised Annex D – Disabled Facilities Grants**

<http://wales.gov.uk/topics/housingandcommunity/housing/publications/privaterenewal/?lang=en>

A further link to the guidance covering the DFG Performance Indicator is also attached for your convenience:

<http://dissemination.dataunitwales.gov.uk/webview/index.jsp?language=en>

### **Means Testing**

The means test for Disabled Facilities Grants (DFG) is a statutory requirement and is contained in Section of the Housing Grants, Construction and Regeneration Act 1996. The test is amended from time to time to take account of changes to the benefit regime. The test was last amended in March 2013 and revised Regulations in the form of the Housing Renewal Grants (Amendment) (Wales) Regulations 2013 came into force on 1<sup>st</sup> April. The revised Regulations take account of the introduction of Personal Independence Payments (PIP), which replaced Disability Living Allowance for new claimants from 8<sup>th</sup> April 2013. The new Regulations also covered the replacement of Council Tax Credit with the Council Tax Reduction Scheme from 1<sup>st</sup> April 2013. Further revisions to the Regulations are planned in due course to cover the introduction of Universal Credit.

The Housing Renewal Grants Regulations 1996 provide a definition of 'relevant person' for the purposes of applications for DFG. This reflects the policy that the test for DFG should take into account only the resources of the disabled occupant, where this is the applicant, their spouse and partner. One of the principal recommendations contained in the 2005 DFG Review Report was that DFG applications intended to meet the needs of disabled children should not be subject to a means test. The Welsh Government accepted this recommendation and decided to implement it immediately. The exemption for disabled children was introduced from 30 September 2005 when the Housing Renewal Grants (Amendment) (Wales) Regulations 2005 came into force. The Welsh Government also extended the exemption to take account of 'Young Persons' on 20 October 2006.

My officials are not aware of any evidence that the means test is being applied inconsistently across Wales by local authorities and consider any evidence to date to be largely anecdotal. However, they will be raising the

issue at the next meeting of the all-Wales Heads of Environmental Health Technical Panel to gauge local authority views on the matter.

### **Data Used in Calculation of General Capital Funding (GCF) – Notional Housing Component**

The formula for allocating GCF funding for Housing is as follows:

- 20% Amount spent on DFGs (latest 3 year average)
- 20% Households with low SEC head
- 15% Private dwelling stock
- 25% Total repair cost
- 20% Pensioner households

These indicators are used to assess the relative need at the local authority level and to be able to aggregate up to a total GCF amount for each authority. Local authority allocations are notional amounts and the total funding for each authority remains unhypothecated.

The data are published in the Welsh Government's Green Book which can be accessed via the following link. The formulae are explained on page 123, see page 128 Table 6 for the data behind the housing formula.

<http://wales.gov.uk/topics/localgovernment/finandfunding/settlement/lgs-ettlement1314/greenbook-2013-14/?jsessionid=DDE6A46B52B627818229C15DE257D7D8?lang=en>

## Annex 2

The **Housing Bill** is intended to be introduced into the National Assembly in Autumn 2013. It is expected to include provisions on:

- changes to homelessness law, including a new duty on local authorities to prevent homelessness and allow them to use suitable accommodation in the private sector;
- introducing a compulsory registration and licensing scheme for all private rented sector landlords and letting and management agents;
- giving local authorities the power to charge more than the standards rate of council tax on homes that have been empty for over a year;
- reforms to the Housing Revenue Account Subsidy system, subject to an agreement being reached with HM Treasury;
- introducing standards for local authorities on rents, service charges and quality of accommodation; and
- enabling more use of Community Land Trusts and Co-operative Housing.

The **Renting Homes Bill** broadly follows recommendations from the Law Commission, which called for a much simpler legal framework for renting a home based on two types of rental contract:

- A 'secure contract', modelled on the local authority secure tenancy, which will be used mainly for long term housing by councils and housing associations;
- A 'standard contract', which will be similar to the current assured shorthold tenancy used mainly in the private rented sector.

Together, these contracts will replace several existing, and different, types of rental contract. They will help ensure equality and flexibility across the different types of rented housing. I intend to publish a White Paper on 20 May 2013.

The **Mobile Homes (Wales) Bill** is currently being scrutinised by Committee and will create a second-tier licensing regime for residential park homes setting out requirements for the making of licence applications and the management of residential park home sites. The Bill will ensure that a single licensing regime is preserved and includes provisions to introduce a fit and proper persons test and the removal of the veto on sales of mobile homes by residents by their site owners.

I also propose to introduce new **planning legislation** to improve the way in which the planning system supports delivery of our key objectives which include increasing the supply of affordable and market housing and

supporting regeneration. The first Bill, the Planning Reform Bill will make changes to existing planning legislation to improve the effectiveness and speed of delivery, including changes to the respective role of the Welsh Government and local planning authorities. The second Bill will provide an opportunity secure improvements in efficiency through simplifying and consolidating existing planning legislation into a single Welsh Planning Act. In taking forward planning legislation I will ensure that the planning system helps to deliver, rather than frustrate, the achievement of our policy objectives.