

BSHF response to the Housing (Wales) Bill

About BSHF

The Building and Social Housing Foundation (BSHF) is an independent housing research charity committed to ensuring that everyone has access to decent and affordable housing. It holds Special Consultative Status with the United Nations Economic and Social Council. Since 1994 BSHF has organised an annual series of Consultations at St George's House, Windsor Castle, on a range of housing issues, bringing together diverse groups of experts for in-depth discussion and consideration of an important housing issue. Recent Consultations include:

- 2010: Support with Housing Costs: Developing a simplified and sustainable system¹
- 2011: More Homes and Better Places: Solutions to address the scale of housing need²
- 2012: Consultation on increasing housing supply in the private rented sector³
- 2013: Creating the Conditions for New Settlements in England⁴

This submission is based on several of these Consultations and on original research undertaken by BSHF. For contact details please see the covering letter or visit the BSHF website (www.bshf.org).

BSHF strongly supports the ambition of the Welsh Government to make further improvements to the whole housing system. As the housing White Paper, Homes for Wales, states, the objective for the housing system in Wales must be to ensure that everyone can access "a decent home that people can afford".⁵ The Welsh Government's three strategic priorities – more homes, better homes and better housing services – are also to be welcomed. In general terms, BSHF considers that the legislation set out in the Housing (Wales) Bill will be of considerable benefit in delivering these aims. More specific comments in relation to each of the proposals are outlined below.

Private rented housing

BSHF agrees with the Welsh Government that the private rented sector is an increasingly important area for attention, and welcomes the introduction of a compulsory registration scheme for landlords and letting/managing agents. While many landlords and agents offer a good service to their tenants, a significant minority do not, with problems such as delays in essential repairs, hidden charges and

¹ Diacon, D., Pattison, B., Strutt, J., and Vine, J. (2010) Support with Housing Costs: Developing a simplified and sustainable system, www.bshf.org/published-information/publication.cfm?lang=00&thePubID=AB588DD9-15C5-F4C0-993D5892C8E1DCC1

² Diacon, D., Pattison, B., Strutt, J., and Vine, J. (2011) More Homes and Better Places: Solutions to address the scale of housing need. www.bshf.org/published-information/publication.cfm?lang=00&thePubID=25E04994-15C5-F4C0-99170AE24B5B0A84

³ Diacon, D., Moore, T., Pearce, J. and Vine, J. (2012) Building New Homes for Rent: Creating a tipping point. www.bshf.org/published-information/publication.cfm?lang=00&thePubID=03EB21CC-15C5-F4C0-99108A788C643284

⁴ McFarlane, M., Pearce, J., Ciaglia, A., Czischke, D. and Pattison, B. (2013) Creating the Conditions for New Settlements in England. www.bshf.org/published-information/publication.cfm?lang=00&thePubID=DA16820B-D4AE-52C7-70495EE78A4F3D3C

⁵ Welsh Government (2012) Homes for wales: A white paper for better lives and communities. <http://wales.gov.uk/docs/desh/consultation/120521whitepaperen.pdf>

unreasonable withholding of deposits at the end of tenancies.⁶ A compulsory registration scheme will enable local authorities to take a proactive approach, reducing tenants' fears of retaliatory eviction if they complain about a landlord.⁷

However, it is important to consider the costs to landlords of obtaining a licence and to local authorities in administering the system. Any scheme devised should not be so costly – in terms of time or finances – as to be prohibitive to landlords who may either simply flout the legislation or quit the sector altogether. Furthermore, local authorities must be sufficiently resourced to proactively enforce registration and its requirements.

In addition to commenting on the proposals set out in the Bill, BSHF would like to draw attention to a particular comment made in the Explanatory Notes with regard to the private rented sector. The document states that the private rented sector “plays a critical role in supporting economic mobility, providing flexibility and choice to those who choose not to enter home ownership and providing housing to many of the most vulnerable in society” (p. 11). While it is true that the private rented sector can and does play a positive role in the housing market, there are many who do not live in the sector through choice and many of the most vulnerable are inadequately provided for by the sector. Constrained access to homeownership and the restricted supply of social housing have left many people using the private rented sector as a “tenure of last resort”.⁸ It is therefore vital that the Welsh Government acknowledges this state of affairs and seeks to ensure that all households are able to access housing – whatever the tenure – that adequately meets their needs.

Homelessness

BSHF has no particular comment to make on this issue except to welcome the Welsh Government's approach to strengthening support for households at risk of or experiencing homelessness.

Gypsy and Traveller Sites

BSHF welcomes the introduction of a statutory duty on local authorities to ensure that there is sufficient provision of suitable accommodation for Gypsy and Traveller communities.

Undersupply of suitable Gypsy and Traveller accommodation is counter-productive and will result in significant additional expense to the state and to Gypsies and Travellers, not to mention the social impacts felt both by travelling communities and the wider population.

⁶ Pearce, J. (2013) Who Lives in the Private Rented Sector? An analysis of households' characteristics. www.bshf.org/published-information/publication.cfm?lang=00&thePubID=19F007B2-15C5-F4C0-990836C156D907F7

⁷ Crew, D. (2007) The Tenant's Dilemma – Warning: your home is at risk if you dare complain. Citizens Advice Bureau: www.citizensadvice.org.uk/tenants_dilema_-_document.pdf

⁸ Pattison, B., Diacon, D. and Vine, J. (2010) Tenure Trends in the UK Housing System: Will the private rented sector continue to grow? www.bshf.org/published-information/publication_download.cfm?lang=00&thePubID=46C4A5EA-15C5-F4C0-99C662FE48B048B9

For example, in 2009 BSHF published the findings of a study into the costs of under-supply of Gypsy and Traveller accommodation across Leicestershire.⁹ The report echoed earlier studies, including that of Morris and Clements¹⁰ which covered the whole UK, and demonstrated that local authorities incur significant expenditure for every pitch that is under-supplied in their area. In contrast, the report also echoed the possibility of generating income where sites are provided, identified by Niner and Walker.¹¹

BSHF's research used very conservative figures, assessing only the costs incurred by local authorities, excluding all other expenditure incurred by the state, the costs incurred by Gypsies and Travellers themselves, and the social costs.

The provision of accommodation for Gypsies and Travellers often works best when delivered by, or in close collaboration with, local authorities. There are good examples of local authorities, such as Fenland District Council, who have developed effective action in this area.¹²

When faced with increasing problems of unauthorised encampments and local friction fuelled by inflammatory media reporting, the district councillors decided to positively address the issues. Part of the reason for Fenland's success in having so many pitches on private sites has been the support it provides from the very earliest stages of the planning process.

Through its ongoing liaison with Gypsies and Travellers the authority has been able to engage with those who are considering buying land to create a pitch. By explaining why certain pieces of land would be unlikely to obtain planning permission the authority is able to prevent members of the Gypsy and Traveller community wasting their time and money trying to get permission on unsuitable land and help them identify more suitable locations. This reduces the number of unauthorised encampments and leads to improved relationships with the settled community. The private sites are well run; they are not in the middle of nowhere and are seen very much as assets and a part of the local communities in which they are located. The five sites provided by the local authority are well designed and managed. They have brick-built amenity blocks with kitchens and showers and the support service is similar to that provided for social housing residents, including opportunities for reporting repairs. Maintenance work is conducted promptly and the sites are all self-financing. The provision of decent, well-managed and fully serviced sites helps the settled community to recognise that Gypsies and Travellers are responsible members of the community.

Anecdotal evidence suggests that, in some cases, the presence of central targets might provide political 'cover' where local authority members acknowledge the need for sites in their area, but their electorate are unconvinced. This should not, however, undermine the importance of working with local communities (from both the settled and the Gypsy and Traveller populations) to make

⁹ Vine, J. and Pattison, B. (2009) Providing Accommodation for Gypsies and Travellers in Leicestershire: A Financial Analysis, www.bshf.org/published-information/publication.cfm?lang=00&thePubID=E84E09F7-15C5-F4C0-99D6F89557BC0263

¹⁰ Morris, R. and Clements, L. (2002) At What Cost? The economics of Gypsy and Traveller encampments (Bristol: Policy Press).

¹¹ Niner, P. and Walker, B (2008) Gypsies and Travellers Toolkit for RSLs: Report to the Housing Corporation (London: Housing Corporation).

¹² Diacon, D. et al (2007) Out in the Open: Providing accommodation, promoting understanding and recognising rights of Gypsies and Travellers, www.bshf.org/published-information/publication.cfm?lang=00&thePubID=7F5ABA7E-15C5-F4C0-99552E2A83761C98

sites work as well as possible for all parties, in what can be a politically sensitive area. Ideally, local authorities would make a robust assessment of need for Gypsy and Traveller accommodation as part of their Local Housing Market Assessment. This assessment of need can then provide a basis for discussing site location and provision with both Gypsy and Traveller communities and other local residents. The Welsh Government has an important role to play in this process through creating an overarching framework that will support local authorities and helping them to access external tools and resources.

Local Authority Standards: Welsh Housing Quality Standard

BSHF has no particular comment to make on this issue, but welcomes the approach being adopted by the Welsh Government.

Local Authority Standards: Rents and service charges

BSHF agrees with the Welsh Government's intention that rents are set in a way that "will be transparent and justifiable and will apply consistently to all social landlords". However, it is vital that the details of any such policy are widely consulted on and that the implications of any rent harmonisation policies on tenants are duly considered. It is vital that any transitions to new forms of rent setting do not cause financial hardship for tenants and that any significant changes in rent are gradual

BSHF also agrees with the separation of rents and service charges such that tenants pay only for the services they receive and that these are transparently recorded for tenants.

The Housing Revenue Account Subsidy System

BSHF has no particular comment to make on this issue, but welcomes the approach being adopted by the Welsh Government.

Cooperative Housing

BSHF has no particular comment to make on this issue, but welcomes the Welsh Government's interest in cooperative housing and the intention to make it a more mainstream housing solution. BSHF is currently conducting a programme of work on the scaling up of community-led housing solutions – including cooperatives – in the UK, and will be publishing these findings later in the year. These may be of interest to the Welsh Government as they consider how to further develop cooperative housing in Wales.

Council Tax on Empty Homes

Empty homes are a wasted resource, and a particularly important one given the chronic undersupply of housing in Wales and the whole of the UK. Tools available to local authorities to tackle empty properties are therefore to be welcomed. In particular the proposal in the Bill to levy higher rates of council tax may well incentivise owners to bring properties back into use. This can work alongside existing powers such as Empty Dwelling Management Orders.

However, BSHF also welcomes the discretion afforded to local authorities in the Bill to recognise individual and local circumstances. Specifically, in a few very low demand areas it may not be possible to return homes to use due to a lack of interest; in those circumstances it would seem unreasonable to punish owners further with increased council tax.

In addition to statutory mechanisms, a wide range of measures can be employed in bringing empty homes back into use, including self-help housing, where groups of local people bring properties back into use to address a local issue.¹³ Therefore, while BSHF welcomes the introduction of changes to Council Tax provisions with regard to empty homes in the Bill, this must not function in isolation, but must be part of a wider strategy to tackle empty homes.

¹³ Pattison, B., Strutt, J. and Vine, J. (2011) Self-Help Housing: Supporting locally drive housing solutions. www.bshf.org/published-information/publication.cfm?lang=00&thePubID=2F9EC046-15C5-F4C0-991896202739F469