

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



Llywodraeth Cymru  
Welsh Government

Eich cyf/Your ref  
Ein cyf/Our ref CS/02109/13

William Powell AM  
Chair Petitions committee  
Ty Hywel  
Cardiff Bay  
Cardiff  
CF99 1NA

21 January 2014

Dear William

Thank you for your letter dated 16 December 2013 regarding 'A National Affordable and Priority Housing Act of Wales' following my response to the Petitions Committee on the 12 November 2013.

I have noted the new correspondence from the petitioners in light of my letter and the various topics that have been raised. I will try to address these issues in turn.

#### Local Residency Test

The position in Wales around a Local Residency Test is set out in the 'Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness'. The Code of Guidance has been issued under section 169 of the Housing Act 1996 ("the 1996 Act") and sets out the framework to which local authorities are required to have regard to in respect of their functions under Parts 6 and 7 of the 1996 Act.

The Code was consulted upon in 2012 and a revised Code came into effect on 13 August 2012. The revisions that were implemented as a result of that exercise reinforced the flexibilities that local authorities have within the allocation system to meet local pressures by:

- adopting local priorities alongside the statutory reasonable preference guidance;
- taking into account other factors for prioritising applicants, including waiting time and local connection;
- operating local letting policies.

The revised Code provides clear guidance on the flexibility local authorities have in meeting local housing needs, and the importance of transparency and accountability to local

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communities in implementing the legislation. Local authorities therefore already have flexibility in how they interpret local connection depending upon housing pressures in their local areas across Wales.

I have been briefed on the UK Government's consultation document which sets out their proposals to issue new statutory guidance to help local authorities in England to tailor their allocation priorities to meet the needs of their local residents and their local communities. In Wales, I feel clarity and flexibility already exist in this area in the current 'Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness', and continues to reflect the divergence of housing policy between England and Wales. However, this area remains under review.

### Local Development Plans

In relation to your comments regarding Local Development Plans (LDPs), as set out in Planning Policy Wales (section 9.2), the latest Welsh Government local authority level household projections should form the starting point for local authorities in assessing their housing requirements when preparing their LDPs. Local authorities should consider the appropriateness of the projections for their area, based on all sources of local evidence and in particular their Local Housing Market Assessment. In planning the provision of housing local authorities should also work in collaboration with registered social landlords, house builders, land owners and community groups. If an authority's local evidence indicates a different level of housing provision this can be a reason to deviate from the Welsh Government's projections, provided the evidence can be demonstrated to be robust.

To assist local authorities in their deliberations regarding housing provision in LDPs, the Welsh Government has provided access to the base data and the necessary software for the population and household projections to enable them to undertake further modelling to take account of more refined local circumstances.

### Household Projections

We recognise the results of the 2008-based household projections quoted in the petition as those published by the Welsh Government via StatsWales.

Household projections provide estimates of the future number of households and give an indication of future housing demand. They are based on assumptions about changes in population size and in household composition. The assumptions are based on past trends. They are not forecasts and do not try to predict the effects of future government policies or other factors on the size and structure of the population.

It should be noted that the projected total figures for 2011 were only 2.5 per cent higher than those estimates of households from the 2011 census. To some extent this confirms the reliability of the model used, which itself is based on data from the previous two censuses (1991 and 2001).

Local authorities and others working on local plans are aware of the existence of the more recent 2011 census results and the possible implications for our previously-published household projections. Ahead of a new set of household projections some have gone further and commissioned research in order to inform the work on their Local Development Plan (LDP).

Since the first figures from the 2011 Census were published in July 2012 Welsh Government statisticians have worked to produce a new set of local authority population projections and household projections as quickly as possible. 2011-based household

projections are due to be published shortly. These projections will take into account the 2011 Census results and provide a new base for long-term planning for sustainable development in Wales.

The Welsh Government's Knowledge and Analytical Services Plan for 2013-14<sup>1</sup> indicated that local authority household projections were due to be updated by Welsh Government Statisticians during this financial year.

#### UK Statistics Authority

The UK Statistics Authority<sup>2</sup> is an independent body operating at arm's length from government and reports to the UK Parliament and devolved legislatures. The Authority is responsible for ensuring that official statistics are produced in compliance with the Code of Practice for Official Statistics. The wide range of official statistics produced by Welsh Government statisticians<sup>3</sup> are produced in compliance with that Code and this includes the local authority household projections.

#### Planning Inspectorate

Finally, the Planning Inspectorate is an independent executive agency of the Welsh Government and Department for Communities and Local Government and is empowered by the Welsh Ministers to take a range of decisions on their behalf. It promotes fairness, openness and impartiality as its core values and decisions by the Planning Inspectorate and the Welsh Ministers which fail to adhere to those values may be liable to challenge in the Courts.

I trust this now sets out our clear position in Wales which is very much based on local planning to meet local housing needs.



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<sup>1</sup> Available at <http://wales.gov.uk/statistics-and-research/about/user-engagement/plans-practices/knowledge-analytical-services-evidence-plan/?lang=en>

<sup>2</sup> <http://www.statisticsauthority.gov.uk/about-the-authority/index.html>

<sup>3</sup> <http://wales.gov.uk/statistics-and-research/?lang=en>