



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a
Chymunedau](#)

[The Equality, Local Government and
Communities Committee](#)

11/05/2017

[Agenda'r Cyfarfod](#)
[Meeting Agenda](#)

[Trawsgrifiadau'r Pwyllgor](#)
[Committee Transcripts](#)

Cynnwys Contents

- 4 Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest

- 4 Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru):
Sesiwn Dystiolaeth 4
Abolition of the Right to Buy and Associated Rights (Wales) Bill:
Evidence Session 4

- 26 Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru):
Sesiwn Dystiolaeth 5
Abolition of the Right to Buy and Associated Rights (Wales) Bill:
Evidence Session 5

- 51 Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru):
Sesiwn Dystiolaeth 6
Abolition of the Right to Buy and Associated Rights (Wales) Bill:
Evidence Session 6

- 79 Papurau i'w Nodi
Papers to Note

- 80 Cynnig o dan Reol Sefydlog 17.42 (vi) i Benderfynu Gwahardd y
Cyhoedd
Motion under Standing Order 17.42 (vi) to Resolve to Exclude the
Public

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w dystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

John Griffiths Bywgraffiad Biography	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
David Melding Bywgraffiad Biography	Ceidwadwyr Cymreig (yn dirprwyo ar ran Janet Finch–Saunders) Welsh Conservatives (substitute for Janet Finch–Saunders)
Rhianon Passmore Bywgraffiad Biography	Llafur Labour
Jenny Rathbone Bywgraffiad Biography	Llafur Labour

Eraill yn bresennol
Others in attendance

Steve Clarke	Cynghorydd Polisi i Denantiaid Cymru Policy Advisor to Welsh Tenants
Shaun Couzens	Prif Swyddog Tai, Cyngor Bwrdeistref Sirol Caerffili Chief Housing Officer, Caerphilly County Borough Council
Matthew Dicks	Cyfarwyddwr, Sefydliad Tai Siartredig Cymru Director, Chartered Institute of Housing Cymru
Simon Inkson	Pennaeth Tai, Cyngor Sir Powys Head of Housing, Powys County Council
Matthew Kennedy	Rheolwr Polisi a Materion Cyhoeddus (Cymru), Sefydliad Tai Siartredig Cymru Policy and Public Affairs Manager (Wales), Chartered Institute of Housing Cymru
David Lloyd	Dirprwy Gyfarwyddwr, TPAS Deputy Director, TPAS
Jim McKirdle	Swyddog Polisi Tai, Cymdeithas Llywodraeth Leol Cymru Housing Policy Officer, Welsh Local Government Association
Robin Staines	Pennaeth Tai, Diogelu'r Cyhoedd a Gofal a Chymorth, Cyngor Sir Gâr Head of Housing, Public Protection and Care and Support, Carmarthenshire County Council

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Chloe Davies	Dirprwy Glerc Deputy Clerk
Steve Davies	Cynghorydd Cyfreithiol Legal Adviser
Elizabeth Wilkinson	Ail Glerc Second Clerk

Dechreuodd y cyfarfod am 09:15.
The meeting began at 09:15.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introductions, Apologies, Substitutions and Declarations of Interest

[1] **John Griffiths:** Welcome, everyone, to this meeting of the Equality, Local Government and Communities Committee.

Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru):
Sesiwn Dystiolaeth 4
Abolition of the Right to Buy and Associated Rights (Wales) Bill:
Evidence Session 4

[2] **John Griffiths:** Today we are continuing to take evidence on the Abolition of the Right to Buy and Associated Rights (Wales) Bill, and I'm very pleased to welcome the Chartered Institute of Housing Cymru here today. Would you like to introduce yourselves in terms of your roles within the organisation for the record, please?

[3] **Mr Dicks:** Yes. Hi, good morning, all. I'm Matt Dicks. I'm the director of CIH Cymru.

[4] **John Griffiths:** Okay. Just to mention some apologies before we get into the evidence taking. We do have apologies today from four committee members: Joyce Watson, Bethan Jenkins, Sian Gwenllian and Gareth Bennett. And we have one substitute: David Melding is substituting once again for Janet Finch-Saunders.

[5] Okay, well, if you're content, we'll move straight into taking evidence, and perhaps I might begin by asking a few initial questions, first of all to expand on why CIH Cymru supports this Bill.

[6] **Mr Dicks:** Well, we welcome the legislation. I mean, it's an important step in protecting social housing stock, effectively, although not the panacea to the crisis we're facing in social housing and the supply of social housing, albeit it's an important step in protecting stock that we already have and ensuring that no more stock is sold off. We've seen 140,000 affordable homes sold off under right to buy since it was introduced in Wales. We believe any measure that stops further loss of stock is an important way forward. Another important part of it—it provides parity across Wales in terms of social tenants, in terms of introducing a blanket ban and blanket policy across the country.

[7] **John Griffiths:** Okay. One of the comments that you've made in terms of the right-to-buy policy is that, in your view, it conflicts with housing policy more broadly, which seeks to boost the supply of high-quality affordable homes. Might you expand a little on that?

[8] **Mr Dicks:** I'll probably use this phrase quite a lot through the evidence session today, but it seems counterintuitive. The Government in one sense has said, 'We want to build 20,000 affordable homes over the lifetime of this Assembly', which we broadly welcome. Now, there's a debate to have whether that's enough, whether there needs to be more supply, and whether we should have been building a lot more homes earlier, and that's a fair point to make. But it seems counterintuitive at the same time to be pursuing that policy, which we broadly welcome, at the same time as selling off existing social stock. At the very core of social stock and social affordable housing is to provide the poor and more vulnerable in our society with a roof over their heads at affordable prices. So, to get rid of further stock or to sell further stock off at a time when you're trying to address the crisis—again, I caveat that with that right to buy is not the root cause, but it certainly contributes to the problem we've had in social housing supply. So, it seems counterintuitive not to end that policy.

[9] **John Griffiths:** Do you consider that the right to buy and the right to acquire have had any benefits for communities in Wales?

[10] **Mr Dicks:** The positive impacts have been limited. There are examples

where it's been a good experience for social tenants who've transferred into home ownership. But whilst it's created home owners—I go back to the point—it's creating a situation where we've lost 140,000 affordable homes. Those affordable homes were built for the purpose of supplying the most vulnerable and poorer people in our society with the ability to have a roof over their heads and shelter, and this policy has taken those stocks away from their core purpose. And the other point being that the intention was to use the receipts from that sale to supply more social housing. Clearly, that hasn't taken place at the rates we needed it to take place, because we're at crisis levels in terms of not having the right amount of affordable housing for people in Wales.

[11] **John Griffiths:** Okay. Jenny.

[12] **Jenny Rathbone:** You keep on referring to the poor and most vulnerable needing this social housing, but I would have thought it's a broader category of the population, because what is the wage you need to have in order to be able to get a mortgage to buy a house?

[13] **Mr Dicks:** Well, indeed. I mean, that's the wider point. It's not just the poor and most vulnerable, although that's what social housing does do, but, you know, there's a high percentage of people who are unable to afford to rent in the private sector, who definitely can't afford to purchase their own home on the open market, and, you know, we view social housing as a safety net to ensure that people, families, individuals can have access to a roof over their heads—a core human right in the sense of going forward as a society.

[14] **Jenny Rathbone:** What you're saying is, because of the shortage, it is only the ones who are most struggling who get to the top of the housing list and therefore get rehoused.

[15] **Mr Dicks:** That's certainly the case in some areas, yes.

[16] **Jenny Rathbone:** Certainly in my area.

[17] **Mr Dicks:** It's on a needs base, you know, and the most vulnerable will get priority.

[18] **Jenny Rathbone:** Okay, so you're saying that, in some other areas, that may not be the case, that there is still, more or less, the right amount of homes to accommodate the demand.

[19] **Mr Dicks:** Across Wales, we have a severe shortage of affordable homes. Now, how acute that is is different in certain areas. You know, we see that through certain councils exercising the right to suspend—we've seen, what, five or six councils do that since that was brought in. So, in certain areas, the demand, or the shortage, is more acute. But across Wales, and across the piece, the demand, the shortage, is there.

[20] **Mr Kennedy:** Just to add to that, we know that childhood homelessness is also very severe, and having a sustained and maintained level of stock is really important in addition to boosting. We know that other countries, like Finland, for example, where housing first has been used as a method of addressing homelessness, that relies on there being housing, or having housing there, as an initial step, then wrapping support around an individual, depending on their needs. So, actually, in terms of, I guess, proceeding with our approach to homelessness through the recent legislation and taking that further again, it does rely on the stock both being maintained at a level, but also being boosted.

[21] **John Griffiths:** Okay. And Rhianon.

[22] **Rhiannon Passmore:** You've mentioned the areas that have suspended the right to buy and the right to acquire. Has there been any study in terms of how that's improved or otherwise the level of maintained stock? Because with the duties on local authorities around homelessness and around rehousing those who have been in prison, et cetera, et cetera, it's very important, is it not, that there is that level of maintained stock? So, from your perspective, as a question to you both, then, has there been an effective study done of those areas that have suspended the right to buy and the right to acquire? And also, additionally, has there been any study done of the 140,000 homes that have been sold in this market to see what the level of repossession is within that cohort?

[23] **Mr Dicks:** A quick answer to both questions is 'no' and 'no', but, at a philosophical level, it was stopping—. If there's an acute shortage in these local authority areas, then stopping further degrading of the amount of stock by its very nature implies that, you know, less stock is being lost from local authorities or stock transfer housing associations. So, at an anecdotal level, I suppose, we're saying that it's a no-brainer.

[24] In terms of the other question about—was it the replacing of stock in

those areas, or—?

[25] **Rhiannon Passmore:** Just in terms of—. Sometimes, it's discussed at the level of how wonderful it has been for some—and it has been for some—in terms of their ability to purchase their home, but if there is not the income to be able to sustain that in the longer term and it later gets repossessed, then it isn't such a good thing for that cohort. So, I was just thinking: has there been any research on that front?

[26] **Mr Dicks:** Again, no study, but, obviously, we're a cross-tenure organisation that represents members who work in both housing associations and local authorities. We do a lot of work on this, and we had a round-table with several members before we came to give evidence and submit our evidence. This is anecdotal, but one head of housing from a housing association, who I won't name at this stage, who was a housing officer, last time, in 2003–4, that the discount was reduced substantially, there was a spike of around 7,000 sold during that year, and the anecdotal evidence from him was that, you know, large numbers, because of that spike, agents were coming in and maybe suggesting to people that they go and buy their homes at this stage, because they may not have another chance, and they weren't ready financially to do that, and the anecdotal evidence suggests that large numbers were defaulting on their mortgage within two or three years and those houses were going into the private rented sector. Evidence from the Welsh Government recently about the number of houses going into the private rented sector and the additional burden that creates in terms of additional housing benefit costs of around—I think £4 million a year was the correlation that they came up with. So, the evidence, anecdotal evidence and the statistical evidence, from the Government is suggesting that.

[27] **John Griffiths:** I'll bring in David Melding at this point.

[28] **David Melding:** Thank you, Chair. Can I start by saying I do agree with you that I don't think any examination of the evidence would lead you to conclude that the right to buy has been a primary cause of the current housing shortage we have? Quite simply, we don't build enough homes, and that's true in the social sector, and it's true in the private sector as well. I suppose it's a question of priorities, really, that we should perhaps be, from my point of view, focusing on house building, given that the last year we have figures for affordable homes built—2,400. And I think right-to-buy sales were below 500. So, we should be building, even on the old projection,

3,500 social homes each year, and if you take the alternative projection, that should be 5,000. The Government's new target is, in effect, a 4,000 social home target for each year in this Assembly to get up to the 20,000 figure. But, clearly, it's that end, it seems to me, where we have the problem.

[29] In 1979 we had 300,000 homes in the social housing stock. That's now 230,000, so it's gone down by 70,000. I do accept your argument, although if I can infer from your response that, other things being equal, if we'd not have the right to buy, you can say we would have 370,000 homes in the social housing stock. But it's a bit incredulous to say that we're 140,000 down on what we would have had, otherwise, I think. So, wouldn't it be better, if you were concerned about the right to buy, to suggest some reforms to the scheme, rather than to support its outright abolition?

[30] **Mr Dicks:** 'No' is the short answer. As a matter of principle, CIH Cymru believes that the social housing stock was built for a specific purpose, which I've outlined previously, and we believe it should remain within the social stock for future generations to make use of. You're right, right to buy—the intention was to use the receipts to build replacements. That didn't happen. Even if that would have happened, it seems slightly counterintuitive—I'm using that phrase a lot—that you sell valuable social stock, which is valuable, both from a monetary point of view and of value to the community, at a knockdown price, and even if you were using all the receipts to build replacement properties, the cost of building those homes exponentially goes up through the years, so you're losing money to the public's purse. So, it doesn't quite stack up in terms of a financial perspective.

[31] In terms of reforming versus abolition, we already have suspension, so I believe that this Bill unifies the policy across the country, creates parity and creates equality for tenants and their experience. So, there's that perspective in the rights of tenants and what it addresses. Just fundamentally, the principle of: what is social housing stock for? Dispel this myth that the critics of right to buy are opposed to people getting on the home ownership ladder—we need to dispel that straight away. We're not opposed to that, we just think there are far better ways to do it. In particular, if you're concentrating on right to buy, that's a very small population of the community whom we're helping into home ownership, where we should be looking broader to help lots of people into home ownership.

[32] **David Melding:** The stock remains affordable housing, though, doesn't it? Why do you have such fierce objection in principle to changing the

tenancy or ownership model?

[33] **Mr Dicks:** I don't think it does necessarily remain affordable housing. If it goes into the private rented sector, it will be let at sector market value, which, in most parts of Wales, is above what people pay in terms of affordable housing.

09:30

[34] **David Melding:** But these homes don't suddenly become six-bedroomed executive detached homes in highly desirable neighbourhoods, do they? They remain at the affordable end.

[35] **Mr Dicks:** I'm not sure that that's the case across all communities. There are obviously former council homes in parts of the Vale of Glamorgan and in Penarth that I know about that are in very desirable areas in terms of school catchment areas.

[36] **David Melding:** But, I mean, that's not the general picture, is it? I think you'd agree with that.

[37] **Mr Dicks:** I'm not so sure about that. The anecdotal evidence that we're getting from our members is that they are.

[38] **David Melding:** So, there are no advantages in—. It's interesting. You're the most fierce witness we've heard, first, on principle—actually, I shouldn't say, 'fierce'. You're the firmest witness, and it's important that we hear this evidence, but I think most of us have been surprised how nuanced the other organisations, even the ones that have come down and said, 'Look, we do think the right to buy should be abolished'—. They talk about the right to buy allowing communities to be much more mixed and that it has allowed for resources to come in, although there's a question about the central Government policy on that, which I can see would need addressing, and that it leads to a healthier model between renters and home owners and gives a class of people who, broadly speaking, are on lower incomes, the chance to look at home ownership—we'll talk to tenants later—and they value that. So, I'm interested that you see it so clearly as a negative.

[39] **Mr Dicks:** At a principled level. I mean, you mentioned at the start of the introduction to your questions that we should be focusing more on supply, and, yes, as an organisation, that has always been our focus. Have we

been out there campaigning on the stump, vociferously calling for an end to right to buy? No. We totally agree with your point that the focus needs to be on supply. We believe that the Government does have an ambitious target for 20,000 affordable homes. I know that you've raised some stats there that say that we need to build more, but in comparison to what's been built over the last three decades, it seems like an ambitious target—

[40] **David Melding:** Well, you're wrong there, because over the three decades, there was a period in the 1990s at least, when there was a much higher amount of building. Would you say that your colleagues in England in the Chartered Institute of Housing share the intensity of your objection to right to buy?

[41] **Mr Dicks:** Well, you'd have to ask them, but, no, it's a different geography in England and a different approach from the Government in terms of social housing and their approach to social housing and they have a different model. So, they have to work within that model and they take their own view of the circumstances in their constituency, if you like, and form an opinion on that. That's the great value of devolution. We can take different opinions and follow different policy routes.

[42] **David Melding:** Yes, and we compare. And it's a perfectly fair point that you don't have to copy what England does and nor do they have to copy what you do, but it remains a valid comparison, doesn't it, and part of the evidence, and we should be—

[43] **Mr Dicks:** But, we could also compare with our colleagues at CIH Scotland and CIH Northern Ireland.

[44] **David Melding:** And other countries. Yes, of course you could. Now, your English colleagues, with the Local Government Association, published 'Keeping pace: Replacing right to buy sales' in 2015 and it's a very cogent reform package for how right to buy should be developed, but if I could quote one of the passages, if these reforms are followed, it says that,

[45] 'it is certain that reform of the RTB scheme would significantly help the council sector address the current shortfall of homes, both overall and in most individual local authority areas.'

[46] Now, obviously, they've argued for the complete recirculation of receipts into the housing sector, so that you could build more homes. That is

obviously a radically different position to yours and I'd just like to hear—

[47] **Mr Dicks:** I'm not sure it's a radically different position. We all have to work within the constituency that we have to work with, and the geography of the constituencies we have to work with. Now, in England, abolition of the right to buy is not on the table. It hasn't been for either side of the political argument, or the two main political parties, for the last couple of decades. So, you have to work within that system and achieve what you think is achievable in terms of addressing the crisis that they face in England and we face in Wales in terms of abolishing the right to buy. Like I say, I think that to say we're vociferous about the abolition of right to buy is slightly over-egging, because we haven't been campaigning for the last several years for the Welsh Government to abolish the right to buy. We have been focusing on supply and increasing supply and working with the Welsh Government on that. What we're saying is that, now that's come along we agree with it. The argument could be that it's come 10, 15 years too late.

[48] **David Melding:** I think the point that your colleagues in England make is that a right to buy policy can be combined with an outlook that expands social housing and the resources available to it. You're quite right, they're in a policy framework where the abolition of the right to buy is very unlikely, unless—well, I don't want to anticipate what happens in the general election, but it is unlikely. But they make the point that it's a valuable source of resources to increase the amount available, and obviously that reflects some criticism of the practice that started to develop in the 1980s when there were a lot of constraints on what local authorities could do with receipts, and I'm not sure you're prepared, even, to recognise that technical point.

[49] **Mr Dicks:** We're certainly prepared to recognise that technical point, but our preference would be for abolition if that's on the table, which it is.

[50] **David Melding:** Okay. Well, you've made your position clear.

[51] **John Griffiths:** Just at this point I think Rhianon would like to come in.

[52] **Rhianon Passmore:** Thank you, Chair. We've mentioned the word parity in terms of how local authorities can enforce and protect tenancy agreements, as well as the neighbouring tenancy agreements. Would you say that there is any evidence to say that where there has been a sale, either through a repossession or a sale from a tenant into private landlord hands, that this has any effect at all in terms of (a) being able to enforce tenancy

agreements, or also in terms of anti-social behaviour? So, in terms of management of a housing stock, has there been any analysis of these types of issues? Because I can only speak for myself, having lived on a council estate for 20 years, and I still do, that there are many issues in terms of the so-called mixed tenure portfolio, which sounds wonderful on the surface, but in actuality there are issues on the ground that I have seen—and that's not anecdotal, as a local councillor for many years. So, are there any further analyses of these types of issues?

[53] **Mr Kennedy:** I think we can only really point to further anecdotal evidence rather than a particular analysis of those challenges—things like maintenance challenges to buildings, especially where there's flats and leasehold arrangements, particularly when work's being maintained to the external of the building for example. But then, as you've also pointed to, matters around ASB—anti-social behaviour—those are more complicated when there's a mixture within the neighbourhood for housing associations and local authorities managing it themselves. So, those are challenges that members have particularly come forward with to say, 'These are issues within some neighbourhoods.'

[54] **Rhianon Passmore:** Thank you.

[55] **John Griffiths:** Okay. Perhaps I could bring David Melding in again on suspension of the right to buy.

[56] **David Melding:** Yes. You've said that the abolition of the right to buy, from your point of view you think it's useful, but it wouldn't be your highest priority in terms of, in general, we need to build a lot more homes. If that's the case, there's already the right for local authorities to suspend the right to buy on the statute book, so why do we need this Bill?

[57] **Mr Dicks:** Well, we go back to the parity question; it provides parity of policy across Wales in order—

[58] **David Melding:** That's a dull argument, though, isn't it? Come on. You've already made the argument that devolution allows variety and that you look to Scotland and England for lessons but also for warnings. Come on.

[59] **Mr Kennedy:** It's probably an argument to say that of the local authorities that haven't suspended to date, many have probably put the case

together for suspension based on local housing demand and need. So, we wouldn't seek to see a process whereby suspensions were coming in over the next few years over a lengthy period of time, rather, legislating at this time would bring in a blanket policy across Wales, so that we're almost bringing in, with further suspensions, a virtual abolition.

[60] **David Melding:** I'm not sure I follow because if there is a pressing need to suspend the right to buy, they can do it, and if there isn't a pressing need, then it's just not a priority, so they focus on other things. Why not leave it like that?

[61] **Mr Dicks:** Well, again, I come back to the parity. You say it's a dull argument, but I'm sure that tenants across Wales where suspension has happened and there are tenants in areas where there's still a right to buy, they will think there's inequity in the system. So, it brings equity to the system in terms of what the policy is.

[62] **David Melding:** So, you don't like postcode lotteries and the like.

[63] **Mr Dicks:** No.

[64] **David Melding:** But you don't apply that in general to your view of devolution across the United Kingdom.

[65] **Mr Dicks:** Well—

[66] **David Melding:** Well, you don't, do you? It's inconsistent.

[67] **Mr Dicks:** Well, no, because devolution—

[68] **David Melding:** You want the same approach.

[69] **Mr Dicks:** —sets up constituencies, doesn't it, where different policies—?

[70] **David Melding:** Well, it appears to me to be inconsistent. I'm obviously not getting very far.

[71] **Mr Dicks:** I think that's a bit disingenuous, but—.

[72] **David Melding:** Well, I make it seriously. I accept that you have a

different view, but it doesn't alter mine either. Well, on this suggestion of uniformity, fairness, parity or whatever tag you want to apply, Shelter have said they're troubled by the fact that you'll have two classes of tenants with this Bill, in that those currently covered by suspension would not get about a year's period of grace to make an application, should this Bill become law. Does it trouble you that we have these two classes, or would you like to see parity there?

[73] **Mr Dicks:** Well, parity would be created ultimately by abolishing the right to buy. So, that would be the policy across the UK. Like you say, previously, the reason why suspension has taken place is because there's specific acute need in those areas that have been demonstrated to the Welsh Government, where consultation has taken place with housing organisations, house builders and tenants' organisations. So, they've fed into the process, and informed the process where that suspension has taken place. Again, I come back to this phrase, 'counterintuitive'. The whole point of right to buy is to safeguard council stock or social tenancy stock. So, it would be counterintuitive, where it's been suspended because there's an acute need, to suddenly say, 'Okay; well, we can sell more stock.'

[74] **David Melding:** I hope people think I'm a generous person, so I'm going to give you another opportunity to answer my question, but let me just restate it for you. In terms of the period of grace—the one-year notice that tenants not covered by the suspension will get—do you think it would be fair to give that one-year period of grace to all tenants on the basis of equity, parity, et cetera?

[75] **Mr Dicks:** We think it would be fairer to create parity across Wales in terms of right to buy.

[76] **David Melding:** Well, come on; you're now avoiding the question.

[77] **Mr Dicks:** No, I don't think we are. Our main focus is protecting social stock. So, we think it would be counterintuitive.

[78] **David Melding:** I think I've gone as far, but I do note that the witness is not prepared to answer this clear question.

[79] **Mr Dicks:** I did make the point that tenants in those areas where right to buy has been suspended have been consulted through tenants' organisations.

[80] **David Melding:** Well, what are we doing now in this process?

[81] **Mr Dicks:** But in the sense they've had their opportunity to consult on the right to buy.

[82] **David Melding:** When? We are consulting now. That is a formal process of making law. If a decision is made to enact the abolition, there will be a period of grace. There's been no equivalent of that period of grace for those under the suspension. They were consulted, but when a decision was made they did not, at that point, have a year's period of grace. Their right to buy was instantly abolished. So, there is a real difference in the way these people are being treated, and I think you might want to go away and reflect on that. You may feel it's in the public interest to have that rough justice, but I think we deserve a clear response from an organisation of your standing on that question.

[83] **Mr Kennedy:** I think our members would be concerned if the suspensions were lifted across those areas where they currently exist. As Matt said, there is an acute housing need in those areas and exercising the right to buy in those areas would further worsen that housing challenge for the longer term as well.

[84] **David Melding:** So you make no distinction between a suspension and an abolition because, at the moment, that right's been suspended. This statute will abolish it.

[85] **Mr Kennedy:** Well, we would need a distinction in that sense. There—.

[86] **Mr Dicks:** Well, we'd make the suspension permanent, obviously, so we would create that parity across Wales.

[87] **David Melding:** Okay. I feel I've gone as far as I can to get some coherence on this particular issue, as I see it.

09:45

[88] **John Griffiths:** Okay. Rhianon has questions on other issues.

[89] **Rhianon Passmore:** Yes, I'm going to move on because the answers have been given. To expand on the comments, then, on the abolition of the

right to buy, the right to acquire new homes, it provides—these were your words, I think—greater certainty to social landlords that any new homes built will be able to realise their full impact within the social sector. So, in terms of new homes being built, that ability to feel that there's parity across Wales and a certainty that, when you've invested into that social stock for the most vulnerable group in society, that will then remain in the social sector. So, do you stand by that statement or do you feel it's disingenuous in any way?

[90] **Mr Dicks:** No, we stand by it.

[91] **Rhianon Passmore:** Okay, thank you. I'll move on to my next question then. How do you respond to the Welsh Government's own research that suggests right to buy has had very little or no impact on the ability of social landlords to invest in new social housing in the last 10 years? How do you feel about that?

[92] **Mr Kennedy:** I think, as we've commented in our own evidence, there are more considerable challenges to boosting the supply of homes in Wales, things like the availability and data on land. We'd agree that the policy itself isn't necessarily for many a deterrent towards building new homes and boosting supply, but it does provide greater certainty around that aspect.

[93] **Rhianon Passmore:** Do you think it's appropriate to exempt new social housing from the right to buy and right to acquire in advance of the full abolition?

[94] **Mr Dicks:** Yes. Part of developing social stock—we've had the Welsh housing quality standard implemented. The vast majority of the stock is now up to that standard, but, again, there would certainly be a certain amount of counter-intuition to sell new stock that is created at that standard, where the whole point is about creating sustainable, affordable homes in the long term. So, it seems entirely sensible to us from that perspective.

[95] **Rhianon Passmore:** Do you have any view in terms of your mandate as an association or organisation, where you do have large social housing estates in some areas across Wales, and you have WHQS, which has brought housing to a certain standard, and then there are those that are plainly and obviously not in that same position as they've been privately bought or potentially taken over by private landlords? Is there an assessment of that inequity in terms of that ability to live in a qualitative home?

[96] **Mr Dicks:** We talked about this to earlier questions. This is anecdotal evidence again. This is not the experience across the board. But social landlords are telling us, our members are telling us, specifically in shared tenancies or tenancies like flats, et cetera, where certain units have been sold, there is a real problem in terms of upkeep and maintenance. In terms of the service charge, in many cases our members are reporting to us that those who have purchased through right to buy, because of keeping up with mortgage payments et cetera, are unable to afford the service charges and, therefore, social landlords have to make the decision whether they're going to fund that shortfall—you know, budgets are tight—and whether they should fund that shortfall or just simply not do the maintenance work or the upkeep work. So, there is a lot of anecdotal evidence coming through that there are elements of that happening.

[97] **Rhianon Passmore:** The definition of previously let social housing stock in the Bill—do you think that that's appropriate in that it only applies to dwellings that have been previously let within the last six months. Is that adequate? Does that need refining?

[98] **Mr Dicks:** We've not had any of our members coming to us about that particular section of the Bill. That would suggest that the sector doesn't have an issue with that.

[99] **Rhianon Passmore:** Okay, fine, So, exemptions to the restrictions affecting new social housing, where tenants are forced to move by court order—sections 3 and 5: do you think that that is sufficiently clear and appropriate? Does that need to be strengthened in any way?

[100] **Mr Dicks:** Is it sufficiently clear within the Bill?

[101] **Rhianon Passmore:** Yes. Is that of concern to you in any way?

[102] **Mr Dicks:** It's not a concern. If that's the policy, what we would say is it needs to be, perhaps, clarified in better language within the Bill.

[103] **Rhianon Passmore:** So, potentially strengthened—

[104] **Mr Dicks:** Particularly if you're having to communicate that to tenants. So, yes.

[105] **Rhianon Passmore:** So, there would be some sort of revision, perhaps,

necessary, just to weight it better.

[106] **Mr Kennedy:** It's just a plain-language approach to [*Inaudible.*]

[107] **Rhianon Passmore:** Okay. Thank you, Chair.

[108] **John Griffiths:** Thank you, Rhianon. Jenny has some questions on other issues.

[109] **Jenny Rathbone:** You said in your written evidence that you're expecting a spike in applications to buy in the grace period that's identified in the Bill, and you quote some figures from Scotland, where that happened. Do you think that the 12-month notice period is an appropriate time, or how would you want us to approach it?

[110] **Mr Dicks:** Again, the evidence that we're getting from our members is that there's a general consensus that there has to be some lead-in time, and that 12 months seem a sensible approach.

[111] **Jenny Rathbone:** Why does there have to be a lead-in time?

[112] **Mr Dicks:** Because tenants have rented under the assumption that they have that capacity to access right to buy. So, in order to allow people the opportunity to do that and act on the contract they have, 12 months seem a sensible way forward, and that's what members are telling us. Now, there is evidence of a spike happening in Scotland, or that it happened in Scotland. Last time we reduced the discount in Wales, there was a spike, so that was down from £24,000 to £16,000, in 2003-04, and that resulted in the sale of 7,000. Now, in some respects, I suppose, the Government has already addressed that, reducing the discount further to £8,000. So, there's an argument there that they've already addressed the possibility of a spike, and reducing the discount to such a low level could address that as well. But, in terms of the lead-in time, we would say that 12 months is sufficient.

[113] **Mr Kennedy:** I'd just add that, anecdotally, some of our members are experiencing increased application at this stage. So, assuming the Bill is to pass and a Minister makes the information document public, how does that further increase or further impact that spike?

[114] **Jenny Rathbone:** But, just focusing for a moment on new build, at the moment the draft Bill suggests a two-month grace period. I'm struggling to

understand why that might be necessary, given that there's a very small number of newly built homes being made available. Why would it not be possible to simply explain to anybody getting the keys to a new build that the right to buy won't exist if you take this particular home?

[115] **Mr Dicks:** Why would it be difficult to explain to them?

[116] **Jenny Rathbone:** Yes, why do we need a two-month grace period? I understand the argument—you say that people have paid the rent over the years with the expectation that they would, in the end, be entitled to buy it if they were to have the means. But if you're talking about somebody getting the keys to a new home, that is not property they've invested in in terms of their rent. Why do you think that we require any window of opportunity to allow people to buy those—

[117] **Mr Dicks:** But that only applies to people who have been evicted from their previous dwellings. That is my understanding. Is that right?

[118] **Jenny Rathbone:** I thought there was a two-month grace period for any newly built homes, as opposed to 12 months for all other tenancies.

[119] **John Griffiths:** Steve, will you—

[120] **David Melding:** I think if they voluntarily go, then it applies, because it's newly built. If they've been moved by the authority or whatever, for other issues, and they've agreed to that, then it won't apply.

[121] **Mr Davies:** David has just explained it.

[122] **John Griffiths:** Thank you very much.

[123] **Jenny Rathbone:** So, it continues to be 12 months, even if it's newly built unless they—

[124] **David Melding:** No.

[125] **Jenny Rathbone:** So, under what circumstances is it only two months?

[126] **Mr Davies:** If it's a new build, then you're not going to be able to buy those properties unless there are certain exceptions where the tenant has been moved on by no fault of their own.

[127] **Jenny Rathbone:** All right, thank you. So, what do you think could be done to prevent an avalanche of vultures descending?

[128] **Mr Dicks:** I think this is about the information provided by the Welsh Government, social landlords et cetera, and the local authorities, and the support given to tenants in the process of going through the process of application and, in some cases, proceeding to buy a property. It has to be a substantive information campaign and I think that's contained within the Bill. I don't know whether you will come on to ask us questions about that, but we feel that the communication campaign suggested is sufficient, and part of that mix will be working with tenants on their financial situation—the affordability of moving to right to buy.

[129] **Jenny Rathbone:** Okay. So, those that have already exercised the suspension of right to buy—do you think that the fact that that will continue to be the case will protect the housing stock from being cherry-picked by profiteers? Because, clearly, they're unlikely to be the areas where there's most pressure on the housing stock, which is why local authorities have taken those decisions.

[130] **Mr Dicks:** Yes.

[131] **Jenny Rathbone:** So, are you satisfied that that safeguard won't lead to a lot of private equity firms and other people coming in to pick up the stock at a discount?

[132] **Mr Dicks:** Yes. As long as the information campaign set out in the Bill is implemented properly and thoroughly, then, yes, that should lead tenants to a position where they're exercising their right based on their financial situation and their ability to pay a mortgage et cetera. So, yes.

[133] **Jenny Rathbone:** Okay. Going back to the earlier points being made about parity, it seems to me that, in the case of where we have a problem getting those who now own their homes to contribute to the maintenance of it, which is what you have to do if you are an owner, we've had the reverse situation in my local authority, where refurbishments of whole estates have been done gratis for all tenants and home owners, and that's obviously led to considerable resentment by other social tenants living in the estate across the road, who, so far, have had nothing. There are climate change reasons why we need to do that, but you can see that there is an issue around the

way in which we treat home owners like adults.

[134] **Mr Dicks:** Yes. That's a matter for individual social landlords—well, any landlord, for any tenant—because it's affordability, isn't it?

[135] **Jenny Rathbone:** True, but there's no parity there, though, is there?

[136] **Mr Dicks:** The anecdotal evidence we receive is that it's a decision that has to be taken by the individual landlord. You know, do they take that decision to fund all the repairs regardless of the ability of those who have purchased through right to buy to pay, or do they simply forgo the repairs or forgo the maintenance and have to find other ways of doing it?

[137] **Jenny Rathbone:** So, the social tenants are either subsidising those who own their properties or they're suffering a lower level of maintenance.

[138] **Mr Dicks:** Effectively, but, again, the anecdotal evidence—many of our members are telling us that people who have purchased through right to buy still phone them up to ask for repairs to be done. So, again, this goes back to the information that's given out about the process and what it means. That's vital and an important part—[*Inaudible.*]

[139] **John Griffiths:** Could I just at this point ask a question about the spike that might come about, and whether you would support any steps to mitigate that spike, for example reducing the current maximum discount available under the right to buy, right to acquire or a shorter notice period?

[140] **Mr Dicks:** That, again, is something that perhaps the Government could look at. Our members are telling us that maybe that is something to look at, but I go back to the previous point I made—in terms of the discount, it's already been reduced substantially, and there is a suggestion that, in terms of the recent figures in terms of right to buy, since we went down to £8,000 discount, it has been very low. So, there's an argument there that, in a sense, maybe that issue has already been addressed.

[141] **John Griffiths:** Okay.

10:00

[142] **Jenny Rathbone:** In terms of people who've exercised their right to buy without realising some of the responsibilities they're taking on, do you think

there ought to be a clause in the Bill that would give the original landlord the first option on re-purchasing the home if somebody, within a certain period, wanted to dispose of it? You know, these people who are going to exercise their right to buy within 12 months. Do you think that one of the ways of trying to ensure that that isn't used by people who are from outside is to ensure that if it's sold on within a certain period it would then be given as a first option back to the original landlord?

[143] **Mr Dicks:** I think landlords would think that that was a more viable solution and option. Whether—

[144] **John Griffiths:** Just to say that is currently allowable and can take place.

[145] **Jenny Rathbone:** In specific local authorities, or across Wales?

[146] **Mr Davies:** In legislation, the option for first refusal—that is available already to social landlords so they can exercise that if they wish.

[147] **Jenny Rathbone:** Okay. So, would you regard that as something that your members would be looking at?

[148] **Mr Dicks:** Well, I think they're, as Steve says, already exercising it.

[149] **Jenny Rathbone:** Okay. But do you think that would be a prudent way forward for—? Do you think we ought to put that as an obligation rather than an option?

[150] **Mr Dicks:** Well, I think the legislation is sufficiently strong to allow that to happen. So, if the Bill can clarify that further in any way, then, yes, that would make sense.

[151] **John Griffiths:** Jenny, before you go on, I think Rhianon would like to come in at this point.

[152] **Rhianon Passmore:** Just very briefly. In terms of attempts to mitigate any spike if the discount you mentioned is obviously reduced considerably—and that's shown in terms of, potentially, those who have now bought in the current climate—do you think if that discount was then reduced further, that that would mitigate for any spike in sales, and obviously the capacity issues that that then gives to organisations on the ground that are trying to deal

with any spike that many occur?

[153] **Mr Dicks:** Well, that's future-gazing in a sense. It could do. If the terms of sale or purchase are less favourable, then you'd expect that to have an impact on members going forward. But, who knows? It could, it couldn't.

[154] **John Griffiths:** Okay. Jenny, perhaps—

[155] **Jenny Rathbone:** In terms of just—. Are there any steps you think need to be taken to avoid a potential spike, as you predict in your evidence, by, for example, reducing the notice period?

[156] **Mr Dicks:** Well, as we've said previously, I think 12 months is sufficient and just in order that social tenants have undertaken their contracts in terms of their tenancy—that they took that under the assumption that they could have access to right to buy. We feel that a year—and members are certainly suggesting that a year seems sensible.

[157] **Jenny Rathbone:** You think a year is appropriate.

[158] **Mr Dicks:** Yes.

[159] **Jenny Rathbone:** Okay.

[160] **John Griffiths:** Perhaps, Jenny, we could move on to some information questions.

[161] **Jenny Rathbone:** Yes. In terms of the information process, so that all tenants are aware of the impending change in their situation, what is your view of the draft information document that the Government has made available? Do you think that is the basis of a clear document?

[162] **Mr Kennedy:** We feel it's an appropriate document that includes strong information, particularly around other options of home ownership and—*[Inaudible.]*—legal advice services. Housing organisations will need to be given time to ensure these can be discussed with tenant groups who represent communication methods, looking at things like the social media use and all sorts of stuff to make sure there's a wide reach as to where this information reaches.

[163] **Jenny Rathbone:** Okay. Some tenants struggle with the written word,

so I wondered what other vehicles need to be used to reach those tenants. I know Steve Clarke of Welsh Tenants has suggested some sort of Government-funded helpline. Is that going to be sufficient?

[164] **Mr Dicks:** Lots of landlords will have—. As I say, they should be having tenant support groups as a matter of course anyway, or tenant advisory groups, and you can feed the information through those. But a helpline would certainly make sense. If it's a possibility and it can be funded, then yes, great.

[165] **Mr Kennedy:** There are some areas where it may be one member of staff's responsibility, for example, to consider right-to-buy applications provide legal advice. If we were to see a spike, this would considerably increase the emphasis on this part of that person or that team's work. So, you could argue that a helpline could help mitigate some of the upfront queries that don't necessarily always lead through to right-to-buy completions.

[166] **Jenny Rathbone:** Okay. So, what about those whose first language is neither Welsh nor English? How are landlords communicating with them?

[167] **Mr Kennedy:** They use a number of translation services, both by phone and in person, and they can do that via appointment and with consultation with the individual. But, again, these things will take time. So, the one-month timescale is quite tight in that respect and landlords will need to be considering now how they might approach those situations.

[168] **Jenny Rathbone:** So, are there any practical or financial implications associated with complying with section 8?

[169] **Mr Kennedy:** The practical implications, as I've mentioned previously, may be around that demand aspect, and in liaising with tenants to make sure that they're using the correct communication mechanisms to reach the appropriate people.

[170] **Jenny Rathbone:** But you think this is all perfectly doable, do you?

[171] **Mr Kennedy:** It seems reasonable enough, yes.

[172] **Jenny Rathbone:** Okay.

[173] **John Griffiths:** In terms of the two-month period, is that sufficient, do you think, in terms of landlords' obligation to provide information to all their tenants?

[174] **Mr Kennedy:** Landlords have undertaken mass communication on big policy and legislative changes on a regular basis, for example on universal credit and the changes to welfare. So, I feel like they're well set up for this type of communication.

[175] **John Griffiths:** Okay. Do Members have any other questions? No. In that case, may I thank you both for giving evidence to committee this morning? You will be sent a transcript of this session to check for factual accuracy. Thank you very much indeed.

[176] **Mr Dicks:** Thank you for the opportunity.

[177] **John Griffiths:** The committee will now take a short comfort break for five minutes.

*Gohiriwyd y cyfarfod rhwng 10:07 a 10:14.
The meeting adjourned between 10:07 and 10:14.*

**Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru):
Sesiwn Dystiolaeth 5
Abolition of the Right to Buy and Associated Rights (Wales)
Bill: Evidence Session 5**

[178] **John Griffiths:** We move on, then, to evidence session 5 in our evidence taking on the Abolition of the Right to Buy and Associated Rights (Wales) Bill. I'm very pleased to welcome a panel representing local government in Wales. Would you like to introduce yourselves for the record, please, perhaps starting with Simon?

[179] **Mr Inkson:** I'm Simon Inkson, head of housing for Powys County Council.

[180] **Mr McKirdle:** I'm Jim McKirdle, housing policy officer from the Welsh Local Government Association.

[181] **Mr Staines:** Bore da, I'm Robin Staines, head of housing and public

protection for Carmarthenshire County Council.

[182] **Mr Couzens:** Good morning, I'm Shaun Couzens from Caerphilly County Borough Council, chief housing officer.

[183] **John Griffiths:** Thank you very much. We'll begin our questioning, then, with some questions from David Melding.

[184] **David Melding:** Thank you, Chair. I wonder if we could begin by just asking you why you think the Bill is necessary and then, by implication, a priority, because of that necessity.

[185] **Mr McKirdle:** Chair, I think the WLGA and local authorities support the abolition of the right to buy, and the reason for that is to protect the existing social housing stock in Wales and to allow for future growth. We see that against the background of almost 140,000 sales under the right to buy and the right to acquire during their time frame. Those are largely from local authority stock, although not exclusively, and often some of the better stock within local authority areas. So, we want to ensure that social housing continues to be an option for those in housing need, both now and in the future. We think that good-quality, affordable housing—affordable for all—is a key component of that.

10:15

[186] **David Melding:** So, in terms of the right to buy as it currently exists being an impediment, how big an impediment is it to others that are out there—to stop us building the level of social housing that we should be building?

[187] **Mr McKirdle:** I think the right to buy is acting as a disincentive for investment in terms of local authorities moving forward. We've had some fairly significant changes over the last 18 months, with the changes to the housing revenue account subsidy system, and I think you'll see from the WLGA's evidence and the evidence of individual local authorities that they perceive the continuation of the right to buy as a disincentive to invest in that new development that everybody wants to see.

[188] **David Melding:** You have not been tempted as an organisation to follow the lead in England, where the Local Government Association has worked up a policy to reform the right to buy. Did you look at that? I know

the political context is very different, but what examination have you made of the report, for instance—‘Keeping pace—Replacing right to buy sales’?

[189] **Mr McKirdle:** We haven’t done a parallel piece of work. The context is very different in policy and political terms—you’re absolutely right to point that out. We participated in the consultation around the White Paper recently and advocated for a further reduction in the discount, but that’s been the extent of the work to look at reformation of the right to buy.

[190] **David Melding:** Did Mr Staines want to—?

[191] **John Griffiths:** Yes, I think Robin wants to come in at this point.

[192] **Mr Staines:** Thank you very much. There may not be the land available where those properties are sold. So, if those properties, typically, are sold in highly desirable areas and they’re the best properties, there may not be the development opportunities to immediately replace them where the need is highest.

[193] Just a couple of other points from a local authority perspective. At the moment, there’s a great deal of inequality across Wales in terms of some tenants having the right while some tenants don’t, so what the Bill and the legislation does is it at least makes it a common footprint across the country. I’d also say as a business planner—somebody who’s got a responsibility to plan for a business—we were in a perverse situation where we were selling some of our very best assets at below market value, which we’re now buying back at market value. Now, that is no way to asset manage a business, and I doubt there are many businesses out there that would necessarily follow that business model.

[194] The third point I’d make: at the moment, we’ve got seven people for every vacancy that we have, so, clearly, there is a continuing demand for social housing. Traditionally, 75 per cent of those receipts went on repaying loans, so we’ve never really had the opportunity to take part in replenishing the stock. So, I think there are some fundamental business planning assumptions that the current system undermines.

[195] **David Melding:** Interestingly, I think this paper addresses a lot of those issues. Clearly, this paper argues that right to buy needs reform if it’s to be part of the solution or of meeting the challenge we face in building many more social homes. The points you raise are addressed, I think, broadly, in

this, in the calls for particular reforms. But it does say, if I could quote,

[196] 'it is certain that reform of the RTB scheme would significantly help the council sector address the current shortfall of homes, both overall and in most individual local authority areas.'

[197] It is a very different approach, isn't it? I appreciate politically there's currently not a prospect of the abolition in England—again, I don't anticipate the general election—but they do see a way of living with it, and, in fact, from that quote, actually using it as very much part of meeting the challenge to build more social homes.

[198] **Mr Staines:** I'd just respond to that by saying that the real issue around building social homes is the borrowing cap on the housing revenue account. By the time we've made our legislative duty to maintain the stock to the Welsh housing quality standard, there is very little left over that we can do. That's why authorities are now looking at things like local housing companies, particularly to bring in that extra investment. So, I don't believe the reform of a system that sells a very few homes where I am—it may be very different in England, and, as Mr McKirdle said, the policy background and context, the narrative, is very different in England, but it's quite a small number of homes through the right to buy. This in itself will not solve the overall problem with the supply of social housing. It needs a much, much bigger solution than purely the issue around the right to buy. But those small number of properties are significant in the sense of using those for the most vulnerable people where that demand is most acute.

[199] **David Melding:** I thank you for putting that on record. I don't know if any of your colleagues disagree with that—you do accept that the volume of right to buy sales is small compared to what it would have been even 10 years ago, certainly 20, and therefore, at best, is a part of a package that's needed to build more and retain more social homes.

[200] I just wonder how fundamental your objection is to right to buy. Would it extend, in your view, to local authorities choosing not to enter into voluntary sales where the issue of the market price doesn't apply? Are you so opposed to the principle that you think even that is not really conducive to your overall responsibilities in providing and managing social housing?

[201] **Mr Staines:** I'll make one quick comment. I'm very conscious of colleagues from other parts of Wales, but it would be very difficult for me to

advise my members on a policy of voluntary sales when there are seven households queuing up for every single vacancy and I'm having to take stock out of the private rented sector to make up the gaps in social housing, and I think that's exceptionally acute.

[202] What I'd also be conscious of is that the Assembly passed the Housing (Wales) Act 2014 to ensure standards in the private rented sector reach a certain level, and what I don't think we want is council housing being passed across to the private rented sector, going from right to buy to buy to let, and then that doesn't reach the standards that, as a nation, we're trying to aim for in our housing stock. So, I'd be very conscious of saying to members, 'Well, we can go through voluntary sales, but then I'm still having to procure in other ways'. So, to build a house is maybe £160,000, but to buy one is £80,000. It doesn't quite add up to me. That's the advice I would give Members, bearing in mind that, in my authority, it was a unanimous vote across the council chamber because of the demands on the stock.

[203] **David Melding:** And we understand if there's a firm and clear answer, but you don't think the law needs to be changed, because at the moment, obviously, it would permit voluntary sales.

[204] **Mr Staines:** I think you'd have to look at my colleagues. I think it's about the pressure across Wales, and it's also about equity. I don't think it would be right—and this is what was happening pre-1979, when you could have people on the opposite sides of a street, and one tenant in one borough could have the right to buy and the one opposite couldn't, and I don't think that leads to good community cohesion when there are those differences drawn purely on boundaries.

[205] **John Griffiths:** David. Oh, sorry.

[206] **Mr Inkson:** Just to say that—[*Inaudible.*—]—obviously, on voluntary sales is something that could work, particularly in an area such as Powys, where we—it is a huge local authority area where you have areas of very, very high demand where we would want to prevent the sale of social housing stock, but, in other areas, where we have lesser demand, there would be nothing to prevent the local authority entering into voluntary sales if they so choose.

[207] **David Melding:** So, you're quite comfortable with all of that continuing, obviously, to allow you to do that.

[208] **Mr Inkson:** Yes.

[209] **John Griffiths:** David, just before you move on, I think Rhianon wanted to come in on this point.

[210] **Rhianon Passmore:** Thank you. You've mentioned equity and parity and the postcode lottery of right to buy a lot. In terms of those properties that have gone from right to buy to buy to let on a mixed tenure social housing estate, would you perceive or have you a view in terms of (a) the analysis of whether those properties that have gone into that pool that were previously council-owned or local authority-owned—. Is there a WLGA analysis of the housing stock that has gone over to private let, and is there also an analysis of those that have been sold? A figure was discussed earlier of around 14,000 through right to buy. Has there been any analysis of those homes that have been sold and that have then gone on to be repossessed, and then gone into the higher private sector market?

[211] **Mr McKirdle:** There hasn't been any definitive analysis on that. What there is is certainly reports back, anecdotes, from authorities about how common that situation is, not necessarily always involving repossession but certainly, as Robin has described, the transfer from right to buy to buy to let and then the consequent problems that some home owners have had in terms of maintaining their properties, when all around are benefiting from the works that local authorities and other landlords are doing to ensure—

[212] **Rhianon Passmore:** Sorry, I can't hear you because they were talking. I'm slightly deaf as well. So, in terms of that, you would suggest then that, anecdotally, without that analysis—. It would have been useful to have had that analysis, but, without that analysis, you say 'anecdotally'—is that common across local authority areas, that perception? My view is that, in terms of moving forward, it is important to understand what is out there in terms of the value and merits of any Bill in this area, and the view that's coming from different witnesses is that, anecdotally, that is the case. And therefore, there could be, presumably, an assumption then that that is not helping the most vulnerable in our society, who social housing stock was primarily there for. I don't know if there is a view on that from different authorities or from the WLGA.

[213] **Mr Couzens:** I think the problem with the right to buy is what it's created is mixed tenure estates on an ad hoc basis, rather than by design, and that itself has caused a few problems. We do see, within Caerphilly,

certainly where houses have been bought in the past and tenants have been struggling to maintain them, they might well have been passed on to private landlords as well and they'll be private rented. That in itself caused problems within streets then, because they tend to stand out. With councils having undertaken improvements to their stock, these type of properties stand out. That's a bit of a blot within the street scene. It can cause problems. It can cause resentment between neighbours, anti-social behaviour, all sorts of issues.

[214] This isn't helped either, I think, with the number of funding options that are out there. You're looking at energy efficiency schemes, for example. They seem to be targeted maybe at social housing or private sector housing, rather than a holistic approach across the estate. So, again, it's a pepper pot approach and that creates problems in itself as well.

[215] **Rhianon Passmore:** So, when we talk about equity and parity, it's not just in terms of being able to maintain social housing stock. You would say that there is another element that is about social cohesion, or is that going too far?

[216] **Mr Inkson:** I would also say there is an issue about living costs as well. Not only are owner-occupiers, private rented tenants and council tenants living alongside one another in properties of the same construction type in remarkably different conditions—. And, when the right to buy was introduced, you could tell the right-to-buy owners, because they were the ones that had the double glazing. Now, if you go round council estates you can tell the right-to-buy owners, because they're the ones without the external wall insulation, the new roofs, et cetera. But there's also an issue of costs as well. You will have people living next door to another renting properties, one from a local authority landlord at a very reasonable below market rent, whereas you'll have somebody living in a private rented property, probably generally in worse condition, but at a significantly greater rent.

[217] **John Griffiths:** Okay. Robin.

[218] **Mr Staines:** Just quickly if I may, Chair. I think there is an impact on community cohesion. In terms of the private rented sector, it's typically a more transitional stage in someone's life, where they don't tend to have put down the roots that you do when you tend to have a long-term secure tenancy. So, with those high turnovers, I don't think you get the ownership

and resilience built into communities as you did when people saw that as the long-term view for their children, et cetera, et cetera. So, I think there is an issue of residualisation on what were council estates. I think there is an issue of standards of those properties, but I think there's also a very important issue of cohesion and people dipping in and out of communities, rather than building those very strong, long-term community roots.

10:30

[219] **John Griffiths:** Okay. Thank you for that. David, I believe you have further questions.

[220] **David Melding:** Yes, I'll continue. It seems to be your view, as I tested earlier, that the existence of the right to buy has a real impact on investment decisions to develop new social housing, and you've seen that over the last decade. But, you know, the Welsh Government, in its explanatory memorandum, says there's no evidence of this, and, indeed, other witnesses have said to us that it is perhaps a marginal factor, but no more than that. So, why do you take such a strong view that this is a really significant barrier?

[221] **Mr McKirdle:** Chair, we take that view because that's what local authorities are telling us. And I think the explanatory memorandum describes the position over the last decade. I referred earlier on to the buy-out from the housing revenue account subsidy system, and that's created a very different environment for local authorities and a different set of investment opportunities. And what local authorities are saying is that there is a disincentive to that investment in new homes should the right to buy continue to exist and that tenants would have the opportunity of buying that new stock. So, it is marginal in terms of the overall numbers, I agree, but that disincentive does exist. That's what local authorities' view is.

[222] **John Griffiths:** I think Robin—[*Inaudible.*]

[223] **Mr Staines:** I was just going to mention exactly the point that Mr McKirdle made. My members are very conscious of spending the time, energy and resources on building much-needed social housing only for it then to be exercised through the right to buy. There's a couple of other technical issues around right to buy sales—75 per cent had to go off to pay loans, and there's also the borrowing capital in the housing revenue account and the need—. We were almost playing catch-up in Wales because of the nature of our housing stock. I think, quite rightly, authorities had to focus on bringing that

stock up to standard, because those tenants have been paying their rent for a long time, and I think we had to improve our offer to existing tenants. So, I think, quite naturally, and rightly, our focus, rather than development—. And, again, bearing in mind that the development skills had probably left local authorities—we hadn't been building for a long time. It has now come back, and we are and we're confident and we're moving that agenda forward. But, for me, we had to focus on that offer for tenants, and that's pretty much where that's been for the last 10 or 15 years.

[224] **David Melding:** So, it's a marginal factor, but a factor, if I can summarise. I'd like to move on, really, to just talk—. Because I think at least one of you is in a suspended area, is that right? Sorry, it's Mr Staines. I'd like to ask the other witnesses as well, if you could follow Carmarthenshire's example and suspend the right to buy, after identifying reasons why that's appropriate and the consulting with tenants and the like—you know, why do we need a statute that just abolishes it, when we've got something as flexible, on a local authority basis, as allowing authorities to choose to suspend?

[225] **Mr Staines:** If I could make one very quick—I'd be very conscious of my other colleagues. I'm not sure how flexible local authorities' role is, because we're caught between making it a local decision when it's not. The decision is actually with Welsh Ministers, and legislation at the other end. Legislation clarifies the position quite clearly. In our case, it took over two years to effect that suspension. There could be ongoing challenges to Welsh Government, because, at the end of the day, the Welsh Ministers make the decision. All we can do is put the case up to Welsh Ministers. So, we're held locally accountable for a national decision in that case.

[226] **David Melding:** But they've upheld every authority so far, haven't they?

[227] **Mr Staines:** So far.

[228] **David Melding:** If you've acted reasonably, and according to the 2011 Measure, it doesn't strike me that there's been a problem here in having your application approved.

[229] **Mr Staines:** No.

[230] **Mr Inkson:** I would disagree. In Powys's case, we submitted an application to sustain the right to buy. That hasn't been refused, but it was

sent back to us. I know that we aren't the only local authority because we applied to suspend the right to buy. We've received encouragement and support from officers, but then that was returned to us, saying that we needed to apply, not only to suspend the right to buy, but also the right to acquire and all the other associated rights. So, we've had to go through the process again—the same consultation again. So, that's delayed the process quite significantly. There's been quite a substantial drain on resources.

[231] **David Melding:** If you're talking about long-term policy, presumably—. And abolishing the right to buy, or suspending it, obviously impacts on tenants who may have wanted to have exercised that right at some point if it had existed. I can see that it is something of a laborious process, but these are big decisions that are then set for five or 10 years or potentially a longer period—five or 10 years or even more. So, in the balance of things, it's not unreasonable, is it, for a fairly vigorous test to be applied?

[232] **Mr Inkson:** No, I wouldn't disagree. We carried out extensive consultation with our tenants and with members of the public as well, and had for a consultation exercise, quite a healthy response, particularly to the online questionnaire. So, I wouldn't disagree that it is worth while actually going through those efforts, but it is quite a significant drain on resources, particularly if you think of an authority like Powys, which isn't the largest authority, and doesn't have the largest staffing establishment. That is quite a diversion of resources onto that activity.

[233] **David Melding:** Is there any firm evidence that some local authorities have been deterred from going down this path?

[234] **Mr McKirdle:** There's certainly common discussion amongst local authorities and with officials and Ministers about the onerous nature of the process. Having said that, there are also smaller authorities, as Simon has demonstrated, in Powys, and we see Denbighshire and we see Anglesey, where suspension has already taken place—

[235] **David Melding:** It's quite a range, actually, if you look at it—the five that have done it, you'd think—

[236] **Mr McKirdle:** It's quite a commitment, but it is possible.

[237] **Mr Staines:** If I could just add to that, this is every three or four years or so, so in terms of resources, it's almost a continuous process of this.

When we talk about consulting with tenants—and when we consulted with prospective tenants, who, I would argue, have got as much to gain as current tenants, because they're waiting for that stock—there is a very solid few there, who are a very robust and resilient few, from amongst those prospective tenants, who really don't want to see a right to buy because then that stock's released potentially for them to turn over.

[238] So, I think it is important to remember that it's not just tenants—there is that wider view in terms of right to buy as a social policy. It took us two years to get Welsh Ministers' approval. Two years is a long time and there was a build-up process to that as well. So, probably, it took nearly two and three-quarter years. We're almost now, going through that process again, so I think, on Simon's point about resources, it takes continued resources to get this decision and not just the one-off.

[239] **John Griffiths:** Could I just bring Rhianon in at this point?

[240] **Rhianon Passmore:** Thank you. With regard to that particular point, it has not been brought up previously. You're talking about the view of prospective tenants and you've mentioned previously the seven prospective tenants per property in that waiting list and queue.

[241] So, in terms of how you've collated that, you said that that view is quite robust—that they don't want to see right to buy because they see it, I would presume, as a way of stopping them getting on to that very limited social housing market. So, how have you come to that conclusion in terms of what you said was a robust perspective?

[242] **Mr Staines:** We went through quite a robust consultation process because it's on the housing register—we've had their details; we had their names and addresses; we had their e-mail addresses and we had their—*[Inaudible.]* So, it was a fairly straightforward process to ensure that we balance the tenants' view with the prospective tenants' view. The results of that consultation were very robust in terms of the prospective tenants, who, as I say, had a lot to gain from this and who made their views known that they didn't think it was fair and equitable.

[243] **Rhianon Passmore:** Okay, thank you, Chair.

[244] **John Griffiths:** Perhaps, Robin, you might be able to provide that information to the committee.

[245] **Mr Staines:** I'm happy to, Chair.

[246] **David Melding:** Okay, I note what you say and have no doubt that potential tenants probably would say, you know, what you've reported there. But, yes, to state the obvious as well, if a tenant doesn't have the right to buy, they are likely to stay where they are, so, it's, you know—. Well, perhaps you disagree, but I think that—

[247] **Mr Staines:** No, not necessarily.

[248] **David Melding:** Well, the biggest—*[Inaudible.]*—anyway, after each vacancy, then it obviously indicates it's house building that is the primary challenge we face.

[249] We've heard evidence from a range of people on this tricky issue of what I'll call the period of grace. Basically, if this becomes law in the areas that have suspended the right to buy, in all the other authorities, there will probably be one year in which tenants could make an application under right to buy, but there could be two categories of tenants: those who are in authorities that have not suspended, and then those that are in the authorities that have suspended will not have that equivalent period of grace. Does this cause you difficulties? You know, several witnesses have said they find this very unfair, potentially, even to raise human rights issues, but I'd like your views.

[250] **Mr Inkson:** I would argue that if the local authorities have sought and received the Welsh Ministers' approval to suspend the right to buy, they've gone through a consultation process with those tenants. So, reinstating the right when it is suspended seems a little bit bizarre to me. So, I would argue that as the local authority has followed the duly set out process, nobody's rights have been that seriously impinged.

[251] **David Melding:** I suppose, from my point of view, the process we are now undergoing—and we're very grateful that you're here this morning as witnesses—you know, there's a thorough legislative process, scrutinising the Government's intentions, and then this is likely to take—I don't know, nine months or so, whatever. Then the decision is made, and if this Bill becomes an Act, the decision is made to abolish the right to buy, but to give that period of grace. So, after all this consultation and decision making: decision, then a period grace. Now, you went through a consultation and it's

analogous, really, to what we are doing now, and when you made your decision—or the application, actually, and then confirmed by the decision of the Minister—the suspension was immediate. There was no period of grace. People could currently be making applications under the right to buy, seeing this legislative process, and thinking, ‘We’d better get in early’. And, indeed, in the authorities that suspended, some tenants may have taken that action. But if this becomes law, the people captured will have a year, and that did not happen—that similar right was not extended to those in the areas that have suspended the right to buy. This is what causes me difficulties, and I just wonder whether—. You know, perhaps I’m oversensitive, but it causes Shelter difficulties as well, and the tenants’ association that’s coming in. So, I’d like to hear your views on that.

[252] **Mr Staines:** I’ve got to tell you that our tenants had two years’ notice that we were going to suspend the right to buy. We did consultation before our research paper went to the executive board and county council, then it took a further two years to gain that agreement. So, our tenants had probably two and a half years’ notice that that was the intention of the county council, and I’d argue that is probably a greater length of time than here at the Assembly.

[253] **David Melding:** Well, you know, they didn’t have notice of a decision. You were making a decision and putting evidence together, and then the decision may not have gone one way or the other. That’s why, when a decision is made—i.e. a Bill becomes an Act—decision, then period of grace, because of the rights that are affected. You know, I’m sure you did follow the procedures very thoroughly, and I’ve no doubt what you say is accurate, but, you know, that’s a process of decision making; it’s not a notice of a decision.

[254] **Mr Staines:** No, it’s not; it’s actually more than—. It is a decision of county council that we intend to suspend the right to buy, pending sign-off by Welsh Ministers. So, our tenant base knew that, our prospective tenant base knew that, and our new tenants knew it because we made sure we told them.

[255] **David Melding:** You’re putting your consultation—. You consult, do you, on a decision you’ve already made—

[256] **Mr Staines:** No, it’s information.

[257] **David Melding:** —or a decision you’re minded to make?

10:45

[258] **Mr Staines:** No, there was a consultation prior to the executive board and county council agreeing the suspension. So, we had a period of consultation then. The executive board and county council agreed to ask Welsh Ministers to ratify their application. So, it was an application at the time. But all through that period, I think the public were made very aware by my officers that it is the intention of the county council to suspend the right to buy. So, when people were taking up tenancies, they knew that that suspension would be in place, providing Welsh Ministers signed it off.

[259] **David Melding:** Okay, I have to say that I didn't realise there was an intention in advance of evidence. I thought that the consultation process under the Measure was actually to gather the evidence to justify the suspension. But we will ask our adviser, and I may have misinterpreted that. Anyway, thank you for your answer, and—

[260] **John Griffiths:** Is it the case, do you think—?

[261] **David Melding:** I think I have gone as far as I can.

[262] **John Griffiths:** I'm just wondering, Robin, if what you did was above and beyond what was required then by the Welsh Government as part of the process, or did you strictly adhere to it?

[263] **Mr Staines:** Well, the Housing Act 1980 requires us to consult with tenants if there is a fundamental change to tenancy conditions. So, that's what we did. We consulted tenants through the process as we gathered the evidence. All that went to county council, because I don't believe our county council would have accepted and made a decision unless they understood the position of tenants and prospective tenants. So, that was built into the decision-making framework.

[264] **David Melding:** You were, of course, consulting on a suspension, not an abolition.

[265] **Mr Staines:** A suspension, absolutely.

[266] **David Melding:** So, does that create any difficulties for you in terms of the current law? Obviously, those in suspended areas will go from a

suspension to an abolition without the period of grace. Everyone else will have the period of grace. Now, that obviously creates two categories of tenants.

[267] **Mr Staines:** Yes, it will do.

[268] **David Melding:** And you can live with that.

[269] **Mr Staines:** Well, I think it's going to be a WLGA position nationally, but locally, my council has set out its position very, very clearly. So, providing we don't have to go through another suspension application, the position for my county is very clear.

[270] **David Melding:** So, you don't see a distinction between a suspension and an abolition, really, in terms of the tenants' rights.

[271] **Mr Staines:** I haven't really thought about that, to be honest. Jim.

[272] **Mr McKirdle:** I think there clearly is a balance there, and I think that Robin's allusion to the rights of prospective tenants weigh into that also. But I think, in terms of the process—not just of consultation, but of evidence gathering in relation to suspension—clearly those areas where suspension applies have already been evidenced to be in high housing need. I think that that plays into that question of balance on this issue.

[273] **David Melding:** I don't agree with you, but I think that is an answer to my question. Thank you.

[274] **John Griffiths:** Okay, thank you very much. David, are you content with that?

[275] **David Melding:** Yes.

[276] **John Griffiths:** Okay. Rhianon.

[277] **Rhianon Passmore:** On that particular point, then, because it is an interesting point: the suspension process that you went through—comprehensive consultation and the whole mechanism of the consultation process around that—is there a view or understanding that those areas, from the WLGA, across Wales that have gone through that suspension of the right to buy feel that that's permanent? So, when they have consulted about the

right to buy, do you think it was purely on a temporary basis that it was suspended, or do you feel that these consultations have been giving an impression that this was for a permanent period, moving forward, if that makes any sense?

[278] **Mr Inkson:** I would suggest that the consultation is about the suspension of the right to buy. That's the only power that the Welsh Ministers have at the moment.

[279] **Rhianon Passmore:** So, there was clarification within that consultation as to what that would mean—suspension.

[280] **Mr Inkson:** Suspension is for five years.

[281] **Rhianon Passmore:** A five-year period.

[282] **John Griffiths:** Okay, well, that's quite clear. Rhianon, I believe you have other questions.

[283] **Rhianon Passmore:** Yes. I do, indeed. In terms of the 12-month notice period before the right to buy is abolished, do you think that that 12-month period is reasonable and appropriate, or is there a different period of time that you think would be—?

[284] **Mr McKirdle:** I think that we would support the 12-month suggested period. That seems to be an adequate period for people to put their affairs in order, to make decisions and to get an application in. That's what's required within the 12-month period, not to come to the end of that process.

[285] **Rhianon Passmore:** Do you believe, then, that in terms of precedent previously, when the discount was much higher and there were spikes and there were concerns about potential mortgage vultures approaching certain areas across Wales as result of this—do you think that this will cause, if this Bill is enacted, another spike in applications, a sort of rush to the end, or do you feel that the level of discount is less now, so there won't be that issue?

[286] **Mr McKirdle:** I think it's the latter, accepting that suspension is different from abolition. But the evidence coming forward from colleagues in Swansea and Anglesey in the lead up to suspension shows a very moderate rise in terms of applications—from a low base—but those were not huge rises in applications.

[287] **Rhianon Passmore:** But bearing in mind this would be abolition of right to buy, and it will be extensively advertised and discussed in the political arena, is there any concern that there could be lack of capacity in terms of being able to deal with this, in terms of local government? Because obviously the cuts that have come to Wales are considerable. Is there a fear, or do you feel that the level of discount is just minimal now?

[288] **Mr Inkson:** We have consulted, over the last 12 months, twice with tenants and residents about the suspension of the right to buy. We haven't seen a huge spike in either applications or completed sales over the last two financial years. So, I would support Jim's view that that shouldn't be an issue. The fact that the amount of discount is so low compared to England, I think, means that we won't—or Wales won't—be descended on by hordes of salespeople trying to get tenants to purchase their homes.

[289] **Rhianon Passmore:** Okay. In regard to the information flow, do you think that there is sufficient safeguard in place to protect tenants who are going to approach this journey, possibly in terms of the period of 12 months grace, in terms of right to buy? Do you think that Welsh Government should be enacting anything that's not actually outlined within the Bill, in terms of safeguarding tenants who are approaching a potential right to buy in that period of grace?

[290] **Mr Staines:** I feel that it would be worthwhile that the different parties ensure that there's a clear communication plan: that the literature and support is in place, it's adequate, it's timely, it's proportionate. I'm sure that we can work together to make sure that that is there. I think there has to be consideration given in terms of different languages and different abilities, and there has to be a communication plan based around that to reach tenants and put the support mechanisms in place. So, things like engagement of the third sector groups, tenant federations and tenant champions on estates will be incredibly important. I don't see it necessarily as just an information flow centrally to local government. It's about how we play our role to ensure that that information is provided on the widest possible basis, with that support there should tenants need any further and potentially independent information, especially around budget management and in terms of roles and responsibilities, because it does change quite significantly from being a renter to being a home owner. So, I think we need to work together to ensure that that is out there.

[291] The other thing I would say is that any information given out should be adequately tested. I think too often we put information out into the public domain that isn't necessarily in plain language and we don't test it with tenants. So, before we roll something out, let's make sure there's a very robust process, and that it's piloted and tested, so when the main information goes out, it does what it needs to do.

[292] **Rhianon Passmore:** And is there a strategic role for the WLGA here?

[293] **Mr McKirdle:** Absolutely.

[294] **Rhianon Passmore:** Thank you.

[295] **John Griffiths:** Okay. Jenny.

[296] **Jenny Rathbone:** Could you just tell us whether you think that the right of first refusal for up to a decade after the right-to-buy purchase is a sufficient barricade against profiteering vultures, or, indeed, inappropriate purchases where people simply haven't understood the responsibilities they're taking on? Could you just say how that's worked so far? Because there seems—

[297] **Mr McKirdle:** It's certainly not an issue that authorities have raised with the WLGA as an area of concern. And neither is the operation of profiteers in this sector—it hasn't been something that's been raised at a local or national level as being of particular concern. If there's any evidence out there, we would be happy to move on it; but that's not something that authorities have brought to us.

[298] **Jenny Rathbone:** Well, that's very good to know. But I suppose we have received quite a lot of evidence that having these mixed ownerships—on the one hand tenants, and then leaseholders—on a particular block or estate has caused quite a lot of trouble for the dominant landlord, which is the local authority or the social housing landlord. I wonder if you could just say a little bit about—

[299] **Mr McKirdle:** There's no doubt from a housing management perspective that having your stock largely in one place on common conditions makes housing management an easier and more effective task. Shaun mentioned anti-social behaviour earlier. The levers that local authorities have as landlords in relation to dealing with anti-social behaviour

where, perhaps, one party is not a tenant are reduced and are more challenging in that respect. So, I think that buying back right-to-buys, as was mentioned earlier on, is an effective way of building that critical mass in terms of stock within an area to improve management.

[300] **Jenny Rathbone:** We heard earlier on from witnesses that, for example, people who've exercised the right to buy have been struggling with the mortgage and unable to pay the service charges, so then the landlord either has to use tenants' rents to subsidise whatever maintenance needs doing, or not do the maintenance. Both solutions seem to me undesirable. In what way have you—? Does it mean that we simply haven't been robust and treated people like grown-ups? When they've exercised the right to buy, we then continue to treat them like they were tenants.

[301] **Mr Couzens:** I think that is a problem, but you've got to appreciate that people's circumstances change as well from the time they purchase the property. With regards to leaseholders, for example, payment is always an issue, and what we do in Caerphilly, similar to other authorities, is provide a range of payment options. So, if people can't afford, they can put a payment plan in place and we can put a charge on the property, if the property's sold eventually. So, there's a range of options there, I think, to ease that burden on the leaseholder.

[302] **Jenny Rathbone:** So, why isn't that robustly pursued? Because we're hearing of cases where maintenance is not done because they're not getting the revenue.

[303] **Mr McKirdle:** There was quite a lot of good work done over the last 18 months to two years in terms of producing good practice guides for both leaseholders and landlords in relation to leasehold practice, both to improve practice but also to drive up the standards across Wales so that hopefully we'll see some resolution to that lack of equity.

[304] **Jenny Rathbone:** Okay, but we still face quite a muddled situation where, in many cases, tenants are subsidising home owners. Would you disagree with that, or is that not your personal experience? How have you coped with reluctant home owners who haven't realised they need to fix the roof?

[305] **Mr Staines:** I think the reality of the situation is that there are times when existing tenants will have to provide that subsidy, because you can't

leave a roof leaking. It's got to be done. So, there are occasions for some elements of maintenance—not so much the aesthetic maintenance, but in terms of the fundamental wind and water tightness of the building—where it's just got to be done regardless. I think, as Mr Couzens said from Caerphilly, local authorities have been extremely flexible in a range of payment options and deferred payments and perhaps taking a charge on the property, rather than necessarily demanding payments. So, I think where we can, we've been flexible for the good of that building and the community that live in that building, rather than try and be the dominant landlord, I think the phrase was, in terms of our enforcing against individuals. If their circumstances have changed and they genuinely can't pay, we have to find other ways to make sure that buildings are wind and water tight, and we also take that investment in the longer term. For instance, we do provide interest-free loans and that loan is repaid when that property is sold, so we do protect the investment. Although we don't receive the money back immediately, we will receive it once that property is sold later on, so there are ways we can do that.

[306] **Jenny Rathbone:** Okay. So, how often has taking a charge on the property been exercised?

[307] **Mr Inkson:** Quite infrequently, I would say. I think it's a measure of last resort, really.

[308] **David Melding:** This happens in the private sector as well—*[Inaudible.]*—if it's an apartment block—

[309] **Jenny Rathbone:** Well, in the private sector, the mortgage company generally repossesses if you can't keep up the payments.

[310] **John Griffiths:** I think we're in danger of straying—

[311] **Jenny Rathbone:** I know, but it's about the attitude of social landlords towards people who've decided to end that relationship.

[312] **Mr McKirdle:** I think the attitude, as embodied in that best practice that I referred to, is to present as wide and flexible a set of options as possible and to try and flex those to the individual circumstances as described, to try and be as accommodating as possible.

11:00

[313] **Mr Couzens:** I don't think it's a case of the maintenance not being done. I think the maintenance is being done. I think there's a long process before you, perhaps, get to that, because you've got the section 20 consultation process to follow. So, it does take time, but I don't think the situation is that we're not doing the maintenance. I think that is being done, and then we're resolving the payment issue later.

[314] **Mr Staines:** The last point I'd make is just that making somebody homeless only for us then to have to rehouse them just doesn't make sense, and it's not value for money. We would try and prevent homelessness, as per the Act, and we'd try and keep them in their home as long as they wish to be there.

[315] **John Griffiths:** In terms of the information that's to be provided with regard to this legislation, Jenny, have you any further questions?

[316] **Jenny Rathbone:** Yes, I do. But I just—. In terms of, for example, upgrading through improving the energy efficiency of properties, huge resentment is caused by those who've not received it seeing all tenancies, whether they are social tenants or home owners, being given this upgrade for free, for good climate change reasons. But for those who haven't yet had that benefit, it seems entirely inequitable, and that's where I'm struggling to understand the relationship of the social landlord with people who are getting something for nothing, effectively, because obviously it's hugely increasing—

[317] **John Griffiths:** I think we are in danger of straying outside this particular—. I know it's broadly relevant, Jenny, but many matters would be broadly relevant.

[318] **Jenny Rathbone:** Okay. Could you just tell us whether you think that the information that it is proposed that you're going to be divulging to your tenants once this Bill gets Royal Assent is going to be doable in a form that all tenants can understand?

[319] **Mr McKirdle:** I think, for me, the information that is proposed and the draft that Welsh Government have prepared seems reasonable, but I would take Robin's point about testing that with tenants. My job is a housing policy officer; I read that kind of stuff all the time, so I'm probably not the best person to judge that. So, I think that making sure that information is

accurate but also appropriate, and can be interpreted by a variety of readers, is of paramount importance.

[320] **Mr Couzens:** Could I just add—? My view is that I think the information provided is very generic, and I'd like landlords to have the opportunity to tailor that information to suit their specific tenants. For example, in Caerphilly, I don't think there is a need to mention the right to acquire or the suspension, because we haven't gone down the suspension route and we haven't built new houses. So, I'd rather try and keep it as simple and concise as possible for the tenants that we are actually targeting.

[321] **Jenny Rathbone:** How do you reach the 25 per cent of the population who are functionally not literate?

[322] **Mr Couzens:** The same way we do now, to be honest. I mean, that's classed as business as usual. We've got a number of various communication methods, and if there are those that are identified with special requirements, then it might end up being a face-to-face discussion, or through group meetings.

[323] **Jenny Rathbone:** And you already have strategies for dealing with tenants who don't have English or Welsh as their first language, or who use signing or other—.

[324] **Mr Couzens:** Yes. We will identify those who've got communication issues and will target those separately. Yes.

[325] **Jenny Rathbone:** Fine. Okay. So, do you think there is going to be a spike, or do you think that this is going to be entirely manageable in the numbers who are saying, 'We wish to exercise our right whilst it's still there'?

[326] **Mr Inkson:** I don't think there's necessarily going to be a spike in the number of applications. This isn't a crystal ball, but I think it is actually going to be more resource intensive for the landlords—particularly the engagement process and particularly the engagement with those who are a little harder to reach. So, there is going to be an implication for local authority landlords' resources.

[327] **Jenny Rathbone:** Okay. The tenants' representatives who are coming in shortly have suggested that there needs to be some sort of independent information line provided. Do you think that's something that is necessary,

or do you think it will be sufficient for you, the landlord, to be able to manage the information?

[328] **Mr Inkson:** I think getting the message out as wide as can be done, via third parties, via—possibly—local radio advertising campaigns, would be a really, really useful addition to make sure that the message gets across to as many tenants as possible.

[329] **Mr Staines:** I think they're two slightly different things. I think there's information, which is the universal and the generic, then there's the advice, and I think the advice is a different category and there needs to be some thought given in terms of the advice, because some of the issues that we now face probably have their roots and their origins in inappropriate or inaccurate advice. I'm not saying, necessarily, by local government, but it's also about the legal profession and the mortgage profession, and other professions—the surveying profession—to ensure that good-quality, timely, affordable advice is available for those people. The other thing I would say from a housing advice and options perspective is that if these tenants are coming forward and then looking at home ownership, I think there's a role for us to give wider advice, because there are other home ownership alternatives rather than, necessarily, the right to buy. We work with developers through section 106, and, clearly, there's a very successful homebuy scheme promoted by the Assembly. So, I think there are other things we can do, and it could lead to a very good quality housing advice discussion rather than necessarily the right to buy, which may be better for that person, but, then again, better for us as well as we maintain that stock. So, I think it could open up that level of a good-quality offer and service, rather than necessarily just to buy the property.

[330] The last thing is that the role and responsibility of an owner is so fundamentally different from being a tenant. I do think there needs to be additional consideration of what good-quality, independent advice, especially on budgeting the maintenance, is provided for people, because they're almost doing this because it's coming to an end, and there may be people going into it who really should think very carefully about that as a long-term option.

[331] **Jenny Rathbone:** Well, we already have a lot of evidence, do we not, from the existing situation that mortgage brokers, lawyers, have not necessarily spelt out the responsibilities that go with home ownership, and then people have been surprised that they've got to fix the roof? So, what do

you think is the best way of providing independent advice, given that neither mortgage brokers, lawyers or local authorities could be described as independent? They all have a vested interest in one way or another.

[332] **Mr Staines:** I think, for me, that would be asking tenants who they trust, and then it's building on which organisations or which particular type of help or which particular type of advice matters to tenants, and then ensuring that that's readily available, be it within literacy or language or type of communicational media that they require. So, I always feel uncomfortable, because I can give my perspective, but I'd be really interested to learn the tenant's perspective and then build in the capacity based on their views. So, if there are particular organisations out there they trust, then I would argue that those are the organisations that we should be looking to for help in this situation.

[333] **Jenny Rathbone:** Thank you.

[334] **John Griffiths:** Okay, thanks for that. Could I just ask whether you consider two months to be a sufficiently long period of time for the provision of information by landlords to all their tenants?

[335] **Mr Inkson:** I wouldn't disagree that that's sufficient time for landlords to be able to do that. We will have notice of the Bill receiving ascent, so I don't think it's unreasonable.

[336] **John Griffiths:** Okay, thanks. Now, just finally, Rhianon has a few more questions.

[337] **Rhianon Passmore:** Thank you. I think it's been particularly insightful in terms of the discussion that you had earlier around the mandate of local authorities around homelessness and eviction versus private tenants, so thank you for that. Do you think there is, to follow on from that, any potential for confusion, then, amongst tenants? We mentioned equity and parity across Wales previously, given that the right to buy will be abolished on different dates, depending on, as has been stated, whether it's new or existing social housing, without repeating ourselves.

[338] **Mr McKirdle:** I think the way that you target your communications, and your communications strategy, need to be appropriate there. I think the reality is that those who will be affected in relation to new properties are a very small number, and they must be easy to identify and to tailor

communications. But, for the vast majority, it's about existing homes and existing tenants, and so I think separating those two things out should be relatively straightforward.

[339] **Rhianon Passmore:** And in regard to the comments about who's mandate it is—and it is a shared mandate in terms of information—would you point to organisations that tenants trust? So, for instance, the Tenant and Participation Advisory Service Cymru would have a major role in terms of the advice angle, in terms of what is necessary for supporting this journey for those who are going to go forth?

[340] **Mr Staines:** I think there are two issues: it's what type of advice we're trying to provide, and, if it's specialist budgeting, debt management and money management advice, then it's finding those organisations that can provide that. So, it's about the timely, proportionate and accurate. The other side, I think, really is around tenants, who will be part of the communication strategies, understanding what help and support tenants may need through this process, but also who they trust. I think, when it comes to very personal household issues, the trust factor is the most important one, and it may be more national brand names rather than, necessarily, pressure and lobby groups. So, I think, as Mr McKirdle said, it's just thinking through that as part of the communication strategy.

[341] **Rhianon Passmore:** That's well recognised then. So, in terms of the definition of previously let social housing within the Bill, do you feel, either individually or collectively, that that is appropriate, as it only applies to dwellings let within the previous six months? Do you feel that that is as it should be, or should it be amended?

[342] **Mr McKirdle:** I had no trouble with the definition. Perhaps my practitioner colleagues might correct me, but I thought it was clear.

[343] **Rhianon Passmore:** Okay. Fine, thank you. Lastly, in terms of the exceptions to the restrictions that affect new social housing when tenants are forced to move by court order—we referenced this earlier, sections 3 and 5—do you think that, again, within the Bill, this is clear and as optimal as it should be?

[344] **Mr McKirdle:** I felt it was clear, but I thought it was also sensible, given the variety of different circumstances that can arise, to include the provision to add to that through regulation, just so that if there is something that no–

one has collectively identified, then we've got a mechanism for remedying that so that people aren't disadvantaged.

[345] **Rhianon Passmore:** And do you feel that there should be any additional exceptions within the Bill that we've not touched upon?

[346] **Mr McKirdle:** Nothing that I'd identified.

[347] **Rhianon Passmore:** No, okay. Thank you.

[348] **John Griffiths:** Okay, thank you very much. Do committee members have any further questions? No. In that case, may I thank you all very much for coming here to give evidence to the committee this morning? You will be sent a transcript of our proceedings to check for factual accuracy. Thank you very much indeed. The committee will now break for 15 minutes—well, until 11:30.

*Gohiriwyd y cyfarfod rhwng 11:12 a 11:31.
The meeting adjourned between 11:12 and 11:31.*

**Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru):
Sesiwn Dystiolaeth 6
Abolition of the Right to Buy and Associated Rights (Wales) Bill:
Evidence Session 6**

[349] **John Griffiths:** Okay then, our next item is evidence session 6 in our evidence taken on the Abolition of the Right to Buy and Associated Rights (Wales) Bill, and I'm very pleased to welcome representatives of Welsh Tenants here today. Perhaps you could introduce yourselves for the record, starting with David.

[350] **Mr Lloyd:** Okay. I'm David Lloyd, assistant director at TPAS Cymru.

[351] **Mr Clarke:** My name's Steve Clarke. I'm the former managing director of Welsh Tenants. I'm currently a volunteer adviser to Welsh Tenants.

[352] **John Griffiths:** Steve, could you clarify the position of Welsh Tenants as an organisation? It continues as an organisation at the moment and it's operating, but obviously not Welsh Government-funded anymore.

[353] **Mr Clarke:** Absolutely. Yes, we're in transition at the moment, looking for an appropriate funding vehicle for Welsh Tenants. As you can appreciate, it's very difficult to fund a sort of quasi-tenants movement. So, we're in the process of developing a strategy going forward. So, hopefully we can develop a funding plan going forward to maintain the organisation.

[354] **John Griffiths:** Okay, thanks very much for that clarification. We'll go straight into questioning and David Melding will begin.

[355] **David Melding:** Thank you, Chair. Perhaps I could ask each witness for their general view on the principle of this Bill and whether, I suppose, they support or not the abolition of the right to buy.

[356] **Mr Clarke:** We've undertaken consultation over the past few years in terms of the 2011 provision Measure and also the 2015 White Paper. It is very much a Marmite issue amongst tenants—right to buy. There are supporters and detractors from it. So, for me, in terms of the principles, I understand why there is a need for legislation, but reform rather than abolition. I think there are huge benefits that have been brought in relation to right to buy for communities in terms of social, economic, mixed tenure and the variety of local multipliers you develop when you have a mixed community. So, yes, amongst tenants, certainly my experience is that it's very much a Marmite issue and there are pros and cons.

[357] **John Griffiths:** Could I just ask, Steve, just to be absolutely clear, on that view, then, that reform is preferable to outright abolition, is that your personal view and the view of Welsh Tenants, or your personal view and not necessarily the view of Welsh Tenants?

[358] **Mr Clarke:** We were consulted on two issues the last time, in 2015, and tenants were in favour of reducing the discount from £16,000 to £8,000, but were not favourable to abolition. They supported suspension, but many were not aware of the suspension. But, as I said, they were less supportive of abolition and more supportive of curbing or slowing down the rights through discounts.

[359] **John Griffiths:** And that was in relation to what was proposed at that particular—

[360] **Mr Clarke:** At the White Paper time, yes, in 2015. We submitted our response in April 2015.

[361] **John Griffiths:** Okay.

[362] **David Melding:** We'll have a chance, perhaps, to talk about some of the issues there around reform or the advantages and disadvantages. But, on the general principle, Mr Lloyd, do you—

[363] **Mr Lloyd:** Yes, I think given the demand for social housing and the loss we've been seeing through right to buy, and the need to have secure, affordable, high-quality social housing, we support in general the principles of the Bill. However, we recognise it does fundamentally take away some right of tenants, and I think the key to it is in the implementation of the Bill, in the understanding of the Bill and that it's fair and consistent across Wales, and it's easy to manage and easy to interpret as well.

[364] **David Melding:** In your evidence, you commend the policy as, 'in some small way', I think is the actual quote, helping to tackle the shortage in social housing in Wales. Other witnesses have more or less made similar comments—that it's marginal—although, most of them, I think it's fair to say, have still supported it. But, perhaps the biggest challenge is that we need to build more. Would that be your general view, then, that, to get where we need to be in terms of the provision of social housing, we can't overlook the need to build a lot more than we're currently building?

[365] **Mr Lloyd:** I think, yes, of course, there is a solution in building more social housing properties, but the challenge we're seeing, possibly, at the minute is that, as we build more, we're also losing some on the other side through right to buy. So, it's a catch-up situation, really, where there's no current stability, because of right to buy, to build on. And we probably feel that right to buy would give some certainty in terms of numbers, which could then be built on to increase the supply of social housing.

[366] **David Melding:** Okay. Well, thank you for that. I'd like, actually, to talk about reform, because that's the way I think the Chartered Institute of Housing and the Local Government Association in England would like to go in. They've made a number of suggestions and they feel that a reformed right to buy, especially if the receipts were more directly recycled, would allow a greater increase in the amount of social housing. I don't know if you've had sight of this, Mr Clarke, but I mean, I certainly found it interesting that there are bodies out there that are actively looking at reforming the right to buy, rather than its abolition.

[367] **Mr Clarke:** Yes. I think the peaks that we got to in the 1980s and 1990s, the discounts were very much different, and, since devolution, the market has slowed down tremendously. So, the demand is not there. However, it does build capital receipts for organisations to recycle back into new programmes. The issue, I think, is whether we're getting like for like. And, clearly, that hasn't been the case. However, with a reform agenda, perhaps if we—. The Cabinet Minister has announced an innovation fund looking at off-site build, et cetera, and perhaps, at some future point, those costs can be more equally measured. So, yes, I accept all of the arguments around the loss of the stock, but, as I said, that's been due to the various range of discounts and incentives that have been put in place over the years by successive Governments. But demand isn't substantial now. Ironically, I think, as a result of the abolition, we may see substantial increase in demand. We saw that after 2015 when the discounts were dropped. I think the average three years prior to 2015 was around 180 and then they spiked slightly to, I think, around about 300, now. So, yes, I think, with the threat of losing the right to buy, we could see a spike as well. But as I said, the reform was possibly an issue that would've been fairer than abolition, I think, especially given some of the other circumstances.

[368] **David Melding:** And, Mr Lloyd, if there had been robust reform, would that pretty much address the concerns you have about the right to buy, or are you a bit more fundamentally against it?

[369] **Mr Lloyd:** Yes, probably because we haven't really looked in detail at what the reform options could be. But I think, probably, one of our concerns, depending on what type of reform it is, is that there's a chance for further complexity and further confusion, particularly if you were looking at who could retain the right to buy, or different areas. So, if it's different qualifying periods, we're just concerned that that might produce some inequalities if it's further reformed and becomes more complex.

[370] **David Melding:** But if it was reformed in terms of rational use of moneys that were in the system being recirculated for building additional capacity, which is at the heart of the proposal—

[371] **Mr Lloyd:** I think we'd want to see further evidence that that would work. Can we retain the numbers of social housing? That's what's important to us, really—retaining that level of stock in social housing and the availability for those people on waiting lists.

[372] **John Griffiths:** David, perhaps before you go on, Rhianon, I think, would like to come in on these points, and then Jenny.

[373] **Rhianon Passmore:** In regard to this area of questioning, which we've tested out with various witnesses, around this potentiality for a spike in terms of those who want the right to buy, bearing in mind the Bill and Royal Assent, you mention that you anticipate a huge surge, in your evidence, in terms of that spike, Steve. So, would you suggest that, even with the lower level of discount that there is now—that you stand by that and still think that there will be a massive or a huge surge in terms of that spike moving forward, because, obviously, the capacity issues, as you referenced, would then, therefore, follow in terms of hard-pressed local authorities?

[374] **Mr Clarke:** I'd be cautious about the words 'massive' or 'huge'—

[375] **Rhianon Passmore:** Because that's what I've got here—it says 'huge surge'.

[376] **Mr Clarke:** I'll give you an example. I think one housing association in an area in Wales reported a fivefold increase in inquiries, so up to 150 for one local authority area. So, I think that it's a substantial increase in inquiries. Whether that leads on to purchases, obviously, will be determined. But once you get to a situation where it's 'use it or lose it,' I think people will look harder at it. Certainly, that's been the issue, I think, around suspension, as well, now that abolition is coming in. So, I think we could see that, but, obviously, each local authority area would have to report on and predict properly whether or not that's going to span across all of Wales or just in pockets of Wales.

[377] **Rhianon Passmore:** So, in terms of your evidence here that there would be a huge surge, do you stand by that or not?

[378] **Mr Clarke:** I think there will be a surge. Perhaps 'huge' is going to be overegging it, but it's unquantifiable—

[379] **Rhianon Passmore:** I do tend to agree.

[380] **John Griffiths:** Okay, and Jenny.

[381] **Jenny Rathbone:** I just want to go back to your earlier comment about

the benefits of having mixed ownership through tenants and owner-occupiers. I wouldn't disagree with that, but are tenants aware that there have also been some negatives around all this in terms of people being encouraged to take on home ownership without realising that there are responsibilities that go with it that they may not have been fully aware of and, possibly, they've been encouraged to take on a level of mortgage that is imprudent in terms of their income, and that, effectively, this has meant tenants have had to subsidise the repairs for some of these owner-occupiers?

[382] **Mr Clarke:** I've been involved in communities for over 20 years, and I've seen communities move through right to buy and come out the other side. I've seen demolition and improvements, regeneration, et cetera. So, I've seen the benefits of it, but I've also seen, as you rightly point out, the failures as well and how that has reverted to the private rented sector or been purchased on the open market at auction and then ended up in the private rented sector. But, as I said, for every good story, you'll see a bad story. So, as I said, it's a Marmite issue with equally bad and good indicators from it.

[383] I will say that there was a time, around the 1990s, when you had people actually touting for tenants to buy, equity release schemes and such, and, in terms of leaseholders, they were poorly informed about their responsibilities in relation to common parts of the property 20 years down the line. So, in each case, as I said, there are pros and cons. There are people who've managed it quite well, and I know personally families who have benefited from their parents purchasing, who are now mortgage free and are able to support their children into owner-occupation themselves. So, as I said, as a social mobility tool, there are pros and cons to it, and I've seen good and bad.

[384] **Jenny Rathbone:** But you don't think that people who've remained tenants—on the whole, they are content that ensuring that all tenants still have the option of the right to buy—

[385] **Mr Clarke:** As I suggested, when we did the consultations, there were tenants who are still pro-right to buy and those against it, for all sorts of reasons.

11:45

[386] **Jenny Rathbone:** There has been resentment expressed by tenants who say, 'Well, with owner-occupancy, people are getting benefits like energy efficiency', whilst they're being denied it as tenants.

[387] **Mr Clarke:** Yes. The Welsh housing quality standard obviously is the target for social tenants, and that still hasn't been achieved in some areas. So, there is some concern about that, but, generally, there is a programme of improvement to estates across Wales, and tenants are seeing the benefit of that through energy provision and appearance, and local multipliers as a consequence of that as well.

[388] **John Griffiths:** Okay. Rhianon again.

[389] **Rhianon Passmore:** You mentioned the survey of actual tenants, where they seemed, from your comments—and I'm sure it will come to this committee—to prefer reform rather than abolition, if I caught that correctly. Obviously, it would be interesting to see that. But, in regard to the comments that Jenny Rathbone has made, there is that massive injection of the Welsh housing quality standard across Wales, obviously in various different stages of development—accepted. Would you also recognise that that is often not the case? From both of your organisations a comment would be useful. In regard to those privately let former social housing units—all those that have been repossessed and then gone into the private let market—would you notice that there is a disparity and an inequity? Has the majority that have moved on from that been notable? You said about the 1990s in the first instance, when there was a genuine difference of perspective in terms of how visually aesthetic estates looked, compared to where we are now.

[390] **Mr Lloyd:** In some communities, you can see properties that have previously been bought under right to buy in the past, where tenants have struggled to maintain them and to reach some of the standards that some of the ones that have been done and improved for WHQS are reaching. But I think that's possibly because a lot of them were bought before the investment of WHQS. They were in a poor state of repair on purchase, and those tenants possibly have struggled to maintain them to the same standard as those neighbouring properties in the same communities where they've reached the WHQS.

[391] **Rhianon Passmore:** It's not just aesthetic, though. I'm thinking in terms of asbestos and issues around that as well, in some of the 1960s buildings. So, what my point really is is this: is there a perception that there

is unequal treatment in terms of that ability, purely because of the cohort of purchasers? You mentioned social mobility, but there are those—we have no hard evidence on this apart from anecdotal statements from all of the witnesses that I've asked this question to—who state that there have been repossessions and there has been a market of people that have purchased their homes but haven't been able to afford them and have had to give them up. It's a pity there's no evidence to support that in terms of the anecdotal stories. Is there a view around that?

[392] **Mr Lloyd:** I would only refer to my earlier remarks—there are success stories and there are failures in equal measure and in different parts of Wales.

[393] **Rhianon Passmore:** But how do you know it's equal measure if you don't have that evidence?

[394] **Mr Lloyd:** Well, what I'm saying to you, in term of equal measure, is that there are successes and there are failures in terms of mortgages—not equal in number, but equal in those principles. So, as I said, there are successes for right to buy and there are failures as well. Obviously, the concern for Government would be to pick up those failures and to respond to that.

[395] **Rhianon Passmore:** Would you agree, though, to interrupt you, if I may, that there is a voice and an argument out there to say that now mixed portfolio has made it difficult to manage social housing in terms of community benefit and community cohesion, in terms of anti-social behaviour, in particular with flats, in terms of party walls and in terms of an ability to maintain properties—that it has also given issue in terms of management of those estates?

[396] **Mr Lloyd:** We don't, as an organisation, actually manage those properties, but I think there are some instances where it's obviously more challenging for those landlords who do manage those properties, particularly, as you say, flats with communal areas, where they're trying to do big external works, et cetera. Who pays for those types of work as well? I think it's fair to say that a lot of landlords are more on the community cohesion side. They work with the community as a whole. I don't see many social landlords only working with their particular tenants. If it's estate regeneration, estate activities, estate investment, I think they would look at trying to engage with whoever lives in those properties.

[397] **Rhianon Passmore:** The evidence we've heard is—and it's not, possibly, for you, Chair—is that it's often more difficult to engage because we don't have the same involvement within that social housing—

[398] **Mr Lloyd:** It's obviously hard. It depends what you're engaging about. There are different sorts of issues. It's a lot easier to engage on one issue if it's a landlord issue about what the landlord provides to you. That's obviously going to be irrelevant to those people who've purchased or who are renting previous right-to-buy properties, but there could be still opportunity in terms of general community engagement and what's needed in the community to engage with those groups. But you're right in saying that certain elements of just community engagement will be more challenging where you've got more mixed communities and different tenures.

[399] **John Griffiths:** Okay. Steve, did you want to add anything briefly?

[400] **Mr Clarke:** Just a final one, in relation to property management. There are issues around party walls et cetera, chimneys and things, and central heating in one property but not another where there may be a party wall—the need to have a party wall agreement put in place et cetera. So, you know, it can complicate, I think, the management of stock in some areas, but as I said, I haven't seen any study that makes a direct comparison to sink estates that haven't had the investment—the local multipliers that right to buy and general worklessness et cetera can have on an estate—compared to one that has had a fair proportion of right-to-buy sales that is fairly affluent, or fairly well-balanced in terms of mixed tenure. That's why you generally tend to see around Wales now compared to the 1980s that estates are more mixed tenure. There are equally poor estates, social housing and private rented sector and owner-occupier, as well as a good state of properties. I haven't done any studies in that respect, but from a visual aesthetic and sometimes in a local multiplier way, there are advantages I've seen from the way that estates have developed over the last two or three decades.

[401] **John Griffiths:** Okay, thanks for that, Steve. David.

[402] **David Melding:** Mr Clarke, you say in your written evidence that you think the Government has not really come forward with very strong evidence about the public, social and economic benefits to society as a whole that abolishing the right to buy would secure. Do you want to expand on that? I

don't know if a lack of evidence can be demonstrated, but I'd like to—

[403] **Mr Clarke:** There are a couple of issues of concern, if you like, in terms of—. If it's a confidence issue—so, okay, how's that manifested? Are local authorities building even when there is a suspension? Yes. Even where there is a suspension? Yes, they are. The local development plans are fairly robust. There is demand. There is supply coming in over the next five years. The new properties that are being built—some of them are exempt from right to buy because they're a bungalow, so older person's accommodation or supported housing accommodation, so they'll be exempt from right to buy anyway. So, that's not an incentive or an issue of concern.

[404] Some of the new properties being purchased are also not strictly social housing; they're intermediate rent. They may not be part of the social housing common register, so you can't transfer from a social housing property into an intermediate rent because it's not part of that pool. So, it's taking those factors into consideration as well, and in terms of if you abolish the right to buy, there's no net single one property gain because it's occupied. And I think Professor Steve Wilcox suggested some time ago in some research that the average duration of occupation for right to buy was something like 15 years. So, we're not seeing any net gain as a result of that. And as I've said, I haven't seen any evidence to say that there's a lack of confidence to build because of the right to buy, and I think the WLGA evidence suggested that. It's not a primary issue; it's about land, it's about grants, it's about other issues.

[405] **David Melding:** In fairness to the Government, in the explanatory memorandum they do concede that there isn't evidence at the moment for any large observable effect that there's a deterrence factor in terms of building new social homes. You do make a particular remark about—. I have to say, I'm on the climate change, environment and planning, is it, or rural affairs committee—I can never remember the full title? We take a great interest in the Well-being of Future Generations (Wales) Act 2015 and its implementation. Interestingly, I think you're the first witness I've heard or read evidence from who's made a reference to this, and you don't think the arguments focused on the future generations Act are particularly convincingly developed, or they could be applied to both sides of the question.

[406] **Mr Clarke:** I think they could be applied to both sides, yes. A more equal Wales enables people to fulfil their potential, no matter what their

background. So, obviously, everyone has, or most people have an aspiration for owner-occupation and to be rent or mortgage-free in their older years. So, it's around a better and more equal Wales. I've already cited the issue around mixed tenure communities, which are better for communities generally, I think, than having tenure-specific estates developing. The cohesiveness as well—there's a crossover in terms of the cohesiveness of those communities if you have mixed tenure. And, obviously, there's a prosperous Wales as well in terms of relating to generating wealth inequality. As I said, there are negative stories around right to buy, but there are also positive ones as well, where properties are well maintained, they are developed, extended, and there's the ability to have older parents to come and live with them as well. So, there are good stories across.

[407] So, what I was suggesting was that the arguments could be made both for and against on right-to-buy abolition.

[408] **David Melding:** And Mr Lloyd, would that summarise your position, that the evidence is neither not very strong, or is balanced, or do you think the Government has presented a slightly stronger case in its evidence base?

[409] **Mr Lloyd:** I think there are connections in terms of future generations, as Steve said on both sides, really, but I think it's important to recognise that we consider that having that same supply of affordable, quality social housing is equally important, because it addresses issues around health and well-being—living in warm, safe, secure homes. It's also about reducing poverty, as well as having affordable homes. So, it is, as Steve said, on both sides, but right to buy will hopefully bring an element of that to it as well, and that security, in helping with health and well-being and poverty issues.

[410] **John Griffiths:** Can I just bring Jenny in?

[411] **David Melding:** Yes, sure.

[412] **Jenny Rathbone:** I just want to—. Cohesive communities, I think, is an important issue. It seems to me that one of the drivers of exercising the right to buy is the desire of tenants to enable members of their family to stay in the property once they die. And, unfortunately—. This used to be fairly automatic, but now, with the shortage of housing, there's a much more brutal process, where people are being told that, no, they can't inherit the tenancy. I wondered if you thought that was a primary driver for many people.

[413] **Mr Clarke:** The discussions that I've had with tenants are—. I mean, communities are very connected, often with several generations of family members in those communities as well. Some may be carers for somebody down the road, so the closeness and proximity of that person is very important as well, and, hence, to be able to stay in that community and maintain that cohesiveness with extended family members is important to them. And exercising the right to buy is a way of achieving that, I think, for some. And I will always preface that with understanding what you're getting into as well, and getting proper advice and support if that's what you want to do. But, yes, certainly, from a cohesive point of view, it's important to some tenants that they maintain that continuity and connection in that community, with extended members and with the networks that they've developed, perhaps over many decades, and even generations in some cases.

[414] **Jenny Rathbone:** But do you think that there is pressure on social landlords, which is obliging them to move relatives on, rather than enabling them to inherit the tenancy?

[415] **Mr Clarke:** I think the 2014 Act has certainly widened the scope, in terms of that there are more tools in the box for local authorities to be able to accommodate demand from people as well.

[416] **Jenny Rathbone:** So, you think that local authorities have more discretion to enable family members to stay in the home after their tenant—

[417] **Mr Clarke:** I would say using the private rented sector as a proactive partner to be able to find accommodation for those who are on waiting lists et cetera, or even to provide advice and support to tenants who may be at risk with their tenancies, has improved massively. And I think that's a positive element of the 2014 Act.

[418] **Jenny Rathbone:** Okay. But the specific issue of when the parent dies, the children aren't able to inherit, that hasn't—

[419] **Mr Clarke:** Well, it depends on whether or not they meet the accommodation needs so that they actually—

12:00

[420] **Jenny Rathbone:** Yes, if they are under-occupied.

[421] **Mr Clarke:** If they are under-occupied, a tenancy would be offered somewhere else.

[422] **Jenny Rathbone:** They're almost bound to be under-occupied. If somebody dies, that's one less person.

[423] **Mr Clarke:** It depends if they move into that property or have provided a caring role for 12 months or more—so, it's not their principal home, but they have been providing a caring role and so extended members can move in with them at that time as well. So, what the local authority or housing association will want to see is that that property is fully occupied and that people are able to maintain that home.

[424] **John Griffiths:** Okay, I think we need to get back on track to the centrality of our work. David.

[425] **David Melding:** I'd like to take us on to this really quite tricky issue of—I call it 'a period of grace'. There'll be a year for those who are in local authorities—roughly three quarters—who will be captured by the abolition under this Act. So, they'll have a year in which to make an application under right to buy. However, those tenants who are currently in suspended areas will not have that right. Shelter Cymru, for instance, have raised issues about the fairness of this approach and I just wonder if you've picked up any views about this. I'll choose Mr Lloyd first and then Mr Clarke.

[426] **Mr Lloyd:** I think, in the spirit of fairness and of consistency across Wales, I think there will be tenants out there saying that they should have the same opportunity to purchase that property, or at least to take advice on purchasing that property, within that 12-month period.

[427] It's interesting, we've got some consultation sessions with tenants next week, with the outreach team. It will be interesting to hear what they say, particularly about that, but I think, from talking to tenants anecdotally, we have seen, I think, that some of those tenants in those areas, where it's been suspended, were probably under the impression that it wasn't suspension and possibly with the assumption that it would be reinstated possibly at a later date. The abolition discussion wasn't there then, so I think, probably, in terms of fairness and consistency across Wales, some consideration should be given to that 12-month period applying equally to tenants.

[428] **David Melding:** So, there's quite a distinction between a suspension and an abolition and merging them, and saying, 'Well, actually suspension in effect is abolition'—it's problematic to you.

[429] **Mr Lloyd:** Yes, I think that inconsistent terminology never helps, really, and our tenants, who I've spoken to—and, like I said, we'll know more next week—are under the impression that it would have been lifted at some point in time when they could have exercised their right, if they wanted to.

[430] **David Melding:** Mr Clarke.

[431] **Mr Clarke:** Absolutely. It is an issue that's been brought to my attention and also in relation to the consultation in some parts of Wales around the suspension where, if they had met the timelines, there would possibly be a judicial review in some areas, as a result of the consultation. But, unfortunately, they missed the deadlines for that. I do think that there is an issue around the first protocol into the property rights in terms of how we manage that and the potential challenge around that as well from tenants, and even back in those areas, because the intention was to suspend for five years and not to abolish. So, there are tenants who accepted that principle, who anticipate that, in five years' time, they will have an opportunity before further application is made, to exercise their right.

[432] Obviously, that wouldn't occur under this model. I'd like to see good and fair legislation and there is a feeling amongst some tenants—who had missed that window, or, for whatever reason, said they weren't informed and consulted about that—to use the process to bring another case against the Government if this proceeds. So, yes, I do support Shelter Cymru's issue in this and, as I said, there are people who see this as grossly unfair and not good law. So, yes, I have concerns about that myself as well.

[433] **David Melding:** But the Minister said to us that, where there's been a suspension of the right to buy there was a consultation, so, in effect, that's the same as them getting a year's grace. Do you find that convincing?

[434] **Mr Clarke:** Again, it's whether the—. And our view—. There are tenants who have complained about the consultation and the methodology of that. The WLGA advises that they should use the Gunning principles around that and, obviously, have that wide-ranging as well, and opportunities, whether you're working or not working, and perhaps on weekends as well, and road

shows and things. So, there are people who feel that they didn't have the opportunity of being consulted, and they're using that as a lever for judicial review. I think, again, if this Bill is brought in, that gives them another avenue, perhaps, to pursue another judicial review as well. So, I would exercise some caution around that, especially as, you know, with regard to human rights, the thing has to be proportionate, and I think that, while the argument is being made around supply, et cetera, or stabilising the supply, it's also about interference in property rights, so that, if you do interfere with a person's property rights, it is proportionate, compensation is perhaps offered, et cetera, and none of that appears in the Bill. So, I think that would probably just fuel people's concern.

[435] **David Melding:** Mr Lloyd, would you agree that perhaps the Government would be well advised to give this part of the Bill further thought?

[436] **Mr Lloyd:** I think so. Because there's potential inconsistency with how consultation was done in those different areas where suspension happened, the quality of that consultation engagement, and particularly, as I said before, the terminology used in terms of suspension and what interpretation tenants gave that in terms of abolition. So, I think, in the spirit of fairness, we need to look at the same period applying equally to all tenants across Wales.

[437] **David Melding:** Well, thank you for that. My final—

[438] **John Griffiths:** David.

[439] **David Melding:** Oh, sorry, I've just one small, final question.

[440] **John Griffiths:** Is it on the same point, because I think Rhianon wants to come in on these points?

[441] **David Melding:** Okay.

[442] **Rhianon Passmore:** Thank you. In regard to the terminology and the points that you've just raised, you're giving, as is right, a different interface in terms of the cohort that you represent. In regard to how you collated this evidence, you mentioned perhaps judicial review from those who feel that they have not had the appropriate bite of the cherry in terms of suspension. So, I'm really seeking clarification. The WLGA and local authority witnesses were very clear that they felt that the two-and-a-half-year consultation

process was sound and adequate. Are you then saying that there has not been similar terminology used over Wales in terms of consultation process for suspension and your view that suspension is ambiguous compared to abolition is very strong?

[443] **Mr Lloyd:** I'd say that the terminology is quite important, really, and it's that perception tenants gave to that terminology. Like I say, we've got some sessions with tenants next week, so it'll be very interesting to hear about that consistency issue there. But I think it's fair to say the consultation was about suspension, not for abolition, really.

[444] **Rhianon Passmore:** And a five-year suspension.

[445] **Mr Lloyd:** Yes. For those people, yes. And, to that, we reached that assumption that it would be lifted at some point, I think, for some tenants.

[446] **Mr Clarke:** Could I come back as well? I mean, the five years can be extended by 10 years, but then, after the 10 years, there could be revocation with two years as a cessation, so you can't sell that for two years. And, at the time that, certainly, I went through the 2011 Measure and gave evidence to the Measure, I think that was seen as reasonable and proportionate, and yet now we've only got 12 months, and I don't know why we've shifted from being reasonable and proportionate—to give two years' grace—to having only 12 months' grace now in this Bill. That's just a technical issue, but that's something that I've observed in terms of the differences.

[447] **John Griffiths:** Okay. David.

[448] **David Melding:** I think it was two years in Scotland, wasn't it, that—

[449] **Mr Clarke:** Initially, I think it was.

[450] **David Melding:** Their initial proposal. I don't know if they changed it at all.

[451] **Mr Clarke:** Yes, and I think they changed it to 12 months.

[452] **David Melding:** Okay. I've just got a question for Mr Clarke, because he's raised something I've not seen in evidence anywhere else, and it's about the Bill removing the ability of Ministers to make discount grants during the 12-month period of grace, and you think that that, perhaps, needs

rethinking. I'd like to hear your reasons for that, Mr Lloyd.

[453] **Mr Clarke:** Yes. It's whether—

[454] **David Melding:** Sorry, was it Mr Lloyd who made that suggestion?

[455] **Mr Lloyd:** Yes.

[456] **David Melding:** Then, I'll come to you, but, in the first place, Mr Lloyd.

[457] **Mr Lloyd:** Yes, okay. I think the concern is around, again, confusion. It could potentially cause confusion to tenants as well, in having—. I think the key to this Bill is making it as simple and clear as possible, really, rather than having some things happening at some stages, and at a later date in others. That's where our rationale came from, really, for that, in terms of adding additional variances and potential confusion within the Bill, really.

[458] **David Melding:** So, you'd run with right to buy as it exists at the moment, and then there would be a 12-month period of grace, and then—

[459] **Mr Lloyd:** To us, that would simplify it, yes.

[460] **David Melding:** And you don't sort of chop and change in that—

[461] **Mr Lloyd:** I think the more variances, the more confusing it gets for all involved, yes.

[462] **David Melding:** Yes. That's very clear. Thank you. Mr Clarke.

[463] **Mr Clarke:** I can see the rationale for some of the measures in terms of if you acquire a property currently, or if there is property that is currently empty that requires renovation or is in a period of renovation now, and somebody gets allocated that property halfway through. You may want to protect that investment, so there's that six-month difference, apart from the new properties. So, I can understand where there is a need to draft that. But, like David, I support the view that it would be much simpler if there was consistency of approach. But, I can understand the rationale for that.

[464] **John Griffiths:** Okay. Rhianon.

[465] **Rhianon Passmore:** In an ideal world, it could be argued that it would

be wonderful if we could all purchase new-build properties after they have been built. Do you think it is appropriate to exempt new social housing from the right to buy and the right to acquire two months after Royal Assent, or would you say that that is reasonable and appropriate, bearing in mind the cuts to Wales and the difficult journey that we have in terms of providing the level of social housing stock, in reality, that we actively need? I just wanted to get a view on that from your perspective.

[466] **Mr Lloyd:** Yes, I think it would be—. The Bill could be simplified if there was one qualifying period, really. Again, it adds further confusion for all those involved, you know, whether that's the 12 months. But, I think it would need to be balanced with the likelihood of—you know, what sort of numbers could potentially be lost of new homes, and the concern with those associations developing new homes that could be lost as well. But, again, it comes around to more variances and more exceptions within the Bill, and the tighter and the clearer the Bill could be could avoid confusion. But, I would counteract that with—. I think it needs to be looked at, possibly: the balance of how many newly built homes could be lost if that was the case.

[467] **Rhianon Passmore:** Would you say that the view of—. I mean, I don't know what your perspective would be in terms of being fundamentally opposed to the right to buy as a philosophy in terms of the social housing stock. You've mentioned previously that there is confusion with the 12-month period. The witnesses previously haven't stated that the 12-month period would cause confusion. Are you both stating that you feel that that difference in terms of new social housing stock and existing social housing stock under right to buy would be confusing, because that would be a different slant?

[468] **Mr Lloyd:** I think it's clear in looking at it, but it does add another element to it that could be misinterpreted or seen as confusing. I think the way it is written and spelled out is fairly clear, but it does add something else that—. Again, like I said, it depends on the numbers. If it's not really going to affect it considerably, should it be looked at in terms of, 'Let's simplify it'? So, it's that balance, really, on what is the impact. Is it better to be simple, or do we risk losing more homes as a result?

[469] **Mr Clarke:** From my perspective, I can absolutely get the issue around new build. The principle behind the Bill is not to discourage new build and to actually encourage it. So, it might not just apply to new build. So, you have a longer qualifying period or there's zero discount or whatever to

disincentivise people from buying new build. So, that's the issue for me. I absolutely get the idea whereby you have this, after Royal Assent, two months where, actually, it is enacted anyway, and there is a need to protect those new builds. So, I absolutely get that side of it, and therefore support the measure. But, yes, generally, I think—

[470] **Rhianon Passmore:** So, would you support the two months measure, or not?

12:15

[471] **Mr Clarke:** Yes, I do. That's actually behind the Bill. The Minister is saying that we shouldn't be discouraging builders because of the issue of right to buy on those new-build properties. We'll just deal with that issue then. And, as I said, behind the principle, from my point of view, and from tenants, is that they've had decades of underinvestment. And that's why they've had to transfer stock, because local authorities were restricted in terms of the borrowing rules to invest in that stock, so tenants invested their own money. And, as the guidance clearly states, this an earned right, this discount, for tenants, based on duration that's in. But you can extend that, you know, to 10 years. So, I would like to see reform, but dealing head on with the issue of new build, I think there is an absolute case for new build not being eligible for right to buy.

[472] **Rhianon Passmore:** Okay, thank you. And, on the definition of 'previously let social housing stock' in the Bill, would you say that, again, that is appropriate, that it applies to dwellings let within the previous six months, or are you uncomfortable with that?

[473] **Mr Clarke:** From my point of view, it is about—landlords are buying off-the-shelf market stock, and renovating that for intermediate rent. But, in theory, you could be allocated that, depending if it's, as I said, on the waiting list or whatever, if it's a private let or whatever. So, although the tenants see a difference in intermediate rent, but I can absolutely see that, where a person may be allocated that, they may have discounts from prior council tenancies, or their husbands or wives may have that, which they can carry into that property and therefore would be able use it. So, I can understand, again, the principle behind that.

[474] **Rhianon Passmore:** And, Mr Lloyd, what's your view?

[475] **Mr Lloyd:** We can understand why. It's fairly clear to us, and it's making clear that the exemptions, where they apply as well. Perhaps some further clarity might be needed around that, but it is fairly clear and understandable why.

[476] **Rhianon Passmore:** Okay, thank you. And in terms of restrictions affecting new social housing, where clients are forced to move, perhaps through a court order, or other such external events, is that sufficiently clear and appropriate within the Bill? Are you satisfied that that is—?

[477] **Mr Lloyd:** I feel, within the Bill, it's fairly clear. I think it comes to how it's explained in further guidance to tenants, and to those staff who are involved in making some of those decisions about eligibility, really. So, in the Bill it's clear, but perhaps in further guidance following on, there could be some further explanations or possible worked real-life examples, or something, to clarify that.

[478] **Mr Clarke:** Yes, I'm the same.

[479] **Rhianon Passmore:** Thank you.

[480] **John Griffiths:** And, Jenny, I believe you have some further questions.

[481] **Jenny Rathbone:** Yes, thank you. Mr Clarke, you were arguing that there is a good argument for ensuring that there is no subsidy on tenants who wanted to buy a new-build property. Do you think that ought to be extended to new tenants of any of the social housing properties—you know, those who haven't been investing them?

[482] **Mr Clarke:** Well, there's a qualifying period, So, if you meet that qualifying period, then you start to accrue discount rights.

[483] **Jenny Rathbone:** Okay, so that's already covered.

[484] **Mr Clarke:** Yes.

[485] **Jenny Rathbone:** Okay. So, on the 12-month period that is proposed in the Bill from Royal Assent, to enable tenants to exercise the right to buy and right to acquire, do you think that is a sufficient time period?

[486] **Mr Clarke:** The right to buy process, I think, covers a period of around

about 16 weeks—so, just over three months—from application to any stalls, investigations, any appeals to the valuation office if it's not been valued right. So, I think the whole process covers about 16 weeks. So, assuming you start very close to the time that it receives Royal Assent, or is enacted, then there is sufficient time throughout that year period to be able to do that at various stages through the year, even up to the last day, I understand.

[487] **Jenny Rathbone:** So, if it's possible to turn it round within 16 weeks, why not reduce the timescale?

[488] **Mr Clarke:** I think there are serious issues to consider—whether or not you can get additional employment to support better your resourcing of owner-occupation. There may be issues around relatives that you may want to consider. You may want to exchange your property during that period as well. So, you exchange from your property, and tenants have a right to exchange to another property that may be more in keeping with what you want to purchase: a two-bed, maybe, instead of a three-bed. So, it gives tenants options, I think, to look at their situation and to be able to evaluate that within a reasonable space of time. But my overriding concern, I think, is in terms of—. You know, the landlord has a duty to inform. It has a statutory responsibility to inform, under the section 105 of the 1985 Act, of any changes to housing management, but not to advise. And that's why I would suggest that there needs to be access to proper advice from MAS, the Money Advice Service, or Citizens Advice, or some advisory service, in relation to that purchase, as well.

[489] **Mr Lloyd:** In our perspective, in terms of the 12-month period, in theory it seems sufficient time, but I think it needs to be clearly explained, about what that 12-month period is all about. Is that 12 months for someone to make an application to it, rather than to complete the whole sale process? So, it's just making that clear to tenants, that it's not the whole process you need to go through, but it's up to the point of application, so it being clear in the guidance and information to tenants on that.

[490] **Jenny Rathbone:** If it was one year to completion, would that be acceptable in your view?

[491] **Mr Lloyd:** I think that would be particularly challenging for tenants in terms of—

[492] **Jenny Rathbone:** That would be too challenging, because, if it only

takes 16 weeks to process the due diligence—.

[493] **Mr Clarke:** Well, that's a rough—.

[494] **Mr Lloyd:** But I think, in terms of people being able to make informed choices, there's already the risk of potential pressure on tenants because it is time-limited: 12 months for them. They may be incentivised without considering all the options. So, I think the 12-month period up to application gives reasonable time for them to consider—

[495] **Jenny Rathbone:** But obviously they're able to obtain information now, because this information is obviously in the public domain already, that the abolition is a proposal from Welsh Government.

[496] **Mr Lloyd:** But once it's made public and notified by tenants, it's a different matter. When the landlord notifies them in writing, then that's when they'll begin thinking, 'What are some of my options? Is it something that I need to consider now?' I think that 12-month period—. But I think it's also balanced with—. One concern will be: will social landlords have sufficient staff capacity to deal with that spike, which you mentioned as well? Shortening that 12-month period could probably make it more challenging for them to deal with enquiries, which are tighter in a limited period, as well.

[497] **Jenny Rathbone:** Okay, but—

[498] **John Griffiths:** Before you go on, Jenny, Rhianon, you wanted to come in on this.

[499] **Rhianon Passmore:** Sorry, just for clarification, so that I can follow what I think you mean, so, in terms of what you've mentioned around the 12-month period, you would say that if that were to be—if I read into what you're saying—just for application rather than completion, that would be satisfactory, but you think 12 months for application and completion would contribute to any potential spike.

[500] **Mr Lloyd:** If you were to look at the whole completion process within the 12 months, I think that would be too challenging for all involved, really. I think it is the 12-month period for them to consider their options and put an application in.

[501] **Rhianon Passmore:** So, what would you consider to be appropriate?

[502] **Mr Lloyd:** In terms of—?

[503] **Rhianon Passmore:** In terms of application and completion.

[504] **Mr Lloyd:** I think it's hard to talk about completion, because I don't know. Obviously, Steve's got some figures there, but I imagine it varies between different households and different—you know, depending on where they're getting a mortgage from.

[505] **Rhianon Passmore:** But then, obviously, Welsh Government has to do that, so you must have a view on what would be appropriate.

[506] **David Melding:** [*Inaudible.*]

[507] **Mr Lloyd:** There's a number of, obviously, third parties involved in potential completion at this point—

[508] **John Griffiths:** Completion will take as long as completion takes. It's—
[*Inaudible.*]

[509] **Mr Lloyd:** Yes.

[510] **Rhianon Passmore:** So, you're talking about application.

[511] **Mr Lloyd:** Application for the 12-month period, I think, is reasonable for tenants, yes.

[512] **John Griffiths:** Okay. Jenny.

[513] **Jenny Rathbone:** In terms of section 8, and the obligations on landlords to set out the implications of the abolition of the right to buy, do you think that that is sufficient, in terms of the obligations to enable all tenants to understand what is being proposed here?

[514] **Mr Clarke:** From my point of view, it is a right available to each tenant individually, and this is a substantial change in housing management, and each landlord would have to write individually to tenants to inform them of that statutory change, and not by putting it on a website or shoving it in a newsletter in the corner somewhere so that it could potentially be missed, as in suspension. So, I think that there is, clearly, a change in tenancy, and that

needs to be written to—. Individual tenants need to be written to directly.

[515] **Jenny Rathbone:** Do you think writing to people is sufficient?

[516] **Mr Clarke:** I think it's up to the tenant then to be able to pursue whether or not they need to pursue that option or not. So, yes. Their duty is to inform, and I guess it's the tenant's duty to be able to seek advice on whether or not there is a potential avenue to pursue.

[517] **Jenny Rathbone:** Okay. So, in terms of right of appeal, if they've been written to, you don't think they would have a right to appeal.

[518] **Mr Clarke:** I think there is—under current provisions, I'm sure there's a right to appeal to the Minister for right to buy decisions. It seems so; I'll have to clarify that. I haven't looked for a while at that.

[519] **Jenny Rathbone:** Okay. But this is key, isn't it? How do we define what would make a valid appeal? If they've been written to, then they've had the information.

[520] **Mr Clarke:** Well, it's meeting the criteria and whether or not all the evidence has been presented in order to make an informed decision. We've had cases in the past whereby an enquiry's been made, a housing officer has responded to that enquiry who is not necessarily an expert in right to buy, and has subsequently given false information. I think *Adviser*, which is the magazine run by Citizens Advice, is littered with cases over the years whereby inaccurate information has been provided, and appeals on right to buy have been made. Right to buy is a very specialist area, and there are all sorts of considerations to look at, including, as I said, prior tenancy, maybe several years ago, that may qualify towards your discount. So, it's being able to ask the right questions of the enquirer as well as being able to provide the right information to them.

[521] **Jenny Rathbone:** So, as far as you're concerned, as long as all relevant tenants are written to individually, that will be sufficient as a way of informing them of the changes—

[522] **Mr Clarke:** Informing, yes. Advising is another matter. As I said, I think that, because it's such a specialist area, I'd like to see some provision for independent impartial advice, including in case there may be some pressures around criminal elements trying to get tenants to exercise the right to buy, et

cetera, and also fraud and other issues as well.

[523] **Jenny Rathbone:** Absolutely. I understand that. I'll come back to that in a minute, but perhaps—

[524] **Mr Lloyd:** I feel that, because it's a different tenancy—a right has potentially been removed—as a minimum, it should be in writing to each tenant in their preferred language or format of their choosing. I think, ideally, writing with additional guidance. But I think landlords, and perhaps the Welsh Government themselves, need to think further around how we inform on this as well, particularly in terms of ensuring there's standard, consistent information going to each tenant as well. The risk is, if landlords interpret something differently, tenants in different areas get different information. So, yes, I would say a minimum of a letter from the landlord, but also, thinking about other options to consider, whether it is social media, perhaps a video produced by Welsh Government explaining it very simply, what it is, what's happening, for those people with literacy problems as well. So, I think there's a range of different formats that need to be considered, but formats that are consistent across Wales, so tenants are getting a consistent message, because the risk is as well not only that it could be misinterpreted by tenants, but, as Steve said, those staff who are giving that initial guidance or information on eligibility, who to contact, then they equally need a good level of information about changes within the Bill as well.

[525] **Jenny Rathbone:** So, do you think the drafts that have been provided by the Government, as a sort of starting point, do you think they are—?

[526] **Mr Lloyd:** I think, as a starting point, they're good. It's obviously work in progress. There are some areas where we'd probably like to see more. We'd happily get in discussions with the Welsh Government on that, particularly around eligibility, perhaps some examples, and qualifying period. But also, like I said, in addition to that, perhaps, some standard information guide video, perhaps even a standard Powerpoint, which could be used by different organisations in terms of, 'This is the Welsh Government information on this', rather than it being misinterpreted by other organisations.

[527] **Jenny Rathbone:** Okay. And could we now come on to the issue of independent advice? Because, clearly, you know, people like solicitors and mortgage brokers may have vested interests in pushing an individual in one

direction or another. So, what, in your view, is needed to ensure that tenants have a clear picture of the rights and responsibilities and risks of changing their status?

12:30

[528] **Mr Clarke:** My view, as I've said in the paper, is that it would be advisable to have independent advice, where you've got somebody you could go to who would be able to work with the tenant, who may not be financially literate, if they wanted to exercise the right to buy—'Okay, what's the process? What am I earning? How affordable is that? Am I aware of insurance obligations, or party wall or maintenance of the property in the long term?', and whether there would be mortgage relief, which is going to be abolished. There's a whole range of things to consider, and I think that's best provided by somebody expert, like citizens advice bureaux, who have experts on hand to talk you through that process.

[529] **Jenny Rathbone:** Okay. So, these organisations exist already. You've mentioned the CAB, and they obviously provide impartial advice. Why would you need to reinvent the wheel?

[530] **Mr Clarke:** Well, I'm not saying 'create a new organisation'. I'm saying that impartial advice is required, and there should be provisions to be able to ensure that that is there for tenants. I'm not aware of CAB's finances, and whether or not they could subsume this provision for 12 months or whatever. I don't know. What I'm saying is we need to make provision for that independent and impartial advice, because there are all sorts of conflicts of interest in relation to that, and it's important to get that right so that there are no consequences further down the line.

[531] **John Griffiths:** So, just in terms of a helpline, then, are you saying that it has to be in the form of a helpline, or are you not particularly wedded to that?

[532] **Mr Clarke:** I think the important thing is that there is somebody impartial to go to to be able to seek advice, whether that may be an initial helpline and then a follow-up appointment or whatever, if you are going to pursue some issues, or basic checklists that they can provide so that, if you wanted to go to stage 2 to apply, then this is what you need to think about—so, first, whether I qualify, what are the procedures, what is the process, what is the timescales, what do I need to do, and then say, 'Right. Okay. Well,

if I am serious about this, I need to get a mortgage, I need to—', making sure that people are not pressured into this for the wrong reasons, et cetera, and are making the right decisions. People like MAS, the Money Advice Service, CAB, et cetera, are very good at this type of thing.

[533] **Jenny Rathbone:** Okay, but they exist already, so—.

[534] **Mr Clarke:** Yes.

[535] **Jenny Rathbone:** And we're not really—. Are you arguing for a completely new organisation, and, if so, how would that be funded?

[536] **Mr Clarke:** No, I didn't argue for a new one; I'm just saying that it needs to be impartial.

[537] **Jenny Rathbone:** Okay. Well, people need to know that there is independent advice available, but would you agree that there is independent advice available on the whole range of financial matters? You may have to queue; you may have to wait to get the information.

[538] **Mr Clarke:** The capacity issue will be an issue, as I say, because of the 12 months' window and the two months' consultation, or the two months that landlords have to inform prior to Royal Assent. You may be at the tail end of that for some tenants, and then there's going to be a shut-off date. And, if there is a spike then, have those organisations got the capacity to actually deal with that at certain times of the year? That's a conversation that may need to be had—

[539] **Mr Lloyd:** I think it's important that those advice agencies are aware of the changes in the Bill as well, and the guidance. It can't just be thrust upon them with tenants or enquiries coming in. They need to have the information to hand as well, really, so that it's not new.

[540] **John Griffiths:** Okay. Well—

[541] **Jenny Rathbone:** Can I just have one final question?

[542] **John Griffiths:** Right.

[543] **Jenny Rathbone:** You're obviously good advocates of the rights of tenants to be well-informed about exercising their right to buy while that

still exists. How well are you able to represent those tenants who don't have the financial means to exercise the right to buy, and for whom the more that the social housing is bought up to be privately owned, the less opportunity they have to be housed appropriately?

[544] **Mr Lloyd:** I think that's probably one of the reasons why we were in support of the Bill, really. It's factoring in and considering those needs of those prospective tenants who are on the waiting list as well. So, it's considering their needs, that they want to live in safe, secure and cohesive communities, as you were talking about earlier as well. So, that's one of our reasons for supporting the general principles of the Bill.

[545] **Jenny Rathbone:** Okay, because there is a tension here, isn't there, between those who want to exercise the right to buy and need accurate information to ensure that they're doing it appropriately, against those who are anxiously waiting to be appropriately housed.

[546] **Mr Clarke:** Yes. It's about supply, essentially, so that people have those options. My view is that most people have an aspiration to buy. Most people won't be able to buy. Most people are on low incomes, but the right to buy has given them an opportunity to escape that cycle and, therefore, that's hugely embracing for them, however challenging that may be. As I've said, I've seen lots of benefits that accrued from that as well. So, yes, it is about supply, essentially, and I think that we need to also have these options—help to buy and all these other things, if you can afford them, are great, and I think it's about having that flexibility. What I wouldn't like to see is that we're developing a system where, for the poorest tenants, there is no way of escaping that, and that's why, as I said, I favour reform rather than abolition.

[547] **Jenny Rathbone:** Well, the poorest tenants, we're talking about half the population—

[548] **John Griffiths:** Okay, I'm afraid we're very restricted by time. I think, Rhianon, if it's a very short point—

[549] **Rhianon Passmore:** It's extremely short. I feel that David Lloyd is in general support of the principles of the Bill. I'm unclear, Steve Clarke, as to whether you are in general support of the principles of the Bill.

[550] **Mr Clarke:** I think I would prefer to see reform rather than abolition,

and there are huge potentials, I think, given the suspensions, as well, for legal challenges around some of the issues.

[551] **Rhianon Passmore:** So, you're not in support of the general principles of the Bill, whereas David Lloyd is. Okay, thank you.

[552] **John Griffiths:** Okay, thank you both very much for coming along to give evidence to the committee today. You will be sent a transcript to check for factual accuracy. Thank you very much.

Papurau i'w Nodi Papers to Note

[553] **John Griffiths:** Okay, our next item then, item 5, is papers to note. We have a letter from the Chair of the External Affairs and Additional Legislation Committee in relation to the great repeal Bill White Paper, which I think we will probably respond to in due course, when we're in a better position to know what the elected UK Government will be doing in relation to human rights and possible repeals of existing legislation. Rhianon.

[554] **Rhianon Passmore:** I'm just looking at the timescales in terms of response around 2 June, and so, in regard to the huge gambit of issues attached to local government, equalities, whether infrastructure projects or European structural funding are withdrawn, there's a massive list of impacts that would affect our mandate as a committee. So, when are we going to be scheduling that in to our programme to be able to—

[555] **John Griffiths:** There are lots of items, such as the ones you've mentioned, Rhianon, that are relevant to other committees and Ministers generally in the Welsh Government. But our own particular involvement is likely to be more restricted. But I think, once we see the manifestos of the UK parties, that will put us in a better position in terms of possible repeals. So, we should know that next week.

[556] **Rhianon Passmore:** Okay. I'm just conscious that we respond effectively.

[557] **John Griffiths:** Yes, we'll return to it before the deadlines.

[558] **Rhianon Passmore:** Okay, thank you.

[559] **John Griffiths:** Okay. Paper 6, then, is correspondence from the Cabinet Secretary for Communities and Children in relation to the subject matter of our evidence taken today. The Cabinet Secretary will be coming in to give evidence in our last evidence taking session, so, again, we'll return to those matters at that stage if Members are content. Okay.

12:38

**Cynnig o dan Reol Sefydlog 17.42 (vi) i Benderfynu Gwahardd y
Cyhoedd
Motion under Standing Order 17.42 (vi) to Resolve to Exclude the
Public**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod, ac o'r cyfarfod ar 17 Mai remainder of the meeting, and from
2017, yn unol â Rheol Sefydlog the meeting on 17 May 2017, in
17.42(vi). accordance with Standing Order
17.42(vi).*

Cynigiwyd y cynnig.

Motion moved.

[560] **John Griffiths:** Moving on, then, to item 6, and that is a motion to exclude the public for the remainder of the committee meeting today. Are Members content to do so? Thank you very much. We will move into private session. Sorry, that will also apply to next week as well. Are Members content? Thank you very much. Okay, we will move into private session.

Derbyniwyd y cynnig.

Motion agreed.

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:39.
The public part of the meeting ended at 12:39.*