

## **Agenda – Local Government and Housing Committee**

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Meeting Venue:

For further information contact:

Video Conference via Zoom

**Manon George**

Meeting date: 22 September 2021

Committee Clerk

Meeting time: 08.45

0300 200 6565

[SeneddHousing@senedd.wales](mailto:SeneddHousing@senedd.wales)

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### **Pre-meeting (08.45 – 9.00)**

- 1 Introductions, apologies, substitutions and declarations of interest**
  
- 2 Motion under Standing Order 17.42 to resolve to exclude the public from items 3 and 7 of the meeting today and from the meeting on 6 October 2021**
  
- 3 Consideration of the Legislative Consent Memorandum (LCM) on the Leasehold Reform (Ground Rents) Bill**  
(09.00 – 09.30) (Pages 1 – 8)
  
- 4 Ministerial scrutiny session – Minister for Climate Change**  
(09.30 – 10.45) (Pages 9 – 52)  
Julie James MS, Minister for Climate Change  
Emma Williams, Director, Housing and Regeneration, Welsh Government  
Amelia John, Deputy Director, Housing Policy Division, Welsh Government  
Francois Samuel, Head of Building Regulations, Welsh Government  
Dr Jess Pearce, Deputy Director, Housing Safety, Regulation and Improvement Division, Welsh Government

### **Break (10.45 – 11.00)**



## **5 Ministerial scrutiny session – Minister for Finance and Local Government**

(11.00 – 12.15)

(Pages 53 – 58)

Rebecca Evans MS, Minister for Finance and Local Government

Reg Mitchell–Kilpatrick, Director General, Covid Crisis Coordination, Welsh Government

Claire Germain, Deputy Director, Local Government Transformation and Partnerships, Welsh Government

## **6 Papers to note**

(Pages 59 – 60)

### **6.1 Letter from the Finance Committee in relation to the Welsh Government Draft Budget 2022–23**

(Pages 61 – 64)

### **6.2 Letter from the Welsh Language Commissioner in relation to the Committee's work**

(Pages 65 – 66)

### **6.3 Letter from the Children, Young People and Education Committee in relation to its priorities**

(Pages 67 – 68)

### **6.4 Report by the Future Generations Commissioner for Wales "Homes Fit for the Future: The Retrofit Challenge"**

(Pages 69 – 87)

### **6.5 Letter from the NHBC in relation to the housing sector and "NHBC Accepts"**

(Pages 88 – 91)

### **6.6 Letter from the Bevan Foundation in relation to poverty and inequality policy areas**

(Pages 92 – 94)

### **6.7 Letter from Llyr Gruffydd MS to the Minister for Finance and Local Government in relation to local authority electoral boundaries**

(Pages 95 – 102)

**6.8 Parliamentary briefing from the Electoral Commission in relation to the Elections Bill**

(Pages 103 – 120)

**6.9 Letter from the Equality and Social Justice Committee in relation to joint working between committees**

(Page 121)

**6.10 Briefing from Llamau in relation to Upstream Cymru**

(Pages 122 – 123)

**7 Ministerial scrutiny sessions – consideration of the evidence received under items 4 and 5**

(12.15 – 12.30)

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Eich cyf/Your ref  
Ein cyf/Our ref MA/JJ/2861/21

7 September 2021

Dear John,

This evidence paper provides the Committee with an update on several housing matters as set out in your letter of 9 August: Rough Sleeping and Homelessness; Tenancy Hardship Grant; Discretionary Housing Payments; Evictions and the Pandemic; Building Safety; and the recent report by the Future Commissioner for Wales on “Homes fit for the future: The Retrofit Challenge.

I believe it is also important to provide an overview of what we are doing to significantly increase the supply of social housing which of course underpins so much of our ambitious agenda for housing in Wales. Our aim is to build better and greener social homes in Wales, build more of them, build them more quickly and ensure they are fit for the future.

Social housing brings multiple benefits including:

- Delivering high-quality, warm secure and energy-efficient homes for people who need them most, helping reduce fuel poverty.
- Supporting the foundational economy, construction industry and supply chain in Wales, delivering training and employment opportunities, including jobs and apprenticeships.
- Supporting the transformational shift of homelessness services to a rapid rehousing approach, where those who experience homelessness are quickly supported into a suitable permanent homes.
- Supporting older people and those with additional care requirements to live independently and to avoid dependence on residential or long term care, reducing the call on the NHS.
- Delivering good quality social housing which has a significant positive impact on people and communities, helping to achieve our long-term goal of ensuring people have access to decent and affordable housing, ending homelessness, improving physical and mental health and educational and employment outcomes, and ensuring those with complex needs receive the support they need.

The pandemic has highlighted the need for everyone to have access to a safe, affordable, home. It has also emphasised the huge challenges people who do not have a permanent

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

home face. This is reflected in our Programme for Government which sets a challenging target to deliver 20,000 new low-carbon homes for rent in the social sector. The target specifically focusses on increasing homes within the social sector – it is not about market housing. From our housing need estimates, we know that under central estimates, 7,400 additional homes per year for the next five years are needed. This includes 3,500 additional affordable homes. Our target goes beyond this and I believe it is right that it does.

In recognition of our continued commitment to social housing, and in our ambition to deliver this challenging target, we have allocated a record £250m to the Social Housing Grant for both Registered Social Landlords (RSLs) and local authorities to access this financial year. This is more than double the budget seen in 2020/21.

Our new “Welsh Development Quality Requirements 2021 – Creating Beautiful Homes & Places” space standards (WDQR2021) set out our ambition to deliver low carbon housing, with homes delivered through our Social Housing Grant programme leading the way. WDQR2021 promotes the use of Modern Methods of Construction (MMC) and non-fossil fuel heating systems. To support our target further, it is my intention that the next phase of the Help to Buy Wales scheme which, subject to the availability of funding, will commence in April 2023, will demand market homes are built to the new standard. This will mean that RSLs and local authorities will be able to buy housing ‘off the shelf’ from market developers, thus increasing the supply of social and affordable homes.

Complementing this, the Innovative Housing Programme has provided £155m for the delivery of circa 2000 social homes across 64 developments over the last 4 years, showcasing innovative and MMC for low carbon social housing. Our ambition remains to see more low carbon MMC homes via mainstream delivery as part of the core social housing grant delivery programme.

Our Programme for Government makes a number of commitments in relation to communities in Wales facing particular pressures of affordability where there are high numbers of second homes. We have agreed a three-pronged approach to address the challenges these communities face. In terms of the support element of this approach, existing housing programmes will be tailored and targeted as part of a package to address issues of affordability, testing options in a pilot area initially. Homebuy, a shared equity scheme, which is available on existing homes will form part of the proposed package. The scheme allows a shared equity loan of between 30-50% to be made available, and will be a key tool in enabling local people to be able to afford to buy homes in areas where affordability is an issue. We have also encouraged our community-led housing programme, Communities Creating Homes, and our Rural Housing Enablers to offer advice and support as to how their work in local communities can help form part of the proposed package.

### **Homelessness / evictions and the pandemic**

The Programme for Government contains a commitment to fundamentally reform homelessness services to focus on prevention and rapid rehousing. This will build on the inclusive approach we have taken during the pandemic to ensure no-one is left without the accommodation and support they need to stay safe. Up to the end of May 2021, around 11,500 people have been supported into temporary accommodation since last March. I am extremely grateful to staff in local authorities and the third sector who are working tirelessly to achieve this.

The latest available data shows that throughout Wales, 1,094 people presenting as homeless were placed into temporary accommodation during May 2021, 44 fewer than in April 2021. 483 homeless individuals were moved into suitable long-term accommodation, 52 more than in April 2021. At 31 May 2021, there were an estimated 76 individuals

sleeping rough throughout Wales. This is an increase of 6 from the 70 individuals sleeping rough at 30 April 2021.

Welsh Government continues to fund this approach through the local authority Hardship Fund on a needs-led basis. Around £20m additional funding was claimed by local authorities for this emergency response during 2020/21.

We have also adapted the way we work during the pandemic and now have an established group of Homelessness Prevention Relationship Managers whose role is to work closely with all local authorities to support and drive forward the homelessness prevention agenda. The regular two-way engagement means we can better understand issues at a local level and ensure that our policy responses are effective and every effort is being made to support people out of homelessness into suitable, safe accommodation.

Whilst the pandemic has necessarily focused our activity on those who were already experiencing homelessness, given the public health situation we were also able to put in place legislative measures to limit evictions. However, with the improving public health context, the regulations restricting evictions were allowed to expire at the end of June. Evictions, that would otherwise have been restricted, have been able to be enforced since 1 July. As the latest published management information on homelessness presentations is from May this year, there is not yet data available on the implications of the lifting of the regulations on homelessness presentations.

The regulations requiring landlords to give six months' notice to end a tenancy remain in place and no decision has yet been taken on what requirements will be appropriate after the current regulations expire on 30 September. This decision will be taken nearer the time, in light of the prevailing situation regarding the virus at that time.

Another preventative measure we have taken to help people stay in their tenancies and prevent homelessness is the creation of the Tenancy Hardship Grant (THG) which opened for applications on 15 July. This £10m grant, delivered through local authorities, will support private rented sector tenants who are struggling to repay significant rent arrears that have built up as a result of the pandemic.

The THG replaces the Tenancy Saver Loan. Tenants who have already taken a loan through the scheme will have their loan converted to a grant. The THG aims to reach private rented sector tenants who are at serious risk of eviction, and therefore homelessness, and support them to remain in their homes.

Between 15 and 31 July, local authorities declared that there had been:

- 15 applications submitted, totalling just under £37k
- 1 grant paid - £4k
- 5 applications rejected, but all because the tenant was on housing-related benefits – applications were turned into a Discretionary Housing Payment grant applications.

Although we do not yet have figures for August, we know, anecdotally, that the numbers of applications have risen significantly in some areas. Included with the information local authorities are collecting is data on the level of and reasons for the rent arrears; the sustainability of the tenancy; registration by the landlord with Rent Smart Wales; the reason for rejection of applicable; whether referred on for a Discretionary Housing Payment; and where the applicant heard about the grant.

We are also providing an additional £4.1m to local authorities this year to top-up Discretionary Housing Payments (DHP) on benefits who have struggled to pay

their rent as a consequence of the pandemic. This is another preventative measure to help keep people in their homes and prevent homelessness. We have been forced to step in as the UK Government has cut the DHP payments to local authorities this year and we have written to them to express our great disappointment at these cuts at a time when the DHP fund is required more than ever.

## **Building Safety**

The UK Government's Building Safety Bill is currently before Parliament and presents an early opportunity to provide Welsh Ministers with powers and extended functions for local authorities to address many of the criticisms of the building control system in Wales following the Grenfell fire. Given the devolved nature of building standards an LCM has been [laid](#) in the Senedd which sets out those aspects of the Bill that will apply in Wales.

As you are aware, the consultation on our [Safer Buildings in Wales White Paper](#) closed in April of this year. At present we are reviewing responses and intend to publish a summary and Government response in autumn 2021. This will provide an overview of the comments and insights received in relation to our proposed reforms and how we intend to progress with our work on the Building Safety Regime. An announcement on the timings of this proposed Bill will be made in due course.

I have already announced the launch of the Building Safety Passport scheme which will allow Responsible Persons of residential buildings more than 11m in height to access grant funding to undertake survey work to identify the scale of any fire safety defects with the building. The scheme will open to applications in the autumn and I will provide further detail on the application process as soon as possible.

My officials are also working on a package of measures to support leaseholders; this includes a remediation fund to address issues of cladding compartmentation, fire suppression systems and evacuation alert systems. Further details of this next phase of support will be made available as soon as it is finalised and by spring 2022.

I intend to host a roundtable event for developers later in the autumn which I hope will bring together those who have already engaged positively with me on this important issue, as well as bringing the more reticent developers to the table. I intend to make public those who are not willing to join me for a discussion about building safety.

We are working with colleagues in the Local Authorities and the Fire and Rescue Service to ensure we have as much robust data as possible on medium and high rise buildings. As you can appreciate, this often requires building owners to quite literally look beneath the surface to fully appreciate the scale of these issues. In places there has been some reticence to do so which is why the Building Safety Passport scheme has been launched to support building owners, and Government, to have a more complete picture of the scale of the problem.

Of course, tackling the climate and nature emergencies underpins everything we will do this Senedd term. Our net-zero strategy is due out later in October and will set out how we plan to tackle the decarbonisation of homes across Wales, drawing on the learning from our innovative programmes in the social housing sector. 10 percent of Welsh emissions come from the residential sector and, as in other sectors, I am keen to make the 2020s the decade of action to drive the changes we need.

In relation to the report by the Future Commissioner for Wales on "*Homes fit for the future: The Retrofit Challenge*", we engaged with the Office of the Future Generations Commissioner for Wales (FGC) over the work carried out in partnership with New Economics Foundation and the Sustainable Design Collective to look at options for funding

the decarbonisation of housing across all tenures. The FGC held two workshops (the first focusing on the private rented and owner-occupied sectors, the second focusing on social housing), with a number of key stakeholders which helped to develop their recommendations.

The report estimates that a national programme of decarbonising the housing stock which will help to alleviate fuel poverty will require £14.7bn of investment over the next decade, based upon cost estimates from the Welsh School of Architecture consisting of £5.5bn for social housing, £4.8bn for homes in fuel poverty, and £4.4bn for homes in the owner occupied and private rented ('able to pay') sectors. The report suggests grant funding of £5.3bn is needed over a 10 year period - of which £3.6bn comes from the UK Government (through Shared Prosperity Fund and a Low Carbon Infrastructure Fund) and £1.7bn from Welsh Government. These estimates are based on homes in the social housing sector being decarbonised and having an EPC A whilst the Private rented and owner occupier sectors will be at EPC C. The report recognises that decarbonisation has the potential to be a game changer for the Welsh economy – in creating new industries, skills and jobs, based on local supply chains and supporting the foundational economy.

There is no simple funding solution for housing decarbonisation; instead, we are likely to see a variety of funding solutions being offered across different tenure types, which may include innovative funding solutions. Any funding package for housing decarbonisation will need to sit alongside work on strategy, engagement, delivery, skills, supply chains and standards, together with a regulatory framework to help mandate the improvement. We will continue to engage with stakeholders, including the FGC, to ensure we develop appropriate funding solutions.

Decarbonising Wales' housing can make a significant contribution toward Wales reaching its net zero ambitions but it is a significant challenge. Standards for new build can be set to ensure we do not lock in significant amounts of carbon, that new homes are either low or zero carbon to run, or at a minimum 'future proofed for ease of later retrofit.

However, we have some of the oldest housing stock in Europe and 1.4m existing homes. Decarbonising existing homes is complex; we cannot repeat the mistakes of the past. Our flagship Optimised Retrofit Programme (ORP) will underpin the ongoing development of retrofit policy and practice across all sectors. ORP seeks to understand the best value combination of fabric and space and water heating improvements for individual properties and set out a route to 'net zero' for each home. This draws on the principles set out in the "Better Homes, Better Wales, Better World" report.

A 'one size fits all' approach to retrofit is inappropriate. In the past such approaches have resulted in inappropriate interventions which have had a detrimental impact on residents comfort and the quality of their homes. We launched ORP(1) in 2020-21 supporting 5 schemes with circa £20m. Nearly 2,000 homes will be surveyed and provided with a bespoke 'home passport' setting out the works needed to make each property energy efficient and install an intelligent energy system (IES). The IES produces baseline measurements to allow the impact of energy efficiency works to be assessed over time. This will allow us to report actual rather than estimated sector reductions in emissions. One consortia bid involving 27 social landlords is also developing a procurement Framework through an innovation partnership approach based on Foundational Economy principles supporting our foundational and circular economy ambitions. ORP is being supported with circa £50m of funding in 2021-22.

I hope the Committee find this information helpful and look forward to discussing these issues with you at the Committee session on 22 September.

Yours sincerely

A handwritten signature in blue ink that reads "Julie James". The signature is written in a cursive, flowing style.

**Julie James AS/MS**  
Y Gweinidog Newid Hinsawdd  
Minister for Climate Change

**LOCAL GOVERNMENT AND HOUSING COMMITTEE – 22 SEPTEMBER 2021****EVIDENCE PAPER**

This evidence paper sets out my priorities for the local government elements of the Finance and Local Government portfolio; highlights progress being made implementing The Local Government and Elections (Wales) Act 2021, including in relation to Corporate Joint Committees; and highlights the joint working approach we have adopted.

**PROGRAMME FOR GOVERNMENT**

Our Programme for Government sets out a number of commitments specifically related to local government, which we will be delivering over the course of this Senedd:

- Seek to reform council tax to ensure a fairer system for all.
- Reform local government elections to reduce the democratic deficit.
- Expand our Access to Elected Office programme.
- Ensure that each region in Wales has effective and democratically accountable means of developing their future economies.
- Change the performance framework for local government to better enable innovation, transparency, and local ownership.
- Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services.
- Reduce the administrative burden on local authorities.

Some of the key actions to take forward these commitments are set out in this evidence paper. However, we recognise that local government will play a crucial role in making many of the Programme for Government commitments a reality.

**COVID response and recovery**

Through the Local Authority Hardship Fund we have provided significant support for local authority loss of income and additional costs arising from the impacts of the pandemic. The Hardship Fund made over £600m available to support local authorities in 2020-21, with final outturn against the budget forecast to be £597m, of which payments for loss of income account for £190 million. This supported all service areas and general cost increases (for example to allow for social distancing), as well as specific interventions such as supporting the social care sector, enforcement and safely reopening the visitor economy. This year's final budget included £206.6m for the Hardship Fund for the first six months of 2021-22. We are assessing the ongoing need, based on changing infection rates and the impact of the virus.

Given the UL Government's approach to COVID19 funding going forward, I do not anticipate continuing specific funding for the Hardship Fund in 2022-23. Authorities will need to plan now for changes in service delivery and demand as a result of the ongoing nature of our response to Covid-19 and our discussions on pressures and opportunities as part of the budget process will need to reflect this.

## **JOINT WORKING**

As the Committee Chair noted in his letter, the Welsh Government has worked closely with local government and other partners throughout the COVID-19 pandemic, and it is our intention to build on these strengthened relationships.

I will chair a meeting of all Leaders and the full Welsh Government Cabinet at the start of October to discuss shared ambitions and priorities for Wales, and to consider how to deliver the Programme for Government commitments. This is a unique approach in Wales and one which there is a commitment to further develop.

This will build on the structures that already exist to support engagement between Welsh Government and local government, including the Partnership Council for Wales, the Workforce Partnership Council, Shadow Social Partnership Council, and the engagement structures that exist in individual portfolio areas.

I continue to meet with local authority Leaders regularly, joining Leaders at their WLGA Executive Board meeting on a 3-weekly cycle, with other Ministers also joining these discussions for appropriate items.

## **IMPLEMENTING THE LOCAL GOVERNMENT AND ELECTIONS (WALES) ACT 2021**

### ***General Power of Competence***

The general power of competence will come into force for principal councils on 1 November 2021. I am making regulations which will require qualifying local authorities to prepare and approve a business case in support of the proposed exercise of the power before using the power for a commercial purpose.

The general power is also available from 5 May 2022 to community councils that meet certain eligibility conditions. I am preparing regulations to clarify the qualifications required by clerks and will be issuing statutory guidance to ensure that councils considering using the power are clear on whether they can, and how they should, approach doing so in an appropriate way.

### ***Promoting access to local government***

The Act included a number of reforms to increase public participation in local democracy and improve transparency. Work is currently underway, in collaboration with principal councils and the WLGA, to issue guidance on matters such as the duty to encourage local people in decision making, participation strategies, petition schemes and constitution guides. This work is also exploring which council meetings should be required to be broadcast in addition to full council meetings. All of these provisions come into force following the May 2022 elections, with the exception of the broadcasting of further council meetings. This is to enable sufficient time to explore the benefits and issues relating to particular meetings. This does not prevent councils from broadcasting additional meetings if they so wish.

I am preparing guidance for community councils that will cover the new requirements to assess their training needs, publish annual reports and allow members of the public reasonable opportunity to contribute to the business of the community council meeting. The intent is the combination of these new duties will make the work of community councils more transparent, and encourage them to engage their communities more.

### ***Corporate Joint Committees (CJCs)***

Regulations establishing four CJCs in Wales (“the Establishment Regulations”) were made on 17 March 2021 with the CJCs established from 1 April 2021. In line with the local government expressed preference, these CJCs are coterminous with the City and Growth Deal Regions. In the first instance, these CJCs have been given functions relating to transport, strategic planning and economic development. In agreement with the constituent councils of the CJCs these three core functions commenced on 28 February 2021 in South East Wales and 30 June 2021 for the other three regions.

The Establishment Regulations were accompanied by a number of high priority Regulations / Orders which ensured that from day one the CJCs were subject to the duties which you would expect to apply to public bodies in Wales and have the appropriate governance and oversight you would expect from a public body. Further subordinate legislation is in the process of being made to fully complete the application of local government legislation to CJCs, in line with the principle that CJCs are treated as a member of the ‘local government family’ and largely subject to the same powers and duties as local authorities in the way that they operate.

I note the Committee has a particular interest in the provision of funding to support the establishment of CJCs and the estimated costs for establishing and running them. I have made £1m available to support the establishment of CJCs in 2021-22. The funding aims to support regional transitional planning arrangements and enable preparatory work for the establishment of CJCs to begin. Each region may require support on different aspects of establishing their CJC, subject to what they already have in place for their existing regional collaboration mechanisms. To date (as at 27/08/21) funding has been agreed for the South West Wales region and their first claim is being processed; a funding award letter has been issued to the Mid Wales region; and funding award letters for the South East Wales and North Wales regions are currently being finalised.

The Establishment Regulations were accompanied by a comprehensive Regulatory Impact Assessment, however, as noted by the Committee Chair, it was only possible to estimate a range of potential costs given that much of it is dependent on decisions each CJC will take about how they wish to operate. The impact on local authority staff resource and finance will also be determined by the decisions each region makes about how it wants its CJC to operate. This is something we will continue to explore, with local government, as the CJCs take shape. It is worth noting that each region is already operating, and has senior officers supporting a variety of regional collaboration arrangements (for example the City and Growth Deal boards and regional transport working groups) and the expectation is that CJCs offer the opportunity to rationalise and consolidate these arrangements. In some cases, such

as in the South East, the work to establish the CJs has already been incorporated into the existing regional programme offices.

### ***New performance and governance regime***

The regime provides for a more streamlined, flexible, sector-led approach to performance, good governance and improvement. It creates a framework which supports councils, through an ongoing process of review, to think about their performance and effectiveness now and for the future; to encourage more inquisitive organisations willing to challenge themselves to do more; and to be more innovative and more ambitious in what they do. This will build on and support a developing culture in which councils actively seek and embrace challenge, whether presented from within the council, for example through scrutiny procedures, or externally.

The Act requires each council in Wales to keep under review the extent to which it is meeting the 'performance requirements', that is the extent to which:

- it is exercising its functions effectively;
- it is using its resources economically, efficiently and effectively;
- its governance is effective for securing the above.

The mechanism for a council to keep its performance under review is self-assessment, with a duty to publish a report setting out the conclusions of the self-assessment once in respect of every financial year. The first self-assessments will be prepared in relation to FY 2021-22. Self-assessment will be complemented by a panel performance assessment once in an electoral cycle, providing an opportunity to seek external insights (other than from auditors, regulators or inspectors) on how the council is meeting the performance requirements. The duty to undertake a panel assessment starts after the local government elections next year.

### ***Sector led improvement***

A range of work is underway to strengthen the autonomy and effectiveness of local government and support them in the delivery of the Act and the aspirations in the Programme for Government.

I am providing funding for a sector-led improvement and support programme, run by the WLGA, which supports local authorities, their members and senior leaders in improving and transforming service delivery, local democracy and member development, and corporate governance and performance. It balances individual local authorities' improvement needs and priorities with a wider strategic agenda for collective improvement. Activities supported as part of the sector led improvement and support programme are agreed annually and may vary from year to year, reflecting the individual improvement cycles or needs of local authorities, electoral cycles and the commencement of legislative requirements.

I am also supporting the transformation of digital services and skills in local government including funding the Local Government Chief Digital Officer (LGCEO) and supporting delivery team, based in the WLGA. The LGCEO will provide

leadership for digital transformation in local government, build on and grow the good work that is already underway, and support local government to build capacity and capability to take forward innovative technology and data-led approaches to service delivery and public engagement.

To date I have made over £1.6million available through the Local Government Digital Fund to support local government digital projects which aim to solve common problems collaboratively and deliver user centric digital services.

I will also be making funding available towards the cost of establishing a Digital Officer for Community and Town Councils. This role will be a dedicated resource to identify, share, promote, and champion a joined up approach to digital initiatives and their delivery across the sector. Realising that digital technology presents the potential to save money and provide better services.

I will be continuing to seek to strengthen financial management and governance in community and town councils. We are working with Audit Wales, One Voice Wales and the Society for Local Council Clerks to co-develop a self-assessment tool for councils to use to strengthen their governance. We will continue to incentivise training for clerks and councillors. More specifically, and recognising the key role clerks play, we are providing full funding for them to complete the Certificate in Local Council Administration and have sector-specific qualifications to underpin their work.

### **Local Government Funding and Finance Reform**

We have reflected the priority we give to local government through our budget allocations, with increases in settlement funding in 2020-21 and 2021-22 of 4.3% and 3.8% respectively, on a like-for-like basis. Along with health, funding for local government continues to be a priority for the forthcoming financial year. Engagement with local government leadership is a critical element of our budget planning. Our standing Finance Sub Group (FSG) of the Partnership Council for Wales enables local government to set out to Ministers the pressures and challenges local government faces and to discuss collective priorities for delivery of services to the people of Wales. This also provides an opportunity for discussion on, and agreement to, work on the local government settlement funding formula.

To build a stronger, fairer and greener Wales we want to work with local government across the range of our priorities set out in our Programme for Government – to progress decarbonisation, increase social housing, reform social care and provide for the real living wage for social care workers, to cite but a few.

In addition to the local government settlement, specific grants have a role to play in delivering joint Welsh Government and local government priorities. These will need to be considered alongside the settlement, as part of the wider package of funding for local government.

We recognise that this year's budget timetable – driven by the UK Government's Comprehensive Spending Review (CSR) and the need for proper scrutiny through the Senedd – poses challenges for local government. As we did last year when the timetable was similar, we will do all we properly can to maintain close working

relationships and shared information as we develop our spending plans for 2022-23 and beyond. We are keen to provide local government with firm indications of future settlements and the extent to which we can provide this will be governed by what comes out of the Comprehensive Spending Review. Officials are exploring options for indicative multi-year settlements, should the financial information allow.

The *Programme for Government* also includes important commitments to reform the council tax system to ensure a fairer system for all, and to make the case for clear and stable tax devolution. A number of future reforms will also be required to non-domestic rates. The local taxes are vital revenue streams which ensure the continued sustainability of local services to our communities, but they also make key contributions to our wider ambitions for a stronger, greener and fairer Wales. I intend to engage openly on these matters as they are developed, building on the extensive evidence base published earlier this year in a *Summary of Findings on Reforming Local Government Finance in Wales*:

<https://gov.wales/reforming-local-government-finance-wales-summary-findings>.

Our work on the reform of council tax will also incorporate our commitment to strengthen the autonomy and effectiveness of local government.

# Agenda Item 6

## Local Government and Housing Committee

### 22 September 2021 – papers to note cover sheet

Paper no.	Issue	From	Action point
Paper 3	Welsh Government Draft Budget 2022-23	Finance Committee	To note
Paper 4	Forward Work Programme	Welsh Language Commissioner	To note
Paper 5	Priorities for the Children, Young People and Education Committee	Children, Young People and Education Committee	To note
Paper 6	Forward Work Programme	Future Generations Commissioner for Wales	To note
Paper 7	Forward Work Programme	NHBC	To note
Paper 8	Forward Work Programme	Bevan Foundation	To note
Paper 9	Forward Work Programme	Llyr Gruffydd MS	To note
Paper 10	Forward Work Programme	Electoral Commission	To note
Paper 11	Forward Work Programme	Equality and Social Justice Committee	To note
Paper 12	Forward Work Programme	Llamau	To note

Chair, Children, Young People, and Education  
Committee  
Chair, Health and Social Care Committee  
Chair, Economy, Trade, and Rural Affairs Committee  
Chair, Climate Change, Environment, and  
Infrastructure Committee  
Chair, Equality and Social Justice Committee  
Chair, Culture, Communications, Welsh Language,  
Sport, and International Relations Committee  
Chair, Local Government and Housing Committee

16 July 2021

Dear Committee Chairs

### Financial Scrutiny

At our meeting on 8 July 2021, the Finance Committee (the Committee) considered the programme of engagement for the forthcoming Welsh Government's Draft Budget and our approach to scrutiny. I am writing to all Chairs of subject committees to share our thinking.

### Timetable

In accordance with Standing Orders, the Trefnydd has written to the Business Committee setting out that the Draft Budget will be published on 20 December 2021 and the annual Budget motion considered in Plenary on 8 February 2022.

The Business Committee consulted with us on the proposed timetable. As noted in the Trefnydd's letter, the Chancellor of the Exchequer has indicated his intention to conduct a multi-year comprehensive spending review (CSR), which means the Welsh Government will not know its budget settlement until the CSR concludes in the autumn.



I have written to the Business Committee to express our disappointment that the Draft Budget will be published in the Christmas recess. Whilst we appreciate the proposed timetable is due to the timing of the UK Government's CSR, this will be the third consecutive year that the proposed timetable has reduced the time available for scrutiny by the Senedd.

## Budget focus

The Committee has agreed to continue the approach followed in previous Senedds, whereby budget scrutiny is centred on the four principles of financial scrutiny: affordability, prioritisation, value for money and process. The principles are:

- **Affordability** - to look at the big picture of total revenue and expenditure, and whether these are appropriately balanced;
- **Prioritisation** - whether the division of allocations between different sectors/programmes is justifiable and coherent;
- **Value for money** - essentially, are public bodies spending their allocations well – economy, efficiency and effectiveness (i.e.) outcomes; and
- **Budget processes** - are they effective and accessible and whether there is integration between corporate and service planning and performance and financial management.

The Committee would be grateful if your budget scrutiny follows these principles.

## Engagement Approach

The Committee will be considering its approach to engagement on the Draft Budget early in the autumn term. We would like this engagement to complement and inform the work of policy Committees. I would welcome discussing this individually with Chairs, or at the Chairs' Forum.

Following the practice in previous Senedds, the Committee is happy to undertake a consultation on behalf of all Committees. Given the proposed timetable, we consider it would be most suitable to issue our consultation at the start of the autumn term.

The Clerk to the Finance Committee will notify your Committee Clerks once the consultation has been issued and I would appreciate your assistance in promoting the consultation via your own communication tools to encourage and engage with a wider audience. The provisions in relation to the reporting by policy committees changed in 2017, and you are now able to report in your own right (if you so wish), and your reports can be used as a supporting document to the Draft Budget debate.



## Finance Committee-led priorities debate

The Finance Committee of the Fifth Senedd recommended that a future Finance Committee should hold an annual debate on the Welsh Government's spending priorities to allow Members the opportunity to debate and potentially influence spending priorities prior to the Draft Budget being published.

This year the Welsh Government scheduled its own debate on *Priorities for 2022-23 Budget Preparations*, which took place on Tuesday 13 July. The Committee wrote to the Minister for Finance and the Business Committee to seek agreement that in future years this will be a Finance Committee-led debate that takes place annually before summer recess, which the Minister and Business Committee have agreed to. In future years we would hope to undertake a public engagement exercise to inform this debate, and I would welcome your thoughts on how the Committees that scrutinise the Draft Budget can work together to gather the views of the public on what they feel should be the Welsh Government's spending priorities.

## Financial scrutiny of legislation

The Committee's core function is to undertake financial scrutiny of the Welsh Government and associated public bodies, however, financial scrutiny should be embedded into the scrutiny work undertaken by all Committees. The Committee now has limited time available and many statutory obligations to fulfil. Therefore, we have agreed to initially consider each Bill that is introduced into the Senedd to determine whether we will carry out scrutiny of the financial implications of a Bill depending on the levels of costs and transparency contained within the Regulatory Impact Assessment (RIA). Should we decide not to undertake financial scrutiny of a particular Bill we will write to the relevant Stage one scrutiny committee to identify any points of interest that the Committee may wish to consider when reporting on the general principles of the Bill.

As this is the start of a new Senedd, I hope we can take the opportunity to explore ways of working collaboratively with other Committees to ensure the most effective financial scrutiny of the Welsh Government. I would like to suggest that we discuss this in further detail at a meeting of the Chairs' Forum.

If you have any questions about any aspect of the Draft Budget process, please feel free to contact me or the Clerk to the Finance Committee, Bethan Davies, 0300 200 6372, [seneddfinance@senedd.wales](mailto:seneddfinance@senedd.wales).

Yours sincerely





Peredur Owen Griffiths MS  
Chair of the Finance Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.  
We welcome correspondence in Welsh or English.



John Griffiths MS  
Chair  
Local Government and Housing Committee

[SeneddTai@senedd.cymru](mailto:SeneddTai@senedd.cymru)

19 July 2021

Dear Mr Griffiths

### Considering the Welsh language in the Committee's work

I am writing to you at the beginning of the sixth Senedd term to urge you to ensure that the Committee gives full consideration to the Welsh language in all aspects of its work.

In the Cymraeg 2050 Welsh Language Strategy the Welsh Government announced the vision of reaching a million Welsh speakers and increasing the percentage who speak Welsh daily to 20%. The strategy includes milestones to measure the success of its achievement, with the first milestone in 2021 and the next in 2026. During the sixth Senedd term it will be necessary to take a serious approach to holding the Government to account for the extent to which the Strategy is being achieved and the milestones reached. In that respect it is vital that the Welsh language is mainstreamed into wider legislation and policy and I am concerned that there is insufficient scrutiny of the impact of wider legislation and policy on the Welsh language in general. Indeed, Eluned Morgan, the previous Minister for Mental Health, Wellbeing and the Welsh Language, stated in a scrutiny session:

... I would suggest that actually, rather than just holding me to account when it comes to the budget, [...] that actually you ask the other Ministers, who've got huge amounts of money, what they're doing within their budgets in relation to the Welsh language."  
(Culture, Welsh Language and Communications Committee meeting, 25 February 2021)

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Welsh Language Commissioner  
Market Chambers  
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Correspondence welcomed in Welsh and English

welshlanguagecommissioner.wales

I emphasise that the Welsh language should not be seen as a cultural issue alone as it is a living language in all communities in Wales and a main language in many of them. Those communities face a number of social and economic challenges that in turn challenge the viability of the Welsh language in those communities. The second home crisis in a number of communities across Wales which is affecting the cohesion of communities and revealing inequalities is a matter that is of great concern to me.

The Commissioner published a manifesto document<sup>1</sup> for the 2021 election stating that a wide range of factors affecting the Welsh language need to be considered. With regards to the Committee's remit the document underlines the need when planning formal collaboration between public organisations to ensure that the Welsh language is protected and promoted. It also refers to the lack of consistency in planning authorities' policies with respect to the Welsh language. This leads to a lack of certainty that appropriate steps are taken to mitigate any adverse effects or to identify opportunities to promote the Welsh language. The document recommends that:

- Ensure that the strongest commitments in terms of Welsh language administration are adopted when developing statutory duties on public bodies to collaborate.
- Provide a clear and detailed guidance to the Planning Authority and local authorities on how to assess the impact on the Welsh language and how planning policies should promote the use of the Welsh language.
- Provide guidance to local authorities on how they can control how many houses are registered as second homes or businesses.

The challenge for the new Government will be to act radically to ensure that we are on the right track to meet the 2050 targets and I believe that the committee has a vital role to play in the effort to ensure that it does so.

I hope that you will bear these comments in mind as you consider the committee's future work. I wish you every success in that work and look forward to contributing to it.

Yours sincerely,



Gwenith Price  
**Deputy Welsh Language Commissioner**

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<sup>1</sup> [Manifesto \(positif.wales\)](https://positif.wales)

To:

Climate Change, Environment, and Infrastructure Committee

Culture, Communications, Welsh Language, Sport, and International Relations Committee

Economy, Trade, and Rural Affairs Committee

Equality and Social Justice Committee

Finance Committee

Health and Social Care Committee

Legislation, Justice and Constitution Committee

Local Government and Housing Committee

Petitions Committee

Public Accounts and Public Administration Committee

20 July 2021

Dear Chairs,

### Children and young people's priorities for the Sixth Senedd

As the Senedd Committee responsible for scrutinising all matters relating to children and young people, it is our intention to ensure that the voices of children and young people are heard as a matter of course in our Committee's work. At our first meeting on 14 July, we agreed that this would be a key priority for us.

In order to inform our strategic planning and forward work programme, we intend to undertake a programme of tailored and meaningful engagement with children and young people. This work will begin in the autumn term. Our initial focus will be on asking children and young people what they think the priorities of the Sixth Senedd should be.

Given that the range of views held by children and young people will be of relevance to your respective committee remits, we will ensure that the results of this activity are shared with you, to ensure that your work can take account of their opinions. Our Committee team will ensure that your teams are kept up to date on the plans as they develop, and will confirm timescales in due course.

Kind regards,



Jayne Bryant MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg | We welcome correspondence in Welsh or English.



# HOMES FIT FOR THE FUTURE: THE RETROFIT CHALLENGE

How will we finance the decarbonisation of homes in Wales to support our net zero ambitions?

## Executive Summary



# Overview

Climate change is one of the biggest challenges facing current and future generations. Wales has made world-leading pledges to significantly decarbonise housing stock by 2030 to support our goal to be net zero by 2050.

**In 2020 I highlighted that developing an economic stimulus package which leads to job creation and supports the decarbonisation of homes, should be a priority for Welsh Government as part of a Green Recovery to the pandemic.<sup>1</sup> The hosting of a global climate change conference (COP 26) by the UK later this year is an opportunity for both the UK and Welsh Governments to commit to making this a reality.**

Overcoming levels of fuel poverty that remain stubbornly high (12%) sits at the heart of Wales' decarbonisation and social justice objectives, and the decarbonisation of homes must be seen as a fundamental part of a green and just recovery from the pandemic in Wales.

**Housing is an area within Welsh Government control and therefore must be prioritised if the Government is serious about meeting their legally binding climate change targets.**

Wales has some of the oldest and least efficient housing in Western Europe and so action to improve the quality of this stock will be essential. Decarbonisation is a challenge, and an opportunity, for organisations and communities across Wales, which can no longer wait.

## At the moment:

10% of Wales' greenhouse gas emissions come from the residential sector



155,000 homes are in fuel poverty



poor housing contributes to ill health



## Managed well, a retrofit programme could be a gamechanger for the Welsh economy helping to:

meet decarbonisation and fuel poverty objectives



eradicate fuel poverty and reduce needless energy costs, saving a total of £8.3 bn in fuel costs by 2040



generate cost saving to the NHS - £4.4 bn by 2040



create new industries, skills and up to 26,500 new jobs, based on local supply chains



support the foundational economy with potentially millions of local spend.



### **Decarbonising our housing stock at the scale needed will require significant investment along with increased coordination of all actors in the system.**

Welsh Government needs to lead the way but will be unable to 100% grant fund the programme. The challenge of funding this shift must be balanced across the UK Government, Welsh Government, housing associations, local authorities, landlords and homeowners, with many other organisations playing their part.

### **The focus of our work has been to estimate the total funding needed for the decarbonisation of homes in Wales, identify funding gaps and suggest approaches to addressing these gaps.**

We have worked closely with a number of organisations and stakeholders, building on previous work including 'Better Homes, Better Wales, Better World'<sup>2</sup> report, the work of the Welsh School of Architecture (WSA)<sup>3</sup>, the Altair report commissioned by Community Housing Cymru (CHC) and Welsh Government's Optimised Retrofit Programme (ORP) which is testing approaches to decarbonising homes in Wales.

# Key findings

**Investment in optimised retrofit across Wales' housing must be seen against the backdrop of significant benefits to well-being, cost savings in services and local economic growth.**

Investment in millions of homes has the potential to generate large economic returns as well as reducing our emissions and levels of fuel poverty.

- A Welsh housing decarbonisation programme would create £19.32bn in additional GDP,<sup>4</sup> £3.54bn of net tax benefit and 26,500 new jobs in Wales by 2030, helping to offset the economic impact and job losses of the recent pandemic.
- The programme would also save £8.3bn in energy bills and create £4.4bn in health and environmental benefits<sup>5</sup> by 2040 helping to put more money back into local economies across Wales and reducing the strain on health and social care services, particularly during the winter.

**We estimate a national programme will require £14.75bn of investment over the next decade<sup>6</sup> (to 2030):**

- **£5.5bn for social housing,**
- **£4.8bn for homes in fuel poverty, and**
- **£4.4bn for homes in the owner occupied and private rented ('able to pay') sectors respectively.**

Tenure/ status	Number of units	Average investment required per home*	Total investment (bn)
<b>Social Housing</b>	230,000 (~21,000 are in fuel poverty)	£24,000	<b>£5.52</b>
<b>Fuel poor housing</b>	155,000 (~21,000 are socially rented)	£35,984	<b>£4.82</b>
<b>Private rented sector</b>	180,000 (~36,000 are in fuel poverty)	£4,700	<b>£0.67</b>
<b>Owner Occupier</b>	924,000 (~99,000 are in fuel poverty)	£4,525	<b>£3.73</b>
<b>Total</b>	-	-	<b>£14.75</b>

\*Sectors are aiming for different EPC targets therefore the investment required for social housing & fuel poor housing is higher than for the private rented and owner occupied sectors.

## The total government investment required is around £5.3bn over ten years.

**Of the £14.75bn of investment needed to decarbonise and improve the quality of Welsh homes, £3.6bn should come from UK and £1.7bn from Welsh Government, with 64% of total investment coming from private finance, energy companies or self-funding by property owners.**

In 2019 households in Wales spent £1.02bn on general renovation maintenance and improvement (RMI) works, an average of about £723 per home<sup>7</sup>.

Based on existing investment plans and policy proposals there are currently large funding gaps for social housing (£2.7bn) and homes in fuel poverty (£3.9bn) which are privately rented and owner occupied to meet the level of EPC “A” by 2030.

### **Finance is key but only one part of the puzzle**

Alone it will not deliver change at the pace and scale needed. In order to deliver a large-scale retrofit programme and achieve wider economic, environmental and social benefits it is critical that planned long-term investment is joined up with policy on skills and training as well as regulation, standards and supply chain.



## Sophie Howe

### **Future Generations Commissioner for Wales**

We will need to move beyond silo-based working and secure a cross Government approach to collaboration and delivery with housing associations, local authorities, skills providers and suppliers ensuring coordinated delivery is central to the approach. Strategy, engagement, regulation, skills, integrated business models and fiscal incentives are all crucial to success.

## Creating skills and jobs for the future through investing in a national retrofit programme

**There are significant opportunities for job creation through a national retrofit programme but investment must be planned for the long-term in order to take advantage of this.**

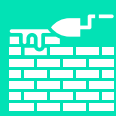
Evidence suggests unemployment in Wales could double in 2021, peaking at around 114,000 people in 2021, and there is an urgent need to invest in job creation and develop skills pipelines in key areas that can support our decarbonisation targets.



**A Welsh Housing Decarbonisation Programme could create 26,500 new jobs in Wales by 2030 but securing these jobs for Welsh people can only be achieved by guaranteeing long-term investment linked to prioritisation of apprenticeships and reskilling the existing, as well as a future, workforce in necessary trades to address the skills gap.**

**Investment in key infrastructure projects in green industries and nature restoration could create in the next two years:**

**45,000 direct jobs**



**60,000 indirect jobs**



**Of these:**

**4,260 jobs**  
retrofit insulation  
of housing



**2,810 jobs**  
social housing  
construction



**2,730 jobs**  
in retrofit energy  
assessors.



However, there are significant skills shortfalls in insulation, heating and retrofit. With sufficient demand and coordination created through investment, movement into the retrofit sector could be facilitated relatively quickly through on-the-job training, as qualifications are not necessarily prerequisite. A long-term pipeline of projects must be guaranteed.

## Strengthening the connections between fuel poverty and decarbonisation

While there are some tensions, it is important that the twin challenges of decarbonising homes and fuel poverty are addressed through an integrated, holistic approach.

**155,000 homes in Wales are in fuel poverty<sup>8</sup> however the impact of the recent pandemic on unemployment and changing working practices could mean that this figure is now higher.**

The long-term solution to fuel poverty, and one that also supports the decarbonisation of homes, is to dramatically improve the energy efficiency of fuel-poor households' homes.

It is fundamentally important that the transition to a low carbon economy does not increase levels of fuel poverty, through increasing costs of energy. The approach must address two of the key drivers of fuel poverty: low incomes and the energy inefficiency of homes.

There are a range of economic, social, environmental and health benefits to be achieved through addressing these agendas together.

**A retrofit program across Wales housing stock, could lead to energy bill savings of around £613 for each home retrofitted to EPC "A"<sup>9</sup> especially benefiting homes in low EPC bands and in fuel poverty. These savings would virtually eliminate fuel poverty in Wales and make a significant contribution to reducing economic inequalities.**



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## Key priorities for the next Welsh Government:

**1. The decarbonisation of homes has to be a shared endeavour, with Welsh Government playing a leadership and coordination role, bringing all sectors together in a shared mission.**

**The challenge of financing decarbonisation is not for Welsh Government to undertake entirely. If both the Welsh and UK Governments are serious about a green recovery, and meeting their respective climate change commitments, they must work together to use all the financial levers available to them to fund the retrofit challenge. They should view this investment as support for essential infrastructure, similar to investment in other infrastructure such as road, rail and power.**

Likewise housing associations, local authorities, and over time private households, will also need to play their part in this shared endeavour. All of these organisations should be focused on shared innovation and risk, collaborating and learning at every stage.

Welsh Government should play a key leadership and co-ordination role with support and collaboration required from UK Government, local authorities, housing associations as well as education, training and private sectors to ensure concerted action across social housing, homes in fuel poverty and those in the private rented and owner-occupied sectors.

### Welsh Government should:

- Lead the way by setting clear long-term commitments and targets for Wales' housing stock in the second Low Carbon Plan.
- Fully recognise the interconnected challenges of the decarbonisation of homes and tackling fuel poverty and reflect these across the new programme for Government including linking policy action on skills, finance, foundational economy and health.
- Prioritise investment in this area and emphasise the importance of this agenda for the people of Wales, when negotiating with the UK Government about post EU funding such as the Shared Prosperity Fund.

**Housing associations and local authorities should:**

- Consider how they can access private finance to supplement Government grant funding for the decarbonisation of their housing stock.
- View Renovation Maintenance Improvement (RMI) spend and investment in decarbonisation measures as interconnected with opportunities for further integration over time.
- Building on the successful ways of working under the Optimised Retrofit Programme, prioritise collaboration and continuous learning in the approaches taken to decarbonisation of their housing stock.

**UK Government will have a critical role in supporting investment and regulation whilst local authorities should play a more proactive role in driving the decarbonisation of homes and the reduction of fuel poverty, particularly in relation to the Private Rented Sector.**

11 of the 22 local authorities in Wales have retained their own housing stock, and 16 of the 22 have declared a climate emergency so must now demonstrate how they are prioritising decarbonisation of homes through an area-based approach using all the levers available to them. To support this their role should be strengthened and properly resourced.

**2. There needs to be a longer-term plan for funding.**

**There is a clear need for a longer-term pathway to the decarbonisation of homes, if we are to meet decarbonisation targets, at the very least until 2030. This needs to illustrate the shared commitment between Governments, housing associations, local authorities and other players to develop a long-term pathway to the decarbonisation of homes, providing certainty and clarity about funding arrangements, anticipated job creation, procurement routes and skills pipelines.**

But this long-term investment plan cannot be achieved alone or within current mechanisms. It will require new and innovative ways of leveraging other sources of funding and investment and potentially utilising the capacity of the Development Bank of Wales to develop a new Wales Energy Service Company to coordinate and support funding decarbonisation in the social housing sector (as outlined in section 4).



### **Welsh and UK Governments should:**

- UK Government should commit to allocating an additional £2.6bn of infrastructure investment funding and £1bn allocation of the Shared Prosperity Fund which is needed by 2030 to tackle decarbonisation of low-income homes and address fuel poverty in Wales. These sources would be equivalent to other infrastructure programmes (e.g. road, rail, power) recognising the significant fiscal benefits of a retrofit programme to the UK Exchequer.
- Increase its use of Financial Transaction Capital for retrofit and UK Government should facilitate access to the new Green Sovereign Bond market, to enable around £6.3bn of private investment in the Welsh housing stock by 2030.
- Work with the UK Government Financial Conduct Authority (FCA) to stimulate £100m/year Green Mortgage market by requiring disclosure of how energy efficient a house is at “decision in principle” stage.

### **For social housing sector & homes in fuel poverty, Welsh Government should:**

- Double fuel poverty funding to £732m by 2030 and supplement with grants for people on low-incomes which would be available from UK Government’s national infrastructure funding, with the aim or eradicating fuel poverty by 2030.
- Commit to a new £108m/year Social Housing Decarbonisation Grant, conditional on measured performance & cost reductions.
- Work with UK Government to offer £158m/year low interest loans to housing providers through the ‘Welsh Energy Service Company’ (WESCO) via Energy Saving Performance contracts.

### **For the private rented / owner occupied (able to pay) sector, Welsh Government should:**

- Work with Local Authorities to trial the Property Assessed Clean Energy (PACE) mechanism, through a levy on council tax. PACE is a means of financing retrofit measures which attaches the debt to the property rather than the individual, secured by a property tax bill.
- Work with the Development Bank of Wales to trial equity release models and low interest loans to landlords for retrofit finance.

**Property Assessed Clean Energy (PACE) finance:**

Developed in the USA, PACE allows municipalities to fund retrofit through attaching the debt to the property rather than the individual. PACE financing covers the full cost of the retrofit and repayments are linked to the property itself. It is secured by a lien (a form of security) on the property tax bill (i.e. council tax). This can remove the split incentive between landlords and tenants or those looking to sell their home.

Our Roadmap outlines which are immediate funding decisions and policy actions and those which should happen over the next ten years.

Our modelling assumes a staggered S-curve deployment of investment over the 2020s peaking in 2028,<sup>10</sup> leading to a total capital investment of £14.75bn by 2030.

**Annual Capital Investment (£m)**

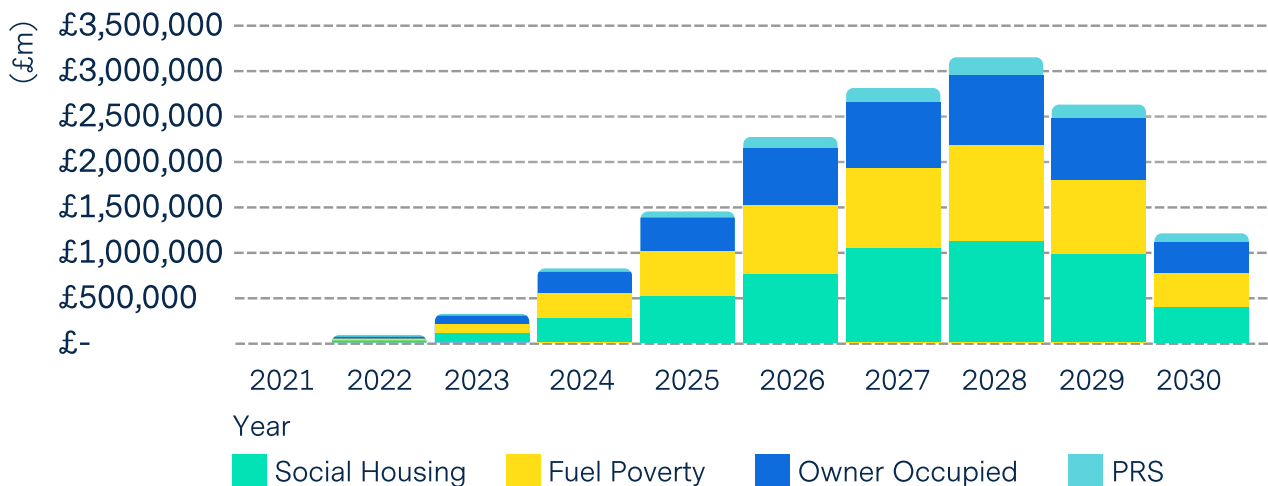
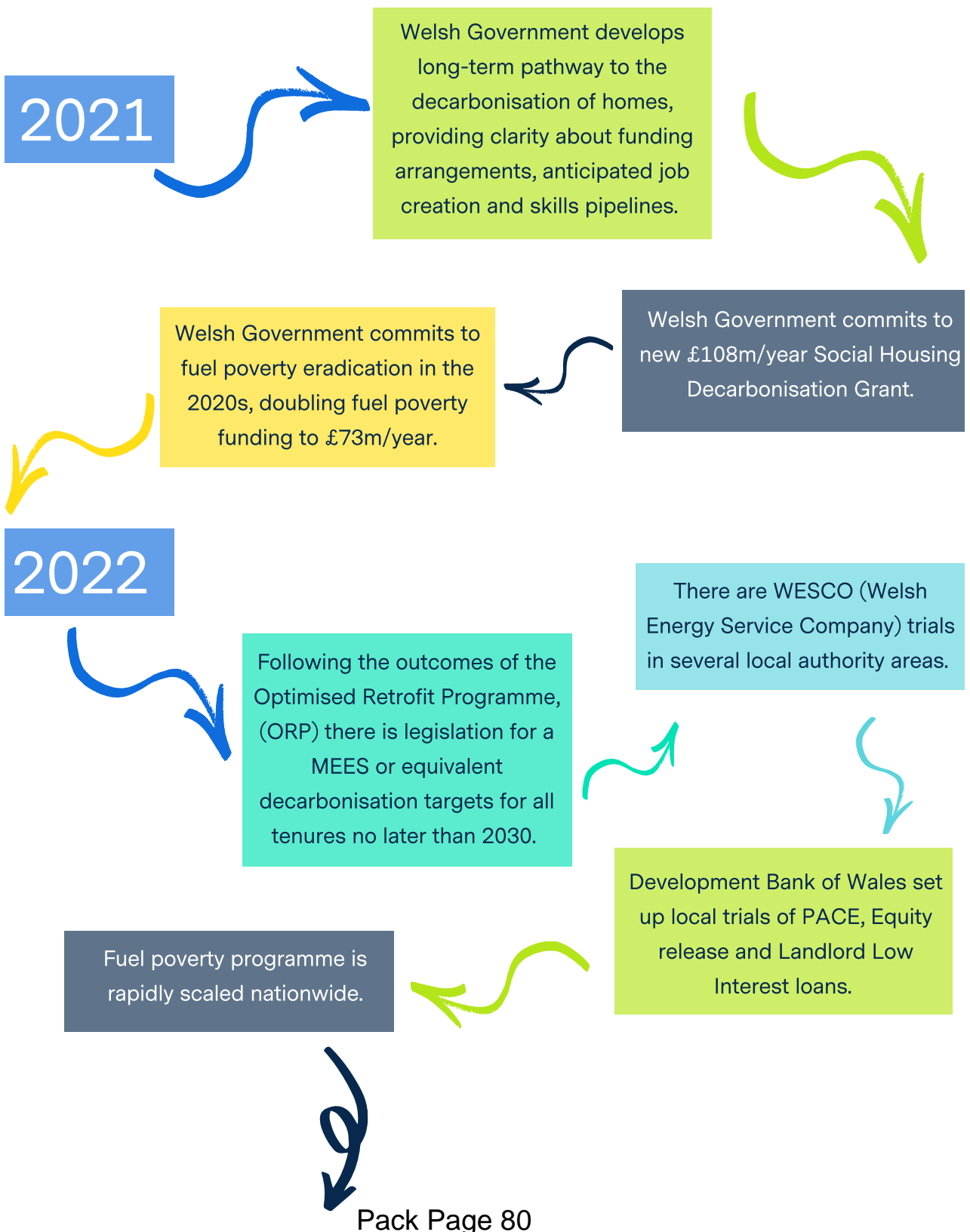
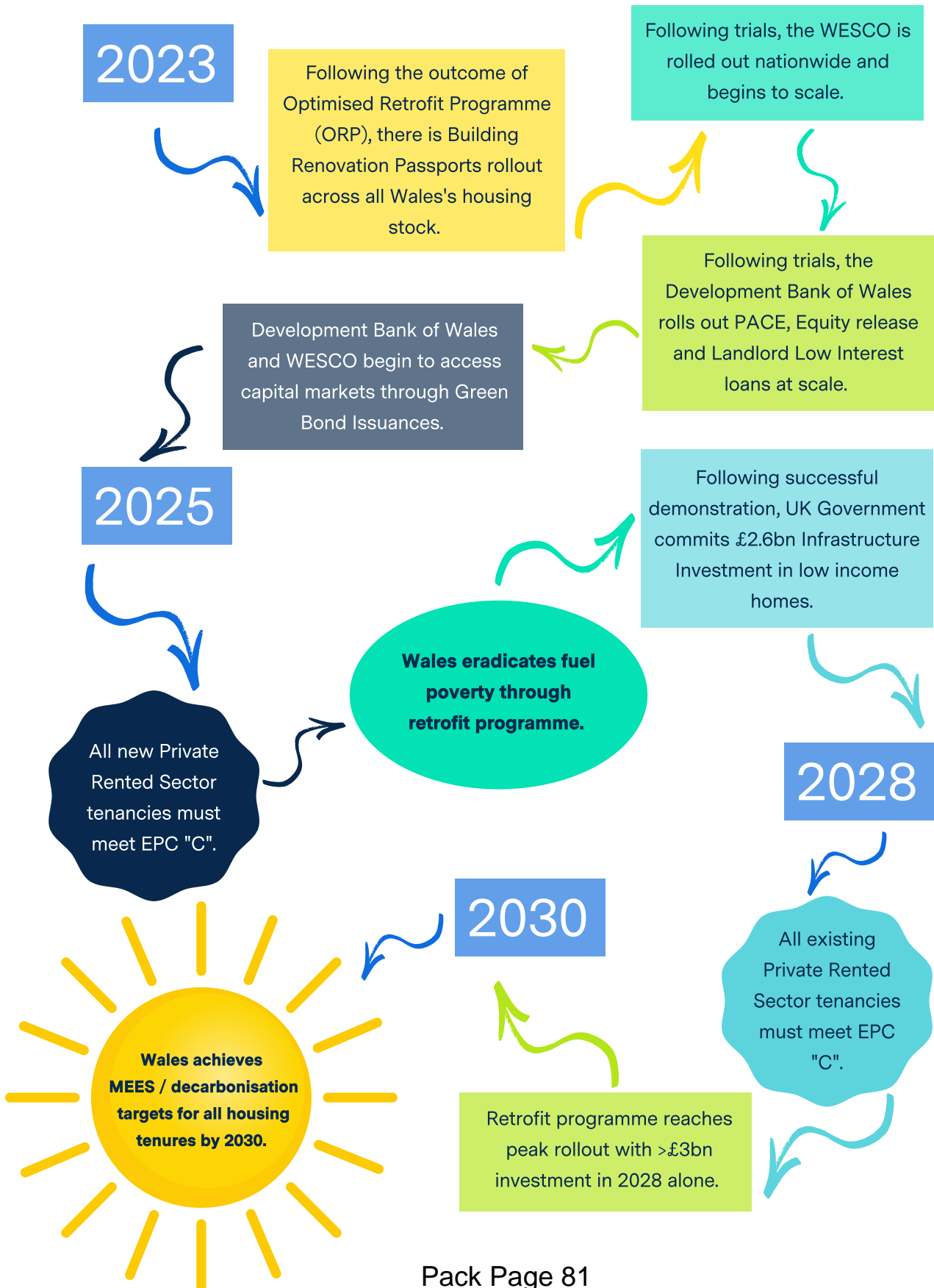


Fig 1: Total Welsh Government funding of £1.7bn required to 2030 - £1,080m through the new Social Housing Decarbonisation Grant and £732m through the Warms Homes programme - peaking between 2026-2029.

## Roadmap to 2030





### 3. Our ambition to decarbonise must be strengthened

**Currently Welsh Government is encouraging the social housing sector to work towards the decarbonisation targets set out in the 'Better Homes, Better Wales, Better World' report. However 1.1 million (or 70%) of Wales' housing stock falls under the owner occupied or private rented sectors which currently lack (or have very weak) targets along with appropriate levels of investment or financial incentives.**

Given the huge challenge of decarbonising homes, and the potential benefits of a Wales wide long-term programme, we need to ensure delivery at pace and scale.

**If cross-sector concerted action is going to achieve these targets they need to be statutory and enforced through minimum energy efficiency standards (MEES) across all stock.**

Our work follows recommendations in the 'Better Homes, Better Wales, Better World' report which recommends that:

- All homes in Wales should be brought to EPC "A" by 2050. This target should be brought forward for all social housing and homes in fuel poverty by 2030.

- We are also proposing an interim EPC "C" (or equivalent) target for all homes in Wales by 2030. As a minimum, all fuel poor households regardless of tenure should meet EPC "C" by 2030 in order for the Welsh Government to at least match equivalent ambitions by the UK Government for fuel poor homes in England.
- In addition, we propose a ban on the installation of new fossil fuel heating for all homes no later than 2030.

#### Welsh Government should:

- Determine an ambitious Minimum Energy Efficiency Standard (MEES) or decarbonisation target for the social housing sector, based on learning from the Optimised Retrofit Programme, then prepare a timetable to legislate for this target if needed.
- Work with the UK Government to legislate for a Minimum Energy Efficiency Standard (MEES) of EPC "C" or equivalent decarbonisation target for all homes in the private rented sector and ban the installation of new fossil fuel heating for all homes, no later than 2030. This will require local authority enforcement of proposed and existing MEES which should be strengthened and properly resourced.

### Welsh Government should:

- Build on the work of the Optimised Retrofit Programme to develop a cost model and 'building renovation passports' for the entire Welsh housing stock. Properties will need to be improved, as far as possible, considering current solutions available and the likely costs of the work. Building renovation passports will provide a more detailed understanding of relative costs and the scale of work needed for different types of homes.

### To support this UK Government should:

- Ensure the full devolution of Building Regulations powers to Wales;
- Cut VAT on all retrofit related measures to 5%.



© Ruth Edwards

### 4. The scale of the challenge means new institutions are needed and there will be new roles for existing organisations.

**As the scale of the challenges and opportunities of the decarbonisation of homes are realised, there will be a need for new roles and approaches.**

For example, we suggest a key role for the Development Bank of Wales (DBW) in the coordination of funding for the private rented and owner-occupied sectors, and the development of a Wales Energy Service Company (WESCO) to manage energy performance contract financing for the social housing sector.

### Welsh Government should:

- Establish a central role for the Development Bank of Wales (DBW) or a similar coordinating actor to facilitate lending of around £1bn/year. This would need to be paired with an appropriate, area-based advice and retrofit procurement service to offer a 'one-stop-shop' to households.
- Explore the establishment of a new Wales Energy Service Company (WESCO) to coordinate and support decarbonisation in the social housing sector. A WESCO would combine loans and grants into a single performance contract. It would fund improvements to homes with guaranteed savings repaid on the energy bill, securing debt-finance on its balance sheet on behalf of housing associations.

### What is an Energy Service Company (ESCO)?

They develop, design, build, and arrange financing for projects that save energy, reduce energy costs, and decrease operations and maintenance costs. They act as project developers for a range of energy saving measures and assume the technical and performance risks associated with a project. They differ from other organisations that offer energy-efficiency improvements in that they use a performance-based contracting methodology. This means the finance generated is directly linked to the actual energy cost savings.

### Welsh Government will also need to address the skills gaps, both in numbers and in diversity, which exist for retrofit jobs.

Currently there is a risk that Wales will lose the benefits of job creation because there are not enough people who are qualified to undertake retrofit work. This needs to be addressed urgently if we are to maximise the multiple benefits of investment in housing decarbonisation.



### Welsh Government should:

- **Urgently develop a skills pipeline for a Welsh Retrofit workforce.**

Investing in, and developing a long-term pathway, to decarbonise all homes in Wales will provide long-term commitment and security to enable development of skills pathways and employability programmes which will support new jobs that could be created in our foundational economy.

Building on the momentum and investment in the Optimised Retrofit Programme, proposals such as the Retrofit Academy for Wales should be supported and scaled up across Wales.

- **Adopt a Retrofit Plus approach - broadening the Retrofit programme to support community involvement and neighbourhood regeneration.**

Investment at scale in Welsh homes should look beyond new boilers and towards innovative solutions to improve communities within the broader ambitions of the Well-being of Future Generations Act. Opportunities should be sought to expand the decarbonisation programmes by greening communities, creating spaces for nature, local food growing and culture.

**5. Wales should target the worst homes first in order to maximise the benefits of reducing fuel poverty and addressing decarbonisation.**

**Many Welsh homes remain in a dire state and thousands of households live in 'severe fuel poverty' requiring over 20% of their income to maintain a satisfactory heating regime.**

While the Welsh Housing Quality Standard, Arbed and Nest programs have made significant inroads in reducing it, 155,000 (12%) of Welsh homes remain in fuel poverty: 20% of the Private Rented Sector, 11% of owner occupiers and 9% of social housing tenants live in fuel poverty. Any decarbonisation programme must target these worst performing homes first as a matter of urgency.

**Welsh Government should:**

- Ensure that their long-term pathway reflects the phasing needed to prioritise funding and support for decarbonising social housing and homes in fuel poverty first, considering what further regulation may be needed for homes in the private rented and owner-occupied sectors.

## Conclusion

This work has demonstrated the level of infrastructure investment needed to improve and decarbonise (retrofit) homes in Wales – this will not only address our climate crisis but will also reduce fuel poverty, improve health outcomes, create thousands of new jobs and support the development of local supply chains to support the foundational economy. A national programme should be an urgent priority for the new Government to support a green, equal and just recovery.

Our in depth research and modelling has shown how much funding is needed up to 2030, the potential sources of funding for different sectors as well as models for delivery. Recommendations for UK and Welsh Government as well as other key players show that this can be achieved with long-term commitment supported by a long-term programme which should be put in place urgently.

**Wales has the ambition, and the vision, our focus now has to be action.**

## Acknowledgements



This work has been developed by the Office of the Future Generations Commissioner for Wales in partnership with New Economics Foundation.

The full report and the technical summary have been drafted by Dr Donal Brown from the Sustainable Design Collective, with support from:

- Christian Jaccarini and Chaitanya Kumar (New Economics Foundation)
- Cathy Madge and Eurgain Powell (Office of the Future Generations Commissioner for Wales)

Thank you to all of the stakeholders who have attended workshops and commented on drafts of this work.



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## References and footnotes

[1] [https://www.futuregenerations.wales/resources\\_posts/welsh-government-budget-must-signal-a-change-in-direction-to-reset-our-economy/](https://www.futuregenerations.wales/resources_posts/welsh-government-budget-must-signal-a-change-in-direction-to-reset-our-economy/)

[2] <https://gov.wales/sites/default/files/publications/2019-07/independent-review-on-decarbonising-welsh-homes-report.pdf>

[3] <https://gov.wales/sites/default/files/publications/2019-07/decarbonising-welsh-homes-stage-2-report.pdf>

[4] Based on a review of GDP multipliers for retrofit developed by Cambridge Econometrics and the University of Leeds.

[5] Delivering these benefits will require minimum energy efficiency standards (MEES) / Energy Performance Certificate (EPC) regulations across all tenure types and income levels.

[6] Building on data from the Welsh School of Architecture, to achieve EPC A for social housing and fuel poor homes, and EPC C for all other homes.

[7] <https://www.ons.gov.uk/businessindustryandtrade/constructionindustry/datasets/ouputintheconstructionindustrysubnationalandsubsector>

[8] <https://gov.wales/fuel-poverty-estimates-wales-headline-results-2018>

[9] D. Brown, H. Wheatley, C. Kumar, J. Marshall, A Green Stimulus For Housing: The Macroeconomic Impacts of a UK Whole House Retrofit Programme, 2020.  
[www.neweconomics.org](http://www.neweconomics.org)

[10] Assuming future programmes for the decarbonisation of the wider stock we might expect deployment and jobs to continue through the 2030s.



Raising Standards. Protecting Homeowners

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Tel: 0344 633 1000 Fax: 01908 747255 [www.nhbc.co.uk](http://www.nhbc.co.uk)

John Griffiths MS  
Local Government and Housing Committee  
Welsh Parliament  
Cardiff Bay  
Cardiff  
CF99 1SN

By email: [John.Griffiths@senedd.wales](mailto:John.Griffiths@senedd.wales)

21<sup>st</sup> July 2021

Dear Mr Griffiths,

### **Congratulations from NHBC**

On behalf of NHBC, I would like to congratulate you on your re-election as Chair of the Local Government and Housing Committee. As NHBC's new Regional Director for Wales, I would welcome a meeting in the near future to discuss the upcoming work of the committee and how we can support it.

As you will be aware, NHBC has tried to support the work of the Equality, Local Government and Communities Committee in the fifth Senedd on a host of issues within the housing sector, including building safety, climate change, modern methods of construction, affordable housing and increasing the rate of housebuilding.

As the UK's largest new home warranty provider and single building control body, we want to continue to share our experience, expertise and knowledge on these issues so that they can meet our shared goals for higher quality homes in Wales.

NHBC's core purpose is to build confidence in the construction quality of new homes, and we have a dedicated service to provide this for innovative homes. I would be particularly interested in discussing with you *NHBC Accepts*, which helps increase the adoption of innovative Modern Methods of Construction (MMC), while also maintaining confidence that both the components and completed homes are built to the highest standards. I have attached a briefing on NHBC Accepts and the success we have had since its launch last year.

I would be delighted to discuss this in more detail with you. If you would like to arrange a meeting or if NHBC can be of any assistance, please contact my colleague Thomas Stevenson [REDACTED]

I wish you the very best luck in your new role and look forward to our productive working relationship.

Yours sincerely,

Luke Carter MCIQB  
**Regional Director West & Wales**

# NHBC Accepts - 12 months on

Supporting innovative construction in housebuilding

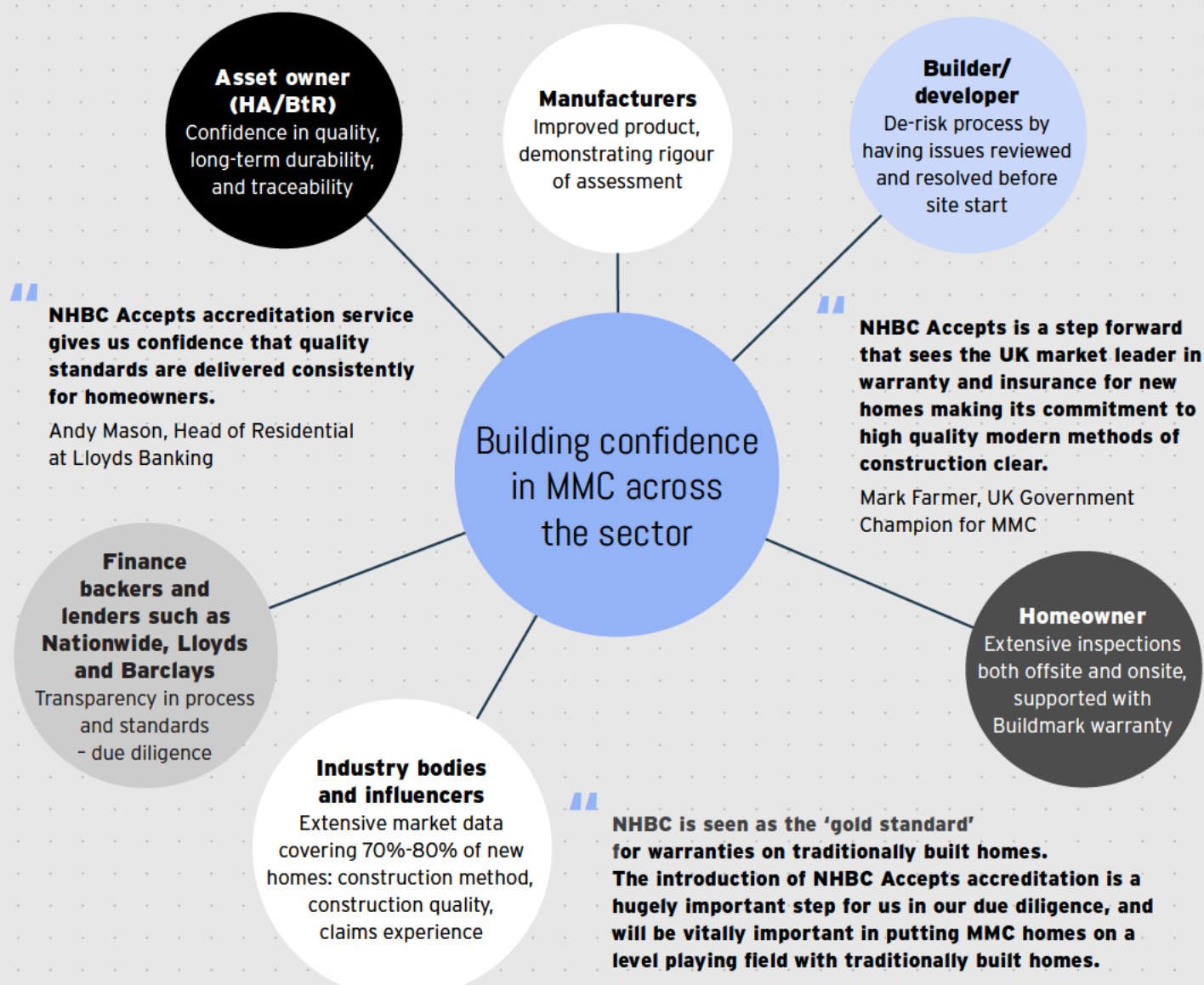
NHBC

ACCEPTS

NHBC has been a longstanding supporter of innovation in housebuilding for decades. NHBC Accepts is an end-to-end service that enables high-quality Modern Methods of Construction (MMC) to be fast-tracked for NHBC's leading warranty, Buildmark and in July 2021 the service celebrates its first anniversary.

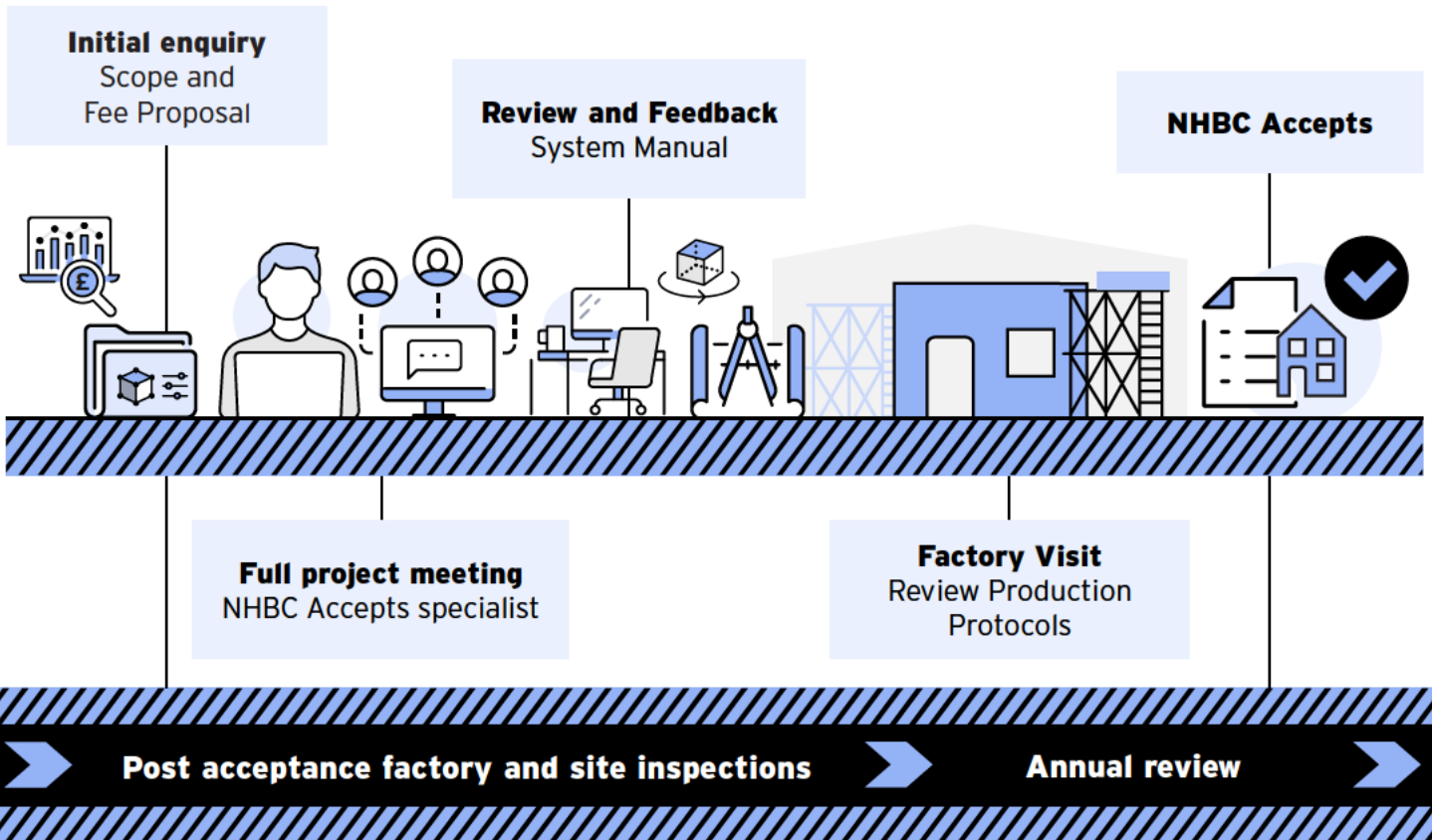
## Building confidence in MMC

- **NHBC Accepts helps to build confidence in MMC.** When a system has been accepted, builders, homeowners, lenders, and local authorities can be reassured it can meet the standards of NHBC's leading 10-year Buildmark warranty.
- **NHBC Accepts actively assesses the quality of construction** both off-site and on-site to verify it is able to be accepted onto Buildmark.
- **This is not solely an assessment process.** NHBC will also actively work with the manufacturer to improve their product so that it can be accepted, and post-acceptance, continually improved.
- **Our ambitions are to continue to expand the number of accepted systems** so that more MMC can be used in housebuilding to increase housing supply while retaining high construction quality.

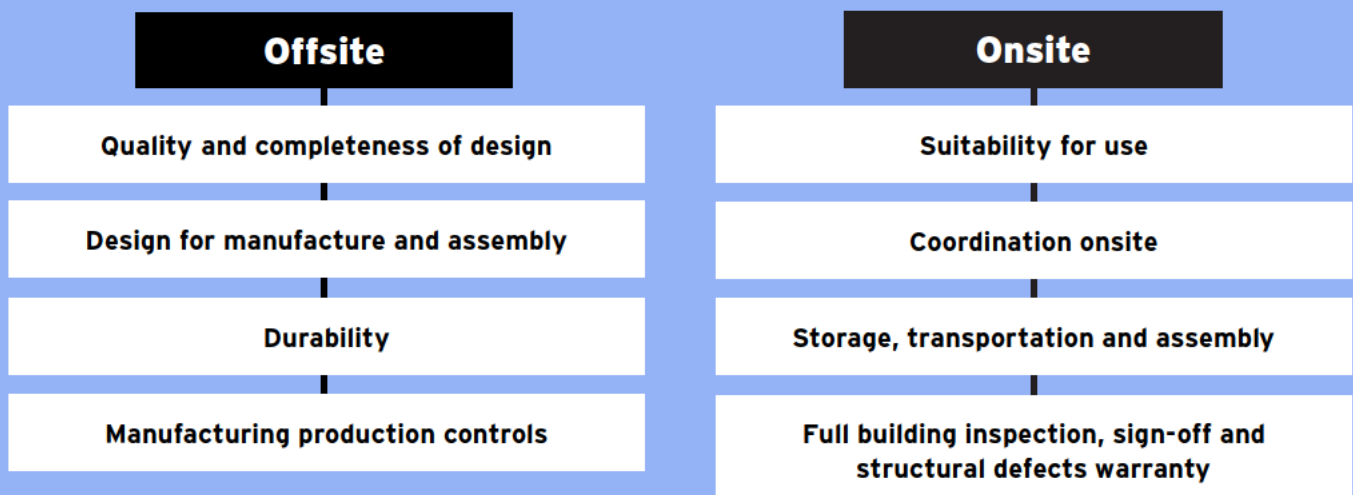


## NHBC Accepts - the manufacturer's journey

NHBC Accepts undertakes detailed and robust technical reviews at key stages to accept an MMC system. The following is a high-level summary of what a manufacturer experiences when putting its system forward to NHBC Accepts.



## Key risks assessed when reviewing MMC



## NHBC Accepts - Results from the past 12 months

# 28

systems accepted  
by NHBC Accepts

# 48

systems under  
review by  
NHBC Accepts

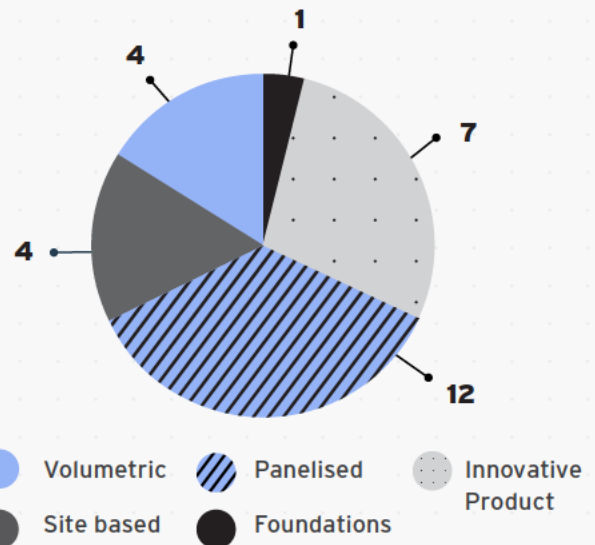
# 34%

increase in MMC  
plots registered for  
the 12 months to  
June 2021

# 5,406

new homes being built  
with MMC registered  
by NHBC in the past  
12 months

NHBC Accepts has accepted a wide  
variety of MMC systems



### Case studies



#### Type of MMC

Factory assembled light steel frame volumetric units to provide a range of standard house types.

#### NHBC Accepts outcome:

ilke Homes became the first offsite manufacturer to achieve accreditation under NHBC Accepts. ilke Homes also receives regular feedback as part of NHBC's Construction Quality Review process to allow them continually to improve and benchmark within the market.

#### What they say:

“ NHBC Accepts means that we now have the opportunity to discuss the requirements of the business so we can fully scope out the works, set a programme and agree a cost for our service. Our homes are also backed by some of the UK's biggest financial providers and the NHBC Accepts scheme helps provide added assurance.

Dave Sheridan, Executive Chairman, ilke Homes



#### Type of MMC

Volumetric timber frame system for apartment blocks of between 2 - 4 storeys.

#### NHBC Accepts outcome:

BoKlok, jointly-owned by IKEA and Skanska, had to submit detailed and robust technical information to be accepted which was comprehensively reviewed by the NHBC team against our robust standards. The system was reviewed in just 67 days and the first site is registered with NHBC and under construction in Bristol for 98 homes.

#### What they say:

“ We are very pleased to have been given a seal of approval for NHBC Accepts. We hope that this additional accreditation will provide further confidence in our home development to our customers and the wider industry.

Noel Sheehan, Housing Director, BoKlok

For more information on NHBC Accepts, please contact  
**Lewis Sidnick, Director of Corporate Affairs,**  
at

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S152K 07/21



John Griffiths

By email

23<sup>rd</sup> July 2021

Dear John,

Congratulations on your election as Chair of the Local Government and Housing Committee. We believe that your committee will have a vital role to play in scrutinising the Welsh Government to ensure that they are taking appropriate measures to solve poverty and inequality. We look forward to continuing working with you to achieve these goals.

I am sure you, committee members and the committee team are currently exploring possible inquiries that could be undertaken by the committee over the course of the Senedd. We wanted to take the opportunity to get in touch and suggest some policy areas that your committee may wish to focus on with regards to poverty and inequality.

### Council Tax and the Council Tax Reduction Scheme

Council Tax is a major additional cost for households. Our estimates suggests that Council Tax typically adds 33 – 50 per cent of rent to a household's housing costs. This cost has increased significantly over recent years due to changes in local government finance, squeezing families who were already finding money tight. The challenges faced by low-income household are exacerbated by the limitations of the Council Tax Reduction Scheme (CTRS).

As you will know CTRS provides people from low-income households with a discount on their Council Tax, or exempts some households from having to pay any Council Tax at all. Strict eligibility criteria mean that thousands of low-income households are not eligible for CTRS, however, despite living in poverty as their income is not deemed low enough. On top of this, even where households are eligible for CTRS, take-up is substantially below expected levels and is decreasing as households receiving Universal Credit are not 'passport' to CTRS. This leaves families in real hardship and sometimes in arrears.

We believe that an inquiry undertaken by your committee could allow us to gain a better understanding of the issues within the current system and to develop solutions that could have a positive impact on people's lives and improve local government financing.

### Better housing for people on low incomes

Everyone in Wales deserves to live in a warm and secure home, but for too many people on low incomes this is not possible.

A lack of affordable housing pushes thousands of Welsh households into poverty, whilst others are pushed into homelessness. Many people on low incomes are forced to live in poor quality housing, increasing their risk of living in fuel poverty and having a devastating impact on their health. Those who live in the private rented sector often lack housing security, with others forced to move from their community to find an affordable home.

The impact of the pandemic is likely to have worsened this situation. The Bevan Foundation's *A snapshot of poverty in spring 2021* report highlighted that 80,000 Welsh households have either already lost their home or have been notified that they will lose their home.<sup>1</sup> With protections from eviction coming to an end, alongside the unwinding of furlough and the cut to Universal Credit there are concerns that this situation could worsen further.

We believe that it is important that the committee explores this issue over the coming months. This could take the form of a short inquiry to explore the immediate impact of the pandemic on housing for people on low incomes, or a longer inquiry that seeks to take a more holistic view of the problem.

### The role of local authorities in reducing poverty

The *Benefits in Wales: options for better delivery* report published by the Equality, Local Government and Communities Committee during the last Senedd under your chairmanship demonstrated the significant role that local authorities can play in solving poverty. We were delighted to see the recommendations made to develop a Welsh Benefits System and understand that the Welsh Government are making some progress in this work.

The role of local authorities in solving poverty however, is not just limited to their administration of welfare support. From education, to leisure to tax, decisions taken by local authorities can both ease or exacerbate the challenges faced by people trapped in poverty.

We believe taking an inquiry into this area would provide us with an opportunity to develop a more holistic approach to solving poverty at local government level and provide for opportunities for greater co-operation between local authorities and Welsh Government.

### Creating cohesive communities

Everyone in Wales deserves to live in strong cohesive communities in which they feel a sense of belonging and welcome and where they have opportunities to develop meaningful relationships with others. It is not right that people living in Wales, including those who have migrated, face hostility, discrimination and live isolated lives.

During the pandemic our communities have shown resilience and strength and demonstrated that strong relationships was vital in mobilising support to help the most vulnerable, however the pandemic and associated restrictions is likely to have increased rates of isolation, with people having even fewer opportunities to develop social connections.

We were pleased that the report *Into sharp relief: inequality and the pandemic* published by the Equality, Local Government and Communities Committee during the last Senedd under your chairmanship recommended the Welsh Government undertake a review of community cohesion with a view to developing an integration strategy in the long term.

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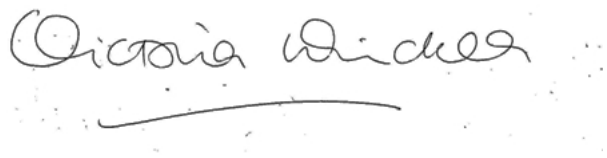
<sup>1</sup> Bevan Foundation, *A snapshot of poverty in spring 2021* (July 2021) available at - <https://www.bevanfoundation.org/resources/poverty-in-spring-2021/>

We believe an inquiry into this area would provide us with an opportunity to develop a greater understanding of what cohesion and integration means and to what extent a national framework would be beneficial but also examine ways to increase cohesion at a local level.

If you would like to discuss any of our ideas further then we'd be delighted to meet with you and your team.

I hope our work is of interest.

Yours sincerely

A handwritten signature in cursive script that reads "Victoria Winckler". The signature is written in black ink and is positioned above a horizontal line that spans the width of the signature.

Victoria Winckler,

Director

## Paper 9

Rebecca Evans AS

Gweinidog Cyllid a Llywodraeth Leol

Drwy e-bost

0300 200 6565 

@Senedd 

@SeneddWales 

/SeneddWales 

Dyddiad | Date: 19eg Gorffennaf 2021

Annwyl Weinidog,

Ysgrifennaf atoch mewn perthynas â'r datganiadau ysgrifenedig cyson sy'n cael eu gwneud ar hyn o bryd yn hysbysu am eich penderfyniadau mewn ymateb i argymhellion Comisiwn Ffiniau a Democratiaeth Leol Cymru ("y Comisiwn") fel rhan o'r adolygiad o ffiniau etholiadol awdurdodau lleol.

Ysgrifennaf yn benodol i gyfleu pryder ac i geisio sicrwydd pellach am eich penderfyniadau wrth bennu enwau arfaethedig ar wardiau yn y Gymraeg a'r Saesneg.

Credaf fod materion ehangach o bwys i'r broses yn ei chyfanrwydd yn deillio o hynny yn ogystal – o safbwynt a yw'r gwiriadau priodol ar waith i sicrhau ansawdd a thryloywder penderfyniadau arwyddocaol ar strwythur a threfn ein democratiaeth, yn enwedig mewn achosion pan fo'r penderfyniadau hynny yn gwyro oddi ar argymhellion y Comisiwn annibynnol sydd wedi'i gyfarwyddo i arwain y gwaith.

Nid oes angen imi bwysleisio pwysigrwydd annibyniaeth proses o'r fath i ddiogelu rhag dylanwad gwleidyddol amhriodol, neu'r canfyddiad o hynny.

Croesawaf y ffaith bod cryn ystyriaeth wedi'i roi – fe ymddengys – fel rhan o'r gwaith o adolygu ffiniau etholiadol i geisio safoni enwau'r wardiau ac fe adlewyrchir hynny yn yr argymhellion terfynol. Ystyrir bod gan safoni rôl bwysig i hwyluso defnydd priodol o'r enwau a ddefnyddir i gyfeirio at wardiau yn ieithoedd Cymru ac i sicrhau nad yw'r Gymraeg yn cael triniaeth llai ffafriol na'r Saesneg mewn gweinyddiaeth gyhoeddus. Gallai gynnig cyfleoedd yn ogystal i hyrwyddo normaleiddio defnydd y Gymraeg a chryfhau is-adeiledd yr iaith a pha mor rhwydd yw hi i bobl ei defnyddio yn hyderus felly, yn unol â chenadwri Strategaeth *Cymraeg2050* Llywodraeth Cymru.

Mae'n ymddangos y bu cydweithio agos yn y cyswllt hwn rhwng y Comisiwn a Chomisiynydd y Gymraeg ("y Comisiynydd") sydd yn synhwyrol ac yn addas gan bod gan y Comisiynydd gyfrifoldeb i

gynnig cyngor ac argymell ffurfiau safonol enwau lleoedd i Weinidog Cymru. Deallaf fod y Comisiynydd wedi cynnull panel o arbenigwyr – Panel Safoni Enwau Lleoedd – i'w gefnogi i gyflawni'r swyddogaeth hon ac yr wyf ar ddeall hefyd bod swyddog o Lywodraeth Cymru yn eistedd ar y Panel. Cyhoeddodd y Comisiynydd **Ganllawiau Safoni Enwau Lleoedd Cymru** ac mae'r Panel yn defnyddio'r Canllawiau Safoni Cenedlaethol wrth lunio'i argymhellion.

Er hyn, roedd yn syndod gweld o'r datganiadau ysgrifenedig yn achos sawl un o wardiau'r awdurdodau lleol rydych chi wedi cyhoeddi eich penderfyniad ar eu cyfer hyd yma eich bod chi wedi mabwysiadu polisi enwi gwahanol, yn groes i argymhellion y ddau gorff (Y Comisiwn a'r Comisiynydd) mewn sawl achos.

Rwyf yn cynnwys er eich sylw a'ch ystyriaeth yn Atodiad 1 i'r llythyr hwn ddogfen Excel sy'n cynnwys detholiad o waith dadansoddi sydd wedi'i gynnal gan fy nhîm ar rai o'r penderfyniadau a gyhoeddwyd hyd yma i geisio mynd i wraidd y mater. Yng ngoleuni hyn, gofynnaf i chi gadarnhau –

1. Beth yw'r broses yr ydych chi fel Gweinidog wedi'i dilyn wrth ddod i benderfyniad ar argymhellion y Comisiwn, gan gynnwys ar gyfer pennu enw neu enwau arfaethedig ar gyfer wardiau?

2. Ar ba sail y gwnaethoch chi ddod i gasgliadau croes i'r Comisiwn a/neu y Comisiynydd yn achos enw/enwau arfaethedig wardiau'r awdurdodau lleol hynny a gyhoeddwyd gennych hyd yma?

3. Pa asesiad wnaed ar effaith y penderfyniadau hyn ar y Gymraeg a'r cyfleoedd i bobl ddefnyddio'r Gymraeg ac ar y gofyniad i Weinidogion Cymru beidio trin y Gymraeg yn llai ffafrio'r na'r Saesneg?

4. Pa egwyddorion ydych chi wedi'u mabwysiadu, os o gwbl, i dywys y gwaith pennu enw neu enwau arfaethedig er mwyn sicrhau cysondeb cenedlaethol?

5. A yw Llywodraeth Cymru yn cydnabod y ddogfen *Canllawiau Safoni Enwau Lleoedd Cymru* fel y ddogfen ganllaw cydnabyddedig i'w defnyddio fel sail i benderfyniadau awdurdodau sydd â chyfrifoldebau statudol dros enwi yn gyffredinol, fel sydd gan Weinidogion Cymru yn yr achos hwn?

Byddai'n ymddangos yn gam gwag diystyru arbenigedd y Panel sydd wedi'i gynnull a'r adnodd cyhoeddus sydd wedi'i roi i gefnogi gwaith y Comisiynydd yn y maes yma heb fod yna reswm da dros hynny. Byddai hynny'n arbennig o wir os oedd Llywodraeth Cymru wedi'i chynrychioli ar y Panel.

Mewn egwyddor, mae'n ymddangos yn rhesymol y dylid cydio yn y cyfle i roi enw unigol, safonol ar wardiau sydd ag enwau Cymraeg fel 'Llwyn-y-pia', er enghraifft. Yn yr un modd, os nad oes sail neu ddadl gref i'r gwrthwyneb, dylid cydnabod yr enw unigol 'Fairwood', er enghraifft, ar y ward benodol honno yn Abertawe yn y ddwy iaith, gan osgoi cyflwyno enw gwneud Cymraeg. Mae cynsail yn y safbwynt hwn yn y defnydd o'r enwau 'Pierhead' a 'Senedd', er enghraifft lle bod un enw cydnabyddedig yn y ddwy iaith.

Fel mae'n sefyll, mae'r penderfyniad i gydnabod 'Llwyn-y-pia' fel enw Saesneg a 'Llwynypia' fel yr enw Cymraeg ar y ward dan sylw yn Rhondda Cynon Taf, er enghraifft, yn ymddangos yn ddiffygiol ac yn afresymegol. Mae hefyd anghysondeb gan eich bod wedi penderfynu rhoi'r enw 'Pen-y-groes' yn Gymraeg a 'Penygroes' yn Saesneg ar y ward berthnasol yn Sir Gaerfyrddin, er gwaetha'r ffaith mai enw cynhennid Cymraeg ydyw waeth beth fo'r sillafiad safonol cydnabyddedig.

Er cyflawnder, dylid nodi bod amryfuseddau wedi'u nodi rhwng fersiynau Cymraeg a Saesneg adroddiadau'r Comisiwn. Nodir hyn y tabl yn Atodiad 1 isod. Efallai bod hyn yn rhywbeth i'ch swyddogion wirio yn gyffredinol gyda'r Comisiwn.

Rwy'n copïo'r llythyr hwn i Gadeiryddion y Pwyllgorau perthnasol yn y Senedd, i'r Gweinidog Addysg a'r Gymraeg, Comisiynydd y Gymraeg a Phrif Weithredwr Comisiwn Ffiniau a Democratiaeth Leol Cymru.

Edrychaf ymlaen at dderbyn ymateb amserol a chyflawn i'r pwyntiau hyn.

Yn gywir iawn,

Llyr Gruffydd AS

## Ward

## Terfynol LDBCW

## Terfynol CYG

## Terfynol LLC

<b>Ward Llwyn-y-pia</b> (yn y fersiwn Saesneg) Llwynypia (yn y fersiwn Cymraeg)	Enw unigol o Llwyn-y-pia	Cytuno gyda'r Comisiwn yn y ddau fersiwn (Cymraeg a Saesneg)	Anghytuno - dau enw - Llwyn-y-pia (S) Llwynypia (C)	Anghytuno gydag argymhellion y ddau gorff	(Anghysondeb yn y cynigion terfynol Cymraeg a Saesneg - dangos Llwyn-y-Pia yn
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Yn y Cynigion Drafft (Cymraeg) nodwyd: *Mae'r Comisiwn wedi rhoi'r enw unigol Llwyn-y-Pia i'r ward etholiadol. Ystyriodd Comisiynydd yr Iaith yr enw a chynigiodd yr enw unigol Llwynypia, oherwydd dyma'r ffurf a argymhellir yn y cyfeirlyfr safonol cenedlaethol, sef y Rhestr o Enwau Lleoedd (Gwasg Prifysgol Cymru, 1967). Ni ddylid gwyro oddi wrth ei argymhellion heb reswm da. Nid oes angen cysylltnodau yn yr enw hwn i helpu i'w ynganu. Mae'r Comisiwn yn croesawu unrhyw awgrymiadau ar gyfer enwau amgen.*

<b>Ward Ynysybwl</b>	Enw unigol o Ynysybwl	Anghytuno - enw unigol o Ynys-y-bwl	Anghytuno - dau enw - Ynysybwl (S) Ynys-y-bwl	Anghytuno gydag argymhellion y ddau	
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Yn y Cynigion Drafft (Cymraeg), nodwyd: *Mae'r Comisiwn wedi rhoi'r enw unigol Ynysybwl i'r ward etholiadol gan ddefnyddio'r enw ward a nodwyd yng Ngorchymyn Trefniadau Etholiadol 1998. Ystyriodd Comisiynydd y Gymraeg yr enw a chynigiodd yr enw unigol Ynys-y-bwl. Mae Comisiynydd y Gymraeg yn nodi bod y cysylltnod yn cael ei ddefnyddio mewn enwau lleoedd Cymraeg pan fo'r fannod (y/yr) yn ymddangos cyn unsillaf olaf; defnyddir cysylltnodau cyn ac ar ôl y fannod i amlygu'r elfennau unigol a helpu i ynganu'r enw. Mae'r Comisiwn yn croesawu unrhyw awgrymiadau ar gyfer enwau amgen.*

<b>Ward Cwmbach</b>	Enw unigol o Cwmbach	Cytuno gyda'r Comisiwn	Anghytuno - dau enw - Cwmbach (S) Cwm-bach (C)	Anghytuno gydag argymhellion y ddau gorff	(Anghysondeb yn y cynigion terfynol Cymraeg a Saesneg). Yn y Gymraeg, nodir bod y CyG wedi cynnig Cwmbach, ond yn y Saesneg, nodi bod y Comisiynydd yn cytuno â'r argymhelliad).
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Yn y Cynigion Drafft (Cymraeg) nodwyd y canlynol am Cwmbach - *Mae'r Comisiwn wedi rhoi'r enw unigol Cwmbach i'r ward etholiadol. Ystyriodd Comisiynydd y Gymraeg yr enw a chynigiodd yr enw unigol Cwm-bach, oherwydd dyma'r ffurf a argymhellir yn y cyfeirlyfr safonol cenedlaethol, sef y Rhestr o Enwau Lleoedd, ac oherwydd bod y cysylltnod yn cael ei ddefnyddio i helpu i ynganu'r enw hwn trwy ddangos bod y pwyslais ar y sillaf olaf. Mae'r Comisiwn yn croesawu unrhyw awgrymiadau ar gyfer enwau amgen.*

<b>Ward Pont-y-clun</b>	Enw unigol o Pont-y-clun	Cytuno gyda'r Comisiwn	Anghytuno - dau enw - Pontyclun (S) Pont-y-clun (C)	Anghytuno gydag argymhellion y ddau gorff	
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Yn y Cynigion Drafft (Cymraeg) nodwyd y canlynol am Pont-y-clun: *Mae'r Comisiwn wedi rhoi'r enw unigol Pont-y-clun i'r ward etholiadol. Mae Comisiynydd y Gymraeg yn cytuno â chynnig y Comisiwn. Mae'r Comisiwn yn croesawu unrhyw awgrymiadau ar gyfer enwau amgen. Nodir yn yr adroddiadau er hynny bod y Comisiwn wedi derbyn cynrychiolaethau yn gawl am gadw'r enw 'Pontyclun' ar gyfer y ward "gan y derbynnir y ffurf hon yn gyffredin yn lleol yn y ddwy iaith".*

Ward	Argymhelliad Terfynol LDBCW	Argymhelliad Terfynol CYG	Penderfyniad Terfynol LLC
<b>Ward Fairwood</b>	Enw dwyieithog - Fairwood (S) Llwynteg (C)	Anghytuno gyda'r Comisiwn. Argymhell enw unigol o Fairwood.	Un enw - Fairwood Cytuno gyda'r Comisiynydd
<b>Ward St Thomas</b>	Enw dwyieithog - St Thomas (S) Sain Tomos (C)	Anghytuno gyda'r Comisiwn. Argymhell enw unigol o St Thomas.	Un enw - St Thomas Cytuno gyda'r Comisiynydd
<b>Ward Townhill</b>	Enw dwyieithog - Townhill (S) Pen y Graig (C)	Anghytuno gyda'r Comisiwn. Argymhell enw unigol o Townhill.	Un enw - Townhill Cytuno gyda'r Comisiynydd
<b>Ward Uplands</b>	Enw dwyieithog - Uplands (S) Tir Uchel (C)	Anghytuno gyda'r Comisiwn. Argymhell enw unigol o Uplands.	Un enw - Uplands Cytuno gyda'r Comisiynydd
<b>Ward West Cross</b>	Enw dwyieithog - West Cross (S) Y Groesffordd (C)	Anghytuno gyda'r Comisiwn. Argymhell enw unigol o West Cross.	Un enw - West Cross Cytuno gyda'r Comisiynydd
<b>Ward Pontlliw a Tircoed</b>	Pontlliw and Tircoed (S) Pontlliw a Thir-coed (C)	Cytuno gyda'r argymhelliad	Tircoed (S) Pontlliw a Thir-coed (C) Comisiynydd a'r Comisiwn

Abertawe - yn wreiddiol, roedd cynigion drafft y Comisiwn yn argymhell cadw'r enw Saesneg yn unig (ar wahân i Pontlliw a Tircoed lle cynigir enw dwyieithog). Cytunodd y Comisiynydd gyda'r cynigion drafft. Ond yn dilyn derbyn cynrychiolaethau o blaid cael enw dwyieithog, penderfynodd y Comisiwn argymhell enwau dwyieithog. Roedd hyn yn groes i farn y Comisiynydd.

Barn y Comisiynydd: Roedd Comisiynydd y Gymraeg yn awgrymu cadw'r enw unigol {enw'r Ward}, oherwydd y mae perygl y gall bathu enw Cymraeg newydd beri dryswch, gan nad yw'r lle'n hysbys dan yr enw hwnnw ac nid oes unrhyw sail hanesyddol i'r enw.

Sir Gaerfryddin

Ward	Argymhelliad Terfynol LDBCW	Argymhelliad Terfynol CYG	Penderfyniad Terfynol LLC	
Betws	Enw unigol - Betws	Anghytuno - enw unigol Y Betws	Enw dwyieithog - Betws (S) Y Betws (C)	Anghytuno gydag argymhellion y ddau gorff
Garnant	Enw unigol - Garnant	Anghytuno - enw unigol Y Garnant	Enw dwyieithog - Garnant (S) Y Garnant (C)	Anghytuno gydag argymhellion y ddau gorff
Gorslas	Enw unigol - Gorslas	Anghytuno - enw unigol Gors-las	Enw dwyieithog - Gorslas (S) Gors-las (C)	Anghytuno gydag argymhellion y ddau gorff
Penygroes	Enw unigol - Penygroes	Anghytuno - enw unigol Pen-y-groes	Enw dwyieithog - Penygroes (S) Pen-y-groes (C)	Anghytuno gydag argymhellion y ddau gorff
Whitland	Enw dwyieithog - Whitland (S) Hendy-Gwyn (C)	Enw dwyieithog - Whitland (S) Hendy-gwyn ar Daf (C)	Enw dwyieithog - Whitland (S) Hendy Gwyn ar Daf	Cytuno gyda'r Comisiynydd
Dafen and Felinfoel	Enw dwyieithog - Dafen and Felinfoel (S) Dafen a Felinfoel (C)	Anghytuno gyda'r Comisiwn - Dafen and Felin-foel (S) Dafen a Felin-foel (C)	Enw dwyieithog - Dafen and Felinfoel (S) Dafen a Felin-foel (C)	Anghytuno gydag argymhellion y ddau gorff
Trelech	Enw unigol - Trelech	Anghytuno gyda'r Comisiwn - Enw unigol - Tre-lech	Enw dwyieithog - Trelech (S) Tre-lech (C)	Anghytuno gydag argymhellion y ddau gorff
Tycroes	Enw unigol - Tycroes	Cytuno gyda'r Comisiwn	Enw dwyieithog - Tycroes (S) Tŷ-croes (C)	Anghytuno gydag argymhellion y ddau gorff

Yn y cynigion drafft, nodir bod Comisiynydd y Gymraeg wedi cynnig defnyddio'r enw unigol Tŷ-croes gan nodi mai Tŷ-croes yw'r ffurf Gymraeg safonol a argymhellir gan y llyfr cyfeirio Rhestr o Enwau Lleoedd. Ond yn yr Adroddiad Terfynol, nodir: Cynigiodd y Comisiwn yr enw unigol Tycroes yn y Cynigion Drafft. Cytunodd Comisiynydd y Gymraeg â'r enw arfaethedig.

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# Parliamentary briefing: Elections Bill

**28 July 2021**

This briefing highlights key considerations ahead of parliamentary consideration of the [Elections Bill](#), and outlines the Commission's position on its key measures.

The Electoral Commission is the independent body which oversees elections and regulates political finance in the UK. We work to promote public confidence in the democratic process and ensure its integrity. A key part of our role is to provide advice to government and parliament on legislation relating to elections and the regulation of campaigners.

We will continue to provide independent advice to parliamentarians on the contents of the Bill, based on published evidence and our expertise. This will include more detailed information on individual clauses during the Bill's passage through Parliament.

Once the Bill has been passed into law we will work with voters, local electoral administrators, political parties, campaigners and representative bodies, to ensure everyone involved in elections understands and is prepared in good time for the new rules.

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Communications Officer

# Key considerations on the Bill's measures collectively

- The Elections Bill proposes significant changes, and will affect voters, campaigners and electoral administrators. It would introduce a number of important changes that the Commission and others have previously argued will bring benefits for voters, including: extending imprint rules to digital campaign material; allowing more flexible support for disabled voters; reforming the offence of undue influence; and improving transparency about new parties' assets.
- Implementation of the changes will need to be carefully planned and managed so that they can be delivered as intended. Ineffective delivery of such major change – for example, if there is not sufficient time to plan or the required resources are not available – could lead to errors or an inadequate experience for voters or campaigners. This could in turn damage confidence in the integrity of future elections.
- In considering how and when each of the measures should be commenced, the Government will need to take a holistic view of the capacity of voters, campaigners and electoral administrators to respond to and deliver change. [The Association of Electoral Administrators has recently highlighted concerns about existing capacity](#) within the local infrastructure for delivering elections.
- All those involved in delivering or participating in elections will need time to understand and prepare for changes to their roles and responsibilities. The Government's planning for implementing the Bill should take account of the range of elections that are already scheduled or expected to take place during the next three to four years.
- The Government's implementation plans will also need to be appropriately funded to ensure the collective package of measures is realistically deliverable. Changes for UK Parliament and Police and Crime Commissioner elections will be funded directly by government, but costs to deliver changes to electoral registration and for local elections will need to be met by local authorities in the longer-term. Resources will also be required for the Commission's work, including significant activity to support public awareness, from Parliament through the Speaker's Committee.
- The Bill covers the whole of the UK, but some provisions would apply differently to elections in England, Scotland, Wales and Northern Ireland. The Government has indicated that it will seek approval from other legislatures to allow these provisions to apply more consistently. It should set out progress with this approval process as early as possible, so that there can be clarity about the likely impact of the Bill for voters, campaigners and electoral administrators in different parts of the UK.
- It should also consider any risks for voters, campaigners or electoral administrators if there were to be significant differences in the rules that would apply for elections in future, particularly where different types of elections could be held on the same day.
- This Bill, and the secondary legislation that will be needed to implement it, will substantially increase the size of the UK's body of electoral law. [The laws around elections are already complex and fragmented](#), and the Government should confirm how it will address any additional risks from adding new legislation.

# Part 1 Administration and conduct of elections

It is important that the UK's electoral system is both secure and accessible. Part 1 of the Bill includes significant changes to the way people will cast their votes at future elections.

## Voter identification

The UK has low levels of proven electoral fraud, and voters should feel confident about their vote. However, our research has highlighted that it is an issue that concerns some voters. Two-thirds of people in our [recent public opinion tracking research](#) said they would feel more confident in the security of the voting system if there was a requirement to show identification.

There are already checks in place to confirm a voter's identity when they register to vote and vote by post. However, there are no similar checks in place at polling stations in Great Britain to prevent someone claiming to be someone else and voting in their name. This means that polling station voting in Great Britain is vulnerable to fraud. In Northern Ireland, there has been a requirement to show ID when voting since 1985, updated to a photo ID requirement since 2003.

At the 2018 and 2019 local elections, the UK Government trialled voter ID in a number of areas in England. We undertook [independent, statutory evaluations](#) in both years. Based on the evidence collected, we identified three key areas that need careful consideration if a voter ID requirement is introduced:

- A voter ID requirement should deliver clear improvements to current security levels. It should improve public confidence in the voting system by protecting voters from the risk of personation.
- Any new requirement should ensure accessibility for all voters. This must be considered for all voters, particularly those who are less likely to already have an accepted form of photo ID. The introduction of an ID requirement must not prevent these people from voting.
- The introduction of any ID requirement should be realistically deliverable for local electoral administrators, with manageable timescales and proper funding.

The Bill sets out proposals for a photo-based identification requirement for polling station voters at UK Parliament elections in Great Britain, Police and Crime Commissioner elections in England and Wales, and local elections in England. Of the approaches tested at the pilots, this provided the greatest improvement in security.

To make sure voting at polling stations remains accessible, this security measure must be balanced with other options for people who do not already have an accepted form of photo ID. The Bill makes clear that a proposed Voter Card must be issued free of charge.

Our recent public opinion tracking research found that 4% of people who were eligible to vote said they do not currently have any of the identification documents that would be required under these proposals. This was higher among some more disadvantaged groups including unemployed people, people who rent from a local authority or housing association, and people with disabilities.

### Key considerations

- The application and issuing process for the proposed Voter Card will be key to ensuring the accessibility of a voter identification requirement, particularly for those people that don't have the required identification.
- Ensuring there is no charge for a Voter Card will be important, but significant further details about the application process will be set out in secondary legislation. The Government should set out during the passage of the Bill how it will make sure that applying for the new Voter Card is easy for people who need it.

## Postal and proxy voting

Postal voting is a useful and popular voting method, used by around 20% of voters in Great Britain. Proxy voting is also an important option for people who can't vote in person. Just under 250,000 people appointed a proxy at the 2019 UK general election.

The Bill proposes banning campaigners from handling postal votes, which would formalise the current approach encouraged by a [voluntary Code of Conduct for Campaigners](#). The Bill also proposes extending ballot secrecy rules to include postal votes. These changes should improve trust and confidence in the system without reducing access to voting. Our [recent public opinion research](#) has shown that while 90% of people say they feel voting in a polling station is secure, this compares to 68% of people who believe postal voting is secure and 11% who don't know.

The Bill would also require voters to reapply for a postal vote after three years. This will help to ensure that postal voting personal identifiers (date of birth and signature) are up-to-date and accurate, and should reduce the risk of postal votes being rejected because these identifiers don't match when voters return postal ballot packs at elections.

It is not clear how new limits on handing in postal votes at polling stations, and on the number of voters for whom a person may act as a proxy, would offer significant additional protection for voters. Campaigners handing in postal votes would commit an offence under the proposed ban on handling postal ballot packs, and the reformed offence of undue influence would also apply if voters were forced against their will to hand over their postal votes to someone else or to appoint someone as a proxy.

### Key considerations

- Changes to limit who can hand in postal votes at polling stations, and the number they can hand in, could create barriers for some voters who genuinely need assistance. They would also add complex new procedures for polling station staff.
- Security would be improved by the Bill's proposal to record who has handed in postal votes, without risking an impact on accessibility by placing new limits on the ability to hand them in.
- Limiting the number of voters for whom a person may act as a proxy could disadvantage some people who rely on someone else to vote on their behalf, including overseas voters.

## Undue influence

Undue influence is a complex electoral offence that is not easy for voters to understand. Simplifying and defining this offence more clearly would help to protect voters against exploitation and would make clear what is and is not acceptable behaviour.

It would also make it easier for the police and prosecutors to enforce the law where appropriate. There is [widespread support for reforming this offence](#) among campaigners, electoral administrators, police and prosecutors.

## Assistance with voting for people with disabilities

These changes would give voters with disabilities more flexibility in how they are supported at polling stations. Providing a wider range of equipment at polling stations should make it easier for people with disabilities to access appropriate support to be able to cast their vote on their own and in secret.

Replacing the current specific requirements set out in law with a broader duty for electoral administrators to provide reasonable equipment would allow voters with disabilities to use new equipment or technology to support them. This could support innovation and speed up the process of providing different types of support when new ways to meet voters' needs are identified.

[People with disabilities have also highlighted](#) that it can be difficult to find someone who is eligible to help them cast their vote at their polling station. Removing restrictions on who can act as a companion would give voters with disabilities more flexibility and choice in how they are supported.

### Key considerations

- The Bill would give electoral administrators a broader responsibility to identify what equipment would be reasonable to provide to support voters with disabilities. It will be important for the Government to make sure there is appropriate funding for local administrators so that this support has the right impact for voters with disabilities.
- Our guidance will help electoral administrators to consider how best to identify and provide the right kind of support to voters with disabilities under this new responsibility, ensuring that voters are able to receive a consistent level of service wherever they live.

### Further reading

- [Our independent evaluation of the voter ID pilots](#)
- [Our public opinion tracker 2021](#)
- [Our response to Sir Eric Pickles' review and recommendations on electoral fraud](#)
- [Our report on registering and voting from the view of someone with a disability](#)

## Part 2 Overseas voters and EU citizens

Part 2 of the Bill includes proposals to significantly change the franchise, both for British citizens living abroad and for citizens of EU member states living in the UK.

Proposals to change which groups of people have the right to vote or stand as a candidate in elections are important constitutional matters for Parliament to consider and decide on. The Commission does not normally take a policy view on changes to the franchise, but we will provide advice to Parliament about their potential impact and practical implications.

### Overseas voters

Our [research following UK general elections](#) since 2015 has consistently found that some overseas voters have experienced significant difficulties voting from outside the UK. Many did not have enough time to receive and return their postal vote before the close of the poll, which meant their votes could not be counted.

Just over 230,000 people were registered as overseas voters at the 2019 general election. A large number of new voters could be added to the electoral register as a result of the proposal to remove the current 15-year limit for British citizens overseas to register to vote in the UK, and so more people could be affected by these issues at future elections.

#### Key considerations

- To help support overseas voters to have their say at UK Parliamentary elections, we continue to recommend that the Government should explore new approaches to improve access to voting, drawing on evidence from other countries.
- We have previously highlighted that this could include options such as allowing people outside the UK to vote at embassies and consulates, or to download and print postal ballot packs from home in order to return them more quickly.

### EU citizens

In the year to December 2020, there were [2.1 million \(non-UK\) EU citizens](#) on the electoral registers for local government elections in England and Wales. Implementing the proposed changes to the eligibility of EU citizens to vote and stand as candidates in some elections will involve a significant programme of activity by electoral administrators. This is likely to include communicating the new franchise rules and requirements to affected people, and reviewing their status to determine whether they remain eligible to vote in future elections.

#### Key consideration

- Implementing changes to the franchise and voting rights for EU citizens must be well-planned and appropriately funded to ensure all those eligible to be registered to vote have the opportunity to do so, and that registers are as accurate and complete as possible. The Government's planning and timing for delivering these changes must take account of the other significant changes proposed in this Bill.

# Part 3 The Electoral Commission

## Oversight of Electoral Commission

To ensure confidence in the impartiality of its approach, the Electoral Commission must be able to decide on its priorities and work independent of government influence or controls. Equally, parliamentary oversight and scrutiny of the Commission's work is essential to ensure that we command broad trust and confidence as an organisation. It is vital for public confidence that the Commission continues to be properly accountable to the UK Parliament, and also to the Scottish Parliament and Senedd.

Part 3 of the Bill includes significant changes to current accountability arrangements, including changes to the role and powers of Ministers, the Speaker's Committee and Parliament. The proposed Strategy and Policy Statement would give current and future Ministers new and broad scope to align the Commission's activities with the Government's strategic objectives, and to shape the exercise of our regulatory functions in relation to future elections and referendums.

## Criminal prosecutions

Effective enforcement when the law is broken gives voters and campaigners confidence in the electoral system. They have the right to expect that any political party or campaigner which deliberately or recklessly breaks electoral law will face prosecution.

There have been no prosecutions under the Political Parties Elections and Referendum Act 2000 (PPERA) since it was passed by Parliament 20 years ago. We have focused on using the civil sanctions regime introduced 10 years ago, and the police and prosecutors have remained responsible for considering prosecutions. As the apparent risk of being prosecuted for a PERA offence is negligible, there are important implications for deterrence.

Although the Commission's current powers to establish a prosecution function are consistent with those available to many other regulators, the Bill proposes to remove these powers. This would reduce the scope for political finance offences to be prosecuted, relying solely on the police and prosecutors having the resources and will to take action.

### Key considerations

- It is important that the Electoral Commission can continue to work independently to deliver the duties that the UK's legislatures have given us as the regulator of electoral law and political financing.
- There should be no actual or perceived involvement from government in our operational functions or decision-making. Our independence must be clear for voters and campaigners to see and preserved in electoral law, as this underpins fairness and trust in the electoral system.
- The Commission is funded by and formally accountable to the Scottish Parliament and the Senedd as well as the UK Parliament. The Government should make clear

that the proposed Strategy and Policy Statement, and the related development and approval processes, will reflect and not undermine these important shared accountability relationships.

- If the Electoral Commission is prohibited from undertaking criminal prosecutions, the capacity needs to exist within the police and Crown Prosecution Service for them to take forward prosecutions where appropriate, and without undue delay. The Government would need to work with them to ensure this was the case, and the Commission would continue to support them as well. This would include the full range of offences, from the lower order criminal offences that are often brought to light through our civil investigatory work, through to more significant offences such as deliberately breaching legal spending limits.

### **Further reading**

- [Our enforcement work](#)
- [Our Corporate Plan and Annual Report](#)

# Part 4 Regulation of expenditure

Part 4 of the Bill amends some of the existing rules that provide transparency and place limits on election campaign spending and funding. Our [recent public attitudes research](#) showed that there is an appetite for improvements for transparency, with only 14% of people agreeing that the spending and funding of political parties, candidates and other campaigning organisations at elections is open and transparent.

## Notional expenditure of candidates and others

Rules about notional spending ensure that campaigners properly account for and report all goods, services and materials that are donated to them, and which they use to help them in any way with their campaign activities. [Data on spending](#) shows the total amount of notional spending reported by the 3,320 candidates who stood at the 2019 UK general election was £7 million. This was nearly 40% of the total amount of reported candidate spending.

Candidates, agents and party or campaigner staff need a clear understanding of when something is “notional spending” or “election expenses” because it counts towards their total campaign spend, which must not exceed the specified spending limit. The current law on notional spending is long established and has operated in practice for elections for many years.

The Government wants to change the legal test for when a candidate or agent authorises someone else to use benefits in kind on their behalf. The Bill would amend the rules so that candidates only need to report benefits in kind which they have “made use of” themselves or have authorised, directed or encouraged someone else to “make use of” on their behalf.

These changes would operate alongside existing rules for campaigners which allow them to spend a permitted sum on promoting a candidate in a constituency separately from the agent (e.g. up to £700 at a UK general election).

### Key considerations

- There should be a clear understanding of how expenses or support for a candidate should be treated under the law. Candidates and other campaigners need to be clear how any expenses for campaigning in a constituency should be treated under the proposed changes and the existing legislation.
- The Government should set out how it has tested the proposed changes with campaigners, to help ensure that there is a common view about how support for a candidate should be authorised and accounted for, whether it is paid for by the agent or someone else.
- If these changes are passed into law, we will need to build on this common view to provide guidance for campaigners and update the draft statutory Code of Practice that we have prepared on candidate election expenses. The Electoral Commission already has a power to prepare a statutory Code for approval by the Minister and Parliament, and the scope of this power would be increased to cover notional spending.

## Registration of political parties and non-party campaigners

Requiring new political parties to set out any assets or liabilities they hold over £500 when they apply to register would address a gap in the current rules for party accounts. It should give voters greater transparency by allowing them to see from the outset the level of funds or debts that a new party has.

The Bill will also introduce a prohibition on entities being registered as political parties and registered non-party campaigners at the same time. While there have been past instances of individuals being involved in some capacity in a party and a non-party campaigner simultaneously, there has only been one example in the past ten years of the same entity being registered as both a political party and non-party campaigner at the same time.

### Key considerations

- The proposed ban on entities being registered as political parties and registered non-party campaigners at the same time is likely to reduce some types of campaign activity at future elections. It would reduce the amount that political parties can choose to spend on supporting or opposing another party or its candidates, including at elections where a party is not fielding any candidates itself. It could have an impact on parties and other campaigners considering electoral pacts and alliances in future.
- When accepting notifications from non-party campaigners as part of our role as the statutory registrar of political parties and non-party campaigners, we will need to check if the notifying entity is eligible. It will be important to ensure the law provides clarity and certainty about how to determine when a political party and a non-party campaigner are “the same” entity, so that those applying to register and the Commission can understand and apply the new requirement consistently.

## Controlled expenditure by non-party campaigners

Non-party campaigners are a vital part of a healthy democracy and play an important role in sharing information with voters. It is important that these groups can easily participate in the UK’s elections. Controls in election law help voters to see and understand how these groups receive and spend money when they are intending to influence an election outcome.

Over recent years, there has been an increase in the number of non-party campaigners. Spending by these groups has risen too. At the 2019 UK general election, there were 61 registered non-party campaigners, and those who were required to report their spending recorded a total spend of more than £6m. Our [recent public attitudes research](#) showed some concerns about the risks of foreign interference. When we asked people to prioritise their concerns from a list of issues, two fifths (40%) said “foreign interference on UK elections results” was a problem.

The Bill proposes several changes to the rules on non-party campaigning. A new lower tier for non-party campaigner registration should provide greater transparency about who is planning to spend more than £10,000 in England or across the whole of the UK in the period before a UK general election. Currently campaigners are only required to register with the Commission and report spending if they intend to spend £20,000 in England or £10,000 in Scotland, Wales or Northern Ireland.

Changes to the limits on unregistered campaigning would make it clear that foreign interference in UK elections is not acceptable. During the regulated period before an election, only specific categories of individuals and organisations would be allowed to spend more than £700 on activities that are intended to influence the election outcome. This would be a significant reduction from the current limits for unregistered campaigning, and would introduce a new principle that campaigners are subject to eligibility criteria even when they are not required to be registered.

Extending the rules on joint spending so they apply to political parties who spend jointly with a non-party campaigner would increase transparency and help ensure the effectiveness of the spending limits. It would need to be clear in practice how this additional rule will sit alongside other spending rules for parties. Parties must be able to clearly tell when the joint spending rule applies, and when other limits or controls apply, such as the existing targeted spending or notional spending rules.

### **Key considerations**

- It is important for voter confidence to require transparency and to set limits on campaign spending that is intended to influence election outcomes, including where it is done by actors that are not candidates or political parties.
- The changes would provide greater transparency about who intends to campaign, but will not require any additional amounts of non-party campaigner spending to be reported compared to the current rules.
- The proposals mean there would be three separate levels of rules for non-party campaigners that apply to unregistered campaigning, registration of campaigners, and registration and reporting of campaigner spending. These tiers could be seen as proportionate layers of rules, but could also add to perceptions of complexity. The rules were last amended by legislation in 2014 and campaigners have highlighted that the changes were complex and deterred some from participating.
- The Government should set out how it intends the restrictions on overseas spending would be enforced. We are not able to take any enforcement action against organisations or individuals outside the UK that don't follow the law. Criminal law enforcement bodies are also limited in the action they can take against people or organisations based overseas.
- It will be important to ensure that the proposed changes to these rules are proportionate and do not discourage campaigners from participating and informing voters.

### **Further reading**

- [Our Party and Election Finance Regulatory Review, 2013](#)
- [Our notional spending factsheet](#) and [our guidance for non-party campaigners](#)
- [Digital, Culture, Media and Sports Committee: Disinformation and 'fake news', 2019](#)
- [Lords Select Committee: Democracy and Digital Technologies report, 2020](#)

# Part 5 Disqualification of offenders for holding elective office etc

Following [the 2019 UK general election](#), more than half of the candidates who took part in our post-election research said they were concerned about standing for election because of the risk of intimidation, threats and abuse. Three quarters of respondents said that they had experienced this type of behaviour.

It is vital that action is taken against those who abuse, threaten or intimidate candidates and campaigners. Proposals in Part 5 of the Bill would enable the courts to impose a ban on standing for elected office. This would be a further sanction in addition to a prison sentence or fine, for example, that a court could apply when finding offences under existing criminal law. While this would strengthen the range of sanctions available against those who carry out this type of behaviour, its practical effect as a deterrent will need to be monitored.

## Further reading

- [Our response to the UK Government policy consultation: Protecting the Debate](#)
- [Our survey of candidates following the 2019 UK Parliamentary general election](#)

# Part 6 Information to be included with electronic material

Digital campaigning accounts for an increasingly large proportion of spending reported by campaigners after elections. Following the 2019 UK general election and European Parliament election, political parties reported that spending on digital advertising represented 53% of their total advertising spending.

New technologies offer significant opportunities to engage voters, but they must provide the same level of transparency that voters currently have with printed material. Our recent public opinion tracking research found that only 21% of people thought they could find out who has produced the political content they see online, and 37% disagreed. Over 70% of people agreed that it should be clear how much has been spent promoting an advert, by whom and also know why it has been targeted at them.

Applying new imprint transparency rules to digital election materials will help UK voters understand who is paying to target them online, and should help improve public trust and confidence in digital campaigns at future elections and referendums.

The Bill would also require campaigners to include imprints on digital 'political' campaign material, not just election material. This will further increase transparency for voters by providing important information about who has produced and funded material at all times, and not just in the run up to an election.

To ensure voter confidence in digital campaign regulation, swift action should be taken to deal with any campaign material that does not comply with the new imprint requirements. The Bill would create a new duty for social media and digital advertising providers to provide information to the Commission and the police about who has supplied and paid for material, which would help us to secure compliance with the law. It also sets out duties for social media and digital advertising providers, including to remove material without an imprint once a court has found a conviction or the Commission has imposed a sanction on a campaigner.

## Key considerations

- Transparency could be further improved for voters if the imprint requirements were extended to cover all digital material from campaigners including those not registered with us, even if they had not paid to promote it. The proposed rules would only require imprints to be placed on digital material from unregistered campaigners if it was a paid-for advert.
- The government's proposals to extend imprint rules to digital election material will need to be supported by further detailed explanation and examples for campaigners and others. It will be important to ensure that the legislation and guidance provide a clear definition of what is meant by 'political material', so that anyone publishing material that could be covered can understand and follow the new rules.
- The Bill proposes a new duty for the Electoral Commission to prepare statutory guidance on digital imprints, which it is proposed in the Bill would be approved by Ministers and by Parliament. The Government should set out its assumptions about when the digital imprint rules should start to apply to campaign material. The

Government will need to allow reasonable time for us to consult with campaigners and draw up the statutory guidance if it is to be in place prior to the requirement coming into force.

- The rules will include takedown provisions for material without an imprint, but they are unlikely to apply swiftly. They could only be used after a court or the Commission has formally determined an offence and a campaigner has had an opportunity to state their case.

### **Further reading**

- [Our response to the Cabinet Office technical consultation on digital imprints](#)
- [Our report on increasing transparency in digital campaigning, 2018](#)

**Y Pwyllgor Cydraddoldeb  
a Chyfiawnder Cymdeithasol**

—  
**Equality and Social Justice  
Committee**

—  
**Welsh Parliament**

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John Griffiths MS

Chair of the Local Government and Housing Committee

10 August 2021

Dear John,

**Joint working between committees in the Sixth Senedd**

As the Senedd committee responsible for scrutinising all aspects of equality, social justice, and the Well-Being of Future Generations Act, our broad remit includes a number of important cross-cutting issues of mutual interest and potential joint working.

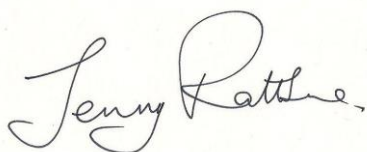
I would like to invite you to consider opportunities for joint working as part of any strategic planning discussions you may be having in your Committee in the autumn term.

**Early work on debt**

I wanted to make you aware that the Committee has agreed to conduct a short inquiry on the impact of the COVID-19 pandemic on levels of indebtedness in Wales. This work is currently at the scoping stage but is likely to look at how the pandemic has exacerbated existing trends in terms of housing, consumer and personal debt and the ability of debt advice and other public services to respond to those who may be struggling financially. We will be giving further consideration to this area of work in the autumn and I would be happy to provide you with more information as these plans develop.

If your Committee has any ideas for joint working you would like to discuss further please contact the clerking team.

Yours sincerely,



Jenny Rathbone MS

Chair of the Equality and Social Justice Committee

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

# Agenda Item 6 10

## BEST PRACTICE BRIEFINGS: UPSTREAM CYMRU

# Llamau

# UPSTREAM CYMRU



Upstream Cymru is a collaborative, early intervention initiative that works in partnership with schools to get to the heart of how youth homelessness systems need to be designed. The aim is to identify young people at risk of homelessness long before they reach crisis point or are threatened by homelessness.

The initiative asks pupils to annually complete a survey developed by Cardiff University, in conjunction with international partners, which allows for identification of known risk factors for homelessness; mental wellbeing, resilience, educational engagement and propensity to both family and youth homelessness. As the survey enables early identification, experienced, school-based Upstream Cymru staff can intervene accordingly; referring to either school based prevention services specifically for housing, family mediation or Llamau's EMPHASIS scheme, or support for non-housing related issues such as bullying.

### Upstream is based on the principles of:

**Early Identification:** via the survey which enables upstream intervention

**Community of Schools and Services:** so nobody is identified and then left unsupported.

**Universal Screening:** meaning nobody is missed

**Partnership:** between academia, the service provider, the schools and Local Government.

### What does the scheme hope to achieve?

Intervention at school provides an obvious opportunity to ensure that young people who are either demonstrating a risk of disengagement from education or experiencing difficulties in their personal or family life are picked up, have their needs met and gain the chance to either re-engage with education or receive the support they need.

Research spanning decades has highlighted that alongside family breakdown, school disengagement is one of the primary indicators of vulnerability to later homelessness. Whilst this will remain true for many young people, research from the pilot schemes carried out so far in Wales highlighted that of those pupils deemed to be at 'high risk' of youth homelessness, 65% showed 'none' or 'low' risk of school disengagement. It is evident therefore that our current systems are only 'capturing' a number of pupils at risk of youth homelessness and Upstream Cymru works in tandem with the current processes to provide a far more nuanced and deeper understanding of the situation.

Furthermore, one of the most important principles of Upstream Cymru is 'youth voice'. Rather than wait for the Young Person to demonstrate that they are in a crisis, Upstream Cymru allows the Young Person to self-identify and ensures that once identified they are matched to appropriate primary-preventative support.

### Location

The scheme has successfully been trailed in the Geelong region of Australia, and has led to 40% reduction in youth homelessness and a 20% reduction in the number of young people leaving school early. Pilot schemes are also currently taking place in the USA and Canada.

Wales is the first European country to trial this approach. Despite the difficulties of establishing a school-based scheme in the middle of a pandemic, currently, Upstream Cymru is being rolled out in five schools across two local authorities.

## Implementation

In preparation for the survey, parents are informed that a wellbeing survey is taking place and are given an understanding of the service and the support on offer should it be needed, as well as an opportunity to opt-out if there is any concern.

The digital survey holds no personal identifiable information on pupils. However, school staff maintain a hard copy of each anonymised username and the corresponding pupils so any child needing support can later be identified by teachers.

Upstream Cymru project design, with the survey only taking 35 minutes to complete, aims to minimise the project's impact on teaching time and the workload of schools staff.

"Live" results of the survey are available to the school and project staff, meaning discussions on pupils who may need additional support can take place. Working with teachers, Upstream Cymru work to identify potential referrals, both for Upstream Cymru's support and where there may be need to collaborate or refer young people to school pastoral staff, local youth services or statutory services.

Upstream staff work on site at the schools at each school throughout the year. For pupils identified as potential Upstream Cymru referrals, teachers and project staff will engage with pupils on site and make contact with parents, families and other support agencies who already provide support to explore what Upstream staff can offer.

Rerun each year, the survey will build a meaningful insight into pupils experience as they progress through school, giving pupils an opportunity to receive support before crisis is reached, as well as offering inside into the changing needs of young people, and the support they require from schools and the participating local authorities.

## Results

Although Upstream Cymru is still in its relative infancy, there is still a lot to be taken from the roll out of the Upstream Cymru pilots so far. A full report on the initial findings is to be published by Cardiff University in the Autumn, however some of the headlines findings are as follows:

- 31% of pupils are recorded as having 'low' wellbeing compared to the population average of 15%
- 21% of pupils experience bullying at least once a month, with 7% of pupils reporting being bullied 'almost every day'.
- 11% of pupils are recorded as having 'low' resilience, with 7% of pupils reporting that they do not have trusted adult and a further 13% reporting that they only sometimes have a trusted adult.
- 13% of pupils are recorded as being at 'high' or 'immediate priority' risk of family homelessness with 10% of pupils recorded as being at 'high' or 'immediate priority' of youth homelessness.
- As aforementioned, and contrary to previous assumptions, **of those pupils deemed to be at 'high risk' of youth homelessness, 65% showed 'none' or 'low' risk of school disengagement**, and thus were probably not on the 'radar' of the school.

This approach is an internationally recognized model for reducing youth homelessness. A 40% reduction in Youth Homelessness in Australia coupled with the preliminary findings of the Upstream Cymru pilots highlight both the undoubtable utility of the scheme and how our current systems still allow young people to go unidentified until they are at crisis point.

### More Information

At EYHC, we will offer any help or support for organisations to understand more about Upstream Cymru. If you'd like to get in touch please contact:

**Bill Rowlands**  
Project Manager,  
End Youth Homelessness Cymru

Similarly, you can get in contact with:

**Talog Harries**  
Project Manager Upsteam Cymru

**Peter Mackie**  
Cardiff University,

**Sam Austin**  
Llamau Deputy Chief  
Exec