

Agenda – Local Government and Housing Committee

Meeting Venue:

Committee Room 5, Tŷ Hywel

Meeting date: 14 November 2024

Meeting time: 09.15

For further information contact:

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Private pre-meeting

(09.00–09.15)

1 Introductions, apologies, substitutions and declarations of interest

(09.15)

2 Inquiry into the role, governance and accountability of the community and town council sector – evidence session 1

(09.15–10.00)

(Pages 1 – 33)

Adrian Crompton, Auditor General for Wales

Deryck Evans, Audit Manager, Audit Wales

Break

(10.00–10.05)

3 Inquiry into the role, governance and accountability of the community and town council sector – evidence session 2

(10.05–11.05)

(Pages 34 – 40)

Councillor Anthony Hunt, Leader of Torfaen County Borough Council, representing Welsh Local Government Association

Justine Cass, Deputy Monitoring Officer and Solicitor, Torfaen County Borough Council, representing Welsh Local Government Association

Clive Wolfendale, Chair, National Standards Committee Chairs' Forum

Break

(11.05–11.15)



- 4 Inquiry into the role, governance and accountability of the community and town council sector – evidence session 3**
(11.15–12.00) (Pages 41 – 50)
Dan Roberts, Policy and Engagement Officer, Cwmpas
- 5 Papers to note**
(12.00) (Pages 51 – 52)
- 5.1 Letter from the Cabinet Secretary for Housing and Local Government in relation to social housing supply**
(Pages 53 – 56)
- 5.2 Letter from the Cabinet Secretary for Housing and Local Government in relation to the Competition and Markets Authority (CMA) report on the Housebuilding Market in Great Britain**
(Pages 57 – 63)
- 5.3 Letter from the Cabinet Secretary for Housing and Local Government with additional information following the meeting of 18 September**
- 5.4 Letter from Aberystwyth Town Council in relation to the local authority funding formula**
(Pages 64 – 65)
- 5.5 Letter from the Cabinet Secretary for Social Justice, Trefnydd and Chief Whip in relation to provision of sites for Gypsy, Roma and Travellers**
(Pages 66 – 70)
- 5.6 Letter from the Cabinet Secretary for Housing and Local Government in relation to the White Paper on Adequate Housing, Fair Rents and Affordability**
(Pages 71 – 72)
- 5.7 Letter from the Legislation, Justice and Constitution Committee to the Cabinet Secretary for Housing and Local Government in relation to the Legislative Consent Memorandum on the Renters' Rights Bill**
(Page 73)

- 5.8 Letter from the Welsh Government in relation to terms of reference for support for affordable homes delivery**
(Pages 74 – 76)
- 5.9 Letter from the Cabinet Secretary for Housing and Local Government in relation to the Legislative Consent Memorandum on the Renters' Rights Bill**
(Pages 77 – 83)
- 6 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting**
(12.00)
- Private meeting**
(12.00–12.45)
- 7 Inquiry into the role, governance and accountability of the community and town council sector – consideration of evidence**
(12.00–12.15)
- 8 Legislative Consent: Renters' Rights Bill – Draft report**
(12.15–12.30) (Pages 84 – 99)
- 9 Forward work programme**
(12.30–12.45) (Pages 100 – 120)

Document is Restricted

Date issued: 18 October 2024

Governance and accountability of the community and town council sector

Governance and scrutiny arrangements – the role of the Auditor General

- 1 The Auditor General provides an important element of the overall scrutiny and accountability arrangements in place for community and town councils. He examines the accounts and provides assurance to both the councils and the public over the accounts, and he reports on councils' arrangements to secure value for money. "Assurance" here essentially means reporting that the accounts have been properly prepared and that proper arrangements are in place to secure value for money. Where this is not the case, the Auditor General will report accordingly.
- 2 The Auditor General's responsibilities in respect of community and town council accounts are chiefly set out in the Public Audit (Wales) Act 2004¹. The Act sets out that the AGW must:
 - Audit and give an opinion on the accounts
 - Consider whether or not the council has in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources
 - Consider whether or not there are any matters that should be reported in the public interest.

Overview of audit arrangements

Objectives of the audit approach

- 3 The audit arrangements in place are designed to achieve the following aims:
 - To discharge the AGW's statutory responsibilities

¹ Principally sections 13, 17, 22, 30 and 31 of the 2004 Act. The Accounts & Audit (Wales) Regulations 2014, made under the 2004 Act, also place responsibilities on the Auditor General.

- To be proportionate to the overall risk to the public purse presented by the sector as a whole and individual bodies within the sector.
- To provide a reasonable degree of assurance to the councils and the public about councils' use of public funds and their financial positions

The audit opinion and assurance provided

- 4 The audit process is designed to give reasonable but not absolute assurance that the accounts have been properly prepared and proper arrangements are in place to secure value for money. In order to ensure the audit is proportionate, we do not apply International Standards on Auditing to community and town councils. As such we give a negative assurance rather than a positive assurance opinion.
- 5 With a positive assurance opinion, we would state that the Accounts give a true and fair view of the financial position of the council. With a negative or limited assurance opinion we state that nothing has come to our attention that gives us cause for concern or suggests that the accounts have not been properly prepared.

Overview of the audit programme

- 6 The audit programme has two strands:
 - A planned programme of work that follows a three-year cycle. This arrangement applies to all councils. Each council will receive a limited defined procedures audit in two of the three years and a more in-depth examination in the third year.
 - Re-active work undertaken at individual councils in any given year. This work may result from significant issues arising being identified during the planned audit work or in response to issues raised by electors' questions and objections, and other correspondence that we receive from time to time.

Audit fees

- 7 Our audit fees are charged in accordance with our Annual Fee scheme. In the event that all audits were completed with no additional issues arising, we estimate that the total fees for the sector would be approximately £220,000. Currently we estimate that a full year's programme will cost approximately £250,000 to £300,000 for

the sector as a whole. This takes into account additional work arising in response to issues raised at audit.

- 8 The actual fee charged to individual councils will however vary considerably. The value of individual councils' fees are relatively small, usually amounting to no more than a few hundred pounds. The small value of the fees means that even relatively small amounts of additional work will result in a large percentage increase in the audit fee charged. However, these fees can escalate quickly where there are numerous or significant issues at audit.
- 9 The process of monitoring and chasing a very large number of small fees generates considerable administrative cost and work for Audit Wales.

Current position

- 10 Our audit programme for the sector has been set back by the long-term impact of COVID19 on our overall programme of audit across the public sector. Prior to the 2020-21 accounts, audit of the sector was undertaken on the AGW's behalf by private sector firms. Since then, Audit Wales has taken all the work in-house. In 2020, councils were late submitting large numbers of accounts to the then audit suppliers. Consequently, the auditors handed over to Audit Wales a total of 449 incomplete audits, of which many had not submitted accounts for 2019-20. In some cases, accounts had not been submitted for one or more of the previous years. Ongoing COVID restrictions through 2021 exacerbated the situation and created a significant backlog of work that we are still clearing in the context of our wider programme of work.
- 11 As at 30 September 2024, over 100 councils had not submitted the 2023-24 accounts for audit despite reminders being issued to all overdue councils. The equivalent figure for the 2022-23 audits at 30 September 2023 was in excess of 200. As at 30 September 2024, 22 councils had still not provided their 2022-23 accounts for audit. Currently, we have yet to receive accounts for audit for earlier years from a small number of councils (2021-22 12 councils, 2020-21 16 Councils, 2019-20 and earlier 6 councils).
- 12 Of those accounts we have received, we have completed the audits as follows:
 - 2019-20 and earlier 87%
 - 2020-21 95%
 - 2021-22 91%

- 2022-23 75%
- 2023-24 21%

Audit work has been completed on many of the remaining councils and the accounts are awaiting certification (2020-21 - 3%, 2021-22 - 5%, 2022-23 -16%, 2023-24 - 53%).

- 13 In so far as we are able to², by the end of this calendar year we aim to complete the audits of accounts we have received by 30 September 2024.

Audit's contribution to accountability

- 14 The Auditor General provides assurance to the public and to the councils themselves through his annual audit report and certificate on the accounts. This may, however, be being compromised somewhat because the law in respect of publication of audit certificates is not entirely straightforward. The Democracy and Boundary Commission Cymru etc. Act 2013 require community councils to publish audited statements of accounts electronically, but it does not make specific provision for the publication of audit reports and certificates. The Accounts and Audit (Wales) Regulations 2014 require community councils that are “larger relevant bodies” to publish, including on their website, all reports and audit certificates issued by the Auditor General. In the case of community councils that are “smaller relevant bodies”, the Regulations require councils to publish all such reports and certificates, but the Regulations do not refer to publishing these on a website.
- 15 While we consider that the law could be interpreted in a way that does not require all community councils to publish audit reports and certificates on their websites, we think that such an interpretation is contrary to common sense and proper transparency and accountability. However, our audit work identifies that many councils do not routinely publish the audit certificate attached to the annual accounts.
- 16 In addition to providing assurance through the annual audit report, the Auditor General has powers to issue reports in the public interest. This provides the Auditor General with a range of options to address issues in the most appropriate manner.
- 17 Our reporting of issues at councils has generated some degree of interest at local level across other councils. We regularly receive

² In some cases, audits remain open due to ongoing audit issues.

correspondence raising concerns about individual councils or asking questions and raising objections about the accounts. Our reporting therefore has a positive effect on accountability at local level

- 18 In many such cases, the issues raised have little or no substance. Correspondents may have simply misunderstood what the council has done.
- 19 We do, however, consider each case on its merits as in a reasonable proportion of cases, the correspondent identifies some important issues. For example, some Auditor General reports in the public interest have followed receipt of correspondence raising concerns over procurement arrangements, or an objection to the accounts³.
- 20 Some correspondence is potentially vexatious and raised due to breakdowns in relationships between councillors or between the council and individual members of the public. In some cases, the issues indicate dysfunctional relationships within the Council itself⁴.

Is the sector fit for purpose in an evolving local government landscape

- 21 We are unable to provide a definitive response to the question of whether or not the sector is fit for purpose in an evolving local government landscape.
- 22 However, we can offer our insights from the outcomes of our audit work.

Overview of the sector

- 23 There are currently around 735 bodies that fall within the regime we are referring to. This includes both community and town councils and a small number of their joint committees – these are joint burial committees or boards. The number of councils will change over the next two to three years as unitary authorities complete their reviews of their communities.
- 24 The sector is not homogenous, and councils vary considerably in terms of resources.
- 25 The largest councils spend over £1 million and the smallest just a couple of thousand pounds each year. Some of the smallest councils

³ See for example [Llanferres Community Council – Procurement arrangements | Audit Wales](#) and [Abertillery and Llanhilleth Community Council | Audit Wales](#)

⁴ See for example [Sully and Lavernock Community Council | Audit Wales](#)

have a small tax base with relatively few households potentially limiting the amount they can raise via their precept.

- 26 Exhibit 1 shows an analysis of the numbers of councils by size – measured by income and expenditure:

Exhibit 1: Relevant size of councils

	Number of councils
Less than £10,000	209
£10,001 - £20,000	142
£20,001 - £50,000	155
£50,001 - £100,000	81
£100,001 - £200,000	67
More than £200,000	83

Source: Audit Wales analysis

- 27 The majority of councils have just one administrative officer – the clerk – who discharges all of the Council’s administrative and financial functions. Many are part time and may be employed for as little as 10 hours each month.
- 28 Larger councils with a larger tax base and income from sources other than the precept may employ additional administration staff, e.g. a deputy clerk or a finance officer. These larger councils tend to employ staff on a full time or close to full time basis.
- 29 There are no requirements for qualification of clerks except where a council wishes to exercise the General Power of Competence (GPOC). One of the qualifying conditions for a council to declare itself as eligible for GPOC is that the clerk must hold a relevant qualification. At present, only a minority of clerks hold relevant qualifications.
- 30 Overall, this means there is a lack of capacity in many councils to take advantage of new opportunities

Audit outcomes

- 31 There is some misunderstanding in the sector about what a qualified opinion means. It means that we have identified one or more deficiencies that we consider have a material (significant) impact on

our audit conclusion. We issue a qualified audit opinion in the following circumstances.

Accounting statements

- 32 We issue a qualified opinion in relation to the Accounting Statement (the accounts) when we conclude.
- the accounts have not been prepared in accordance with proper practice and this has a material impact on the reported figures;
 - the accounts contain errors that cannot be resolved;
 - the council has not provided sufficient information for us to draw a conclusion.

Annual Governance Statement

- 33 The Annual Governance Statement is prepared by the council and is an outline of the council's governance controls. We issue a qualified opinion in relation to the Annual Governance Statement when we conclude:
- The assertions made in the AGS contradict the evidence available at audit;
 - the council has not provided sufficient information for us to draw a conclusion.

Value for money – economy, efficiency and effectiveness

- 34 We issue a qualified opinion in relation to the Council's arrangements to secure value for money when we conclude:
- Audit evidence demonstrates that the council does not have proper arrangements in place;
 - the council has not provided sufficient information for us to draw a conclusion.

Audit opinions

- 35 In total, around 50% of councils overall receive qualified audit opinions. Where we undertake a more in-depth audit (the 'full' audit), we identify more issues. Overall 58% of our triennial 'full' audits receive qualified audit opinions.
- 36 Exhibit 2 summarises the rate of qualified audit opinions by size of council.

Exhibit 2: Qualified audit opinions 2022-23

Income/expenditure	Number of councils	Audits completed	Qualified Opinions	Qualified opinions % of completed audits	Full audits completed	Qualified Opinions Full audits	Qualified Opinions % of full audits
Less than £10,000	209	191	104	54%	62	37	60%
£10,001 - £20,000	142	125	72	58%	37	23	62%
£20,001 - £50,000	155	146	58	40%	48	21	44%
£50,001 - £100,000	81	77	35	45%	26	16	62%
£100,001 - £200,000	67	63	36	57%	19	15	79%
More than £200,000	83	79	32	41%	24	13	54%
Total	737	681	337	49%	216	125	58%

Source: Audit Wales analysis of 2022-23 audit outcomes. These include councils where the audit work has been completed but are to be reviewed prior to certification. The proposed draft opinions are subject to review before issue to councils.

Common audit issues

- 37 Many councils do not get the basics right. About 30% of councils each year provide accounts that are not arithmetically correct. Mostly this is due to rounding errors but there are a significant number that are wrong for other reasons.
- 38 Exhibit 3 summarises the causes of these arithmetic errors. Approximately 60% of these errors are as a result of rounding error. A further 8% to 15% are due to simple typographical errors. These issues would be straightforward to resolve by a simple arithmetic check by the council when approving the accounts.

Exhibit 3: Accounts submitted with arithmetic errors

Each year around 30% of councils submit accounts that are not arithmetically correct.

	2022-23	2023-24
Accounts processed	703	600
Rounding errors only	126	105
Typographical errors only	29	14
Other arithmetic errors	35	33
Combinations of the above	29	24
Total number of accounts with arithmetic errors	219	176
% of councils with errors	31%	29%

Source: Audit Wales analysis

- 39 In many cases, audit qualifications could be avoided by councils making simple changes to their arrangements. Such simple changes would include:
- Ensuring that the accounts are presented to a June meeting for approval. This might include arranging a special meeting towards the month end if the council normally meets at the start of the month.
 - Checking that all information required for the audit has been included in the pack submitted for audit and
 - Addressing issues raised in previous audit reports.

- 40 Since 2015-16, we have been notifying councils in advance of the financial year of the areas we will focus on for our review of the governance statement. Such areas include contracts of employment for clerks and the operation of PAYE, and the adoption and compliance with standing orders and financial regulations. Many councils do not address these matters, so they are unable to demonstrate compliance when asked to do so at audit.
- 41 Many councils do not comply with other statutory/regulatory requirements. This may be because they do not pay any members' allowances, or they disregard the requirement to report this to the IRPW
- 42 Councillors often do not effectively scrutinise their clerk and in some cases, clerks can misuse their position. In many cases, members hand over all responsibility to their clerk.
- 43 This can cause significant losses to individual councils, as for example set out in various Auditor General reports in the public interest⁵.
- 44 At some councils, members exert undue pressure on the clerk and take responsibility on themselves for managing the council's activities⁶.
- 45 In other councils, the lack of councillor scrutiny can lead to a breakdown in financial reporting. There is a core of 15-25 councils that have not prepared accounts for council approval for 4-5 years.
- 46 Councils adopt standing orders and financial regulations that are intended to govern how they conduct business, and these include rules for financial matters. However, councils often disregard their own standing orders and financial regulations⁷.
- 47 Councils often fail to provide information requested for audit. Each year we send all councils an audit notice. This sets out the supporting information we need for the audit. Some councils simply send the same information year after year without reference to the

⁵ [See for example Failure in financial management and fraud – Maesteg Town Council | Audit Wales](#)

[Ynysawdre Community Council | Audit Wales](#)

[Llangynwyd Middle Community Council | Audit Wales](#)

[Abertillery and Llanhilleth Community Council | Audit Wales](#)

⁶ [See for example St Harmon Community Council | Audit Wales](#)

⁷ [See for example Mumbles Community Council - Expenditure on planning consultants | Audit Wales & Llanferres Community Council – Procurement arrangements | Audit Wales](#)

audit notice. Others send just the annual return with a cover message to contact them if we need anything further.

- 48 Whilst we seek to obtain the missing information, in some cases it has not been prepared or retained by the council. In other cases, information has been withheld without good reason⁸. Such cases require us to spend time chasing and persuading clerks and their councils to provide the information. Such time spent by Audit Wales staff generally has to be paid for, and to meet the rules in legislation on fees, this falls on the audit fee for the council, unless it is subsidised by supply from the Welsh Consolidated Fund, which does not seem appropriate. Obstruction sometimes leads to very large increases in the audit fee.
- 49 Increases in fees often lead councils to make complaints, and dealing with increasing numbers of complaints from community councils about the extent of audit fees is itself becoming a time-consuming and costly activity.

Scope of digital and new technology to improve decision-making, service provision and participation in local democratic processes

- 50 The standard of adoption of IT across the sector is variable. In some cases, council are still maintaining manuscript cashbooks and minutes. Large numbers of councils do not publish on their websites all of the information they are required to publish electronically.
- 51 Many clerks use their personal email addresses for council business. This often results in a loss of information when staff change. This also increases risk of loss to the public purse.
- 52 In one instance, the Auditor General has reported in the public interest to highlight deficiencies in the Council's website and its inaccessibility⁹. The report also highlighted how a third party was easily able to defraud the Council due to lax internal controls.
- 53 In order to take advantage of developments in digital and information technology, the sector as a whole will need to address issues of capacity and capability.

⁸ See for example [Llanpumsaint Community Council | Audit Wales](#)

⁹ See [Failures in financial management and governance and losses incurred – Harlech Community Council | Audit Wales](#)

How new powers and responsibilities for this tier of government are utilised to support communities

- 54 We hold limited information in relation to new powers granted to community and town councils.
- 55 We have not yet examined if or how councils have declared themselves eligible for the General Power of Competence (GPOC) and what if any activities they are undertaking using GPOC. Our understanding is that at present, there are comparatively few councils able to declare themselves eligible for GPOC.
- 56 Anecdotally, we understand that GPOC is planned to be used for activities such as:
- Supporting a local village shop
 - Acquiring and running a local post office
 - Running a local library that the local authority has decided to close
 - Provision of local bus services on routes not covered by bus companies
- 57 The key areas councils will need to focus on when applying GPOC are to ensure that the following are in place:
- A full and adequate business plan highlighting the risks, costs and benefits of the proposed activity
 - An effective system of internal control and financial monitoring of activities particularly where third party organisations are involved
- 58 We intend to review this area as part of future audits.



Title: WLGA Evidence: Role Governance and Accountability of the community and town

Recipients: Local Government and Housing Committee

Author: Paula Walters, Interim Head of Corporate Policy and Services, Cerith Thomas, Improvement Officer (Democratic Services)

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About Us

The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities and the three fire and rescue authorities are associate members.

The WLGA is a politically led cross-party organisation, with the leaders from all local authorities determining policy through the Executive Board and the wider WLGA Council. The WLGA also appoints senior members as Spokespersons and Deputy Spokespersons to provide a national lead on policy matters on behalf of local government.

The WLGA works closely with and is often advised by professional advisors and professional associations from local government, however, the WLGA is the representative body for local government and provides the collective, political voice of local government in Wales. Our goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We achieve our vision by:

- a) Promoting the role and prominence of councillors and council leaders
- b) Ensuring maximum local discretion in legislation or statutory guidance
- c) making the case for long-term and sustainable funding for councils
- d) Promoting sector-led improvement
- e) Encouraging a vibrant local democracy, promoting greater diversity
- f) Supporting councils to effectively manage their workforce

Background

The Committee's terms of reference are to examine:

- The role and value of community and town councils in Wales;
- Whether the sector is fit for purpose in an evolving local government landscape;
- Governance and scrutiny arrangements and its impact on accountability and transparency;



- Scope of digital and new technology to improve decision-making, service provision and participation in local democratic processes;
- How new powers and responsibilities for this tier of government are utilised to support communities.

The WLGA has agreed to give evidence to the Committee on 14th November 2024 in support of its Inquiry into the role, governance and accountability of the community and town council sector. The Clerk to the Committee has provided a helpful steer in terms of where the WLGA can add value to the Inquiry. Therefore, our submission and evidence will focus aspects relating to standards, including interactions with local authority monitoring officers and standards committees.

The evidence session will be attended by:

- Councillor Anthony Hunt, Leader, Torfaen Council
- Justine Cass, Deputy Monitoring Officer and Solicitor, Torfaen Council
- Clive Wolfendale, Chair of the National Standards Committee Chairs Forum

However, in relation to the Committee's Terms of Reference we offer the following comments about the relationship between WLGA and One Voice Wales (OVW) and the important role played by community and town councils in Wales:

- In Wales, town and community councils play a crucial role in representing local interests and delivering community-focused services. Although they have limited powers, they are the most localised form of government and significantly contribute to the quality of life and the democratic representation of small towns and rural areas across Wales.
- The WLGA does not have a direct role with community and town councils but works closely with OVW as the national representative body of community and town councils.
- Local authorities' relationships with community and town councils vary significantly, some have effective relationships based on regular, informal interaction whereas others are underpinned by formal agreements or charters, SLAs and meet regularly through joint liaison forums. The WLGA and One Voice Wales encourage the development of charters to provide clarity between both partners local about expectations of engagement and partnership as well as encouraging mutual understanding of respective roles and aspirations.
- The WLGA has long argued that local public services must be provided within a democratic framework and that services are best provided when those who use them are directly involved in how they are delivered, managed and planned. Local government is the tier of government closest to public service users and councils should be empowered to deliver those services more effectively and efficiently over the coming years.



- Councils have collectively demonstrated flexibility, innovation, resilience and responsiveness and especially during the COVID pandemic. The crisis demonstrated councils' ability to respond and reaffirmed the importance of subsidiarity and localism, with elected members and the workforce deeply rooted in their local communities.

Community and town councils' functions can be summarised into these key roles which encapsulates the breadth of activity community and town councils undertake:

- **Community Representation or community voice** – they are well-placed to provide a voice for their communities, although they do this alongside county councillors and other representative groups. Councils advocate for their communities in discussions with county councils, the Welsh Government, and other agencies, ensuring that local priorities are considered in broader regional and national planning.
- **Place Shaping, engaging the community and providing a catalyst for community development** – councils and councillors play a key role in bringing community groups and partners together, to shape the community, articulate ambition and develop a vision for the community. Councils are statutory consultees for local planning applications. This means they provide input on applications, often advocating for developments that align with local interests or opposing projects that may harm community character or resources.
- **Delivery of community services and or management of community assets** – councils' ambition and capacity vary enormously, but many are increasingly exploring approaches to maintain or enhance a range of community services. The level of services these councils deliver vary across Wales, and whilst some are content with largely acting in a representative role, many also deliver a range of services on behalf of the community such as:
 - maintenance of community halls
 - bus shelters
 - public spaces
 - playgrounds
- **Supporting Community Wellbeing and Cohesion** - Town and community councils often organize or support events that strengthen community identity, such as local fairs, carnivals, and cultural festivals. Councils commonly provide grants to local community groups, sports clubs, and other grassroots organizations, supporting social cohesion and enhancing residents' quality of life.
- **Enabling Participatory Democracy** - Town and community councils encourage civic participation by inviting residents to attend meetings, voice



opinions, and even stand for election. This fosters a sense of ownership and accountability within the community. In times of crisis, such as during the COVID-19 pandemic, many councils were instrumental in coordinating support for vulnerable residents, demonstrating their value in enhancing local resilience.

Many councillors in parts of Wales are also town or community councillors for their area. It is important that councillors and town and community councillors work together in representing their communities and, likewise, councils and town and community councils are encouraged to work closely together and may hold regular liaison meetings and have established protocols on communication and consultation arrangements.

At a national level, WLGA and OVW work together to promote local democracy and encourage partnership working and sharing of best practice between local councils. In 2013, the WLGA and OVW agreed a Memorandum of Understanding (MoU), which reflects many of the principles of engagement and partnership that feature in local Charter agreements (Appendix A).

The MoU has recently been refreshed and launched at the OVW Annual Conference in October 2024. The MoU sets out how WLGA and OVW will work together to promote local democracy and sustainable public services in Wales.

WLGA – Supporting councils in Wales to promote and maintain standards of behaviour.

Code of Conduct

Councillors in both principal councils and community and town councils are bound by a code of conduct which is designed to promote high ethical standards and integrity in public office, ensuring that councillors act responsibly, transparently, and in the best interests of the public. The code is set out under the Local Government Act 2000 and Local Authorities (Model Code of Conduct) (Wales) Order 2008, with additional guidance provided by the Public Services Ombudsman for Wales (PSOW).

Breaches of the Code of Conduct are investigated by the Public Services Ombudsman for Wales and may be referred to the council's Standards Committee or the Adjudication Panel for Wales. Sanctions for breaching the Code can range from censure or suspension to disqualification from office, depending on the severity of the violation.

Standards Committees

- Standards Committees have been a formal part of Welsh local government since the early 2000s. Their establishment was driven by the Local Government



Act 2000, a piece of UK legislation that aimed to promote ethical standards across public bodies, not only in Wales but also in England. The Act mandated local councils to adopt codes of conduct and set up independent standards committees to oversee these codes.

- Standards Committees of principal councils maintain and uphold high ethical standards among its own members and members of community and town councils, and to assist them to observe their code of conduct. They play a vital role in ensuring transparency, accountability, and trust in public office
- Standards Committees in Wales generally include a mix of elected council members, independent members (often citizens with no political ties), and sometimes town or community council members, providing a balanced perspective and minimizing conflicts of interest.

The National Standards Committee Forum

In order to encourage consistency of approach and the adoption of best practice across Wales a National Standards Committee Forum was established. The purpose of the Forum is to share best practice and problem solving in relation to the work of Standards Committees in Wales.

It was established from a recommendation of the Penn report on the ethical framework regime in Wales. The report commented on the variety of practice across Wales on how standards committees discharged their duties.

Composition - the Forum is a voluntary members association attended by the Chairs of Standards Committees of local authorities in Wales, 3 Corporate Joint Committees (CJCs) the 3 Fire and rescue authorities and the 3 national parks. The Chair and Vice Chair are chosen by the Forum members.

Forum meeting arrangements - the secretariat is provided by the WLGA, it is advised on a voluntary basis by a Deputy Monitoring Officer and meetings are held online every 6 months. Agenda items are put forward by the Monitoring Officer Governance Group (MOGG) and by the Forum members. The Forum also receives verbal updates and presentations on relevant standards related matters that are intended to continuously develop and support standards committee chairs. This includes updates from the Public Services Ombudsman for Wales on code of conduct cases. The notes of the meetings may be shared by the chairs with their standards committees. They are anonymised to ensure that individual members and councils cannot be identified.

Engaging with Town and Community Councils and One Voice Wales -

Standards Committee Chairs have attended community and town council meetings in a number of areas as part of their duty to promote and maintain high standards of conduct. The Forum enables them to share their experiences and best practice. The Forum has engaged with One Voice Wales, the principal organisation for community councils in Wales, and received a presentation from Paul Egan, the association's Deputy Chief Executive on:



- Information about the support offered by One Voice Wales to its community and town councils.
- The resources and support it had to offer Town and Community Councils in relation to standards of behaviour.
- The training offered on behaviour / code of conduct for members. Including method of delivery, frequency of sessions held, and the cost.
- The support offered to community and town council clerks and members with reference to a local resolution protocol that is encouraged by the Public Services Ombudsman for Wales.

The voluntary structure in place has allowed the Forum to discuss problem solving and best practice, amongst the chairs, the learning from which has been shared with their respective standards committee members.

Some examples of learning and development activity organised for members of the Forum include:

- Presentation to the Forum by Professor Mark Philp Chair of the Research and Advisory Board for the Committee on Standards in Public Life, (CSPL)
- Chaining skills provided by a WLGA Improvement Officer
- Corporate Joint Committees (CJCs) – Ethical framework and standards sub-committees provided by a Head of Legal Services and Monitoring Officer from the Monitoring Officers Group Training on conduct hearings provided by a qualified legal practitioner from GOVTC, a trusted provider of governance training to local government
- The Public Services Ombudsman for Wales, Michelle Morris, attends all meetings of the Forum to provide a casework update for members,
- In June 2024 the outgoing Chair of the Adjudication Panel for Wales, Judge Claire Sharp, shared with Forum members the areas she focuses on when deciding whether to permit an appeal against a decision by a standards committee and common failings.
- At the request of the Forum, a presentation from Paul Egan, Deputy Chief Executive of One Voice Wales (OVW) on the areas outlined above.

Democratic Health Task and Finish Group

The WLGA has also supported the Democratic Health Task and Finish Group established in a written statement on 26 April 2023, by the then Minister for Finance and Local Government, Rebecca Evans MS. The group was established after an



analysis of the May 2022 elections for Town and Community Councils in Wales revealed concerns around the level of engagement communities and their councils.

- Only 22% of the 7,883 seats were contested.
- 62% of seats were uncontested, meaning that no election was held.
- 16% of seats were unfilled, to be filled through further election or by co-option.

The terms of reference for the group were to:

- Improve the awareness and engagement between communities and their community councils, and
- Increase the number, and diversity of candidates standing for election to town and community councils.

The group was to join up with related ongoing work on electoral reform and improving diversity in democracy. The Group is chaired by the Chief Executive of the Local Democracy and Boundary Commission for Wales and other members included:

- The Chair of One Voice Wales
- Cardiff University
- Chief officer of Pembrokeshire Association of Voluntary services
- Business in the community Cymru
- University of Wales trinity Saint David

The group was supported by officials from Welsh Government, One Voice Wales and an officer from the WLGA Improvement Team. It was initially tasked to respond within 9 months however, this was extended to allow it to gather further evidence to inform its report and we understand this will be submitted to the Minister during October 2024.

The final report is likely to be considered by the Minister during the Autumn. Given the similarities between its terms of reference and the call for evidence from the Senedd Cymru's Local Government and Housing Committee's inquiry into the role, governance and accountability of the community and town council sector, there may be an opportunity to benefit from the work that has been carried out in this area. We appreciate the Committee may already be aware of this and mention it here for completeness.

Cwmpas is a development agency working for positive change in Wales. We are a co-operative, and our focus is on building a fairer, greener economy and a more equal society, where people and planet come first.

We are the lead partner in delivering Social Business Wales, the Welsh Government's specialist support service for social enterprises, co-operatives, and employee-owned businesses. We also deliver the Welsh Government's flagship digital inclusion project, Digital Communities Wales, and community-led housing project, Communities Creating Homes.

Our consultancy team works with the Welsh Government, communities, local authorities, housing associations, universities, charities, social enterprises, and businesses in the private sector, among others, helping them to think creatively and act smartly so they can embed the kind of positive values within their operations that bring sound and lasting social and economic benefits to the communities they serve.



The role and value of community and town councils in Wales

At the core of our work is the mission to empower communities to re-balance local economies and build sustainable prosperity that meets the needs of our communities and improves well-being. This requires building community wealth, ensuring power, assets and decision-making are in the hands of local people through locally-owned and anchored businesses, groups and institutions. At their best, community and town councils fit this description and provide a means of governing at a local level.

In practice, the outcomes in Wales are mixed. There are examples of town and community councils as key local institutions engaging local communities at the grassroots level and adding clear value. However, there are also examples of this layer of government with poor democratic engagement and scrutiny, and councils with assets or capacity that are not having their social value impacts maximised.

By their nature, an inconsistency is to be expected. Not every area in Wales has a community or town council, and areas with different political cultures and local institutions, as well as different levels of skills, challenges and assets, will have different capacity. In some contexts, towns and community councils are useful assets and there are several examples of positive steps these institutions can make to add value to their communities, some of which we will outline in this response. In other areas, different institutions may be more appropriate or necessary. It is clear that more could be done to improve the social value that is created by towns and communities councils in Wales and this should form part of an overall mission to empower communities and re-balance local economies.

How community and town councils can use their land/assets/capacity to pro-actively support community wealth building.

Towns and community councils are well-placed to be strategic anchors for a community wealth building approach to local development. In their response to the 2022 Senedd Local Government and

Housing Committee Inquiry into Community Assets, that One Voice Wales noted that the community and town council sector manages approximately £200 million of assets. For example, this could be in relation to supporting community-led housing. Community-led housing (CLH) involves local people coming together, alongside key stakeholders, to develop their own solution to the affordable housing crisis. CLH is an umbrella term which covers approaches such as community land trusts, housing co-operatives, co-housing developments and collective self-build schemes, but no two projects are the same. People with a shared vision come together to decide what kind of homes and communities they want to live in and have an influential voice in the delivery of affordable homes that meets the need of individual communities. CLH can play an essential role alongside councils, developers, and investors to create affordable homes and thriving communities.

Town and community councils can play a vital role in the delivery and growth of community-led housing in Wales. Involvement could range from simply raising awareness of CLH amongst the general public to supporting communities groups at the early stages with consultations, meetings or even seed funding. Town and community councils could provide the land or buildings for CLH projects and support developments during the planning process which helps to grow the supply of affordable homes. Town and community councils could champion and lobby for CLH and encourage local authorities to develop supportive policy environments. Town and community councils can even take a more active role in promoting and developing CLH by establishing their own CLH vehicle to deliver affordable homes, in partnership with local community groups.

Town and community councils across Wales and England are already taking action to deliver affordable CLH. Formed in 2020, Nolton and Roch Community Land Trust (CLT) was borne from the Nolton and Roch Community Council that were concerned about the lack affordable housing for local people in the area. Following a housing needs survey to understand the local need, the council formed a separate Community Benefit Society (Nolton and Roch CLT) to drive a project forward. The CLT has secured a piece of land in the village, and is working with a housing association to deliver nineteen affordable homes for local people.

This example is also relevant across many other sectors that could benefit from greater levels of democratic ownership or community-owned models and solutions. The key question is how social value can be maximised across the level of government. Due to the inconsistency across the sector in terms of skills and capacity, some communities are more likely to see innovation and performance improvements than others. Ensuring that there is high level of engagement and quality of outputs consistently across Wales will require high-quality, pro-active support to be available to all councils. However, this would not serve all communities equally, as not every part of Wales has this level of government. It may be that investment in other community wealth building initiatives are more appropriate.

Scope of digital and new technology to improve decision-making, service provision and participation in local democratic processes

There is clear scope for digital technology to improve performance at this level of governance. However, if new technologies and a digital-first approach are adopted, it is essential that it does not exacerbate existing inequalities and ensures that those who are digitally-excluded are not forgotten or isolated. The latest data suggests that 7% of people in Wales are digitally-excluded, but this is significantly higher among certain parts of the population, including older people, people in rural areas, or people with lower educational attainment. If digital tools are adopted, it must not be done in a way that disengages those who cannot get online.

There are several examples of places where digital democracy has been adopted and led to higher levels of engagement. The One Voice Wales Annual Awards includes a “Best use of digital resources” category, demonstrating that there is awareness of the potential of these tools for town and community councils within Wales. Similarly to the response in the previous section, ensuring that town and community councils are adopting best practice consistently across Wales will require high-quality support to be made available to be made available.



Submission to inquiry into the role, governance and accountability of the community and town council sector

About the Building Communities Trust

Building Communities Trust is a Welsh charity funded by a National Lottery Community Fund endowment to promote asset-based community development in some of Wales's poorest communities, providing both funding and support. We support local people to build on the strengths and talents within their communities and take action to make their areas even better places to live.

We run three separate programmes - funding 13 place-based community development initiatives at a neighbourhood level, 11 community anchor organisations and 5 community networks over a long-term period.

We use learning derived from their programme work, as well as specific research findings to advocate for policy and practices which enhance and support community-led action throughout Wales.

This response

This response has been prepared by BCT's Policy and Research Advisor, Eleri Williams, and Chief Executive, Chris Johnes. It is informed by experiences derived from BCT's programme work as well as experiences shared by community groups in our wider networks.

Overview

We believe in supporting people in their own communities to do the things that matter to them. In our experience, community action often takes place in informal settings such as community groups or organisations. Some of these groups will work closely with tiers of government, and others will have far less interaction, choosing to focus their attention on what can be done without input from any tier of government.

There are a range of experiences and perspectives from groups within our large network. However, we have considerable concerns about the scrutiny arrangements surrounding some town and community councils, which reduces the accountability and transparency of them. It is not easy to find a list or directory within the public domain of "eligible" town and community councils, following the new powers and duties within the Local Government and Elections (Wales) Act 2021, reducing the accountability and transparency of the sector. We are also concerned about the exceedingly low rates of contested town and community council seats and the low level

of awareness of the work of town and community councils amongst those in our networks, despite them being actively involved in community action at a local level. Collectively, these factors undermine the legitimacy of these bodies.

Limited coverage

There are more than 730 town and community councils, with around 8000 councillors throughout Wales, however town and community councils are not present in every community. Where they do exist, they represent the tier of government closest to people and theoretically to communities.

According to 2003 research from Aberystwyth University, town and community councils in Wales collectively cover 96% of the nation's land surface, and 70.1% of its population. However, there were "also 115 officially-defined 'communities' in Wales for which no council exists. More than half of the population in Cardiff, Merthyr Tydfil, Newport, Swansea and Rhondda Cynon Taff are not served by a local-level council, along with around a third of the population in Blaenau Gwent, Caerphilly and Neath Port Talbot."¹ In essence, just under one-third of the population of Wales lacks access to and representation or support from a town or community council.

There is evidence that a minority of people (30%) feel able to influence decision making in their local area, despite the existence of more than 730 town and community councils.² This suggests that for most people the presence of a decision making body at the lowest level of governance does little to aid peoples' sense of being able to influence decision making.

The role and value of community and town councils in Wales

The nature of the role of community and town councils varies considerably between individual bodies. It depends on many factors including institutional size, culture and the personnel involved. In our experience, a small number of (mainly larger) town and community councils are well connected and supportive of community action.

According to members of our network some councils have high precepts, enabling a good degree of capacity for action yet they have a risk averse attitude, and many others are very limited due to low capacity.

Where town and community councils are operational, they can set their own precepts and determine their activities. The scale and competency of town and community councils varies significantly and given the wide range of activities undertaken it is almost impossible to provide an overall assessment of town and community councils in Wales. Activities range from almost no community focused work to unfocused short-term grant schemes on the one hand, to innovative approaches providing clerking services to community councils as a core function of a social enterprise and long-term funding for youth work on the other.

¹ University of Wales, Aberystwyth: Institute of Geography and Earth Sciences, [Research Study into the Role, Function and Future Potential of Community and Town Councils in Wales](#), 2003.

² [Wellbeing of Wales](#), 2024.

Financial support for community action

The way in which town and community councils approach financially supporting community action is a very mixed picture amongst the groups we work with. The general picture is that some support community action via match-funding activities, others don't, and a few see place-based funding schemes within their geographical areas as a reason for them to do nothing. In one notable case a community council excluded a large housing estate from its grant schemes on the basis they already had substantial Lottery funds despite the residents of the estate obviously paying their council taxes. We are also however aware of town and community councils providing letters in support of funding applications on the part of community groups where the council itself could not provide financial support, suggesting a supportive and positive relationship in some cases.

Many town and community councils run a small grants scheme to support local groups and, in some cases, individuals. In multiple cases, grant paperwork is not available publicly, limiting the transparency of these grants processes. Instead, you need to contact the council's Clerk, to access any paperwork and presumably make an application which is likely to limit access to people who are well connected.

Whilst we very much welcome the existence of small grant schemes provided by some town and community councils, we are concerned at the lack of transparency around the application and assessment processes involved. We do, however, recognise that the funding involved is likely to be relatively small, so would not expect or indeed want to see a complex process. There is however a plethora of approaches to administering small grant schemes from the likes of Community Voluntary Councils, or even Community Foundation Wales, which could provide learning for town and community councils.

Other forms of support for community action

Outside of providing financial support for community action, there are clear opportunities for town and community councils to act as connectors and amplifiers for activities being undertaken or delivered by local community groups in their area. Some larger town and community councils have dedicated personnel fulfilling a community connector/ development or engagement role, which in our experience can be a successful way of supporting wider community action. The individuals fulfilling these types of roles tend to be the first point of contact for community groups. These roles serve as an effective bridge between existing community action and the town and community council and we would encourage more town and community councils to develop these roles should resources allow.

The role of clerks

The importance of clerks must not be underestimated when considering the role, governance and accountability of the town and community council sector. Given that coordination of council activity and implementation of decisions made "hinge on the clerk," we have concerns about the lack of time and capacity of clerks. In some cases, community groups have found town and community council clerks very helpful and

supportive whereas others think the working relationship could be better. Challenges in working with clerks were largely attributed to the workload, and the “enormous pressure to enact decisions”. There was also concern about the lack of recognition and level of remuneration for clerks. We heard that the duties of the Local Government and Elections (Wales) Act 2021 has dramatically increased the workloads of clerks (of eligible councils). The reporting requirements are high, with “too much to do”, especially for individuals with other commitments outside of their clerking role.

Developing Partneriaeth Ogwen

There is the notable and, as yet, unrepeated example of the creation of Partneriaeth Ogwen, a major social enterprise in Bethesda. Bethesda, Llanllechid and Llandygai community councils chose to outsource their clerking roles to a community organisation, which developed into the well-known social enterprise Partneriaeth Ogwen. Partneriaeth Ogwen still provides clerking for the councils and has developed a large range of projects to benefit the communities of Dyffryn Ogwen. Whilst this example is well known throughout Wales, it is as yet unique. We understand that there are structural barriers which prevent some town and community councils from following this approach and for others there are cultural barriers.

A thin veneer of democracy

We consider the town and community council sector to represent a thin veneer of democracy. In May 2022’s elections “only 22% of the 7,883 seats were contested. 62% of seats were uncontested – meaning that no election was held – and 16% of seats were unfilled, to be filled through further election or by co-option.”³ Around 30 councils were inquorate following these elections. Turnout was also down around 5% from 2017 to 38%.⁴ These statistics undermine councils’ legitimacy in representing their areas and demonstrate an alarming lack of interest in the roles available in this tier of government, signifying an acute challenge for our country’s democratic health and suggesting a low premium on the value of the many town and community councils by their residents (and indeed political parties if they are not putting up candidates).

Whilst there are pragmatic reasons to allow for co-option of councillors, in our view there is a clear and urgent need to encourage more individuals to stand for election to these roles. It is necessary to ensure councillors are competitively elected to the role, to satisfy the democratic process. We heard numerous examples of individuals being co-opted to town and community councils due to their views being similar to others in the institution. In contrast, many town and community councils have vacancies for protracted periods of time, suggesting that there is a lack of interest or willingness in becoming a local councillor. It also suggests the need for fewer, larger town and community councils which have greater capacity and more legitimacy.

³ Rebecca Evans MS, Minister for Finance and Local Government, [Written Statement: Democratic Health of Community and Town Councils](#), April 2023

⁴ Terms of Reference for the Democratic Health Task and Finish Group, <https://www.gov.wales/democratic-health-task-and-finish-group/terms-reference>

The complex nature of the local government landscape in Wales represents a fundamental barrier to people’s awareness and comprehension of which tier of government is responsible for what. Overall, “the tiers of government are a mystery to the general public” which may act as a barrier for individuals to put themselves forward to become a councillor.⁵

Weak scrutiny arrangements

We consider the current scrutiny arrangements to be insufficient to adequately hold councils to account and aid in transparency.

A Gwynedd Council Standards Committee report, undertaken to better understand the needs of community council clerks found that there were concerns that the threshold for scrutiny is high; “a formal complaint was needed before anything could be done about it - instead of being able to call for swift and effective intervention.”⁶ Additionally, where a formal complaint is lodged, it is a “burdensome” and “lengthy process”.⁷ Whilst there must be an appropriate fair and thorough investigative process, one that is too lengthy may risk creating further mistrust and apathy in the system.

Former town and community councillors shared their experiences of ineffective challenge to and by Council Chairs, stating that many councillors and Chairs do not adequately understand their roles, nor the protocols that exist. We’re aware of the [Good Councillors Guide](#) and the ‘[Be a Good Councillor](#)’ website which both include information about the role of a councillor however, the take up and impact of these is not clear. We also heard about the difficulties of individual councillors having their views heard, especially as young women. This is despite longstanding interest in and efforts to increase the diversity of individuals involved in local government, suggesting a need for culture change within some town and community councils.

Scope of digital and new technology to improve decision-making, service provision and participation in local democratic processes

We consider there to be limited potential from expanded use of digital and new technology to improve decision-making, service provision and participation in local democratic processes. The evidence is that there is little interest in the work of town and community councils rather than unmet demand for information. On the other hand there is the risk of entrenching and deepening existing inequalities. With 7% of adults in Wales not online at all (and a much much higher percentage not proficient online)

⁵ Quote from stakeholder.

⁶ Dr Einir Young (Chairman) and Richard Parry-Hughes (Community Committee Member), [Standards Committee Consultation with a selection of Town and Community Council clerks regarding the Ethical Standards Framework](#), November 2022.

⁷ Dr Einir Young (Chairman) and Richard Parry-Hughes (Community Committee Member), [Standards Committee Consultation with a selection of Town and Community Council clerks regarding the Ethical Standards Framework](#), November 2022.

disproportionately affecting a range of demographic groups, prioritising the use of digital technology without also providing resources to support other means of engagement could be detrimental and result in even weaker decision-making, service provision and participation.⁸ In our view, the focus on prioritising use of digital, whilst not focusing on the lack of interest and understanding in this tier of government, is misplaced.

Taking into account the limitations mentioned above, section 47 of the Local Government and Elections (Wales) Act 2021 (the duty to ensure meetings can take virtually or partially virtually) has some potential to make participation in local democratic processes more accessible and provide additional accountability and transparency to the electorate. However, it is necessary to remember that expanding the use of digital is not a universal solution and will not meet everyone's needs.

It is likely that the potential opportunities from digital technology will only be accessible to larger, better-resourced town/ community councils. There is also an underlying assumption that further use of digital technology is a panacea to resolve all other issues. Maintaining an online presence takes resources and expertise. From a limited examination of the websites of a small sample of town and community councils, it is not clear that this is a priority for many councils currently. Moreover, given the levels of mistrust in the political system, as well as the apathy concerning the town and community council sector specifically, we would need convincing that expanding the use of digital and new technology should be prioritised above and beyond other forms of engagement and involvement. In our own programme work, there is a wide variety of expertise and willingness to engage virtually, and we anticipate this reflects the wider population.

How new powers and responsibilities for this tier of government are utilised to support communities

The new powers and responsibilities from the Local Government and Elections (Wales) Act 2021, do not appear to be utilised to actively support communities. The responsibilities of the act serve to regulate councils with weak and superficial scrutiny mechanisms with no real measures to remedy the apathy surrounding this tier of government.

The key new power from the Local Government and Elections (Wales) 2021 Act is the General Power of Competence (GPOC), which if satisfying the criteria, and passing a

⁸ Digital Communities Wales, *Digital Inclusion in Wales*, disproportionately affected groups include older people, disabled people or those experiencing a long-term health condition, lower income families, people living in rural areas, socially isolated and lonely people, homeless people and Welsh speaking people and others for whom English is a second or additional language.

resolution to that effect, enables councils to become ‘eligible councils’.⁹ It is not easy to determine how many town and community councils meet this threshold and enjoy this power, which means they are “no longer be required to identify a specific power in order to undertake a particular activity. Instead, they will be in a position in which it is ‘assumed they can do something unless there is a statutory restriction preventing it’.”¹⁰ The lack of an easily identifiable directory of town and community councils possessing these powers and responsibilities is a gap in overall accountability and transparency of this tier of government.

Additionally, the responsibilities created by the GPOC appear to be onerous for councils and clerks which already lack capacity. The act includes the requirement to make and publish a training plan for staff and councillors, the duty to publish an annual report and provision to ensure that for any members of the public attending meetings have a reasonable opportunity to make representations about council business. Whilst these provisions add some level of additional scrutiny to eligible councils, there is a mismatch between the requirements of professionalisation and capacity. There are some effective and proactive town and community councils, but they appear to both be in a minority and be among the larger ones.

Conclusion

We consider there to be major challenges surrounding the role and accountability of town and community councils. The presence of over 700 individual and autonomous bodies naturally results in wide variance. Whilst we support this tier of government (it being the most localised and rooted in community action) in theory, we regard the significant democratic deficit, weak scrutiny arrangements and the patchwork of approaches, to weaken its overall effectiveness. We would like to see a smaller number of better resourced town and community councils which are more likely to be elected, actively supporting and stimulating locally rooted community action.

Please contact our Policy and Research Advisor, Eleri Williams, on eleri.williams@bct.wales for more information on this response.

⁹ For a community council to be eligible to exercise the general power of competence, it would need: at least two thirds of the community council to have been elected; that the clerk to the council holds qualifications as specified by the Welsh Ministers in regulations; and the council must also have received an ‘unqualified’ opinion on the council’s most recent accounts by the Auditor General for Wales, as well as on the accounts which immediately preceded it. Only after the above criteria have been met can a community council pass a resolution that it is an eligible council.

¹⁰ Senedd Research, [Quick guide to the Local Government and Elections \(Wales\) Act 2021 Research Briefing](#), October 2021.

Agenda Item 5

Local Government and Housing Committee

14 November 2024 – papers to note cover sheet

Paper no.	Issue	From	Action point
5	Social Housing Supply	Cabinet Secretary for Housing and Local Government	To note
6	Ministerial Scrutiny	Cabinet Secretary for Housing and Local Government	To note
7	Social housing supply	Cabinet Secretary for Housing and Local Government	To note
8	Welsh Government Draft Budget 2025/26	Aberystwyth Town Council	To note
9	Provision of sites for Gypsy, Roma and Travellers	Cabinet Secretary for Social Justice, Trefnydd and Chief Whip	To note
10	Right to adequate housing	Cabinet Secretary for Housing and Local Government	To note
11	Renter's Rights Bill LCM	Chair of Legislation, Justice and Constitution Committee	To note
12	Forward work programme	Welsh Government	To note
13	Renter's Rights Bill LCM	Cabinet Secretary for Housing and Local Government	To note

Our ref: JB/PO/219/24

Llywodraeth Cymru
Welsh Government

LA Leaders

Cc.

CEO

Director of Housing

Director of Planning

19 August 2024

Dear colleagues

At the start of this Senedd term we set a challenging target to deliver 20,000 additional homes for rent in the social sector. This target was reflective of our shared ambition and commitment to ensuring everyone has a safe, affordable place to call home. In the last two and a half years, we have worked together to deliver against this ambition, and I thank you for your unwavering commitment in challenging times.

Whilst we have achieved a great deal, I want to take this opportunity to underline the importance of a continued and concerted effort on delivering more homes – not just to support this Government in reaching our 20,000 homes target, but to deliver homes for those who need them most. Investing capital funding in bringing forward longer-term homes to move people on from temporary accommodation helps to reduce revenue spend in this area.

Based on your projections, we know there is a healthy development pipeline. We also recognise there are challenges that can impact the pace at which some schemes can be delivered. However, we have a strong history of collaboration in Wales, something I take pride in. It is essential that we continue working together to overcome these challenges and seize all opportunities to deliver more homes as swiftly as possible. I therefore write to you to set out some of the key areas in which we can work together as well as actions I urge you to take forward.

Social Housing Grant Programme (SHG)

If there are schemes that are capable of starting but do not feature in your main Programme Development Plan (PDP) due to funding constraints, please engage with my officials to further discuss. We may find solutions to ensure these projects move forward without delay. We also ask that you review schemes within your main programme, including those due to complete early in the next government term, to ensure they are delivering as quickly as possible. My officials will contact your officers to request information on any opportunities there may be to accelerate delivery.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
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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.

From the data you have provided us there are clearly schemes that are experiencing delays due to a variety of issues. My officials stand ready to help unlock as many of your schemes as possible.

Maximise acquisition opportunities

Acquisitions play a vital role in providing immediate access to homes. Building on the success of the Transitional Accommodation Capital Programme (TACP) since its establishment, sector partners have told us about the need to maximise acquisitions. I have therefore re-opened TACP for the 2024-25 financial year with an indicative value of £100m. **I encourage partners to focus on utilising TACP to bring additional homes into the social sector (including ex right to buy and off the shelf market homes where they are available for purchase).**

Last year we revised the SHG guidelines which limited spend on acquisitions to 20% of your budget. We also aligned the standards and intervention rates for acquisitions across our TACP and SHG programmes to support you to deliver more.

Leasing Scheme Wales

The success of Leasing Scheme Wales (LSW) in improving access to affordable and good-quality homes for tenants at risk of homelessness is testament to the dedication and hard work of your teams. **I urge each and every one of you to continue, and to build upon, your efforts to bring more homes into the scheme. By doing so we can ensure more families and individuals can quickly access safe and settled accommodation. I am committed to exploring further opportunities to accelerate LSW and incentives to support the scheme,** for example the current Land Transaction Tax relief proposals.

Prioritising social housing in the planning system

Planning Policy Wales and Future Wales: The National Plan set out the high priority for the delivery social housing through the planning system. I recognise that resourcing is a critical issue for most local planning authorities and I am taking measures which seek to address this. In the meantime it is essential that we focus our efforts on providing the housing our communities need. In the short term **this means prioritising resources and efforts on schemes which deliver the most significant levels of social housing.** Delivery is important but so too is the quality of the development we seek to promote; these issues are not contradictory. We should strive for high quality social housing which demonstrate exemplary placemaking credentials. In the medium to long term we should endeavour to allocate affordable housing led sites in development plans to ensure the future pipeline of supply.

Maximising use of funding resources to deliver more housing

The cost of delivering additional housing has increased greatly over the last 3 years and so, alongside our funding schemes, we need to ensure that we are bringing every pound possible to bear to deliver more homes.

Data on financial contributions towards affordable housing secured through planning obligations shows that at the end of 2022-2023, Local Authorities had just over £27m held in financial contributions for affordable housing which is an increase of £5.5m from the almost £21.5m held at the start of 2022-23. **I expect partners to use all**

funding streams to support the development of more affordable homes in Wales.

Similarly, many of you will have Recycled Capital Grant (RCG) held with your RSL partners. Our latest RCG returns indicate that this is in the region of £55m. In July 2023 we wrote to your housing strategy leads asking them to consider how best to use RCG in your area, to support both the development of new build schemes and acquisitions. Please speak to your strategy leads to ensure this funding is used to best advantage and to maximise delivery of affordable housing.

There are a number of other funding streams that can be used to maximise delivery of affordable housing. This can include discretionary council tax premiums on second homes and long-term empty properties.

I would be grateful if you could email my officials to outline how you plan to use each of these funds to help meet your current housing needs.

Actions being taken by Welsh Government

I have instructed my officials to explore every action to support delivery. To this end, further **detailed work will be undertaken into the key challenges and barriers facing schemes with a view to unlocking them.**

Good quality information will be fundamental to support this process **I need all partners to maintain the high quality of data we receive so we can target support to deliver more homes** and to maintain a regular dialogue with us, to identify opportunities but also issues and share the progress being made. My officials use the [Homes and Places portal](#) to provide me with updates on progress and I expect you to maintain the accuracy and currency of information for your area.

I will also be seeking regular updates with you through our meetings, but in the meantime, I ask that you provide my officials (socialhousinggrantprogramme@gov.wales) with the information requested in this letter by 20 September 2024.

Delivering more homes is a key priority for this Government and for us all. We cannot do this without working together across the housing sector and I look forward to all that we can achieve in the next two years.

Yours sincerely



Jayne Bryant AS/MS

Ysgrifennydd y Cabinet dros Lywodraeth Leol, Tai a Chynllunio
Cabinet Secretary for Housing, Local Government and Planning

Ein cyf/Our ref PO/JB/00273/24

John Griffiths MS
Chair, Housing and Local Government Committee

7 October 2024

Dear John

In February, the Competition and Markets Authority (CMA) published its [Report on the Housebuilding Market in Great Britain](#). The headline finding from the CMA was that the complex and unpredictable planning system, together with the limitations of speculative private development, has been responsible for the persistent under delivery of new homes. The study also confirmed substantial concerns about estate management charges, with homeowners often facing high and unclear charges for the management of facilities such as roads, drainage, and green spaces, together with the poor quality of some new housing evidenced by the increasing number of snagging reports over the past ten years.

At the time of publication, the CMA also opened a new investigation into the suspected sharing of commercially sensitive information by housebuilders which could be influencing the build-out of sites and the prices of new homes. I welcome this investigation and look forward with interest to its findings.

In terms of the recommendations and options for government to consider as they apply to Wales, the Welsh Government has responded to the CMA thematically, accepting the recommendations. I have lodged the full Welsh Government response in the Senedd Library for members' information.

Some recommendations within the report will depend on action to be taken by the UK Government in collaboration with the devolved governments and I have discussed how these recommendations can be implemented with Ministers in the UK and Scottish Governments at the British Irish Council on 19 and 20 September. It is important that we work in collaboration with our partners to deliver a better deal for homebuyers.

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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.

Yours sincerely

A handwritten signature in black ink that reads "Jayne Bryant". The signature is written in a cursive, flowing style.

Jayne Bryant AS/MS

Ysgrifennydd y Cabinet dros Lywodraeth Leol a Tai
Cabinet Secretary for Housing and Local Government

Julie James AS/MS
Ysgrifennydd y Cabinet dros Lywodraeth Leol, Tai a Chynllunio
Cabinet Secretary for Housing, Local Government and Planning



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: PO/JJ/183/24

Sarah Cardell
Chief Executive
Competition and Markets Authority
Housebuilding Market Study
25 The Cabot
Cabot Square
London
E14 4QZ

housebuilding@cma.gov.uk
cc Simon Harris, CMA Wales
simon.harris@cma.gov.uk.

10 July 2024

Dear Sarah

Thank you for the work you and the team at the Competition and Markets Authority have undertaken to prepare and publish the study report into the housebuilding market in Britain. I welcome the announcement to open a new investigation into the suspected sharing of commercially sensitive information by housebuilders which could be influencing the build-out of sites and the prices of new homes.

In terms of the recommendations and options for government to consider as they apply to Wales, I am responding thematically as some will depend on action to be taken by the UK Government in collaboration with the devolved governments.

Private management of public amenities on housing estates and preventing the proliferation of private management arrangements on new housing estates.

I agree that the Welsh Government should consider implementing common adoptable standards for public amenities on new housing estates. Common standards may help local authorities and service providers adopt housing estates on their completion. Developing common adoptable standards would be a significant endeavor and will not be possible to implement in the short term. My ambition remains that local authorities should adopt public amenities. I do not agree that this should be a mandatory requirement. Local planning authorities are best placed to determine the appropriateness of adoption of public amenities on estates in their areas. I am working

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closely with our planning authorities to ensure a decision on whether amenities are to be adopted is taken much earlier in the planning process.

Providing greater protection to households living under private management arrangements

I agree that the UK Government, in consultation with the Welsh Government and the Scottish Government should introduce enhanced consumer protection measures. These should be underpinned by a robust enforcement regime. The Leasehold and Freehold Reform Act has introduced new rights to freeholders subject to estate management charges.

Although the aim of the new regime for freeholders is not specifically consumer protection, the Act will improve transparency and accountability for homeowners. The new arrangements when introduced will rely on the homeowner challenging unreasonable charges with the tribunal, but the existence of a method to seek legal remedy will encourage better performance on the part of estate managers.

Your report rightly focused on the significant imbalance of power between embedded private estate management companies and households. I am not convinced that this imbalance exists where a residents' management company of the relevant housing estate is written into the TP1/deeds. On this basis, the prohibition of new embedded management arrangements should not apply where the management company is constituted of the residents of the relevant estate. I agree that resident management committees could benefit from improved guidance, and I will be asking officials to prepare improved guidance in line with your recommendation on this point.

Quality of new homes produced, and service provided by housebuilders. Eliminating drip pricing and providing greater clarity to buyers regarding the true cost of their new home including pricing for optional extras.

I agree with these recommendations. The New Homes Ombudsman (NHO) provisions within the Building Safety Act provide the opportunity for the UK Government to introduce the recommended changes. The Welsh Government is supportive of the NHO approach including a single mandatory consumer code. My expectation is for the proposals set out in recommendations 2.1 to 2.4 to be implemented through the work of the NHO.

Developing an independent single consumer satisfaction survey and publishing key quality metrics.

I agree in principle with recommendations 2.5 and 2.6 of the report. An independent body to develop, maintain and undertake a single consumer satisfaction survey on the quality of new homes and the service provided by all housebuilders, and a requirement to participate in the survey to display their key quality metrics to consumers will be helpful reforms if implemented sensitively. Care will be needed to ensure a single customer review does not distort reported satisfaction levels for smaller developers who are building fewer homes than volume builders. House buyers will need to be encouraged to take part in a customer satisfaction regime irrespective of a positive or negative customer journey.

Options for consideration

The first of the options for consideration suggest that the Welsh Government should consider options to support the adoption of public amenities on estates currently under private management arrangements.

If the proposed reforms set out in the report recommendations are adopted and implemented, the identified shortcomings being experienced by householders subject to estate management charges should be resolved. Should this not be the case, further action may be needed to adopt public amenities currently under private management arrangements.

The remaining ten options for consideration by government included in the report mainly relate to the planning system as it operates in England, and largely overlooks the planning reforms that have been adopted in Wales. Many of the options for consideration are being progressed in Wales.

Housing targets are embedded in the planning system through the integration with the Local Housing Market Assessment (LHMA). The LHMA provides information on housing needs to local levels covering the tenure and type of dwellings and numbers required. LHMA's are seminal sources of evidence for our Local Development Plans (LDP). Monitoring of progress towards delivery of the LDP is undertaken annually through an Annual Monitoring Report.

Effective monitoring and enforcement of local plans to encourage housebuilders to bring forward successful planning applications and build new houses is in place in Wales. Welsh Government has a dedicated development plans team whose role it is to support and monitor the production of LDPs. There is full LDP coverage across Wales and this provides a firm basis for the delivery of new homes. Our national development framework also provides a context for the delivery of affordable housing and the production of Strategic Development Plans. Through the Annual Monitoring Report process, local planning authorities monitor the delivery of housing which will inform plan review.

Planning can be a necessarily complex process which has to balance societal needs with other imperatives such as climate change and nature emergencies. Development of new houses on greenfield land in particular can have permanent and long term effects on the climate change and the environment which must be taken into account and mitigated before development takes place. Whilst the planning system must work efficiently and should not be the cause of unnecessary delays, there is no getting away from the scale of the issues the planning system has to address.

Having an adopted development plan is an important pre-requisite to allow local authorities to take timely decisions. LDPs need to be underpinned by robust evidence of viability of housing sites, including detailed site viability appraisals for key sites, and are required to have a trajectory of delivery over the plan period. Whilst it is important to ensure planning arrangements are kept under review and streamlined, they must remain effective to ensure societal imperatives are achieved.

I agree that clearly defining the planning statutory consultee process is important. Statutory consultees are set out in legislation as is the determination period for planning applications. There is a clear timescale for the determination of applications and statutory consultees are required to input within these timescales. Statutory consultees usually provide critical technical inputs into the determination process and their advice is essential for local planning authorities. The issue of delays during statutory consultation

is often the product of inadequately resourced statutory consultees rather than fault in the system.

Adequately resourcing the entire planning system, including statutory consultees, is a key challenge the Welsh Government will be addressing, but it is for local planning authorities to monitor performance against the arrangements in place. I have announced plans to increase resources within the planning system based on independent research presented to me. My intention is to implement an uplift in planning fees and a strategy to achieve full cost recovery for local authorities over a prescribed period. These fees will be retained for the exclusive purpose of providing planning services.

The requirements for outline planning applications are onerous because local planning authorities (LPA) need to fully understand the impacts of the proposed development. Work provided at the outline stage will not then need to be repeated at the reserved matters stage. The question arises where in the process the detailed considerations take place. If they are at the outline stage, the work will need not be undertaken later in the process.

I recognize the smaller and medium size housebuilding sector has been severely squeezed since the recession of 2008 and they now represent a diminishing part of the housebuilding output in Wales. Unlike volume house builders, smaller developers often lack the necessary resources and skills to engage effectively in the planning process. Their engagement in the plan making process is often negligible.

Nevertheless, Planning Policy Wales (PPW) requires LPAs to keep a list of small sites which might be attractive to the small and medium size developer sector. Furthermore, PPW suggests that LPAs consider breaking up large housing allocations into smaller lots which may prove to be more attractive offers to smaller developers. Additionally, further work has been undertaken in Wales to promote the custom and self-build sector to help diversify housing supply.

Finally, you have suggested LPAs could require greater diversity of housing tenure and housing type for larger sites and increase the number of homes that are delivered through smaller sites. In principle, I agree with these points.

The required housing tenure should be obtained as one of the outputs of the LHMA. This should then inform LDP policies and there is a legal requirement to determine planning applications in accordance with the development plan unless material circumstances indicate otherwise. As stated above, PPW already supports the subdivision of larger sites to allow greater choice, increase build out rates and allow the SME sector to compete with the volume housebuilders.

Smaller sites are often brownfield within urban areas. There are often constraints on development, such as the need for land remediation which impacts on the viability of any proposed development. Welsh Ministers are keen to develop fiscal tools to disincentivise retention of sites allocated for housing such as through the introduction of a vacant site levy.

Your report suggests that housebuilders build to meet demand and not need. Their business model is predicated upon local absorption rates to ensure profits remain high. It is the role of the planning system to address this by setting clear policies about the type of housing to be delivered. I am therefore keen develop further initiatives that seek to increase housebuilding based on need and not the maximization of profits for housebuilders.

Yours sincerely



Julie James AS/MS

Y Gweinidog Newid Hinsawdd

Cabinet Secretary Housing, Local Government and Planning

Agenda Item 5.4

Dear Senedd Committees,

Further to a recent motion passed by Aberystwyth Town Council, we write to you as the relevant Senedd Committees regarding the formula for the funding of local authorities in Wales. We note with concern that the current funding formula used by the Welsh Government to allocate financial resources to local authorities is disproportionately affecting Ceredigion County & Ceredigion County Council. The formula, as it stands, has resulted in a significantly lower percentage of funding for our county, which is detrimental to the economic, cultural, and educational wellbeing of our communities.

We further note:

1. The unique demographic and geographic characteristics of Ceredigion, which require a funding model that adequately reflects the challenges faced by rural and less densely populated areas.
2. The potential long-term impacts on Ceredigion's economy, culture, and education system if the current funding formula remains unchanged, including the risk of declining public services and infrastructure.
3. The importance of ensuring that Ceredigion receives a fair share of funding that is commensurate with its needs, allowing the county to thrive and continue to offer high-quality services to its residents.

We are therefore writing to seek and urge for your assistance in advocating for a change in the funding formula that will benefit Ceredigion.

We look forward to your response and support.

Motion to Support and Encourage Ceredigion County Council's Lobbying Efforts for a Fairer Funding Formula from the Welsh Government

Proposed by: Cllr Kerry Ferguson

Date: 3rd September 2024

Motion:

This Council notes with concern that the current funding formula used by the Welsh Government to allocate financial resources to local authorities is disproportionately affecting Ceredigion County & Ceredigion County Council. The formula, as it stands, has resulted in a significantly lower percentage of funding for our county, which is detrimental to the economic, cultural, and educational wellbeing of our communities.

This Council further notes:

1. The unique demographic and geographic characteristics of Ceredigion, which require a funding model that adequately reflects the challenges faced by rural and less densely populated areas.
2. The potential long-term impacts on Ceredigion's economy, culture, and education system if the current funding formula remains unchanged, including the risk of declining public services and infrastructure.
3. The importance of ensuring that Ceredigion receives a fair share of funding that is commensurate with its needs, allowing the county to thrive and continue to offer high-quality services to its residents.

This Council resolves to:

1. Express its full support for Ceredigion County Council's ongoing efforts to lobby the Welsh Government for a review and revision of the current funding formula.
2. Urge the Welsh Government to take immediate steps to engage with Ceredigion County Council and other relevant stakeholders in a meaningful dialogue aimed at establishing a more equitable funding model.
3. Encourage other town and community councils within Ceredigion to also support and amplify the call for a fairer funding allocation that better reflects the needs and circumstances of our county.
4. Request that the Town Clerk writes to the relevant Welsh Government ministers, local Assembly Members, and Members of Parliament, conveying this Council's position and urging them to advocate for a change in the funding formula that will benefit Ceredigion.
5. Continue to monitor the situation and collaborate with Ceredigion County Council to ensure that the interests of Aberystwyth and the wider county are represented in all discussions regarding funding allocations.

Outcome:

This motion, if passed, will be forwarded to Ceredigion County Council, the Welsh Government, and relevant stakeholders as part of Aberystwyth Town Council's commitment to supporting our county's financial stability and future prosperity.

Papur 9 / Paper 9
Jane Hutt MS
Agenda Item 5.5

Ysgrifennydd y Cabinet dros Gyfiawnder Cymdeithasol, y
Trefnydd a'r Prif Chwip
Cabinet Minister for Social Justice, Trefenydd and Chief
Whip



Llywodraeth Cymru
Welsh Government

John Griffiths MS
Chair, Local Government and Housing Committee
Welsh Parliament
Cardiff Bay
Cardiff
CF99 1SN
SeneddHousing@senedd.wales

23 October 2024

Dear John,

Thank you for the opportunity to provide an update into the provision of sites for Gypsy, Roma and Travellers at the recent Committee's inquiry on 3 October.

The Committee asked for clarification on the definitions of a Gypsy and Traveller site and pitch, and examples of how local authorities intend to use Site Capital Grant funding. Please refer to **Annex A**, which provides definitions of pitches and sites as well as additional key terms relating to all Gypsy and Traveller accommodation. **Annex B** outlines some of the examples of local authority bids through the Site Capital Grant funding.

I hope this information is helpful in assisting the Committee.

Yours Sincerely

Jane Hutt MS
Ysgrifennydd y Cabinet dros Gyfiawnder Cymdeithasol, y Trefnydd a'r Prif Chwip
Cabinet Minister for Social Justice, Trefenydd and Chief Whip

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Back Page 66
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Annex A - Gypsy and Traveller Definitions

<p>Gypsies and Travellers -</p> <p>(a) Persons of a nomadic habit of life, whatever their race or origin, including:</p> <p>(i) Persons who, on grounds only of their own or their family's or dependant's educational or health needs or old age, have ceased to travel temporarily or permanently, and</p> <p>(ii) Members of an organized group of travelling show people or circus people (whether or not travelling together as such); and</p> <p>(b) all other persons with a cultural tradition of nomadism or of living in a mobile home.</p> <p style="text-align: right;">Source: Section 108, Housing (Wales) Act 2014</p>	
<p>A Gypsy and Traveller site can be privately owned (with or without planning permission) or owned by the local authority. A Gypsy and Traveller site is designated for use as a Gypsy and Traveller site indefinitely and has the required planning permission to operate as a site.</p>	
<p>Pitch</p>	<p>A pitch is a private space secured by a lockable gate, which should be capable of accommodating an amenity block, a mobile home, touring caravan and parking for two vehicles.</p> <p>The layout of the pitch will depend on the overall site design. An important element in the design and size of pitches is the intended capacity. Section 60 of the Mobile Homes (Wales) Act defines 'mobile home' as measuring up to 20 metres in length and 6.8 metres in width.</p>
<p>Site</p>	<p>A site will include a range of facilities, including up to 20 pitches (dependant on size of land and requirements), connections to utilities, community building, play area, footpath around the site, public lighting and fencing/trees to create a perimeter boundary for security and enclosure.</p>
<p>Local Authority Site</p>	<p>Residents on a local authority site can occupy their pitches for as long as they abide by the terms of their pitch agreements, under the Mobile Homes (Wales) Act 2013. Working space may also be provided on, or near, sites for activities carried out by community members.</p> <p>Welsh Government 'Designing Gypsy and Traveller Site' Guidance state, new sites should comprise of 20 pitches or less, other than in exceptional circumstances and where consultation and engagement have taken place with all stakeholders.</p>
<p>Private Site</p>	<p>These can be owned by a member of the Gypsy, Roma and Traveller community, who have purchased land and sought the necessary planning permission to be used as a Gypsy and Traveller site. They tend to be smaller than</p>

	<p>local authority sites and only accommodate sufficient pitches for their family members.</p> <p>Private sites may also include small sites owned by and for use of family members but without planning permission yet granted.</p>
Transit Site	<p>Transit sites are permanent facilities designed for temporary use by occupiers for a maximum of 3 months at a time. Local authorities will be responsible for maintaining the site, including the provision of waste disposal, water supply and sanitation will be available.</p> <p>Specific terms under the Mobile Homes (Wales) Act 2013 apply on these sites. Working space may also be provided on, or near, sites for activities carried out by community members.</p> <p>These sites must be designated accordingly and must provide a means for Gypsy and Travellers to maintain a nomadic way of life.</p>
Unauthorised Encampment	<p>Land occupied without the permission of the owner or without the correct land use planning permission.</p> <p>Encampments are used in the absence of available transit or negotiated stopping places provision and may be accepted by the local authority, whilst alternative sites are developed.</p>
Unauthorised Development	<p>Land occupied by the owner without the necessary land use planning permission.</p>
Negotiated Stopping places	<p>These are intended to be short-term in nature to assist local authorities where a need for pitches is accepted. Provision must be made for waste disposal, water supply and sanitation.</p> <p>These sites only have planning permission or a site licence for a limited period. Residents on these sites can expect to occupy their pitches for the duration of the planning permission or site licence (or as long as they abide by the terms of their pitch agreements, under the Mobile Homes (Wales) Act 2013 – whichever is sooner).</p>
Bricks and Mortar	<p>A house or a flat, often referred to as conventional housing. They may be socially rented, privately rented or owned.</p>

Annex B – Gypsy and Traveller Sites Capital Grant

Building on my written evidence, you requested examples of how our £3.44 million budget for 2024-25 has been administered. I hope the following is helpful.

Of the 17 applications received to date from 10 Local Authorities, 12 have been approved. The 12 approved applications will positively impact 144 pitches by providing funding for:

- The installation of individual pitch electric metres.
- The installation of individual solar panels to existing amenity blocks and community buildings.
- The demolishing and refurbishment of amenity blocks. (consist of 2 separate rooms; a bathroom and a kitchen, with a washing area).
- Improving safety within sites, by creating boundary fences, CCTV and vehicular access.
- The development of a new negotiated stopping place.
- The development of new and refurbished existing play areas.

John Griffiths MS
Chair – Local Government and Housing Committee
Senedd Cymru

John.Griffiths@senedd.wales

24 October 2024

Dear John,

Today I have published a White Paper on Adequate Housing, Fair Rents and Affordability for consultation. The White Paper can be accessed [here](#).

Ensuring everyone in Wales has a decent, affordable and safe place to call home is a key ambition of this Government. I am proud of the progress we have already made but I am conscious that there is more that collectively we need to do.

I would like to place on record my thanks to the Local Government and Housing Committee for your inquiry and subsequent report on a Right to Adequate Housing. The evidence to the Committee, alongside that received to our Green Paper consultation, has been instrumental in informing the development of the White Paper and its proposals.

The proposals in this White Paper set out further building blocks in our progressive path towards achieving housing adequacy for the people of Wales. The White Paper also includes several proposals aimed at improving key aspects of housing adequacy in the Private Rented Sector. For reference a summary of the proposals is set out at the end of this letter.

The consultation on the White Paper closes on the 31st January, and I look forward to receiving the views of the Local Government and Housing Committee.

Yours sincerely



Jayne Bryant AS/MS

**Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai
Cabinet Secretary for Housing and Local Government**

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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.

Summary of the White Paper

The White Paper covers the following areas:

- A proposal to develop legislation in the next Senedd term to place a duty on Welsh Ministers to produce a housing strategy to address housing adequacy, including provisions for monitoring, reporting and review;
- Consideration of placing a duty on defined public sector bodies to have regard to the housing strategy in discharging their housing functions;
- Measures to improve rent data, including a requirement on landlords/and or agents to provide rent data to Rent Smart Wales;
- The development of a spatial rent map to show local area rent data to better understand affordability;
- Proposals to help people understand that a property is habitable;
- Removing barriers to accessing the PRS including proposals to support people renting with pets and the development of guidance around rent guarantors; and
- Exploring the potential for Land Transaction Tax higher residential rates relief if properties are signed up to the Welsh Government's Leasing Scheme Wales.

Jayne Bryant MS
Cabinet Secretary for Housing and Local Government

24 October 2024

Dear Jayne,

Legislative Consent Memorandum on the Renters' Rights Bill

At our meeting on 21 October, we considered the Welsh Government's Legislative Consent Memorandum (LCM) on the Renters' Rights Bill, laid by the Cabinet Secretary for Housing and Local Government on 28 September.

We have further questions in relation to this LCM and would be grateful if you would be available to appear before the Committee on 18 November, given the reporting deadline of 29 November, in order to help inform our scrutiny.

We would be grateful if your officials could liaise with the clerking team to make arrangements.

I am copying this letter to John Griffiths MS, Chair of the Local Government and Housing Committee.

Yours sincerely,



Mike Hedges
Chair

Agenda Item 5.8

Terms of Reference: Support for Affordable Homes Delivery

1. Context and Purpose

It has been agreed that Lee Waters MS will support the Cabinet Secretary for Housing and Local Government to drive delivery of the 20,000 homes for rent in the social sector target housing across Wales. He will then lead a task and finish review into barriers to delivering affordable housing at pace across Wales. These Terms of Reference set out the scope of that supporting role. The purpose aligns directly with the Prif Weinidog's headline priority: opportunity for every family - delivering more homes for social rent to ensure that every family can thrive.

2. Objectives

The work will comprise two complementary strands:

Strand 1: Immediate Focus on Short-Term Challenges

This strand of work will focus on short term challenges helping to unblock sites in the 20k programme that are at risk of delay and explore opportunities to utilise viable public sector sites for meanwhile use.

Actions:

Sites at significant risk of delay

- Work across Welsh Government and with local authorities and registered social landlords to identify reasons for high risk of delayed delivery of affordable housing led schemes (scheduled to deliver this term of government) and progress the actions necessary to mitigate those risks. Initial focus on those delayed due to planning and/or SAB approval issues.

Meanwhile use of viable public sector sites:

- Identify a small number of sites within public sector ownership (this may be WG, LA, wider public sector or landlord) that could be suitable for immediate progression on 'meanwhile basis' utilising MMC.
- Support partners to progress the meanwhile use of these sites to deliver homes in this term of Government.

- **Strand 2: Making system changes**

Informed by the issues identified when addressing the short-term challenges, the Delivery Group will make recommendations for practical change to streamline the delivery of more homes for social rent.

Specifically the review will consider;

- how expertise might be organised regionally to enhance the planning function to support house building
- how to strengthen approaches to strategic and local development planning how to ensure a land pipeline that meets future housing need.

- The group will also consider key issues raised during the strand 1 work and any other issues identified by the group, in agreement with the CSHLG.

3. Indicative timescales

To provide more families with safe and stable homes it's essential that work progresses with pace and purpose. Timescales therefore follow a stage reporting approach to best support the delivery of more affordable housing as quickly as possible.

Task	Date
Strand 1: Immediate Focus on Short-Term Challenges	March 2025
Strand 2: Recommendations for system changes	April 2025 (provisional)
Report key findings and recommendations	March 2025 (provisional)

4. Support and Resources

Membership

A small, focused delivery group will be identified and agreed between the Cabinet Secretary for Housing and Local Government and Lee Waters, MS. It is envisaged this will include local government, relevant delivery bodies and outside experts.

Secretariat

Cabinet Office will provide secretariat and administrative support to coordinate meetings, track progress and facilitate stakeholder engagement. The lead contact is Bethan Davies (Cabinet Office).

Policy and Technical Support

Housing, Planning and Water (Sustainable Drainage Systems) officials will provide technical and policy support. The lead contacts are Stuart Fitzgerald (Housing), Rebecca Olney (Housing), Neil Hemington (Planning) Jon Fudge (Planning), Matt Mulley (Water). Other expertise may be called upon as necessary.

Cross Welsh Government Working Group

A cross government officials working group has been established to focus affordable housing led schemes at risk of missing their completion timescales. This group will provide support to ensure the necessary actions and interventions are in place to keep work on the objectives on track. The group meets fortnightly to focus on the actions and activities that fall within these

terms of reference. Stuart Fitzgerald will act as link between the work of the Delivery Group and the internal working group.

5. Reporting

Lee Waters MS will formally report to the Cabinet Secretary for Housing and Local Government (CSHLG). Update meetings will be held bi-weekly during strand 1 and then monthly in relation to the delivery of strand 2. The CSHLG will keep the Minister for Delivery regularly updated.

6. Communication Protocol

An external communication plan will be developed with the support of Welsh Government Communication Service and any media engagement requests in relation to the work will be referred to the WG Communications Service. External communications and press lines will be cleared by the CSHLG.

—
**Local Government
and Housing Committee**

Jayne Bryant MS
Cabinet Secretary for Housing and Local Government
Welsh Government

25 October 2024

Dear Jayne,

Renters' Rights Bill LCM

You'll be aware that the Legislative Consent Memorandum (LCM) for the Renters' Rights Bill has been referred to the Local Government and Housing Committee for consideration. We initially considered the LCM at our meeting on 23 October and Members agreed that I should write to seek clarification on a number of issues.

We note that the main reason given in the LCM for making these changes using a UK Bill is expediency. However, we are aware that many of the provisions in the previous Renters (Reform) Bill, now replicated in this Bill, were introduced in advance of November 2023 and still have not been implemented due to the dissolution of Parliament. As we noted in our report on the previous LCM, relying on the UK Government and Parliament to progress a Bill, rather than bringing legislation within a timetable set by the Senedd, is a disadvantage of the LCM process. We are conscious that, should the Welsh Ministers have decided from the outset to bring forward a Senedd Bill to amend two Senedd Acts, then it could have done so sooner than this Bill. Given the significant delays in enacting the provisions in this Bill relevant to Wales, we would be grateful if you could explain why you believe expediency to be a valid reason for using the LCM approach.

We note that the LCM describes the changes to both the Renting Homes (Wales) Act 2016 and the Renting Homes (Wales) (Fees etc.) (Wales) Act 2019 as "*a discrete policy aim*". However, the Bill goes further than the rental discrimination provisions. Moreover, the rental discrimination provisions are far-reaching (e.g. impacting insurance and mortgages) and create a new criminal offence for landlords in Wales. We would be grateful if you could clarify your plans for implementation of the changes: will there be a grace period for landlords to ensure they do not contravene the new provisions? What steps will be taken to raise awareness of these changes e.g. through Rent Smart Wales etc?

—
Welsh Parliament

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We are aware that the position on sanctions and enforcement differs between England and Wales. Breaches in England will be a civil offence with a fine of up to £7,000. Breaches in Wales and Scotland will be subject to criminal sanctions. Please could you confirm whether Welsh Government intends to maintain its position that criminal enforcement is the preferred approach and, if so, why.

We would be grateful if you could provide further information on the data available regarding how many tenants are currently in Occupation Contracts that prevent them from claiming benefits or having children at the properties. Could you outline what practical difference would it make if these changes only applied to Occupation Contracts entered into after the Bill comes into force? We would also like to know whether the Welsh Government has undertaken any consultation on these changes in Wales.

Clause 46 would enable the Welsh Ministers, through regulations, to add to the groups of people protected from rental discrimination. It would be useful to know how the Welsh Government envisages using this power and the groups likely to be added. We note the consultation requirements on Welsh Ministers before making such regulations and that a Statutory Instrument containing such regulations will be made under the affirmative procedure. We also note that clause 47 grants similar regulation-making powers to the Secretary of State, but that an LCM has not been deemed as needed for this provision. Please could you explain why such a regulation-making power for the Secretary of State has been included, whether this been inserted into the Bill with the Welsh Government's consent and why the Welsh Government has not listed this clause as requiring consent. It would also be useful if you could provide examples of when it is envisaged that this power will be used and outline whether the same consultation requirements would apply.

Clause 70 makes amendments to Schedule 2 of the Housing Act 1996 which concerns housing complaints in the social rented sector. Social landlords must be members of a Government approved social landlord redress scheme, the only approved scheme currently being the Housing Ombudsman. We note that the Explanatory Notes to the Bill indicate that this provision does not apply to Wales and the LCM process is not engaged, however paragraph 33 of the LCM states that the Welsh Government's opinion is that consent is required for these changes. Paragraph 40 goes on to state:

"Despite the fact that applies to a dwelling in England, it is the view of the Welsh Government that the amendment to paragraph 10 of Schedule 2 to the Housing Act 1996 is not consequential on the new PRS landlord ombudsman service but is substantial because it applies in relation to a number of homes in Wales".

We find paragraph 40 to be confusing as it states that the change applies to dwellings in England but also that it applies to a number of homes in Wales. Please could you clarify the reasons for consent being sought, particularly as the Housing Ombudsman only deals with complaints about social housing in England.

Similarly, clause 29(2) provides the Secretary of State with powers to introduce regulations to amend legislation or the effect of private instruments so that they operate to comply with the changes to the assured tenancies system made by Part 1 Chapter 1 of the Bill, specifically in relation to a ground for possession in Schedule 2 to the Housing Act 1988. However, as acknowledged by paragraph 11(a) of the LCM, the assured tenancy regime is no longer applicable in Wales so it is unclear why this clause requires consent. Please could you clarify the reasons for consent being sought.

We note that the Bill contains some England only provisions which we considered as part of our work on the private rented sector.

The Bill includes some provisions in relation to pets, for example clause 10 grants a right to request permission to keep a pet, which a landlord cannot unreasonably refuse and that these will apply in England only. Given that we recently received evidence on this during our recent inquiry, please could you explain why similar measures were not included for Wales or if there is any intention to introduce those at a later stage.

The Bill would bring an end to 'no fault' evictions in England, subject to exceptions, using section 21 notices, while such evictions are possible in Wales with 6 months' notice under section 173 of the Renting Homes (Wales) Act 2016. As we stated in our recent report, we would not want tenants in Wales to be worse off than tenants in England. We would be grateful if you could therefore outline how the situation in Wales will differ from England if the Bill is passed and the Welsh Government's intentions for no fault evictions in light of these reforms for England.

We would be grateful for a response by 7 November to enable us to consider it at our meeting the following week and report by the deadline of 29 November.

I am copying this letter to the Chair of the Legislation, Justice and Constitution Committee.

Yours sincerely



John Griffiths MS

Chair

Croesewir gohebiaeth yn Gymraeg neu Saesneg.

We welcome correspondence in Welsh or English.

Jayne Bryant AS/MS
Ysgrifennydd y Cabinet dros Lywodraeth Leol a Tai
Cabinet Secretary for Housing and Local Government



Llywodraeth Cymru
Welsh Government

John Griffiths MS
Chair of the Local Government and Housing Committee

SeneddHousing@senedd.wales

8 November 2024

Dear John

Renters' Rights' Bill Legislative Consent Motion

Thank you for your letter of 25 October seeking clarification on several issues related to the Legislative Consent Memorandum (LCM) I laid in relation the Renters' Rights Bill. I have addressed the questions in the order they were asked in your letter.

I believe expediency remains a valid reason for seeking to introduce these provisions in Wales through a UK Government Bill, as the current estimate is that this Bill will receive Royal Assent sometime next year. We could not introduce a Senedd Bill and achieve Royal Assent within the same period without having a serious impact on the current legislative programme. The other choice would be to wait for a legislative opportunity sometime in the future, most probably during the next term of Government, which would put tenants in Wales at a disadvantage compared to tenants in England and Scotland.

While the Renting Homes (Wales) Act 2016 only requires a period of 14 days for landlords to update contracts to reflect legislative changes, there will be some lead-in time before commencement of the relevant provisions in the Bill for landlords and agents to prepare. Landlords and agents will be informed of the new requirements through Rent Smart Wales communications.

It remains our view that criminal enforcement is the preferred approach as it reaffirms the gravity of the situation should a landlord behave in a discriminatory way. Rent Smart Wales must consider whether a person is "fit and proper" to hold a licence. Evidence of criminal behaviour, such as a criminal conviction, can potentially result in the removal of the

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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.

ability of a landlord or agent to be able to operate as a licensed person in Wales, which could have severe financial implications for their business which would go beyond a court-imposed fine.

We do not have data on current occupation contracts which may contain discriminatory clauses. The practical difference of only applying these provisions to new contracts would be that if these clauses exist in a contract currently, then those tenants could be subject to those discriminatory clauses for many years to come. This would be clearly unfair on those tenants who do not want to, or cannot, move out of their current property. We have not consulted on these changes.

Commencement of clause 46 will be kept under review as will the exercise of the power itself. This means that, in future, should we wish to exercise the power, we could bring in additional cohorts should there be evidence of discrimination which goes further than those currently identified in the Renters' Rights Bill.

Clause 47 grants the Secretary of State the same power as the Welsh Ministers in Clause 46, albeit only where provision would relate to reserved matters and fall outside the legislative competence of the Senedd. This power could only be exercised should a change be needed which falls outside of the legislative competence of the Senedd. We agree with its inclusion, but we are not seeking consent for clause 47 as the clause re-affirms that the Secretary of State can make provisions in relation to areas where the Welsh Government do not have devolved powers. If the Secretary of State wishes to use these powers, then they would have to consult with relevant stakeholders.

In relation to clause 70, there are a small number of English-based Registered Providers (RPs) who own and rent social housing stock in Wales, and the Housing Ombudsman can investigate complaints about social housing providers who operate across the Welsh border. The amendments relate to the devolved matter of housing, as far as they relate to RPs with housing stock in Wales and will affect tenants in Wales of such social housing. Whilst the amendments will have minor impact given the small number of England-based RPs with social housing stock in Wales, the amendments nonetheless relate to the devolved matter of housing.

In terms of clause 29(2), some housing legislation still cross-refers to legislation that links to the assured tenancy regime despite there currently being no assured tenancies in Wales following the implementation of Renting Homes. As an example, Schedule 12 of the Renting Homes (Wales) Act 2016 refers to various grounds under the Housing Act 1988 if the tenancy were an assured tenancy before the appointed day. A landlord may claim possession of a dwelling in relation to a converted contract which was an assured tenancy using any of the grounds referred to in paragraphs 28 and 29. These provisions remain unchanged by the Renters' Rights Bill (see paragraph 50 of Schedule 2).

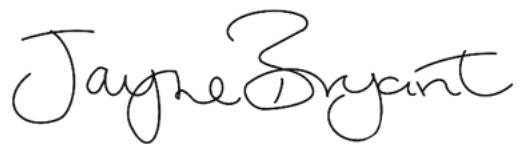
UK Government did not extend an invitation for inclusion in the provisions regarding pets. I would however draw your attention to the White Paper on securing a path towards Adequate Housing, including Fair Rents and Affordability, which contains our proposals to support people renting with pets.

We will keep a watching brief on how the changes to the assured tenancy regime in England develop. We have always been clear that it is far preferable for a tenant to be given a longer notice period if they are going to be evicted through no fault of their own. It should be noted that the Renters' Rights Bill still gives the landlords grounds to evict a tenant when they are not at fault, such as if a landlord wants to house a relative or sell the property. Some of the "no fault" grounds which this Bill allows for give extremely short notice periods, such as two-weeks' notice if the property is to be rented to students. As such, it

remains my belief that we have taken the right approach for tenants in Wales by providing extended notice periods through the Renting Homes (Wales) Act 2016.

I hope that this letter addresses your questions about the LCM.

Yours sincerely

A handwritten signature in black ink that reads "Jayne Bryant". The signature is written in a cursive style with a large, stylized 'J' and 'B'.

Jayne Bryant AS/MS

Ysgrifennydd y Cabinet dros Lywodraeth Leol a Tai
Cabinet Secretary for Housing and Local Government

Agenda Item 8

By virtue of paragraph(s) ix of Standing Order 17.42

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Agenda Item 9

By virtue of paragraph(s) ix of Standing Order 17.42

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