

Communities, Equality and Local Government Committee

Meeting Venue:

Committee Room 2 – Senedd

Meeting date:

5 March 2014

Meeting time:

09.00

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



For further information please contact:

Sarah Beasley

Committee Clerk

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Agenda

- 1 **Introductions, apologies and substitutions**
- 2 **Motion under Standing Order 17.42 to resolve to exclude the public from the meeting for the following business: Items 3 & 4**
- 3 **Housing (Wales) Bill: Consideration of Draft Stage 1 Report (9:05–10:40) (Pages 1 – 93)**
- 4 **Holiday Caravan Sites (Wales) Bill: Consideration of the proposed timetable (10:40–10:50) (Pages 94 – 99)**

Break (10:50–11:00)

- 5 **Inquiry into Public Libraries in Wales: Evidence Session 6 (11:00–12:00) (Pages 100 – 116)**

Mike Cavanagh, Head of Cultural Services, Pembrokeshire County Council

Jane Davies, Senior Cultural Services Manager, Carmarthenshire County Council

Mark Jewell, Library Services Manager, Carmarthenshire County Council

6 **Papers to note** (Pages 117 – 167)

Agenda Item 3

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Agenda Item 4

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Agenda Item 5

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Communities, Equality and Local Government Committee
Inquiry into: Public Libraries
CELG(4)-07-14 Paper 3

10 January 2013
01437 775240
Mike Cavanagh
mike.cavanagh@pembrokeshire.gov.uk



Dear Colleague

**National Assembly for Wales
Communities, Equality and Local Government Committee
Inquiry into Public Libraries in Wales, December 2013**

Please find below the Pembrokeshire County Council response to the inquiry into Public Libraries in Wales, December 2013:

- 1.0 The extent to which progress has been made by the Welsh Government towards achieving its Programme for Government commitments relating to libraries, and how sustainable any progress is in the current climate:
- 1.1 The key means by which Welsh Government has sought to influence and support public libraries has been through:
 - The National Library Strategy – *Libraries Inspire*
 - A grant programme which supports the delivery of the strategy
 - Welsh Public Library Standards
- 1.2 *Libraries Inspire* has had a positive influence on the direction of Pembrokeshire's Public Library Service. It is one of two key strategic documents (the other being Pembrokeshire's Single Integrated Plan), which the service seeks to deliver against.
- 1.3 Welsh Government's grants programmes have been a critical ingredient for many public library services in Wales, in helping to realise the vision within *Libraries Inspire*. In Pembrokeshire, the development of Milford Haven library was made possible, in part, through the Community Learning Libraries grant programme. In the coming years we will be seeking further support from this programme to help us to realise our ambition for a new County Library in Haverfordwest.
- 1.4 The Welsh Public Library Standards are in principle a positive force for continuous improvement. However, their historic focus on inputs rather

than outcomes has to a certain extent acted as a straight-jacket to innovation and change. It is our understanding that the new standards will be more outcome focused and will give authorities greater flexibility to deliver services within a challenging financial context. This will be a welcome improvement.

- 1.5 Overall, progress in the current climate will be very challenging. The continuation of grant programmes during this period will be a critical factor in stimulating development. In addition, the match funding element required to access grants will be a particular problem over the next few years. This ranges from 10% to 25% currently. A temporary period in which grant schemes offer 100% funding with only an 'in-kind' contribution should be considered by Welsh Government to stimulate development.
- 2.0 The extent to which the current legislative and policy frameworks are suitable to meet the challenges of local authorities delivering library services in Wales:
 - 2.1 While the *Public Libraries and Museums Act 1964* remains in force, Libraries will remain a statutory service. However, this does not mean that Libraries should be immune from making their contribution to reducing public spending.
 - 2.2 The key means by which the statutory responsibility for Libraries in Wales is measured is through the Welsh Public Library Standards. If the new framework delivers the flexibility and outcome focused approach that has been promised, this will be a useful framework for assisting local authorities to deliver against Statute.
- 3.0 How well prepared the Welsh Government and local authorities are to mitigate the impact of public sector cuts on library services
 - 3.1 It is the scale of the cuts to local authorities that is of key concern. Welsh Government has talked about co-locations, national procurement strategies and similar measures as a means of reducing the costs of delivering library services. In our experience, these measures will only partially meet the level of savings required.
 - 3.2 Closures; reduced opening hours; reduced spend on stock; increased charges, and other measures are all likely outcomes for library services across Wales. The extent of these interventions will grow if further savings in the future are required.
- 4.0 Options for improving the financial sustainability of library services, including alternative models of provision
 - 4.1 The key means by which some library services in England have sought to reduce their costs, whilst keeping libraries open, is through transfer (typically of small village libraries) to the third sector. This model has benefits and disadvantages. Evidence to date indicates that it does not work in all communities and that standards of service and sustainability

are highly variable. Some Community Managed Libraries have survived over a number of years and appear to be performing well, whilst others have closed within only a few months of opening, and others remain open but with a much reduced quality and breadth of offer. For these reasons, the model may be more viable in some areas than it is in others.

4.2 Similarly, Mobile Library Services are an expensive means of taking resources to communities that cannot access static libraries. Alternative models, such as the engagement of third sector organisations like the Royal Voluntary Service, to deliver housebound library services, should be considered.

4.3 The current draft of the new Welsh Public Library Standards makes it clear that the replacement of staff with volunteers is not acceptable under any circumstances.

4.4 Welsh Government may wish to reconsider this if it is to give local authorities increased flexibility in delivering library services at much reduced cost.

5.0 The contemporary and community role of public libraries in Wales:

5.1 Public Library services make a huge contribution to key local and national cross-cutting agendas, such as tackling poverty, improving health and wellbeing, creating a digital first society, etc.

5.2 They are used by very large numbers of people from all backgrounds.

5.3 Although tangible book lending trends nationally are in decline, they remain at very high levels, and e-book lending is increasing significantly. Usage of libraries in their broader sense (including access to the internet, community events, etc) is also very high and growing in many areas of Wales.

5.4 The notion that libraries are no-longer relevant in a digital society of e-books and Google is unfounded. Libraries are not, and never have been, about books. They have a lot of books, but they are not **about** books. They are about the provision of information in its widest sense (including information that provides entertainment, such as works of fiction). The traditional format for imparting this information has been the book, but this is changing.

5.5 Books will no doubt have 'a long tail', but over time there will inevitably be a shift towards the provision of e-resources, and libraries need to plan for these changes now.

5.6 The USP of libraries is that they provide a safe, neutral, cost free and welcoming space that brings communities together. There are few other places in our towns and cities that could make this claim. In an increasingly virtual world, the need for real places that bring people

together physically, rather than virtually, will grow. Libraries are uniquely placed to deliver against this need.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Cavanagh', written in a cursive style.

Mike Cavanagh
Head of Cultural Services

Communities, Equality and Local Government Committee

Inquiry into: Public Libraries

CELG(4)-07-14 Paper 4

Carmarthenshire County Council

Thank you for the opportunity to respond re: the Inquiry into Public libraries.

- ***The extent to which progress has been made by the Welsh Government towards achieving its Programme for Government commitments relating to libraries, and how sustainable any progress is in the current climate;***

Public libraries are a powerful resource and important in addressing a number of the priorities set out in the Welsh Government's "Programme for Government", including Health, Supporting People, Poverty, Rural Communities and Education all of which have an impact on the delivery of library services within the communities they serve. As part of the wider Society of Chief Librarians, Carmarthenshire Library Service is able to contribute to discussions and various publications which have been published around these areas of work.

Welsh public libraries address poverty by tackling the digital divide, providing access to the internet with trained staff delivering advice and guidance, and helping people develop vital information literacy skills. They will also become an important community resource in helping people claim Universal Benefit and enabling them to take advantage of a broad range of statutory and voluntary support available in their local community. These and other aspects of the service are planned, shaped and delivered by skilled and knowledgeable professional library staff.

Additionally libraries play an important role in advancing knowledge by providing access to information, supporting entrepreneurial activity, and inspiring life-long learning and reading for enjoyment. They foster social mobility and strengthen our communities, catering, as they do, for the needs of all parts of society from toddlers and their parents, to students (of all ages) and researchers, from local activists to small businesses, and from the frail and elderly and their carers to hobbyists and creators.

The Programme for Governments commitments to libraries is highlighted mainly by two performance indicators namely:

1. No of visitors to heritage sites, local and national museums and libraries.
2. No of libraries refurbished via CyMAL Community Learning Libraries Programme.

References to both PI's highlights the number of people visiting public libraries through Wales showing an increase overall by 11% in the last 10 years, combined with these statistics the capital funding allocation to public library projects is evident.

These capital funding streams have allowed for 4 refurbishments to take place in Carmarthenshire namely at Burry Port and Llandeilo community branch libraries and at Carmarthen regional library where 2 such funding applications have been successful.

In addition authority capital funding has enabled the refurbishment and development of Llanelli Library which has enabled Carmarthenshire to report above the Welsh average in terms of WPLPI 1 and 4 (use and issues).

- ***The extent to which the current legislative and policy frameworks are suitable to meet the challenges facing local authorities delivering library services in Wales;***

The service is a statutory requirement as defined in the Public Libraries and Museums Act 1964 which states:

'It shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof'

A full copy of the Act may be found at <http://www.legislation.gov.uk/ukpga/1964/75>

The service also has further regulation via Welsh Government through the Welsh Public Library Standards. The current framework may be found at <http://wales.gov.uk/docs/drah/publications/110223wpls2101112en.pdf>

The service sees itself as a direct front line service and supports most of the authority's corporate strategies directly or indirectly. The service has elements of many of the larger service areas such as Leisure, Education & Social Services. Any reductions in the library provision will need to be managed within the broader context of the 1964 Act and reported via WPLS accordingly.

WPLS reporting – A new "Quality Framework for libraries" is currently under development for 2014 onwards, where a more outcome based impact perspective approach is expected to be developed, demonstrating the wider contribution and value of public libraries and allowing for greater reconfiguration along more innovative lines within local authorities. Based on the current WPLS scheme (ending 2013) it is anticipated that some of the proposals contained herein would impact on standards achievement however the impact on future standards cannot currently be anticipated.

- ***How well-prepared the Welsh Government and local authorities are to mitigate the impact of public sector cuts on library services;***

Carmarthenshire County Library Services has been tasked with finding £479k of savings in the 2014/15 and 2015/16 financial years. Of these savings circa £204k will be delivered through managerial efficiencies.

A service review is currently underway looking at public library provisions across Carmarthenshire. It is intended that the review will outline a new direction for the Service against a background of significant cuts to local authority budgets.

Library services are continually changing to meet the needs of a developing service, which has led to a need to review the pattern of service delivery. Stronger community participation and widening the appeal are essential for the Service to prosper. In order to meet the efficiency, some service provision will inevitably be affected. It is expected that these efficiencies will impact on the following areas: Community Library services, Mobile Library Services, Staffing Structures.

The review proposes that there are a number of libraries that are not viable in terms of public usage and of cost effectiveness, size and are no longer fit for purpose. Some of our libraries now only serve a very small number of borrowers and as such, the case for maintaining a static service point is questionable. Currently there are 18 static service points with 5 mobile library units operating within Carmarthenshire.

In addition to the 3 main regional Libraries, the review highlights an additional 5 centres of excellence being supported, along with a fleet of 2 mobile libraries. Of the remaining branch libraries, it is envisaged that 6 will be negotiated as “alternative methods/forms of service delivery”, with 2 being offered back to the schools service. Alongside the rationalisation of service points within the county, the library service is currently undergoing a full staff structure review, with first phase managerial stages on target to be completed by December 2013, with the full structure expected to be in place by the 31st March 2014.

- ***Options for improving the financial sustainability of library services, including alternative models of provision;***

In order to mitigate the impact of public sector funding reductions Carmarthenshire Library Service will support a programme of change and develop a service that responds to the wider agenda for efficiencies and service challenges ahead, the current service review will have to determine whether to continue to support resources in services that are identified as not fit for purpose and inefficient in terms of hourly costs and performance. The “Alternative Methods/Forms of Service Delivery” should enable resources to be applied where performance and service levels can best deliver as “Centres of Excellence”.

Alternative Methods/Forms of Service Delivery for consideration:

- **Volunteer run libraries**

The use of volunteers in libraries has become prominent in the last couple of years. Currently one Community library is operated by volunteers within the county. This could be further explored/extended within Carmarthenshire and where implemented would be supported and managed by professional Library Service, providing professional support, stocks of books and non book materials along with IT support to small community based libraries run by volunteers from within the community.

- **Community councils**

In a number of authorities, community councils have contributed towards library provision. Working in partnership, community councils often provide accommodation and staffing, while the county council provide book stock and professional support for these small community based libraries. Pontyberem library goes a long way towards this route with the Community Council funding the building and staffing costs.

- **Relocation of existing libraries**

Across the Principality libraries are being relocated within other local authority buildings such as Leisure Centres, Community Centres and Civic Centres all having been used with varying degrees of success. Where practical, shared premises and staffing will be considered with other departments/organisations within Carmarthenshire; offering extended library provision. Such a move would bring savings from having shared premises but investment would be needed to fund any such relocations. A good example of shared services can be seen at “Y Gat” St Clears.

- **Enhanced housebound services**

The current housebound delivery service provides a tailored service specific to the requirements of the individual members with stock carefully selected by professional staff and delivered to borrowers’ homes by library staff. Many current users in more remote locations could be transferred to the home delivery service, which would work in partnership with the Mobile library service. In adopting this approach consideration should be given to the use of volunteers and the establishment of partnerships with existing providers e.g. social services to deliver these extended services.

- **Deposit collections**

The library service already supplies a number of large deposit collections of books to day centres, nursing homes and hospitals, Stock is changed on a regular basis and selected by professional library staff. Providing there are suitable community venues this is a model that can be replicated. Costs for this would be met within existing budget providing there was no staffing or building cost to the Service. This option is currently being explored at Kidwelly. (Gwenllian Centre)

- **Mobile library service**

By streamlining our static branch library service with an adapted mobile library service, this will facilitate ‘community’ stops of between 1 to 3 hours per visit replacing the present traditional ‘silver service’ door to door type mobile stop approach of between 5 and 30 minutes. This would require significant changes to the existing mobile schedule, with a possible reduction in fleet from 5 to 2 vehicles. The costs of running this streamlined extended service and staffing would be within the existing budget, no extra costs would be incurred. Some precedence for using the mobile library as a replacement to static libraries exists as there are a number of locations on the current schedule which are served by longer ‘community’ stops.

- **Trust Status**

In considering trust status it is important to consider the distinction between libraries *by themselves* and in the trust with other organisations like museums, leisure centres etc. Charging facilities like leisure centres can bolster revenue streams. The benefits of Trust Status can be limiting if libraries go into them without revenue-generating partners, as libraries have few meaningful self-generating income streams which means that, whilst we would lose valuable public money by being a trust, we would conversely not benefit from exemption from business rates in the same way a theatre, leisure centre or attractions would.

If adopted any of these alternatives forms of service delivery would come with a considerable amount of planning and preparation as to ensure that the replacement service meets with community needs. Along with this, the need to continually assess performance against delivery will be paramount. (WPLS/CIPFA and Service Review Group)

These measures will enable the authority to provide a modern fit for purpose library service which will be sustainable and reflective of the requirements of the authorities Forward Financial Plan.

- ***The contemporary and community role of public libraries in Wales.***

Libraries are a cultural asset and a deposit of social and cultural history. There is a value in terms of the 'cultural' investment made by the County of Carmarthenshire in cultural institutions such as its libraries, museums, theatres and archives services which is difficult to pin down in monetary terms but is reflected in terms of quality of life, educational and inspirational opportunities for the individual. Libraries are also non elitist institutions providing access to culture and the arts to all.

Library-professional literature also offers many studies that clearly indicate that the public libraries have a very positive effect – economically and culturally – in the local communities which they serve. Here we can speak in terms of effects at the individual level and effects in relation to local communities and trade and industry.

The effects are often outlined and can be categorised by:

- Increased quality of life and access to culture and art
- Equality and free access to information resources and contribution to community cohesion
- Improved personal development and recreational activities
- Community wellbeing, Libraries are at the centre of local communities, they encourage less social isolation and a social space for all
- Foster a knowledge and key understanding of disadvantaged groups due to economic or social backgrounds
- Cultural identity, heritage, place and language
- Health and wellbeing, activities and a mix of social benefits
- Education, public information and business information
- Learning, where all formal and informal study is supported
- Reading and literacy, providing a wealth of literature targeted at all groups

- Digital inclusion and participation for all
- Commercial and economic effects, including workforce development, business information resulting in increased tax base, channelling commercial growth within an area etc.

Agenda Item 6

5 March 2014 – Papers to Note

Paper No:	Issue and Date of meeting	From	Action Point
5	Inquiry into public libraries in Wales 12/02/14	Assembly Commission Legal Services	The Committee requested a legal briefing on the status of the guidance (Welsh Public Library Standards) issued by Welsh Ministers under the Public Libraries and Museums Act 1964.
6a, 6b and 6c	Inquiry into public libraries in Wales 12/02/14	WLGA	<p>The Committee requested statistics on the use of digital library services and a breakdown of the age of users; and information on the Libraries Inspire programme, in relation to the use of University Libraries and how access to reference material could be widened.</p> <p>Letter from the Minister for Culture and Sport in the Welsh Government Review of Public Libraries</p> <p>Letter from the Director of CyMAL on Libraries</p>
7	Inquiry into public libraries in Wales 20/02/14	Communities 2:0	Communities 2:0 agreed to provide a link to case studies on digital inclusion.
8	Housing (Wales) Bill 6/12/14	Minister for Housing and Regeneration	Following the Minister's evidence session the Committee agreed to write to the Minister for further clarification.
9a & 9b	Welsh Language 4/12/13	Chair of Finance Committee	<p>Following the evidence session with the First Minister on consideration of matters relating to the Welsh Language, the Chair wrote to the First Minister and Committee Chairs.</p> <p>Letter from Jocelyn Davies, Chair to Finance Committee, in response to the letter from Christine Chapman, dated 28 January 2014.</p> <p>Letter to the Minister for Finance referred to.</p>

10	Public Services Ombudsman for Wales 6/11/13	Minister for Local Government and Government Business	Following the evidence session with the Public Services Ombudsman for Wales, the Chair wrote to the Minister to seek the views of the Welsh Government on issues raised.
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Communities, Equality and Local Government Committee

CELG(4)-07-14 Paper 6a

Additional Information provided by WLGA on the inquiry into Public Libraries in Wales

Statistics on the use of digital library services and a breakdown of the age of users;

E-magazine users – currently unfortunately the statistics are just a monthly total and a title by title breakdown of downloads. They are not provided by authority but pan-Wales, so we do not know if some authorities have more users using the system etc, we don't know the age of the users, and we don't know if these are 'new' library members, or people who were already using the library service. However, I am attending a meeting tomorrow where the UK library supplier rep who works with Zinio will be there so I will discuss with them and Wayne John at NPT about what is possible.

Monthly downloads of titles:

Nov 5,033 (Went live on 1 Nov, but no promotion until launch on 27th Nov with Minister, so this is not counted as the 'first' month)

Dec 11,744

Jan 15,835

Total borrowers: 3,994 so far

E-books – these statistics are broken down by authority, but I'm not sure if they go further than that (eg age).

Last 3 months of statistics (downloads)

Nov 7,109

Dec 7,274

Jan 8,914

Total borrowers using service in 2013-14 year to date: 7,888

Population, use, non-use, marketing

- **Who's using the library service? Active Borrowers** are currently 23% of the population. CIPFA defines someone as an active borrower if they have borrowed an item in the last 12 months. Therefore, the numbers & % of people using the libraries is likely to be higher as a small proportion of people may come to the library weekly, monthly etc and read the papers, and do other activities that don't trigger a record on their membership. If they even have membership card as anyone can walk in to the library and read the papers and walk out again without ever needing to have a library card.
- Who are these members? That can only be answered by individual authorities who can take the information from their LMS by age, sex, address etc.
- What are libraries doing to **attract new users**, is there a strategy "The Library Strategy Libraries Inspire 2012-16" is an agreed strategy with CYMAL and all Library services in Wales. The Strategy is underpinned with an annual Delivery plan which is monitored by the Libraries Advisory board Quarterly.

<http://wales.gov.uk/topics/cultureandsport/museumsarchiveslibraries/cymal/libraries/librariesinspire/?lang=en>

- The **Marketing strand** (attracting the audience) holds an annual festival, often targeting a particular group of people eg men & boys in 2013, or families etc. Other marketing campaigns include the membership drives with offers of free wins (eg VIP sport tickets, Eisteddfod tickets). The Ryder cup one saw over 9000 registering as new members to take part in that [whether they're still members is another issue! Wrexham are going to work with some authorities to track some new users in the next membership drive.] The marketing strand also targets students in the college and university sectors with tailored marketing for them. Plus social media usage is targeting a different range of people on Facebook, Twitter, Pinterest etc.
- The **pilot primary-school automatic sign up** pilots in six authorities will be targeting families who do not use the library and have no tradition of using it.
- Are there **strategies for the illiterate, ethnic non-English speakers, the visually impaired** etc? The marketing strategy naturally seeks to attract everyone to the library service. Cardiff probably lead in Wales in terms of non-English speakers ethnic populations, but RCT also had BAWB and North Wales has iBawb which has information about the library in 12 different languages

(see <http://welshlibraries.org/find/find-a-library/local-lending-schemes/linc-y-gogledd/ibawb/>)

- Visually impaired – no specific marketing has been targeted at them at a Wales-wide level, but local authorities may well be working with local RNIB groups etc to promote the e-books and e-mags services.
- For the illiterate, many libraries have basic skills courses. Again, no specific Wales-level strategy, but at local authority level, yes. Plus, all the reading and children schemes will be contributing towards improving children's literacy.

Cross-boundaries/Partnerships

- Walk in Access, you mentioned this Mandy, with universities. It's for on-site access to research journals. <http://walkinaccesswales.wordpress.com/> People have to go to the university to use it.
- However, in the UK a new scheme was launched last week whereby people can go to the public libraries (on site) to access research journals. Initial indications are that SCL Wales has signed up to this but currently no Welsh authorities have set it up yet. BBC News <http://www.bbc.co.uk/news/education-25981183> and actual website <http://www.accesstoresearch.org.uk/>

Information on the Libraries Inspire programme, in relation to the use of University Libraries and how access to reference material could be widened

Libraries Inspire - Delivery Plan for 2013-14 has reference to the Walk in Access scheme.

Walk in Access. This is for on-site access to research journals. A member of the public can walk into the participating university and use their dedicated computers to access the research journals. <http://walkinaccesswales.wordpress.com/> Currently 4 universities offer this, although more will be rolling this out in the coming year. Cardiff Metropolitan

Cardiff University

University of Wales Trinity St Davids (Carmarthen campus)

Aberystwyth University

However, in the UK a new scheme was launched a fortnight ago – Access to Research - whereby people can go to the public libraries to access research journals onsite. Initial indications are that SCL Wales has signed up to this but currently no Welsh authorities have set it up yet. See <http://www.accesstoresearch.org.uk/> and BBC article <http://www.bbc.co.uk/news/education-25981183>

Many university (and college) libraries are also part of regional inter-lending or access schemes. In North Wales both Bangor and Glyndwr University are part of the LINC y Gogledd scheme. This enables a member of the public to request an item which is in the university and it will be delivered to their local public library for use within a specified time period. College libraries also participate in LINC y Gogledd.

In South East Wales the University of South Wales and two FE colleges are partners in Books4U, a regional inter-lending scheme covering 12 local authorities.

In the South West and Mid Wales library partnership region the ‘passport’ scheme is used by all college and universities to allow physical access and some borrowing rights to members of the public library network.

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Communities, Equality and Local Government Committee
CELG(4)-07-14 Paper 7
Inquiry into Public Libraries in Wales
Additional Information provided by Communities 2:0

At the Communities Equality and Local Government Committee on 20 February 2014, Communities 2:0 agreed to provide a link to case studies on digital inclusion. Please find link attached:

<http://www.youtube.com/watch?v=zwNQ8QujgWY>

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



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: LF/CS/0186/14

Christine Chapman AM
Chair
Communities, Equality and Local Government Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

19th February 2014

Dear Christine

Housing (Wales) Bill - CELG Committee – Request for Further Information following 6 February Meeting

Thank you for inviting me back to the Communities, Equality and Local Government Scrutiny Committee on 6 February 2014 to discuss the Housing (Wales) Bill.

I promised to provide the Committee with further information on a number of issues. After the Committee's session, you wrote to me on 11 February, seeking clarification on a number of additional points which were not reached during the session itself. These are listed below:

1. whether provisions could be included in the Bill to allow data sharing between relevant authorities and/or departments to help identify landlords within the private rented sector, and to help identify Housing Benefit fraud;
2. what further action can be taken to improve safety standards within the private rented sector, in particular electrical and gas safety, accepting the limitations of the Assembly's legislative competence with regard to health and safety, and how you intend to take this forward in the longer term;
3. existing requirements in relation to support available to prisoners before, and on release from, prison to help address their housing needs, and the extent to which these are being met;
4. in relation to the above, any areas for improvement identified by the Prisoner Accommodation Resettlement Working Group, and how the Bill will contribute towards the delivery of these;

5. whether it is reasonable to enable a local authority to end its homelessness duties for applicants who are likely to be vulnerable on the grounds that they are “unreasonably failing to cooperate”, particularly when their behaviour does not necessarily impact on the authority’s ability to continue to meet its duties under Part 2;
6. detail on the new social housing rent policy, how it links in with exiting the Housing Revenue Account Subsidy system, whether guidance under the new rent system will be statutory and how it will be enforced;
7. the timing of the draft Code of practice under section 28, in particular whether Members will have sight of the draft Code before the Bill completes its passage through the Assembly; and
8. the extent to which the proposals in relation to intentionally homeless households containing children satisfy the obligations under the United Nation Convention on the Rights of the Child.

I am pleased to provide information in response to your request. I will deal with each of the above points in turn:

1. I am currently giving consideration to data sharing in relation to housing benefit and council tax information. Section 237 of the Housing Act 2004 covers the sharing of information in relation to HMO and selective licensing schemes, and we are considering this in the context of making provision for the sharing of information for the purposes of the proposed registration and licensing scheme.
2. The Code of Practice that landlords and letting and management agents will have to adhere to in connection with our proposals to regulate the private rented sector will contain recommendations on good practice in relation to property condition and safety that are linked to the Housing, Health and Safety Rating system. This is the overarching standard covering the health and safety of all occupiers of property irrespective of tenure.

The code will primarily cover management activity and legal obligations. However, it may also include advice on regular checks on gas and electrical safety and having the correct fire precautions in place.

Good management involves keeping properties safe and in in good condition and it is expected that, as landlords become more aware of their obligations over time, standards of property condition and safety will improve across the sector as a whole.

3. I attach a note from the Prisoner Accommodation Resettlement Working Group at **Annex A**, which covers question 3 and 4 above. The note has been produced by the Group and reflects the views and opinions of its members. The Committee should be clear that these are not necessarily the views of the Welsh Government.
4. This question is covered by point 3 above. The note from the Prisoner Accommodation Resettlement Working Group outlines issues considered and action that is being taken to complement the Bill and to address the issues in order to improve arrangements to meet the housing needs of all prisoners, whether or not they are vulnerable.
5. Our intention is that the threshold for invoking the “unreasonably failing to cooperate” provision is high, and that it will only be used where there is clear evidence that the applicant’s failure to co-operate was not due to their vulnerability. This provision would only be applicable where the failure to co-operate had some substantive

impact on the ability of the local authority to meet its duties under Part 2, i.e. prevent or relieve homelessness. The legislation will be supported by a statutory Code of Guidance which will make this very clear. Where an applicant's circumstances change they will be able to make a fresh application, which could happen where their situation deteriorates. We are consulting our lawyers to ensure that this intention is provided for in the Bill.

6. I would like to note that question 6 above and the response below reflects the wording used in the transcript of the Committee's meeting on 6th February as it appears there may have been minor typographical errors in bullet point 6 in the letter of 11 February.

New policy for social housing rents:

The new policy for social housing rents (new rent policy) provides a coherent and consistent rent policy framework for all social landlords and reflects the type, size, location and quality of each landlord's housing stock. The new rent policy was issued in December 2013 for implementation by housing associations in April 2014 and by the eleven stock retaining local housing authorities (LHAs) in April 2015, following exit from HRAS.

A copy of the new rent policy and related tables are attached (at **Annex B**) for information.

Link with exiting the HRAS system:

Under the current arrangements, LHA rents are set in accordance with the LHA guideline rent system which forms part of the complex formula that is used for calculating HRAS. Once LHAs exit HRAS the LHA guideline rent system will automatically end. Consequently, there will be no policy or legislative framework for LHA rent setting.

Therefore, the link between the new rent policy and exiting the HRAS system is that once LHAs have exited HRAS they will be able to implement the new rent policy.

Statutory guidance:

To ensure that Welsh Ministers are able to exert control over LHA rent levels and fulfil their obligations in the Devolved Funding Policy a new policy and legislative framework for LHA rent setting is necessary. This is provided for under Sections 94 to 96 of the Housing Bill where, subject to scrutiny, the Welsh Ministers set a "rent standard" and will issue the new rent policy (at Doc 2) as statutory guidance which will amplify the "rent standard".

Enforcement:

Each LHA will be required to comply with the rent standard and responsibility for ensuring compliance will rest with each LHA's Section 151 Officer. Information on the role and responsibilities of the Section 151 Officer¹ is provided in the footnote below. The role of the Welsh Government will be to monitor ongoing compliance with the

¹ Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and nominates one officer to take responsibility for the administration of those affairs. The Section 151 officer is usually the local authority's treasurer and must be a qualified accountant belonging to one of the recognised chartered accountancy bodies. The Section 151 officer has a number of statutory duties, including the duty to report any unlawful financial activity involving the authority or failure to set or keep to a balanced budget. The Section 151 officer also has a number of statutory powers in order to allow this role to be carried out, such as the right to insist that the local authority makes sufficient financial provision for the cost of internal audit.

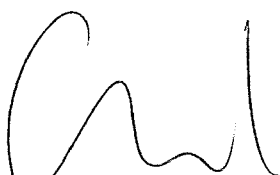
rent standard.

7. The Code of Practice, which will be developed with full involvement of stakeholders, will not be available until the Housing (Wales) Bill has completed its passage through the National Assembly for Wales.

8. The UN convention on the Rights of the Child is a general commitment to principles which should underlie a state's approach to children in their legislation. The Bill includes households with children in the categories who have priority need for homelessness assistance (section 55(1)(b)). Children aged 16 and 17 are also specifically included (section 55(1)(f)). In addition, additional protection has been given to households with children, where the applicant is 'intentionally homeless' (section 58(3)). If a household with children cannot be helped under the provisions relating to homelessness, then the combination of the Children Act 1989, other housing legislation, and the Social Services and Wellbeing Bill will ensure these rights are well protected in legislation in Wales. Section 79 of the Bill makes specific provision for co-operation between housing and social services departments if a household contains a child, but might not be helped under the homeless provisions.

I trust that my response to the Committee's request will assist Members in their scrutiny of the Housing (Wales) Bill. Should you or any Member have any further queries or require more information on any aspect, please do not hesitate to contact me.

Yours sincerely,



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

PRISONER ACCOMMODATION RESETTLEMENT WORKING GROUP

NOTE TO THE COMMUNITIES, EQUALITIES AND LOCAL GOVERNMENT COMMITTEE

Introduction

The Minister for Housing and Regeneration established the *Prisoner Accommodation and Resettlement Working Group* to provide advice on the issues surrounding the change to priority need status for former prisoners as part of the homelessness legislation. Its role is also to develop effective arrangements to ensure that prisoners have equal access to support services and/or appropriate accommodation upon release from custody.

Membership

The membership of the group is broad and involves Welsh Government departments and external organisations.

Welsh Government representation includes Housing Policy Division, Community Safety Division, Department for Education and Skills and the Department for Health and Social Services. External organisations include the local government, National Offender Management Service, Wales Probation, South Wales Police, Youth Justice Board and third sector organisations, including Shelter Cymru, Rough Sleepers Cymru, Cymorth Cymru and Gofal Cymru.

Discussion to date

The group has met on two occasions to date, with a third scheduled for 21st February. Discussion has been extremely positive and there is solid commitment from all organisations to improve on current arrangements. It is focusing on identifying the key issues preventing a former prisoner from receiving the same level of service and support as a non offender and will translate this into action, including pilot projects.

Vulnerability

The issue of vulnerability and the removal of priority need status for former prisoners has been discussed at length. There are different opinions within the Group on the amendment to the priority need definition, some organisations support the amendment while others remain extremely concerned by the proposed change. There is a consensus amongst the group that not all former prisoners may meet criteria on vulnerability but for those that do, it is necessary to have both the appropriate accommodation and relevant support to be in place as part of a safe resettlement. It is acknowledged that all prisoners may need housing advice and services and can benefit from them.

There is also an acute awareness of the issues surrounding the application of

the vulnerability test and a consensus that vulnerability is very difficult to define in law and in practice.

Vulnerability (the Pereira test) is determined by reference to case law, and representatives from the local authority sector acknowledge that there can be fluctuations in interpretation across Wales. There is also acknowledgement from the group as a whole that placing a finite list of vulnerable categories on the face of the Housing Bill could lead to an equally unsound system where an individual could be defined as vulnerable due to, for example, their age or length of sentence and not based on their individual needs and/or circumstances. The group is mindful of the need to ensure a consistent approach in all areas and is exploring ways in which this can be achieved, including decision making in partnership with relevant agencies.

The issue of female prisoners in custody outside Wales and all prisoners with a dependent child or dependent children is of concern for the group. This has been agreed as a priority for finding practical and effective solutions. Similarly, there is acknowledgement of the need to look at the different lengths of sentences that prisoners receive and to improve ways to retain accommodation for those on shorter sentences. It is also noted that stable accommodation is a key element in the successful treatment for anyone recovering from substance misuse issues. This is a group in which former prisoners are over represented.

The Working Group will be involved in the development of the Code of Guidance, as referred to in Section 81 of the Bill, which is currently being drafted by the Ministerial Working Group.

Improving Prisoner Resettlement

The consideration of vulnerability and matters relating to it is continuing, but the group has begun to focus on reviewing ways to improve prisoners' resettlement.

There is agreement that the majority of former prisoners require a range of support to help ensure their resettlement is successful. This ranges from relatively low level interventions, such as signposting, to concentrated case-management support for those with multiple and complex issues. As a result, the assessment, referral and support system has to be delivered in a co-ordinated and integrated manner utilising the specialist skills of a number of different statutory and non-statutory bodies and third sector organisations.

From discussion, there appears to be anecdotal evidence of informal co-ordinated approaches being carried out in parts of Wales that work well. That said, there are also significant inconsistencies. The reasons are many and varied but there is solid commitment to the goal of a more integrated approach by organisations focusing on the needs of individuals passing through the criminal justice system. Success depends on closer collaboration between prisons and the local authority sector in relation to prisoner

resettlement. Increasing the role of third sector organisations is also important. The Working Group has commissioned an early exercise to map the full extent of the current work and developments. This will identify good practice and possible Wales-wide solutions and it will also identify matters that need to be addressed in order to improve current arrangements

Discussion has suggested that having a single, consistent, contact point for the twenty-two local authorities is an important factor in managing a successful intervention. In relation to future developments, the “Transforming Rehabilitation” agenda (via the UK Government’s Offender Rehabilitation Bill) provides an opportunity to build improvements in to the current provision with the establishment in Wales of both a Community Rehabilitation Company and the National Probation Service having responsibility for prisoners on release.

The Group recognises the significant numbers of prisoners passing through the system on a monthly basis and the average length of stay, which highlights the need for resettlement planning to be co-ordinated at the earliest opportunity with relevant agencies so that accommodation and relevant services are in place to support the individual’s resettlement. In addition, a factor that is often overlooked is the difficulty that sometimes occurs in getting a prisoner to fully engage, which may be due to their vulnerability or another issue. The changes being brought about through the Transforming Rehabilitation agenda should help improve opportunities for ex-prisoners to take responsibility for their resettlement, which is also key to a successful outcome.

Current situation in prisons

The National Offender Management Service has a set of minimum expectations for the delivery of its rehabilitative services in custody. This is defined as the “core rehabilitative offer”, which must be available to all prisoners.

This core offer incorporates access to information or services that can assist prisoners to overcome the impact of imprisonment and to address basic issues linked to their offending. They are considered critical to the delivery of custody which is safe, legal and decent. The minimum level of service is defined in the specification and Governors are required to work closely and in partnership with key agencies to maximise efficiency by enabling prisoners to access mainstream services wherever possible.

Prisons help to address housing issues created as a result of imprisonment by ensuring prisoners are able to access the same specialist housing information and advice services as they would be able to access in the community. They work in partnership with local housing authorities and other housing providers. Key priorities that should be met for all prisoners within the prisons core offer are:

- Ensuring access to appropriate housing on release

- Assisting prisoners to close down tenancies or make arrangements to support ongoing tenancies while they are in prison, if appropriate.

In addition, Prison Governors are mandated to ensure:

- All prisoners, including those on remand, are screened for housing need within the first four days of custody, using the Initial Housing Needs Assessment tool or a tool recording the same information.
- All prisoners are assisted to close down or sustain tenancies which are at risk, and to make arrangement to inform landlords, mortgage and insurance companies, where appropriate, of their current circumstances.
- The appropriate forms are available to prisoners who need to sustain or close down housing benefits while in custody.

The Prison Service Order 2350: Housing Needs and Assessment Document outlines the process by which all new prisoners held in a local prison must receive a housing needs assessment within four days of initial reception.

In operation since 2005, the Order requires a nominated member of staff or housing advice worker to complete the assessment which is intended to identify housing issues requiring immediate intervention and to assess the need for future housing intervention. The intention is to assist prisoners at an early stage of sentence to minimise the risk of loss of accommodation, the accrual of rent arrears and difficult in re-opening housing benefit claims. The assessment also establishes a prisoner's address, including No Fixed Abode (which is then fixed as the address of the committing court).

Central to The National Offender Management Service is the principle of offender management that will ensure offenders are managed in a consistent, constructive and coherent way during their entire sentence

To support successful resettlement there are number of specific multi-agency initiatives that are underpinned by the Integrated Offender Management Cymru approach, which includes a particular focus on supporting women offenders from re-offending.

Prison Links Cymru

The Welsh Government currently funds and manages the Prison Links Cymru Service in prisons in Wales. The service, which is delivered by Gwalia Housing and Shelter Cymru, helps to supplement services to address the housing needs of prisoners.

Current Issues

There is an indication that the current priority classification for homeless ex-prisoners has reduced the amount of engagement and early engagement between prisons and housing authorities to plan and manage resettlement

accommodation. For example, in some cases prisoners are required to attend the Housing Department on release before being provided emergency accommodation. It is acknowledged that better and earlier information sharing and planning will help minimise the need for emergency accommodation on the day of release. This is an area that the Working Group is seeking to address.

Future Developments

It should be noted, that as part of the Transforming Rehabilitation agenda, there will be designated resettlement prisons which will enable prisoners who are not currently in a prison nearer their resettlement location to spend the last three months of their sentence near where they are to resettle. This should provide a better opportunity for close partnership working with those prisons.

Action

Impending changes of policy and legislation will be the subject of discussion at the group's next meeting (21 February 2014).

While some members are concerned about the proposal in the Housing Bill to replace the previous test for former prisoners, there is also recognition that should priority need be removed, partners must work together even more closely rather than rely on a local authority's duty to accommodate simply as a result of automatic priority need. The changes in policy in other areas such as mental health and social services and the Transforming Rehabilitation reforms provide a unique opportunity to develop a holistic system of support to help meet the housing needs of all prisoners including those who are at risk of becoming homelessness.

Prisoners who are vulnerable are a particular focus of the Group's work. However, the Group is mindful that housing is relevant to all prisoners and is one of the factors that are important to achieving a successful and sustainable resettlement.

Current proposed action includes:

1. Mapping existing services and provision to identify support systems in place, gaps and further development needed (by end March 2014).
2. Development events to inform work to strengthen the new accommodation pathways for former prisoners (by end April 2014).
3. Pilot project for support for female prisoners held in England to access prevention services prior to release (by end September 2014) .
4. Pilot project to test models of support for delivering the prevention duty to prisoners prior to release (by end September 2014).

5. Input to development of statutory guidance, in particular the chapter concerning supporting former prisoners (by end October 2014).

Housing Association	Pre-SAP	SAP	Adjustments due to SAP		Post-SAP	Post-SAP target rent bands, 2014-15			Stock at 31 March 2013 (units)	Actual rent	Average	Relative to	Amount	
	policy rents (£ per week)	rating (2012-13)	(£ per week)	(per cent)	policy rents (£ per week)	Low end (£ per week)	Mid point (£ per week)	High end (£ per week)		average, 2013-14 (£ per week)	rent, uprated to 2014-15 (£ per week)	2014-15 target band (below / above)	£	Per cent
Aelwyd Housing Association	63.90	75.1	1.93	3.0%	65.83	62.54	65.83	69.12	243	65.89	68.66	Within	.	.
Bro Myrddin Housing Association	74.65	67.0	0.45	0.6%	75.10	71.35	75.10	78.86	790	73.23	76.31	Within	.	.
Bron Afon Community Housing	78.72	72.2	1.69	2.1%	80.41	76.39	80.41	84.43	7,093	75.10	78.25	Within	.	.
Cadwyn Housing Association	82.08	74.0	2.22	2.7%	84.29	80.08	84.29	88.51	1,248	78.91	82.22	Within	.	.
Cardiff Community Housing Association	84.84	71.2	1.58	1.9%	86.42	82.10	86.42	90.75	2,605	77.52	80.78	Below	-1.33	-2%
Cartrefi Conwy	76.06	70.8	1.32	1.7%	77.38	73.51	77.38	81.25	3,757	74.66	77.80	Within	.	.
Cartrefi Cymunedol Gwynedd	79.21	62.1	-1.17	-1.5%	78.04	74.14	78.04	81.94	6,291	69.03	71.93	Below	-2.21	-3%
Charter Housing Association	79.70	74.0	2.15	2.7%	81.85	77.75	81.85	85.94	4,155	80.07	83.43	Within	.	.
Clwyd Alyn Housing Association	79.20	70.0	1.19	1.5%	80.39	76.37	80.39	84.41	3,655	77.73	80.99	Within	.	.
Coastal Housing Group	71.91	73.2	1.76	2.5%	73.68	69.99	73.68	77.36	4,296	75.15	78.31	Above	0.94	1%
Cymdeithas Tai Cantref	79.54	70.0	1.19	1.5%	80.73	76.69	80.73	84.77	1,334	71.52	74.52	Below	-2.17	-3%
Cymdeithas Tai Clwyd	80.43	69.0	0.97	1.2%	81.39	77.32	81.39	85.46	1,664	74.22	77.34	Within	.	.
Cymdeithas Tai Eryri	76.86	69.0	0.93	1.2%	77.79	73.90	77.79	81.68	1,423	70.86	73.84	Below	-0.06	0%
Cynon-Taf Community Housing Group	72.45	67.0	0.43	0.6%	72.89	69.24	72.89	76.53	1,830	73.39	76.47	Within	.	.
Family Housing Association (Wales)	73.91	73.5	1.88	2.5%	75.79	72.00	75.79	79.58	2,219	79.53	82.87	Above	3.29	4%
Gwalia Housing Group	74.66	75.0	2.24	3.0%	76.90	73.06	76.90	80.75	4,557	77.47	80.72	Within	.	.
Hafod Housing Association	80.40	76.1	2.67	3.3%	83.07	78.91	83.07	87.22	3,430	79.29	82.62	Within	.	.
Linc Cymru	79.22	73.2	1.96	2.5%	81.18	77.12	81.18	85.24	3,088	80.74	84.13	Within	.	.
Melin Homes	75.85	73.5	1.93	2.5%	77.78	73.89	77.78	81.67	2,778	77.91	81.18	Within	.	.
Merthyr Tydfil Housing Association	70.39	70.0	1.06	1.5%	71.44	67.87	71.44	75.02	1,008	74.62	77.75	Above	2.74	4%
Merthyr Valleys Homes	74.96	68.6	0.81	1.1%	75.77	71.98	75.77	79.56	4,185	65.92	68.69	Below	-3.29	-5%
Mid Wales Housing Association	75.95	68.0	0.68	0.9%	76.63	72.80	76.63	80.46	1,291	76.56	79.78	Within	.	.
Monmouthshire Housing	82.38	72.9	1.95	2.4%	84.32	80.11	84.32	88.54	3,613	77.94	81.21	Within	.	.
Newport City Homes	78.61	67.7	0.64	0.8%	79.25	75.29	79.25	83.21	8,980	76.12	79.32	Within	.	.
Newport Housing Trust	79.78	75.6	2.54	3.2%	82.32	78.20	82.32	86.43	426	81.71	85.14	Within	.	.
Newydd Housing Association	78.75	73.0	1.89	2.4%	80.64	76.60	80.64	84.67	2,392	76.18	79.38	Within	.	.
North Wales Housing Association	77.88	71.6	1.55	2.0%	79.43	75.46	79.43	83.40	1,873	75.69	78.87	Within	.	.
NPT Homes	76.86	62.5	-0.98	-1.3%	75.88	72.09	75.88	79.68	8,983	75.41	78.58	Within	.	.
Pembrokeshire Housing Association	78.49	73.0	1.88	2.4%	80.37	76.36	80.37	84.39	2,071	76.92	80.15	Within	.	.
RCT Homes	72.96	73.0	1.75	2.4%	74.71	70.98	74.71	78.45	10,102	76.70	79.92	Above	1.47	2%
Rhondda Housing Association	72.89	67.0	0.44	0.6%	73.32	69.66	73.32	76.99	1,479	74.47	77.60	Above	0.61	1%
Taff Housing Association	84.74	76.5	2.92	3.4%	87.66	83.28	87.66	92.05	886	84.13	87.66	Within	.	.
Tai Calon Community Housing	72.12	63.8	-0.44	-0.6%	71.68	68.10	71.68	75.27	6,176	64.84	67.56	Below	-0.54	-1%
Tai Ceredigion	80.23	66.0	0.24	0.3%	80.47	76.44	80.47	84.49	2,224	69.95	72.89	Below	-3.56	-5%
United Welsh Housing Association	76.90	78.2	3.05	4.0%	79.95	75.95	79.95	83.94	3,539	79.52	82.86	Within	.	.
Valleys to Coast Housing	76.89	74.7	2.23	2.9%	79.11	75.16	79.11	83.07	5,736	76.41	79.62	Within	.	.
Wales and West Housing	76.66	73.0	1.84	2.4%	78.50	74.58	78.50	82.43	8,070	77.68	80.94	Within	.	.
Minimum	63.90	62.1	-1.17	-1.5%	65.83	62.54	65.83	69.12		64.84	67.56	Below		7
Maximum	84.84	78.2	3.05	4.0%	87.66	83.28	87.66	92.05		84.13	87.66	Within		25
Total												Above		5

Source: Welsh Government Social Rent Model

New policy for social housing rents

1. Introduction

The Essex Review of affordable housing policy carried out in 2008 pointed to the unfairness of the current system of rent setting for both social landlords¹ and their tenants and recommended a full review. A rent review group was established with a remit to develop proposals for a new policy that would apply consistently to both housing association² and local authority sectors. The review group, which included representatives from social landlords and tenant groups, developed proposals for a new approach.

The Welsh Government consulted on a proposed new policy for social housing rents in Wales during 2011. The review group, considered consultation responses and proposed amendments to the policy. The amended policy was re-issued to both housing association and local authority sectors for consultation in May 2012. Since that time, the review group has considered various aspects of the policy including improving the SAP data collection, bringing sheltered housing within the scope of the new rent policy and the principle that all landlords should disaggregate service charges from rent.

The Welsh Government issued a draft final version of the new policy for social rents together with a discussion paper on inflation indices in October 2013. Comments were invited from all stakeholders and representations were made via stakeholders representative groups in addition to a meeting of the HRAS & Rents steering group on 11th November 2013.

¹ The terms “social landlords” and “landlords” in this document means housing association and local housing authority landlords. Reference to local housing authority means those authorities that have retained their housing stock.

² References in this document to “housing associations” relate only to Registered Social Landlords (RSLs) that are registered with and regulated by the Welsh Government.

The Welsh Government has taken on board many of the issues raised during this latest consultation which are reflected in this document. This document now sets out the final policy and the principles on which it is based. The following documents are attached for your information:

- Table 1 sets out the target rent bands³ for each individual housing association for 2014/15;
- Table 2 sets out the locational indices used in the calculation of the rent matrix for 2014/15;
- Table 3 sets out the Rent Policy Matrix for 2014/15; and
- Table 4 sets out the indicative target rents bands for each local authority.

Please note, that Tables 1 and 4 include the annual rent increase that has been agreed by the Minister for Housing and Regeneration in the Autumn 2013 for 2014/15 rent increases (see paragraph 7).

The Minister for Housing and Regeneration made a decision for the new Rent policy to be implemented for housing associations from April 2014 and for local authorities in April 2015 following exit from the Housing Revenue Account Subsidy system. Where a social landlord currently pools rents and service charges, they are now required to start the process of disaggregating service charges from rent and to complete the exercise by March 2016. Where a social landlord is unable to meet this timescale consideration will be given to the provision of extended transitional arrangements.

³ The original consultation proposed that a landlord's final rental income should fall within 5% of the target rental income. This has been replaced in the revised policy with the Target Rent Band which mainstreams the 5% tolerance. The mid point of the Target Rent Band is equivalent to the average target rent that was set out in the consultation proposal.

2. Background

The case for reviewing existing social sector rent policies was made by the Essex Review. Rent policies in Wales had developed in different ways over a long period, and produced markedly different levels and profiles of rents across the country, and between tenures. Variations in council rents between councils were largely driven by the values of dwellings sold under the right to buy, based on a subsidy formula that goes back to 1989. Variations in housing association rents were driven by the similarly long established 'benchmarking' regime for new grant aided developments. This resulted in a much narrower variation in rents across Wales, and also groups local authority areas together into rent bands for which there was no apparent rationale, either in terms of housing or labour market characteristics.

The consequence of all of this was not only different average levels of rents between the local authority and housing association sectors, but different levels of rents across Wales within those sectors. In some areas the rents in the two sectors are, at least in aggregate, reasonably close; while in others they diverge very substantially.

In that context the rent review sought to develop a coherent and consistent rent policy framework that would apply to all social landlords, reflects local variations in affordability and housing market values, providing for a more equitable distribution of rents for social sector tenants across Wales, while at the same time ensuring the viability of individual social landlords.

3. The new policy for social housing rents

The final policy maintains the key principles and structure put forward in the original consultation document, but with some revisions to the detail to reflect the issues raised in the responses to the consultation, and their subsequent discussion with the review group and consideration by the Welsh Government. A summary of the key changes made to the policy are:

3.1 Sheltered Housing

The initial consultation on the proposed new rent policy advised that the policy would apply to general needs stock in the first instance and consideration would be given to rolling out the policy to sheltered stock once data became available. As the data is now available, the review group agreed that the rent policy should apply to both general needs and sheltered housing stock.

3.2 Bungalows

Detailed consideration was given to how bungalows should be treated within the new rent policy. As there was no data available to indicate the number and location of bungalows across Wales, the Welsh Government subsequently revised data collection forms to ensure that data on bungalows became available.

Having analysed the data, the Welsh Government modelled a range of options. This identified that if bungalows were to be treated separately from houses and given an increased weighting, due to the complexity of the interactions between property types within the new rent policy model, this would have an adverse impact upon the policy rent for most landlords. This is because where a bungalow premium is applied, the model would target some rent towards those landlords with bungalows, and take some away from landlords with other types of properties. In some cases those landlords with bungalows would gain from the bungalows, but lose perhaps more in respect of their other properties. The modelling showed that the majority of landlords would have seen a reduction in their policy rent, and for some this was up to £1.40 per week.

It has therefore been agreed that, for the purposes of the new rent policy, houses and bungalows will continue to be treated the same.

3.3 Larger properties

The Welsh Government revised the stock and rent data collection forms in order to gather data on larger properties and the data on 5 bed plus houses is now available. The Rent Steering Group agreed that the 5 bed plus houses will be taken into consideration within the new rent policy with an increased weighting of 10 percentage points as compared to the weighting given to 4 bed properties (see paragraph 4.4 for details).

3.4 Quality

During the development of the new rent policy, there was a desire for the quality of social housing to be reflected in the calculations. In the absence of other available data, it was agreed that the average Standard Assessment Procedure (SAP) ratings of properties for each category of housing were to be used as a proxy for quality. This was based on the SAP ratings recorded in Energy Performance Certificates (EPC) for all newly-let and re-let properties. The Welsh Government collected data on EPCs/SAP ratings in 2011-12 for use in this model which was initially adopted and consulted upon.

Subsequently, a number of issues came to light which resulted in the review group re-considering how quality could continue to be reflected within the rent policy. The group agreed to revise and simplify the data collection methodology. The revised data collection is based on the average SAP rating for self contained general needs and for sheltered stock. It also collects an average across both categories, based on EPC data where available and cloned data where EPC data is not available.

The way in which the SAP data is used within the new rent policy is explained in paragraph 4.6.

4. The New Policy Framework:

The new policy for social housing rents is a policy framework that will, subject to local authorities exiting from HRAS, apply to all social landlords and consistently reflect variations in the type size, quality and location of each landlord's housing stock.

The responsibility for setting the rents for individual dwellings will remain with individual landlords as is currently the case. This is because there are important localised issues that landlords need to take into account when setting the rents for individual dwellings, and that inherently these cannot be adequately reflected in any wholly centralised rent policy regime.

The rent policy will apply to;

- all social landlords that have 100 or more dwellings;
- general needs and sheltered housing regardless of whether the housing was funded by Social Housing Grant (SHG), Housing Association Grant (HAG), from a landlord's own resources or otherwise⁴.

The following types of housing are exempt from the rent policy:

- extracare housing;
- supported housing;
- intermediate rent housing;
- market rent housing; and
- other specialised forms of provision.

⁴ For detailed definitions of the stock that falls within the scope of this policy please refer to the general guidance notes and the definitions included in the Welsh Government annual statistical returns on social landlords stock and rents.

4.1 Target Rent Band

The rent policy sets a target rent band for each landlord and landlords will be required to operate with average weekly rent levels that fall within the scope of those bands.

The target rent provides a low end figure, a mid point and a high end figure for each landlord. The average weekly rent level for each social landlord is compared to the target rent band and Tables 1 and 4 show where the average weekly rent needs to be increased or reduced to fall within the target rent band.

The target rent bands provide landlords with a continuing measure of discretion over their overall rent levels. The target rent bands for each landlord are based on a consistent set of principles and a common methodology across Wales that applies equally to both local authority and housing association landlords.

The following section of this document sets out the detailed methodology and data sources that have been used to arrive at the target rent bands for each landlord.

4.2 The Rent Matrix

The target rent bands for each landlord are based on a rent matrix that sets indicative policy rent levels for each size and type of dwelling, for dwellings in each local authority area. The key components agreed for the matrix are:

4.3 Location

This is based on local authority areas because this is the only level at which data on the stock and rents of social landlords and the chosen locational indicators, is available. It is recognised that property values and other market characteristics vary within local authority areas, and this is one of the reasons for leaving landlords with the responsibility for setting the distribution of rents within their own stock.

Following the consultation the Review Group agreed that the locational index for each area should be based on four factors – house prices, private rents, place of work based earnings, and place of residence based earnings. The indexes for those factors, are

based on calculated values for two bedroom dwellings and the data for the three years 2010 – 2012 are set out in Table 2, together with the overall composite locational index to be applied within the rent matrix.

Following the consultation exercise the Review Group was of the view that if the composite index was applied without any damping⁵ this would result in a substantial and undesirable widening of rent differentials across Wales. The locational index has therefore been damped by 33.3% which is shown in Table 2.

4.4 Type and Size of Dwellings

It was agreed that rents should have a higher value for houses and bungalows compared to those for flats and maisonettes and rents should have a higher value for larger dwellings. The rent policy matrix simply provides for the policy rents to reflect the following weightings:

Type:	Weighting
Houses and Bungalows	105
Flats and maisonettes	95

Size:	Weighting
Bedsits	80
One Bedroom	90
Two Bedroom	100
Three Bedroom	110
Four Bedroom	120
Five Bedroom plus	130

⁵ The “damping” process applied has reduced the differences in the location indices applied across local authority areas. .

These size differentials are roundly based on the average differentials currently prevailing within the social rented sector.

4.5 Average rent levels:

In creating a matrix of policy rents for 2013/14, it was agreed that the national target average rent is based on the average housing association rents at April 2013 and not the average across both social sectors. This will continue to be applied and would allow for the convergence of rents in both sectors to be towards housing association rent levels rather than towards the mid point of both sectors. To do otherwise would depress the housing association rental income.

Applying all of the factors above generates a rent policy matrix which sets out the policy rent for each type and size of property with each local authority geographical area. The rent policy matrix for 2014/15 is provided at Table 3.

These policy rent figures are applied to the characteristics⁶ and location of each landlord's housing stock to arrive at a Pre SAP policy rent for each landlord (shown on Tables 1 and 4).

4.6 Quality

As part of the development of the rent policy the review group were seeking to apply a quality factor which would enable a financial adjustment to be made to a landlord's target rent band to reflect the quality of each landlord's housing stock.

The approach taken to how the quality of dwelling stock could be included in the new rent policy was largely driven by the lack of available data. As there is no comprehensive measure of the physical quality of each home, the policy focuses on the issue of energy efficiency, partly because this is an important relevant factor (as it impacts on the costs tenants face), and partly because this is an area where it is believed comparable and consistent data will become available.

⁶ Information on social landlord's average weekly rent and stock profile is collected annually by Welsh Government via the Stock and Rents returns.

As mentioned earlier, the methodology for assessing the quality of each landlord's housing stock has been revised and is now based on the average Standard Assessment Procedure (SAP) rating for self contained general needs and sheltered stock, based on EPC data where available and cloned data where EPC data is not available.

It was agreed by the review group that the SAP adjustments should be based on the Welsh Housing Quality Standard (WHQS) threshold of 65. The SAP adjustments are based on estimates to the costs and savings for residents in living in dwellings with lower and higher energy efficiency ratings. This means that:

for each SAP point above 65 policy rents are increased by 0.3%; or

for each SAP point below 65 policy rents are reduced by 0.5%.

The SAP ratings for each landlord, and the adjustment made to the calculation of their target rent band is shown in Tables 1 and 4.

The SAP percentage adjustment is applied to the Pre-SAP Policy rent, to reflect the quality of each landlords stock, to arrive at the Post-SAP policy rent. The Post-SAP Policy rent becomes the mid point of the Target Rent Band for each landlord. The higher and lower limits of the target rent band are arrived at by applying a 5% upper and lower limit to the SAP adjusted mid point of the target rent band.

Where a landlord holds housing stock in more than one local authority area, the landlord's target rent band will be calculated by aggregating the 2013/14 Pre-SAP policy rent for each local authority area in which the landlord holds housing stock. Then apply the SAP adjustment percentage to arrive at the Post-SAP policy rent which becomes the mid point of the target rent band then apply the minus and plus 5% to arrive at the low and high end of the target rent band.

5. Impacts of the new rent policy

The average policy rents for each local authority geographical area, based on the rent policy matrix, are shown in Table 3. This also shows the matrix policy rents for each type and size of dwelling in each local authority area, from which the overall local authority average figures are derived taking account of the overall composition of the social housing stock in each area. These figures are provided for information, as an aid to understanding the basis on which the target rent bands for each landlord have been calculated.

As already indicated the setting of rents for individual dwellings, and the treatment of the issues of locality, size, quality and type of dwelling within their rent setting policies, remains the sole responsibility of individual landlords, in consultation with their tenants. While landlords may wish to have regard to the profile of rents within the matrix when reviewing their detailed rent setting policies that is entirely at their discretion, subject to ensuring that their average weekly rent continues to fall within the target rent band each year.

As Tables 1 and 4 indicate in many cases landlords current rents already fall within the target rent bands set by the new policy. In other cases, however, landlord's current average weekly rent falls either above or below the target rent band, and will require some future adjustments in order for landlords to comply with the new policy. Transitional measures have been put in place to ease the impact of the new policy on both landlords and their tenants.

6. Transitional protection

During the development of the new policy the review group emphasised the need for transitional arrangements so that neither landlords (nor their funders) or tenants face substantial upheavals in their financial affairs.

Landlords with current average weekly rents above the level of the target rent bands will not be expected to immediately comply with the new policy, nor will they be expected to reduce rents from those current levels. Rather in the years ahead they will be expected to increase their rents at a slightly lower rate compared to landlords whose rents are already compliant with the new policy.

Where landlords will need to increase their average weekly rent so that it falls within the target rent band, transitional protection for tenants will apply. In any year landlords will not be permitted to increase the rents for any individual tenant by more than £2 per week **in addition** to the agreed average annual rate of rent increases for the sector as a whole.

Where a landlord has concerns about the impact of the new policy upon its business plan and financial viability, or in its ability to meet its obligations to tenants and lenders, having taking into consideration the transitional arrangements for landlords and tenants, the landlord should urgently raise the matter with the Welsh Government. Consideration will be given to providing either an agreed time limited waiver from the policy or extended transitional arrangements, subject to Welsh Government consent.

7. Mechanism for annually uplifting rent levels

The Minister for Housing and Regeneration has agreed the following:

- The inflation indices to be used for uplifting rents each year will be based on CPI at the previous September;
- A real increase percentage of 1.5% will be applied to the inflation indices;
- The same real increase will apply to all social landlords;
- The increase applied in 2014/15 is CPI (2.7%) plus 1.5% and will be fixed for a period of 5 years to 2018/19; and
- The only exception would be to this rule where CPI falls outside a range of between 0% and 4%. If CPI falls below 0%, or is above 4%, The Minister for Housing and Regeneration will be able to make a decision on the level or rent

increases to be applied in that year only. Use of this exceptional circumstance is considered appropriate in order to protect the interests of tenants and/or social landlords from significant movements in CPI.

8. Next Steps

The new policy for social housing rents has been subject to an equality impact assessment by the Welsh Government and will be published on the Welsh Government's website in due course.

All social landlords are also asked to carry out an equality impact assessment on their proposals to implement this rent policy framework at the local level.

The new policy will be evaluated and subject to detailed review within a period of 3 to 5 years.

Landlords will need to consider how they will take the new rent policy forward at a local level and are required to carry out appropriate consultation with tenants. Landlords should consider the implications upon their business plan and if any financial viability issues are identified, please raise the matter with one of the following members of the Regulation Team at the earliest opportunity:

Naheed Hussain	030 062 8176	naheed.hussain@wales.gsi.gov.uk
Carol Kay	030 062 8172	carol.kay@wales.gsi.gov.uk
Peter Griffiths	030 062 8303	peter.griffiths3@wales.gsi.gov.uk
Nick Gerrard	030 062 2383	nick.gerrard@wales.gsi.gov.uk

Homes and Places

Welsh Government

December 2013

Policy for Social Housing Rents - Final																
Rent policy matrix calculations, 2014-15 (uplifted by CPI + 1.5% for both sectors)																TABLE 3
	Bedsits, houses and flats							Houses					Flats			
	Bedsits	1 bed	2 bed	3 bed	4 bed	5+ bed	All stock	1 bed	2 bed	3 bed	4 bed	5+ bed	1 bed	2 bed	3 bed	4 bed
Blaenau Gwent	51.00	59.27	68.94	77.51	84.56	91.61	70.96	63.42	70.47	77.51	84.56	91.61	57.38	63.75	70.13	76.51
Bridgend	56.30	64.01	74.02	85.42	93.34	101.12	76.47	70.01	77.79	85.57	93.34	101.12	63.34	70.38	77.42	84.45
Caerphilly	56.53	65.06	75.57	85.82	93.71	101.52	78.47	70.29	78.09	85.90	93.71	101.52	63.59	70.66	77.72	84.79
Cardiff	63.35	72.00	83.64	96.03	104.83	113.79	84.98	78.78	87.53	96.28	105.04	113.79	71.27	79.19	87.11	95.03
Carmarthenshire	55.89	64.05	75.56	84.86	92.59	100.38	77.03	69.49	77.21	84.94	92.66	100.38	62.88	69.86	76.85	83.83
Ceredigion	58.90	67.39	78.78	89.36	97.49	105.79	80.12	73.24	81.38	89.52	97.65	105.79	66.27	73.63	80.99	88.35
Conwy	56.69	65.14	74.57	85.92	93.85	101.81	76.33	70.49	78.32	86.15	93.98	101.81	63.77	70.86	77.95	85.03
Denbighshire	57.79	66.53	77.36	87.79	95.81	103.79	78.65	71.85	79.84	87.82	95.81	103.79	65.01	72.23	79.46	86.68
Flintshire	59.59	70.69	79.92	90.21	98.80	107.03	82.25	74.10	82.33	90.56	98.80	107.03	67.04	74.49	81.94	89.39
Gwynedd	55.43	63.41	74.16	84.06	91.87	99.56	78.31	68.92	76.58	84.24	91.90	99.56	62.36	69.29	76.22	83.15
Isle of Anglesey	58.55	69.44	78.37	88.92	97.08	105.16	81.67	72.81	80.90	88.99	97.08	105.16	65.87	73.19	80.51	87.83
Merthyr Tydfil	52.43	61.73	71.16	79.62	86.93	94.17	73.54	65.20	72.44	79.68	86.93	94.17	58.99	65.54	72.09	78.65
Monmouthshire	61.89	71.64	82.31	93.82	102.60	111.15	82.61	76.95	85.50	94.05	102.60	111.15	69.62	77.36	85.10	92.83
Neath Port Talbot	54.94	62.45	72.22	83.40	91.08	98.68	75.47	68.31	75.90	83.49	91.08	98.68	61.81	68.67	75.54	82.41
Newport	57.75	65.64	75.09	87.36	95.70	103.72	78.39	71.80	79.78	87.76	95.74	103.72	64.96	72.18	79.40	86.62
Pembrokeshire	58.33	67.34	78.48	88.47	96.70	104.76	80.22	72.53	80.59	88.64	96.70	104.76	65.62	72.91	80.20	87.49
Powys	55.54	64.57	74.37	84.28	92.08	99.75	76.58	69.06	76.73	84.41	92.08	99.75	62.48	69.43	76.37	83.31
Rhondda Cynon Taf	53.29	60.52	70.66	80.77	88.35	95.71	72.48	66.26	73.62	80.98	88.35	95.71	59.95	66.61	73.27	79.93
Swansea	57.54	65.16	76.61	87.03	95.40	103.34	77.21	71.55	79.50	87.45	95.40	103.34	64.73	71.93	79.12	86.31
Torfaen	56.56	64.50	74.67	85.76	93.68	101.58	78.63	70.33	78.14	85.95	93.77	101.58	63.63	70.70	77.77	84.84
Vale of Glamorgan	62.34	70.58	81.80	94.26	103.35	111.96	85.57	77.51	86.12	94.73	103.35	111.96	70.13	77.92	85.71	93.50
Wrexham	58.51	68.31	77.95	88.75	97.00	105.08	80.27	72.75	80.83	88.92	97.00	105.08	65.82	73.14	80.45	87.76
Wales	58.39	66.28	76.26	86.77	95.97	106.63	78.51	71.59	78.97	86.94	95.99	106.63	65.04	72.02	79.81	91.15

Policy for Social Housing Rents - Final
Locational index used in calculation of 2014-15 policy rent matrix

TABLE 2

Local authority	Separate components								Components combined into the locational index	
	House prices		Private rents		Workplace earnings		Residence earnings		Undamped	Damped
	£k	(Wales=100)	£pw	(Wales=100)	£pw	(Wales=100)	£pw	(Wales=100)		
Blaenau Gwent	71,301	61.6	82.3	77.2	317.1	96.4	317.7	95.4	82.7	88.4
Bridgend	104,083	89.9	104.2	97.8	329.0	100.0	326.4	98.0	96.4	97.6
Caerphilly	98,286	84.9	104.3	97.9	340.5	103.5	338.9	101.8	97.0	98.0
Cardiff	137,348	118.6	137.0	128.6	353.0	107.3	348.3	104.6	114.8	109.8
Carmarthenshire	105,052	90.7	96.8	90.9	328.7	99.9	332.7	99.9	95.4	96.9
Ceredigion	135,304	116.8	112.3	105.4	308.3	93.7	322.4	96.8	103.2	102.1
Conwy	124,075	107.1	110.4	103.6	292.1	88.8	300.2	90.2	97.4	98.3
Denbighshire	111,559	96.3	107.2	100.6	345.6	105.0	330.2	99.2	100.3	100.2
Flintshire	119,262	103.0	116.0	108.9	349.4	106.2	339.1	101.8	105.0	103.3
Gwynedd	119,824	103.5	94.1	88.3	303.5	92.3	308.5	92.6	94.2	96.1
Isle of Anglesey	122,982	106.2	108.9	102.2	326.2	99.2	338.1	101.5	102.3	101.5
Merthyr Tydfil	80,929	69.9	86.8	81.4	318.9	97.0	323.6	97.2	86.4	90.9
Monmouthshire	149,880	129.4	121.2	113.7	315.1	95.8	349.2	104.9	111.0	107.3
Neath Port Talbot	86,802	75.0	97.3	91.4	354.3	107.7	324.8	97.5	92.9	95.3
Newport	109,595	94.6	113.0	106.1	329.3	100.1	332.8	100.0	100.2	100.1
Pembrokeshire	128,982	111.4	108.5	101.8	320.1	97.3	320.6	96.3	101.7	101.1
Powys	122,817	106.1	93.2	87.5	297.5	90.4	312.5	93.9	94.5	96.3
Rhondda Cynon Taf	87,480	75.5	90.8	85.2	313.2	95.2	327.8	98.4	88.6	92.4
Swansea	108,864	94.0	114.0	107.0	320.9	97.6	333.0	100.0	99.7	99.8
Torfaen	99,814	86.2	107.4	100.8	320.8	97.5	346.0	103.9	97.1	98.1
Vale of Glamorgan	136,928	118.2	126.2	118.4	340.8	103.6	360.4	108.2	112.1	108.1
Wrexham	116,095	100.2	112.0	105.1	332.4	101.0	340.5	102.3	102.2	101.4
Wales	115,807	100.0	106.5	100.0	329.0	100.0	333.0	100.0	100.0	100.0

Source: Welsh Government Social Rent Model

Notes:

- Each component of the index is shown as its actual value based on the sources below, and expressed as an index relative to Wales = 100.
- The four separate index values are then averaged together to derive the **undamped** locational index.
- The locational index is then **damped** by a factor of one-third (applied to the undamped values) and is the final index used within the rent matrix calculations.

Data sources (all based on three year averages covering the period 2010-2012):

- House prices: Mean selling price for 2 bedroom dwellings based on data for loan advances from the Council for Mortgage Lenders
- Private rents: Median weekly rent data for 2 bedroom private sector properties from the Rent Officers Wales
- Workplace earnings: Lower quartile gross weekly full time earnings including overtime on a workplace-basis from the Annual Survey of Hours and Earnings, Office for National Statistics
- Residence earnings: Lower quartile gross weekly full time earnings including overtime on a residence-basis from the Annual Survey of Hours and Earnings, Office for National Statistics

Policy for Social Housing Rents - Final

Local authorities - policy rent summary - uplifted rents for 2014-15 (CPI + 1.5% for both sectors)

TABLE 4

Registered social landlord	Pre-SAP policy rents (£ per week)	SAP rating (2012-13)	Differences due to SAP		Post-SAP policy rents (£ per week)	Post-SAP target rent bands, 2014-15			Stock at 31 March 2013 (units)	Actual rent average, 2013-14 (£ per week)	Actual rent average, 2014-15 (£ per week)	Relative to 2014-15 target band (below / above)	Amount below or above	
			(£ per week)	(per cent)		Low end (£ per week)	Mid point (£ per week)	High end (£ per week)					£	Per cent
Caerphilly	78.87	66.0	0.24	0.3%	79.11	75.15	79.11	83.06	10,887	72.00	75.02	Below	-0.13	0%
Cardiff	85.48	69.0	1.03	1.2%	86.50	82.18	86.50	90.83	13,661	80.78	84.17	Within		
Carmarthenshire	77.76	63.0	-0.78	-1.0%	76.99	73.14	76.99	80.84	9,073	70.06	73.00	Below	-0.14	0%
Denbighshire	78.81	66.0	0.24	0.3%	79.05	75.09	79.05	83.00	3,458	66.38	69.17	Below	-5.93	-8%
Flintshire	82.64	65.0	0.00	0.0%	82.64	78.51	82.64	86.77	7,402	74.55	77.68	Below	-0.83	-1%
Isle of Anglesey	81.82	68.0	0.74	0.9%	82.56	78.43	82.56	86.69	3,806	66.63	69.43	Below	-9.00	-11%
Pembrokeshire	80.89	71.0	1.46	1.8%	82.35	78.23	82.35	86.46	4,819	63.97	66.66	Below	-11.57	-15%
Powys	77.60	65.6	0.14	0.2%	77.74	73.85	77.74	81.63	5,407	78.75	82.06	Above	0.43	1%
Swansea	78.76	63.7	-0.51	-0.6%	78.24	74.33	78.24	82.16	13,575	70.48	73.44	Below	-0.89	-1%
Vale of Glamorgan	86.95	67.8	0.74	0.8%	87.68	83.30	87.68	92.07	3,236	79.82	83.17	Below	-0.13	0%
Wrexham	80.78	73.0	1.94	2.4%	82.72	78.58	82.72	86.86	11,322	71.50	74.50	Below	-4.08	-5%
<i>Minimum</i>	<i>77.60</i>	<i>63.00</i>	<i>0.14</i>	<i>0.2%</i>	<i>76.99</i>	<i>73.14</i>	<i>76.99</i>	<i>80.84</i>		<i>63.97</i>	<i>66.66</i>	Below		9
<i>Maximum</i>	<i>86.95</i>	<i>73.00</i>	<i>1.94</i>	<i>2.4%</i>	<i>87.68</i>	<i>83.30</i>	<i>87.68</i>	<i>92.07</i>		<i>80.78</i>	<i>84.17</i>	Within		1
<i>Total</i>												Above		1

Source: Welsh Government Social Rent Model

Y Pwyllgor Cyllid
Finance Committee

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Christine Chapman AM
Chair, Communities, Equalities and
Local Government Committee
National Assembly for Wales
Cardiff Bay



14 February 2014

Dear Chris

Thank you for your letter of 28 January regarding scrutiny of the Welsh language.

As you know, Committee considered this on 5 February. We agreed that as part of future scrutiny of Welsh Government budgets, we would ask the Minister for Finance to indicate in her supporting papers how much was being spent on the Welsh language in each portfolio. This will enable us to identify policy areas where we could recommend that additional resources be allocated for the Welsh language. The Committee also agreed to undertake as much scrutiny of the budget, where possible, in public.

I am writing to the Minister for Finance advising her of the Committee's request for future papers.

Yours sincerely

Jocelyn Davies AM
Chair

Y Pwyllgor Cyllid
Finance Committee

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Jane Hutt AM
Minister for Finance
Welsh Government
Cardiff Bay



14 February 2014

Dear Minister

The Finance Committee recently considered its approach to scrutiny of the Welsh language as part of the budget scrutiny process.

As a Committee we strongly believe that the scrutiny of the Welsh language needs to be mainstreamed in each Ministerial portfolio. As such the Committee agreed that as part of future scrutiny of Welsh Government budgets, we would ask you to indicate in your supporting papers how much is being spent on the Welsh language in each portfolio. We would also request that budget papers sent to the policy committees also include detail of spend on Welsh language. This will enable the Finance Committee and the policy committees to identify areas where recommendations could be made in relation to resources for the Welsh language.

I'm sure you'll agree that this is an important area and I hope you will be able to incorporate this request.

Yours sincerely



Jocelyn Davies AM
Chair

cc: Christine Chapman, Chair Communities, Equality and Local Government Committee

Lesley Griffiths AC / AM
Y Gweinidog Llywodraeth Leol a Busnes y Llywodraeth
Minister for Local Government and Government Business



Llywodraeth Cymru
Welsh Government

Christine Chapman AM
Chair of Communities, Equalities and Local Government Committee

R February 2014

Dear Christine

Public Services Ombudsman for Wales

Thank you for your letter of 12 December following the meeting your Committee had with the outgoing Public Services Ombudsman to discuss his Annual Report. You sought the views of the Welsh Government on some of the points he put to you and we are grateful to the Committee for giving us the opportunity to respond. However, I must apologise for the delay in responding.

The Welsh Government regards the role of the Public Services Ombudsman as a vital one in the overall context of providing high quality public services to the people of Wales. It is also necessary as a recourse for individuals who have not received the treatment they have a right to expect. The Permanent Secretary takes very seriously indeed, any issues raised with him by the Ombudsman and maintains regular channels of communication to ensure we are responding quickly and appropriately. As we move into consideration of the report on Public Service Governance and Delivery, any future changes to the configuration or delivery of public services which may emerge from its consideration, it is even more vital the Ombudsman is on hand to provide their services for the citizen.

Therefore, we continue to believe the core role of the Ombudsman, as currently constituted, is hugely important to Wales. Whatever decisions may be taken to expand the role in the future, they should not distract from the basic role of acting as a means of appeal and redress for citizens where they feel a public service provider has let them down. Our primary concern is for the Ombudsman to continue to focus on delivering this function.

Of course, as a public body which is itself subject to the scrutiny of the Ombudsman, as with the Auditor General for Wales, we do recognise these are matters which the Assembly itself will decide upon, if and when, there are to be changes and I wish our comments to be viewed in this light.

We have studied carefully the transcript of the evidence given to you by the outgoing Public Services Ombudsman, where he sets out the arguments to support the points which he put to you. We do recognise Peter Tyndall makes a number of strong points which deserve proper consideration. However, neither the Welsh Government nor, I am sure, the Committee, would wish to rush into an expansion of the role of the Ombudsman without further and more widespread debate and consideration, not least with the new permanent Ombudsman when they are appointed. I hope, therefore, the Committee will recognise these are initial views only and the start of a dialogue which you will wish to have with the new Ombudsman.

Own-Initiative Powers

We recognise circumstances in which this approach may have merit. We can understand the frustration the previous Ombudsman felt, on occasion, when he was aware of a pattern of cases emerging and he was not in a position to look at the pattern on behalf of the wider public service. On the other hand, we are also conscious there may be a risk here of "mission-creep" on the Ombudsman's part and a move from championing the service users towards providing whole-system critiques of sectors is something which is more properly the role of the Auditor General for Wales. Ultimately, it would come down to the personal approach of the Ombudsman and how they decided to use these powers if they were available. So should this issue be pursued, we feel it should be carefully circumscribed and only available in specific and exceptional circumstances.

Jurisdiction of the Ombudsman

We would certainly agree with the principle where those using public services, even where they are delivered by a private sector supplier, should still have the same level of redress where possible. In practice it is more difficult to deliver this. The suggestion of a levy, for example, would be very challenging to put into practice. We would certainly support an awareness-raising campaign to remind individuals of their rights of complaint to the Ombudsman in the context of the delivery of health-related services.

Statutory Bars

At present, we believe it would be sensible to maintain the provision which presumes against the Ombudsman investigating cases where the complainant could have recourse to the courts, although we recognise allowing individuals the right, in effect, to choose which course of action to pursue, could introduce an element of uncertainty as to the most appropriate way forward.

I have commissioned a review of audit, inspection and regulation to look at how these issues link up in more detail. I will ask for this point to be considered further as part of those deliberations.

Binding Remedies

We certainly would not wish to see service-users disadvantaged because a private sector supplier refuses to comply with the recommendation of the Ombudsman. However, before supporting binding remedies as the solution, we believe there should be better scoping of how many cases this might, in fact, encompass and the extent to which other alternative solutions would not provide the answer, for example, making greater use of recourse to existing professional associations who often do have the power to compel their members to make reparation.

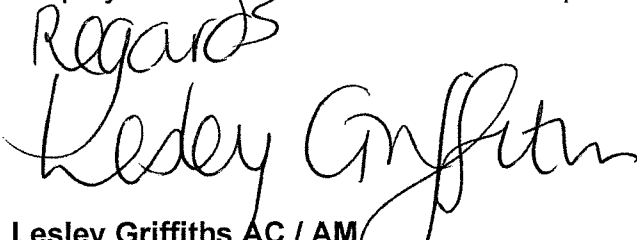
Complaint Handling, particularly within the Health Service

Changes in the levels of complaints in a service area can sometimes come from a number of reasons. However, we do recognise the increased level of complaints within the health service and recognise more needs to be done by health service managers to ensure complainants are treated with appropriate seriousness and complaints resolved promptly and thoroughly. The Minister for Health and Social Services has recently announced his intention to commission a review of Handling of Concerns in the NHS in Wales to address this issue.

Oversight of Complaints

We do agree with the Ombudsman there is more value to be gained from better analysis at an all-Wales level of complaints made in the different sectors of Wales, including the opportunity to make better comparison between public bodies. However, we should not under-estimate the difficulties involved in assimilating reliable data which can properly be used for such purposes. If the Ombudsman were to pursue this exercise, we would certainly support the work, subject to reassurances about the additional burden of data collection and verification, which might be added to the public service in Wales.

I hope your Committee will find these responses helpful in its overall deliberations

Regards


Lesley Griffiths AC / AM

Y Gweinidog Llywodraeth Leol a Busnes y Llywodraeth
Minister for Local Government and Government Business