

Agenda – Equality, Local Government and Communities Committee

Meeting Venue:

Committee Room 3 – Senedd

Meeting date: Wednesday, 21 June
2017

Meeting time: 09.00

For further information contact:

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Pre-meeting (09.00 – 09.15)

- 1 Introductions, apologies, substitutions and declarations of interest**

- 2 Inquiry into poverty in Wales: Communities First – lessons learnt – evidence session 4: Cabinet Secretary for Communities and Children**
(09.15 – 10.45) (Pages 1 – 13)

- Carl Sargeant AM, Cabinet Secretary for Communities and Children
- Jo-Anne Daniels, Director, Communities & Tackling Poverty
- Ruth Studley, Deputy Director, Communities First Transition

3 Paper(s) to note

Letter from the Cabinet Secretary for Communities and Children in relation to the Abolition of the Right to Buy and Associated Rights (Wales) Bill – 9 June 2017

(Pages 14 – 18)



Letter from the Cabinet Secretary for Communities and Children in relation to the Abolition of the Right to Buy and Associated Rights (Wales) Bill – 13 June 2017

(Page 19)

Letter from the Chair of the Finance Committee in relation to scrutiny of the draft budget

(Pages 20 – 21)

4 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from the remainder of the meeting

Break (10.45 – 11.00)

5 Inquiry into poverty in Wales: Communities First – lessons learnt – consideration of evidence received under item 2

(11.00 – 11.30)

6 Abolition of the Right to Buy and Associated Rights (Wales) Bill: consideration of draft report

(11.30 – 12.30)

7 Inquiry into fire safety in high rise blocks in Wales: consideration of approach

Document is Restricted

Evidence Paper - Equality, Local Government and Communities Committee

Introduction

The purpose of this paper is to provide evidence to the Equality, Local Government and Communities Committee's inquiry into lessons learnt from Communities First.

What worked and what didn't work about the Communities First programme.

Whilst there is evidence of some success at an individual level, Communities First has not had an impact on overall poverty levels in Wales and these have remained stubbornly high.

Welsh Government is taking a cross-government approach to tackling the root causes of poverty, including a focus on increasing job opportunities and skills. My own portfolio priorities support this whole-Government approach, with a focus on early years, employability and empowerment of communities; there was significant support for this new approach in the recent #Talk Communities extensive engagement. Following the engagement, and as part of my decision to bring about a phasing out of Communities First, I announced a range of additional funding to mitigate some of the potential challenges. This included the 70% funding for a twelve month transition period; a £6m Legacy fund to carry forward successful aspects of the programme; £4m of extra capital funding to help protect valuable community assets; and an additional £12m investment to extend employability support around our Communities for Work and Lift programmes.

I am strongly encouraging public bodies to work together as part of the new approach and to consider maintaining Communities First projects valued by communities and which align with and help to deliver on their priorities. My officials are in productive conversations with other Welsh Government departments to ensure there is a robust, joined-up approach during the transition year, working towards our new cross-Government approach to building resilient communities.

In 2009, the Wales Audit Office (WAO) recognised a tension between setting a clear direction for the Communities First programme and allowing each community partnership to set its own direction. The WAO found that there were concerns locally about the unrealistic demands on partnerships, many of which did not have the skills or capacity to deliver harder outcomes such as those relating to jobs and child poverty.

The evaluation of the pre-2012 Programme by Amion Consulting Ltd and Old Bell 3 Ltd reported that overall, while the majority of Communities First areas remained significantly more deprived than the rest of Wales, conditions had generally improved

despite the impact of then-prevailing economic conditions. It considered the gap with the rest of the country against a number of indicators, including unemployment, economic activity, employment rates and attainment levels, had narrowed. It recognised that, although there had been improvements, conclusions could not be drawn about what would have happened had there been no Communities First programme. It concluded, in respect of worklessness, that there had been “positive, albeit limited, additional and attributable impact in the CF areas”.

The findings from these evaluations and the ‘Communities First – The Future’ consultation in 2011, provided a basis for the design of the current programme and a more outcomes-focused approach.

During the most recent evaluation of Communities First run by Ipsos Mori and Wavehill Consulting, a number of positives were highlighted. These included that, at the time, the programme sat within a strong policy context and it was clear how its aims fitted with the Welsh Governments wider tackling poverty agenda. It concluded that the changes made to the programme in 2012 had improved the programme’s chances of successfully meeting its aims and that challenges of previous iterations had been addressed. It did, however, identify a number of weaknesses and challenges. Obtaining robust, consistent, performance monitoring data was a key, ongoing challenge. Not all Communities First Clusters had the expertise to design effective monitoring processes and approaches were highly varied. The evaluation stated that Lead Delivery Bodies’ governance function could be improved, assuming greater responsibility for shifting budgets to ensure funding allocations were utilised and directed in the most effective way. It was noted that RBA accountability was in some areas encouraging the targeting of the easiest to reach rather than its true aim of those hardest to reach.

Whilst steps were taken to address these issues, weaknesses persist. More critically the evaluation correctly identified that the underlying premise of the programme - that it was possible to improve area characteristics by influencing individual-level outcomes – was (and remains) untested.

The feedback from the engagement phase held earlier this year demonstrated the many ways in which Communities First has benefited individuals and I am grateful to the Communities First workforce for the difference they have made to thousands of people and their communities. My aim is to intensify our efforts to give people the tools they need to have a more equal share of this nation’s prosperity. At the centre of this must be the promise of good, secure work. So while maintaining the valuable legacy from Communities First, I want to take forward our new approach to resilient communities.

During this transition year, we will be undertaking a lessons learned exercise to feed into the new way of working.

How local authorities will decide which projects continue to receive funding after June 2017.

Whilst it is for Lead Delivery Bodies to make these decisions at a local level based on the local needs and priorities, the Welsh Government has issued Transition and Strategy guidance to Lead Delivery Bodies which sets out expectations of how Lead Delivery Bodies should approach the decision making process when allocating their individual Communities First budgets for 2017-18.

The guidance makes it clear that the transition plans for 2017-18 should reflect the relevant assessment of local well-being and be consistent with the 5 ways of working set out in the Well-being of Future Generations (Wales) Act 2015. In addition, communities and Public Services Board should play a key role in the planning process

Lead Delivery Bodies have benefitted from having a two stage planning process. Outline transition plans were submitted at the end of March 2017, which informed the Welsh Government on their approach to the transition period, timescales and types of projects continuing in year. Final transition plans are to be submitted at the end of May.

The transition process has allowed for flexibility for Lead Delivery Bodies to determine how they profile their funding for 2017-18 in support of their local priorities. However, it is recognised that transition plans are living documents and may well be subject to change throughout the year. Officials have been, and will continue to be, in close contact with all Lead Delivery Bodies during the transition period.

How different poverty reduction programmes will change as a result of the end of Communities First.

The Government's core commitment going forward is to invest in the prosperity of our nation; generating jobs, creating apprenticeships, piloting projects such as 'Better Jobs Closer to Home' and the childcare offer for working parents.

The Welsh Government's approach to tackling poverty has been refocused, with a fresh emphasis on employability and early intervention which supported the decision to phase out Communities First in favour of a new approach to creating resilient communities that can thrive and succeed. With this new focus in place, the current delivery models for all poverty reduction programmes have been reviewed to ensure that they support the developing Government-wide approach to tackling poverty and social exclusion by increasing labour market participation and helping people to access sustainable employment.

An additional £12m is being invested to extend the Communities for Work and Lift programmes, both of which help those who are furthest from employment and face multiple barriers in moving into sustainable employment. Although Communities for Work, as well as other tackling poverty programmes may have relied on the Communities First footprint and infrastructure historically, by moving away from the geographical restrictions of Communities First, the new approach will further enhance the support to those people across the whole of Wales who are facing significant, and often multiple, barriers which prevent them taking up training or employment opportunities. The extended programme will have a particular focus on workless households, the long term unemployed and the economically inactive.

From 1 April 2017, the strategic projects commissioned through the Families First programme are being refocused to deliver parenting support and support for young people. This decision was taken to ensure Families First is better able to help families build resilience and confidence and equip them with the skills to achieve positive and sustainable outcomes over the long term. Other key elements of the programme, including the Team Around the Family approach to supporting families, will continue unchanged.



Ein cyf/Our ref: MA-L-CS-0383-17

John Griffiths AM
 Chair Equalities, Local Government and Communities Committee
 National Assembly for Wales

9th June 2017

Dear John

ABOLITION OF THE RIGHT TO BUY AND ASSOCIATED RIGHTS (WALES) BILL

Thank you for your letter of 26 May following my attendance at the ELGC Committee on 25 May about the Abolition of the Right to Buy and Associated Rights (Wales) Bill.

I have set out below the further information I agreed to provide to the Committee along with responses to the additional questions you raised in your letter:

The number of properties likely to be affected by the proposed restrictions on newly-let dwellings.

The number of properties likely to be affected by the proposed restrictions on newly-let dwellings includes all new builds and acquisitions. Data from StatsWales (Table 1) below shows that 20 local authority properties were built in the 10 year period 2006-07 to 2015-16. Registered social landlords (RSLs) have built more properties, but the scale of that activity remains relatively low, less than 1% of the total stock of homes owned by RSLs.

Table 1 New social sector dwellings completed (and ready for occupation)

	Registered social landlord	Local authority	Total
2006-07	346	0	346
2007-08	343	5	348
2008-09	692	0	692
2009-10	880	3	883
2010-11	992	0	992
2011-12	829	0	829
2012-13	744	0	744
2013-14	671	12	683
2014-15	837	0	837
2015-16	1,254	0	1,254
Total	7,588	20	7,608

Source: New house building collection from local authorities & National House building Council (NHBC) - StatsWales

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

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

Table 2 shows the number of additional affordable housing units acquired by RSLs since 2012-13. The acquisition of additional affordable housing units are the direct purchase or leasing by RSLs of private sector properties. They do not include newly built or converted affordable housing units.

Table 2 number of properties acquired by LAs and RSLs per year

	Registered social landlord	Total
2012-13	308	308
2013-14	249	249
2014-15	282	282
2015-16	144	144
Total	983	983

Source: Affordable Housing Provision data collection, Welsh Government - StatsWales

The number of properties likely to be affected by the proposed restrictions on newly-let dwellings would also include conversions and refurbishments - if they have been unoccupied for the preceding six months. However, as the Welsh Government does not collect any specific data centrally on conversions and refurbishments, the total number of properties effected cannot be estimated beyond the figures provided above for new builds (which include conversions) and additional affordable housing acquisitions.

Based on the assumption that the most recent annual house building/acquisition rates are representative of what will happen during the 10-month period (between abolition on newly let stock and complete abolition), the number of properties protected would be approximately **1,170** (ie $(1,254+144)*10/12$). We've rounded the figure to the nearest 10 properties.

Not all of these properties would be available for purchase under the Right to Buy or Right to Acquire during the 10 month period, as any tenants would also have to meet the eligibility criteria. However, the purpose of early abolition of these rights on newly let housing is to encourage social landlords to develop new housing as soon as possible without fear of having to sell it under the Right to Buy or Right to Acquire.

Provide details of the consultation process undertaken for abolition that was carried out ahead of the Bill's introduction

The principal consultation vehicle on the proposals was our White Paper 'The Future of the Right to Buy and Right to Acquire' published in January 2015 and open for a period of twelve weeks. The outcome of the consultation is summarised in Section 4 of the Explanatory Memorandum for the Bill.

The White Paper was available in hard copy and electronically. Our communications also targeted hard to reach groups via their representative organisations including: Shelter Cymru - the homelessness and housing advice organisation, Cymorth Cymru – the umbrella body for providers of homelessness, housing related support and social care services, Tai Pawb – the equality and social justice in housing body, Young People Wales – the young people's representative network and The Gypsy and Traveller Council.

In addition to the formal consultation, four workshop sessions were undertaken with stakeholders to obtain views on the content of the Bill. These included representatives of social landlords, third sector organisations and organisations representing tenants, the homeless, minority groups and young people.

Clarify what modelling has been done on the likely impact on the sale of social housing stock when determining the length of the notice period

An alternative scenario which considered a 2 year notice period was included in the modelling at an earlier stage of the policy development process. This showed a higher number of social housing sales than under a 1 year notice period.

The difference in the number of sales between the 1 and 2 year notice period depends upon the assumptions made about the 'spike' in sales generated by abolishing the Right to Buy.

The communications activity coupled with news about the progression of the Bill through the National Assembly may be expected to result in a spike in the number of Right to Buy applications during 2017-18. The assumption that there will be a spike in sales is supported by evidence from previous reductions in the maximum discount available (see Table 3 below) and from the experience in Scotland where the notice period for abolition of the Right to Buy was two years. Statistics for Scotland show that the number of social housing sales increased by 20% between 2013-14 and 2014-15 (the period during which the abolition of the Right to Buy was agreed) and by a further 12.5% in 2015-16.

For the purposes of the Regulatory Impact Assessment, it is assumed the annual number of Right to Buy sales will increase by between 20% and 50%. This equates to between 240 and 300 sales in each year.

Has any evidence has been collated on the spike in sales of properties in areas where the Right to Buy and Right to Acquire have been suspended

Table 3 below shows the spike in sales prior to suspension taking effect in those authorities where the Right to Buy has been suspended.

The dates when the applications to suspend the Right to Buy and Right to Acquire were accepted for consideration by the Welsh Ministers in each of the authorities are as follows: Carmarthenshire (29 July 2014); Swansea (2 December 2014); Anglesey (12 July 2016); Flintshire (15 November 2016) and Denbighshire (19 November 2016). No applications to exercise the Right to Buy made after those dates have been progressed as the applications for suspension were subsequently granted by the Welsh Ministers.

The number of statutory sales (via Right to Buy and Right to Acquire) increased by around 200% in Carmarthenshire and by 89 % in Swansea during 2013-14 which was the period immediately preceding the commencement of suspension.

Similarly the number of statutory sales increased by 100% in both the Isle of Anglesey and Denbighshire and by 17% in Flintshire during 2015-16 which was the financial year prior to the commencement of suspension in these authorities.

Table 3 - Number and annual percentage change in statutory sales of social housing via RTB and RTA over last 5 years.

	Total statutory sales										
	2010-11	2011-12		2012-13		2013-14		2014-15		2015-16	
	Number	Number	% change	Number	% change	Number	% change	Number	% change	Number	% change
Isle of Anglesey	5	2	-60%	2	0%	3	50%	5	67%	10	100%
Denbighshire	6	4	-33%	1	-75%	5	400%	4	-20%	8	100%
Flintshire	6	7	17%	11	57%	9	-18%	12	33%	14	17%
Carmarthenshire	16	11	-31%	14	27%	42	200%	31	-26%	3	-90%
Swansea	14	16	14%	19	19%	36	89%	43	19%	21	-51%

Source: Annual returns covering social housing sales from local authorities and Registered social landlords

The practical implications for the Welsh Government of lifting the restrictions in areas where the Right to Buy and Right to Acquire have already been suspended

There would be implications for the Welsh Government but the more significant impact would be on social landlords and others should the current suspensions on the Right to Buy and Right to Acquire be lifted between Royal Assent and abolition.

Local authorities have incurred costs in consulting tenants and local Registered social landlords, undertaking the research and preparing applications for suspension - which would include the need to provide evidence of "housing pressure" in the local area. To lift the suspensions would only exacerbate that imbalance. In addition, social landlords have embarked upon building programmes fully expecting that the Welsh Government's Direction for suspension would protect homes from having to be sold under the Right to Buy/Acquire for 5 years – with a possible extension to 10 years. In such circumstances, they will be likely to have taken out loans and based their business plans on those Directions remaining in place.

The consequential impact of lifting the suspensions would be further exacerbated by the need for social landlords to locate, purchase and develop new land for the replacement housing. There would also be a time lag in developing replacement housing during which time social landlords would have less stock in which to accommodate people in housing need.

You will recall Carmarthenshire County Council's evidence to the Committee that there are seven people on the waiting list for every one social housing vacancy which arises. Homelessness remains a major concern in Wales, with over 10,000 households needing assistance each year. Any reduction in social housing due to the Right to Buy/Acquire diminishes the opportunities available to people who need a home but cannot afford to buy or rent in the housing market. The availability of affordable, secure housing in the social rented sector is a vital element in our strategy to tackle homelessness.

Finally, there is the reputational damage to the Welsh Government in undermining the process introduced under the Housing Measure, which was passed by the National Assembly in 2011. Having established the need for suspension, social landlords have planned on the basis that the directions for suspension would remain in place for 5 years.

Lifting the suspensions would nullify their actions to reduce housing pressure during those periods.

Yours sincerely

A handwritten signature in black ink that reads "Carl Sargeant". The signature is written in a cursive style with a large, sweeping initial 'C' and a long, trailing flourish at the end.

Carl Sargeant AC/AM

Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children




Llywodraeth Cymru
Welsh Government

Carl Sargeant AC/AM
Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children

Ein cyf/Our ref: MA-L-CS-0360-17

John Griffiths AM
Chair Equalities, Local Government and Communities Committee
National Assembly for Wales

 June 2017

Dear John

ABOLITION OF THE RIGHT TO BUY AND ASSOCIATED RIGHTS (WALES) BILL

Further to my attendance at the ELGC Committee on 25 May about the Abolition of the Right to Buy and Associated Rights (Wales) Bill, I am writing to correct a reference I made to the Bill which is recorded in paragraph 154 of the transcript.

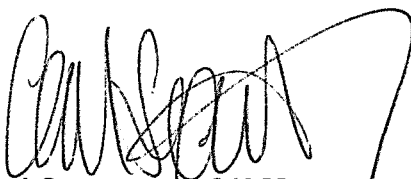
In paragraphs 151 to 153 of the transcript, Bethan Jenkins AM asked a question about section 8(3)(a) of the Bill. She asked whether, in the wording in the section (ie "information as it considers to be relevant to them"), the word "them" refers to the landlords or the tenants?

In the meeting, I said that the word "them" refers to "the landlords". However, having considered the matter further, I am writing to inform the Committee that the word "them" in section 8(3)(a) of the Bill refers to "the tenants". The Explanatory Notes to section 8 may be helpful, they provide:

"In turn, qualifying landlords must provide all of their relevant tenants with a copy of the information, or with any of the information they consider to be relevant to their tenants."

I have asked my officials to liaise with the Assembly Commission to ensure that the final version of the transcript includes a footnote to clarify this matter.

Yours sincerely



Carl Sargeant AC/AM
Ysgrifennydd y Cabinet dros Gymunedau a Phlant
Cabinet Secretary for Communities and Children

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

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Agenda Item 3.3

Equality, Local Government and Communities Committee

15 June 2017

Dear John Griffiths AM

Scrutiny of the draft Budget

I am writing following the Business Committee's consideration of their draft report on changes to Standing Orders in relation to scrutiny of the draft Budget, prior to the Standing Order changes and the Budget Process Protocol being considered in Plenary next week.

The changes to the Budget process are the culmination of a piece of work started by the Finance Committee in the Fourth Assembly; the devolution of fiscal powers in the Wales Act 2014 have meant that the Assembly's scrutiny now has to consider not just Welsh Government spending plans, but how these plans will be financed, through taxation and borrowing.

The main changes which are being proposed are that the budget scrutiny becomes a two stage process, whereby the higher level information which would be scrutinised by the Finance Committee is published prior to the detail needed by the policy committees, and more time is allowed for scrutiny. Specifically, it is hoped this additional time will allow the policy committees to undertake more detailed scrutiny of the spending in your portfolios, and you will no longer be required to report to the Finance Committee, you are able to report in your own right should you so wish.

I have requested a discussion on these changes at the next Chairs' forum, to enable us to talk through the changes in more detail and we can consider how:

- the Committee scrutiny will work in practice,
- the Finance Committee can maintain an oversight role,
- we can work together to maximise public engagement,
- any training and development needs for committees can be met

Prior to consideration in Plenary the [proposed changes to Standing Orders have been tabled](#), as has the [revised protocol](#).

Should you have any queries on this please do not hesitate to let me know, and I look forward to discussing these changes further at the Chairs' Forum meeting on 12 July 2017.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Thomas'.

Simon Thomas AM

Chair of the Finance Committee