

## **Paper 2**

### **Communities, Equality and Local Government Committee**

**Wednesday 17 April 2013**

#### **Housing & Regeneration**

##### **Portfolio**

1. Within my portfolio, I have responsibility for matters concerning housing, regeneration and planning, including building regulations.
2. In these difficult times for the economy and public spending, along with my Ministerial colleagues, I intend to take action to deliver the things that make a difference to the people we serve, their families and our communities - now and in the future.
3. The home is at the heart of our policies and programmes and I am committed to tackling poverty and reducing inequalities, providing attractive places for people to live and work.
4. The Programme for Government (PfG) identifies many of the specific actions I am taking. It also sets out milestones and indicators to assess progress in tackling the long-term challenges facing Wales.
5. As you know, I have particular accountability for ensuring delivery is on track in a number of areas within the programme – most notably in the chapters covering Growth and Sustainable Jobs (1), Welsh Homes (6), Tackling Poverty (9), Rural Communities (10) and Environment and Sustainability (11).

##### **Priorities & Progress**

6. Whilst it is not possible to address my entire portfolio in this paper, I have outlined below further details on some of my priorities, giving consideration to specific areas this and other Committees have identified as of particular interest to it.

##### ***Housing Bill***

7. This autumn will see the Introduction of Welsh Government's first Housing Bill which was announced in the First Minister's Legislative Statement to the National Assembly in July 2011.
8. There has been considerable stakeholder engagement across the sector before and after the publication of the Housing White Paper (Homes for Wales) last May (2012).

<http://wales.gov.uk/consultations/housingcommunity/housewhitepaper/?lang=en>

9. The White Paper listed a range of legislative and non legislative changes aimed at achieving a whole system approach – more homes, better homes and better services.
10. It is intended that the Bill will cover areas such as: improvement to homelessness law; the introduction of a compulsory licensing scheme for all private rented sector landlords and letting agents; the introduction of a power to enable local authorities to charge up to double the rate of Council Tax on long term empty properties; and a duty on local authorities to provide official Gypsy and Traveller sites where a need has been identified.
11. The Bill will also include: reforms to the Housing Revenue Account Subsidy system; introducing standards for local authorities on rents, service charges and quality of accommodation; and enabling more use of Community Land Trusts and Co-operative Housing.

### ***Renting Homes Bill***

12. This Bill contributes to Programme for Government commitment to make it easier for people to move between renting, full and shared ownership.
13. It responds to long-standing calls for reform, the Bill will create a fairer, simpler and more efficient legal basis for renting a home.
14. The proposals are modelled closely on recommendations produced by the Law Commission in 2006 and we have been working closely with the Commission to review and update them as necessary.
15. There will be two statutory model contracts setting out in plain language the rights and responsibilities of tenants and landlords: a secure contract modelled on the local authority secure tenancy and a standard contract similar to the current assured shorthold tenancy.
16. The Renting Homes White Paper will be published later in the spring, followed by the standard 12 week consultation. The Bill is due for introduction into the Assembly in early 2015.

### ***Regulated Mobile Homes (Wales) Bill***

17. The Committee will be aware that this is an Assembly Member Bill, introduced by Peter Black AM. Mobile homes are used as permanent homes by an estimated 5,000 residents in Wales, (3,500 homes across 92 sites).
18. The Bill aims to renew current law relating to mobile homes that is perceived to be ineffective and outdated, with malpractice from site owners relatively commonplace.

19. The Bill is currently at Stage 2 of scrutiny in the Senedd with the General Principles and the Financial Resolution being agreed on the 13<sup>th</sup> March. There was widespread support for the Bill, with no objections to its principles.
20. Stage 2 scrutiny of the Bill by the Communities, Equalities and Local Government committee will take place on the 13 June.

### ***Delivering more homes***

21. Our target is 7,500 additional affordable homes by 2016 and, as noted later in this paper, bringing 5000 empty properties back into use. We delivered nearly 2,500 additional affordable homes in 2011/12 and over 1,000 empty homes were brought back into use in that same year.
22. The investment in the Social Housing Grant Programme, encouraging the release of more public land for affordable housing and supporting Houses into Homes, our Empty Property Initiative.
23. Moreover, we are providing £6 million in 2012/13 and for the following two years to the Welsh Housing Partnership which will provide over 800 properties for intermediate rent.
24. On top of this, we have allocated £4million revenue funding each year for the next 30 years which will enable over **£140** million to be borrowed by housing associations which will support the development of more than **1,100** new affordable homes.
25. This innovation reflects the determination of the Welsh Government to find ways of sustaining investment in housing and is a clear example of close working between local government, housing associations and the Welsh Government. It will mean good quality, affordable homes for many families and individuals across Wales.
26. We are leading the way in the effective use of land and there is a dedicated team to actively release Welsh Government land for housing. Local authorities have resources at their disposal in the land they own and some are actively looking to innovate in housing delivery by using this land for a range of housing outcomes.
27. A total of 426 affordable housing units were delivered on land made available by the public sector during 2011-12, around two thirds of which was on land made available by local authorities.
28. We are also developing co-operative housing in Wales and have set an ambitious target of 500 new co-operative homes to be delivered during this administration. An emerging model of affordable co-operative

ownership is particularly interesting as is the approach to development on a garden village basis with community and co-operation at its heart.

### ***Houses into Homes***

29. As noted earlier, our “Houses into Homes” scheme is an innovative £10m scheme aimed at owners of residential properties empty for six months or longer. It is contributing towards the target of bringing 5,000 empty properties back into use during this Welsh Government term of office. It is linked to the Programme for Government commitment on empty homes.
30. The scheme is delivered by local authorities working on a regional basis and is a model of collaboration. Just last month (March), the final amounts were drawn down from the Welsh Government. The scheme is expected to bring back into use at least 436 properties in the first wave of loans. This delivers a large contribution towards the Government’s commitment to bring 5,000 empty residential properties back into use during this Assembly term.
31. We are also working on a registration and licensing scheme for all landlords and letting and management agents in the private rented sector.

### ***Rent Policy***

32. In addition, we have developed a new policy for social housing rents that will apply consistently to local authority and Registered Social Landlords (RSLs) - and reflect the size, type, location and quality of landlords’ housing stock.
33. Implementation of the new rent policy for RSLs will be in 2014/15 and is subject to exit from the HRAS for local authorities.

### ***Welsh Housing Quality Standard***

34. The quality of existing homes, particularly for those who are poor or vulnerable, is equally as crucial. This investment in people’s homes is also an investment in local jobs, skills and communities at a time when tackling poverty and creating jobs is top of the Welsh Government’s agenda. For these reasons it is essential to keep pressure on all social landlords to meet and maintain the Welsh Housing Quality Standard by 2020.

### ***Welfare Reform***

35. Despite the actions we are taking, it is important that local authorities assess the impacts that the reforms will have on their local communities to inform the nature and scale of action they need to take.

36. Over the last financial year and this financial year, we have provided £1.5 million to support local authorities to take action to help people to cope with the changes. I am currently considering the programme of support for local authorities for the next financial year.
37. We have also contributed £120,000 to a national research programme with DWP to consider the social and demographic impacts of the changes so that we can better understand the impacts and be able to tailor support to help people.
38. Local authorities need to consider the multiplier effects of the impacts. Evidence suggests that each £1 of income lost by local people will be associated with a total loss of income to local economies of between £1.00 and £1.50.
39. Furthermore, figures provided by local authorities and social landlords suggests that the impact of the bedroom tax is likely to be greater in rural rather than urban areas, with a greater proportion of tenants affected.
40. This fact means that local authorities and social landlords in rural areas will need to work harder to mitigate the impact of the bedroom tax, as there are fewer appropriate housing options available to affected tenants in rural areas.

### ***Vibrant and Viable Places***

41. The new regeneration framework, 'Vibrant and Viable Places', was launched on 11 March and is the culmination of 18 months of research, engagement and consultation within the regeneration field within Wales and wider afield.  
<http://wales.gov.uk/topics/businessandconomy/regeneration/vvpframework/?lang=en>
42. The framework sets out a vision that everybody in Wales should live in well-connected vibrant, viable and sustainable communities with a strong local economy and good quality of life.
43. We have set out new national outcomes for regeneration, aligned to those for Communities First: prosperous communities, learning communities and healthier communities. The framework places a strong emphasis on the importance of partnership, strategy and sustainable development.
44. It has the backing of the whole Cabinet. It promotes a well-evidenced approach combining support for people and places, and encourages partnership working by the public, private and third sectors.
45. We want to get the best out of every pound spent by the Welsh Government in terms of mainstream funding such as health and education. In addition, intensive targeted regeneration investment in a small number of key places will be used to support local growth in town centres, coastal communities and Communities First clusters.
46. We are now working on the detailed guidance for local partnerships to bid for targeted investment.

## ***Planning***

47. Significant work is underway to reform the planning system. Since devolution, up to date national planning policies have been put in place. These policies are appropriate to the needs of Wales, reflecting our commitment to deliver sustainable development, economic renewal and affordable homes. To assist delivery at the local level a new local development plan system has been introduced. Work is also underway to improve the planning application process.
48. The Planning Reform Bill will provide an opportunity to introduce primary legislation which takes forward the reform agenda. In the past we have had to rely on UK Bills, secondary legislation and policy and guidance as our main levers. Being able to create our own primary legislation provides a new opportunity that should be embraced.
49. Planning legislation and policy must be based on evidence. A comprehensive evidence base has been assembled to inform the Planning White Paper and underpin the Planning Reform Bill. The White Paper and draft Bill will be published before the end of 2013.
50. Separately, I was pleased that officials from my Knowledge and Analytical Services and Planning Divisions were able to provide oral and written evidence to the Environment & Sustainability Committee recently, regarding Population and Household Projections for local authorities in Wales – where the level and scale of housing development in a Local Development Plan is a matter for the Local Planning Authority.

## ***Construction***

51. Elsewhere, the Programme for Government includes a commitment to strengthen building regulations to improve energy efficiency by 55% above 2006 building standards, equivalent to 40% above 2010 standards. The Welsh Governments energy targets for buildings are linked to European legislative requirements which are compulsory for all European states from 2021.
52. Our recent consultation proposals for changes to the Building Regulations considered two options in relation to reducing carbon emissions in new homes, either a reduction of 40% relative to the 2010 Part L standards from January 2015 or a 25% reduction from 2014. There were also proposals for a 20%, 10% or 11% improvement on Part L 2010 for new non domestic buildings
53. We received 91 responses to the consultation. These have been analysed and were presented to the Building Regulations Advisory Committee for Wales on the 24 January 2013. A number of recommendations and actions resulted from this meeting and officials will work to develop further Part L proposals based on the outcomes of the consultation.
54. The consultation also included viability modelling in relation to the impact on housing development for the options of a 25%, 40% and the inclusion of sprinklers within new homes. The Domestic Fire Safety (Wales) Measure was introduced in April 2011. The current timetable for the

introduction of fire suppression systems (sprinklers) is September 2013 and we will be going out to public consultation on the details of implementation ahead of this.

**Carl Sargeant AM**  
Minister for Housing & Regeneration  
April 2013