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Y Gweinidog Tai ac Adfywio
Minister for Housing and Regeneration

Llywodraeth Cymru
Welsh Government

Ein cyf / Our ref: MB/CS/5484/13

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

26 November 2013

Dear Christine

Thank you for your letter of 29 October 2013 requesting further information on key policy priorities within my Housing and Regeneration portfolio.

There are two attachments to this letter which provide as much information as I can provide at this time in respect of the points raised.

Document 1 provides a revised BEL table which highlights the additional capital funding my portfolio has received for the Intermediate Care Fund.

Document 2 provides a response to each of the detailed points made in your letter.

Your letter also asked for further detail on the progress eight Local Authorities had made to complete their registers of accessible homes. The 2012/13 research project on Accessible Housing Registers showed that all local authorities had a system in place for matching people with disabilities to available adapted social housing. The Welsh Government and the Welsh Local Government Association continue to work with local authorities to improve and develop Accessible Housing Registers. The Code of Guidance on the Allocation of Accommodation and Homelessness encourages all Local Authorities to have an Accessible Housing Register or similar matching system in place.

I will provide the detail requested in your final point on the impact that welfare reform is having on communities when this information is available.

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

HOUSING AND REGENERATION MAIN EXPENDITURE GROUP (MEG) - BEL TABLE 2013-14

REVENUE BUDGET - Departmental Expenditure Limit											
SPA	Actions	BEL	BEL Number	2013-14 Supplementary Budget New Plans June 2013	2014-15 Baseline	Changes	Draft Budget 2014-15	Changes	Draft Budget 2015-16	Activities Supported	
Housing Policy	Supporting People	Supporting People Grant	1011	136,558	136,558	-2,199	134,359	-4,141	130,218		
	Homelessness	Homelessness	1120	7,181	7,181	-750	6,431	4,900	11,331		
	Independent Living	Home improvement Agencies		1100	4,691	4,691	-500	4,191		4,191	
		Rapid Response Adaptation Programme		1285	432	432		432		432	
		Independent Living			5,123	5,123	-500	4,623	0	4,623	
	Policy Development and Implementation	Policy Development and Implementation		1161	173	173		173		173	
		Policy Research and Evaluation		1181	57	57		57		57	
		Social Housing and Management Grant		1220	1,644	1,649	-177	1,472		1,472	
		Policy Development and Implementation			1,874	1,879	-177	1,702	0	1,702	
	Total Housing Policy				150,736	150,741	-3,626	147,115	759	147,874	
Homes and Places	Achieve quality Housing	Welsh Housing Quality Standards	1162	274	274		274		274		
	Increase the Supply and Choice of Affordable Q	Housing Enablers	1286	95	95		95		95		
		Support for Social Housing	984	4,000	4,000		4,000		4,000		
		Increase the Supply and Choice of Housing		4,095	4,095	0	4,095	0	4,095		
	Policy research and evaluation	Affordable homes		1014	115	115	-115	0		0	
		Policy research and evaluation		1181	14	14	348	362		312	
		Social Housing Management Grants		1220	183	183	-183	0		0	
		Policy research and evaluation			312	312	50	362	0	312	
	Regeneration	Implementation of Strategic Regeneration Areas		4151	4,614	4,597	-770	3,827	-446	3,381	
		Manage Delivery of Legacy Regeneration Areas		4162	8,000	8,000	-1,210	6,790		6,790	
Regeneration				12,614	12,597	-1,980	10,617	-446	10,171		
Total Homes and Places				17,295	17,278	-1,930	15,348	-446	14,852		
Planning	Planning Policy Development, Planning Inspectorate and Regulation	Planning Expenditure	2250	7,090	7,090	-1,068	6,022		6,022		
	Construction Unit	Home Safety/Construction	1261	784	784		784		784		
Total Planning				7,874	7,874	-1,068	6,806	0	6,806		
Total Revenue - Housing and Regeneration					175,905	175,893	-6,624	169,269	313	169,532	

CAPITAL BUDGET - Departmental Expenditure Limit										
SPA	Actions	BEL		2013-14 Supplementary Budget New Plans June 2013	2013-14 Final Budget	Changes	Draft Budget 2014-15	Changes	Draft Budget 2015-16	Activities Supported
Housing Policy	Independent Living	Rapid Response Adaptation Programme	1285	1,641	1,641		1,641		1,641	
	Intermediate Care Fund	Intermediate Care Fund	tbc			15,000	15,000	-15,000	0	
	Empty Properties Programme	Empty Properties Programme	983	10,000	0		0		0	
Total Housing Policy				11,641	1,641	15,000	16,641	-15,000	1,641	
Homes and Places	Achieve Quality Housing	Major Repairs Allowance	1061	108,000	108,000		108,000		108,000	
		Housing General Support	1062	37,470	37,470		37,470		37,470	
		Renewal Areas	1063	11,267	11,537		11,537		11,537	
		Achieve quality housing		156,737	157,007	0	157,007	0	157,007	
	Increase the Supply and Choice of Affordable Q	Social Housing Grants (HSG)	982	66,153	57,533	-3,700	53,833	4,000	57,833	
		Land for Housing	?	0	0	13,700	13,700	-13,700	0	
		Extra care	1005	4,301	4,301		4,301		4,301	
Increase the supply and choice of Quality Housing				70,454	61,834	10,000	71,834	-9,700	62,134	

Increase the Supply and Choice of Market Housing	Help to Buy Wales	?	0	0	69,000	69,000	2,000	71,000	
			0	0	69,000	69,000	2,000	71,000	
	Regeneration	Implementation of Strategic Regeneration Areas	4151	38,905	34,600	5,000	39,600	5,300	44,900
		Manage Delivery of Legacy Regeneration Areas	4162	1,400	1,400	0	1,400	0	1,400
		Local Authority Regeneration General Capital Funding	1380	10,888	10,888		10,888		10,888
	Total Regeneration		51,193	46,888	5,000	51,888	5,300	57,188	
	Total Homes and Places		278,384	265,729	84,000	349,729	-2,400	347,329	
	Total Capital - Housing and Regeneration		290,025	267,370	99,000	366,370	-17,400	348,970	

REVENUE BUDGET - Annually Managed Expenditure										
SPA	Actions	BEL	BEL Number	2013-14 Supplementary Budget New Plans June 2013	2013-14 Final Budget	Changes	Draft Budget 2014-15	Changes	Draft Budget 2015-16	Activities Supported
Housing	Achieve quality housing	Housing Revenue Account Subsidy	1300	-71,000	-71,000		-71,000		-71,000	
	Total Housing			-71,000	-71,000	0	-71,000	0	-71,000	
	Total AME - Housing and Regeneration			-71,000	-71,000	0	-71,000	0	-71,000	

REVENUE BUDGET - Departmental Expenditure Limit										
SPA	Actions	BEL	BEL Number	2013-14 Supplementary Budget New Plans June 2013	2013-14 Final Budget	Changes	Draft Budget 2014-15	Changes	Draft Budget 2015-16	Activities Supported
Housing and Regeneration and Heritage - Summary										
	Revenue DEL			175,905	175,893	-6,624	169,269	313	169,532	
	Capital DEL			290,025	267,370	99,000	366,370	-17,400	348,970	
	Total DEL			465,930	443,263	92,376	535,639	-17,087	518,502	
	Annually Managed Expenditure			-71,000	-71,000	0	-71,000	0	-71,000	
	Total - Housing and Regeneration			394,930	372,263	92,376	464,639	-17,087	447,502	

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QUESTIONS FROM BUDGET SCRUTINY APPEARANCE DOC 2

Topic	Question	Response	Timetable
Housing Finance Grant	What arrangements are in place for monitoring the scheme and delivering value for money	We are using exactly the same intervention rates and rational for investing as for the main SHG programme. This is known now. We can report completions through the statistical collection around affordable homes and this will be available each October.	Within 12 Months
	Update on progress made on building 1000 properties	In terms of the 1,000 new homes this is not in addition to the target it is included within the overall target of 7,500 new affordable homes built over this Assembly term.	Within 12 Months
Help to Buy Cymru	More information on the timetable for launch	Details on the launch of the scheme will be provided in due course and the Minister for Housing and Regeneration has committed to an announcement this calendar year.	November 2013
	More detail on the payback arrangements for financial transaction funding when available.	We will provide this information when our discussions with HM Treasury have concluded.	In due course
Supporting People	More detail on the longitudinal research we are developing on the effectiveness of the Supporting People Programme	In December 2013, the Supporting People National Advisory Board will be considering the options for a longitudinal research project. Further details can be provided once the Minister for Housing and Regeneration has considered the advice from the Board.	In due course
	Asking boards to review their budgets – is this part of a more systematic review of potential future savings and reforms.	The 2012 Supporting People Programme Grant Guidance outlines the commissioning arrangements for the new grant launched in 2012. The Welsh Government will review the 2012 reforms to the programme in 2014. The	November 2013

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		proposed longitudinal study is intended to review value for money of the programme.	
Housing Revenue Account Subsidy	Progress on reaching a voluntary agreement to exit the scheme	The Minister for Housing and Regeneration is currently writing to the WLGA and the affected local authorities to provide them with an update. This will clarify timescales to exit the HRAS and confirm the need for a voluntary agreement.	04.05.14
Land	Further detail on the repayment of the new £5million scheme funded through financial transaction capital.	Further details will be available when the full application and scheme criteria details are announced later this financial year.	In due course
Welsh Housing Quality Standard	Feedback to Committee on results of evaluation due in early 2014	The report is due in January 2014 and the Minister for Housing and Regeneration will feedback to Committee once due consideration has been made to the findings.	In due course
	Further information on arrangements to monitor the effectiveness of the MRA and dowry payments over the longer term.	There is a suite of controls in place to ensure MRA is used for the purposes for which it is intended. Details in Annex 1 attached to this letter.	November 2013
	Further detail on the approval process for business plans for achieving and maintaining WHQS.		November 2013
	How are wider community benefits associated with	Community benefits data is not currently incorporated into the business plan process however the results of the evaluation project	November 2013

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	improving housing standards incorporated.	will inform our thinking on this.	
Homelessness	Findings from a programme to monitor the impact of budget reductions on homelessness	The ending of the temporary funding for Welfare Reform mitigation projects is anticipated to make up the savings required from the homelessness grant programme. Much of this funding has been used to raise awareness of changes and to support local government to put in place sustainable responses to the UK Governments changes. The review of the Homelessness Grant will include a section of the equalities impact of any proposed change to the budget.	Within 12 months
	Update on how local authorities are monitoring the effectiveness of their homelessness prevention measures especially with regard to the impact of UK welfare reforms.	Geoff can you update	November 2013
	An outline timetable for the review of grants provided under Section 180 of the Housing Act 1996.	The review began in October 2013 and is expected to report by February 2013	November 2013
Home Adaptations	Update on discussions with Care and Repair agencies	Discussions with the Care and Repair Agencies are currently underway and the Minister for Housing and Regeneration will provide an update when these have concluded.	November 2013
Intermediate Care Fund	Update on how this will be used in H&R Portfolio	The Minister for Housing and Regeneration will provide an update following discussions with	November 2013

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		political parties.	
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COMMUNITIES EQUALITY AND LOCAL GOVERNMENT COMMITTEE
RESPONSE TO BUDGET SCRUTINY QUESTIONS

Annex 1

Major Repairs Allowance (MRA)

How MRA is managed

There is a suite of controls in place to ensure MRA is used for the purposes for which it is intended. These are:

- Submission of an acceptable Business Plans by no later than 31 December each year

An acceptable HRA Business Plan¹ means:

- a) A 30 year Plan which uses the Welsh Government's acceptable Business Plan Parameters to include the current years MRA grant allocation;
- b) Demonstrates the ability and intention to achieve the Welsh Housing Quality Standard (WHQS) by 31 March 2012 or a specified date agreed by Welsh Ministers, but no later than 31 December 2020, and its maintenance thereafter;
- c) Contains a statement confirming the year when the WHQS will be achieved;
- d) Includes a sensitivity analysis which demonstrates the impact if assumptions, including MRA, were to be altered either positively or negatively; and
- e) Includes an analysis of items included in the HRA and this must be certified by the authority that it is in accordance with relevant legislation and other guidance including Welsh Office Circular 33/95 which is still extant.

The Plan must also contain

- Modelled risks, including the impact of welfare reforms.
- Calculations based on their latest stock condition information that identifies costs and projected lifecycles of key components such as kitchens, bathrooms and gas boilers to ensure local authorities are maximising value for money.

¹ Local housing authorities are required to have a Housing Revenue Account Business Plan in accordance with sections 87 and 88 of the Local Government Act 2003. The Welsh Government requires that the Business Plan is updated on an annual basis. The reference to property within an Authority's HRA has the same meaning as in Part 6 of the Local Government and Housing Act 1989.

COMMUNITIES EQUALITY AND LOCAL GOVERNMENT COMMITTEE RESPONSE TO BUDGET SCRUTINY QUESTIONS

Annex 1

- A statement of how compliance with WHQS, including interpretation of 'acceptable fail' criteria will be independently verified

How compliance is checked

- BPs are signed off by each LAs Director of Housing & the Section 151 officer
- They are subject to in depth review and analysis by the Senior Financial Analyst in the Housing Regulation Team and the Housing Quality Standards Senior Technical Officer in Homes and Places
- MRA is not given without a compliant BP
- LAs are regulated through the WAO and MRA is covered by the routine LA annual audit process
- LAs are required as term of grant to submit an annual statistical return to WG in October each year, supplying key data. This includes the level of compliance of individual components within WHQS.

Payment of MRA and associated audit

- Submit claims to the Welsh Government in order to receive MRA grant.
- ten monthly payments in arrears between May – February
- Local authorities need to maintain financial records which can be inspected on request

Dowry

- The borrowing of LSVTs is predicated against the money (referred to as Dowry). And is essential at a time when their financial position is under extreme pressure because of Welfare Benefit reform.
- Along with all RSLs, LSVTs are subject to regulation from WG which includes annual financial viability judgements.
- Annual Reports showing detailed progress in achieving WHQS are required from each LSVT and are analysed by officials to ensure that the LSVT has provided sufficient evidence to enable WG to continue to support dowry payments to the LSVT.
- LSVTs submit an annual statistical return to WG in October each year, supplying key data. This includes the level of compliance of individual components within WHQS.