National Assembly for Wales Legislation Committee No.2

Report on the Proposed Housing (Wales) Measure

Stage 1 Committee Report January 2011



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#### Legislation Committee No. 2

Legislation Committee No. 2 was established by the National Assembly for Wales to consider and report on legislation introduced into the Assembly, particularly by the Welsh Government. The Committee is also able to consider and report on non-government legislation, as appropriate.

#### Powers

The Committee was established on 9 December 2008 as one of the Assembly's legislation committees. Its powers are set out in the National Assembly for Wales' Standing Orders, particularly SO 10, 22 and 23. These are available at <u>www.assemblywales.org</u>

#### **Committee membership**

Committee Member	Party	Constituency or Region
Val Lloyd	Labour	Swansea East
Gareth Jones	Plaid Cymru	Aberconwy
Rhodri Morgan	Labour	Cardiff West
Lynne Neagle*	Labour	Torfaen
Jenny Randerson	Welsh Liberal	Cardiff Central
	Democrats	
Brynle Williams**	Welsh Conservative	North Wales

\*Lorraine Barrett substituted on 23 November 2010 and 2 December 2010 and; Christine Chapman substituted on 9 December 2010.

\*\* Paul Davies was a long term substitute for Brynle Williams.

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## **Summary of Conclusions and Recommendations**

The Committee's recommendations to the Welsh Government are listed below, in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions:

The Committee notes the support received for this proposed Measure, and has considered other options available to reduce housing pressure in Wales. The Committee also recognises that extensive consultation has been undertaken by the Welsh Government prior to the introduction of the proposed Measure. The Committee supports the general principles of the proposed Measure. page 13

However, Paul Davies AM, Welsh Conservative, objects to the suspension of the right-to-buy and believes this suspension will not achieve the aims of the proposed Measure. page 13

Recommendation 1: The Committee recommends the Deputy Minister consider whether Section 2 of the proposed Measure should be amended to strengthen the application process to include consultation with neighbouring local authorities regarding the impact that a suspension of right to buy may have. page 18

Recommendation 2: The Committee recommends the Deputy Minister revisit Section 29 to review the timescales allowed for repeat applications. page 18

Recommendation 3: The Committee recommends the Deputy Minister consider amending Section 31 of the proposed Measure to include timescales for consideration by the Welsh Ministers of local authorities' applications to suspend the right to buy, and how long individuals whose applications to buy their home have been stayed can expect to wait, to ensure individuals are not subjected to an indefinite wait. page 18

The Committee welcomes the Deputy Minister's commitment to consider the differences between Sections 37 and 40 on the consultation. page 21

Recommendation 4: The Committee believes that section 48 is ambiguous and recommends the Deputy Minister consider how to make clear that the power of entry refers solely to the offices of registered social landlords and not to the tenant's home. page 22

# 1. Introduction

1. On 22 November 2010, the Deputy Minister for Housing and Regeneration, Jocelyn Davies AM ("the Deputy Minister"), introduced the Proposed Housing (Wales) Measure ("the proposed Measure") and made a statement<sup>1</sup> in plenary the following day<sup>2</sup>.

2. At its meeting on 16 November 2010, the National Assembly's Business Committee agreed to refer the proposed Measure to Legislation Committee No.2 ("the Committee") for consideration of the general principles (Stage 1), in accordance with Standing Order 23.21. It also considered the illustrative timetable for Stage 1 scrutiny which had a deadline for the Committee to report on the proposed Measure no later than 17 December 2010. The Business Committee requested that the views of the Committee be sought on the timetable. The Committee considered a potential revised timetable at its meeting on 23 November which would allow them to report by 18 January 2011. The Business Committee agreed this reporting date.

### Terms of scrutiny

3. The Committee agreed the following framework within which to scrutinise the general principles of the proposed Measure:

To consider:

- the need for a proposed Measure to deliver the stated objectives of supporting: 'the effective delivery of affordable Housing in Wales.'
- ii) whether the proposed Measure achieves its stated objectives;
- iii) the key provisions set out in the proposed Measure and whether they are appropriate to deliver its objectives;
- iv) potential barriers to the implementation of the key provisions and whether the proposed Measure takes account of them;

<sup>&</sup>lt;sup>1</sup> ROP, 23 November 2010, available at: <u>http://www.assemblywales.org/bus-home/bus-chamber/bus-chamber-third-assembly-</u> rop.htm?act=dis&id=203752&ds=11/2010#dat3

<sup>(</sup>NB: unless otherwise stated, subsequent references in this report to RoP refer to the proceedings of the Legislation Committee No.2.)

<sup>&</sup>lt;sup>2</sup> A full meeting of the National Assembly for Wales

v) the views of stakeholders who will have to work with the new arrangements.

### The Committee's approach

4. The Committee issued an on-line consultation and invited key stakeholders, primarily from within the field of housing organisations, to submit written evidence to inform the Committee's work. A list of the on-line consultation questions and responses are attached at page 24.

5. The Committee took oral evidence from a panel of witnesses, details of which are attached at page 23.

6. The following report represents the conclusions and recommendations the Committee have reached based on the evidence received during the course of their work. Due to the time available the Committee was unable to evaluate the evidence received as thoroughly as they would have desired, and as such has avoided making firm recommendations and has suggested areas where the Deputy Minister may wish to consider making amendments to the proposed Measure.

7. The Committee would like to thank all those who have contributed.

## 2. Background

### The National Assembly's legislative competence to make the proposed Measure

8. The principal power to enable the National Assembly to make a Measure in relation to housing is contained in the National Assembly for Wales (Legislative Competence) (Housing and Local Government) Order 2010 ("the Order") which amends Part 1 of Schedule 5 to the Government of Wales Act 2006 in Field 11 (housing) and Field 12 (local government). Article 2 of the Order inserts 8 new Matters, 7 into Field 11 (Matters 11.2 to 11.8) and 1 into Field 12 (Matter 12.18). The Order came into force on 22 July 2010.

### Explanatory Memorandum

9. The Explanatory Memorandum<sup>3</sup> accompanying the proposed Measure states that:

"The proposed Housing Measure makes provision to support the more effective delivery of affordable Housing in Wales."

10. The Explanatory Memorandum explains:

"The proposed Housing Measure will take forward the commitment made in the *One Wales* coalition document enabling the Welsh Ministers, on application from a Local Housing Authority, to temporarily suspend the Right to Buy, the Preserved Right to Buy and the Right to Acquire held by tenants of a social housing provider in Wales, in areas of housing pressure.

The proposed Measure will also provide Welsh Ministers with enhanced regulatory and intervention powers concerning the provision of housing by Registered Social Landlords."

<sup>&</sup>lt;sup>3</sup> Welsh Assembly Government, *Explanatory Memorandum to the Proposed Housing* (Wales) Measure

# 3. General Principles and the need for legislation

#### Background

11. The purpose of the proposed Measure is to make provision to support the more effective delivery of affordable housing in Wales. The proposed Measure aims to take forward the commitment made in the *One Wales*<sup>4</sup> coalition document enabling the Welsh Ministers, on application from a Local Housing Authority, to temporarily suspend the Right to Buy, the Preserved Right to Buy and the Right to Acquire held by tenants of a social housing provider in Wales, in areas of housing pressure.

12. The proposed Measure will also provide Welsh Ministers with enhanced regulatory and intervention powers concerning the provision of housing by Registered Social Landlords.

### Evidence from witnesses

13. During oral evidence when asked if they agreed with the general intent of the proposed Measure, all witnesses confirmed that they were supportive of the general principles and the need for legislation.

14. Witnesses believed the level of preparation and consultation which had taken place prior to the introduction of the proposed Measure has been more than adequate. The Chartered Institute of Housing Cymru (CIH Cymru) said that:

"I think that the development ... has been subject to a lot of engagement and involvement across the housing sector... We have ensured that there has been full consultation with our members, but there has also been great deal of engagement through the Assembly Government itself."<sup>5</sup>

15. The Welsh Local Government Association (WLGA) said that they were "in absolute agreement"<sup>6</sup> with the CIH Cymru's comments.

<sup>&</sup>lt;sup>4</sup> Welsh Government, *One Wales Agreement*, June 2007. Available at: http://wales.gov.uk/strategy/strategies/onewales/onewalese.pdf?lang=en

<sup>&</sup>lt;sup>5</sup> ROP, paragraph 14, 2 December 2010

<sup>&</sup>lt;sup>6</sup> Ibid, paragraph 15

16. Community Housing Cymru agreed with the need for the legislation, but said:

"We should have done it years ago. This is like shutting the stable door after the horse has bolted."<sup>7</sup>

17. They also said that:

"There has been quite a long gestation period, so I do not think there is anything in the proposed Measure that surprises anybody in the social housing sector, I would be shocked if there were."<sup>8</sup>

18. The Committee received ten responses to the on-line consultation. Of these, five respondents agreed that the proposed Measure would achieve its intended objective of reducing housing pressure in Wales. One respondent was unable to comment whilst the remaining four felt that the proposed Measure would not achieve its intended objective.

19. Responding to the online consultation The Pearls Trust agreed that the proposed measure would achieve its aims, and further believed that "social housing should not have been made available for council tenants to buy"<sup>9</sup>.

20. One of the respondents, who did not agree that the proposed Measure would achieve its intended objective stated:

"the impact of the right to buy is no longer significant to reduce housing pressure...removing the right to buy just takes away aspirations from our tenants."<sup>10</sup>

21. When considering the general principles of the proposed Measure the Committee also considered the other options that maybe available to reduce housing pressure in Wales, as detailed in the Regulatory Impact Assessment.

22. Witnesses did not believe that reducing the discount available to tenants would be the most effective way to ease social housing pressure in Wales. The CIH Cymru said:

<sup>&</sup>lt;sup>7</sup> ROP, paragraph 54, 2 December 2010

<sup>&</sup>lt;sup>8</sup> Ibid, paragraph 18

<sup>&</sup>lt;sup>9</sup> Written evidence, HM4

<sup>10</sup> Ibid, HM1

"Any discount, no matter how small, would act as an incentive...It would incentivise people to buy their properties."

23. The WLGA believed that suspending the right-to-buy was a more targeted and strategic approach than reducing the discount available, which would affect the whole of Wales rather than just the areas that are under specific pressure. The WLGA said:

"if you had a general reduction in the discount, that would have a wide effect on the whole of Wales. The proposal to have suspension in pockets provides a more strategic approach to the issue."<sup>12</sup>

24. Shelter Cymru agreed that suspending the right-to-buy would allow flexibility in areas of housing pressure:

"We welcome the intention to make the Right to Buy (RTB) proposals flexible in terms of allowing local authorities to target suspension at types of properties and areas of pressure."<sup>13</sup>

25. The Welsh Tenants Federation agreed and said that reducing the discount would not be "as effective as a suspension"<sup>14</sup> and suggested that "suspension is the appropriate way forward".<sup>15</sup>

#### Evidence from the Deputy Minister

26. The Deputy Minister said there has been support for the proposed Measure, and local authorities see it as an important step. She said:

"We know that several local authorities have encouraged us ..., which is why I suppose the proposed Measure has had the support of the Welsh Local Government Association."<sup>16</sup>

27. The Deputy Minister continued to explain the proposed Measure allows for a temporary suspension which would give "respite in areas of extreme pressure"<sup>17</sup> and allow for something to be done to relieve

<sup>&</sup>lt;sup>11</sup> ROP, paragraph 45, 2 December 2010

<sup>&</sup>lt;sup>12</sup> Ibid, paragraph 47

<sup>&</sup>lt;sup>13</sup> Written Evidence HM9

<sup>&</sup>lt;sup>14</sup> ROP, paragraph 48, 2 December 2010

<sup>&</sup>lt;sup>15</sup> Ibid, paragraph 48

<sup>&</sup>lt;sup>16</sup> ROP, paragraph 26, 9 December 2010

<sup>&</sup>lt;sup>17</sup> Ibid, paragraph 16

housing pressures during the suspension period. The Deputy Minister continued to state:

"We certainly do not want to undermine aspirations, and no tenant would be prevented, although such aspirations may have to be put off for a few years while the suspension is in place."<sup>18</sup>

28. When considering the other options available to reduce housing pressure in Wales, the Deputy Minister said suspension of the right to buy was considered the most effective method as the maximum level of discount available under the right to buy scheme is currently £16,000. She said:

"We feel that if you go below that level – and it is lower in Wales than it is in England- it is no longer a low-cost home ownership scheme. So, we want to find the balance between offering a discount, in effect fulfilling those home ownership aspirations, and making finance work."<sup>19</sup>

Our View

The Committee notes the support received for this proposed Measure, and has considered other options available to reduce housing pressure in Wales. The Committee also recognises that extensive consultation has been undertaken by the Welsh Government prior to the introduction of the proposed Measure. The Committee supports the general principles of the proposed Measure.

However, Paul Davies AM, Welsh Conservative, objects to the suspension of the right-to-buy and believes this suspension will not achieve the aims of the proposed Measure.

<sup>&</sup>lt;sup>18</sup> ROP, paragraph 16, 9 December 2010

<sup>&</sup>lt;sup>19</sup> Ibid, paragraph 29

## 4. Part 1: Suspension of the Right to Buy and Related Rights

#### Background

29. The proposed Measure would provide that local authorities are eligible to apply to the Welsh Ministers to issue a direction to suspend the right to buy in a clearly identified area. The proposed Measure provides for a suspension period of up to five years, with a further extension to a maximum of ten years. Only local authorities can apply to suspend the right to buy.

30. The proposed Measure also details what should be included in an application from a local authority to suspend the right to buy.

### Evidence from witnesses

31. Community Housing Cymru agreed that only local authorities should be able to apply for a suspension of the right to buy, as local authorities are best placed to decide whether an application is appropriate in terms of addressing housing provision in their area. They said:

> "Putting local authorities at the centre of this is absolutely right. They are the strategic housing enablers; they are in the best position to know the local circumstances and the local housing needs."<sup>20</sup>

32. Commenting on the application process, the Welsh Tenants Federation believed the proposed Measure provides adequate details of what is required from local authorities to obtain a suspension. They said:

> "I think that the application process sets out what local authorities are required to do to obtain their suspension: the consultation with existing stakeholders, including housing associations and various others in the area, to provide evidence that there is a mismatch between supply and demand. That mismatch could be addressed by the suspension, as a suspension could consider how to respond to that, and monitor

<sup>&</sup>lt;sup>20</sup> ROP, paragraph 32, 2 December 2010

and evaluate it. I think that there is adequate provision within the proposed Measure to how to apply and respond to that."<sup>21</sup>

33. Whilst The Welsh Tenants Federation felt that the application process "adequately explains what is required"<sup>22</sup> they felt that the consultation requirements detailed under Section 2 should be extended to allow for consultation with neighbouring local authorities to establish the impact that a suspension might have in the neighbouring authority. They went onto add:

"where the local authority is looking within its borders, the market is not just contained by those borders and goes beyond local authority boundaries. So, the supply and demand issue can be influenced by external factors. Perhaps there should be a requirement in the proposed Measure to consult neighbouring local authorities on the impacts that a suspension might have."<sup>23</sup>

34. All witnesses believed that the duration of the suspension period was reasonable. Community Housing Cymru said that:

"The feeling was that things like this have to bed in before you can judge the impact of the aim, which is to do something about the supply. In the end, a lot of us came to the view that five years seemed to be a reasonable timescale for this."<sup>24</sup>

35. They WLGA agreed that five years was a reasonable period. They said that:

"After all the debate and consideration across the housing sector and local government, there was a feeling that five years was about right. It is appropriate to have a review period, particularly given the changes in the housing market that we have seen over the past five years."<sup>25</sup>

36. Witnesses also agreed that the extension available under Section 20 of the proposed Measure, to a maximum suspension of ten years was reasonable. CHI Cymru said that the:

<sup>&</sup>lt;sup>21</sup> ROP, paragraph 29, 2 December 2010

<sup>&</sup>lt;sup>22</sup> Ibid, paragraph 29

<sup>&</sup>lt;sup>23</sup> Ibid, paragraph 31

<sup>&</sup>lt;sup>24</sup> Ibid, paragraph 36

<sup>&</sup>lt;sup>25</sup> Ibid, paragraph 40

"...market is volatile and dynamic and ... we are living in a time when right-to-buy sales are suppressed, but that might not be forever, for all sorts of reasons and changing conditions. So, five to 10 years seems to be a reasonable time, but anything beyond that would be moving into the territory of the long-term abolition of the right to buy."<sup>26</sup>

#### Evidence from the Deputy Minister

37. In response to the suggestion that the consultation in Section 2 should be extended to the neighbouring local authorities, the Deputy Minister believed this was a matter which could be decided by individual local authorities when they're undertaking their consultation, the Deputy Minister stated:

"Section 2 on consultation clearly says 'such other persons as the authority considers appropriate."<sup>27</sup>

38. She went onto say:

"It depends on the area being considered for the suspension. It might not be on the boundary of another local authority area. It could be a very small area in the middle of a local authority rather than on the edge, and it might not have any impact at all."<sup>28</sup>

39. The Deputy Minister said she said that she had no objections to consultation taking place with neighbouring authorities and she wanted to see "as much consultation as is appropriate to the situation."<sup>29</sup>

40. The Committee raised concerns with the Deputy Minister relating to the processes outlined in Section 29(2) of the proposed Measure, which relates to repeat applications, whereby if the Welsh Ministers have refused to grant an application for a direction an authority cannot apply for a direction that is substantially the same, for a period of one year from the date of refusal.

41. A lawyer accompanying the Deputy Minister stated:

<sup>&</sup>lt;sup>26</sup> ROP, paragraph 39, 2 December 2010

<sup>&</sup>lt;sup>27</sup> ROP, paragraph 42 & 43, 9 December 2010

<sup>&</sup>lt;sup>28</sup> Ibid, paragraph 46

<sup>&</sup>lt;sup>29</sup> Ibid, paragraph 52

"Section 29 of the proposed Measure deals with restriction on repeat applications. The first part of that states that one has to wait a year before reapplying when Welsh Ministers have refused an application. Subsections (3) and (4) state that if you have applied for a direction and have gone up to the end of the 10-year period, you have to allow a year before you can make a fresh application."<sup>30</sup>

42. The Committee also questioned the Deputy Minister on the provisions under Section 31. This allows individual applications from tenants implementing their right to buy to be stayed, whilst Welsh Ministers deal with local authority applications to suspend the right to buy. Concerns were raised by the Committee about how long the application process would take and whether individual applications would be stayed indefinitely whilst Welsh Ministers deal with local authority applications deal with local authority applications with local applications would be stayed indefinitely whilst Welsh Ministers deal with local authority applications on right to buy.

43. The Deputy Minister did not believe this would pose any problems as she envisaged applications being dealt with relatively quickly. She said:

"We do not think that it would take very long and we have had experience because we now would require local authorities to submit to us their affordable housing delivery statements, which probably would be more in line with what we would expect these applications to consist of."<sup>31</sup>

44. When asked whether the Deputy Minister had considered stipulating a period of time in the proposed Measure in order to give tenants who want to buy their property some kind of certainty, she said:

"It is something that I thought about...If we stipulated so many weeks or months, what would happen if that was exceeded? Would the application succeed or be defeated? I was not sure. So, I do not think that we would want to be in that position because, if the application was then rejected, the other statutory procedures would mean that that local authority, through no fault of its own, could not then make another

<sup>&</sup>lt;sup>30</sup> ROP, paragraph 65, 9 December 2010

<sup>&</sup>lt;sup>31</sup> Ibid, paragraph 81

application for 12 months. If you say that the application would succeed, the conditions may not have been met."<sup>32</sup>

Our View

**Recommendation 1:** 

The Committee recommends the Deputy Minister consider whether Section 2 of the proposed Measure should be amended to strengthen the application process to include consultation with neighbouring local authorities regarding the impact that a suspension of right to buy may have.

**Recommendation 2:** 

The Committee recommends the Deputy Minister revisit Section 29 to review the timescales allowed for repeat applications

**Recommendation 3:** 

The Committee recommends the Deputy Minister consider amending Section 31 of the proposed Measure to include timescales for consideration by the Welsh Ministers of local authorities' applications to suspend the right to buy, and how long individuals whose applications to buy their home have been stayed can expect to wait, to ensure individuals are not subjected to an indefinite wait.

<sup>&</sup>lt;sup>32</sup> ROP, paragraph 87, 9 December 2010

#### Background

45. The Explanatory Memorandum states:

"working closely with the sector and other stakeholders, new key principles have been developed with a new approach to regulation in Wales. Wide consultation has taken place which has received positive feedback and support for this approach."

#### Evidence from witnesses

46. All witnesses welcomed the new regulatory framework that is being developed for RSLs and believed that the proposed Measure was a necessary part of that framework. The WLGA said that:

"The framework as a whole is welcome and long overdue...Importantly this will give lenders confidence and ensure some sustainability for the RSL sector."<sup>33</sup>

47. The Welsh Tenants Association said that they had been extensively involved as an organisation in the development of the regulatory framework and they felt that:

"the Deputy Minister requires the power to conduct interventions in cases where that power has not existed in the past. We think that those interventions are appropriate, given the current circumstances in housing."<sup>34</sup>

48. Witnesses were also content with the consultation that was undertaken on the new regulatory framework. Community Housing Cymru said that:

"The way in which this new regulatory framework has been put together, involving all the stakeholders who are involved in the process, was one of the recommendations that came out of the review by Sue Essex."<sup>35</sup>

<sup>&</sup>lt;sup>33</sup> ROP, paragraph 65, 2 December 2010

<sup>&</sup>lt;sup>34</sup> Ibid, paragraph 62

<sup>&</sup>lt;sup>35</sup> Ibid, paragraph 70

49. The WLGA agreed that it had been "developed in a collaborative way, which gives it an enormous amount of strength."<sup>36</sup>

50. The Welsh Tenants Federation also commented on the consultation process, they added:

"We have been engaged extensively, on a local, regional and national level. We have been engaged at every stage of the process, and our ideas have been taken on board, for example, setting up the tenants advisory committee that will sit alongside the regulatory board that will have access to the Deputy Minister to address those issues from a consumer or service user perspective. So we have been pleased at the way that we have been consulted on these matters."<sup>37</sup>

51. All witnesses welcomed the powers provided in section 35 which would allow Welsh Ministers to set standards of performance for RSLs. The WLGA said that:

"It is absolutely right that a crucial part of the regulatory framework is a set of standards. Those should set a direction of travel as well as describing where we are now—in other words, the aspirations for the sector. So, yes, it is right and proper that Ministers set those standards."<sup>38</sup>

52. The Welsh Tenants Federation also agreed that it is important for Welsh Ministers to have strategic direction but also "it is important that service users can influence standards locally."<sup>39</sup>

53. It was noted that different consultation provisions existed between Sections 37 and 40, which both amend the Housing Act 1996. Section 37 provides that Welsh Ministers must consult one or more bodies appearing to them to represent the interests of registered social landlords, whilst Section 40 provides a list of relevant bodies who must be consulted.

<sup>&</sup>lt;sup>36</sup> ROP, paragraph 72, 2 December 2010

<sup>&</sup>lt;sup>37</sup> Ibid, paragraph 73

<sup>&</sup>lt;sup>38</sup> Ibid, paragraph 82

<sup>&</sup>lt;sup>39</sup> Ibid, paragraph 83

54. Witnesses believed that the consultation detailed under Section 37, should be extended to include national representative organisations and tenants groups.<sup>40</sup>

55. When asked whether Section 48, which refers to powers of entry and inspection, could be perceived as being ambiguous witnesses agreed it may be. The Welsh Tenants Federation said that:

"Tenants are entitled to peace and quiet and the enjoyment of their home. The way that it is worded is a bit ambiguous, and I believe that it was meant to be in relation to those offices."<sup>41</sup>

#### Evidence from the Deputy Minister

56. In response to the different consultation provisions between Section 37 and Section 40 a lawyer accompanying the Deputy Minister said:

> "This has been drafted so that the consultation requirements in sections 37 and 40 are slightly different, because it was felt that they were slightly different audiences. However, we understand the points, and we are looking at the possibility of introducing an amendment in relation to that point."<sup>42</sup>

57. In response to the suggestion that the wording of Section 48 relating to the powers of entry and inspection was ambiguous, the Deputy Minister said:

"Obviously, it is not intended to refer to dwellings, and refers only to those premises that registered social landlords occupy... I would be happy to look at the wording to see whether we could improve it. I am happy to put on record that it is not intended for entry into tenants' dwellings."<sup>43</sup>

#### Our View

The Committee welcomes the Deputy Minister's commitment to consider the differences between Sections 37 and 40 on the consultation.

<sup>&</sup>lt;sup>40</sup> ROP, paragraph 100, 2 December 2010

<sup>&</sup>lt;sup>41</sup> Ibid, paragraph 118

<sup>&</sup>lt;sup>42</sup> ROP, paragraph 110, 9 December 2010

<sup>&</sup>lt;sup>43</sup> Ibid, paragraph 117

**Recommendation 4:** 

The Committee believes that section 48 is ambiguous and recommends the Deputy Minister consider how to make clear that the power of entry refers solely to the offices of registered social landlords and not to the tenant's home.

## Witnesses

58. The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at <u>http://www.assemblywales.org/bus-home/bus-committees/bus-committees-perm-leg/bus-committees-third-lc2-agendas.htm</u>

#### 2 December 2010

Sue Finch	Welsh Local Government Association
Steve Clark	Welsh Tenants Federation
Keith Edwards	Chartered Institute of Housing Cymru
David Hedges	Community Housing Cymru
9 December 2010	
Jocelyn Davies AM	Deputy Minister for Housing and
	Regeneration, Welsh Assembly
	Government

# On-line consultation questions and responses

#### Questions

1. Do you think the proposed Measure will achieve its intended objective of reducing housing pressure in Wales?

2. Do you have any concerns about any provisions within the proposed Measure?

3. What are the potential barriers to implementing the provisions of the proposed Measure (if any) and does the proposed Measure take account of them?

4. What are the financial implications of the proposed Measure for organisations, if any? In answering this question you may wish to consider Section 2 of the Explanatory Memorandum (the Regulatory Impact Assessment), which estimates the costs and benefits of implementation of the proposed Measure

5. Do you have any comments on the Subordinate Legislation Provisions in the proposed Measure?

Name / Organisation	Reference	Response
Tanya Aicardi	HM1	Q1 - No The take up for the right to buy is very poor the saving of 16,000 on an approx. cost of property being around 100,000 does not make it viable for most tenants. The impact of the right to buy is no longer significant enough to reduce housing pressure. Q2 - Removing the right to buy just takes away aspirations from our tenants and I find it a very depressing prospect. Q3 - Equality, removal of tenants choice Q4 - Since transfer our organisation has only sold 6 properties, this would have little impact on housing shortages, although it generated 600,000 plus to be reinvested. This could be used to replace the removal of the Social Housing Fund. Q5 - No

The following people and organisations responded to the Committee's on-line consultation:

<b></b>		
David Jones, individual	HM2	Q1 - Yes It will provide some slack in an otherwise very tight available housing market. This measure if in place for 5 years would help. The measure will also require the construction of affordable housing to continue to reasonably affordable levels during the period. The measure could then be revisited in 5 years if necessary to release some properties back to "right to buy" or to continue with the measure if deemed acceptable. Q2 - No Q3 - There should be none. The majority of people have no access to favourable right to by initiatives. Many who have taken advantage of this could easily have afforded mortgages and have thus deprived those with genuine need the access to an affordable property! Q4 - It should be more financially beneficial to local authorities in the long term. Q5 - No
S	HM3	Q1 - No
Pearl Press, The Pearls Trust	HM4	Q1 - Yes Because it will preserve Local Authority housing stock. Q2 - No. I hold the opinion that social housing should not have been made available for council tenants to buy under the right to buy during the period of the conservative government. Q3 - In areas not under housing pressure, Local Authority housing would not be available under the right to buy. However, This is taken account of by the Local Authority applying for a suspension. Q4 - Although Local authorities would not have the revenue from the sale of council housing stock to invest in new housing, they can still collect the rents from these properties.

		Q5 - No
Neil McKenzie, Friends of Plas Gogarth	HM5	Q1 -Yes Help sustain provision of rented housing Q2 - local councils may delay unnecessarily the return to free market right to buy
Gordon Sollis, Methodist Minister replying as an individual	HM6	Q1 - No The pressure on housing seems to me to be about more individuals wanting to live independently right across the age range. It is also about relying on developers of private housing to include social, affordable housing in their developments. The main fault of the right to buy was that local authorities couldn't use the proceeds to replace the housing stock at the rate that it was being lost.
Marie, individual	HM7	Q1 - No
Suzanne Gorst, HM Land Registry	HM8	Q1 - Land Registry is not in a position to comment on this question. Q2 - Land Registry deals with applications for registration of right to buy ("RTB") transfers (which expression includes the preserved right to buy and the right to acquire, as in clause 2.5 of the Explanatory Memorandum). Land Registry is concerned to know what would be the effect of a RTB transfer which was entered into during a period of suspension? The proposed s.122B states that, while the direction has effect, the tenant may not claim to exercise the right to buy under section 122. However if for some reason (perhaps an error) a tenant did claim to exercise the right and a transfer was entered into as a consequence, what would be the effect of that transfer? This is a matter of importance to Land Registry because if we were to register a transfer which subsequently turned out to be invalid

		for some reason (for example, because the tenant was not entitled to claim to exercise the right to buy), there may be a mistake in the register and a claim to indemnity may potentially arise. However, it would be onerous and difficult for Land Registry caseworkers to investigate, in each application involving a RTB transfer, whether or not the property is affected by a suspension order. Q3 - No comment Q4 - If it was considered to be necessary for Land Registry to take steps to ascertain, in each case involving a RTB transfer, that the right had not been suspended, this would potentially involve additional processing costs (because additional investigations would be needed). In addition there are the potential indemnity implications mentioned above in the response to question 3. Q5 - Land Registry has no comment.
John Pritchard Shelter Cymru	HM9	Q1 - Yes We welcome the measure and the intention, as set out in paragraphs 3.8 – 3.11, to help maintain the remaining stock of affordable housing in pressured areas for rent by people in housing need. The measure will assist in relieving the housing pressure in some areas but only, as suggested in paragraph 3.8 of the explanatory memorandum, if local authorities and their partners actively put other plans in place to provide suitable homes. The impact assessment section of the explanatory memorandum touches on this and Shelter Cymru believes that it is imperative that housing providers and their partners work more effectively to e.g. make better use of existing stock such as empty properties, ensure that initiatives such as the Welsh Housing Investment Trust (WHIT) are fully exploited, and actively support and develop initiatives such as Community Land Trusts (CLT's) in order to provide affordable

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	homes. The Assembly should also explore
	making better use of the private rented
	sector, including legislative reform, to
	ensure that this sector is more of a choice
	for people in housing need i.e. in terms of
	security, affordability and standards. We
	welcome the intention to make the Right to
	Buy (RTB) proposals flexible in terms of
	allowing local authorities to target
	suspension at types of properties and areas
	of pressure. Shelter Cymru's position
	remains that a future Welsh Government
	should have the powers to completely
	abolish the Right to Buy with the discount
	available to subsidise the scheme being
	more effectively invested in housing,
	including supporting schemes such as
	homebuy and shared equity. In terms of the
	regulation of Registered Social Landlords
	(RSL's) we agree with the need to create a
	more effective and transparent system of
	regulation that will help RSL's deliver more
	affordable homes. With the continued move
	towards large scale stock transfer, we
	believe that effective regulation of RSL's –
	while enabling them to flexibly increase
	their work in providing more affordable
	homes in Wales – is becoming ever more
	important. The principles in 3.18 appear
	good ones to underpin the regulatory
	system in terms of driving accountability, a
	citizen focused approach, maintain
	transparency, help deliver consistency, and
	retain independence. We believe that RSL's
	should, in general, be more active in
	working with local authorities to deliver
	homes for people in housing need and
	possibly this should be reflected in the new
	regulatory system. This would contribute
	towards accountability and deal with long
	running issues within the relationship
	between RSL's and the strategic role of Local
	Authorities. With stock transfer being the
	preferred method for delivering the Welsh
	Housing Quality Standard in many areas, it
	is important that RSL's continue to provide
	affordable homes and work more effectively
	with local authorities in enabling people
	who are homeless and in housing need to
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accoss desent homes. This would also
access decent homes. This would also
reflect a finding of the previous
consultation, as identified in the fifth bullet
point in paragraph 4.13 of the explanatory
memorandum.
Q2 - We believe that the period of
suspension should be determined by a
realistic affordable homes action plan that
local authorities should produce. As such,
the length of suspension should be
determined by local housing needs and the
time within which the local authority
proposes to meet those needs. In our view it
would be better to give local authorities and
their partners the opportunity to suspend
the RTB for longer than five years if they
could demonstrate that their plans might
take longer. We therefore agree that it
should be possible to review a period of
suspension e.g. 3 or 4 years into the period
a local authority might review the 5 year
period and apply for an additional
suspension. (3.38) Similarly (3.40) why, if
the case merits it, should a period of
suspension not be longer than 10 years?
The effect of suspending the RTB on the
individual business plans of RSL's (3.35)
should be taken into account, but shouldn't
outweigh the broader case for suspending
the RTB in areas of housing pressure.
Q3- The major issue is the action that local
authorities, their partners and the Assembly
Government take to drive forward the
provision of affordable homes during any
period of suspension and how actively these
plans are implemented. Making the best use
of existing local stock, providing new homes
and supporting local investment in homes
will be crucial to delivering suitable homes
while the RTB is suspended. Local
Authorities and their partners currently have
many of the powers required to deliver more
affordable homes however, as housing is
not usually seen as a high priority by
decision makers at a corporate level in many
areas, the required investment has not been
provided. Making use of the powers in the
Measure and making the provision of decent
housing a corporate priority is therefore

Martyn	HM10	<ul> <li>imperative.</li> <li>Q4 - There could be some less money available to spend on maintaining properties from the receipts of right to buy sales.</li> <li>Historically however, LA's have not generally spent the 25% of receipts to which they access on providing new homes. With the dwindling number of RTB sales this funding stream will also not be significant for many areas. Social landlords will have to identify alternative resources to provide continued maintenance of the stock that remains in RSL/LA control. In terms of more effective regulation of RSL's, we would hope that, as noted in the impact assessment (10.17), an improved regulatory system will provide additional confidence to lenders to increase investment in the sector.</li> <li>Q5 - We do not have any comment on the powers to make subordinate legislation with regard to the implementation of the measure as set out in the memorandum.</li> <li>Q1. We support in principle the power for Welsh Ministers to suspend the Right to Buy</li> </ul>
Jones Equalities Policy Advisor Age Cymru		in areas of housing pressure. Suitable housing is a fundamental pillar of a successful community and older people must be supported to live safe, independent and active lives in the setting most appropriate to them. In Wales, 16 per cent of households with someone aged over 60 live in local authority or housing association owned properties. Suitable Housing Stock Pressures on social housing supply can impact upon the provision of suitable accommodation for older members of the community. Older people have informed us through the 'Community Calculator' that they have particular concerns regarding the availability of specific types of property such as bungalows in particular. Indeed, some have raised the issue of the sale of council properties as problematic in itself. It is crucial that all registered social landlords maintain accurate and up to date records of housing stock to facilitate the allocation of suitable accommodation to older people. We want to see all new homes in Wales built

to Lifetime Home standards, making them suitable to people of all ages. The Welsh
Assembly Government committed in the
2001 Wales Housing Strategy, Better Homes
for People in Wales, to ensuring that all new housing built by registered social landlords
meets Lifetime Homes standards and we
would like to see this commitment extended
to all new housing in Wales.
Adaptations
We are also supportive of moves to provide
Welsh Ministers with enhanced regulatory
and intervention powers concerning the provision of housing by Registered Social
Landlords.
The majority of older people wish to
continue to live independently at home even
when they have care needs, and adaptations
and maintenance services can greatly assist
them to do so. Minor adaptations such as grab rails, stair rails and ramps can be
equally as effective as more complex
adaptations like stair lifts, level access
showers and doorway widening as well as
structural work. Access to services that
support older people to live at home are
crucial to their well-being and independence. Unfortunately, Age Cymru
Information and Advice services are unable
to signpost enquirers living in social
housing to partner agencies such as Care
and Repair as their remit covers
homeowners only, so council tenants miss
out on the expertise that they can offer in regard to helping people apply for financial
assistance for repairs/adaptations and
finding quality trades people.
In evidence we provided to the Equality of
Opportunity Committee of the National
Assembly for Wales in December 2008 we
noted that our case studies indicate that waiting times adaptations remain extensive
in many local authorities. Even for relatively
simple and minor adaptations, such as the
installation of a bath seat, the process
frequently takes in the region of 6 - 9
months. In many cases people can be
waiting approximately 3 months before even
receiving an initial assessment and we are

aware of one case where a social services department was operating an assessment waiting list of up to 9 months. It is unacceptable for older people in need to have to wait an extended period of time for basic adaptations that are essential for their safety, dignity and hygiene. In some circumstances the delay might have significant consequences for older people who may be at high risk of dangerous falls as a direct result of continuing to live in unsuitable or unsafe accommodation. Injuries from falls are by far the greatest cause of hospitalisation amongst older people and falls are the leading cause of death from injury in people over the age of 75. Falling is also the primary cause of over 40% of admissions to a nursing home (National Service Framework for Older People; Welsh Assembly Government, 2001). Therefore investing in these relatively modest preventative services can provide significant savings in expensive health and social care costs in the long-term. It is critical that these essential support services are provided swiftly and in a responsive way, regardless of tenure and location. In particular, the Welsh Assembly Government should seek to ensure that local authorities are required to make sufficient grant money available for repairs and adaptations in properties that they own to ensure that older tenants are living in safe and secure properties which meet their needs. We also believe that improved regulation of Registered Social Landlords (RSLs) may enable the Welsh Assembly Government to ensure that they also provide suitable adaptations and improvements for older tenants when required. Diverse Needs
It is important that older people have access to a range of good-quality housing options which meet their needs as they get older and some older people may have distinct needs in relation to housing provision. A report by the Older Lesbian, Gay, Bisexual and Transgender (LGBT) Network
highlighted specific needs in relation to

housing provision and recommended that
awareness training should be undertaken by
all housing service providers to raise
awareness of the housing needs of LGBT people in Wales. Minority ethnic and refugee
older people also face particular housing
issues, however to date provision of
culturally appropriate housing options for
this group has been extremely limited.
Whilst we acknowledge that suspension of
the Right to Buy may have limited impact on
these matters, we feel that increased powers
for Ministers over the regulation of Registered Social Landlords in Wales may
however enable them to ensure that housing
better meets the specific needs of
marginalised groups. This will be of
particular relevance to groups that are
vulnerable to multiple forms of
discrimination and exclusion such as older
minority ethnic of LGBT people. Conclusion
Age Cymru supports the stated intentions of the Welsh Assembly Government in
introducing the proposed Housing (Wales)
Measure and believe that increased powers
in this area may allow the Welsh Assembly
Government to ensure that older people in
Wales have access to suitable housing
options regardless of tenure. We were pleased to submit a response to
the "Sustainable Homes: A National Housing
Strategy for Wales' consultation in 2009 and
to see many of our comments captured in
the National Assembly for Wales Equality of
Opportunity Committee 'Still Waiting: Home
Maintenance and Adaptations Services for
Older People in Wales' report in July 2009. We were also part of the advisory group that
informed the equality impact assessment of
the Assembly Government's National
Housing Strategy.
We would strongly advise that, if agreed by
the National Assembly, subsequent steps
taken following the Proposed Housing (Wales) Measure reflect the
recommendations made in the
aforementioned documents. This would help
to ensure that the Measure delivers the best

possible outcomes for older people. Age Cymru would be pleased to work with the National Assembly for Wales and Welsh Assembly Government in the development
of future work in this area.