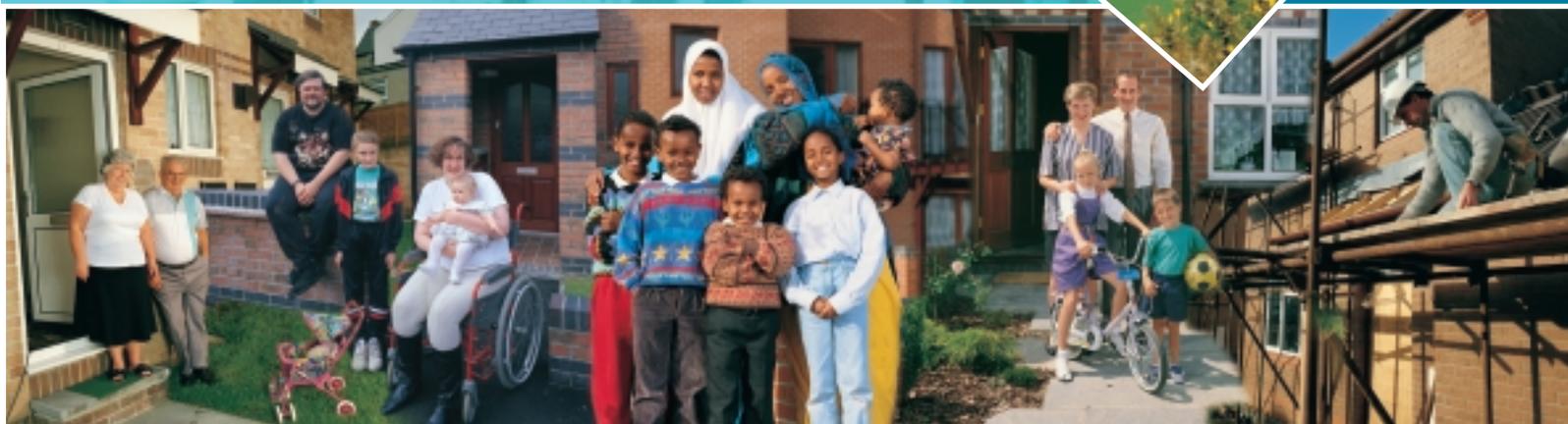


# Better Homes for People in Wales

A National Housing  
Strategy for Wales





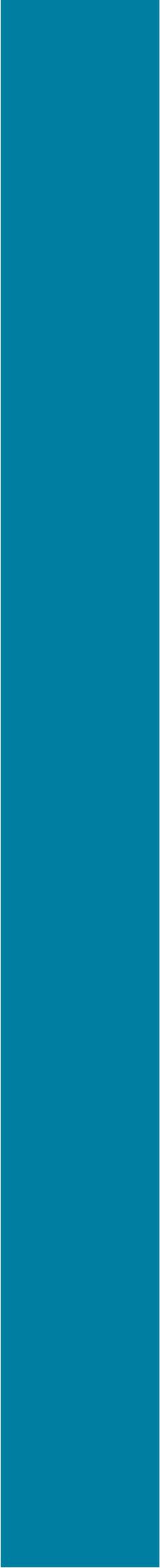
# Better Homes for People in Wales

## A National Housing Strategy for Wales

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## FOREWORD

### Ministerial statement by Edwina Hart AM, Minister for Finance, Local Government and Communities.

I would like to thank all those who responded to our consultation paper 'Better Homes for People in Wales', which we issued in January this year. Your contributions have helped to further refine the proposals formulated following the work of the four housing strategy task groups. There was a broad endorsement of the majority of our draft proposals and this is reflected in this strategy document. You will see also evidence of our acting upon your views, in amending and supplementing those proposed measures, where we had not got things right. A similar format has been adopted in setting out our strategy, which seemed to generally meet with approval, enhanced where 'Better Homes' was considered deficient. However, we will in future be providing these housing policies in a loose-leaf format so that we can update wherever necessary to ensure the strategy remains a dynamic document.

We have a clear and unequivocal vision for housing in Wales with the introduction of an explicit statement of intent. Each section also offers an appropriate image of what we'd like to achieve. Linkages to the wider social services, health, economic and educational sectors have also been enhanced and we have tried to identify where a consolidated approach will be taken.

The call for additional funding in order to realise our aspirations is heard; we must recognise, however, the constraints imposed by the limited financial resources available. We will continue, nevertheless, to seek to innovate and to find the means to overcome the problems we face for housing in Wales. Good quality housing will be central to providing a "Better Wales". It is with this in mind that we have developed this strategy with policies tailored to our housing problems and issues. We have or will be setting realistic targets that we are sure will contribute to the improvement of the quality of the lives of people living in Wales.

I emphasise that this strategy is intended to be a working document, one that will continue to develop and accommodate the changing issues and problems as they arise. Its publication is, nevertheless, a milestone in what has been a long and often difficult process. We will never secure complete agreement on all aspects of housing policy, but we have taken forward the development of this strategy in good faith and sought to maximise the input from others.

I, therefore, commend to you the first national housing strategy for Wales, a policy that has been developed with our partners for all.

*Edwina Hart*



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## WELSH HOUSING - THE CONTEXT

We believe that tackling Welsh housing issues needs a radical approach: an approach that recognises that social, economic, environmental and cultural issues are inextricably linked. Delivering the vision described below will require sectors, organisations and individuals to work together in providing equality of opportunity within communities where no one is excluded. A major challenge, but one that we can and must deliver!

People's homes and their environment are critical to the quality of their lives. For most people, they are the foundation upon which their everyday life is based. They should be somewhere where people feel safe and comfortable. This means wind and weather-tight, well insulated and energy efficient, and with good amenities in a safe and congenial neighbourhood.

There is a multitude of other requirements which housing needs to fulfil for different types of households. For example, our children need to live in homes with space to play and privacy to learn, and many elderly households need homes that are adaptable with good access to local facilities.

As standards of living have risen in Wales, the quality of the vast majority of the nation's housing has reached a good standard. However, the quality of life of some people in Wales is being hindered because they live in homes or neighbourhoods that fall below even the most basic standards. Homes in poor condition and neighbourhoods in decline can exacerbate physical and mental health problems, and prevent children from fulfilling their true potential. For homeless people, the lack of their own secure home makes it almost impossible to establish stable, healthy, fulfilling lives.

People should not be denied a good home because of their social, cultural or ethnic background, or be stigmatised because of where they live. Wales should be a place where diversity is celebrated, and where equality of opportunity is a reality for all.

Individual homes cannot be divorced from the wider environment in which they stand. The well being of the wider community is integral to the security and enjoyment that households experience in their own homes. While most of our homes are located in vibrant and self-confident communities that play a full part in Welsh life, some people find themselves living in homes blighted by ugly, unclean surroundings amid social conflict and isolation. As past experience has shown, however, such communities can be turned around where the Assembly, its

partners and local people make a long term, joined-up commitment to investing resources and taking action.

The diversity of housing and communities in Wales is entwined with, and reflects, our geography, landscape and culture. These features vary across our urban, valley and rural settlements, and help to give Wales its unique beauty. Protecting this requires strengthening the social, cultural and linguistic ties that bind communities together, with 'Made in Wales' policies tailored to the unique character of our nation.

The influence of housing on the well-being of our economy is another dimension that has shaped this strategy. Private and public housing investment levels have a significant impact on the Welsh economy. For example, a buoyant housing market positively benefits the construction industry and our domestic market in household goods. Poor housing also generates fuel poverty, burdening already poor families with heating bills disproportionate to income, tying up money that could be better spent on food or other necessities.

Clear goals and targets against which achievement can be measured are needed to help us realise our vision that we set out in the following section. Many of the key targets in this strategy are long-term, reflecting the reality that making a real and enduring improvement will take considerable time and investment. To make a difference we must create and implement effective policies with the support of everyone involved.

## OUR VISION FOR HOUSING IN WALES

We want everyone in Wales to have the opportunity to live in good quality, affordable, housing; to be able to choose where they live and decide whether buying or renting is best for them and their families.

## REALISING OUR VISION

### Quality

The main theme that runs through our Strategy is quality. The aims, targets and actions set out are all directed towards making Wales' housing high quality in all aspects. We want homes that are in a good condition in safe neighbourhoods. We want better housing services and a greater choice for people over the types of housing and locations they live in.

## House Condition

Overall there has been a steady improvement in the condition of Welsh housing. It is estimated that, in 1986, almost 200,000 dwellings in Wales were unfit (according to the current fitness standard), some 19.5 per cent of the housing stock. By 1998, this had fallen to 98,000 dwellings, 8.5 per cent of the stock - with around 4 per cent of the current stock being in serious disrepair. But this is far from the complete picture. There is a great deal to be done both in our social housing and private housing sectors. We and our partners have a role to play in providing support to vulnerable and low-income households living in unfit housing. This is vital given the profound negative impact of poor housing on people's physical health, their safety and mental well being. In a wider sense, run-down housing causes other social and economic problems - communities become more prone to crime and vandalism, and attracting economic investment becomes much more difficult.

We want to eradicate poor housing across all tenures. ***That is why it is important that all households in Wales are given the opportunity to live in good quality homes i.e. homes which are:***

- in a good state of repair;
- safe and secure;
- adequately heated, fuel efficient and well insulated;
- contain up-to-date kitchens and bathrooms;
- well managed (for rented housing);
- located in attractive and safe environments; and
- as far as possible suit the specific requirements of the household (e.g. specific disabilities)

## Housing Tenure

For too long there has been a polarisation between renting and owning homes. This has often been represented as owning – good, renting – bad. We want to change this so that people have a real choice whether they rent or buy, with no significant variations in quality. We will be exploring how this can be effectively achieved with housing providers.

For clarity in this document however, we have set out our objectives on the basis of current tenure classification.

## Social Housing

Good quality social housing must be readily available for those who cannot afford to buy. That is why we will continue to work in partnership with developers and community groups to build on the high standards of housing design and estate layout that are now common across many parts of Wales' social housing stock.

We will also work with local authorities to tackle the backlog of improvements and repairs needed in much of their existing stock. We are not prepared to allow local authority housing to continue to deteriorate given the adverse impact this can have on the health and economic well-being of tenants. ***We are committed to bringing all existing social housing up to the quality standards, set out above, within ten years.***

We will continue to provide public funding to local authorities for the improvement of council housing. However, on the basis of current information, the sums available will be nowhere near sufficient to meet the repair and improvement liabilities that local authorities face to achieve the quality standard. There is no alternative but to find other ways to bring investment in to tackle the problem.

We have explored the possibility of allowing local authorities to form fully controlled companies so that they can borrow the money to undertake the investment needed. However, this would count as public expenditure and consequently impact on the National Assembly's budget. We have concluded, therefore, that for some local authorities, the only solution will be to transfer their stock. We explore the options for this in Chapter G.

Irrespective of ownership, the management standards of social landlords are an important issue for tenants. This is why ***we will promote efficient and effective social housing management and higher levels of tenant involvement.***

Reaching these levels means continuing to support and promote the innovation that Wales' social landlords have shown in the management of their stock and actions to regenerate disadvantaged communities. The consistent and rigorous application of Best Value principles across social housing will provide the framework to raise and continually improve management standards.

Social housing also works best where tenants are empowered to voice their views and contribute to decisions about their community. Tenant Participation Compacts offer a means by which under-represented groups can be brought into the decision-making process, groups such as young people, the least well-off, black, minority ethnic people and the disabled.

On many social housing estates anti-social behaviour and neighbour nuisance are undermining people's enjoyment of their homes. ***We will support initiatives to tackle these problems.***

A multi-agency approach is required to fully address these issues in a realistic and comprehensive way. Consequently, we are supporting a range of housing-related initiatives that should contribute to Local Crime and Disorder Reduction Strategies, aimed at addressing the causes and consequences of crime and anti-social behaviour. These include the use of neighbourhood wardens, closed-circuit television and "Secured by Design" programmes to provide an effective response. They also include mediation services, risk assessments and support and advice services to prevent circumstances developing which might result in anti-social behaviour.

In many cases these initiatives will cover housing in the private sector, as such problems can be equally applicable to areas with owner occupied and private rented properties.

It is estimated that the number of households needing accommodation in Wales will increase by 140,000 (a 12 per cent increase) between 1996 and 2016. The scale of this increase means that there is likely to be a need for extra social housing between now and 2010. But we must learn from past experience and ensure that what we provide is sustainable. ***We are committed to achieving this.***

We believe that local authorities are best placed to identify local housing need and so have given them the leading role in determining priorities for Social Housing Grant investment through registered social landlords. We will continue to support local authorities in undertaking needs surveys and producing Local Housing Strategies so that investment decisions will be increasingly evidence based and strategic.

As part of our vision for a better Wales, ***we are committed to promoting the principles of the Egan Report 'Rethinking Construction' within the construction of new social housing***, with the objective of achieving continuous improvement in the quality of its design and construction.

## Owner Occupation

We support sustainable home ownership. *We are committed to a framework that helps low income and vulnerable owner-occupiers to maintain and repair their homes over the longer term, but we will explore ways in which people have the option to convert to renting where this would provide a better solution.*

Over the past decade, the UK Government has provided around £2 billion of renovation grant and area renewal funding to improve private sector house conditions. This investment has contributed to a significant improvement in the condition of the private sector stock. It is estimated that in 1986, 18.6 per cent of this stock was unfit (according to the current fitness standard); by 1998 this had fallen to 8.6 per cent of the stock. However, significant problems remain within the owner-occupied sector as, within this 1998 total, some 7.6 per cent of the owner occupied stock were still classed as unfit - with 3.7 per cent in serious disrepair. A higher proportion of owner-occupation than other parts of the UK (72 per cent in Wales compared with 68 per cent in England) makes it difficult to tackle these problems comprehensively. In addition, much of the stock is deteriorating because of its age - almost 37 per cent of owner occupied dwellings in Wales were built before 1919, compared with 24 per cent in England.

Many of the households affected by these problems are on low incomes or benefits and cannot afford to repair or improve their homes. We will work with local authorities to target assistance to these households in a strategic way. The proposed changes to Private Sector Renewal arrangements will give local authorities more flexibility to use grants and loans to support the repair and improvement of owner-occupied homes.

## Private Rented Sector

Wales needs a flourishing private rented sector to enhance choice and labour mobility. *We are committed to improving the overall quality of the private rented stock and its management, and to stimulating increased investment in the sector.*

We will work in partnership with those landlords that share our commitment to this aim. We will give local authorities the necessary powers to force the worst landlords to improve their stock and management, or to leave the sector altogether.

The condition of dwellings in the private rented sector has been improving as part of the general improvement in private stock. However, conditions in this sector are generally worse than the others. It is estimated that in 1986 well over a third

of the dwellings in the private rented sector were unfit (according to the current fitness standard); and even in 1998 almost a fifth were still unfit with 11 per cent in serious disrepair. Problems are particularly acute amongst houses in multiple occupation.

The UK Government is committed to providing legislation to licence houses in multiple occupation. *We will press for discretionary powers to be available to local authorities for selective licensing of other properties in the private sector, where it is appropriate.*

## Affordability and Choice

The diversity of housing supply in most parts of Wales means that people here generally have more choice over housing to meet their requirements than elsewhere in the UK. We want to further promote this diversity by giving people better access and more choice over affordable housing that meets their needs.

### Fairer Social Housing Rents

A coherent pattern of affordable rents is integral to our aim to give tenants greater choice over where they live. *We want a social housing sector that has an equitable rent structure that reflects the overriding principle that tenants should pay comparable rents for comparable homes and services, thus providing increased opportunity for tenants in selecting where they want to live.*

While the difference between local authority and registered social landlord rents is not as marked in Wales as it is in other parts of the UK, it is evident nonetheless that the pattern of rents across Wales' social housing sector is not consistent. Moreover, within some landlords own stock there is little relationship between the rent charged and the value of what is on offer – in terms of size, quality or location.

We will work with social landlords to identify anomalies in renting systems and tackle these by developing more equitable structures.

### Sustainable home ownership

We recognise the contribution that low cost home ownership can make to broader policy objectives by allowing more flexible tenure options and promoting mixed-tenure communities. *We aim to review and develop existing low cost home ownership schemes to make them more relevant to local housing strategies.*

In pursuit of this aim, we intend to increase the accessibility of the Homebuy scheme to enable existing and prospective social housing tenants to buy their home on Homebuy terms. We will enable registered social landlords to repurchase properties sold under Homebuy so that they can continue to meet local needs.

While demand for home ownership in Wales remains high, there are concerns about low-income homeowners and the extent of the financial commitments they have entered into. ***We are committed to ensuring that homeowners are given good information and advice, to reduce risks for people who could be considered marginal homeowners.***

Mortgage arrears and possessions are still a problem in Wales. The impact of repossession is profound for families and children, often resulting in health problems, marriage break-up, mental health problems and long-term poverty. We will introduce greater flexibility to existing low cost home ownership schemes to allow Homebuy owners and Shared Ownership leaseholders to staircase down in times of financial difficulty and to staircase back up if their circumstances improve.

We will encourage lenders to target Mortgage Payment Protection Insurance products at the more vulnerable groups. For those who get into significant arrears, we will consult appropriate organisations about developing Homebuy to effect Mortgage Rescue.

### **Allocating Social Housing**

Allocation policies have an important influence on the sustainability of communities. ***We want to see allocations policies that take more account of the preference of tenants and prospective tenants.***

Unfortunately, many social housing estates suffer from a poor image. In part, this has arisen from needs based allocations systems that have tended to concentrate disadvantaged households together.

We will work with our partners to find more effective ways of marketing and allocating social housing that are geared to local circumstances.

## Homelessness

### Tackling Homelessness

The homeless are the most socially excluded people in our society, lacking the social and economic benefits available to the majority. In the most extreme cases we have rough sleepers, living a way of life which can cause irreparable harm to their health and well being. ***We are committed to eliminating the need for rough sleeping in Wales.***

The recommendations of the Homelessness Commission will guide us in setting future policy to address this problem.

We will work with local authorities to introduce local homelessness strategies that assess levels of homelessness and rough sleeping, and which identify actions for tackling these problems. We will also continue to fund the provision of new services aimed at preventing homelessness and helping people to secure long term sustainable housing with support where necessary.

### Housing Advice

Effective housing advice is vital in helping people to secure and sustain housing that meets their needs. It can help to prevent people from becoming homeless or getting into debt, and can make people aware of their legal rights to a secure, well maintained home.

***We would like everyone to have access to free high-quality housing advice and will promote access to specialist housing advice where this is needed.***

Recent research has identified significant gaps and variance in quality of housing advice services across Wales. The Legal Services Commission is now funding the development of new independent housing advice services in most areas. However, some gaps remain, particularly in rural areas and for people who are ineligible for the Commission's funded services.

We will work with the Legal Services Commission, local authorities and the voluntary sector to enable the provision of specialist housing advice that is accessible to all who need it.

## Meeting the Housing Requirements of Disadvantaged People

### Accessibility

Equality of opportunity is one of the principal themes that runs through this strategy. This is reflected in targeted initiatives to help particular disadvantaged groups achieve equality in accessing services and the housing that they need.

We will continue to pursue this aim wherever there is evidence of disadvantage.

People with physical disabilities often have undue difficulty in getting the adaptations or move that they need. ***We will promote faster assessment and processing of grant claims, specialist advice and 'lifetime homes' that better meet their needs.***

***We will promote better access to quality housing for people with learning disabilities and mental health problems, through 'Supporting People' and multi-service initiatives for street homeless people.***

We have an ageing population whose needs will inevitably place increasing demands on our public service resources. We are determined to help older people find the housing and support services they need in the most efficient way. ***To achieve this we will be undertaking a joint service review of services for older people, including housing, health and social services.***

### People Threatened by Domestic Violence

Domestic violence is not just a housing issue, but the role of housing can be central to those dealing with domestic violence in their lives. There are many issues relating to domestic violence and housing in Wales that could be addressed through this strategy. For example, statistics indicate that around 30 per cent of homelessness may be due to domestic violence.

***We will review our housing policies to see how they are complementing activities aimed at addressing the problem of domestic violence, so that support is provided in the most appropriate ways.***

This will supplement our policy of extending the statutory safety net of the categories of priority homeless people in need of accommodation to include 'people fleeing from domestic violence and harassment'.

## Black, Minority Ethnic Households

Black, Minority Ethnic (BME) people in Wales represent a small minority of the population and should not be viewed as a single community. However, they share many common experiences in terms of discrimination and disadvantage. ***We are committed to making all BME housing matters mainstream to ensure equality of opportunity and the empowerment of all people in Wales.***

Our BME Housing Strategy aims to help social landlords build on existing services for their clients, develop new initiatives and services where appropriate, and to ensure equality of opportunity and the empowerment of BME individuals and communities.

## Fuel Poverty

Adequate and affordable warmth is a necessary feature of a good quality home. An estimated 220,000 households in Wales are eligible to benefit from the Home Energy Efficiency Scheme. In other words, these households are unlikely to be in a position to heat their homes to an acceptable level. This is not surprising given that 11 per cent of homes in Wales lack central heating and, while most homes are insulated to some extent, significant numbers of homes lack adequate insulation. For example, almost a fifth of homes do not have loft insulation and almost half of homes in Wales do not have draught stripping on doors and windows. ***We are committed to eradicating fuel poverty by 2010.***

We will develop a Strategy to tackle fuel poverty in Wales, as tasked by the Warm Homes and Energy Conservation Act 2000. The National Assembly's Strategic Plan commits us to assisting 38,000 households through the Home Energy Efficiency Scheme by 2004.

The remainder of this document sets out the policies and programmes that will enable us to achieve our housing vision and aims.

## Monitoring and Evaluation

We propose a three phase system of assessing progress with the strategy:

### Targets

We have attempted, wherever practicable, to set targets (and in some cases interim ones) against our proposals. For many of our policies and programmes, this will also involve taking stock of where we are presently, which will then enable us to benchmark progress over the duration of the strategy.

This will allow continuous monitoring and make assessment overt and transparent. Besides tracking progress, we should also be able to accommodate change and prioritisation and reappraise targets accordingly.

### National Consultative Forum on Housing in Wales

To consolidate the collaborative process that has been adopted in developing this strategy, we will continue to involve our partners (formally represented by the Consultative Forum) as a means of monitoring progress.

We will seek the Consultative Forum's assessment of progress with the strategy on at least an annual basis.

### Local Government and Housing Committee

We will also bring the strategy before the Local Government and Housing Committee on an annual basis, in order that Assembly Members may evaluate achievement and to provide future strategic direction.

## A. A NATIONAL STRATEGY TO GUIDE LOCAL ACTION

### ‘Better Homes for People in Wales’ said:

In Chapter 4 of the consultation paper, we depicted the National Housing Strategy as providing the policy framework for local strategies and action to ensure that people have access to, and choice over, housing to meet their needs. The strategy was described as a dynamic set of policies that would change according to market and other influences. It would be monitored, reviewed and updated in an open and collaborative process. A strengthening of the National Assembly’s housing and wider research capacity would help to ensure that the strategy was underpinned by effective, evidence-based, policy-making.

### Consultees said:

The concept of the strategy was broadly welcomed. The review of the Local Housing Strategy and Operational Planning process was also supported, with concerns expressed about the effectiveness of the current process. Our commitment to evidence-based policy making and strengthening of our housing research capacity, including establishment of the Housing Research Advisory Panel, were well received. Concern was expressed, however, about the planned static budget provision for research and the limited membership of the Advisory Panel.

### A.1 FRAMEWORK FOR LOCAL STRATEGIES

The aims and objectives in this National Housing Strategy provide a framework for the development of local housing strategies that contribute to the delivery of the National Assembly’s vision for housing in Wales. This will require evidence-based strategies that are developed through effective partnerships between all relevant local housing organisations.

### A.2 LOCAL HOUSING STRATEGIES

A review of the Local Housing Strategy process is underway, in partnership and consultation with the range of organisations that are involved in Welsh housing. The aim is to develop a more effective means through which local authorities, with their partners, assess, plan and meet the housing requirements of their areas. In so doing, the process will need to be brought into line with the wider local government modernisation agenda, the strengthening of local authorities’ community leadership role and the Assembly’s strategic plans.

We are currently consulting on a set of recommendations made by a representative working group established to carry out the first stage of the review.

The recommendations have our broad support, and the Group's recommended purpose for future local housing strategies is consistent with this National Housing Strategy i.e. local housing strategies should:

- address the housing needs and demands identified in all tenures;
- address the housing requirements of all sections of the community (including, for example, black, minority ethnic groups), championing the rights of all housing consumers;
- harness the capacity of all relevant local organisations through effective partnerships; and
- look beyond administrative boundaries.

Realising this purpose will require the development of strategies that:

- take a long-term view;
- are produced, implemented and monitored corporately and in partnership with other local and neighbouring organisations that have a stake in housing policy and programmes;
- facilitate greater private sector involvement in meeting strategic housing objectives;
- involve the local community; and
- are underpinned by a robust analysis of local housing requirements and capacity.

In a wider context, it is important that the policies and programmes contained in local housing strategies contribute to the improvement and promotion of communities' quality of life. This will require strong linkages to Community Strategies for individual localities and for authorities as a whole, as well as other relevant strategies and plans.

We aim to produce new local housing strategy guidance by January 2002.

Future local housing strategies will help us to build up a "national housing picture" while analysis of local housing operational plans will help us to monitor progress against the targets in this strategy.

### A.3 EVIDENCE BASED POLICY MAKING

To be successful, it is essential that national and local policies to combat problems such as poor housing and social disadvantage are founded on good quality information.

To strengthen our wider capacity for research and development and to make better use of sound evidence to support and improve policy making, we have established new arrangements to co-ordinate research activity.

The 'Housing Research Audit for Wales', conducted by the Centre for Housing Management and Development at Cardiff University and the Chartered Institute of Housing in Wales in 1999, helped to identify current research and gaps in knowledge in the housing field. Following on from this, we have significantly increased the resources available for a dedicated housing research programme for Wales. We have established an advisory panel to help determine the content and operation of this programme. The panel comprises representatives from relevant National Assembly divisions, the academic world and Welsh housing organisations. It is thereby able to gather the views of a wide cross-section of interests and to take account of related research activity. The panel is able to consider all research and information needs and ways these could be met, whether through commissioned research, funded research, statistical surveys or any other means. It meets twice a year.

In the light of comments received on 'Better Homes for People in Wales', we will be:

- broadening the membership of the Housing Research Advisory Panel; and
- publishing the proposals for housing and related research on a regular basis.



## B. STRATEGIC ROLE OF THE LOCAL AUTHORITY

### ‘Better Homes for People in Wales’ said:

In Chapter 5, we emphasised:

- the importance of strengthening the strategic role of local authorities;
- supported the Housing Strategy Task Groups’ recommendation for a separation of the strategic and service delivery/operational functions of local authorities;
- signalled our intention to consult on the introduction of housing business plans; and
- promoted the adoption of Community Housing Agreements between local authorities and registered social landlords.

### Consultees said:

The importance of partnerships between the National Assembly and local government at the national level, and between local authorities, communities and other organisations at the local level, was acknowledged. In welcoming the enhanced strategic role for local authorities, there was a call for authorities to be made responsible, in partnership with local stakeholders, for all public housing resources in their area. The introduction of Policy Agreements, Community Strategies and Community Housing Agreements were welcomed as a means of delivering effective partnerships. A number of responses considered that all of these should be drawn up in consultation with local communities and agencies, including disability groups.

### B.1 PARTNERSHIP WITH LOCAL GOVERNMENT

We have established a strong partnership with local government in Wales, reflecting the crucial role that local authorities play in their communities. An effective partnership between the National Assembly and local government is vital if the aims and objectives of ‘Better Wales’ and this strategy are to be achieved.

## B.2 POLICY AGREEMENTS

The partnership with local government will be underpinned by 'Policy Agreements' between the National Assembly and individual local authorities. The agreements will set out specific targets in areas of shared priority that the council will seek to achieve with the aid of the National Assembly. They will also set out how the National Assembly and the council will work together and with other partners to pursue the broader shared aims of Better Wales.

Through policy agreements with each local authority, the intention is to focus on the results we want to achieve rather than the programmes or spending. This would give each local authority discretion to determine where and how to deploy its resources in order to achieve those results, while showing the people of Wales that together we mean business in tackling the issues that matter to them.

## B.3 COMMUNITY STRATEGIES

Community leadership is at the heart of the role of local government. Councils are the only organisations that can take a comprehensive overview of the needs and priorities of their local areas and lead the work required to meet them.

The Local Government Act 2000 places a new duty on local authorities in Wales to prepare a 'community strategy' to promote or improve the economic, social and environmental well being of their area, and to contribute to the achievement of sustainable development. This will require authorities to work in partnership with other local bodies and communities themselves, to put in place strategies for their area which establish common priorities for action and determine the steps needed to address them.

## B.4 STRATEGIC HOUSING ROLE

Local authorities have a key strategic role, supported by effective local partnerships, in ensuring that people in their area have access to a decent home in a sustainable community. Local housing strategies, together with Unitary Development Plans, will have an important role to play within the context of the community strategy.

Housing Strategy Task Group 1 recommended that consideration should be given to a separation of the local authority housing strategy and service delivery/operational functions, reflecting the introduction of Best Value performance plans and the increased emphasis on the strategic role of local

authorities. We also consider there is a need to move forward quickly on the development of a more rigorous and structured planning regime for investment in the local authority stock.

We intend to produce guidance (after consultation with local authorities) on the preparation of local authority housing stock business plans, with a view to their introduction by April 2003.

Our consideration will be informed by the development of local authority asset management plans. Business plans would be concerned with the separate landlord function of the council, as opposed to strategic housing responsibilities. These should aid us in delivering our housing and community renewal objectives, particularly the pressing need to reduce the backlog of repairs and maintenance on council housing. This backlog has resulted from sustained under-investment in local authority housing. This requires a new approach to the way in which authorities plan their investment programmes, to ensure the longer-term viability of the housing stock.

Business plans will ensure that an authority has a much clearer assessment of the investment needs of its stock and how they will be met. They will enable an authority to demonstrate that its proposed options and expenditure plans represent value for money, and provide a framework for monitoring and evaluating the progress of its landlord function. Together with the Best Value regime, they should ensure better performance and more efficient investment in the stock.

## **B.5 COMMUNITY HOUSING AGREEMENTS**

It is important that local authorities harness the contribution that registered social landlords (RSLs) can make to meeting local housing need and demand. In many areas, the local authority/RSL relationship will extend beyond "bricks and mortar" issues, with RSLs making an input into broad-based community development and regeneration initiatives.

To ensure effective joint working between local authorities and their partner RSLs, at the strategic (in devising the local housing strategy) and operational level (meeting housing need), we recommend the development and benefits of 'Community Housing Agreements'. These agreements are already used in some areas, providing an effective means of underpinning the strategic and operational relationship between local authorities and RSLs.

We want to see Community Housing Agreements in place alongside the new local housing strategies that are put in place following the review of that process.

The following are examples of the types of issues that might be covered in Community Housing Agreements:

- strategic planning (on housing, community safety, social services and land-use planning policy);
- assessment of housing requirements;
- new social housing development;
- social housing allocation;
- supported housing;
- Housing Benefit;
- tenant participation;
- housing renewal;
- low cost home ownership;
- crime reduction and tackling anti-social behaviour; and
- community development.

Underpinning these strategic headings, the Community Housing Agreement should cover the wide range of associated operational issues, with targets, timescales and mechanisms for review.

We (in partnership with the Welsh Local Government Association and the Welsh Federation of Housing Associations) aim to enable all local authorities to put in place Community Housing Agreements with local RSLs, by Spring 2003.

To this end, good practice guidance on the operation and benefits of Community Housing Agreements will be issued by Spring 2002.

## C. REGENERATING OUR COMMUNITIES/TACKLING SOCIAL DISADVANTAGE

### ‘Better Homes for People in Wales’ said:

Chapter 6 summarised our proposals for tackling social disadvantage through ‘Communities First’ and its predecessor programmes. It considered:

- the housing needs of rural communities;
- Welsh language implications;
- links between housing and health; and
- action to tackle fuel poverty.

### Consultees said:

Responses generally supported the approach to community regeneration advocated under ‘Communities First’ and its forerunner programmes, though we appeared not to have made clear that ‘Communities First’ would subsume these associated programmes. Some thought that the role of housing was given insufficient recognition within these programmes. The long-term commitment to funding under ‘Communities First’ was welcomed, but there was also a view that the public resources available were insufficient, and that the input of the private sector and funding were not adequately addressed. Some thought that in addition to the 100 most deprived wards, resources should be directed to wards and communities on the brink of deprivation. A few considered that the Index of Multiple Deprivation did not adequately reflect the position of rural areas.

Recognition of the importance of the Welsh language in some communities was welcomed, though some considered that there was a need for more effective use of local authorities’ powers to protect such community interests.

Responses generally welcomed recognition of the links between housing and health, but some felt that this should have been given more prominence within the document.

The new Home Energy Efficiency Scheme and other initiatives to tackle fuel poverty were welcomed, though a view was expressed that sufficient funds

should also be made available to enable local authorities to address fuel poverty within their own stock. One response said that we need to adopt a more fundamental approach to the promotion of energy efficiency, including the construction and maintenance of dwellings and the expansion of bulk buying arrangements for fuel/power.

## C.1 COMBATING POVERTY AND SOCIAL DISADVANTAGE

In 'Better Wales', we commit ourselves to combating poverty and social disadvantage, and to bridging the gap between the most deprived communities in Wales and the more affluent ones.

We aim to ensure that all our policies and programmes focus on social inclusion issues, particularly in the more deprived areas of Wales.

## C.2 COMMUNITIES FIRST

Our commitment to deliver on the above priority is reflected in our new programme 'Communities First'. This is a new concept in community regeneration in Wales. 'Communities First' offers a non-prescriptive approach, based on the principle that regeneration and community renewal should meet the needs and priorities determined by communities themselves. The 'Communities First' programme will be targeted at the most deprived communities in Wales; it will involve long term commitment by local authorities, the National Assembly and other key agencies to promote real partnerships at local level for the delivery of action. It will help communities to take the lead and build their capacity for sustainability.

There has been extensive consultation about the framework for this programme. Responses to 'Better Homes for People in Wales' are also being taken into account in developing the guidance.

The initial consultation exercise provided us with a wealth of information and identified a number of detailed issues that need to be addressed. These included: barriers to community development, poor service provision, housing quality, diet and health, numeracy and literacy skills, better transport, good facilities, services and cultural services, maintenance and improvement of the physical environment, criminal activity and anti-social behaviour, youth disaffection and general community indifference.

The second consultation period for 'Communities First' ended on the 16 March 2001. The main consultation issues were:

- 100 of the most deprived communities in Wales should be identified, using a combination of the Index of Multiple Deprivation and local knowledge;
- up to five deprived communities should be selected from every local authority area;
- the National Assembly, and other partners, will make a long-term commitment to funding and otherwise supporting the communities participating in 'Communities First', both through a specific grant scheme and through our mainstream programmes;
- capacity building will be an integral aspect of the Programme, to ensure lasting and sustainable change is achieved;
- community partnerships will: develop their community's vision and plan its delivery, will manage, review and evaluate its implementation; and will engage with the community and local agencies to ensure that the local plan continues to meet local needs and priorities; and
- progress should be measured by means of a system of benchmarking against a set of twenty-five measures (covering the fields of economic activity, education and training, environment, health and civil society) which would be externally validated.

Communities for inclusion in the programme were submitted by local authorities and were assessed (during May 2001) mainly on an objective set of indicators of deprivation at ward level across Wales. The communities included in the programme were announced in June 2001.

The allocation of funds for capacity building within Communities First areas will be undertaken prior to the issue of guidance on the preparation of community action plans for Communities First areas in September 2001.

A directory of community initiatives in Wales, funded by the National Assembly and the Welsh Federation of Housing Associations, is available on the University of Glamorgan website at [www.glam.ac.uk](http://www.glam.ac.uk).

In response to expressions of confusion in responses to the 'Better Homes for People in Wales' consultation, we can confirm that 'People In Communities'

(C.3 below) and 'The Sustainable Communities Programme' (C.4 below) will be subsumed within 'Communities First' under a "Community Purposes" funding umbrella.

### C.3 PEOPLE IN COMMUNITIES PROGRAMME

Our proposals for 'Communities First' build both on the findings of the consultation exercise and on the good work which has already been done in Wales, including through the 'People in Communities' programme, launched in June 1998. This programme is a set of demonstration projects to tackle social exclusion in 16 deprived communities in Wales. It recognises the need to promote community participation in policies to regenerate deprived areas. The policy aims of the People in Communities programme are:

- all people in the community should have access either to work, to training or education, or to another meaningful activity (such as community or voluntary work);
- everyone should have somewhere decent and safe to live;
- everyone should be able to lead healthy lives and have access to appropriate health care;
- all children in the community should feel safe and be provided with appropriate education and opportunities for play; and
- people should be empowered to voice and contribute to decisions made about their community, so that there is collective ownership and capacity building.

A total of 16 projects have benefited from the programme, with funding totalling £1.75 million.

To assist us with the development of community regeneration policy, we have conducted a best practice review of community and area based regeneration strategies. This has drawn together evidence from community regeneration strategies in the USA, Europe, the United Kingdom and from Wales. A number of critical concerns evident in all partnership based regeneration strategies have been identified and a set of 32 core principles of effective community regeneration practice have been developed.

Work is underway to update and improve the information contained in the National Assembly's web site about social disadvantage.

## C.4 THE SUSTAINABLE COMMUNITIES PROGRAMME

The 'Sustainable Communities' Programme was established in 1999-2000 to provide support for small projects that add value to community development.

For the first year of the programme, funding (of £250,000) was targeted at projects that would increase the sustainability of public investment in housing. Funds were targeted via the development programmes of both RSLs and local authorities. The key criterion was to complement major investment completing or commencing in the financial year. Much good practice was supported as a result, such as community houses, IT training and facilities, a sports wall, capacity building projects and staff training in community development.

For the second round, new eligibility criteria was developed. In addition to local authorities and RSLs, proposals were invited from the wider voluntary sector. Support was provided for schemes based on certain key principles, including partnership working, local strategic direction and action complementary to existing activities and projects. A total of 74 individual projects now receive funding under the programme.

The new community purposes fund will provide £83 million over the 3 years from 2001-2002, to support the 'Communities First', 'People in Communities' and 'Sustainable Communities' programmes.

## C.5 REVIVING OUR RURAL COMMUNITIES

Rural communities, by their often isolated nature, can suffer from poor access to mainstream services such as health care and public transport, and face a lack of local amenities which many of us take for granted. Encouraging long term rural sustainability requires an integrated approach that takes account of the specific social, economic and environmental factors in such areas.

We are already supporting local authorities to undertake effective local housing need assessments to inform the preparation of local housing strategies.

While many of the housing issues confronting our rural communities are similar to those of valley and urban areas, there are markedly higher levels of unfit and disrepair than in other parts of Wales. In-migration and the purchase of second homes has been one of the most influential factors on community structures in some rural and coastal tourist areas of Wales, while Right to Buy sales have removed large numbers of dwellings from the social housing stock.

Since the consultation document was issued, we have introduced greater flexibility within the Homebuy scheme in rural areas, through a new 50 per cent equity threshold.

The availability of the Homebuy scheme is determined by the extent to which local authorities prioritise Homebuy in their Social Housing Grant programmes. We are making additional resources available to match the amounts of Social Housing Grant local authorities target for this purpose in 2001-2002. The programmes proposed by local authorities that are utilising the new flexibility and resources, should allow up to 150 households in rural communities to purchase homes within their communities in 2001-2002. The programme will be monitored to measure the extent to which outcomes match our expectations, and we will review the success of the programme at the end of the year with participating RSLs and local authorities.

Respondents have pointed to the difficulties faced by RSLs in acquiring suitable existing property to meet the needs of those for whom renting is more appropriate. We have consulted on the related issues of quality standards and subsidy levels. We will be reviewing our current Social Housing Grant procedures in the light of the responses, with a view to reducing existing barriers.

As part of our approach to tackling rural housing problems, we will also:

- commission research on the distribution and land use implications of second homes in rural areas (see below); and
- improve access to home ownership and rented accommodation by providing more generous grant support and reviewing design quality standards.

Some respondents argued for restricted access to the Right to Buy. This would require primary legislation, which is outside the National Assembly's powers. Through secondary legislation, we are able to change the areas to which restrictions on the resale of properties purchased under the Right to Buy apply.

We have sought the views of local government, RSLs and others on the case for extending the current restrictions on resale to a wider range of rural areas. The consultation has also invited views on the case for applying the same areas to restricted access to the Right to Acquire.

Related planning aspects of the Housing Strategy Task Groups' reports, are being considered alongside similar recommendations of the Land Use Planning Forum, as part of a wider review of planning guidance (see Chapter D). The Wales Planning Research Programme for 2001-2002 includes a project called "Second and Holiday Homes and the Land Use Planning System". This project examines the positive and negative role of land use planning mechanisms in meeting housing

needs in rural areas. The aim of the research is to establish the number and location of second and holiday homes in rural communities, particularly those in National Parks, and to establish the effect on local housing markets and availability of affordable housing for sale and for rent. Recommendations will include ways to combat negative aspects and enhance positive aspects of the role of the land use planning system in housing supply.

An accurate picture of housing requirements in rural Wales is needed before dealing with the problems. We will support all rural authorities to complete housing requirement assessments (by 2002).

## C.6 THE WELSH LANGUAGE

In many parts of rural Wales, the Welsh language is an essential part of the Welsh culture. It must be taken into account in developing effective housing strategies and planning new housing provision and services in these areas.

The National Assembly's Culture Committee has instituted a review of the Welsh language to better define our established objective of 'creating a bilingual Wales' and to propose a strategy to achieve this aim. The review will focus upon the use of language in all aspects of national life and in communities (particularly Welsh as a family and community language), opportunities to learn Welsh and promoting respect for bilingualism.

In June 2000, we issued more detailed guidance on planning and the Welsh language in 'Technical Advice Note (Wales) 20, The Welsh Language – Unitary Development Plans and Planning Control' ('TAN20').

TAN20 was issued following lengthy consultation. This replaces the former Welsh Office Circular 53/88 '*The Welsh Language – Development Plans and Planning Control*', which was criticised for providing insufficient detail about how the advice on linguistic issues should be applied in practice.

TAN20 provides a necessary update of technical advice about how the planning system should take account of the Welsh language. The revised advice retains the same level of recognition that the Welsh language can, like other social issues, be a material consideration for the planning system. The main changes are increased levels of detail to strengthen the application of the advice and provide clear guidance on how development plan policies should reflect the needs and interests of the Welsh language.

This guidance recognises that decisions about the location of new housing between different areas can affect the character of those areas including the linguistic balance.

In preparing their Unitary Development Plans, local authorities should take account of the needs and interests of the Welsh language. Policies and proposals to provide adequate housing, including affordable housing, and to increase employment opportunities in relation to individual communities could help support those communities and thus benefit the Welsh language. These policies and proposals need to reflect the implications of the distribution of housing development between individual settlements, and also the effect of phasing particular developments in order to meet housing needs, while not eroding the position of the Welsh language. Unitary Development Plan policies (see C.7) should not, however, seek to introduce any element of discrimination between individuals on the basis of their linguistic ability, nor seek to control housing occupancy on linguistic grounds.

The Housing Strategy Task Groups' reports point to a need for a more sensitive approach to management of the social housing stock, with landlords having more flexibility to take account of cultural, language and sustainability issues, as well as housing need, when allocating accommodation.

We are keen to promote a customer-centred approach to the allocation of social housing, as well as taking account of housing need. It is our aim to see social housing provided within mixed, settled communities which are socially inclusive (see Chapter G). We have set up a Lettings Sounding Board to find out views on the future direction of social housing lettings. Feedback from this exercise will be used to inform policy, Regulatory Requirements and the Code of Guidance on local authority allocations and homelessness.

## C.7 UNITARY DEVELOPMENT PLANS

The regeneration of our communities is supported by the land use planning system. In producing their Unitary Development Plans, local planning authorities should devise a settlement strategy which comprises housing policies and a spatial pattern of housing development balancing social, economic and environmental needs. Settlement strategies will be informed by sustainability appraisal. They should be fully justified and be compatible with other policies such as transport and other infrastructure provision.

Current planning policy, as set out in draft Planning Policy Wales, provides support for housing provision (including affordable housing), environmental protection and enhancement, employment provision and for integrated transport and the location of development where access by public transport, cycling and walking is available. Where the use of Welsh is part of the social fabric of a community, the needs and interests of the language should be taken into account in the formulation of the policies in the Unitary Development Plan.

## C.8 HEALTH

Better health and well being is one of five key priorities of 'Better Wales'. Improving the health and well being of communities and tackling inequalities in health is a key objective of our National Housing Strategy. The neighbourhood in which we live can have a significant influence upon our health. For example: crime and the fear of crime, access to services and facilities, a clean, safe and pleasant environment for children to play and others to take their leisure, the availability of a good choice of food at an affordable price, safe roads, good housing and a cohesive community all play a part in shaping the health of our communities. We are developing policies that take account of the range of factors that can impact on our health, so as to deliver a co-ordinated approach to improving health and well being at both national and local levels.

The recent consultation document 'Promoting Health and Well Being' recognises that there is a broad range of influences on health, and that many people and organisations have a part to play in addressing the underlying causes of ill health. A Local Health Alliance has been established in each local authority area in Wales as a means of developing the partnership necessary to focus action on these underlying influences on health in local communities. Alliances will help to ensure that all those factors that impact upon health, including poor or inadequate housing, are addressed together and not as separate policies. They will have a key role in helping to develop effective regeneration strategies.

The poorest health in Wales is often found in our most disadvantaged communities, where economic, social and environmental circumstances combine in a way that does not encourage healthy living. That is why health and well being will be a key theme of our Communities First programme.

It is increasingly recognised that service provision should be better integrated across the housing, health and social sectors. We are dismantling barriers to effective joint working and creating a climate of co-operation and collaboration. New flexibilities under the Health Act 1999 for the NHS and local government to

pool resources across all local authority services, including housing, and offer opportunities for new and innovative models of meeting need. We will be looking for strategic and operational partnerships for the planning, delivery and evaluation of services across sectors and the development of joint operational protocols. Local authorities and new Local Health Groups will come together to develop and implement a 'Health and Well Being Strategy' for the local authority area. Strategic Partnerships for Health and Well Being will provide a unique vehicle to ensure strategic leadership and commitment, and will help remove many of the financial and accountability barriers to joint working.

Local authorities, with their new and enhanced responsibilities for community strategies, have a major role to play in promoting health improvement and working to reduce inequalities in health. To be effective, this requires commitment from the highest levels in the NHS and local government. The 'NHS Plan for Wales' sets the development of joint activity with local government as a key priority for NHS Wales.

The 'NHS Plan' also signals the need for Local Health Groups to increasingly play a role in tackling inequalities in health and the wider issues that impact on people's health, such as housing, education and economic development. We will strengthen primary care through the development of a Primary Care Strategy for Wales. The 'NHS Plan' indicated our intention to examine the potential for new models of primary care, including salaried GP's and the expanded role of the nurses in the practice team. These proposals have considerable scope for assisting communities with most need, as identified in the Communities First programme.

'Health Impact Assessment' is a tool to assist in the consideration of the impact of influences, such as housing, on health. We are committed to the development and use of health impact assessments and are encouraging other organisations to do the same. Guidance on health impact assessment, "Better Health: Better Wales - Developing Health Impact Assessment in Wales" was published in 1999.

We will continue to develop policies that better reflect the range of influences affecting health and well being of the people of Wales. We will promote effective strategic partnerships for the planning and delivery of local services across the range of health and local government functions. We will also utilise and promote health impact assessments as a means of delivering policies and actions that take full account of the potential effects on peoples' health and well being.

## C.9 NATIONAL ECONOMIC DEVELOPMENT STRATEGY

The National Economic Development Strategy (NEDS) will be the overarching strategy for economic development. It will, therefore, tie in work from across many other strategies, including the National Housing Strategy, the Spatial Planning Framework and 'Communities First'. The final 'NEDS', due to be published in December 2001, will guide National Assembly policy and resources, the work of our sponsored public bodies and inform our partners in business, local government and the voluntary sector.

Our vision for Wales in 10–15 years includes a prosperous Welsh economy that is dynamic, inclusive and sustainable, based on world-class competitive businesses and skilled, motivated people.

The NEDS has linkages to the National Housing Strategy in that:

- greater prosperity should help to raise the standard of the housing stock. Also, high quality housing makes an area more attractive, both to employers and employees;
- social infrastructure is also important to economic development – schools, hospitals, dentists, GPs, and leisure facilities all form part of the selling points when attracting employers/employees and retaining skilled workers;
- decisions on locating new housing need to be linked to transport infrastructure and employment opportunities; and
- the economic impact of housing expenditure is potentially huge in terms of increased investment, increased wealth and demand for skilled labour. 'Business Connect Partners' have been involved in pilot projects for the Construction Industry Training Board to strengthen the Welsh Construction Industry through the provision of management training courses. They were very well subscribed by a sector that has not traditionally been a significant customer for business support.

## C.10 FUEL POVERTY

One particular manifestation of social disadvantage in housing is fuel poverty, which often affects the most disadvantaged members of society.

We place a great store in tackling the debilitating effects of fuel poverty in Wales.

Fuel poverty affects households that have to spend in excess of 10 per cent of their gross income on maintaining a satisfactory heating regime, with many people forced to make the decision between keeping warm and other basic necessities. We estimate that at least 220,000 homes in Wales lack basic insulation and/or heating in their homes and could potentially suffer from the problems of fuel poverty.

We are working to combat the problem of fuel poverty on a number of fronts. The New 'Home Energy Efficiency Scheme for Wales' (see H.3) will provide grant assistance to those worst affected living in both social and private housing. We are also exploring the potential to link with other similarly focused schemes of help and advice, such as the public utilities' Energy Efficiency Commitments and the activities undertaken within local authorities, Health Improvement Agencies and others. For instance, we provided funding during 2000-2001 to support the South Wales Energy Partnership – a consortium of public and private organisations, working together to allow low income households to gain the benefits of a competitive energy supply market. In addition, the Warm Homes and Energy Conservation Act 2000 requires us to put in place a comprehensive strategy for the eradication of fuel poverty in Wales, within 15 years of its commencement. Our target is to achieve this by 2010.

We are also examining the wider issues involved, through our involvement with organisations such as National Energy Action (whom we are grant aiding to establish a Welsh presence) and the Energy Saving Trust. We also participate in the Wales Fuel Poverty Forum and the UK Inter-Ministerial Working Group on Fuel Poverty, which aims to examine all aspects of fuel poverty, its causes, effects and solutions.

## D. MEETING HOUSING NEED AND DEMAND

### ‘Better Homes for People in Wales’ said:

The chapter on ‘Meeting housing need and demand’ considered the role of the land-use planning system in planning future housing development. It proposed a regular Welsh Household Interview Survey, allied to a smaller Welsh Stock Condition Survey. These would combine housing need assessment with the gathering of data on a wide range of other social and economic factors. We would also continue to encourage local authorities to carry out detailed local housing need assessments with the aid of grant funding and advice.

### Consultees said:

On the land-use planning system, responses pointed to the need for a more corporate approach to the development and implementation of Local Housing Strategies and Unitary Development Plans. The latter were also felt to require greater regard to questions of tenure and affordability, and needed to engage fully with issues of supply and demand. In particular, they should look at the use of the existing stock, the potential for conversions and bringing property back into use, and the interaction between new provision and the existing market. There was felt to be a need for a consistent approach to the use of planning mechanisms for the provision of affordable housing (e.g. section 106 agreements and rural exception sites), and tighter controls on second and holiday homes. The emphasis on the use of recycled land was welcomed, albeit with mixed views on the adoption of a national target for Wales. Some concern was expressed about insufficient allowance being made for the additional costs of bringing previously used land back into use.

While there was support for our promotion and funding of local housing need assessments, responses in the main considered that the proposed Welsh Household Interview Survey, within a broader Housing Audit, would be insufficient to build up a national picture of housing need. Some pointed to the need for regional assessments of need and demand across local authority boundaries, recognising that housing markets do not respect artificial administrative boundaries. There was a call for resources to be allocated to local authorities on the basis of national and local surveys of housing need and stock condition. It was suggested that the current guidance on local housing need assessment should be reviewed to ensure that it properly addressed the needs of homeless and disabled people.

## D.1 THE ROLE OF THE PLANNING SYSTEM

The planning system exists to enable appropriate decisions to be taken on proposals for housing and other development. National policy is set out in Planning Guidance (Wales) Planning Policy (1st revision) April 1999. The guidance is currently under review. Draft 'Planning Policy Wales' was issued for public consultation in February 2001, with consultation closing in May 2001. The intention is to produce the final version before the end of 2001.

Policies in these documents indicate in broad terms where development should - or should not - be located, and will contribute to the emerging 'Spatial Framework for Planning in Wales'. This Framework will include consideration of future patterns of development and investment, and provide a context for individual Unitary Development Plans (see C.7). Local planning authorities should ensure that sufficient land is, or will become, available to provide a 5-year supply of land for housing, judged against the general objectives, scale and location of development provided for in the Unitary Development Plan.

In identifying sites to be allocated for housing in Unitary Development Plans, local planning authorities should follow a search sequence, starting with the re-use of previously developed land and buildings within urban areas, then urban extensions and then new development around settlements with good public transport links. They should seek only to identify sufficient land to meet their housing requirement.

Revised guidance on the preparation of Unitary Development Plans was issued in May 2001. This emphasises the need to prepare plans speedily so that they contain up to date policies on land allocations.

We are committed to the preparation of a 'National Spatial Planning Framework for Wales' before the end of 2003. This framework will have a significant role in setting the future context for the planning work of local planning authorities.

The aim at all levels is to ensure sustainable development. In particular, national planning policy encourages the use of previously developed land for all purposes, including housing. However, there are no targets for use of this land as its distribution is uneven, it may have considerable ecological value, or it may not be in a sustainable location. Consideration is being given to the recommendations of Housing Strategy Task Group 1 for classifying and monitoring the supply and re-use of previously developed land as part of work on the Spatial Framework. Research already undertaken will be used to inform the options for taking this forward. A recent project, 'A Feasibility Study to Establish a System for Monitoring the Supply and reuse of Previously Developed Land', raised a number of issues

that require further research in taking forward the issue of monitoring previously developed land. This further research project, which is included in the 'Wales Planning Research Programme for 2001-2002,' will build upon the feasibility study and consider the next steps.

We will consider appropriate means of monitoring the supply and promoting the re-use of brownfield land in the context of developing the 'Spatial Framework for Planning in Wales'.

## D.2 PLANNING FORUM

A Planning Forum was established in January 2000 to engage local government, business and the voluntary sector in the development of land-use planning research and policy in line with our values and priorities. One of its main functions was to provide timely and practical advice on the preparation of draft Planning Policy Wales.

Draft Planning Policy Wales takes account of the recommendation of the Planning Forum, and the work of other fora, including the Housing Strategy Task Groups, and the views of the National Assembly's Committees as appropriate.

## D.3 THE ASSESSMENT OF HOUSING NEEDS AT NATIONAL LEVEL

Housing Strategy Task Group 1 recommended we should undertake a regular (e.g. triennial) national assessment of housing need and suggested that this might be undertaken through a national household survey. 'Better Homes for People in Wales' endorsed this idea and proposed that such a survey should be instituted. This would be linked to studies of the housing needs of non-household groups, such as those living in institutions and those sleeping rough. The Homelessness Commission is currently considering how this might best be done for the latter group.

Plans for a Welsh Household Interview Survey beginning in 2002 are under consideration.

The interview survey will form the basis for a smaller linked stock condition survey. Through linking the survey findings to Census 2001 data, which will start to become available in 2003, it will be possible to model many aspects of housing need down to a local level. It might also be possible to feed this data into updates of the Index of Multiple Deprivation and into the development of Neighbourhood Statistics.

The Local Government Data Unit may participate by commissioning and managing this survey. The Unit is jointly funded by the National Assembly and Welsh local authorities. Any survey will, therefore, represent more of a joint approach to the assessment of this aspect of national and local housing need than that coming from previous Welsh House Condition Surveys.

In total, these actions will form an important part of the 'Housing Audit' to which we are committed, and will enable monitoring of progress towards reducing or eliminating particular manifestations of housing need which are National Assembly targets, such as the percentage of the stock which is in serious disrepair. The interview survey will also serve a wider purpose in gathering data on a range of issues of policy interest, such as mobility, migration, housing costs, income, health and disability, employment characteristics, wealth, access to services and attitudes.

Our consultation paper argued that a comprehensive assessment of housing needs at national level would be complex and would not justify the cost. Many respondents disagreed with this view. We contend that the approach outlined above will provide a detailed picture of many aspects of housing need at the national and local level (local authority area and below). It will do this cost-effectively at the same time as providing information of value to policy interests other than housing.

Our understanding of housing needs will be aided by the findings of the forthcoming national assessment of the need for subsidised accommodation, to be carried out on behalf of the Council of Mortgage Lenders, and by recently commissioned 1998-based household projections at Welsh regional level.

Several respondents stressed the need for a good understanding of housing markets and housing demands as well as needs. The current review of the Housing Strategy and Operational Plan process is considering the recommendation that we should produce guidance to local authorities on how to assess local housing markets and to facilitate effectively the contribution that the private sector can make to meeting housing requirements.

## D.4 ASSESSING LOCAL HOUSING NEEDS

A clear understanding of the nature and extent of housing needs is fundamental to the local authority's role. Effective local housing strategies depend upon having an accurate and comprehensive picture of housing conditions in its area. RSLs, house builders and other housing organisations also need to be able to plan their activities within the context of a soundly based local housing strategy. Intervention (whether through negotiating an element of affordable housing via the planning system, through supporting development by RSLs, or through funding agencies providing support, care or advice) can be justified only if there is convincing evidence that it is needed.

Many respondents to 'Better Homes for People in Wales' endorsed these views and welcomed the grant aid that continues to be on offer to local authorities wishing to commission needs assessments which follow the principles of 'Local Housing Needs Assessment: a good practice guide'. Local authorities that have not yet taken up this offer have recently been reminded of its continuing availability.

Concerns were expressed that the existing guidance is not adequate for researching homelessness. The Homelessness Commission is currently examining how recording systems and definitions can be improved so that better information can be obtained locally.

Some respondents called for us to produce guidance for local authorities on researching issues of housing demand and housing market dynamics, to supplement the existing needs guidance. The current review of the Housing Strategy and Operational Plan process is likely to recommend such a move.

We will continue to encourage local authorities to carry out detailed local assessments of need with the aid of grant funding and advice. Authorities carrying out assessments that follow the principles of the guide have been offered a grant by the National Assembly to cover half of the cost of any commissioned element.

The Homelessness Commission is considering our current guidance in terms of the preparation of local homelessness strategies. The appropriate provisions of the recently presented 'Homelessness Bill', if enacted, will make local homelessness strategies mandatory.



## E. SUSTAINABLE HOME OWNERSHIP

### ‘Better Homes for People in Wales’ said:

In Chapter 8, we set out proposals for supporting home-owners and helping others into home ownership where this was a sustainable option. The consultation document mirrored proposals in the UK Government’s Housing Green Paper for reform of the home renovation grant regime, to give local authorities greater flexibility and freedom to decide priorities for the use of resources in accordance with local needs. It pointed to an on-going role for low cost home ownership (LCHO) schemes, where they accorded with locally identified need and priorities. We also highlighted proposed changes to the home buying and selling process, leasehold reform and the introduction of ‘commonhold’ (the subject of previous separate consultations).

### Consultees said:

There was general support for the aim of supporting sustainable home ownership, particularly where householders could meet the long term cost of buying and maintaining a home. Respondents pointed to a need for an adequate supply of decent, affordable, rented accommodation in the private and social sectors to facilitate choice at the margins of home ownership. Existing safety nets for homeowners were not considered to be working. We were urged to lobby the UK Government to introduce a new Mortgage Benefit scheme, alongside more accessible industry Mortgage Payment Protection Insurance products. The introduction of a tenure-neutral, means-tested, Housing Tax Credit was advocated to underpin home ownership at the margins and redress the balance between the public and social sectors. The need for an impartial advice service to advise on housing options was stressed. The ability to "staircase" between tenures without moving home was advocated. Problems faced by disabled people, in receipt of long-term state benefits, in securing mortgage funding for home purchase also needed to be addressed.

There was extensive support for the proposed changes to private sector renewal arrangements, but it was felt that significant additional resources were required to tackle the scale of the stock condition problem in the private sector effectively. Some concerns were voiced about the potential consistency with which authorities might apply the freedoms available to them. It was suggested that we should set clear, measurable, targets for authorities, and that authorities’ decisions should be transparent. Concern was also expressed that the emphasis on area renewal schemes could work in favour of urban areas (where poor condition was more visible) at the expense of rural communities. Some concern was expressed

that means testing of the grant system was undermining and slowing down action in renewal areas. It was suggested that there should no longer be a requirement for residents to contribute to the cost of work where this was being done as part of an area renewal programme.

Our commitment to LCHO schemes was welcomed, though additional resources were needed to support their utilisation. It was suggested that we should establish a repurchasing fund, to enable landlords to repurchase LCHO properties on resale, so that properties are recycled for future use. LCHO schemes should be promoted more widely, to raise public knowledge about their existence. Local housing strategies should give more priority to funding LCHO schemes, where there was evidence of need. There were a number of calls for research and evaluation of the impact of existing LCHO schemes to inform future policy options. Any revised arrangements for LCHO schemes should also be required to meet the needs of disabled people.

Increased flexibility within the operation of Homebuy in rural areas (announced during the consultation period) was welcomed, though the view was expressed that it should also be extended to urban areas. Some responses agreed that the (largely unpopular) Shared Ownership scheme should be dropped in favour of improved flexibility and accessibility under the Homebuy/Homefinder schemes, while others saw it having a potential ongoing role. Restrictions on the resale of former Right to Buy properties in rural areas were supported. However, it was felt that there should be a fundamental review of the impact, and subsequent reform, of the Right to Buy legislation. Although requiring primary legislation, a view was expressed that the Right to Buy and Right to Acquire schemes should be unified. The concept of "tenure-neutral" housing (enabling prospective social housing tenants either to rent or purchase on LCHO terms) was generally thought worthy of further investigation and development.

A small number of responses welcomed the proposed introduction of commonhold and other leasehold reforms. Improvements to the home buying/selling process were welcomed, though there were some concerns about the cost implications of the proposed seller's pack in areas of low value housing or slow markets.

## **E.1 SUSTAINABLE HOME OWNERSHIP**

We are committed to sustainable home ownership – where householders can meet the long-term cost of buying and maintaining a home. We support the less well off and those who live in areas where prices are relatively high to become owners through LCHO schemes.

A number of other measures, detailed below, support this aim. We aim to improve housing conditions in Wales by ensuring suitable help and advice is available to owners, landlords and tenants in the private sector.

A major potential factor on sustainable home ownership is the concept of 'Lifetime Homes'. We have introduced Lifetime Homes principles for all new social housing from April 2001 (see Chapter I). We will also continue discussions with private sector house builders with a view to adoption of the principles by that sector.

## **E.2 HOME OWNERSHIP PROGRAMMES**

Wales has the highest proportion of home ownership (72 per cent) in the UK. It also has the highest proportion of homes built before 1914, and 98,200 (8.5 per cent) homes classified as unfit. A Council of Mortgage Lenders' survey showed that 87 per cent of adults surveyed aspired to home ownership within ten years. We wish to work in partnership with people in Wales to enable them to achieve this goal, where home ownership is a sustainable option. We believe home ownership can make a major contribution in combating social disadvantage, by creating more stability and a better mix of incomes on otherwise large rented estates.

However, we must be cautious of encouraging home ownership at the margins, i.e. where people may have insufficient resources to meet normal household bills and to keep their home in good repair. An increase in repossessions would be most unwelcome, as it can have a very detrimental impact on health and family life.

A range of means tested grants and assistance is available to those homeowners, private landlords and tenants in greatest need to repair and improve their homes. These include individual renovation grants, home repair assistance, area based renewal and grants to landlords (including houses in multiple occupation grants). Local authorities are also able to develop strategic area based renewal schemes involving renewal areas, group repair, relocation grants and targeted individual renovation grants.

Help is also available to enable disabled and older people to remain in their own homes. Disabled Facilities Grants provide help with adaptations to disabled peoples' homes, and home repair assistance provides help to carry out minor repairs and adaptations for older people and those on income related benefits.

## E.3 LOW COST HOME OWNERSHIP

A number of schemes are available to support low cost home ownership.

### E.3.1 RIGHT TO BUY

The Right to Buy has contributed to a significant increase in the proportion of home owners since its introduction 20 years ago. The scheme has enabled 109,811 tenants (of local authorities, new towns and RSLs) in Wales to purchase their own homes between October 1980 and December 1999. However, the scheme has resulted in many of the more desirable properties being removed from the social rented sector, with authorities being left with a smaller stock of poorer quality homes to rent to people needing their assistance. It has also led to many people facing difficulties in maintaining their homes.

Some respondents argued for restricted access to the Right to Buy. This is not a devolved matter and would require changes to primary legislation effecting both England and Wales. We are able to change the areas to which restrictions apply on the resale of properties purchased under the Right to Buy. We are consulting on the case for extending the restrictions to a wider range of rural areas. The consultation also invites views on the case for restricting access to the Right to Acquire in the same rural areas.

### E.3.2 RIGHT TO ACQUIRE

The Right to Acquire gives qualifying tenants of RSLs a right to purchase their home, if the property was provided using Social Housing Grant or transferred from a local authority on or after 1 April 1997. Qualifying tenants are entitled to a discount of 25 per cent of the value of the property, up to a maximum of £16,000. Levels of activity are relatively low.

### E.3.3 HOMEBUY

The Homebuy scheme is operated by RSLs. It assists people who are unable to meet their housing needs in the market to purchase a suitable property with the aid of an interest free equity loan that is repayable when the property is sold. The equity loan is currently fixed at 30 per cent of the value of the property (now 50 per cent in rural areas). Funding for Homebuy may be made available to RSLs where the local authority identifies this as a priority for the use of Social Housing Grant. Although popular, especially in DIY form, few local authorities currently give priority to LCHO, with the result that activity is relatively low.

Since consulting on our housing strategy proposals, we have introduced a new 50 per cent equity threshold for the 'Homebuy' scheme in rural areas. This has been broadly welcomed by respondents. We are making available additional resources to match the amounts of Social Housing Grant local authorities target for this purpose in 2001-2002. The programmes proposed by local authorities that are making use of the new flexibility and resources should allow up to 150 households in rural communities to purchase homes within their communities in the current financial year. The programme will be monitored to measure the extent to which outcomes match expectations, and we will review the success of the programme at the end of the year with participating RSLs and local authorities.

### **E.3.4 HOMEFINDER**

The 'Homefinder' scheme is similar to the Homebuy scheme, but is operated by local authorities. It also has to compete with other local authority spending priorities.

### **E.3.5 SHARED OWNERSHIP**

The 'Shared Ownership' scheme is operated by RSLs. It allows people to own a minimum share of 40 per cent of the value of their property and to pay rent on the portion that remains in the ownership of the landlord. The combined outgoings on mortgage repayments and rent on a 40 per cent share are similar, in most cases, to the mortgage repayments on 70 per cent of the value of an equivalent property under the Homebuy scheme. Consequently, 'Shared Ownership' is now rarely used.

### **E.3.6 FUTURE PROPOSALS**

We wish to continue to support LCHO. A community's need for affordable housing is an essential element in contributing to community regeneration and strengthening social inclusion. It may be desirable, in planning terms, that new housing development in both rural and urban areas should incorporate a reasonable mix and balance of house types and size, to cater for a range of housing needs. Local authorities should ensure that planning policies for affordable housing are in line with the strategic planning objectives of the development plan.

The 'Right to Buy' and 'Right to Acquire' are statutory schemes, and the National Assembly has limited powers to make separate provisions for Wales. Changes were introduced to the cost floor rule and maximum discount cash limit applying

to the 'Right to Buy' scheme in 1999, to improve its value for money and ensure that it only encourages sustainable home ownership. We are currently consulting on a proposal to extend restrictions on the 'Right to Buy' and 'Right to Acquire' in rural areas to safeguard the accessibility of low cost housing for local people.

Non-statutory schemes (such as 'DIY shared ownership', 'Transferable Discount' and Home Release) have been used mainly to give economically active people (who would otherwise be tenants) the opportunity of home ownership. While this may offer benefits to the participants and to the public purse (as it requires less subsidy than a rented dwelling), it has done little to promote mixed tenure and may have reduced the number of economically active people living on social housing estates.

There was general agreement with the proposition that the 'Shared Ownership' scheme should be discontinued in favour of a more flexible 'Homebuy' scheme.

The idea of providing housing that was "tenure neutral" was thought to have potential among respondents to the consultation. However, difficulties were recognised in reconciling the principle of customer choice inherent in offering housing according to "the needs, means and preferences" of individuals, with existing allocation policies that are based on priority needs alone.

There was qualified support for giving existing and prospective tenants the option to purchase using more flexible Homebuy equity loans. Some respondents saw it as an aid to achieving more sustainable communities. Others were concerned that it could lead to the loss of more popular rented stock, while doing little to combat social disadvantage in areas of low demand.

Although welcoming the introduction of a lower minimum Homebuy equity threshold, many respondents recognised the risk that some people on the margins of affordability could face difficulties in sustaining ownership in the long term.

There was substantial support for the introduction of flexible Homebuy that would enable people to move between tenures without moving house. The ability to staircase down as well as up, or to convert to rent and back to Homebuy in response to, for example, periods of unemployment or marital break-up, could offer an alternative to the destabilising effect of mortgage repossession or homelessness.

We will review existing procedures and grant schemes to remove obstacles to the more flexible use of 'Homebuy' to facilitate "tenure neutral" housing and to allow:

- social landlords to offer existing tenants the option to purchase their existing dwellings;
- social landlords to offer a prospective tenant the option to purchase the offered dwelling;
- allow 'Homebuy' owners to staircase down as well as up; and
- RSL to repurchase properties sold under 'Homebuy'.

Revised procedures will be published in draft form for consultation as soon as practicable, with a view to their early introduction. The existing 'Shared Ownership' scheme will be discontinued when the new 'Homebuy' procedures are published.

The aim will be to facilitate, not to impose. It is not envisaged that the options to purchase outlined above would be appropriate or desirable in all cases. It will be for local authorities and RSLs to determine the most appropriate way of meeting local needs. We will wish to treat any early proposals for "tenure neutral" housing as pilots, and will agree monitoring arrangements with RSL local authority partners.

## E.4 PRIVATE SECTOR RENEWAL

Very substantial resources have been made available to support private sector renewal in Wales. Successive house condition surveys have shown that this investment has had a substantial impact on reducing unfit and repair costs. Housing stock in poor condition is symptomatic of wider social, economic and environmental issues which underlines the importance of developing strategic approaches to community renewal. There is a growing emphasis on area based renewal, with local authorities increasingly developing strategic approaches to tackling local issues.

Private sector renewal arrangements can also enhance local authorities' ability to use their powers to tackle the problem of empty homes.

We will work in partnership with local authorities to put in place private sector renewal strategies to help low income and the most vulnerable households to improve their homes. The purpose of these changes will be to contribute to the aim of halving the number of Welsh homes in a state of serious disrepair (by 2005).

## E.5 RESPONSIBILITY FOR PRIVATELY OWNED HOMES

The primary responsibility for the maintenance, repair and improvement of privately owned homes must first and foremost rest with owners and landlords.

Following a recommendation from the Housing Strategy Task Groups, we have written to remind local authorities of their powers to grant and indemnify mortgages. This facility can be of considerable help to people experiencing difficulties in obtaining commercial loans, for example, on properties of non-traditional construction.

However, some owners, particularly older people and those on lower income, will need specific help and assistance. Similarly, some communities, particularly those with a highest level of deprivation, often benefit from an integrated approach to regeneration. This will be a principal feature of "Communities First" (considered in Chapter C).

As local authorities in Wales develop a more strategic approach, it is important that they have suitable powers and mechanisms in place to tackle local issues and priorities, and to ensure that the public resources available are used effectively where they are most needed.

## E.6 STRATEGIC AREA BASED RENEWAL

Experience of strategic area based renewal in Wales has shown that a comprehensive approach to the investment of public resources can lead to an increase in confidence in both the community and private sector which can provide additional support and boost to regeneration.

We believe that the current private sector renewal arrangements should be developed and improved to provide greater opportunities for people to maintain and repair their homes, by introducing new arrangements which are less prescriptive and widening the range of assistance available to include both grants and loans.

Local authorities are best placed to make decisions locally that ensure that help goes:

- to households most at risk from poor housing;
- where owners cannot afford to repair their homes;

- where poor condition is having a detrimental impact on the wider community; or
- where there are clear wide ranging benefits to adopting a broadly based co-ordinated approach to regeneration.

The current arrangements for private sector renewal are too closely prescribed to give local authorities the flexibility they need to ensure that resources are targeted most effectively, taking account of local circumstances.

It is important that local authorities have the freedom to decide on priorities for the use of resources available to them, and the flexibility to develop policies and strategies that are sensitive to local issues.

We believe that these broadly based objectives would be best met by adopting current proposals for a new less prescriptive approach, where local authorities would have a variety of help and assistance available for the repair and improvement of individual houses. This assistance could take the form of a grant or a loan, the provision of low cost maintenance schemes, or advice and help in taking out a commercial loan. Local approaches will be linked to the Housing, Health and Safety Rating system. Local authorities will also have a statutory duty to produce a published policy, having regard to detailed guidance from the National Assembly and taking account of their Best Value responsibilities.

The proposed changes in the current arrangements would also increase the flexibility local authorities have to tackle community based issues through strategic area based renewal.

In future, local authorities will have the freedom to determine grant eligibility, levels of grant and grant conditions. They would be able to decide on the most suitable form of assistance, for example, grant or loan and more freedom over where they could declare renewal areas, along with certain criteria for group repair schemes which would help them target communities and areas in greatest need. The existing powers to give relocation grants would be broadened, with local authorities having greater freedom to determine eligibility criteria, amounts and grant conditions. These changes would enable local authorities to address their local priorities by improving private sector renewal arrangements, and also helping underpin and extend the principles of LCHO.

The new arrangements will be introduced by means of a Regulatory Reform Order. That Order would be subject to Parliamentary scrutiny and the agreement of the National Assembly for the changes to extend to Wales.

## E.7 HOME BUYING AND SELLING

Following earlier consultation, the UK Government's proposals to improve the home buying and selling process were announced in October 1999. The changes require primary legislation and were incorporated in the Homes Bill introduced in Parliament in late 2000. The key proposal is a requirement that, before putting a home on the market, the seller or seller's agent should put together a pack of standard documents and information for prospective buyers. This should include copies of title documents, replies to standard buyers' preliminary enquiries, replies to local searches, copies of planning and other consents, copies of warranties and guarantees, a draft contract and a home condition report. The seller's pack will provide, at the very start of the process, most of the documents and information needed to enable the transaction to proceed speedily by restricting the window between offer acceptance and exchange of contracts when problems can occur. The Homes Bill did not complete its passage through Parliament before the 2001 General Election. Whether a similar Bill is reintroduced and its timing is a matter for the UK Government.

## E.8 COMMONHOLD AND LEASEHOLD REFORM

The reforms proposed in the 'Commonhold and Leasehold Reform Draft Bill and Consultation Paper' are intended to address the problems experienced by leaseholders by providing a better system for the future ownership and management of blocks of flats and other interdependent buildings with shared services and common parts. Whilst the Commonhold provisions of the Bill are not devolved, the leasehold provisions are. Should the Bill become law, we will use our powers to make the associated secondary legislation in Wales. There are considered to be no separate issues for Wales.

Consultation on 'The Commonhold and Leasehold Reform Draft Bill and Consultation Paper' closed on 20 October 2000. In Wales, the National Assembly undertook the consultation on behalf of the Secretary of State for Wales. The Bill was first introduced into the House of Lords on 20 December 2000 and, while progress was affected by the 2001 General Election, it has been re-introduced into the legislative programme.

We propose to introduce "Commonhold", a new form of tenure for blocks of flats and other multi-unit properties, under which occupiers would own their own units individually and, through an association, own and manage the common parts collectively.

For new developments, this will provide a complete answer to many of the problems that have plagued flat owners over the decades. There will also be opportunities for existing leasehold properties to convert to Commonhold, where all interested parties are in agreement.

To help the large number of leaseholders who are unable, or choose not, to convert to commonhold, a range of reforms are proposed, including:

- giving leaseholders of flats a new right to take over the management of their building without having to prove shortcomings on the part of the landlord and without payment of compensation;
- a number of changes to the collective enfranchisement provisions to make it easier for leaseholders of flats to buy their freeholds;
- amending the rules giving individual leaseholders of flats the right to buy a new lease;
- providing new rights for leaseholders of houses that have extended their leases under the Leasehold Reform Act 1967; and
- changes to leaseholders' rights in relation to service charges under the Landlord and Tenant Act 1985.



## F. A THRIVING PRIVATE RENTED SECTOR

### ‘Better Homes for People in Wales’ said:

Chapter 9 recognised the important role that the private rented sector has to play in meeting the housing requirements of those who were unable, or choose not, to purchase their own home. It expressed our wish to see a healthy, vibrant and well-managed private rented sector with homes in good condition. The UK Government’s Housing Green Paper proposals for mandatory and discretionary licensing of houses in multiple occupation (HMOs) were mirrored. It also signalled our aims of ensuring access to bond schemes throughout Wales, to establish best practice for deposit management schemes and to consider the merits of landlord accreditation schemes in light of on-going research in England.

### Consultees said:

The contribution of the private rented sector was generally recognised, including its role within rural areas. The intention to commission research to gain a clearer picture of the nature and problems of the sector in Wales was welcomed. It was suggested that this should include an assessment of the amount and quality of accessible housing in the sector, and address inequities in access to Disabled Facilities Grants for people living in private rented accommodation. There was some concern that too much regulation could lead to a reduction in the supply of suitable accommodation. More intervention by the National Assembly was called for – a combination of a regulatory framework and a new investment vehicle, linking fiscal investments to improved conditions and management, was considered necessary to facilitate a growth in large-scale investment in the sector. A number of responses envisaged a role for RSLs in managing private rented properties. The view was expressed that common landlord obligations for private and social sector tenancies should be considered. A small number of responses pointed to the need for a review of shorthold tenancies, which were seen as one of the major causes of homelessness.

There was widespread support for licensing of HMOs, with significant support for licensing of the whole private rented sector, possibly phased over time to deal with the worst aspects first. Others saw a need for licensing to be proportionate, so as not to reduce the supply of accommodation. It was felt that licensing should enable authorities to take account of the amount, as well as quality, of rented accommodation and its impact on particular areas. A number pointed to the need for authorities to be adequately funded to undertake licensing. Whereas

the view was also expressed that licensing schemes should be self-financing. A model licensing scheme and a national code of both physical and management standards for HMOs was thought desirable.

There was general agreement with the intention to consider the way forward on landlord accreditation in light of DTLR research into such schemes, with the suggestion that schemes should first be piloted in Wales.

There was widespread support for the proposal to provide access to bond schemes throughout Wales. It was felt that schemes should be open to a wide range of people, with a long term funding commitment. The view was expressed that the scope of schemes should be widened to include advance rent payments.

## **F.1 A VIBRANT PRIVATE RENTED SECTOR**

We want to see the development of a healthy, vibrant, well managed private rented sector with homes in good condition. A flourishing private rented sector should enhance choice and labour mobility.

The private rented sector forms a relatively small part of the total housing stock in Wales (9 per cent). However, the 1998 Welsh House Condition Survey found that problems of unfitness were proportionately greatest in private rented housing (18.4 per cent), with problems often concentrated among HMOs. A modernised private rented sector, providing a quality service, would be better placed to make an enhanced contribution to addressing housing need. We intend commissioning research in the near future to gain a clearer picture of the nature and problems of the private rented sector in order to inform the development of policies that are appropriate to the prevailing circumstances in Wales.

We will give local authorities greater powers, through introducing mandatory licensing of HMOs and selective licensing in the remainder of the private sector, to:

- achieve significant improvements in stock condition and management standards in the sector; and
- raise levels of long-term investment.

## F.2 LICENSING OF HOUSES IN MULTIPLE OCCUPATION/WHOLE SECTOR

Local authorities currently have inspection and enforcement powers in connection with the private rented sector that enables them to insist on good standards of management and condition. They have discretionary powers to operate HMOs registration schemes and are able to provide assistance to landlords through renovation/conversion/grants. This includes the development of arrangements that incorporate incentives through grant assistance with enforcement against landlords who do not maintain their properties to a satisfactory standard.

Although local authorities currently have extensive powers to tackle problems in the private rented sector, including HMOs, these are considered inadequate. The UK Government, therefore, has made a commitment to introduce mandatory licensing arrangements for HMOs. In future, local authorities will be under an obligation to license all houses in multiple occupation deemed to be high risk.

Authorities will have a discretionary power to license other HMOs where it is felt appropriate for an area.

There will also be discretionary powers for other private rented properties to be licensed in certain circumstances. Landlords will have a duty to comply with both mandatory and discretionary licensing provision.

Both mandatory and discretionary arrangements will require primary legislation on an England and Wales basis, the timing of which is a matter for the UK Government. We will deliberate upon the nature and extent of how the mandatory arrangement should apply in Wales. The detailed implementation of the new arrangements will be through secondary legislation, on which we are in consultation with the Welsh Local Government Association. This will enable us to ensure that implementation is sensitive to the needs of Wales.

The proposed licensing arrangements will also be incorporated in a future HMO strategy.

In addition to these improved powers of enforcement, local authorities will continue to be able to offer assistance to landlords through the proposed new private sector renewal arrangements.

### F.3 LANDLORD ACCREDITATION SCHEMES

In England, a number of local authorities and universities have developed local landlord accreditation schemes, that set and monitor the standards required of the scheme's members. These schemes have grown up independently of each other and the details of how they operate and the standards required vary considerably. DTLR has, therefore, commissioned research into such schemes with a view to publishing best practice guidance.

We will consider the potential of accreditation schemes in Wales in light of the DTLR research.

### F.4 ACCESS TO BOND SCHEMES

We have accepted the Housing Strategy Task Groups' recommendation that there should be equal access to bond schemes across Wales.

We intend, subject to the availability of resources, to develop access to Bond schemes in all parts of Wales. We will also aim to increase the number of bond schemes we fund and to identify gaps in coverage.

We currently fund 9 schemes in different parts of Wales. These schemes make an important contribution to improving access to private rented accommodation for the homeless and the vulnerable in the areas they cover.

We also fund a Custodial Bond Scheme, being developed by the Cardiff Bond Board. The scheme operates by paying deposits of individuals to help them access private rented accommodation. It is Cardiff Bond Board's intention to develop, through partnership, a model that can be easily utilised to provide a similar service in other parts of Wales. As this is a pilot project, it will be closely monitored and a report presented to the National Assembly's Local Government and Housing Committee at the end of its first year of operation.

Overall, these services should give greater protection to landlords and tenants, and thus in the long term increase confidence and availability of accommodation in the private rented sector.

During 2001-2002, we will:

- map the extent of current Bond scheme provision in each area, however funded, in order to identify gaps in coverage and assess the resources required to ensure access everywhere; and
- commence a review of best practice on Bond schemes.

## G. QUALITY RENTED HOMES FOR THE 21st CENTURY

### ‘Better Homes for People in Wales’ said:

Chapter 10 concerned the quality and management of local authority and RSL provided homes in Wales. It indicated that we would continue to encourage local authorities to consider the full range of options available to finance the improvement of their stock. Detailed proposals on stock transfer included:

- suspension of the levy payable on excess capital receipts from stock transfer for 3 years from April 2001;
- assisting authorities with overhanging debt;
- removing the constraint on transfers having to be completed within 1 year; and
- the development of good practice guidance on tenant relations in major works projects.

Arms length companies would not be introduced, as proposed in the Housing Green Paper, but the situation would be kept under review. Comments were invited on other options, such as the introduction of resource accounting and a ‘Major Repairs Allowance’, giving authorities a dedicated funding stream for major capital repairs to their stock.

We signalled our wish to see fairness and consistency of principle between secure tenants of local authorities and assured tenants of RSLs. Proposals included an investigation of the benefits and options for moving to a single form of tenure for the vast majority of council and RSL tenants, and the promotion of choice in the allocation of social housing, responding to applicants’ preferences as well as needs.

We also proposed the application of Best Value principles to the RSL regulatory regime, alongside the development of common performance indicators for both social housing sectors, and the on-going development of tenant participation in Wales.

The consultation paper recognised the important connections between rent levels and tackling social disadvantage. It signalled our intention to work in partnership with all social landlords to enable them to put in place long-term schemes to periodically review rent levels and, where there are widespread major inconsistencies, to restructure their rent systems.

### Consultees said:

On Resource Accounting, opinion was divided on the introduction into the Housing Revenue Account (HRA) of capital charges linked to the value of cost and depreciation of the housing stock. One view was that there would be no benefit in shifting from a system based on actual income and costs to one that would depend on notional charges. Others were in favour of the idea in principle, subject to further clarification. There was no consensus either on removing rent rebates from the HRA, with respondents evenly divided on the issue. Overall, respondents were in favour of the introduction of a major repairs allowance, providing that it resulted in new monies becoming available for housing.

Disappointment was expressed by the majority of respondents that arms length companies would not be introduced in Wales. Many organisations thought that the issue should be given more consideration as the only serious alternative to stock transfer.

Many respondents felt that we should provide clear leadership as regards stock transfer and commented that no credible alternatives had yet emerged. Several authorities viewed stock transfer as the only viable option for bringing in the necessary investment. The proposals for assistance with overhanging debt and suspension of the transfer levy were welcomed, although there was a call for the latter to be increased to 5 years (as recommended in the report of the Local Government and Housing Committee's Stock Transfer Review).

All responses recognised that Private Finance Initiative (PFI) should remain an option, but there were some concerns that there had been insufficient investigation to date. Some commented that PFI only offered a realistic funding option if the National Assembly made available significant additional finance to support it.

There was general support for the principles associated with Best Value, although it was argued that this had resource implications as, without investment in stock, the process could not be complete in terms of quality improvements. The intention to introduce Best Value into the RSL sector was welcomed, although the sector had some concerns about the additional resources required for its implementation.

The proposals to drive up standards of tenant participation across Wales were welcomed. It was also felt, however, that the strategy should recognise the right of tenants not to get involved. The strategy should not make assumptions about the level of interest in participation, and allow flexibility to establish less formal structures.

There was almost overwhelming support for the notion of a single tenure in social housing. Underpinning this was the view that any new form of tenure should be no less secure than the current secure tenancy.

On the allocation of social housing, several local authorities considered that the concept of more choice in the allocation of tenancies had arisen through concerns in areas of low demand. Concern was expressed about the conflict between the extension of choice and the need to meet the needs of the vulnerable in society. Proposals for the introduction of an Allocations Sounding Board were welcomed.

On social housing rents and affordability, the proposed research and the recognition that local landlords were best placed to determine rents in their areas were broadly welcomed. There was concern that 'convergence' effectively meant increases for the local authority sector, but otherwise the proposal was generally welcomed. Some respondents recognised that financing rules and the use of private sector monies made this inevitable. Affordability was recognised as being difficult to address. There was recognition that rent control in the RSL sector had been effective, but also concern that such control may inhibit future maintenance responsibilities.

Local authorities currently embarking on harmonisation of rents pointed to this being a long process. The publication of national data on rents was welcomed. It was felt that we needed to recognise that total housing costs (to the tenant) were more important than the rent alone. Service charges were seen as an important issue, particularly the variance between the local authority and RSL sectors and management charge inconsistencies. There was a call for greater flexibility in rent setting to reflect tenant aspirations (eg for improvements). Some pointed to the relationship between the Social Housing Grant rate and rent levels, and its impact on affordability.

## G.1 HIGH QUALITY RENTED HOUSING

We believe in the value of high quality rented housing, irrespective of the provider. The issues facing council-owned housing, RSLs and the private rented sector are slightly different. Our strategy will work towards establishing a more even playing field, so that tenants can be confident that we are working to establish common standards, rights and responsibilities as far as possible across the entire rented sector.

We wish to facilitate the development of more sustainable, "tenure neutral", communities by:

- removing obstacles to the more flexible use of Homebuy;
- enabling social landlords to offer existing tenants the option to purchase their existing dwellings;
- allowing social landlords to offer a prospective tenant the option to purchase the offered dwelling;
- allowing Homebuy owners to staircase down as well as up; and
- enabling registered social landlords to repurchase properties sold under Homebuy.

Respondents have pointed to the difficulties faced by registered social landlords in acquiring suitable existing property to meet the needs of those for whom renting is more appropriate. We have consulted on the related issues of quality standards and subsidy levels and will be reviewing our current Social Housing Grant procedures in the light of the responses, with a view to reducing existing barriers.

## G.2 INVESTING IN OUR COUNCIL HOUSING

There is an estimated backlog of at least £750 million worth of essential repairs and modernisation in Wales' council stock. The cost of investing in improvements and modernisation of the neighbourhoods in which these homes are located takes this figure to well in excess of £1 billion. Furthermore, a significant number of households are considered to be in fuel poverty. Half of these are in the social housing sector, a major cause of which is the poor energy efficiency of the stock. Our challenge, working in partnership with local authorities and others, is to overcome these sorts of problems to ensure that, within the next ten years, all our council estates are places where people wish to live and are able to do so in good, well-built and affordable homes.

Although we have been able to make some modest increases in housing capital provision, we recognise that this is far from sufficient given the scale of the problem that we face. Local authorities should, therefore, seriously examine all credible options to secure investment for improvements. All communities will have a unique set of problems and challenges. That is why we will endeavour to promote a variety of investment options to local authorities.

Local authorities are best placed to judge the relative council housing investment priorities in their area. We have increased the amount of unhyponthecated local authority housing resources from 50 per cent to 75 per cent of the total housing capital provision. These new arrangements will allow local authorities to set their own priorities on a strategic basis.

We will require all Welsh local authorities to quantify the extent of the repair and improvement liabilities in respect of their council housing stock, and to produce plans that demonstrate that its stock will be regenerated within ten years.

## G.3 RESOURCE ACCOUNTING

Interest has been shown by Welsh local authorities in the raft of proposals to be introduced in England under the resource accounting banner. The introduction of business plans is covered in Chapter B. Other aspects are considered below.

### G.3.1 Capital Charges on a Resource Accounting Basis

In England, capital financing costs in the HRA, based on historic debt, are to be replaced with capital charges linked to the value and the cost of depreciation of the housing stock. However, change should only be implemented in Wales if benefits can be clearly demonstrated.

### G.3.2 Removing Rent Rebates from the Housing Revenue Account

We understand the concerns about the subsidy system brought in by the previous Government. However, removing rent rebates from the HRA could be expensive for some authorities if no additional resources were made available: there would be losers as well as winners. A significant sum would have to be found by the UK Government to meet the overall costs of such changes if this is to be avoided. The majority of respondents to the DTLR's proposal to remove rent rebates from the HRA in England, including the Local Government Association, have agreed that this problem should be addressed by the current assumed surpluses being

redistributed through a pooling mechanism. Furthermore, the Department for Work and Pensions has not yet agreed to accept responsibility for the payment of rent rebates.

### G.3.3 Major Repairs Allowance

The introduction of a Major Repairs Allowance to be used on major capital repairs would provide authorities with a dedicated, recurrent, funding stream for major work to their housing stock. It would also provide authorities with a dedicated funding stream that could be used for Housing PFI schemes, where there was a need to undertake a significant amount of major repair work quickly.

The most obvious options approximations on the level of a Major Repairs Allowance are:

- the same level of allowance per dwelling as in England (approximately £100 million);
- the level of notional HRA surpluses (currently approximately £90 million); or
- the current level of HRA credit approvals (£70 million).

However, the introduction of a Major Repairs Allowance, at much above the current level of Housing Revenue Account credit approvals, could have an impact upon the resources for other housing activities.

## G.4 ARMS LENGTH COMPANIES

During 2001-2002, we will be further examining responses received on the various strands of Resource Accounting. Some elements may require further consultation and discussion with organisations and responsible bodies affected. Particular emphasis will be given to the overall financial implications. Given the major problems that need capital investment we do not intend to introduce a Major Repairs Allowance in Wales for the time being.

Consultation responses indicated that we should not disregard the introduction of arms-length housing companies in Wales. We would not wish to debar the creation of such companies, especially where local authorities wished to use them as a means of emphasising the separation of their strategic and operational roles.

We remain of the view that the creation of arms-length companies, based upon

the English model, is inappropriate. This is because it would require a top-slice of capital resources to be diverted, potentially, to local authorities of comparatively less need and also a fundamental change to resource distribution arrangements. This would not preclude local authorities from setting-up arms length companies, although without additional borrowing approvals being available from the National Assembly.

Authorities seeking to set up arms length companies would require our approval and would need to provide the following details:

- the reasons for the proposal;
- the functions to be administered by the arms length company and those to be retained by the Council;
- the composition and status of the new organisation;
- the way in which tenant rights were to be protected;
- the performance standards required of the new company; and
- evidence of the steps taken to consult with the tenants.

Local authorities in Wales may establish arms-length companies where they deem it appropriate, but without additional resources, and conditional upon:

- obtaining the National Assembly's prior approval based on the criteria set out above;
- the tenants involved being fully informed and consulted;
- the Boards of the companies including tenant representatives and independent people with specific expertise;
- constitutional powers being retained by the local authority's council; and
- the creation of such companies not being contrary to the strategic housing objectives of the Council.

## G.5 STOCK TRANSFER

If we are to realise our vision of all social housing being of good quality within the next ten years, it will be necessary for some local authorities to consider transferring their houses to landlords who are able to obtain private sector investment to meet the costs of repair and improvement. We want to maximise the benefits that this can bring in empowering tenants and ensuring that the communities concerned receive the economic benefits that derive from large-scale investment. We have set out a model which, we believe, can achieve both of these aims as well as improving the housing condition.

## G. 5.1 Economic Benefits of Stock Transfer

Although the fundamental purpose behind stock transfer is the generation of additional monies through private sector borrowing for reinvestment, such transfers place the control of that new spending within a locally accountable body. This offers great potential to create local employment opportunities. The investment would be primarily construction based and, therefore, can be focused to provide jobs specifically within the communities where the investment occurs. Training programmes to re-skill people to undertake the work can be timed to coincide with the availability of jobs. They can provide skills that will be marketable more generally. The investment will also provide a house which is cheaper to run and maintain, giving occupants more disposable income, therefore increasing economic activity in other sectors. Improved housing brings with it benefits to other associated retail markets such as furniture, carpets etc.

Improving the housing provides a platform for tackling other social problems, including opportunities for local economic activity such as local shops and small-scale local entrepreneurial activities. It also provides opportunities for people to consider LCHO, with the benefits of tenure integration that will support the sustainability of the communities.

If community based models are used, there would be direct involvement of the community in the ownership and management, which increases the potential for empowerment and provides a powerful vehicle for building community capacity.

The new landlords would be regulated by the National Assembly and, as such, their roles and operating standards can be supervised and directed. Surpluses generated from social housing can be recycled for the benefit of the whole community through a range of regeneration projects, typically into such areas as private sector refurbishment, mortgage rescue, equity release etc. providing a total 'housing package' tailored to community needs.

## G.5.2 The 'Community Mutual' Model for Stock Transfer

There are a number of potential stock transfer models. The one that has received most attention to date in Wales is 'Community Ownership'. However, the current proposals for this model do not place any restrictions on either the numeric or geographic size of proposed transfers within the local authority context. This, together with the governance proposals for Board composition, effectively means that the model is the traditional one that has been widely used for transfers that have taken place elsewhere in the UK. Whilst it must be a matter for local authorities and their tenants to ultimately decide on the structure of any new

organisation, a new model that gives far greater responsibility and ownership to tenants is currently being developed. This model, promoted by the Co-operative movement, develops the concept of mutuality. It offers a real opportunity to create a structure for Wales that reflects the many communities that comprise every local authority area.

The basis of the 'Community Mutual' model is that the ownership of the local authority stock would transfer, following ballot, to the tenants of the new organisation. Board composition of the new body would largely follow the traditional 'third/third/third' structure, but would potentially provide greater opportunity for tenants to select the composition of each 'third'. The only shareholders in the transferred organisation would be its tenants.

Unlike existing models, however, not only is the business conducted for the benefit of the community, but the organisation is also owned by the community. This is achieved by having as members of the community mutual organisation those members of the community in receipt of the services being provided, namely the tenants. By this mechanism, there is a real sense of ownership by the local community, and a real sense of participation and involvement by the tenants. It also avoids any sense of some remote or unaccountable organisation owning and running the properties.

Giving tenants real ownership provides the opportunity to create smaller community management units, under the 'umbrella' of the transferring organisation. These smaller units can reflect the particular size and needs of local communities, and are themselves then managed at a local level by the tenants in those communities. By this means, tenants have a real involvement through membership. No one else owns the organisation, either in the sense of deriving a profit from it, or in controlling decision-making to serve some purpose other than the benefit of the community. This keeps the 'unity' in the community. Empowering tenants effectively through the creation of community businesses will encourage regeneration of those communities at both an economic and housing level. Such structures may potentially have greater access to additional funding sources for wider community initiatives than would otherwise be available to more traditional transfer organisations. The model, if adopted, could potentially have further application to the existing RSLs, creating smaller more identifiable units, with increased accountability.

We will be providing more detail on the proposals contained in this section in the near future.

## G.5.3 Tenant Involvement in Stock Transfer

Authorities considering stock transfer will be expected to appoint independent consultants to act as a Stock Transfer Tenants' Advisor at an early stage.

To raise tenants' understanding of, and confidence in, the stock transfer process, work is underway on developing criteria for Tenants' Advisers and a Tenants' Stock Transfer Charter, in consultation with TPAS Cymru and the Welsh Tenants' Federation. These will be integrated into the Stock Transfer guidelines.

We intend to sponsor the development of good practice guidance on tenant relations in major works projects.

## G.6 APPLICATION OF THE PRIVATE FINANCE INITIATIVE (PFI) TO COUNCIL HOUSING REFURBISHMENT

Housing PFI is another way of bringing in private investment to council housing. A good PFI deal should achieve a transfer, from the public sector, of risks that can be better dealt with by the private sector whilst maintaining good value for money. Typically, such projects tend to have a capital-intensive element and a service provision element, both of which are paid for by the local authority across a long term contract (typically 25-30 years). The application of PFI to the refurbishment of existing council housing (ie HRA dwellings) is relatively new, and is being piloted by the DTLR via 8 'pathfinder' schemes. HRA cannot be used for the provision of new homes.

So far, none of the 'pathfinder' contracts have been let, so it is too early to evaluate the impact. Stock to be refurbished includes tower blocks, street properties and estates, located in a variety of environments including inner city, suburban estates and coalfield communities. The number of properties involved in the individual schemes range from 500 to 2200 dwellings. Each scheme will attract public subsidy via PFI 'credits'. A further 12 schemes have recently been approved.

### Advantages of PFI

- the dwellings remain in the ownership of the local authority;
- tenants remain tenants of the local authority;
- the contract is output based – if the contractor fails then the local authority does not pay;

- rents remain the local authority responsibility;
- staff may remain with the local authority; and
- the contractor's borrowing requirement is likely to be lower as the housing debt remains with the local authority.

## Disadvantages of PFI

- it is essentially a 'bricks and mortar' solution (although some attempts are being made to introduce measurable social indicators within the pathfinder schemes);
- generally only applicable in areas of high demand (due to need to guarantee a revenue stream);
- not seen as a whole stock solution;
- the PFI contractor will not be subject to regulation, other than by the local authority against the terms of the contract. PFI contractors are typically consortia - banks, builders, registered social landlords etc;
- from the contractor's perspective, it is a profit related deal. Such profits are effectively directed to the private sector;
- continued subsidy is required to the local authority to meet its public sector loan debt;
- additional public subsidy will be required (PFI credit), to the extent that the local authority is unable to meet the contract fees from its own resources;
- the contractor will undertake refurbishment and ongoing maintenance, effectively precluding the local authority's own direct service organisation from undertaking the work and potentially taking the refurbishment contracts outside the local economy;
- limited scope for tenant involvement; and
- the cost of borrowing by the contractor is higher than in the traditional registered social landlord model, because such schemes do not attract the same beneficial capital weighting for the lender, and interest margins are higher due to the lender perception of greater risk due to the lack of security.

## PFI in Wales

PFI is an option for local authorities that can demonstrate the ability to meet the improvement needs of the bulk of their existing stock from their own resources. A PFI contract may then be appropriate to meet a specific need. However, its application is unlikely to offer widespread benefits to the majority of Welsh local authorities, where the investment needs currently exceed the available funding.

We will require any initiative involving change of ownership of the stock, transfer of staff/services, or a change of the identity of the manager of the stock, to be subject to a formal ballot of the tenants affected.

## G.7 BEST VALUE

Best Value provides a framework for improving the way in which housing and other services are provided by local authorities, and for making the delivery of those services much more accountable.

We recognise that there is too little involvement of individuals and communities at the grassroots level of service provision, and that there is a need for improved partnership working and greater local accountability.

Best Value aims to tackle these problems. It is central to our local government modernisation agenda, which is aimed at encouraging better performance in local authority services. The regime requires the publication of performance plans and performance indicators, as well as service reviews and other requirements. A Housing Inspectorate has been established by the Audit Commission to inspect local authority housing services in Wales.

We wish to see the principles of Best Value applied across all public housing in Wales. To this end:

- we have consulted widely on the introduction of Best Value into the RSL sector from April 2002;
- we made over £500,000 available in 2000-2001 to assist in the implementation of Best Value, and the development of tenant participation. Lessons learnt from the projects funded will be disseminated widely;
- we will conduct a separate consultation during 2001-2002 on proposed changes to the regulation of RSLs. This will include how compliance with Best Value will be assessed from 2002-2003; and
- issues about Best Value Performance Indicators raised in the consultation will be considered within the Best Value in Housing Working Group.

We will also be encouraging improvements in customer service standards, by promoting awareness of good practice in the area of customer care.

## G.8 TENANT PARTICIPATION

Our aims are:

- to improve the contribution, and widen the involvement, of tenants to complement and reinforce our application of Best Value to housing;
- to deliver more efficient housing services with better quality decisions and sustainable improvements in council and RSLs performance which will benefit everyone; and
- to place tenants at the heart of the management of housing services in the future.

Tenant compacts are local agreements between social landlords and their tenants, that establish standards and expectations for joint working and tenant participation.

It is clear from our recent review of tenant participation that there are differences across the social housing sector in organisations' tenant participation practices. This is to be expected since there is diversity of needs and circumstances within Wales. Nonetheless, performance is currently patchy and improvements are needed across the board.

We have issued guidance to local authorities and RSLs on the introduction of Tenant Participation Compacts in Wales. The guidance encourages the development of Compacts that ensure that all tenants' views are adequately represented. Many of the concerns raised in response to the consultation document are already addressed in the Compact guidance. We have made over £1 million available over the last two years to support the development of tenant participation, the establishment of Compacts and the implementation of Best Value.

In 2001-2002, we will be introducing Tenant Empowerment Grants aimed at supporting tenants to carry out objective assessments of how they should develop their aspirations in a practical and realistic way. Funding will be provided to tenant groups to establish a clear forward development plan to enhance their capacity. We will also continue with our scheme for tenant bursaries and travel expenses to enable tenants to attend capacity building courses at the National Tenants' Resource Centre in Cheshire.

The 'Review of Tenant Participation in Wales' was issued in February 2001 to all social landlords and interested organisations.

We will:

- work with our partners to achieve comprehensive coverage of Tenant Participation Compacts among social landlords (By April 2002);
- monitor the effectiveness of Tenant Participation Compacts in 2002;
- support information sharing across Wales between local authorities and RSLs, by monitoring and reviewing outcomes of tenant participation annual audits and developing good practice; and
- work with the Audit Commission's Best Value Inspectorate to check compliance with guidance .

## G.9 TENURE IN SOCIAL HOUSING

We believe that everyone should have access to housing which is reasonably secure in occupancy. We recognise that the legal form of tenure must meet the needs of landlords and funders as well as tenants. However, the different forms of tenure in social housing should be as consistent and comparable as possible. This is why we wish to promote fairness and consistency of principle between secure and assured tenants.

Local authority tenants are granted secure tenancies under the Housing Act 1985. RSL tenants are granted assured tenancies under the Housing Act 1988. Landlords have some discretion, in specific circumstances, to grant other types of agreements, in particular for new tenants of social housing, for residents of some hostels and supported housing projects and for LCHO housing.

The current tenure system can be confusing for tenants both within and between different types of social landlord. This can cause unnecessary anxiety, and may be regarded as inequitable.

We are participating in a DTLR/Law Commission project to consider how housing tenure law may be simplified and modernised. The project will examine landlord and tenant issues in both the social and private rented sectors, and will aim to produce a simpler and less complex framework for housing tenure law. A framework that will be more transparent and better understood by landlords and tenants alike, that will enable social landlords to make better use of their housing stock, and that will facilitate the National Assembly's vision of greater choice and diversity in the housing sector.

It is intended to develop a consultation paper by February 2002, with an expected draft Bill prepared by July 2003.

To give effect to a single social housing tenancy would require primary legislation. We are, however, exploring the opportunity for RSLs to extend (voluntarily) assured tenancies on a contractual basis, to provide a closer approximation to secure tenancies. We will be discussing this proposal with the Welsh Federation of Housing Associations and RSLs.

## G.10 TENANT'S CHARTER/TENANT'S GUARANTEE

We expect all tenants to receive good information on their housing rights in a form that is clear and easy to read.

Secure tenants enjoy a body of statutory rights that are set out in plain language in the Tenant's Charter. These include the right to buy, the right to exchange and the right to be consulted. The Charter is available for tenants in booklet form. RSLs are expected to provide their assured tenants with similar rights to the Charter, as set out in the Tenant's Guarantee, which is also provided in a booklet for tenants.

Following consultation we published a revised Tenants' Charter in April 2001.

We will consult on revisions to the Tenants' Guarantee to reflect recent changes in legislation and policy.

In response to the consultation exercise, we will ensure that both are provided in a range of formats (by March 2002).

## G.11 SOCIAL HOUSING LETTINGS

We believe that social housing works most successfully if people are housed where they wish to live. We therefore wish to optimise choice for applicants, and to have lettings systems that respond to applicants' preferences as well as needs.

We expect publicly funded housing resources to be focused on meeting its objective of making high quality social housing readily available for those who cannot afford to buy.

Following the introduction of the Housing Act 1996, the Welsh Office issued a Code of Guidance on Allocations and Homelessness to all local authorities in Wales. The Code of Guidance will be revised following the introduction of the Homelessness Bill and completion of our review of social housing lettings.

Lettings standards for RSLs are set out in Regulatory Requirements. Current policy guidance emphasises the importance of giving priority to those in greatest need, although RSLs can take account of local circumstances and the need to prevent or reverse social decline.

Applicants are too often not treated as customers. The process of how tenants are chosen is often complex and difficult to understand. Systems may not be clearly explained, and applicants may not be given adequate information on the housing options available, nor have sufficient account taken of their own housing preferences.

It is our aim to see social housing provided within mixed, settled communities that are socially inclusive. This will involve minimising barriers to social housing, developing fair allocations policies which take account of local housing needs and conditions and the monitoring of lettings outcomes to gain an understanding of winners and losers.

An essential element of this aim is the promotion of a customer-centred approach to the allocation of social housing that:

- maximises genuine choice;
- creates settled communities; and
- ensures that a publicly funded resource remains accessible to those who need social housing.

To formulate, as a priority, a national lettings policy framework we will:

- use the Welsh social housing movement and other statutory and voluntary organisations as a Sounding Board to provide their views on policy proposals focusing on how, and in what circumstances, choice, need and the creation of settled communities can be accommodated and better integrated (begun June/July 2001 for completion early 2002);
- consider good practice and innovation in social housing lettings, including grant support for pilot projects which reflect approaches in-keeping with these policy proposals;
- consider the wider context of the changing demand for housing, including social housing; and
- consider the need for further secondary legislation and revisions to guidance and regulatory standards, within the context of any amendments to primary legislation.

We will also encourage local authorities and RSLs to collaborate over the establishment of common housing registers. This will help the process of clarifying the true nature of local need, and create a one-stop service for applicants.

## G.12 LOW DEMAND HOUSING

It is our aim to maximise the use of publicly-funded social housing. It is a key target in 'Better Wales' to reduce the proportion of vacant social housing to less than 3 per cent by 2003.

We expect social landlords to minimise the proportion of their stock that is empty. We have published good practice advice on reducing voids, and set performance indicators for social landlords in this area.

We have already commissioned research into the changing demand for social rented housing.

The image of social housing has deteriorated in recent years, and certain parts of the stock suffer from a particularly negative reputation, which is often undeserved.

We will work with our partners to:

- develop a long-term target, in light of changes to market conditions and policies, in order to reduce long term voids in this sector; and
- promote and publish good practice guidance on the marketing of social housing. (By April 2003)

## G.13 SOCIAL HOUSING RENTS AND AFFORDABILITY

We recognise the important connections between social housing rent levels and tackling social disadvantage. Where rent levels are fair and affordable, tenants will have a greater incentive to get off benefits and move into work.

Affordability is considered an important issue in the social housing sector in Wales. This is because many Welsh tenants still face difficulties in meeting their housing costs, with some critics claiming that policies often fail to take account of non core rent costs such as service charges and utility bills.

In addition to affordability issues, there remain concerns about the fairness and consistency of rents. We are concerned about indications that suggest the broad pattern of rents across Wales' social housing sector is not always a coherent one.

We will aim to:

- work in partnership with local authorities to achieve fair and transparent rent systems which deliver affordable rents;
- continue to regulate RSL rents to achieve levels which are affordable, whilst enabling RSLs to be financially viable and deliver a good standard of service;
- compare and seek to address unjustifiable differences between the rent levels of local authorities and RSLs; and
- ensure that where anomalies are identified, a restructuring process is agreed with the landlord that achieves an equitable structure within a timescale that is not to the detriment of the majority of tenants.

### G.13.1 Local Authority Rent Policy

By setting Housing Revenue Account System (HRAS) guideline rents, we are able to exert significant influence to help ensure a more rational distribution of overall average rent levels across Welsh local authorities.

Actual rents, however, are the responsibility of individual authorities.

Underpinning this responsibility, authorities have a legal requirement to charge consistent rents under section 24(3) of the Housing Act 1985 (inserted by section 162 of the Local Government and Housing Act 1989). In simple terms, authorities must ensure a broadly consistent relationship between the rents of all of the council's dwellings and market rents.

### G.13.2 Registered Social Landlord Rent Policy

For a number of years, Wales has led the way with policies designed to moderate RSL rents. This is reflected in the National Assembly's Regulatory Requirements for registered social landlords, which require that: *"RSLs should set rents and service charges which are as low as possible, whilst remaining financially viable and providing a good standard of service to their tenants."*

The benchmark rent system requires RSLs to charge maximum rents for key property types which, when averaged, are no greater than the benchmark laid down by the National Assembly. The benchmark is reviewed annually and increased in line with inflation.

As a result of the operation of the benchmarking system in Wales, the disparity of

rents for social housing in different sectors has been much less of a problem than in England. In many local authority areas, there is already convergence between local authority rents and those of RSLs. At a national level, the estimated difference between Welsh local authority and registered social landlords' rents is around 12 per cent, compared to around 20 per cent in England.

In addition to benchmarking, some all-Wales initiatives have been undertaken where affordability has been one of the desired outcomes. For example, the RSLs benchmarking system has been used in conjunction with energy efficiency schemes to share, between landlords and tenants, the financial gains of improved energy efficiency resulting from additional investment.

### G.13.3 Fair And Affordable Rents

We believe that local landlords are ultimately best placed to determine rents in their areas. We do not propose the introduction of any nationally uniform system to structure social rents. We consider, however, that there is a strong case for social landlords to review their rent structures with the aim of achieving greater consistency and fairness.

Since April 2001, we have been working in partnership with local authorities and RSLs to enable them to put in place long-term schemes to periodically review their rent levels, and where major inconsistencies are widespread, to restructure their rent systems.

A research project will be undertaken to consider actual social housing rent levels (and associated costs) in Wales, and to inform future guidance on local rent policies.

In carrying out this project, it will be necessary to make links to other policy areas and initiatives. In our view, any measure of affordability needs to take account of the cost of all major household necessities. Of notable importance are:

- energy efficiency and fuel poverty; and
- the "Supporting People" proposals, given that it seems that many local authorities are including support costs within general needs rents.

### G.13.4 Rent Convergence

To achieve progress towards convergence of rent levels between the local authority and RSL housing sectors, it is important that we have sound rent data so that meaningful comparisons can be made.

To this end, we propose to review the data we collect on rents, and to openly publish the analysis of that data.

### G.13.5 Service Charges

Looking at rent levels alone will not lead to effective policies for tackling the problem of affordability. One important cost which falls to most tenants but which is often ignored in policy debates is service charges. It is clear that the way that service charges are charged by landlords varies radically across the local authority and RSL sectors.

We consider that the way that service charges are levied in some areas can seem unfair and confusing to tenants. The research project that looks at social housing rents will encompass service charges. This will lead to the production of guidance on social housing service charges.

## G.14 HOUSING TRAINING AND DEVELOPMENT

High quality education and training is vital for all those involved in the management and development of housing. We will continue to encourage local housing providers, in close partnership with higher education institutions and the Chartered Institute of Housing, to enable housing professionals to access the education and training they require. Equally, in partnership with landlord and tenants' representatives, we will promote the value of training for local authority members, and RSL members and tenants.

Clearly, housing training and education needs will vary across Wales and are best assessed and met by housing organisations at the local level. However, we can play an important role in ensuring that housing organisations and tenants have easy access to high standard housing training and development facilities.

To this end, we will provide funding in support of training and development initiatives, for example:

- bursaries for housing professionals on academic housing management courses;
- tenant empowerment grants, including bursaries to enable tenants to attend capacity building courses and to take a more active role in the management of their homes and their estates; and
- innovative and good practice projects intended to seek improvements in housing management services.

## H. PROVIDING QUALITY NEW HOMES

### ‘Better Homes for People in Wales’ said:

Proposals from a number of associated chapters, such as changes to the Home Renovation Grant regime, were further explored in Chapter 11. It stated that we would continue to encourage local authorities to undertake condition surveys of their stock, with the help of guidance and funding. It announced that, subject to new primary legislation, a new ‘Health and Safety Rating System’ would provide a measure of the condition of homes linked more closely to the health and safety of the occupants. The new ‘Home Energy Efficiency Scheme’ would tackle problems of "fuel poverty" in Wales’ poorest households. Social housing ‘Development Quality Requirements’ would be reviewed to ensure that both new and existing stock would be good quality, energy efficient and adaptable to changing household needs. The promotion and adoption of ‘Egan’ principles in house construction was also promulgated.

### Consultees said:

Our intentions regarding guidance and funding for stock condition surveys were overwhelmingly welcomed. It was suggested that co-funded stock condition surveys should be capable of producing stock transfer valuations. It was also suggested that funding for stock condition surveys should also be available to RSLs.

The introduction of a new 'Health and Safety Rating System' was welcomed, although several respondents were concerned about the complexity of the system. Several respondents pointed to a need for practical training to facilitate effective implementation of the new system.

Respondents welcomed the commitment to, and progress made in, dealing with fuel poverty, although comment was made that we should be cautious in believing that the new 'Home Energy Efficiency Scheme' alone would reach all fuel-poor households in Wales.

The proposed review of 'Development Quality Requirements' was generally welcomed. There was a singular concern that a thorough independent review was required due to fears of the inadequacy of a National Assembly-led internal review.

The package of proposals aimed at raising awareness and examining the potential of using "Rethinking Construction" principles in public sector construction projects

was welcomed. We were urged to extend the principles to repairs and maintenance (in addition to new build), as well as raising the profile of this agenda with private sector consultants and contractors. It was considered unfortunate that the initiative was largely confined to the social rented housing stock.

There was complete agreement that we should continue to press the UK Government for an equalisation of the rates of VAT on housing repair, maintenance and renovation work with that of new buildings.

## H.1 STOCK CONDITION SURVEYS

By 2006, we expect all local authorities to have a detailed knowledge of the condition of their stock, that will enable them to develop strategies for tackling the backlog of repairs and planning of future improvements. We see this as a priority.

Not all local authorities have undertaken detailed surveys of their stock. Those that have been undertaken are either not on a common basis, or the level of detail is variable. Housing stock condition surveys undertaken to a common standard and level of detail are considered an important planning tool to assist local authorities in the management of their stock. They are also a valuable source of information for the National Assembly and are encouraged.

Grant funding has been provided for five local authorities (Conwy, Monmouthshire, Neath Port Talbot, Powys and Wrexham) to undertake pilot stock condition surveys. These have informed the development of good practice guidance for local authorities. Grant funding is available over a three-year period to encourage local authorities to undertake stock condition surveys in accordance with this guidance. This will enable them to assess the future cost of repairs and plan their strategies and budgets accordingly.

The new stock condition survey guidance incorporates advice on additional information that may be gathered at the same time as surveying the condition of the properties (as suggested in Housing Strategy Task Group 3's recommendation 5)

## H.2 HEALTH AND SAFETY RATING SYSTEM

The introduction of a new 'Health and Safety Rating System' will provide a measure for the condition of homes that is sensitive to health and safety issues, providing a standard that meets the needs of the 21st century.

The current "Fitness Standard" for homes has been in place since 1990. It is a 9 point system, in which homes either pass or fail on any of the individual elements of the standard. Although the standard is designed to ensure that people live in homes that are safe and healthy, it is not sensitive to modern health and safety issues. It is also very subjective, based on the assessments generally of environmental health officers.

The new 'Health and Safety Rating System' will more closely link house conditions with the health and safety of occupants. The new arrangement will identify faults in dwellings and evaluate the potential effect of those faults on the health and safety of occupants and visitors. It provides a means of grading the sensitivity of danger that may be present in a dwelling, and differentiating between dwellings that pose no risk and those that pose a higher risk. To assess the degree of severity and the likely spread of risk, local authority surveyors and environmental health officers will collect information on the condition of the property and will score the hazards. This will take account of the likelihood of effect on health/injury and the spread of health outcomes.

The new 'Health and Safety Rating System' will be introduced when there is a legislative opportunity. Any new legislation will include powers for regulation/guidance/directions to be issued to local authorities by the National Assembly. This will ensure that the system is sensitive to the particular circumstances and needs of Wales.

### H.3 TACKLING FUEL POVERTY

'Better Wales' set a target to help lift 30,000 of the poorest Welsh households out of fuel poverty by March 2003. Our vehicle for achieving this will be the new Home Energy Efficiency Scheme (HEES).

Around 220,000 households in Wales (almost half a million people) are estimated to live in properties with poor standards of heating and insulation, i.e. they are unable to afford to heat their homes to an acceptable level. This is not surprising given that 11 per cent of homes in Wales still lack efficient heating systems and many homes lack adequate insulation. The very worst cases, containing households who have to spend an inordinate amount of their gross income (generally acknowledged as in excess of 10 per cent) on heating their homes to an acceptable standard, are classed as 'fuel poor'. This situation often affects the most disadvantaged members of society, such as the elderly, benefit dependant families and the sick and disabled, with associated problems for health and general well-being.

Our current budget proposals provide an additional £6 million to increase the number of households benefiting from the new HEES from 30,000 to 38,000. It will also enable progress towards our target of meeting the needs of all fuel poor households by 2010. This is on top of over £15 million funding already provided for the scheme over the course of the next two years. These resources will fund a range of insulation and, for the worst cases, the provision of central heating systems to a grant maximum of £2,700. In addition, for pensioners in areas acknowledged to suffer from a high fear of crime, the scheme will also provide a range of basic home security measures.

The scheme will focus on the private rented sector where the need is greatest, with resources being split on a 70:30, private:public basis.

In all, the scheme will aid the comfort, health and safety and cut fuel bills of the poorest and most vulnerable members of society. However, the new HEES is but one element of a comprehensive National Assembly strategy, working in partnership with a range of public and private initiatives (such as the Public Utilities Energy Efficiency Commitment and the South Wales Energy Partnership) to meet our short and long term goals for tackling fuel poverty.

We will work with our partners, through initiatives such as the 'Home Energy Efficiency Scheme', to eradicate fuel poverty in Wales (by 2010).

## H.4 DEFINING STANDARDS/DEVELOPMENT QUALITY REQUIREMENTS

We aim to develop standards that will ensure housing stock provided by RSLs, both new and existing, will be good quality, energy efficient and adaptable to changing household needs.

The National Assembly publishes quality standards for both new and rehabilitated housing ('Development Quality Requirements'). The standards provide for levels of energy efficiency higher than statutory requirements, incorporate community safety best practice (through the use of the police 'Secured By Design' Scheme - see L.3) and pay particular attention to safety inside and outside the home.

In support of the standards, we have also published:

- site layout design guidance for social housing schemes dealing with landscaping, car parking, energy efficiency and maintenance and crime prevention; and

- standard contract documentation to ensure that the built product is of an acceptable and consistent standard.

The 'Development Quality Requirements' are regularly reviewed in consultation with RSLs, local authorities and tenant organisations.

We are also introducing a programme to encourage RSLs to incorporate practical environmental and energy efficiency improvements in the housing schemes they develop, and to provide incentives to the development of best practice and implementation of 'Rethinking Construction'. The Social Housing Innovation Programme (SHIP) will provide assistance over and above the normal support provided by Social Housing Grant, on a cost-sharing basis. It will have an allocation of £2 million over the next two years.

We will carry out a consultation and evaluation on 'Development Quality Requirements' that link to:

- changing government policy on reducing CO<sup>2</sup> emissions;
- our responsibility for sustainable development; and
- changes to the Building Regulations, including those dealing with accessibility (see chapter I.4.3 - Lifetime Homes). (by October 2001).

## H.5 DESIGN AND CONSTRUCTION - 'Rethinking Construction'

Our vision for a better Wales includes a better, stronger economy and a better quality of life. We want to see a broader effort towards creating a sustainable economy, in which the design and construction of housing has a large part to play.

There is concern that the construction industry is not achieving its full potential. It has low profitability and invests too little in capital, research and development and skills training.

We recognise the need to raise design standards for new development in Wales. Better design can improve the environment in which we live and contribute to sustainability and a strong economy. A 'Design Initiative' has been launched to secure such improvement, which includes the preparation of a revised Technical Advice Note on design as part of planning guidance. Consultation on the new design advice began in Spring 2001. The draft advice recognises the importance of improved design of new housing stock, of regeneration projects and of the layout of new housing areas. Such improvements can contribute to more accessible and safe housing environments, where the issues of equal access for all, traffic control, crime prevention and energy efficiency are considered alongside landscaping and other visual aspects.

The 1998 report 'Rethinking Construction' recommended ways of improving the quality and efficiency of the UK construction industry. It identified key areas of change for the industry, and proposed indicators of improvement in performance:

- reductions in capital cost, construction time, defects, accidents; and
- increases in predictability, productivity, turnover and profits.

The application of the principles of 'Rethinking Construction' would greatly increase the contribution that housing construction can make towards meeting our objectives for economic improvement, sustainable development and quality of life.

We set minimum quality and performance standards in our Standard Contract Documentation (with which RSLs must comply) for the construction of new housing, but these deal with a limited part of the construction process.

We wish to see the principles of 'Rethinking Construction' adopted in the procurement of housing. We will develop appropriate guidance to registered social landlords and local authorities for achieving the targets for improvement recommended in the report.

Our specific proposals respond to the four recommendations of the Housing Strategy Task Group 1, for 'Rethinking Construction' in house construction.

We will:

- increase awareness within the public sector of the principles of Rethinking Construction and their application to the construction, repair and maintenance of new and existing housing (2001-2003);
- monitor and evaluate completed demonstration projects registered with the Housing Forum (2001-2002);
- convene ad-hoc working groups to assist in the formulation of policies for implementing 'Rethinking Construction' procurement methods in National Assembly funded, and other public sector, construction activities. We will ensure these policies are consistent with achieving Best Value for local authorities and RSLs (2001-2002);
- in consultation with the Welsh Federation of Housing Associations, provide guidance for RSLs on partnering as a construction procurement method for Social Housing Grant funded schemes, and incorporate this guidance into our 'Development Quality Requirements' (2001-2002);
- in partnership with the DTI 'Rethinking Construction' Team and the DTLR Construction Best Practice Programme, continue to promote a programme of best practice events; and
- co-operate with partners in the construction industry to deliver awareness-raising of, and training in, the principles of 'Rethinking Construction'.

## H.6 REMOVAL OF THE VALUE ADDED TAX BURDEN ON REPAIR, MAINTENANCE AND IMPROVEMENT WORK

'Better Wales' sets a target of reducing the number of occupied houses in serious disrepair to less than 4 per cent of the stock, by 2002. Reducing the burden of Value Added Tax on repair and maintenance work would mean local authority assistance to the private sector would go further. It would also help raise the quality of work, by removing the differential between legitimate tax paying contractors committed to good standards of workmanship and the so called 'cowboy builders' of the 'black economy'.

Generally, repair and maintenance of buildings has always been standard rated since the introduction of Value Added Tax in 1973. The construction of new housing, residential buildings and some charity buildings is zero-rated.

There is, however, provision for a reduced rate of Value Added Tax for works to housing provided as part of a social policy. The UK Government has also chosen to apply the reduced rate to certain items of particular concern to it, i.e. insulation and heating works forming part of Government funded grant schemes.

There is also an EC Directive that provides for an experimental reduced rate of Value Added Tax for selected labour-intensive services. The Directive aims to boost employment and create jobs by stimulating demand for certain services, through lower consumer prices. The UK Government believes that unemployment can be tackled more effectively by targeted schemes such as the 'New Deal'.

The Chancellor of the Exchequer has announced a three-pronged package of measures to encourage the creation of additional homes, through:

- tax relief for the cost of converting redundant space above shops into flats;
- a reduction to 5 per cent of the rate of Value Added Tax for the cost of converting residential properties into flats; and
- removing the Value Added Tax burden for developers renovating and selling houses that have been empty for at least 10 years.

Though welcome, the measures fall somewhat short of our wish to see an equalisation of the rates of Value Added Tax for home repairs and maintenance, with those for new build. As stated under H.7, we will continue to make representations to the Government to pursue this aim.

## H.7 COWBOY BUILDERS

A high Value Added Tax threshold and a high tax rate unfairly penalise the construction industry. These encourage people to employ unregistered traders at the expense of legitimate Value Added Tax registered builders.

The threshold is carefully fixed to strike a reasonable balance between the need to limit the administrative costs for both trader and Government, maintain the tax yield and to minimise distortion of competition between registered and unregistered traders, whilst meeting obligations under EC agreements.

HM Customs and Excise (C&E) recognise the importance of a level playing field for small and medium construction businesses. A telephone hotline to combat cowboy builders has been set up. This complements other Whitehall initiatives, such as the development of specific proposals to tackle the problem by DTLR following the 'Merricks' report (the Government's 'Combating Cowboy Builders' working group, which considered the problems of rogue traders and reported its findings in 1999).

In 1999, the then First Secretary wrote to the Chancellor conveying our view on equalisation of Value Added Tax rates, and asked for the matter to be taken into account in the Chancellor's consideration of possible changes in taxation policy.

We will continue to press the UK Government for an equalisation of the rates of Value Added Tax on housing repair, maintenance and renovation work, with that on new buildings.

# I. MEETING THE NEEDS OF SPECIFIC GROUPS

## ‘Better Homes for People in Wales’ said:

Chapter 12 dealt with support for vulnerable and disadvantaged groups, consistent with our commitment to equality of opportunity.

In the ‘Supporting People’ section, we set out the approach to implementation of this new policy and funding framework for delivering accommodation based support for vulnerable people.

Action to improve access to social housing for people from Black, Minority Ethnic (BME) communities was featured. Proposals for taking forward the recommendations of the report "From the Margins to the Centre", including the development of a BME housing strategy and funding of a feasibility study into the establishment of a black-led housing organisation (inadvertently referred to as a "housing association" in the consultation document) were described.

The section on 'Older People and People with a Disability' set out a number of measures to assist these groups. These included:

- all-Wales coverage of Care and Repair services;
- housing information and advice services for disabled people;
- adoption of "lifetime homes" standards in social housing and promotion in the private sector; and
- the development of a long term strategy for older people in Wales.

## Consultees said:

It was generally considered that the consultation document gave insufficient attention to a range of people with special needs, for example people with mental health problems or those with learning difficulties.

Most responses indicated that they would formally be responding to the National Assembly’s separate consultation exercise on 'Supporting People', but gave their general reaction to the policy. There was general support in principle for 'Supporting People', but several concerns were raised, including the need to clarify arrangements for the administration of the framework. It was felt that more needed to be done to raise awareness of the changes that 'Supporting People' would bring.

The commitment to the improvement of access to social housing for BME groups, and the development of a BME Housing Strategy were welcomed. It was considered, however, that any strategy for meeting the needs of BME groups should form part of the wider National Housing Strategy and not be a stand-alone plan. Concern was expressed about the potential introduction of a black-led housing association in Wales. Many respondents were of the view that it would not be appropriate to have a black-led RSLs covering all of Wales, because it presumed that all minority ethnic groups had the same needs, whereas there were many diverse cultures and religions with different requirements.

There was disappointment from virtually every respondent that older people and the disabled had been considered together. There was also widespread criticism of the use of the term "the disabled".

The recognition and support of the important work of Care and Repair agencies was welcomed, although it was felt that we should ensure the longer-term viability and provision of the service by providing more direct funding.

The concept of a specialist disabled persons housing advice service was welcomed. It was generally accepted that accessibility/adaptations registers were better kept at a local level, rather than the development of an All-Wales register. A couple of responses suggested that local registers should be linked across Wales, so that disabled people had equality of opportunity to move from region to region.

Respondents welcomed the introduction of 'Lifetime Homes' standards in all new social housing from April 2001, and the promotion of Lifetime Homes principles and barrier free housing across all tenures. There was a call from disability groups for a concerted effort by the National Assembly and the UK Government to ensure that private sector house builders constructed homes to at least 'Lifetime Homes' standards. This was considered achievable both by changes to primary legislation and through promotion and marketing by the National Assembly.

There was a call to ensure that, in drawing up its guidance, the National Assembly ensured that arrangements in Wales resulted in asylum seekers and refugees obtaining access to good quality accommodation. Concern was expressed about the poor living conditions in which many asylum seekers and refugees were considered to find themselves in the private rented sector in England. It was considered that a clear set of guidelines was needed in Wales.

## I.1 EQUALITY OF OPPORTUNITY

As one of the National Assembly's three key themes, equality of opportunity has particular significance in terms of accessibility to housing. To realise our aim of a fully inclusive society, we must ensure that equality of opportunity is ingrained in all policies and guidance. By tackling the problems associated with specific disadvantaged groups, we aim to deal with the most evident examples of inequity among our people.

We will ensure that all vulnerable households have access to specialist housing advice and any support and adaptations they may need to remain in their own homes.

## I.2 SUPPORTING PEOPLE

'Supporting People' is a new policy and funding framework for delivering accommodation based support to vulnerable people, in different types of accommodation and across all tenures. It puts on a secure and legal footing the funding that has been delivered in an ad hoc way through Housing Benefit, as well as replacing a complicated tangle of other funding streams and overlapping management structures. It is being preceded by a Transitional Housing Benefit Scheme, operating from April 2000 to April 2003.

'Supporting People' is an integrated approach to support services, that joins up budgets and distributes them at a local level on the basis of need. It is also intended to create incentives for local housing organisations, social services, and probation services to work together with other partners to deliver cost-effective and high quality services to vulnerable people.

The consultation period for 'Supporting People: The Funding Arrangements and Implementation in Wales' ended on the 27 April 2001. We are now considering the responses and their implications for 'Supporting People' policy.

A series of consultation papers on areas of detail will follow, to ensure that the necessary steps have been taken to prepare for implementation from April 2003. The principle stages will be:

- issuing draft guidance on the dis-aggregation of pooled support costs by local authorities (by July 2001);
- issuing draft guidance on charging and means testing for 'Supporting People' (by August 2001);
- production of draft guidance for local authorities (by December 2001);
- completion of a review of the specification and tariff system for 'Supporting People', and the initiation of consultation (by March 2002); and
- implementation of 'Supporting People' Policy from April 2003, ensuring the continued funding of all existing supported housing services during a period of transitional protection.

We will ensure that the funding arrangements provide an optimal framework for the delivery of accommodation based support to vulnerable people in Wales.

### **I.3 BLACK, MINORITY ETHNIC (BME) GROUPS**

Our aim with housing (as is our general approach to the government of Wales) is to ensure that race equality is promoted as part of the wider agenda to combat racism, and to provide equal rights, opportunities and responsibilities within a stakeholder society.

BME people in Wales share many common experiences in terms of discrimination and disadvantage, despite representing a small element of our population that cannot be considered a single community.

A number of areas remain critical for improving access to social housing for people from BME communities. Specific concerns include the lack of involvement and consultation of BME people and organisations in the management of social housing, the continuing problems of racist harassment and the need to address specific requirements in terms of design and layout of accommodation. More generally, there is a need for further research to establish an accurate picture of the social and economic circumstances of BME people in Wales, and in particular of local assessments of their needs.

In recognition of the need to improve the performance of all social housing providers in responding to the needs of BME people, we have consulted separately on proposals for a BME Housing Strategy for Wales.

Many of the issues raised by respondents to 'Better Homes for People in Wales' are already incorporated into the draft BME Strategy, on which consultation ended on 5 July 2001.

We aim to implement this strategy by April 2002.

We are also funding a wide-ranging BME Housing Project, which is now underway. Views expressed in response to the consultation have been provided to the Project Co-ordinator. There will be regular feedback on progress via a quarterly newsletter that will be widely disseminated.

Through these and associated proposals, we aim to have a clearer picture of the housing requirements of BME households and to have more BME people employed at senior levels within housing organisations.

We also expect social landlords to operate appropriate policies and procedures, that successfully tackle racial harassment and discrimination. We believe that the achievement of these objectives is crucial if equality of opportunity and the empowerment of BME individuals and communities are to be ensured.

We will work with the RSL movement to establish, and where needed ensure, that the levels of BME representation on their boards reflect the numbers and profile of the BME populations they serve. Board composition will be reviewed by September 2001.

## **I.4 PEOPLE WITH DISABILITIES**

### **I.4.1 ACCESSIBILITY/ADAPTATIONS REGISTER**

We are determined to promote equality of access to social housing, and understand the difficulties faced by people with physical disabilities in this area. We believe that this issue is best tackled at the local level, and recognise the potential benefits of locally based accessibility/adaptation registers.

Responses to the consultation strongly supported this approach, whilst pointing out the benefits of links between local services and enabling people to move across boundaries.

We will encourage local authorities to adopt information systems that enable them to identify accessible and adapted properties, and match them with the needs and choices of disabled people. We will also work with HOMES (Housing Organisations Mobility and Exchange Services) to overcome barriers for disabled people who wish to move home.

We will consult on information and advice services for disabled people, and how we can enable better access to housing services for them.

We will also examine the current funding arrangements for the provision of physical adaptations operating in the private and public sectors.

### **I.4.2 HOUSING PROVISION FOR MENTAL HEALTH SERVICE USERS**

Good quality, well managed housing is among the most important components of successful community care for people with mental health problems (Audit Commission, 1998). It is fundamental to achieving the security and well being of individuals. Every area in Wales should provide a comprehensive range of residential accommodation with appropriate levels of support to meet the needs of those suffering with mental health problems.

Such services will often be commissioned in collaboration with the voluntary sector. Local authority housing departments should ensure access on an equal basis to local housing provision for users of mental health services, including liaison with the independent sector. Some service users will need to stay in

supported accommodation indefinitely, whilst others will be able to move on to less supported and general housing provision. Where support services are available with accommodation, these should work in close liaison with the mental health professionals supporting them.

The Adult Mental Health Services Strategy, due to be published in the summer of 2001, recommends that models of funding and good practice are devised and piloted in Wales as a matter of priority, using the mechanisms in 'Partnerships for Improvement'.

The standard, described above, for provision of a comprehensive range of accommodation will be reflected in the new 'National Service Framework' for Mental Health Services which is planned to be published later in 2001.

## 1.5 SERVICES FOR OLDER PEOPLE

A recent review of research literature by Bangor University to inform the Steering Group for the Strategy for Older People in Wales revealed that:

- the Welsh housing stock may be the worst in Western Europe, which will have a considerable impact on the health, social and psychological well-being of older people;
- access to adaptations and repairs are essential to ensure that older people can remain independent in their own homes;
- it is imperative to address the availability and suitability of special forms of housing which meet the needs of older people; and
- eighty percent of the landmass in Wales contains 'rural housing', and is likely to require different solutions and approaches to housing problems than elsewhere in the UK.

## 1.6 CARE AND REPAIR

We want to ensure that older and disabled people have access to the help they need to remain in their own homes. We wish to ensure more effective provision of help to older and disabled people, with closer integration of housing, health and social care services.

Means tested Disabled Facilities Grants are available to help disabled people in need to adapt their homes. Home repair assistance is available to assist elderly people, and those in receipt of income related benefit, with minor repairs to enable them to continue to live in their own homes. Elderly and disabled people often have difficulty in knowing what help is available and how to access that help.

Care and Repair agencies play a vital role in the provision of services to the elderly and disabled, assisting with adaptations, repairs and improvements to their homes. This relieves the anxieties created by disrepair, reduces the potential for exploitation by disreputable ("cowboy") builders and ensures that they are aware, and in receipt, of all the assistance which may be available to them.

The current Care and Repair service will be consolidated, and the agencies supported to continue to develop more innovative approaches to tackling the problem that older people face

The proposed changes to private sector renewal arrangements will offer Care and Repair further opportunities and scope to extend the help and advice they provide, particularly with the increasing availability of loans alongside grants.

Care and Repair will also work with other public sector agencies including social services, health authorities/trusts and voluntary agencies, to help provide a more co-ordinated approach to assistance for older people.

A review of Care and Repair funding to establish continuity and stability is currently being undertaken, for completion by Autumn 2001.

## 1.7 LIFETIME HOMES

We want to ensure that all communities, including individual homes of all tenures and the general environment in which they are situated, are accessible by everyone. We also wish to provide residents with the opportunity of staying in their homes longer, by making their houses capable of adaptation in order to meet the changing needs faced by most families in a lifetime.

The concept that is promoted by the Joseph Rowntree Foundation comprises 16 major standards that aim to provide homes which are flexible and can cater for people with a wide range of disabilities. In the long term, it will also help relieve some of the demand for residential care and reduce the pressure on hospital beds by allowing earlier release from hospital.

'Lifetime Homes' standards will therefore contribute towards the building of more sustainable homes, and fit in with our statutory responsibility to promote sustainable development.

We are committed to the principle of 'Lifetime Homes'. All new housing built by RSLs in Wales after April 2001 is being built to design standards that incorporate the 'Lifetime Homes' principles. The Pattern Book of housetypes produced by the National Assembly will also be amended to reflect the new design standards.

To date, the principles have only been applied to new housing developments, but

the importance of applying them, where practically possible, to existing dwellings and communities is recognised. Research into the application of Lifetime Homes standards to rehabilitation projects is being undertaken with a report planned for later in 2001.

We will:

- promote the principles of 'Lifetime Homes' and barrier free housing across all tenures through the dissemination of good practice;
- ensure that all future social housing is built to 'Lifetime Homes' standards; and
- ensure that all social housing providers develop and maintain a database of disabled adaptations to their stock (by 2006).

## 1.8 ROYAL COMMISSION ON LONG TERM CARE

The Royal Commission on Long Term Care published its report "With Respect to Old Age" in 1999. The report set out a range of options for changes to the funding system for long-term care.

An implementation programme has commenced in Wales, that addresses many of the Royal Commission recommendations as they relate to the devolved powers of the National Assembly. The main features are described below.

In future (from October 2001 for self-funders), everyone who needs nursing care will have it paid for by the NHS. Currently, people in care homes can be charged for their nursing costs, which in all other settings would be free. Free nursing care will remove a major anomaly in the present funding arrangements for long term care.

We have introduced, from 9 April 2001, new regulations which will ease the pressures on those entering care to sell their homes to pay care costs. This includes :

- a new disregard of the value of the home for 3 months following admission to a residential setting – allowing more time for life changing decisions on care arrangements to be taken;
- councils will be able to make available loans to meet care costs to avoid the need for house sales during the older person's life; and
- the capital limits for mean testing and personal allowances for individuals have been increased.

A consultation on phasing out of the entitlement to Residential Allowance and the transfer of Preserved Rights to Higher Rate Income Support to local authorities has been completed, and will be implemented from April 2002.

The Direct Payments Scheme has been extended to those over 65 years of age. We are introducing a new scheme to fund the first 6 weeks of charges, where an individual is assessed as needing rehabilitative care needs at home following discharge from hospital. We will work with local government to agree the details of these arrangements.

## 1.9 A COMPREHENSIVE STRATEGY FOR OLDER PEOPLE/ CARE STANDARDS ACT

Section 8 of the Care Standards Act 2000 gives the National Assembly the statutory duty to encourage the improvement of quality in the social care sector and to publish information to the public.

The Act will drive up standards in social care services, introduce tough new checks on private healthcare, and create a new inspection system for early years childcare and education. One of the main purposes of the Act is to reform the regulatory system for care services in Wales and England and to improve protection for vulnerable people. These regulatory functions will be undertaken by the National Assembly's new Care Standards Inspectorate for Wales from April 2002 (and by the Care Standards Commission in England). The National Assembly will take over regulatory responsibility for all services regulated by local and health authorities and will take on new regulatory functions, so that comprehensive regulation of social care and non-NHS acute health care is achieved. The Act will also enable us to create the Care Council for Wales, to regulate and train the social care workforce.

The Care Standards Act also makes provision for the National Assembly to introduce, through regulations, a framework of National Minimum Standards. The purpose of National Standards is to:

- provide minimum standards below which no provider may operate;
- ensure the protection of residents;
- safeguard and promote the health, welfare and quality of life of residents; and
- provide standards which are robust, measurable and enforceable, in order to achieve these aims.

The potential impact of the standards on the care sector will be taken fully into account in consultation with all those with an interest, including representatives of the sector, before the new standards are implemented. The implications for smaller care homes and those in rural areas where there may be few alternatives will be carefully considered. We will work closely with the care sector to determine sensible arrangements for the introduction of the National Standards.

A comprehensive and integrated Strategy for Older People will be developed in full collaboration with all our partners by April 2002. It will give expression to our commitments to older people in need of long term health and social care, and extend to consider the impact on older people of all aspects of policy for which we are responsible. A Steering Group will lead the development of the strategy, but there will be a comprehensive consultation programme to ensure that older people and their representatives can participate fully in the process.

We intend also to commission a project, in conjunction with local government, to examine the demand for elderly person housing, particularly sheltered accommodation and the need to develop other forms, such as frail elderly schemes. This project would take into account the impact which specially designed housing for the elderly can have on residential and nursing home provision.

## 1.10 YOUNG PEOPLE LEAVING CARE

Young people leaving care have particular needs for support in making the transition to adulthood. New duties on local authorities in respect of this group introduced by the Children (Leaving Care) Act 2000 are described below. The support needs of care leavers should be agreed in individual plans and reflected in the appropriate authority plans, for example the Local Housing Strategy and Children's Services Plan. We look to local authorities to consult with all partner organisations in considering the extension of options for care leavers.

The new arrangements for care leavers, introduced by the Children (Leaving Care) Act, will come into force on 1 October 2001. Local authorities will be under a duty, subject to eligibility criteria, to assess and meet the care and support needs of 16 and 17 year olds who are looked after, or who have left care, and to assist young people aged 18 to 21 who have been looked after, in particular in respect of their employment, education and training.

Care leavers aged 16 and 17, other than single parents and some children with disabilities, will not be entitled to claim Income Support, income based Job Seekers Allowance, or Housing Benefit. The responsible local authority will be

required to safeguard and promote their welfare and to support them by maintaining them, and providing them with or maintaining them in suitable accommodation.

It is important that the housing needs of young people are addressed before they leave care. Each care leaver will have a Pathway Plan that will include planning for accommodation.

Any consideration of accommodation needs should have regard to the young person's need for emotional and financial support and also their education, employment and training and health needs. It is essential in negotiating accommodation arrangements that the local authority and any other interested party ensure that the accommodation to be provided is considered to be "suitable accommodation". Local authorities will also need to satisfy themselves that the landlords are suitable persons to work with young people, by ensuring that they are not on any police list of offenders or other official lists of person unsuitable to work with children.

Under Regulation 11 of the Children (Leaving Care)(Wales) Regulations 2001, "Suitable accommodation" means accommodation:

- (a) which so far as reasonably practicable is suitable for the child in light of the child's needs, including health needs;
- (b) in respect of which the responsible authority has satisfied itself as to the character and suitability of the landlord or other provider;
- (c) in respect of which the responsible authority has so far as reasonably practicable taken into account the child's:
  - (i) wishes and feelings; and
  - (ii) educational, training or employment needs.

Where a care leaver who is in further or higher education needs accommodation during a vacation, local authorities will be required to assist by:

- (a) providing suitable accommodation; or
- (b) paying enough to enable the young person to secure suitable accommodation for themselves.

Guidance on the new arrangements will be issued before 1 October 2001.

## I.11 DOMESTIC VIOLENCE

We are committed to tackling domestic violence and helping people to overcome violence, and the fear of it, in the home.

We are considering how we can develop an inter-departmental and agency approach to domestic violence, which will incorporate housing elements.

We are already funding over 30 local Women's Aid groups across Wales to provide housing and support to women fleeing violence, as well as providing core funding to Welsh Women's Aid. We have also extended the homeless priority need categories to include people escaping domestic violence, and have issued guidance on relationship breakdown.

In our forthcoming review of allocations' policy, we will consider how lettings practices can better enable women to move on from, or avoid the need for, refuge accommodation. We will also work with Welsh Women's Aid to develop new community-based approaches to helping women at risk of violence or abuse.

## I.12 ASYLUM SEEKERS AND REFUGEES

We wish to enable housing providers to implement effectively Government policy on the provision of housing and support for persons seeking asylum via the Home Office National Asylum Support Service. We would also wish to encourage good practice in the resettlement of refugees.

We are in discussion with the National Asylum Support Service and other agencies on the issues facing housing organisations providing services to asylum seekers. The likely progress of the resettlement programme is still being clarified.

The National Asylum Support Service manages the strategic arrangements for temporary settlement while applications for asylum are being assessed. Housing providers in Wales have indicated their willingness to co-operate in the provision of housing and related services to asylum seekers. The arrangements not only represent a new approach to housing asylum seekers via dispersal throughout the UK, but it also represents an area of housing in which the movement in Wales has limited experience.

We will develop, consult on and issue good practice guidance on the provision of housing services to asylum seekers and refugees (By December 2001).

## J. HOMELESSNESS AND ROUGH SLEEPING

### ‘Better Homes for People in Wales’ said:

Chapter 13 set out proposals for meeting our aims of eliminating the need for anyone to sleep rough and to reduce the incidence of homelessness in Wales.

The establishment of a Homelessness Commission to take forward work on homelessness was heralded, with a view to it reporting by the summer 2001. Comprehensive local homelessness strategies were seen as key to tackling homelessness and rough sleeping in Wales.

The section on Homelessness Categories described proposals in the Housing Green Paper to strengthen the protection available to the homeless, extending the statutory safety-net to a wider group of vulnerable homeless people and giving flexibility to authorities to help non-priority homeless people. Ahead of the primary legislation, the National Assembly had consulted separately on (and subsequently implemented) an extension to the existing categories of homeless people who were to be considered in priority need.

An independent audit to examine the nature, quality and accessibility of housing advice services across Wales had been commissioned. This would inform the dissemination of best practice advice, with the aim of promoting universally high quality advice services in all areas.

The close work with the Foyer Federation in Wales and other organisations to develop a flexible approach to Foyer provision unique in the United Kingdom was explained. The consultation document proposed that future provision should move away from large purpose built Foyers, to smaller and more dispersed provision that brought together high quality self-contained accommodation and better opportunities to develop life skills and training for employment.

### Consultees said:

All responses welcomed the establishment of the Homelessness Commission. Two responses stated that it was important that the Homelessness Commission (and local authorities) took adequate account of the needs of disabled homeless people and rough sleepers.

There was mixed reaction to the development of local homeless strategies, although the majority of responses were in favour. Several local authorities that were in favour considered that additional funding implications were inevitable.

Those against the production of local homelessness strategies considered that a national (rather than local) homelessness strategy was needed and were concerned about the additional burden.

Overall, the decision to extend the existing categories of homeless people was welcomed. Concerns were expressed about the additional resources that local authorities would need as a result.

Responses generally welcomed the recognition given to the importance of housing advice and the commissioning of a housing advice audit. More generally, it was suggested that:

- more resources should be directed at the support needs of single homeless people – particularly 16-18 year olds;
- the strategy should support policies aimed at the prevention of homelessness; and
- the promotion and development of housing advice services should ensure that timely help was available to those experiencing domestic violence.

Most responses supported a move away from large purpose built foyers and welcomed the 100 per cent funding of the bedspaces through Social Housing Revenue Grant. Others thought that we should not be prescriptive as to the size and configuration of foyers. The point was also made that while foyers needed to be part of the network of support related to housing, they would cater only for a small proportion of young people in an area.

## J.1 HOMELESSNESS COMMISSION

In October 2000, the Minister for Finance, Local Government and Communities announced the establishment of the Homelessness Commission, under the Chairmanship of the Deputy Housing Minister.

The Commission has determined that its main tasks are to:

- map current information on homelessness and rough sleeping in Wales, existing and planned provision, and identify gaps and overlaps;
- devise a common methodology for counting rough sleepers in Wales;
- consider definitions of homelessness and rough sleeping and propose definitions for Wales;

- consider how to monitor homelessness across Wales;
- consider targets (and the feasibility of targets) and outcomes for tackling homelessness and rough sleeping in Wales;
- review and evaluate best practice in tackling homelessness and rough sleeping, and to publish the review on the National Assembly website; and
- develop a model local authority homelessness strategy.

The Commission has met monthly in public, throughout Wales.

The Commission will conclude its activities by mid summer 2001. Its final report and recommendations will be presented to the National Assembly in the autumn.

## J.2 EQUALITY AND INCLUSION

‘Better Wales’ demonstrates the importance that we attach to equality and inclusion. At its extremity, the socially disadvantaged are exemplified by rough sleepers and the homeless.

We have set ourselves challenging targets to eliminate the need for rough sleeping and to reduce the incidence of homelessness. To initiate the attainment of these aims, we have funded a range of projects to identify the true extent of homelessness and to tackle it through the development of strategic responses and projects for specific groups.

The Homelessness Commission is considering the recommendations in the ‘Rough Sleeping in Wales’ report, the recommendations of the Housing Strategy Task Groups and also the report of our review of exclusion practices amongst social landlords. The Commission will be advising the National Assembly on the action it should take to eliminate rough sleeping and to take forward strategic approaches to homelessness more generally.

## J.3 LOCAL HOMELESSNESS STRATEGIES

We recognise the fundamental importance of developing local strategic approaches to reduce homelessness and rough sleeping. The Homelessness Bill published by DTLR in June 2001 requires local housing authorities to play a greater role in tackling homelessness by undertaking reviews and developing a strategy, with local partners, to tackle homelessness in their area. The Bill also introduces proposals offering greater protection to Homeless families with dependent children and vulnerable people.

The Homelessness Commission will be advising us on guidance for local authorities to support the implementation of the strategies. Particular emphasis will be placed on the need for a partnership approach to the development of strategies, for structured links between services, and for the need for support services to be in place which enable homeless people to sustain permanent housing solutions.

Individual housing plans have also been proposed to improve targeting of resources and services to homeless people. We will monitor the development of local strategies and promote good practice in individual planning to ensure that housing solutions are successful.

We have already provided £3.6 million to local authorities to develop better local strategies based on evidence of local need. We will also increase funding under section 180 by £3.5 million over three years to provide for an additional 30 projects to help eliminate rough sleeping.

We have recognised that, in many cases, support will be required to ensure that the tenancy can be maintained. Our budget includes an additional £2.1 million in Supported Housing Revenue Grant over the next three years to provide an additional 200 bed spaces by 2002-2003 for homeless and other vulnerable people.

In March 2001, we introduced an Order extending the statutory homeless categories to cover:

- 16 and 17 year olds;
- care leavers;
- prisoners on release from custody;
- people leaving the armed services; and
- people fleeing domestic violence.

We have issued provisional guidance to aid implementation of the Order. We will follow this up with statutory guidance within a revised Code of Guidance on Allocations and Homelessness, taking account of feedback on the provisional guidance and the operation of the Order.

The voluntary sector plays an important role in combating homelessness. Services such as Shelter's 'Shelterline' complement local authority services and provide an easily accessible way of making sure that advice is available to anyone who needs

it, at any time of the day or night. A 3 year programme, commencing in 2000-2001, with an increased budget (of £1.85 million, up from £1.05 million) for voluntary organisations working with the homeless will help to establish flexible new schemes such as emergency nightshelters, outreach support, bond schemes, tenancy support schemes and direct access hostels. There will also be Winter Shelter, Day Centre and Heavy Drinkers programmes. These programmes kick-start those projects concerned with alleviating the problems of rough sleeping, plug gaps in current provision, and identify the need for support services.

We will:

- ensure that levels of homelessness are measured in all local authority areas and addressed through local housing strategies (to be in place by 2003);
- significantly reduce the numbers of long-term homelessness households (in line with a target recommended by the Homelessness Commission); and
- eliminate the need for rough sleeping (by April 2003).

## J.4 HOUSING ADVICE AND INFORMATION SERVICES

Local authorities have a statutory duty to ensure that advice and information about homelessness, and its prevention, is available free of charge to anyone in their area. Authorities can fulfil this duty by providing the service themselves, or by contracting or working in partnership with the voluntary sector.

The type and quality of this housing advice appears to vary widely between different local authorities. In order to inform the understanding of how homeless advice services are delivered, both in the statutory and voluntary sectors, we commissioned an independent audit of the range and scope of housing advice services across Wales. The audit examined the range and quality of existing services, how accessible they are and the views of people who use the services. It also identified good practice and made recommendations on developing standards for housing advice services across Wales.

We will consider the findings of the audit and how the recommendations can be addressed to promote best practice and improve standards.

Prompt and accurate advice on practical issues may prevent people becoming homeless, losing legal rights, getting into debt, experiencing violence, or even death. For landlords, the advantages will be a speedier resolution of housing problems and the ability to manage their housing more efficiently.

Effective housing advice is vital in enabling people to secure and sustain the housing that will best meet their needs. Our aim will be to promote universally high quality advice services in all local authorities.

We will ensure that all people in Wales have access to free high quality housing advice and promote access to specialist housing advice where this is needed (by April 2003).

## J.5 HOUSING AND EMPLOYMENT/TRAINING

We recognise the vital link between the need for adequate housing and enabling people to fulfil their potential through training and employment. We aim to promote housing services and strategies that are complementary to training and employment strategies, thus supporting sustainable development. This should be delivered through flexible approaches that are responsive to individual needs and reflect their changing circumstances.

The review of policy on allocations will consider how lettings can enable and support people to develop their training and employment careers. The review will identify good practice approaches to reflecting the needs of people who wish to live near to where they have a job or training place. Forthcoming legislation is likely to disallow the exclusion of applicants who need to move into an area from outside, and the removal of this barrier to mobility should help job movers.

People with support needs are likely to have particular difficulties in identifying and obtaining appropriate training and employment. Supported Housing services can help to overcome these disadvantages by providing a more stable environment, providing life skills training and connecting people to the right training and employment opportunities. The National Assembly, working closely with ELWa Careers Wales, the Employment Service and local authorities will promote access to appropriate training and employment opportunities for people in supported housing, through its funding of those services and the implementation of Supporting People. We have recognised the particular needs of young people in our report 'Extending Entitlement', which sets out how local authorities should work in partnership with other agencies in developing integrated strategies to promote the inclusion of young people.

Many supported housing projects already have close links with training and employment agencies. Foyers are a particular approach that combines accommodation with training and development for young people. They offer integrated access to, at least, accommodation, training, personal development and job searching facilities, based on a formal agreement with the young person.

Foyer development in Wales has been specifically tailored to Welsh circumstances. Our working closely with the Foyer Federation Wales has led to a move away from the concept of large purpose built Foyers, to smaller and more dispersed provision that brings together high quality self contained accommodation and better opportunities to develop life skills and training for employment.

We have decided not to approve any further schemes of the size and type of the Swansea and Wrexham Foyers. Future Foyer schemes (following normal housing allocation capital procedures) will be dispersed provision with clusters normally not exceeding a maximum of 10 or 12 self contained units. In recognition of the high and complex needs of the young people referred, where it can be demonstrated that such provision is capable of meeting local need and local priorities, 100 per cent of the bedspaces will be eligible for Supported Housing Revenue Grant.



## K. HOUSING BENEFIT

### ‘Better Homes for People in Wales’ said:

Chapter 14 dealt with the Housing Benefit aspects of the Housing Green Paper. While generally supportive of the proposed changes, the chapter made it clear we would work closely with the UK Government to ensure that the potential impact of proposals in Wales was properly considered. In particular, the paper pointed to the need for a fundamental review of Housing Benefit administration. We invited views on whether there was a need for Housing Benefit to be administered on a uniform UK basis and voiced the National Assembly’s wish to see the abolition of restrictions on Housing Benefit paid to under 25 year olds.

### Consultees said:

There was total agreement that the structure and administration of Housing Benefit were in need of fundamental review, although there was concern from some that the Green Paper did not go far enough with its proposals. Agreement was expressed with the principle that housing and Housing Benefit policy must complement and reinforce each other. Respondents agreed that we should ensure that any reforms at the UK level impacting upon housing policy in Wales were properly co-ordinated. Respondents felt that Housing Benefit policy should not be driven by housing priorities in England. Overwhelming support was expressed for the abolition of the Single Room Rent Restriction. If this was not possible, then several respondents felt that the proposal to broaden the definition of Single Room Rent should be implemented. There was concern, however, that broadening the definition would involve a further set of rule changes for local authorities to absorb.

### K.1 GREAT BRITAIN WIDE SYSTEM FOR HOUSING BENEFIT

There is a uniform Great Britain wide system for Housing Benefit. While Housing Benefit has not been devolved to the National Assembly, we are committed to making representations to the UK Government where there are Housing Benefit issues and proposals that have an impact on Wales. There is very close liaison between us and the Department for Work and Pensions on matters of mutual interest.

The importance of Housing Benefit to any debate on Welsh housing policy cannot be underestimated, given that there are currently around 214,000 Housing Benefit recipients in Wales. Changes to Housing Benefit levels are directly linked to the housing circumstances of all of these people.

The UK Government's Housing Green Paper of April 2000 identified the key problems with the current system of Housing Benefit:

- claimants find the delivery complex, confusing and time-consuming;
- rules are complex;
- a significant proportion of local authorities that administer Housing Benefit fail to do so efficiently;
- Housing Benefit fraud is taking money out of the social security system which could be directed to other important priorities;
- many people of working age are deterred from taking up work because they do not understand how their entitlement to Housing Benefit works;
- many landlords are collecting high rents for poor properties paid for by Housing Benefit; and
- as the benefit can be paid directly to the landlord (often in full), many claimants take little responsibility for their rents.

## K.2 HOUSING GREEN PAPER

To tackle these problems, the UK Government has put forward proposals to improve administration, to more energetically attack fraud and error and improve incentives to work. These include:

- developing a single claims process for benefits which would reduce duplication and shorten processing time;
- improving information sharing between Department for Work and Pensions and local authorities;
- reducing the complexity of Housing Benefit rules;
- developing a new funding regime based on performance against targets in individual local authorities to cut fraud and error; and
- increasing the incentive to work by targeting earning disregards on key areas or groups of people.

The Green Paper included the caveat that there can be no structural change until rents in England have been restructured in a fairer and more consistent way, and

allocation policies in England have been reformed to provide a better degree of choice. We propose to address these issues through approaches set out elsewhere in this document.

### **K.3 HOUSING BENEFIT ADMINISTRATION**

Given the high levels of Government expenditure committed to Housing Benefit, we support the need for robust administrative controls. Nevertheless, concerns exist about the fragmented way in which the benefit is currently delivered and the administrative complexity and delays that result from this, which in turn often leave tenants with rent arrears (and in the most extreme cases, threats of eviction) through no fault of their own. Landlords' cashflows can also be affected which can prejudice their renting to Housing Benefit claimants.

The organisational, procedural and technological proposals contained in the Green Paper should go some way to tackling these problems. In implementing these, we believe that the resultant changes to Housing Benefit regulations should be introduced in a structured and timely manner that gives affected parties sufficient notice to put proper systems and safeguards in place.

We consider that a fundamental review is required to make Housing Benefit administration less complex and more efficient. The Housing Green Paper invited views on a range of options for improving the operation of the Housing Benefit system in the UK and we are aware of the responses from Wales relayed to the then Department for Social Security (DSS).

We will continue to ensure that the implications of Housing Benefit policy proposals impacting on Wales are brought to the attention of the UK Government. There are some Housing Benefit issues where we are already aware that we will need to work closely with the Department for Work and Pensions. These are considered below.

### **K.4 SINGLE ROOM RENT RESTRICTION**

We shared the particular concern of the Housing Strategy Task Groups about the effect of the restriction in limiting the amount of Housing Benefit paid to under-25's, that could make it difficult for young people to access and maintain accommodation. We have made representations to the UK Government to bring Housing Benefit entitlement for under 25 year olds into line with that for older people.

An Order broadening the definition of the Single Room Rent was made by the DSS on 2 April 2001 and comes into effect on 2 July 2001. This should make it easier for young people to access and maintain accommodation, but we will continue to press the UK Government to abolish the differentiation between under 25's and over 25's.

## K.5 NEW FORMS OF HOUSING SUPPORT

The Housing Green Paper draws attention to concerns about the lack of a "shopping incentive" within the Housing Benefit system, whereby tenants would make a minimum contribution to their rent and thus have an incentive to make better decisions about their housing requirements. The Green Paper discussed options for addressing this issue, including a fixed rate allowance system that would meet average housing costs for specific household types. Claimants would then be able to decide how much of their income to spend on their housing.

There is a question about whether many tenants are free to make choices about their housing. Any new system will need to have built-in safeguards for the most vulnerable groups. For example, it is important that the elderly remain secure in their homes. Furthermore any changes would need to incorporate significant transitional protection, perhaps even permanent protection, for existing claimants.

We consider that the Housing Benefit system should provide more opportunities for claimants to make choices about their housing, and so in theory make better decisions about their housing requirements. We will ensure that Welsh views are brought to the attention of the Department for Work and Pensions in deliberations on the reform of the Housing Benefit system.

The suggestion that the availability of Housing Benefit should be conditional on the landlord providing decent standards of accommodation and housing management is being considered by the UK Government. Such a change has many implications not least for tenants. The over-riding concern is to ensure that the changes encourage landlords to improve their housing and not penalise those in receipt of Housing Benefit.

## L. HOUSING AND COMMUNITY SAFETY

### ‘Better Homes for People in Wales’ said:

The final chapter of the consultation paper set out a number of housing related initiatives that would contribute to our cross-cutting approach to ensuring that people lived in communities that were free from crime and were non-threatening. These included:

- promotion of ‘Secured by Design’ as best practice in all new housing developments, supported by new supplementary planning guidance;
- a National Assembly funded study of landlords’ use of legal remedies in dealing with anti-social behaviour to inform future action;
- the development of good practice guidance in the use of mediation;
- wide dissemination of best practice from National Assembly funded neighbourhood warden schemes; and
- support for closed-circuit television (CCTV) in town centres, housing estates and other public areas.

### Consultees said:

Respondents welcomed the promotion of "Secured by Design" as best practice in all new housing developments. One response argued that the principle should be extended to public and private sector renewal areas.

The study of good practice by landlords in the use of legal remedies in dealing with anti-social behaviour was generally well received, although several responses considered that the problem of anti-social behaviour should not rely solely on the use of legal action. They also felt that it should be recognised that neighbourhood nuisance was not confined to social housing.

There was support for the promotion of mediation services across Wales.

Although there was general support for neighbourhood warden schemes, one local authority was concerned that the current arrangements for administering the scheme were too bureaucratic. Another authority considered there was a need for research and subsequent guidance on the effectiveness of neighbourhood warden schemes.

Several authorities welcomed the financial provision for CCTV, although there was concern about the revenue consequences of its utilisation. A Police Authority indicated a need for CCTV to be evaluated in terms of its effectiveness, legality and compliance with Human Rights. Its appropriateness for tackling crime was considered to be only assessable alongside that of other measures, such as better lighting, "target hardening" and social prevention. The view was also expressed that CCTV simply moved crime to other areas, and that the technology was not a substitute for proper policing.

## L.1 PROMOTING SAFE COMMUNITIES

'Better Wales' sets a benchmark to help local people to live in communities that are free from crime and are non-threatening. We aim to reach this benchmark by promoting a cross-cutting approach to policy-making that encompasses a number of housing-based initiatives designed to develop high quality environments.

Specifically, we aim to:

- promote high standards of safety in new social housing with housing located in non-threatening environments, and developments designed in ways that reduce opportunities for crime; and
- reduce the distress caused by problems like neighbourhood nuisance and anti-social behaviour by finding effective, value-for-money solutions.

In our most disadvantaged communities, levels of crime are often far higher than in more prosperous areas. The links between poor housing and declining communities, with high levels of crime, are well documented. In particular, there has been an increase in reported, and unreported, cases of neighbour nuisance and anti-social behaviour in both private and public sector housing. As well as causing real distress to the people involved, communities can be blighted by the fear of anti-social behaviour. This has become especially apparent in social housing, resulting in stigma, causing difficulties for residents and for landlords who find their properties hard to let.

## L.2 PARTNERSHIP

Our vision can only be realised through effective strategy and action at the local level. The Crime and Disorder Act 1998 has put in place the structures and processes to achieve this. Under the Act, every local authority has a duty to develop a statutory partnership responsible for formulating and implementing a local strategy for the reduction of crime and disorder.

These partnerships will also help inform our policy development for the benefit of the people of Wales. Partnerships such as the Community Fire Safety Working Group (comprising representatives of the National Assembly, social housing providers, police and fire services, local authority building control and environmental services), which is examining how houses can be made safer through the provision of hard wired smoke detectors and domestic sprinkler systems.

These strategies will complement, and be complemented by, a broad range of our policies and proposals. Many of these are housing-based, and are set out below.

### L3 COMMUNITY SAFETY IN NEW HOUSING (Secured by Design)

In our role as regulator of RSLs, we publish 'Development Quality Requirements' (see Chapter H) that require all new RSL developments to comply with 'Secured by Design', the police forces' design crime prevention initiative.

We will promote, in conjunction with the police, 'Secured by Design' as best practice in all new housing developments and raise awareness of the benefits amongst RSLs and local planning authorities. We recognise the special benefits of crime prevention measures to disabled people and will urge the promoters of 'Secured by Design' to take note of their special needs.

Incorporating 'Secured by Design' measures into new build developments has been shown to reduce levels of crime and fear of crime. In view of this, we believe that there should be a more consistent application of 'Secured by Design' standards in private sector housing development.

The draft 'Planning Policy Wales' notes that, under section 17 of the Crime and Disorder Act 1998, local planning authorities are obliged to consider the need to prevent crime in all planning decisions.

We will organise a series of seminars to promote 'Secured By Design' to the public and private sectors by March 2002.

Crime prevention should be reflected in a local planning authority's design policies and guidance, which applies to both public and private sector housing development. Local authorities are required to establish partnership arrangements to prepare a community safety strategy document.

We will, through the Building Regulations Advisory Committee, continue to press the UK Government for ways of improving home security by amendments to the Regulations.

## L.4 ANTI-SOCIAL BEHAVIOUR AND NEIGHBOUR NUISANCE – THE LANDLORD ROLE

Social landlords are expected to apply and enforce conditions of tenancy which prohibit nuisance. They are also expected to provide advice and support to tenants to overcome problems with anti-social behaviour, including referral to other services such as mediation and environmental protection services.

In March 2001, the Chartered Institute of Housing published the findings of its National Assembly funded study of landlords' use of legal remedies in the report 'The Law: An adequate response to anti-social behaviour?'. This has been distributed to all social landlords in Wales. Responses to the consultation document echo the key findings of the report, for example:

- the importance of local partnerships and multi-agency working;
- the need for a range of options available to tackle anti-social behaviour, including legal action and mediation; and
- the over-reliance on housing agencies and housing related measures in dealing with anti-social behaviour.

we will:

- promote the Chartered Institute of Housing's report and its recommendations to all social landlords in Wales.
- encourage social landlords to develop strategies for preventing, tackling and responding to anti-social behaviour.

## L.5 MEDIATION

We have funded the development of research into the use and outcomes of mediation services in Wales. This research is being used to promote good practice in this area.

The results of this will be disseminated to all social landlords, tenants, police and others working in community safety and anti-social behaviour (by July 2001).

Whilst we will be considering the way forward for mediation services in Wales, social landlords, and others, must recognise the value of mediation and be prepared to meet the costs at a local level.

## L.6 NEIGHBOURHOOD WARDENS

We are supporting neighbourhood warden schemes because we believe that, in the right circumstances, and when set up in the right way, they can be an effective way of addressing crime and other social and environmental problems in our most deprived communities.

We have used funding, totalling £300,000, to support neighbourhood warden schemes in Cardiff, Swansea, Merthyr Tydfil, Caerphilly and Caernarfon. The best practice from these schemes will be disseminated across Wales. We will consider funding further schemes in the future.

## L.7 CCTV

We are giving financial backing to the provision of CCTV in city and town centres, car parks, housing estates and other public places such as park and ride stations and hospitals. A total of £3 million has been ring-fenced for the provision of CCTV on social housing estates in Wales. While the main priority is areas with high levels of crime, lower crime areas are being considered where there is evidence of a high fear of crime.

## L.8 OTHER MEASURES

Many other policies and proposals contained in this strategy can make a contribution to reducing levels of crime. Notable among these are:

- the new 'Home Energy Efficiency Scheme' which provides funding for basic crime prevention measures; and
- funding for security and crime prevention measures under the "Sustainable Communities" programme.

We will do all that we can to revive a sense of community and neighbourhood well-being in areas affected by high levels of multiple deprivation through the promotion of measures like 'Secured by Design', and improving access to mediation services.