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Ms Leanne Wood AM
National Assembly for Wales
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Dear Leanne,

**Consultation: Proposed Affordable Housing LCO Committee
The National Assembly for Wales (Legislative Competence)
(No.5) Order 2008 relating to the disposal of dwellings and
dwelling houses by social landlords (Affordable Housing)**

I am writing to you in your capacity as the Chair of the Affordable Housing LCO Committee on behalf of the Welsh Local Government Association. The Association welcomes the opportunity to be consulted at this early stage and we hope that there will be further wide-ranging consultation through out the legislative process.

WLGA officers will be attending the LCO Committee on 29th January to provide evidence and an overview of our response to the questions posed in the consultation letter is detailed below:

1. Views on the general principle that legislative competence with respect to the area identified in Matter 11.1 be conferred on the Assembly

Housing is a matter which is devolved to the Assembly and it is therefore appropriate that the Assembly has legislative powers to respond to the housing challenges and priorities in Wales. The lack of affordable housing is a growing problem and powers in relation to the Right to Buy are welcomed, but these must be part of a broader approach. The WLGA therefore supports the proposal to introduce legislation in this area.

Rapid house price inflation has resulted in a serious affordability crisis in Wales with the average lower quartile house price to earnings ratio being over 6:1 and above 9:1 in some authorities. Low and sometimes average income households who previously would have been able to get onto the first rung of the owner occupier ladder are

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turning to social housing as one of the few housing options available. The result is that social landlords in Wales have over 80,000 households on their waiting lists and additional pressure from households who are statutorily homeless. Local surveys suggest that this figure significantly under represents housing need in Wales as many people do not register their need due to low expectations that they will be housed. The reality is that the scale of provision means the majority of people in housing need will never be able to access social housing.

47% of the original stock in Wales has been sold since the Right to Buy was introduced in 1980 but the level of investment in new social housing has been insufficient to replace those homes. Not only has the social housing stock been seriously depleted through the Right to Buy and the Right to Acquire, but the recent affordability crisis has also reduced the number of new lettings coming available as fewer tenants are able to move on to alternative housing. It is therefore important that authorities have the power to retain the social housing stock where it can help to address local need.

2. What are your views on the terms of the proposed order?

The affordable housing challenges facing Wales are significant. While the power to suspend the Right to Buy and the Right to Acquire will make a welcome contribution, it is clear that it is just one measure and should be an element of a much broader strategy. Applications to exercise the Right to Buy have steadily reduced over the years as house prices have risen, the discount has been capped and the more desirable stock has been sold. In some authorities the pattern of sales has been such that the majority of the remaining social stock is sheltered housing.

A complex interplay of a number of factors are driving the affordability crisis including increased in-migration, low wage levels, a longstanding under investment in new social rented housing, a growing gap between household growth and building rates, a shrinking stock of social housing and limited investment in the private sector. The affordability crisis will therefore require a complex response. The challenges that Authorities face in increasing the supply of affordable housing are considerable and straddle the interface of housing and planning. It is therefore very important that there is a holistic response to the issues including consideration of wider housing and planning legislation.

Work is starting on a revision of the National Housing Strategy, developing a 10 year homelessness plan and a National Supporting People Strategy; we suggest this will provide an important opportunity to debate the nature of the challenges and the range of appropriate responses. We would expect this process to identify further opportunities for new legislative powers to address the housing issues facing Wales.

3. Is it necessary to set out the meaning of social landlord in the proposed Order? If so in relation to the meaning of social landlord, is the list of legislative provisions correct, or should there be any additions or deletions?

The WLGA would recommend that the definitions used in the LCO are in line with current statutory interpretation. We suggest that no new definitions of social housing are created in the interest of simplicity and in order to reduce the potential for confusion.

We look forward to the opportunity to elaborate on the above comments at the Committee evidence session on 29th January.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Aled Roberts'.

Cllr Aled Roberts
WLGA Housing Spokesperson