



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor ar y Gorchymyn Arfaethedig ynghylch
Tai Fforddiadwy
The Proposed Affordable Housing LCO Committee**

**Dydd Mawrth, 26 Chwefror 2008
Tuesday, 26 February 2008**

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Alun Davies	Llafur Labour
Lesley Griffiths	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Leanne Wood (Chair)	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)

Eraill yn bresennol
Others in attendance

Jocelyn Davies	Y Dirprwy Weinidog dros Dai The Deputy Minister for Housing
Helen Kellaway	Cyfreithiwr, Adran Gwasanaethau Cyfreithiol y Llywodraeth Lawyer, Government Legal Services Department
Linda Whittaker	Cyfarwyddwr Tai, Cyfarwyddiaeth Dai Director of Housing, Housing Directorate

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Gwyn Griffiths	Cynghorydd Cyfreithiol Legal Adviser
Gareth Williams	Clerc Clerk
Ruth Hatton	Dirprwy Glerc Deputy Clerk
Sarah Sargent	Swyddog Cymorth y Pwyllgor Committee Support Officer

Dechreuodd y cyfarfod am 9.45 a.m.
The meeting began at 9.45 a.m.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau
Introduction, Apologies, Substitutions and Declarations of Interest

[1] **Leanne Wood:** I welcome Members and members of the public to the Proposed Affordable Housing LCO Committee. No apologies have been received to date. We have the Deputy Minister for Housing with us today. All Members are familiar with the housekeeping rules, so I will not go through those.

9.46 a.m.

Gorchymyn Cynulliad Cenedlaethol Cymru (Cymhwysedd Deddfwriaethol)
(Rhif 5) 2008
The National Assembly for Wales (Legislative Competence) (No. 5) Order 2008

[2] **Leanne Wood:** I welcome the Deputy Minister for Housing, Jocelyn Davies, and her officials. I would be grateful if you could introduce yourselves for the record.

[3] **The Deputy Minister for Housing (Jocelyn Davies):** I am Jocelyn Davies, the Deputy Minister for Housing.

[4] **Ms Whittaker:** I am Linda Whittaker, and I am the director of housing for the Welsh Assembly Government.

[5] **Ms Kellaway:** I am Helen Kellaway from the Welsh Assembly Government Legal Services Department.

[6] **Leanne Wood:** Thank you. Minister, will you please remind the committee what you hope to achieve in bringing forward this legislative competence Order?

[7] **Jocelyn Davies:** Thank you for inviting me again to the committee. You will recall, from the last time that I gave evidence, that this LCO will allow us to meet our commitment in 'One Wales' to allow local authorities to apply to Welsh Ministers, if they meet certain criteria, to temporarily suspend the right to buy on social housing.

[8] **Leanne Wood:** Thank you. I now invite the next question, from Peter Black.

[9] **Peter Black:** I am sorry if this is a case of déjà vu for you, but many people have given evidence on definitions and, whereas some, like the Welsh Local Government Association, felt that the approach was right, others made the point that relying on the definition in previous Acts could, potentially, cause problems. Therefore, why is it more appropriate to provide certainty of intention through the LCO? Would it not be better to provide certainty through proposed Measures?

[10] **Jocelyn Davies:** We would need to be certain about the powers that we were drawing down. It is important that you have certainty around that, so that you know exactly in which areas you are allowed to legislate.

[11] **Peter Black:** Is it not the intention of an LCO to draw down the widest possible powers? When you start putting in definitions, you start to narrow the scope of what you are able to do. I am sorry; I am straying a little here.

[12] **Jocelyn Davies:** If you are taking competency, you still need to be certain what competency you have, and references to definitions in previous Acts, and so on, give you that certainty. I know that you have expressed concern about Acts of Parliament leading to changes in definitions, and so on, but we have a mechanism whereby that is taken into account. Perhaps Helen will outline that.

[13] **Ms Kellaway:** We consider that the definition is currently widely drafted. If there are any changes to Acts of Parliament referred to in the definition, we would need to amend the matter in Schedule 5 to the Government of Wales Act 2006 at the appropriate time.

[14] **Jocelyn Davies:** If a new Act changed a definition, it would also change the definition in the Government of Wales Act. If any changes are made to Westminster legislation that reduce the competency of the Assembly, we are consulted and our permission

is needed before it can be done.

[15] **Peter Black:** So, you are creating extra work for parliamentary draftsmen.

[16] **Jocelyn Davies:** It is a mechanism that is widely used, and has been used for a long time; any other legislation that contains the same definition is altered in the course of normal business. This should not cause too many problems, because the mechanism is there, but if those definitions should change, if it narrows our competence, we will be consulted and our permission will be sought.

9.50 a.m.

[17] **Leanne Wood:** Alun wants to come in on this.

[18] **Alun Davies:** I would like you to describe this mechanism in a bit more detail, because it is fair to say that one of the issues with the previous Government of Wales legislation, the 1998 Act, was that the powers of this place were described in Acts of Parliament and that, whenever those Acts of Parliament changed, the scope, nature and depth of powers changed alongside that. So, it was very difficult to define accurately the total scope of powers over a period of time. That was changed in the new legislation but, through this LCO, you seem to be going back to a different way of working that would be more akin to something that we had under the 1998 legislation than the 2006 legislation.

[19] **Jocelyn Davies:** I disagree with you, because what we were subject to in 1999 was a transfer of functions. The functions that were then held by the Secretary of State for Wales, which were specific powers that did not always join up and make a coherent tool for policy development, were all transferred to the National Assembly. Those were specific powers in specific Acts. The point being made here is that if you rely on the definitions in Acts, should those Acts change, there is a possibility for confusion. We have said that if the definition changes, that legislation in Westminster will change the definitions that we have, but that if that narrows the definition, it would require our permission.

[20] **Leanne Wood:** To clarify that point, Minister, you say that we will need to be consulted, but are you referring to Ministers or to the Assembly?

[21] **Jocelyn Davies:** I am referring to the permission of the National Assembly.

[22] **Peter Black:** What happens if we say 'no' and it goes ahead and does it anyway?

[23] **Jocelyn Davies:** It would not, and could not, go ahead and do it anyway, because there is a requirement to gain our permission if it narrows the definition. Obviously, if it broadened it, there would not be a problem, or it could very well be the same. With regard to the suggestion that we are in danger of these definitions changing in Westminster, that is highly unlikely anyway, but this gives us certainty that we would know exactly what competences would be taken. It should be the priority to be certain in what areas you are able to legislate.

[24] **Peter Black:** Where is that requirement that we have a veto over the narrowing of the definition written down? Is it a protocol?

[25] **Jocelyn Davies:** I can send you a note on that. Is it in a memorandum of understanding?

[26] **Ms Kellaway:** It would be in a memorandum of understanding, yes. We could check that.

- [27] **Peter Black:** Could we have a copy?
- [28] **Jocelyn Davies:** If it is between the Welsh Assembly Government and the UK Government, no, you cannot have a copy of the memorandum of understanding, but I can give you an assurance in a letter if you like.
- [29] **Leanne Wood:** Okay, thanks.
- [30] **Peter Black:** You are giving evidence to us and are asking us to comment on an LCO process on the basis of a memorandum of understanding that we are not allowed to see.
- [31] **Jocelyn Davies:** I am just saying that I am not sure that I can give you an assurance now that you can see it—perhaps they are public documents; I am not sure.
- [32] **Peter Black:** Can we get an assurance from the UK Minister? Can we get an assurance from the Secretary of State for Wales in writing that this will be done?
- [33] **Jocelyn Davies:** I do not give assurances on behalf of the Secretary of State.
- [34] **Peter Black:** No, but you are saying that the UK Government will not narrow the powers and that there is an understanding to that effect, but would the UK Government, for example through the Secretary of State for Wales, confirm that in writing?
- [35] **Jocelyn Davies:** I cannot give you assurances on behalf of a Minister in another Government.
- [36] **Peter Black:** But you are effectively asking us to take that as read.
- [37] **Leanne Wood:** If the memorandum is a public document, you will let us see that, Deputy Minister.
- [38] **Jocelyn Davies:** Of course.
- [39] **Leanne Wood:** Otherwise, you will provide a note clarifying what you have just said.
- [40] **Jocelyn Davies:** We will give you a note to clarify the assurances that I have been given. If it is a public document, of course you may have it and if you require it, I could write a letter to the Secretary of State and then the letter that would come back would certainly be available to you. However, I do not want to give you an assurance that the Secretary of State will undertake to do something, as I am obviously not in a position to do that. I doubt that there would be a problem but I do not want to give you the impression that I can give assurances on behalf of the Secretary of State for Wales.
- [41] **Peter Black:** Okay. Moving on then—
- [42] **Leanne Wood:** Hang on. Did you want to come back on that, Alun?
- [43] **Alun Davies:** I accept what you have just said, Deputy Minister, although I do not believe that the UK Parliament needs the permission of anyone to legislate; as a sovereign body, it legislates in whatever field it chooses. I accept that this is a new process to us all, and, as such, there will be uncertainties in terms of how we take things forward. We have discussed previously, and we will discuss again later this morning, the way in which this is a building block, because it is a part of much wider competencies that will, presumably, be sought to implement a homelessness strategy. We will be building on firm foundations rather

than having to revisit this process to amend our legislative competence in the future as a result of other legislative changes that have taken place in Westminster.

[44] **Jocelyn Davies:** I am assured by the lawyers that if a future Act of Parliament should, for some reason, change these definitions, there would be a system whereby the definitions would be altered in the Government of Wales Act 2006. It might mean more work for the parliamentary draftsman, but it is something that is automatic. It is something that we must obviously be vigilant about.

[45] **Peter Black:** I am more concerned about whether the Westminster Parliament would accept that type of veto over its powers to legislate. However, moving on—

[46] **Ms Kellaway:** Just to add to that, that would only be where the UK Parliament tried to reduce competence, and not where it tried to widen it.

[47] **Peter Black:** I understand that, and I am happy with Parliament widening competence; my concern is the UK Parliament trying to reduce it, and whether or not it would accept that that veto existed and that its powers to legislate had been constrained by a document signed by a UK Government Minister.

[48] **Jocelyn Davies:** It does not prevent it from legislating in that area if it affects England only; if the legislation then had the unintended consequence and effect of narrowing our competence, I am sure that the draftsmen would come up with a mechanism whereby that would be taken account of. You are right to say that the UK Parliament is sovereign, but I am sure that such a mechanism exists.

[49] **Peter Black:** That is one of the reasons why we are arguing that the definitions are best taken out of the LCO, so that that does not arise. If those definitions were to be removed from the LCO, such as ‘dwelling-house’, ‘dwelling’ and the interpretation of ‘social landlord’, what would be the implications for the Order?

[50] **Jocelyn Davies:** As long as there was clarity and certainty about exactly what powers we would get, we would seriously consider any suggestions that the committee would make in terms of definitions. However, the most important thing is the principle and the issue of having certainty about exactly what powers you have. If certainty could be achieved by way of a committee suggestion—that is one of the points of setting up committees like this, in that LCOs are enhanced by committee scrutiny. I am comfortable with taking on board any suggestions that would be useful in that respect.

[51] **Peter Black:** Okay. Finally, what would be the implications of using different definitions in a future proposed Measure to those contained in the existing Acts?

[52] **Jocelyn Davies:** I suppose that what you are saying is that if we have a definition of—

[53] **Peter Black:** I am not proposing that we should do it; I am asking what the implications would be.

[54] **Jocelyn Davies:** For example, if the LCO drawing power down had a definition of ‘dwelling-house’, and that there was a different definition in a future Measure—

[55] **Peter Black:** I do not think that you would be able to do that if the LCO did not contain a definition. In a future Measure, it would be possible, for example, for you to define ‘social landlord’ in a different way to that defined in Acts, because of particular Welsh circumstances.

[56] **Jocelyn Davies:** What the LCO would do is define the powers that the Assembly would hold. Helen will correct me if I am wrong, but, when you produce the Measure, if you say ‘For the purposes of this Measure, a social landlord is—’, that is what applies to that Measure.

[57] **Peter Black:** If you had the LCO without including the definitions, as we have just discussed, and you defined your terms in the Measure instead. What would be the implications of using a slightly different definition in the Measure to that contained in UK Acts of Parliament? ‘Social landlord’ is possibly the best example, because it can change between different legislations as different housing regimes develop.

10.00 a.m.

[58] **Jocelyn Davies:** We want the LCO to contain the widest possible definition of a social landlord, because we want them all to be included. I can imagine, however, that you might produce a Measure at a later date that would include a narrower definition of social landlords. The Measure would clearly say, ‘For the purposes of this Measure, the definition of a social landlord is—’.

[59] **Ms Kellaway:** I would agree that the definition is very loosely drafted, and if we do need to narrow the definition for the purposes of the Measure, we can do it at that point. Can you think of any social landlords that are not on that list?

[60] **Peter Black:** I am trying to think in terms of the future, when things could change. I am saying to you that if the definitions were removed from the LCO—so you are drawing down the widest possible power unconstrained by definitions—you would then seek to put those definitions in the Measure. What would be the implications of using a definition in the Measure that is different to that of UK Acts?

[61] **Jocelyn Davies:** There would be none, because although you would have the widest possible definition for the purposes of the LCO, you could say very clearly in the Measure, ‘For the purposes of this Measure, a social landlord is—’. That would not affect the fact that you would still be sitting on wider powers to legislate for other social landlords. So, I do not think that using a narrower definition in the Measure—

[62] **Peter Black:** Or a wider definition.

[63] **Jocelyn Davies:** Yes. It obviously could not affect the powers that you have already drawn down; you would still be sitting on them, would you not? You could say, however, ‘For the purposes of this Measure, this is our definition for this particular piece of legislation’. I do not know whether I made that clearer or more complicated, Chair. [*Laughter.*]

[64] **Peter Black:** I think, Minister, that you actually understood my question, and that is helpful. [*Laughter.*]

[65] **Jocelyn Davies:** I did understand your question.

[66] **Lesley Griffiths:** Minister, you gave evidence to the committee last month, following which you wrote to us, stating that the current draft does not attempt to limit the LCO strictly to the right to buy and the right to acquire. Do you feel that, as a consequence of the LCO as currently drafted, the powers would enable the Assembly, by Measure, to reform the system of stock transfer as it applies to dwelling-houses and dwellings?

[67] **Jocelyn Davies:** With regard to the powers that we are drawing down, because of the

complexity in distinguishing between voluntary disposals and statutory ones—the right to buy and the right to acquire are statutory in nature; you can exercise your right to do that—and because the stock transfer is voluntary, and the local authority elects to do that, the difficulty in separating those out means that we would be drawing down all the powers over disposal. So, as we said last time, that would touch on stock transfer, obviously, although we already have significant powers in relation to stock transfer, and they are currently being dealt with in Wales by means of guidance, because the Minister holds the powers to issue that guidance. If you were to draw the legislative powers down, you could do that in future by Measure, which I think would perhaps be welcomed by most Assembly Members, because the Measure would be in the gift of the Assembly, rather than being done by guidance. However, of course, it would entail powers in relation to stock transfer, although Ministers already hold significant powers in relation to stock transfer.

[68] **Ms Kellaway:** With regard to the Order as drafted, it would land with a dwelling that would be included in that competence at the moment.

[69] **Jocelyn Davies:** Linda perhaps knows this better than I do, but I think that the primary legislation currently says that the Minister may consent to a large-scale stock transfer if satisfied that the tenants are content with such a transfer. The system is then dealt with by guidance in Wales. So, I suppose that this would allow Measure-making powers in relation to that aspect of Welsh law.

[70] **Leanne Wood:** Do you want to add anything at this point?

[71] **Ms Whittaker:** Not really, except to say that that is quite correct. The legislation at the moment really just insists that the Secretary of State in England, or the Minister with responsibility for housing, has to be satisfied that the majority of tenants wish to transfer. So, at the moment, there is not even a requirement for a ballot within legislation.

[72] **Jocelyn Davies:** The Welsh guidance has always insisted that there be a ballot, and the new Housing and Regeneration Bill now places the fact that there should be a ballot on a statutory basis.

[73] **Peter Black:** The Housing and Regeneration Bill, as you say, makes that statutory requirement and puts other measures in place in relation to that. However, you say that the term ‘disposal’ enables you to draw down powers in relation to stock transfer. Is there a conflict there? Are you restrained by what is in the Housing and Regeneration Bill in terms of what you can do with the LCO?

[74] **Jocelyn Davies:** The requirement for a ballot, as I said, has always been in Welsh guidance, although that will be on a statutory basis now. I do not know whether the drawing down of these powers would mean that we could disregard that statutory requirement. Perhaps Helen could help us out with that.

[75] **Peter Black:** I am not suggesting that we should, but I am just—

[76] **Jocelyn Davies:** No, you are just trying to outline the ambit of the powers.

[77] **Ms Kellaway:** I do not think that we could do what we want to do under the Housing and Regeneration Bill without these powers. We would not be able to suspend the right to buy or the right to acquire without this Order.

[78] **Jocelyn Davies:** I think that Peter’s point is that if having a ballot is a statutory requirement and if we draw down these powers, does that mean that we can ignore that statutory requirement of the ballot?

[79] **Ms Kellaway:** No, I do not think so.

[80] **Peter Black:** So, in fact, the powers that you are drawing down through this LCO are constrained by what is in the Housing and Regeneration Bill in relation to stock transfer?

[81] **Jocelyn Davies:** As it is currently drafted, yes, but some of these powers will duplicate the powers that we already have in relation to stock transfer.

[82] **Lesley Griffiths:** On the Housing and Regeneration Bill, you state in your letter that it seeks to amend some aspects of existing provision on stock transfers. Do you think that the powers in this proposed Order would allow the Assembly to do the same?

[83] **Jocelyn Davies:** As it is currently drafted, we already have considerable powers. For example, as I said, we have the requirement for a ballot. We have taken commencement powers over the clause in the Housing and Regeneration Bill that would allow tenants to trigger the ballot. That is a new concept. The tenants would not have to rely on the local authority wishing to have a ballot; they could trigger it themselves, but we have commencement powers in the Housing and Regeneration Bill in relation to that.

[84] **Ms Kellaway:** The other change to that is one that was already in the Leasehold Reform, Housing and Urban Development Act 1993, which is a requirement in relation to the expenditure provisions. It has been lifted from there and included as an amendment to section 32 and section 34 of the Housing Act 1985. So, that is something that was already there but has been moved.

[85] **Peter Black:** What does that clause relate to?

[86] **Ms Kellaway:** It relates to clause 95.

[87] **Peter Black:** Can you say what it does because I do not have the Bill in front of me and I am not a lawyer?

[88] **Jocelyn Davies:** I am assuming that the powers that we would take with this LCO in relation to stock transfer would not change anything in relation to stock transfer until you pass a Measure here based on the powers that you draw down. So, unless we used these powers to change the law in Wales by Measure, the law would stay as it is under current legislation, along with the guidance that we already have and the changes that we have agreed to being applied to Wales in the Housing and Regeneration Bill.

[89] **Peter Black:** That is different from the answer that you gave earlier when you said that you were constrained by the Housing and Regeneration Bill.

[90] **Jocelyn Davies:** No, that law would apply until you used your Measure-making powers.

[91] **Peter Black:** Either you or Helen said earlier that we were constrained by the Housing and Regeneration Bill and that we could not amend what was in that, as I understood it.

10.10 a.m.

[92] **Ms Kellaway:** I will explain the clause: it relates to disposals of dwelling-houses by local authorities and it introduces Schedule 10, which makes provision for the requirements for consent for the disposal of dwelling-houses by local authorities. What we are saying in the

Order is that it would only affect the stock transfer part of it, if you like, where one was disposing of a dwelling-house with land attached to that dwelling.

[93] **Jocelyn Davies:** That is as the LCO is drafted at the moment. However, I am just making a general point that you take the law as it stands and it will stay like that until you use the Measure-making powers that you have drawn down.

[94] **Peter Black:** That was the point that I was trying to get to before.

[95] **Jocelyn Davies:** Sorry, Peter; I am trying to be helpful.

[96] **Lesley Griffiths:** We heard evidence from Community Housing Cymru that it was concerned about the definition of 'disposal'. In the housing association movement, it means giving a charge over a property to a third party, usually a bank or building society, and it was concerned about the raising of private finance. Could you clarify if the use of the word 'disposal' in this LCO could lead to the prevention of housing associations from raising private finance in the future?

[97] **Jocelyn Davies:** I think that there is confusion about the powers of the LCO and the Measures that you might bring in as a result of the LCO. Obviously, drawing down the power over disposals will not prevent the housing associations from carrying on exactly as they are now, unless you brought in Measures that did so. If the housing associations were referring to what would happen if you suspended statutory disposals, which are the right to buy and the right to acquire, that would obviously be taken into account in the Measure-making process. However, we have absolutely no intention of interfering with the ability of housing associations to raise private finance. We would take that into account in drawing up a Measure, so that there would not be an unintended consequence that would prevent housing associations from doing what they do. You must not confuse the drawing down of powers with what you might use those powers for, which I think is what may have happened with that. As I have said on many occasions, the policy intention is to consider applications by local authorities to temporarily suspend the right to buy or the right to acquire in areas with the highest housing pressure. There is absolutely no policy intention whatsoever to interfere with the way in which housing associations go about their lawful business.

[98] **Mark Isherwood:** I think that my question was largely addressed in the reply that you gave to Peter regarding the definition of 'social landlord'. Are there organisations that could be excluded from the scope of the Order because 'registered social landlord', for example, is not specifically included? I have in mind, in a related context, the Housing and Planning Act 1986 in terms of access to social housing, which refers to a restriction related to registered social landlords. The Housing Act 1988 further restricted that to registered social landlords that are housing associations. By leaving out a specific definition of 'social landlord', will that not allow greater flexibility?

[99] **Jocelyn Davies:** Yes. As I said earlier, we want the widest possible definition to be included in the LCO, regardless of how we would use the Measure-making powers later. We would certainly want the LCO to capture the social landlords that operate in Wales.

[100] **Leanne Wood:** Do you have any further questions, Mark?

[101] **Mark Isherwood:** No, thank you.

[102] **Alun Davies:** May I return, Minister, to the issue of the scope and breadth of this LCO? One of the themes of our discussions over the last few months has been the extent to which this LCO will enable you to meet the policy objectives that have been set, in terms of what you have said to us in a previous hearing and in terms of the 'One Wales' agreement,

and how it will enable you to manage your policy within the legislative framework. Would the proposed Order allow you to reform completely the right to buy and the right to acquire by amending existing provisions of Acts of Parliament?

[103] **Jocelyn Davies:** The LCO, as it is drafted, would give us complete discretion over disposals by social landlords in Wales. So, although the right to buy is not mentioned in the LCO, the whole system is covered by that. I think that the Assembly Government currently holds powers over the discount, because that has already been altered in the past, and over the right of first refusal on resale. However, this would cover all aspects of the right to buy; as I mentioned at the last committee meeting, it would allow you to amend it, or even to repeal it. It would allow you complete discretion in that area—or at least that is my understanding of it, and I see that your lawyer is nodding slightly, so I think that I am on firm ground there.

[104] **Ms Kellaway:** We touched on that the last time, did we not? The competence, as drafted, would allow us to amend or repeal Part V of the Housing Act 1985, if desired, which covers all of the right to buy, and sections 16 and 17 of the Housing Act 1996, which deals with the right to acquire.

[105] **Alun Davies:** So, that goes far beyond the amendment to regulations that the Assembly Government has used in the past?

[106] **Jocelyn Davies:** Yes. In the past, it has used the powers to reduce the maximum discount to £16,000, and to change the period of a right to first refusal on resale up to 10 years.

[107] **Alun Davies:** Thank you. That was very clear. On achieving the policy objectives that you have set yourself, one theme that has come through the hearings that we have held over the past few weeks, from many different witnesses, was that the powers contained in this LCO will have only a marginal impact on tackling affordable housing issues. Would you agree with that view, or would you want to go further?

[108] **Jocelyn Davies:** From reading the transcripts, I think that there has sometimes been confusion between the policy—that we have said the suspension of the right to buy in areas of housing pressure—and the actual LCO, which says that you would deal with disposals via registered social landlords. That is the complete ambit. This idea of suspending the right to buy was contained in the various manifestos of Plaid Cymru, Labour and the Liberal Democrats, and has been raised by Shelter and Community Housing Cymru, so it has certainly been called for. However, I do not think that anyone has ever presented it as the big panacea to solve affordable housing problems in Wales; it is just one aspect. We are saying that this would be one tool available to local authorities to consider when formulating their policies on affordable housing.

[109] I have said that this commitment requires an LCO, which has been clearly flagged up, and ‘One Wales’ says that we will draw down this competence. That is the only one in the housing field that was identified at the outset as requiring an LCO, but I do not think that anyone has said that this is the magic bullet that will solve the problems of affordable housing. Mark has made the point on many occasions that it might not even produce one vacant property to be occupied by someone on a waiting list. However, it is one tool among all the others that we are proposing, and it helps to complete the picture, if you like. It is just one tool that is available for local authorities to consider.

[110] **Alun Davies:** On those other tools, to what extent do you believe you would require legislation were you to seek to pass Measures to enable or to promote alternative policies? For example, would you regard the development of a community right to buy as being covered in this LCO, or do you believe that that would require further legislative competence?

[111] **Jocelyn Davies:** The community right to buy was a Scottish solution to a Scottish problem, because of absentee landlords who own large swathes of land in Scotland. I am not aware of any suggestion that that is a problem in Wales. You might know something that I do not, Alun, but that has never been suggested to me by all the groups that I have met since I have been Minister. I am not sure that this is a problem in Wales, so I have not considered it, simply because I think that solution was suggested to a specific Scottish problem.

10.20 a.m.

[112] There was a case there where some islanders got together and exercised the right to buy in relation to the island, but, in that case, there was an absentee landlord. That has been the situation in Scotland for many years, of course, and so that was the solution that they found. I do not think that it is a problem in Wales, as we do not have absentee landlords who own large swathes of land. However, we are encouraging community land trusts.

[113] **Alun Davies:** Community land trusts and a community's right to buy are issues that have been brought to our attention as the Assembly Government may wish to tackle those through future legislation. The question is whether you believe that you have sufficient legislative competence to pass Measures on these issues. You say that a community's right to buy is not part of your policy framework, and I accept that, but do you believe that you have sufficient legislative competence to pass Measures on community land trusts and neutral-tenure models, if you were so minded?

[114] **Jocelyn Davies:** I do not know what legislation people are suggesting that we pass in relation to community land trusts. No-one has made any suggestion to me that that requires legislation; it sometimes requires resources, but that is an entirely different matter. This has been led from the bottom up, and land is acquired by various means. Sometimes it is gifted by a local authority, as is the case regarding land in Powys. Finance is then raised and properties secured on that land. I am not sure that legislation is needed. We currently use the tenure-neutral model anyway, so that does not require legislation. I did not see any suggestion in the transcripts that I read—though I may have missed one or two—of a legislative proposal to draw down powers to go beyond what the Assembly can do now. I did not see anyone pinpointing anything. I may be wrong, or perhaps the committee—

[115] **Leanne Wood:** Shelter, in its evidence to us, said that community land trusts could be facilitated more easily if there were new legislation.

[116] **Peter Black:** Reference has also been made to reforming the different categories under which you can hold land, such as freehold, leasehold, assured tenancy, secure tenancy and so on.

[117] **Jocelyn Davies:** I have not received such representation, and I am not sure what that would involve. If that entailed the disposal of assets by registered social landlords, it may well be something that we could do through the regulatory regime. If it involves dwelling-houses, it would be covered by this particular LCO. I am not saying that I am absolutely certain that we have every single power that we need for all our policies that have yet to be developed, but we do have the powers to fulfil our 'One Wales' commitment on housing. Obviously, things will come up, and people will make suggestions, which we will take seriously. If we pursue those suggestions and they become Government policy, we would pursue those powers. However, I do not think that we should not pursue this now in case something comes up, because it may not. It would then be questionable whether the delay was justified.

[118] **Alun Davies:** I agree with you, Minister, and I would not seek to persuade you to delay the process in any way, as I do not think that that would be helpful to the Government,

the Assembly or, more importantly, those who require affordable housing in Wales. I do not think that a delay is sought by any member of this committee. However, this committee has a legitimate and fair concern about ensuring that we go through a process of scrutiny. We want witnesses to come to us and to say that there are areas directly within the remit of either the right to buy or the right to acquire—which is what we are dealing with here, or very closely adjacent to it. Given that we are seeking legislative competence, we should do so in a way that gives us freedom of action six months down the road, rather than constraining those actions and then our having to go through this process again.

[119] I do not think that that is necessarily a good use of the Assembly's time or that of the Government, whether here or at Westminster. We are seeking to explore and understand the sort of competence that you will be seeking through this legislative competence Order, and the Measures that you may seek to propose and pass as a result of achieving that competence. I think that that is a fair question to ask. I understand that we are describing and discussing powers, and not Measures or laws, but, by exploring which Measures you may seek to pass, we will have a better understanding of the extent of the powers that you seek. So, in asking questions, whether on the community right to buy, or on community land trusts and other issues, we are trying to understand where exactly you see the extent of the powers that you are seeking here.

[120] **Jocelyn Davies:** As I said, it has not been suggested to me, so I have not looked at which legislative powers we do not have, but that would make things easier for community land trusts. It has not been presented to me and, unless I know the detail of it, I cannot tell you whether we can already do it. However, you have to be careful if there is a suggestion that we should be legislating on how people dispose of private land, for example. We have to be careful with that. The LCO as it stands is about the disposal of houses by registered social landlords, which does cover the right to buy but is broader than that; as we said earlier, it could be about stock transfer, as it is about assets held by social landlords. I would have to know the detail of Shelter's suggestion, as it could be that we already have the power to do it.

[121] **Leanne Wood:** We were not given any detail by the witness. Do you have any further questions, Alun?

[122] **Alun Davies:** No.

[123] **Mark Isherwood:** I want to ask a question that follows on from the previous section, if I may. You said that you are already addressing or dealing with tenure neutrality. To clarify that, are you saying that you can achieve tenure neutrality between councils and registered social landlords—that is, fair rents and assured tenancies—within your existing powers, and that you are addressing that?

[124] **Ms Whittaker:** No. When I referred to tenure neutrality, I was talking about people being able to rent their property, purchase a major part of it, or purchase it outright. I was not talking about the different types of tenure, such as secure or assured.

[125] **Jocelyn Davies:** I mentioned to the committee when I was here last that I would like to see one type of social housing tenancy, to do away with the false dichotomy between the two. We do not have powers over that at the moment, but I understand that there may be Westminster legislation on this in the future, and we would certainly seek the powers then. I do not know whether that tackles affordable housing; it does away with the different rights that might exist if you happen to be the tenant of a housing association rather than a council. It is about injustice, I guess.

[126] **Mark Isherwood:** It is more like a perception, but it is a powerful perception.

[127] **Jocelyn Davies:** It is about equality, I suppose. However, it does not really tackle affordable housing, and you would not say that you need it as a tool to do that, but it would smooth out an anomaly that exists at the moment.

10.30 a.m.

[128] **Mark Isherwood:** Given that we have been discussing stock transfer within the broad definition of disposal, it is highly relevant to that matter. If tenants are to have the enhanced powers that you mentioned, to initiate a ballot themselves, then, if they believed that they would lose their rent protection, they would only vote to oppose.

[129] **Jocelyn Davies:** On the community mutual model, under all the recent proposals tenants' rights have been maintained and protected on transfer.

[130] **Mark Isherwood:** With individual local contracts?

[131] **Jocelyn Davies:** Yes.

[132] **Mark Isherwood:** You referred to my saying that this may not produce a single additional dwelling—

[133] **Jocelyn Davies:** I thought that I would say it before you did.

[134] **Mark Isherwood:** We heard a lot of evidence, even from those who support the principle of the LCO, saying that it will have a marginal impact on tackling affordable housing issues. The Chartered Institute of Housing said that measures to allow local authorities to apply to suspend the right to buy will not increase the supply of social housing in the short term, but also said that the purpose would be to allow local authorities to hold the line for a limited period. In other evidence it was suggested to us that a property, either sold under right to buy, or remaining occupied by a tenant who does not purchase, would have the same occupant for 15 years, on average. So, the issue is the supply during that 15 years, rather than having a few thousand more properties available for the council at the end of that period.

[135] We have heard many views that the LCO should be delayed to allow further legislative proposals to emerge from the work being undertaken in the development of various housing-related strategies. What thought did you give to introducing an LCO that simply added 'affordable housing' as matter 11.1—a more general, umbrella term, giving us greater freedom for future Measures?

[136] **Jocelyn Davies:** Well, what does that mean? I mentioned earlier that it was important to have some sort of clarity and certainty around the competences that you are drawing down, so what competences would 'affordable housing' involve? Are you suggesting that we take powers over controlling land values, house prices, or housing benefit?

[137] **Peter Black:** Well, not housing benefit, but—

[138] **Jocelyn Davies:** But land values? So you are talking about powers to intervene in the private market? Is that what you are suggesting?

[139] **Mark Isherwood:** No; I was making the point that you, as an Assembly Government, are pursuing a number of strategies at the moment, and a number of consultations and reviews, which may produce recommendations for further Measures, which may or may not be within your existing powers to deliver. So, would it not have been more practical to have delayed until you knew whether that would be the case, and whether a broader LCO would then allow you to implement them without having to go through this whole process again?

[140] **Jocelyn Davies:** As I mentioned earlier, there is a possibility that, while these strategies are being developed, a lack of powers may very well be identified. However, that may not be the case, so we did not want to delay this now, because it is quite a distinct commitment in 'One Wales'. We did not want to delay this in case we required further powers later on. As I told you the last time that I appeared before this committee, if the need for further powers is identified, then we will go for another LCO. However, whenever we go for an LCO, we would try to get some certainty and clarity around the competence. I notice that Mark said 'no' when I asked him if he was suggesting intervening in the private market. However, Peter appeared to say 'yes', so—

[141] **Peter Black:** If I may clarify, if you were looking for wider definition, such as 'affordable housing', or even a slightly narrower definition, such as 'social housing', that might allow you to make Measures on planning, tenure, or social landlords—which you cannot do by regulation at the moment. It would give you a much wider range of powers to use, and I think that that is the point that is being made here—rather than just pulling down this narrow power in relation to the right to buy or the disposal of dwelling-houses, if you take a wider power over affordable housing, or perhaps just social housing, then you would be able to make a wider range of Measures as your strategy develops over the next year, rather than going for another LCO. That is the point that we are making.

[142] **Jocelyn Davies:** I can see your point, but I think that the term 'affordable housing' gives all sorts of impressions, and that would not be clear enough.

[143] **Peter Black:** What about 'social housing' then?

[144] **Jocelyn Davies:** It depends—we already have considerable powers. You mentioned planning, and planning policy is already devolved.

[145] **Peter Black:** Not all of it.

[146] **Jocelyn Davies:** Maybe not all of it, but—

[147] **Peter Black:** Not the important bits.

[148] **Jocelyn Davies:** Such as?

[149] **Peter Black:** Such as changing use classes Orders—

[150] **Jocelyn Davies:** Use classes Orders can be changed by the Assembly. Christine Gwyther, I think, changed use classes Orders in relation to the storage of radioactive waste. So they have been changed in the past.

[151] **Peter Black:** You have some limited part of the use classes—

[152] **Jocelyn Davies:** There was certainly a successful proposal under the then Standing Order No. 29 in relation to changing use classes Orders and—

[153] **Peter Black:** Why would you not want the widest possible powers? Is it not the whole purpose of the Government of Wales Act 2006 that we try to get the widest possible powers in relation to each matter?

[154] **Jocelyn Davies:** Yes, but we have a discrete policy area here, and we have some powers in relation to the right to buy. There is a policy commitment that we will draw these powers down. We have drawn the LCO wider than is required for that, but it contains, at the

moment, considerable certainty. I know that there has been some debate around the definitions, but if you had something that just said ‘affordable housing’ we might have difficulties in defining that.

[155] **Leanne Wood:** This is the affordable housing LCO.

[156] **Jocelyn Davies:** I know that it was termed the affordable housing LCO, but the policy intention and the commitment in ‘One Wales’ is to draw down powers in order for us to suspend the right to buy. That is quite clear. This is broader than that because it deals with disposals by registered social landlords of houses in Wales. So it is broader than that, and we know that it already touches on stock transfer and will complement and, in some cases, duplicate the powers that we already have. Other than the suggestion by Shelter Cymru in relation to legislation for community land trusts—and we do not know what that contains—I have not seen any evidence that you have received from your witnesses to say that we should be doing something beyond the powers that we already have.

[157] In relation to planning, we have already done a considerable amount. We have the commitment to have statutory affordable housing delivery plans by local authorities. We have already identified that the planning system could deliver much more affordable housing than it does at the moment. Some local authorities are very good at that, and some are not. We have conducted training seminars, and the statutory affordable housing delivery plans will show how each local authority will be delivering on affordable housing, using the planning system. We have already told local authorities that, for those that are yet to identify their five-year land supply—and there are a number of those in Wales—if they turn down housing developments, on appeal, those appeals will be granted if all other policy considerations are met. We have revised planning guidance and we have provided them with toolkits. We have made available to them the toolkit that would allow them to negotiate with private developers, because what we are trying to do is to get market housing to subsidise affordable housing without a pull on the public purse. We have also increased the social housing grant, so we are doing a great deal. Obviously, some of this will take some time to pay off, but I am not sure that always saying that what we need is more legislation is necessarily the answer, unless someone can give me firm and clear examples of where we should be legislating.

[158] **Peter Black:** I have given you some examples, but most of the evidence that we had, as I understand it, indicated that we needed the widest possible powers. Many people said that to us. Are you saying, therefore, that the extent of the Government’s ambition in terms of legislative competence is just related to the right to buy?

10.40 a.m.

[159] **Jocelyn Davies:** No, the right to buy is not mentioned in this LCO, as I said, but we would be using—

[160] **Peter Black:** Is it limited to disposal, then?

[161] **Jocelyn Davies:** We would be using this LCO to fulfil that ‘One Wales’ commitment, but we are looking to the planning system in order to deliver more affordable housing and we are encouraging those local authorities that are not doing all that well in that respect to do that.

[162] **Peter Black:** So, in terms of legislation, the ‘One Wales’ commitment is where it ends?

[163] **Jocelyn Davies:** No doubt more policies will be developed as we go on, but the ‘One Wales’ commitment clearly required an LCO and that is why we are going for it now. If

policies and ideas come up over the coming months and years, we will not be afraid to pursue that.

[164] **Peter Black:** So, why not draw the powers down now so that you can do that without having to go back to Parliament for more powers?

[165] **Jocelyn Davies:** This is a commitment in 'One Wales'. It is clear and discrete and we said that we would draw down these powers. As I have already said, the LCO is wider than the policy requires and if we need further powers later on, we will certainly pursue that. I do not see what I can add other than to repeat what I have already said.

[166] **Leanne Wood:** Do you have anything further on that, Alun?

[167] **Alun Davies:** I think that you are probably right, Deputy Minister: I am not sure that you can add much to that. However, can you appreciate our position? We are nearly a year into the four-year term of this Assembly. We are seeking these powers to fulfil the objective in 'One Wales'. I accept that this has been done as quickly as possible and I have no criticisms to make about that process at all. We will, hopefully, pass a Measure by Christmas or early in 2009. When you complete your work on your general housing strategy and policy, that may require further legislation, and we will therefore require an LCO, probably in the second half of 2009. We will then legislate in terms of passing Measures to give life to that policy in 2010. In 2011, we will face another election and what we will have achieved in this Assembly is process: the passing of legislation and the creation of legislative competence. What we will not have done, because you simply will not have had time to do it, is to have an impact on homelessness and housing in Wales, which is the purpose of all of this.

[168] **Jocelyn Davies:** Well, what I can—

[169] **Alun Davies:** The point that I would like to put to you, Deputy Minister, if I could, is this: surely it is better to shortcut all of that and make this as wide as possible to give yourself as many options as possible, as early as possible, to have the greatest impact as early as possible?

[170] **Jocelyn Davies:** Suggestions have been made by one of the committee members that we should delay doing this until we have identified—

[171] **Alun Davies:** We are not seeking to delay this, Deputy Minister.

[172] **Jocelyn Davies:** But there is that suggestion. Is it right to do that? Obviously this is a brand-new system, we do not really know how well it will work and it is certainly not a creation of mine. I have no doubt that you could recite to me, verbatim, comments I made during the passage of the Bill that this whole system might not be all that good. I do not think that we would describe it as a well-oiled machine at the moment. I do not think that anyone would do that; we have had one or two hitches with it. I am quite happy to go with what I have at present and to put that Measure in place, because, from the timetable that you describe, it could be that extra powers that I may need as policies develop over time might not, anyway, be identified for a year or two. In which case, we would already have this in place, and we would see whether or not this policy has had any impact.

[173] **Alun Davies:** I need to clarify my point—I do not think that any member of this committee seeks to delay this particular LCO; our point and purpose is to ensure that you have a sufficiently broad range of legislative competences that will enable you, in time, to pass Measures rather than have to come back to ask for additional competences. That is the point of my question, rather than to delay the whole process, which I agree would make matters considerably worse.

[174] **Jocelyn Davies:** I can see the point that you are making, but we have already started this system with this particular LCO with a distinct policy in mind, and I am happy to pursue that. I have said that, should we identify a lack of powers in other areas, I would be enthusiastic to pursue it. You mentioned powers over social landlords; the regulatory regime that we already have is under review, as you know, and we already have considerable powers over registered social landlords. I am not saying that we will not identify powers—I have an open mind about that and, coming from the Plaid Cymru group, I would pursue every power that we could possibly get—

[175] **Alun Davies:** If you do not mind, you are a Government Minister at the moment.

[176] **Jocelyn Davies:** This is a policy that has been clearly identified, we are pursuing it, and it is a brand-new system. Should we require further powers, we would also pursue those. Whenever we seek further powers from Westminster, we need clarity about exactly what powers we are taking, because you are talking about competences, and once you take powers it means that Westminster no longer legislates on an England and Wales basis. It can sometimes be useful, in terms of not using our resources when Westminster legislates, in that it also applies to Wales, with our permission; I mentioned, at my last appearance before the committee, the status of tolerated trespassers. There is a Government amendment to the Housing and Regeneration Bill that addresses the problems that I mentioned to you, and we have had to do nothing; we have not used any resources, and we have had to do nothing, as that also applies to Wales. So, in terms of saving resources, there can be advantages to Westminster and we know that in the early days of the Scottish Parliament, Westminster legislated via Sewel motions on a regular basis on Scottish matters where the Scottish Parliament had competence, because it was felt that that was a better use of resources.

[177] We often negotiate clauses that apply to Wales, or we take commencement powers. It can be useful, certainly in the area of housing, on which where there constantly seem to be Bills in Westminster—it is a highly regulated area. I would have an open mind about pursuing further powers; this has also been a pleasant experience for me, so I would be happy to repeat it in the future. However, I would like certainty about exactly what I am pursuing and I would want some confidence that we have the capacity in the Assembly to deal with the legislation that that might entail. None of us know how that will work out. In the case of tolerated trespassers, it has been very useful to have Westminster to address a problem that applied throughout England and Wales. There is another clause in that Bill in relation to Gypsies and Travellers that give them extra rights, in response to a case that has been taken against the UK Government, which is also very helpful in terms of that applying to Wales at the same time as England, giving those extra rights to Gypsies and Travellers.

10.50 a.m.

[178] **Leanne Wood:** Thank you, Deputy Minister. Time is tight and I have two final questions, so I ask Members to be quick and, Deputy Minister, I would ask you to answer as quickly as you can.

[179] **Mark Isherwood:** How do the current rules for how local authorities can use the receipts from right to buy limit their actions to increase the supply of affordable housing?

[180] **Jocelyn Davies:** We covered some of this last time, and we have had some clarification from Scotland.

[181] **Ms Whittaker:** Yes, in terms of the perceived differences between England, Wales and Scotland. We have spoken to officials in Scotland to get confirmation of what system they have. They have a different system to the one under which England and Wales operate,

but there is actually no benefit to Scotland over the system that is organised through the housing revenue accounts subsidy system in England and Wales.

[182] You asked about the receipts from right-to-buy transactions—the assumption is that local authorities will use 75 per cent of such receipts to pay off any debt that they owe the Public Works Loans Board with the Treasury. Whether they decide to pay it or not is up to them, but if they do not, it goes into the housing revenue account subsidy calculation, so that they would still have to pay the amount back to the Treasury. Scotland, however, does not have the subsidy system, but authorities would still have to pay any receipts collected back to the Treasury. The only receipt, or other moneys, that they would have, other than a capital receipt for the sales, is housing benefit from the Department for Work and Pensions, which is exactly the same for the Assembly Government or, rather, for Welsh and English local authorities. The mechanism or administration of it is, however, very different. So, unless we are missing something in our discussions with Scottish counterparts, our understanding, and theirs, is that, in terms of benefit to Scotland, Wales and England, Scotland does not enjoy greater benefit than we do here, which is one of the things you asked about last time.

[183] **Jocelyn Davies:** The short answer is that the Treasury gets you one way or another. So, you can keep all your receipts from council house sales, but doing so then affects the subsidy that you get. One way or another, the Treasury gets you.

[184] **Mark Isherwood:** It was suggested that Scotland's particular approach has permitted councils to build more dwellings from council house receipts, and that that has been more beneficial than the alternative of the scheme that you described, in that it allows the local authority more freedom to borrow, among other things, although it cannot produce the additional supply that we need now quickly enough. Could we not look at a more flexible approach through an appropriate Measure, even if it is simply encouragement and guidance, to facilitate that?

[185] **Jocelyn Davies:** The Housing and Regeneration Bill contains a clause under which any council houses that local authorities can build from their own resources fall outside that system, allowing them to keep the receipts from the rents. However, whether there is financial incentive enough to do that, I am not sure.

[186] **Ms Whittaker:** They are currently saying that there is likely to be a one-off payment to the Treasury, and although there is nothing specific about what that is, our assumption is that they would certainly have to clear their PWLB debt before they would be allowed to come out of the HRA system.

[187] **Jocelyn Davies:** See; the Treasury gets you every time.

[188] **Mark Isherwood:** We received advice, as you know, from Professor Wilcox, an adviser to the Scottish Government on this matter, and we understood that it concluded that pursuing it as he described enabled it to generate more homes for people quickly.

[189] **Jocelyn Davies:** We are quite happy to look at what Professor Wilcox has said, but there certainly is no financial advantage. It may well be that there is value in looking in depth at his experience in Scotland.

[190] **Peter Black:** I have two brief questions. You said earlier that the proposed LCO would enable you to reform the rules in relation to the right to buy, but would it enable you to reform the rules in relation to the use of capital receipts from right to buy?

[191] **Jocelyn Davies:** That is what Linda was talking about. Local authorities, as she said, can, if they want to, use 100 per cent of the receipt, but that has an impact on the subsidy.

[192] **Peter Black:** Can you change the subsidy rules or do you need additional powers?

[193] **Jocelyn Davies:** Those are Treasury rules and we cannot change those.

[194] **Peter Black:** My other quick question was that Professor Wilcox argued that the right to buy was good value for money. He said that if you structured your right to buy scheme correctly, the receipts from selling three council houses would generate enough to build two more. My understanding was that that would only happen if you reformed how the receipts were used. Do you agree with that?

[195] **Jocelyn Davies:** Yes, I think that that is probably correct. However, in fairness, from looking at his evidence, even though he did not think that suspending the right to buy was a good way to go and even in terms of some of the things that he suggested, at least if you had the powers over that area of disposals, you could consider his proposals. So, he was not suggesting that the LCO was deficient; he disagreed with the policy that you might pursue under it.

[196] **Peter Black:** Yes, that is fine.

[197] **Leanne Wood:** The last question is from Lesley Griffiths.

[198] **Lesley Griffiths:** Like Alun, I am starting to learn that these processes take a great deal of time and resources. The last time that you were before the committee, you stated that you felt that, if competencies could be gained by a Bill that was already going through Parliament, that was the preferred option. Could you, therefore, clarify why you did not seek competence through the current Bill for affordable housing going through Parliament?

[199] **Jocelyn Davies:** Do you mean to reform the right to buy?

[200] **Lesley Griffiths:** Yes.

[201] **Jocelyn Davies:** We did, but, unfortunately, the scope of the Bill was not wide enough to enable us to do that. Measure-making powers for the Assembly cannot be wider than the scope of the Bill. That is not possible. We tried. If it had been wide enough, we certainly would have taken that route.

[202] **Leanne Wood:** Thank you, Deputy Minister. Members have finished asking their questions, but I have a question, for clarification. Throughout your evidence, you have referred to registered social landlords, but the Order does not mention RSLs—it talks about social landlords. Could you clarify why you have referred to registered social landlords?

[203] **Jocelyn Davies:** As I mentioned earlier, if the committee, in taking its evidence, has found that the terms that we use do not encompass everyone and every organisation that we need to include, then we are happy to look at that. I say registered social landlords, but I could equally say housing association. We are happy to ensure that we capture everything that we intended to capture with that.

[204] **Peter Black:** The term ‘registered social landlords’ is wider than ‘housing association’; there are also charities and trusts.

[205] **Ms Whittaker:** There are also community mutuals.

[206] **Peter Black:** Exactly.

[207] **Jocelyn Davies:** We need to be able to capture them all.

[208] **Leanne Wood:** Thank you. You agreed to provide us with a note on the memorandum of understanding on what happens if the competencies are reduced.

[209] **Jocelyn Davies:** I will provide clarification on whether, if Westminster legislation were to narrow any of our competencies, it would be done with our permission.

[210] **Leanne Wood:** Thank you.

10.59 a.m.

Cynnig Trefniadol Procedural Motion

[211] **Leanne Wood:** I propose that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).

[212] I see that the committee is in agreement.

*Derbyniwyd y cynnig.
Motion carried.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 10.59 a.m.
The public part of the meeting ended at 10.59 a.m.*