

## **Report to the Minister for Social Justice and Regeneration**

### **from the members of the National Housing Strategy Task and Finish Advisory Group**

#### **Review of the National Housing Strategy**

##### 1. Introduction

1.1 This report has been written following meetings of the Task and Finish Advisory Group held in the Glamorgan Building of the University of Cardiff on the 5<sup>th</sup> November and 9<sup>th</sup> December 2003.

1.2 The 5<sup>th</sup> November discussions were centred on two papers circulated prior to the meeting. The first paper, which was developed following interviews with a range of key stakeholders, commented on progress in achieving the main objectives of the National Housing Strategy. The second paper concerned essential issues in Welsh housing as identified by the same stakeholders.

1.3 The purpose of this report is to set out the further action required to achieve the objectives of the National Housing Strategy, and to suggest further actions that could be undertaken by the Welsh Assembly Government. It builds upon the earlier reports prepared as part of the review process, interviews with key stakeholders, and the discussions of the Task and Finish Advisory Group.

1.4 Each of the major themes is briefly introduced in the following sections, with suggested further actions that the Welsh Assembly Government could undertake.

1.5 The topics of this report are:

- The Welsh Housing Quality Standard
- The Strategic Housing Function
- Homelessness
- Social Housing Grant
- Tackling Poverty and Fuel Poverty
- A Right to Know
- Ensuring High Quality in Supporting People Services
- Improving Housing Management
- Services to Older People and People with a Disability
- Strengthening the Links between Housing and Communities First
- Review of the National Housing Strategy
- Equality and Diversity

## 2. Welsh Housing Quality Standard

2.1. There was general agreement that the achievement of this objective is of vital importance to many of the other objectives of the National Housing Strategy, and to the wider objectives and vision of the Welsh Assembly Government. The achievement of the Welsh Housing Quality Standard (WHQS) in the social housing sector by 2012, and wider adoption of the standard in the private sector, would not only substantially raise the quality of the housing stock in Wales but would also:

- make a substantial contribution to improving the quality of the built environment in areas of economic disadvantage, particularly in Communities First areas;
- improve the morale and self esteem of the population, as well as the image of these areas;
- lead to the employment of many workers in the construction-related sector as a result of the long-term increase in repair, improvement and maintenance expenditure;
- contribute to the eradication of fuel poverty;
- provide opportunities for new community-based businesses in some of the most marginalized communities in Wales;
- contribute to improving the health of some of the most disadvantaged communities in Wales.

2.2 It was recognised that the achievement of the Standard was of critical importance to the delivery of the National Housing Strategy, and that the target timescale in relation to the social housing sector must remain unchanged. At the current rate of progress the target date is unlikely to be met; this will require the Welsh Assembly Government to become more focussed on ensuring the delivery of this objective.

2.3 While all agreed that the WHQS was welcome, it was accepted that there were difficulties in measuring the rate of progress in achieving the Standard. A review needs to be undertaken of the Standard to define the elements that can be measured.

2.4 Proposed actions that the Welsh Assembly Government could undertake are:

- To establish markers to measure progress towards the achievement of the objective. These might include,
  - Re-emphasis of the end of March 2004 deadline established by the Minister for every local authority to have developed and submitted an HRA Business Plan showing how they will achieve the WHQS by 2012.
  - Giving notice to those councils who have not submitted their Business Plan by the deadline that the Minister will use the statutory powers contained in Section 87 of the Local Government Act 2003, to require the production of HRA Business Plans by the end of September 2004. Sanctions should be invoked if the deadline is missed.
- To empower tenants by promoting a "Right to Know" for all social housing tenants in Wales, and introducing a requirement that all council tenants in Wales, by the end of 2004, are to be made

aware of the WHQS and how their landlord plans to achieve it by the target date of 2012. It is critical that this is done in a way that de-mystifies the process for tenants. The Welsh Assembly Government should provide some practical support and guidance for landlords in engaging with their tenants. This support could involve the development of a common methodology for engagement that could be adapted to each locality. There could also be initiatives such as a road-show or video, and assistance for councils in carrying out the consultation.

- To undertake work to ensure that all components of the Welsh Housing Quality Standard can be accurately measured.
- To work closely with both Bridgend County Borough Council and Valleys to Coast to monitor and disseminate the lessons learned from the stock transfer process. Also to commission research into the potential economic benefits of stock transfer and private sector renewal programmes, and publicise the results. The research could also identify the links between housing investment and the local supply chain, the use of local labour, community regeneration and community capacity building. This will help maximise the benefits of future transfers of housing stock, and investment in private sector renewal programmes.
- To clarify its policy on small-scale stock transfers and provide funding for a small-scale (estate sized) stock transfer project that falls within a Communities First area. Approval should be given to the project that demonstrates the most developed links between education and training, employment creation, the use of local labour, measures to tackle fuel poverty, community engagement, and improvements to the housing stock and infrastructure. This will, of course, still need to be part of an overall business plan for the whole of the local authority housing stock to meet the WHQS by 2012.
- To develop a similar initiative for use in Renewal Areas that correspond with Communities First areas, to act as a demonstration project for other areas in Wales. The Renewal Area that best demonstrates the links outlined above would be provided with additional resources.
- To start discussions with all relevant parties at the highest level within the Assembly, and with key external agencies, to ensure that the construction industry is supported to meet the demand for their services arising from the £3 billion worth of investment required to achieve the WHQS.

### 3. The Strategic Housing Function

3.1 The Group fully discussed issues relating to the strategic housing function of local authorities. It was agreed that this role, and the process of developing the local housing strategy, was an essential activity in preparing the ground for all housing policy in a locality. The Local Government Act 2003 provides for the Assembly to make this a statutory requirement. It was concluded that the strategic housing function was not given sufficient priority and resources by the majority of Welsh local authorities, and its corporate connections were weak or under-developed. This is shown by the fact that:

- only 50% of HRA Business Plans had been returned to the Assembly, seven months after the deadline for submission;
- a substantial number of Homelessness Strategies were delivered late to the Assembly;
- only four Housing Strategies were returned to the Welsh Assembly Government by the deadline for submission (July 2003) and one still remains outstanding as of December 2003;
- some stakeholders hold the view that local authorities have failed to grasp the opportunities offered to them by the Regulatory Reform Order to develop policies that meet the needs of private sector housing in their localities.

2. In addition, the way in which the strategic housing function is arranged within Wales, across the 22 unitary local authorities, means that sub-regional housing issues are poorly articulated. It was concluded that encouraging local authorities to come together and work cooperatively across housing market areas may be a more effective way of dealing with some of the regional housing issues in Wales.
3. It was also concluded that this regional activity would contribute to the development of local strategies and policies more effectively.

### 3.4 Proposed actions that the Welsh Assembly Government could undertake are:

- To emphasise to local authorities the importance of an effective strategic housing function to the delivery of the National Housing Strategy objectives at a local level, and the need for full and open discussions with all stakeholders about the future direction of local housing policy. This could be done by hosting a "Strategic Housing Summit" and inviting every local authority leader, chief executive, head of housing service and cabinet member whose portfolio includes housing. This would also give the Welsh Assembly Government the opportunity to raise some of the other topics raised in this report.
- To carry out a review with the WLGA and a range of other stakeholders to see how the existing strategic housing framework can be strengthened to ensure that sub-regional planning and regeneration matters are tackled more effectively.
- To strengthen support for cross-boundary partnership initiatives to enable them to deal with strategic housing planning and regeneration more effectively, building on the work already done within local government by the Rural Housing Authorities Network (RHAN), the North East Wales local authority network, and the South East Wales Regional Housing Forum. This support could include:
  - the provision of matched funding by the Welsh Assembly Government to meet acceptable staffing costs.
  - the funding of research to identify the sub-regional relationships between local authority areas.

- To emphasise the interrelationship between housing, health and social care. In particular, how housing programmes contribute to health improvement, and the contribution that housing can make to tackling problems such as delayed discharge from hospital. The Welsh Assembly Government could provide funding for demonstration projects that show good practice in the planning and delivery of linked services.
- To investigate, in partnership with the mortgage finance sector and the WLGA, the establishment of a Welsh Improvement Lending Agency. The role of the Lending Agency would be to develop a range of financial packages that enable equity released from private sector homes to be invested in their repair, maintenance and improvement, and to secure funding from financial institutions.

## 4. Homelessness

4.1 The Group recognised that the Welsh Assembly Government has adopted measures to tackle homelessness more effectively. These are:

- the requirement for local authorities to review homelessness in their areas and produce a homelessness strategy;
- the extension of free high-quality housing advice across all local authority areas, in partnership with the Legal Services Commission;
- the extension of priority need status to a range of applicant groups;
- the increase in the availability of S.180 funds and capital resources to develop services at a local level.

4.2 However, the operation of the housing market, the introduction of new secondary legislation, the shortage of affordable homes in certain areas, and increased knowledge of housing rights have led to a marked increase in homelessness presentations. It was widely felt that the quality of the service many local authorities provide to homeless people has deteriorated. It is difficult to provide firm evidence to support this position because existing performance measures do not measure the quality of service. However, a number of councils have recognised that, in terms of the quality and availability of their homelessness advice, they do not fully meet the requirements of the Homelessness Act 2002. In addition, the performance of some local authorities, as measured by the proportion of applicants who receive written notification of decisions within 33 days, has deteriorated between 2001-2002 and 2002-2003.

4.3 Many councils are struggling to accommodate people to whom they owe a duty, with a substantial number of people housed in Bed and Breakfast accommodation remote from their communities. Local authorities need to be more creative in developing solutions to homelessness at a local level. They should learn from councils in England and colleagues in the voluntary sector, and engage with the private sector. It was felt that the Welsh Assembly Government could fund a "spend to save" style initiative, as introduced by the ODPM in England, which would give local authorities the opportunity to reduce the use of B&B accommodation in Wales.

4.4 It was agreed that homelessness was in most cases not solely a housing problem, but was caused by a wide range of other factors; in some cases the failure of local authorities to link services effectively and give priority to schemes designed to prevent homelessness. This is suggested by the fact that only 50% of councils returned completed Homelessness Strategies to the Welsh Assembly Government by the deadline date. This once again reflects the low corporate priority given to housing in many local authorities. It was concluded that giving greater priority and resources to homelessness at a local level, and developing more effective linked services, would reduce pressure on homelessness services across Wales.

4.5 Proposed actions that the Welsh Assembly Government could undertake are:

- To emphasise to local authorities the importance of strong corporate connections in providing homelessness services, possibly by creating an awareness of best practice, using examples from Scotland and England, supplemented by best practice contained in Welsh local authority Homelessness Strategies, and making use of the "Excellence Wales Scheme" developed by the WLGA and the Audit Commission in Wales.
- To provide awareness-raising training on local authority duties towards the homeless, possibly in partnership with the WLGA and Shelter Cymru, for members, officers and other stakeholders. This would provide an opportunity to showcase examples of excellence in the provision of services to homelessness people in Wales.
- To discuss with the Minister for Education and Lifelong Learning the making of housing options training an essential part of the national curriculum for all school children aged 14 to 16, using the Shelter Cymru Housemate pack.
- To encourage local authorities to work creatively with the private sector to produce homelessness solutions by creating an awareness of best practice elsewhere in Wales and the UK. This would again involve the use of the "Excellence Wales Scheme". The Welsh Assembly Government could also provide funding to extend access substantially to the private rented sector through the use of rent/bond guarantee schemes.
- To introduce a funding initiative to provide resources for local authorities to reduce and eliminate the use of B&B accommodation through a variety of mechanisms.
- Building on the recommendations of the Homelessness Review, to consider the establishment of a deadline for the elimination of the use of B&B as temporary accommodation by Welsh local authorities.

5. Social Housing Grant

5.1 The Group discussed problems relating to the development of social housing. In many local authorities the social housing grant programme is too small to meet local need. The view was expressed that in many areas the SHG funding regime works against the development of social housing, and RSLs are finding it increasingly difficult to either purchase or develop housing.

5.2 Concern was expressed that the guidance offered to local authority planners is too general in terms of the evidence required to support the development of social housing through the planning gain route. Revised guidance on housing needs should be jointly produced by the two Divisions of the Welsh Assembly Government.

5.3 Additionally, while not covered in the Group discussions, concerns were raised about the efficiency of the existing system of social housing procurement and the need for the sector to meet some of the challenges identified in the Egan report, "Rethinking Construction". The Group concluded that the Welsh Assembly Government should review the Social Housing Grant regime itself, to ensure that affordable homes are provided efficiently in the areas where they are most required, and to ensure that the distribution of Social Housing Grant reflects the patterns of housing need across Wales.

5.4 Proposed actions that the Welsh Assembly Government could undertake are:

- To carry out a review of the Social Housing Grant regime and the process of developing new social housing in Wales The review could include
  - the size of the SHG budget;
  - zoning arrangements;
  - the development framework;
  - creating greater efficiency in the development and management of the SHG programme.
- The Housing and Planning Divisions of the Welsh Assembly Government to work with the WLGA to develop and issue revised guidance for local authorities on securing affordable housing through planning gain. This should establish the quality of evidence required to support such policies.
- To develop guidance to local authorities, in partnership with the WLGA, on the circumstances in which they can dispose of land at less than market value to facilitate housing development.

## 6. Tackling Poverty and Fuel Poverty

6.1 Discussions on fuel poverty centred on the need to adopt the dual approach of supporting anti-poverty initiatives at the same time as providing energy efficiency works to individual homes. It was acknowledged that maximising the incomes of poorer households is as effective a means of tackling fuel poverty as undertaking works to increase domestic thermal efficiency. Evidence was presented to suggest that the take up of Working Families Tax Credits was 75% among low income tenant

households, but only 50% among low income owner-occupier households. It was felt that promoting the take up of benefits, particularly means-tested benefits that establish eligibility for Home Energy Efficiency Scheme (HEES) grants, would increase the income of poorer households, as well as widening access to HEES grants. This would enable works to be undertaken to improve the thermal efficiency of homes. This initiative will build on the proposal to be introduced in April 2004 whereby a benefits health check will be made as part of the HEES process.

6.2 The second area of discussion was the impact that the achievement of the WHQS in the social housing and private sectors would make on tackling poverty and fuel poverty. The expenditure of £3 billion on improvements to council homes across Wales should significantly improve their thermal efficiency. These homes house a significant proportion of low-income households. Therefore, it was agreed that the Assembly needs to emphasise to all Welsh local authorities the importance of achieving the WHQS by 2012.

6.3 Proposed actions that the Welsh Assembly Government could undertake are:

- To pursue the strategy outlined in paragraph 2.4 to ensure the achievement of the WHQS in the social housing sector by 2012, and its greater adoption in the private sector.
- To promote the take up of Working Families Tax Credits and other means-tested benefits, particularly among low income owner-occupiers, thereby extending entitlement to HEES grants and energy efficiency works.
- To establish, in conjunction with the WFHA, annual targets for the number of homes to receive thermal efficiency works. This will require deciding which works constitute "improvement" and will allow landlords and local authorities to establish a system for collecting and recording this information. The format could be similar to the policy agreement recently made with the WLGA on the same subject.
- To conduct further research on affordable borrowing by low income households, and the potential for the strengthening of the role of Credit Unions.

## 7. A Right to Know

7.1 Part of the Group's discussion on the WHQS was on how tenants need to be involved in and informed about their landlords' preparations for meeting these standards by 2012. It was agreed that one of the ways to do this was to make sure that tenants are provided with the information to let them fully participate in the process and more effectively influence the outcome.

7.2 The discussions centred on the promotion of a "Right to Know" for all Welsh social housing tenants. This concept, while not formally introducing any new rights in statute, has wider value as a means of embracing all existing legislation and regulation on tenant information, consultation, participation and

management. The Assembly championing a "Right to Know" would ensure that all tenants of social landlords in Wales will have the maximum opportunity to participate in making decisions about the management of their homes and communities.

7.3 The Group also discussed the importance of ensuring that the Local Government Data Unit's current review of performance measures develops a range of tests to enable tenants to compare the performance of their landlord against the performance of others in the locality. It will also allow all citizens to compare the performance of their local housing services with performance elsewhere in Wales.

7.4 Proposed actions that the Welsh Assembly Government could undertake are:

- To empower Welsh social housing tenants by promoting a "Right to Know".
- To ensure all social landlords engage with their tenants in discussions, before the end of 2004, about the achievement of the WHQS.
- To encourage the development of customer-driven performance measures for housing through involvement in the Local Government Data Unit Performance Measures Project.
- To establish how a "Right to Know" can be applied across all sectors of the housing market.

## 8. Ensuring High Quality in Supporting People Services

8.1 The Group's discussions focused on the achievement of all partners involved in the Supporting People initiative in increasing funding for support services throughout Wales. The Group felt that the challenge facing the Welsh Assembly Government and its partners is ensuring consistent good quality services to vulnerable people.

8.2 There was broad agreement that the Welsh Assembly Government could do much to assist. In particular, the need was emphasised for appropriate monitoring and evaluation mechanisms.

8.3 Proposed actions that the Welsh Assembly Government could undertake are:

- To provide support and guidance to local authorities through seminars and training sessions to ensure they commission Supporting People services effectively.
- To sustain and assist support providers through seminars and training sessions to enable them to develop appropriate structures and frameworks for the delivery of high quality services in Wales.

## 9. Improving Housing Management

9.1 It was recognised that housing management services need to be made more responsive to customer needs. The Group also felt that the focus of landlords' activity in the area of anti-social behaviour needs to move away from punitive measures towards preventative initiatives.

9.2 Proposed actions that the Welsh Assembly Government could undertake are:

- To consider a demonstration project to provide intensive support to tenants at risk of eviction because of anti-social behaviour.
- To encourage the development of customer-driven performance measures through involvement in the Local Government Data Unit Performance Measures Project.

## 10. Services to Older People and People with a Disability

10.1 The Group agreed that the funding of Care and Repair Cymru and the establishment of an agency in each of the 22 local authority areas was a bold step forward for the Welsh Assembly Government and had widened access to services for people who need them.

10.2 Support was also expressed for the forthcoming review of Disabled Facilities Grants and adaptations across Wales, which seeks to bring consistency and equity of service delivery.

10.3 There was concern that the Care and Repair method of working, whereby linked functions provide a seamless service, has not been widely applied in the local authority/health sectors. Concern was also expressed about the lack of housing option choice for older people.

10.4 Proposed actions that the Welsh Assembly Government could undertake are:

- To publicise more widely, in partnership with each of the Strategic Planning Partnership Groups, the services provided by Care and Repair agencies.
- To raise awareness among Local Authorities and Local Health Boards of best practice in the development and delivery of comprehensive services to meet the housing needs of older and disabled people in Wales, including the development of extra care housing.
- To ensure that the debate on the housing needs of older people pays particular attention to the future role of sheltered housing.
- To review policy and provide guidance to social landlords on extending the range and choice of accommodation available to older people in Wales, particularly ensuring that the social rented sheltered housing market is opened up to owner occupiers.

- To continue to support the development of smart homes incorporating appropriate technology.

## 11. Strengthening the Links between Housing and Communities First

11.1 It was acknowledged by the Group that the links between the Communities First initiative and Housing appear to be weak at both national and local levels. All agreed that the links between the two policy areas can and must be strengthened.

11.2 Proposed actions that the Welsh Assembly Government could undertake are:

- To revise its policy on small-scale stock transfers and provide funding for a small-scale (estate sized) stock transfer project that falls within a Communities First area. Approval should be given to the project that demonstrates the most developed links between education and training, employment creation, the use of local labour, measures to tackle fuel poverty, community engagement, and improvements to the housing stock in the locality. A similar initiative could be developed for use in Renewal Areas that fall in Communities First areas. The Renewal Area best able to demonstrate the connections outlined above would be provided with additional resources. This would act as a demonstration project for other areas in Wales
- To make sure that programmes are appropriately adapted at local level and directed towards areas of greatest deprivation. This would be achieved by issuing guidance to local authorities that Communities First partnership action plans should show how the partnership groups have been consulted on all social landlords' annual investment programmes and any private sector renewal programme expenditure, and how these tie into local labour and employment creation initiatives.
- To promote the development of best practice guidance on links between housing management and other policy areas, such as community engagement and development.

## 12. Review of the National Housing Strategy

12.1 The Group agreed that, following the publication of "Wales a Better Country", the time is right to undertake an ongoing review of the National Housing Strategy, to establish its progress against stated objectives and refining/amending the existing objectives.

12.2 Proposed actions that the Welsh Assembly Government could undertake are:

- To commission a comprehensive independent health check of the National Housing Strategy every three years, starting in 2005. This would involve key stakeholders, including service users.
- To ensure that the evolving Strategy incorporates SMART objectives, for example:
  - Reducing the number of people inadequately housed in Wales.

- Eliminating the use of B&B accommodation by a deadline.

## 13. Equality and Diversity

13.1 Substantial discussion centred on the role of housing in promoting equality and diversity in Wales, both nationally and locally.

13.2 It was recognised that the Welsh Assembly Government has done much to promote equality and diversity, including the support it has given to Local Authorities and Housing Associations in developing Black Minority Ethnic (BME) Housing Strategies.

13.3 Concerns were raised that, with more people being granted asylum, there is a greater need for government at all levels to continue to facilitate their resettlement, by providing access to good quality homes, housing advice, education, training and employment opportunities.

13.4 Concern was also expressed about evidence emerging from research into the development of BME Housing Strategies across Wales regarding the relatively disadvantaged housing circumstances of some BME groups.

13.5 Proposed actions that the Welsh Assembly Government could undertake are:

- To continue to work in close partnership with agencies promoting equality and diversity, acknowledging the contribution that housing can make.
- To provide further resources for local authorities to undertake research into the housing needs of disadvantaged BME groups in their localities.

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Appendix 1

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