

Cynulliad Cenedlaethol Cymru
Y Pwyllgor Craffu ar Waith y Prif Weinidog

The National Assembly for Wales
The Committee for Scrutiny of the First Minister

Dydd Iau, 29 Mehefin 2006
Thursday, 29 June 2006

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynnddi 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 o'r Cynulliad yn bresennol: Janet Davies (Cadeirydd), Rosemary Butler, Glyn Davies, Janice Gregory, Christine Gwyther, Ann Jones, Sandy Mewies, Rhodri Morgan (y Prif Weinidog), Rhodri Glyn Thomas.

Swyddogion yn bresennol: John Bader, Cynghorydd, Adran Cyfiawnder Cymdeithasol ac Adfywio; Linda Whittaker, Cyfarwyddwr Tai.

Gwasanaeth Pwyllgor: Karin Phillips, Clerc; Claire Griffiths, Dirprwy Glerc.

Assembly Members in attendance: Janet Davies (Chair), Rosemary Butler, Glyn Davies, Janice Gregory, Christine Gwyther, Ann Jones, Sandy Mewies, Rhodri Morgan (the First Minister), Rhodri Glyn Thomas.

Officials in attendance: John Bader, Adviser, Social Justice and Regeneration Department; Linda Whittaker, Director of Housing.

Committee Service: Karin Phillips, Clerk; Claire Griffiths, Deputy Clerk.

Dechreuodd y cyfarfod am 9.32 p.m.

The meeting began at 9.32 p.m.

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

[1] **Janet Davies:** Good morning. I welcome everyone to this meeting, and welcome you, in particular, First Minister.

[2] I will go through the housekeeping issues first. As everyone knows, the committee operates bilingually, and you can use the headsets to listen to a translation of Welsh contributions or to hear the whole proceedings more clearly. Please do not touch any of the buttons on the microphones, as that can disable the system, and ensure that the red light is showing before you speak. I understand that we are having some problems with this system this week, so it is important to ensure that the red light is on. Interpretation is available on channel 1, and verbatim is on channel 0.

[3] I ask everyone to turn off their mobile phones, pagers, or any other electronic devices, as they interfere with the broadcast and translation systems. In case of emergency, please leave by the nearest exit, and follow the instructions from the ushers. As you know, a verbatim record will be taken of all proceedings, and the draft transcript will be forwarded to Members and the First Minister when available; this is likely to be about 11 July.

[4] Glyn Davies is being filmed this week by the S4C programme, *Taro Naw*, and we will have a camera upstairs for the first 15 minutes of the meeting, although I cannot see it there at the moment.

[5] **Rosemary Butler:** You had better wait, Chair, if the camera is not there yet.

[6] **Janet Davies:** I am sorry, the meeting is more important than that, Glyn.

[7] I have not received any apologies. Do Members have any declarations of interest to make? I see that you do not.

9.34 a.m.

Sesiwn Graffu—Tai a Digartrefedd
Scrutiny Session—Housing and Homelessness

[8] **Janet Davies:** This committee was established with the purpose of taking oral evidence from the First Minister on broad themes of policy and strategy, particularly looking forward. This time, the committee has chosen to scrutinise the First Minister on housing and homelessness. We are covering several issues—strategic matters, homelessness, housing for minority groups, disrepair and renovation, stock transfer and the Welsh housing quality standard, houses in multiple occupation, planning and affordable housing, and sustainable building.

[9] We will start by looking at the strategic issues. I will begin the questioning. The First Minister will be aware of the document ‘Better Homes for People in Wales’. I know it was published in 2001, but as I understand it, it is still in effect. On page 8, a vision is stated, which is:

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

[11] There has certainly been some movement towards this vision over those years, but we still have some areas of run-down housing and anti-social behaviour and there are certainly problems for young people in getting into the housing market to start with. For that particular group, it is largely down to macro-economic factors, over which we have no powers, so there is little point in pursuing that issue. I know that other Members will want to develop further questions, but I will start by asking you how you see your policies developing towards this vision in very broad, strategic terms.

[12] **The First Minister:** That is the vital question that we should keep before us all the time: what is the strategy and what is the vision? In order to do that, you have to have some kind of assessment of what is special or significant about the supply of housing and the stock of housing that we have in Wales because, by and large, housing is a market. If the market works, we do not need to intervene; we intervene where there is evidence of market failure—that is the purpose of social housing and of making assessments of where we need to come in, and where we need to come in alongside local government, or where we need to prod local government, because it has a major role in the supply of land through planning and affordable housing through its policies, but it cannot do that unless we help it.

[13] To try to answer, very broadly, the question of what is special or unusual about Wales, where the market failure is and where we should intervene, and how vital this is, it is absolutely vital that we have an effective housing market and that we have effective interventions where the market does not work. For instance, if you look at industrial south Wales and north-east Wales, before we move on to rural Wales, we would say that industrial south Wales is a market area in which you do not have an effective private housing market in the upper half of the Valleys. That throws a lot of additional weight on the M4 belt. Is there anything we can do about that to ensure that we have a normal housing market throughout industrial south Wales, rather than in only 50 per cent of industrial south Wales? If we could do that, then the housing market would work effectively in the whole of industrial south Wales. In north-east Wales, which is closely attached to the Cheshire/Merseyside belt, how do we get the balance right between the policies over the border and the policies on the Welsh side of the border? It is a very successful area economically, with huge housing demand, and high numbers of immigrants from Poland, England and everywhere really, because it is a very low unemployment area. How do you deal with that? Do you build many more houses, a few more houses, or is there a need for some form of housing market intervention to try to ensure that everyone has access to houses, not merely those who can afford housing in the private housing market?

[14] In rural areas, you have market failure in the sense of a disconnect. Normally, house prices are determined by local wages, but sometimes, you can have a low wage area with high house prices because of people moving in—pensioners maybe—and so prices have nothing to do with local wage levels. So, you can get high house prices and low wages and we know that is true for some areas of north-west Wales, and south-west Wales. What do you do about that? How do you then prod the local authorities into having effective, affordable housing policies? Affordable housing policies are not merely about building private houses for sale at affordable prices as part of a planning policy, although that is certainly part of the answer. They are also about trying to ensure that there is an effective rental housing market.

9.40 a.m.

[15] Those are the three key issues in trying to ensure that you have an effective housing market in terms of houses for sale and for rent where there is a disconnect between what the private market will do and the requirements of the locality. If we do not do that, we will not have effective economic development, neither will we see the effective conversion of the Welsh housing stock, which is heavily related to the heroic period of expansion between 1870 and 1914, when houses were being thrown up in Wales at an incredible rate. However, these are now 100 or 150 years old. What do we do about that for the twenty-first century in order to improve that stock of houses and to make good on the fact that there was not much house-building in Wales in the 1920s and 1930s? How do you modernise that stock of houses and how do you remedy market failure where there is evidence of it, such as in the upper parts of the Valleys of industrial south Wales, and in rural areas, where you have the high-price, low-wage phenomenon?

[16] **Janet Davies:** Thank you, First Minister. I was interested in what you said about the housing market in the upper parts of the Valleys. I assume that you mean that they have a relatively low value?

[17] **The First Minister:** Indeed. It is not a normal housing market, because, until very recently, private house builders have, by and large, not been willing to build there.

[18] **Janet Davies:** Do you think that the Heads of the Valleys programme will have an effect on that?

[19] **The First Minister:** It has to. To make the Heads of the Valleys strategy work, you have to convert what is presently seen as a disincentive, that is, the rugged mountain scenery and the fact that parts of it are 1,000 ft and more above sea-level, into an attraction. Rugged mountain scenery should, in principle, be an attraction. It is very attractive in June, but it is not always so attractive in December and January. However, it has to become attractive in order to work, because you have to have a normal housing market there. What is a normal housing market? It is one where private house-builders will come in and build affordable houses for local people. Since around 1914, private house-builders have not built houses in the upper Valleys—with some exceptions. You have to try to make that breakthrough along the Heads of the Valleys area—the upper half of Rhondda Cynon Taf, Merthyr, Blaenau Gwent, the upper half of Caerphilly and so on—to get a fully functioning housing market, otherwise it throws all of the weight onto the M4 belt.

[20] **Janet Davies:** Thank you very much. Glyn, would you like to take up the strategic issues?

[21] **Glyn Davies:** I was interested in your comments about market failure. We have quite a few subjects later in this session about planning policy, technical advice note 15 and so on, which I do not want to stray into now, and how Government policy can help to resolve the problem. I am interested in where you see housing in relation to Government policy. When I started in local government—probably about the same time as you, First Minister—in public affairs, I remember that housing dominated local authority work. I remember a Prime Minister in the 1950s talking about building 1 million council houses in one year. I do not know whether they were built, but I remember the role of housing. That direct provision, in terms of building council houses, has largely gone, but do you see it just as a social justice issue to deal with those problems in society? Are you happy to see the private sector picking up that direct provision?

[22] **The First Minister:** You are absolutely right in your first proposition. Forty-odd years ago, when I started as a civil servant in the Welsh Office in its infant days, there was an obsession with maximising the level of overall building, and social housing probably formed three quarters of that. There was a huge drive under the then Labour Government to reach a target, which it could then boast about, of building 20,000 houses a year in Wales, of which probably three quarters were council houses. Many of the big estates, such as Penrhys in the Rhondda, turned out not to be great successes, because if you just go for the numbers, then you will not be going for quality. The target of 20,000 was met. Penrhys was the last estate approved in that year, so that took the total from 19,500 to 20,500, in order to get the 20,000 target. That was how people saw it. It was partially an inheritance from the competition that had been set on both sides of the political scene—the Conservatives won the election in 1951 on the promise by Macmillan to build 300,000 houses a year throughout Britain. He became the Housing Minister, he did it, and that was a huge boast. Many of those houses were on big council estates.

[23] People do not want to see another generation of big council estates, whether they are hilltop council estates, like Penrhys, or edge-of-town council estates, like Ely in Cardiff, Ringland in Newport, Maesgeirchen in Bangor and Queen's Park or Caia Park in Wrexham. People now see the argument for trying to blend social housing with private housing. That is why people have gone—as, I think, Heseltine did 15 years ago—for this business of trying to ensure that every planning permission application for an edge-of-town or dockland tower-block estate must include one-third or a quarter social housing; instead of having one big council estate on the edge of town or up on a hilltop, as in the case of Penrhys, you would not know that it was a council estate. In the two estates closest to the Assembly—the Waterquarter and Redrow's Celestia estate—there will be 10 tower blocks, two of which will be social housing and the other eight will be private housing, and, because they are built in the same way, you will not know which blocks are council and which are private. Therefore, you remove the stigma of a place that looks like a council estate, with different kinds of doors and different kinds of paint and so on; you do not stigmatise the people who are not in private accommodation because they have different kinds of doors, windows and paints. That is the philosophy now.

[24] The other point that you make is even more important—that housing is not really about housing, but about economic development, health, the environment and so on. For us, a competitive urban space in north-east and industrial south Wales is vital, and the sustainability of rural Wales is vital, with housing playing a major part in that. In terms of health, if you have a lot of people aged over 65 living in damp houses built between 1870 and 1914, which have not been modernised, you are asking for trouble on the health front. For every £1 that you save by not giving improvement grants to those houses, you will spend £10 on the health problems caused by damp or old housing. We have a big inheritance of 1870 to 1914 housing—greater than anywhere else.

[25] The only thing that I thank my lucky stars for is that we are not in the position of some of the boroughs of the north of England or west-central Scotland, where they have surplus housing that absolutely no-one wants. We do not, in any part of Wales, have abandoned private housing or vast areas of abandoned council houses, as are seen in Hull and Glasgow. Luckily, if there is a house available in Wales, someone wants to live in it. We do not have the problems of abandoned houses that they have in Salford, Bolton, Blackburn, Burnley and some boroughs in Lancashire, where they do not know what to do with abandoned private housing. We do not have the problems of vast council estates, whether they are low rise, as in Hull, or high rise, as in Glasgow; in those places they are glad that the Home Office pays for asylum seekers to move into them, because, otherwise, they would not know what to do with them, other than demolish them, because there is no demand. We do not have that in any part of Wales, and I thank my lucky stars for it.

[26] **Glyn Davies:** Housing comes under the social justice department here, and most of the discussions that we have about housing are in this area—about how we deal with homelessness and people in disadvantaged positions. To what extent do you see housing as a regeneration tool? The development of housing seems key to redeveloping a town or making a major change. I am asking whether the way that housing is now seen, as part of the social justice agenda, prevents sufficient focus on housing as a tool for wider benefit.

[27] **The First Minister:** That is probably a bit unfair, in the sense that we must have close working with the planning side, because it is the effectiveness of planning policies that give you the ability to have an adequate supply of housing land, which will be key to the affordability of the housing stock. If you are too restrictive on the planning side, you will never solve the affordability problem. Planning does not come under social justice, but Linda Whittaker, who is director of housing, and John Bader, our specialist adviser on housing, work to Edwina Hart. However, the co-ordination of policy between planning and housing is vital. As I said earlier, why we are spending so much money on the home energy efficiency scheme? It is because it is a good scheme with major impacts on health. It has a particular significance for the health agenda in trying to ensure that we do not have a continuation of the above-average levels of musculoskeletal, asthma and bronchitis problems that you get if you live in old, damp housing with inadequate draught-proofing and six-inch gaps under the front door because they were built in the old days when miners would get seven tonnes of free coal every winter and you needed a good draw under the front door, and so on, when you had a blazing fire going all day. Those are the old days; they have gone now, but the houses were built for that era and we have to make changes that are appropriate for the twenty-first century. So, the catch-up there has had a big impact on health.

9.50 a.m.

[28] It would not matter in which department you included this subject, because the links with economic development, health, the environment, sustainability and even culture and the Welsh language, as well as planning, are vital. It shows good co-working across the other departments, which, in turn, answers your original question on how high up the agenda housing was and how big a profile it had; it has a high profile, not merely in its own right, but because of those links.

[29] **Janet Davies:** We will now move on to homelessness, and Christine Gwyther has a question on rural problems.

[30] **Christine Gwyther:** Given my constituency interest, I am sure that you will not be too surprised to hear that I want to ask you about rural homelessness. This issue has been hidden for many years. I remember that, 10 or 11 years ago, Shelter did a survey in Pembrokeshire in which it asked every community council if they had a homeless person living in their parishes; they all responded with a 'no'. I would like to think that this issue is being flushed out much more pragmatically and truthfully today. Can you outline some of the Assembly Government's initiatives to tackle rural homelessness?

[31] **The First Minister:** I might bring Linda in on some of the specific issues, but the broad thrust of policy on homelessness has been to give it a higher profile and a greater degree of attention in Wales than elsewhere in the UK. Going back some five years now, the categories that we define as homeless are wider—you are potentially homeless in Wales in circumstances that include categories where you would not be classed as homeless elsewhere.

[32] In rural areas, some of the problems are the same as those in urban areas. We try, for instance, to ensure that, if there has been some sort of family breakdown between difficult parents and difficult teenagers, we do not immediately say that there is a two-bedroomed house available for every 16-year-old who spends the night out, when the parents say, 'Go thee hence and never cross this threshold again'. We try to mediate and rebuild the relationship so that it is not a homelessness issue straight away, although it may eventually become such an issue. We try to ensure that there is effective prevention and mediation as well as trying to match the need when the definition of homelessness is eventually given. That can occur just as easily in rural areas as elsewhere.

[33] In rural areas, you will, in terms of affordability, sometimes get a disconnection between wage levels and local house prices; again, to some extent, this is a similar problem to that seen in urban areas. There is a duty on local authorities not to pretend that the problem does not exist. Some may like to think that homelessness is a *Cathy Come Home*, east end of London, big-city issue and that it cannot possibly happen in their area. It can happen in any area, particularly as a result of temporary construction projects, as might happen in Pembrokeshire, or the impact of retirement or second-home migration into an area. That has nothing to do with local wage levels. So, you get a low wage/high price problem, which means that it is very hard to make a first step on the ladder, or a problem where the cost of rented accommodation might be high because of things like construction projects, such as the construction of gas tanks that is now happening in Pembrokeshire.

[34] The local authority must undertake the main job of trying to assess what is the level of homelessness in its area, but we can demonstrate that we will try to come in behind them and back them up on that. Our budget for homelessness has multiplied by around 1,000 per cent. That does not mean that it is an enormous budget, but that it was previously a very small budget and is now a reasonable one. So, it has gone from £600,000 to £6 million over the last four or five years. It has been stepped up very considerably to cope with the widening of the categories and to try to ensure that local authorities see that we are serious about them dealing with the homelessness problem. I do not know whether Linda or John would like to refer to any details in relation to rural homelessness.

[35] **Ms Whittaker:** The Assembly Government has been involved in a number of activities over the last few years to address, specifically, rural homelessness. The main problem with homelessness is the supply of affordable housing. In terms of rented housing, the Assembly Government has enabled local government to use up to £6 million across Wales to lease private-sector rented properties and to ensure that they are in good condition, so that people who present themselves as homeless have somewhere to go and are not left on the streets or living in unsuitable, overcrowded accommodation. For those who find themselves able to afford a mortgage, but not at the level at which they could purchase a home in their rural area, the Government has introduced a homebuy scheme; normally, the equity loan would be 30 per cent, but it has been increased to 50 per cent in rural areas, to specifically address the difference between income levels and house prices in those areas. Also, a lot of properties in rural areas have been lost to the private sector through the right-to-buy scheme over the last few years. The Government has introduced a right of first refusal on the resale of those properties, after the first 10 years, so that those properties can be brought back into the social housing sector and be made available for homeless people or families when they present themselves as such. There are certain local

authority areas that have been very successful in bringing empty properties in their area back into use: Carmarthenshire is one area that has been very successful in doing that, again through allowances from the Assembly Government specifically to address homelessness.

[36] **Janet Davies:** May I cut across you because I want to move to Rosemary who wants to talk about urban homelessness?

[37] **Rosemary Butler:** I am interested in the fact that you have policies for rural homelessness and how that impacts on urban homelessness. A lot of homeless people tend to go to the larger urban areas, because, perhaps, they feel that there is safety in numbers and they know that there are more homeless people there or perhaps they feel that there are more services there for them. It is Shelter Cymru's twenty-fifth anniversary this year and we all thought, 25 years ago, that the problem would have been solved by now. However, social issues have changed dramatically: the number of people who now want two or three homes for a family unit, because of divorce and so on, makes life quite difficult.

[38] There are some excellent projects out there. In Newport, we have Solas that not only has an easy-access hostel providing temporary accommodation for homeless people, it also does a lot of education work. That is important, especially with longer-term homeless people, to try to educate them about how to look after a flat and how to manage on their own. In Newport, we have the short-term issues concerning families that have suddenly been made homeless, but we seem to have more single homeless people. How are your policies being skewed towards that aspect? Taking on board the things that you said about incomers and migration, which is also happening along the M4 corridor.

[39] **The First Minister:** I think that homelessness comes in all shapes and sizes. We sometimes have a picture in our minds of a family that has been put out on the street because of some dispute over the rent or an eviction, which has been confirmed by a court order, from private sector or council accommodation, but there are also single people who are categorised as potentially homeless because they missed the net when they left care or an institution and so on. We are trying to improve the experience of homeless people in that temporary bit after they have lost their accommodation. Some families, especially those with young children, have had traumatic experiences in the past in very poor quality bed-and-breakfast accommodation. Sometimes they have to cook on a little camping gas stove in the corner, when they are probably not even supposed to do that, and they are supposed to be out at 9 a.m. and they are not allowed back in until 9 p.m..

10.00 a.m.

[40] Trying to make that part of the homelessness experience as untraumatic as possible for families with children is very important, so we have encouraged and funded local authorities to minimise the use of poor-quality, dodgy bed-and-breakfast accommodation and so forth, and the drive to do that has been fairly successful over the past couple of years. It has not been eliminated, but I think that homeless families are now going to be less traumatised by the time that they get put into proper accommodation through the homelessness legislation.

[41] On young persons who have, somehow or other, arrived from London on the M4, at Newport, first stop, Cardiff, second stop, Swansea third stop and so on, which does happen—we have seen it and I have met some of them—we must also have alternatives to bed-and-breakfast accommodation for them. That may be hostels, but of a slightly different kind to those that you would want. The Solas hostel in Newport, which you refer to, is funded by us for exactly the reasons that I have mentioned: that, somehow or other, you can hold people temporarily in a hostel until they are properly sorted out and their eligibility is properly sorted out. It should be a civilising experience, not a traumatising one, but they sometimes require a fair bit of support before they move on into proper accommodation.

[42] For anybody who manages the process well, where there has not been a family break-up—and I am thinking back to my own experience now—your first experience of leaving home is when you go to university and you are in halls in the first year, so you are fully supported. In the second year, you are in a flat, sharing with three or four others, and then you leave university and you get a job and share a flat with some other people, and the parents have all helped to give you an old fridge, an old bit of carpet and old televisions or whatever. Of course, some 18-year-olds arriving on the M4 from Iraq or Afghanistan, or, indeed, who have left the care system, do not have any of this. They do not have parents to give them the old television, the old fridge or the old carpet to help to get them going. So, that family support is not there to enable this gradual approach to being able to look after yourself in your mid 20s and to be able to pay for a flat, by renting or by getting your foot on the housing ladder. That is not there for some people and we have to accept that. That is when you have to provide social support: to replace what, if you are lucky enough, you get as family support.

[43] **Rosemary Butler:** I quoted Solas and, I am sorry, but I lost my thread. What I was going to ask was: are you proposing to fund more of those kinds of schemes across Wales?

[44] **The First Minister:** I will ask John Bader to comment on that, if I may. I know that John knows the Solas situation very well.

[45] **Janet Davies:** Please be very brief.

[46] **Mr Bader:** It really depends on what local authorities see as a priority for tackling this issue, because they have local knowledge and we would expect them to determine their local policies and, if appropriate, to make bids for funding for hostels or for Solas-type proposals, which is more about support, as well as providing the accommodation. There are many examples throughout Wales that have been funded through social housing grants, which are of a high quality and provide support and have high success rates of long-term support for people who otherwise would have continued to be homeless, effectively, in one form or another.

[47] **The First Minister:** I will just add one tailpiece to that. I have picked up that there are concerns that a lot of what you would call the bottom level of the housing market, which typically applies to those in the 18 to 25 age group, with or without support, who come out of the care system or who have had a bit of a breach with the family and have decided to leave, is now being taken up by people arriving from eastern Europe to work in the catering industry, the slaughterhouse industry, the food preparation industry and so on. It is now much harder. This is the price of success in terms of employment: people from eastern Europe want to come here—and they are not only from eastern Europe; they can be from further afield, but they are largely from eastern Europe. That has removed a segment of the housing market from being available for people starting out at the very bottom level of the cheapest end of the housing market for rent. That market is now taken up by agents who are bringing people in to work. The evidence for that is only anecdotal, but it is making a bit of a difference anywhere where there is a concentration of new immigrants from the new accession countries, and it is a bit of a new problem that we have to clock. There was a housing market available for local people at the bottom end.

[48] In some parts of Wales, it is not there any longer because it is taken up by people coming in, and agents book it to ensure that they have a package, which makes it attractive for them to place hundreds of people in a local food factory, or whatever.

[49] **Janet Davies:** I think that we will be returning to this issue a bit later, First Minister. Rhodri Glyn, you want to comment on the health issues that go along with homelessness?

[50] **Rhodri Glyn Thomas:** Dechreuaf gyda chwestiwn cyffredinol am ddigartrefedd. Nid wyf yn gwybod a ydych yn cofio cyhoeddiad y Llywodraeth Lafur yn 1999, pan ddaeth y Cynulliad i fodolaeth, na fyddai unrhyw un yn cael eu gorfodi i gysgu tu allan, ac y byddai cyfle ganddynt i gael cartref. A yw hynny yn parhau i fod yn fwriad gan Lywodraeth y Cynulliad, neu a ydych wedi ei roi i'r neilltu?

Rhodri Glyn Thomas: I will begin with a general question on homelessness. I do not know whether you remember the announcement made by the Labour Government in 1999, when the Assembly was established, that no-one would be forced to sleep rough, and that they would have an opportunity to be housed. Is that still the Assembly Government's intention, or has it fallen by the wayside?

[51] Dywedasoeh yn gynharach hefyd nad oedd unrhyw ardal o dai yng Nghymru lle nad oes unrhyw un eisiau byw ynddynt, ac mae hynny'n gywir. Fodd bynnag, mae'n rhaid ichi gydnabod bod miloedd o dai yng Nghymru yn y sector cyhoeddus a'r sector preifat sy'n wag ac nad ydynt yn cael eu defnyddio. Beth fydd Llywodraeth y Cynulliad yn ei wneud er mwyn sicrhau bod y tai hynny yn dod ar gael i bobl sydd eisiau byw ynddynt?

You also said earlier that there were no areas of housing in Wales in which no-one wanted to live, and that is correct. However, you must acknowledge that there are thousands of empty and unused houses in the public and private sectors. What will the Assembly Government do to ensure that those houses become available to those who wish to live in them?

[52] **Y Prif Weinidog:** Nid oes hollt o ran yr hyn a ddywedais am y ffaith ein bod yn gallu ymfalchio i ryw raddau nad oes ardaloedd mor amhoblogaidd, neu fod y galw mor isel, fel nad oes neb eu hangen; dyna yw'r sefyllfa mewn stadau cyngor yn Hull, Glagow ac yn y blaen. O ran gwendidau gweinyddu stoc o dai yn y sector gyhoeddus, ceir cwestiwn o ran bylchau a sut i'w lleihau. Ar yr amser mae'n ei gymryd rhwng bod un person neu deulu yn symud allan a bod y ty yn addas i'r teulu nesaf symud i mewn iddo, o ran rhoi côt o baent iddo neu agwedd arall ar drwsio, mae'n cymryd llawer rhy hir mewn rhai stadau cyngor neu awdurdodau lleol. Ambell waith, bydd y cymdeithasau tai yn gwneud cymhariaeth, sy'n gallu body n annheg gan fod y stoc sydd ar gael i'r awdurdodau lleol yn llawer hyn—mae llawer ohono yn dyddio'n ôl i'r 1920au a'r 1930au. Mae'r stoc sydd ar gael i'r cymdeithasau tai fel arfer yn dyddio o'r 1970au, 1980au a'r 1990au, ac felly maent yn gwneud y gwaith mewn tri diwrnod, ond mae'n cymryd llawer hirach ambell waith gyda hen dy cyngor o'r 1920au. Hyd yn oed wedyn, credwn fod y bylchau yn rhy hir, ac mae'n fater o weinyddu da gan yr adran dai yn y cyngor lleol—rhaid iddo weithio'n galed iawn i geisio byrhau'r bylchau. Os oes gwaith trwsio, dylid ei wneud ar bob cyfrif, ond ni ddylid cymryd gormod o amser i drefnu'r gwaith trwsio sydd angen ei wneud yn y cyfnod rhwng bod un teulu yn gadael a'r llall yn symud i mewn. Dyna yw'r broblem fawr fel arfer.

The First Minister: There is no split in terms of what I said about the fact that we can take pride, to some extent, in the fact that there are no unpopular areas, or that the demand is so low, that no-one wants them; that is the situation in council estates in Hull, Glasgow and so on. In terms of administering housing stock in the private sector, there is the question of voids and how to reduce them. On the time that it takes between one person or family moving out and a house being suitable for the next family to move into it, in terms of giving it a coat of paint or doing other maintenance work, it takes far too long in some council estates or local authorities. Sometimes, housing associations make a comparison, which can be unfair because the stock that is available to local authorities is much older—much of it dates back to the 1920s and 1930s. The stock available to housing associations usually dates from the 1970s, 1980s and 1990s, and, therefore, they can turn things around in three days, but it sometimes takes far longer with an old council house from the 1920s. Having said that, we believe that the voids are too long, and it is a question of good administration by the housing department in the local council—it must work hard to decrease the length of the voids. Maintenance work should be done at all cost, but an excessive amount of time should not be taken just to organise the maintenance work required in the period between one family vacating a house and another moving in. That is usually the main problem.

[53] **Rhodri Glyn Thomas:** Byddwn yn dadlau bod llawer mwy i'r mater na dim ond y broblem o adnewyddu ty ar ôl i un teulu adael a chyn i deulu arall symud i mewn. Byddai'n dda meddwl bod gan Lywodraeth y Cynulliad strategaeth ar gyfer sicrhau hynny a strategaeth ar gyfer sicrhau bod modd prynu tai yn y sector preifat sy'n wag am ba bynnag reswm, ac am gyfnod hir iawn weithiau, er mwyn galluogi cymdeithasau tai i wneud hynny.

[54] O ran y materion iechyd, mae gan bobl ddi-gartref anghenion dwys o ran iechyd yn aml, yn enwedig yn y sector sylfaenol. Fel Llywodraeth, dywedwch mai eich bwriad yw sicrhau mwy o wasanaethau iechyd yn y gymuned. Beth ydych yn ei wneud i sicrhau bod pobl ddi-gartref yn gallu cael mynediad at feddyg teulu a deintydd yn y gwasanaeth iechyd cenedlaethol, yn arbennig o ran eu hanghenion iechyd meddwl?

[55] **Y Prif Weinidog:** Ni ddywedaf nad oes pobl yn cwmpo drwy'r rhwyd, ond yr ydym yn awyddus i sicrhau bod pobl ddi-gartref yn cael yr un driniaeth â phobl eraill—mae'n anodd ambell waith. Os nad oes gennych gyfeiriad swyddogol neu fil gan y cwmni trydan, mae'n anodd profi pwy ydych chi.

10.10 a.m.

[56] O ganlyniad, mae'n anodd profi i'r gwasanaethau cyhoeddus mai chi yw'r person yr honnwch yr ydych chi. Heb gyfeiriad a bil gan y cwmni ffôn neu'r cwmni trydan, mae pobl yn dweud, 'Sut yr wyf yn mynd i wybod pwy ydych chi er mwyn gwneud cofnod o hynny?'. Biwrocratiaeth yw hynny, wrth gwrs, ond bydd wastad rhai unigolion sy'n cwmpo drwy'r rhwyd. Gallwn ddweud bod y gwasanaethau cyhoeddus ac iechyd ar gael, ac er fy mod yn derbyn bod digartrefedd, ambell waith, yn gysylltiedig â phroblemau meddyliol, nid wyf am warthodi pobl ddi-gartref ychwaith

Rhodri Glyn Thomas: I would argue that there is much more to the issue than just doing maintenance work to a house after a family has moved and before another family moves in. It would be good to think that the Assembly Government has a strategy for that and a strategy to ensure that there is a way of purchasing private sector housing that is empty for whatever reason, and sometimes empty for very long periods, to enable housing associations to do that.

On the health issues, homeless people often have intensive health needs, especially in the primary sector. As a Government, you say that your intention is to ensure more community health services. What are you doing to ensure that homeless people can access a GP or dentist on the NHS, in terms of their mental health requirements in particular?

The First Minister: I do not say that people do not fall through the net, but we are keen to ensure that homeless people are treated in the same way as others are treated—it can be difficult. If you do not have a fixed abode or a bill from the electricity company, it is difficult to prove your identity.

It is therefore difficult to prove to public services that you are who you say you are. Without an address and a bill from the telephone company or the electric company, people will say, 'How do I find out who you are in order to enter your details in the records?'. That is just bureaucracy, of course, but there will always be certain individuals who fall through the net. We can say that the public and health services are available, and although I accept that, occasionally, homelessness and mental health problems are connected, I do not want to stigmatise homeless people either by

drwy ddweud bod ganddynt broblemau o'r math hwn yn aml.

[57] **Rhodri Glyn Thomas:** A oes ystadegau, Brif Weinidog, sy'n dweud wrthym faint o bobl ddi-gartref sy'n cael trafferthion o ran cael mynediad i wasanaethau iechyd sylfaenol?

[58] **Y Prif Weinidog:** Nid wyf yn siwr a oes a'i peidio; gallaf ofyn i John a Linda.

[59] Are either of you familiar with any statistics that we might have collected on the issue of health service access or problems of access for homeless people?

[60] **Ms Whittaker:** There are certainly issues around accessing health services. It is something that we are currently working on with health officials to try to maximise the availability of GPs, dentists, mental health services, and podiatry, which is another issue that often affects homeless people. We are working on that at present.

[61] **Y Prif Weinidog:** Yr egwyddor yw, os ydym yn ariannu prosiect i'r digartref, mae'n amod, cyn belled ag y deallaf, fod y gallu i gael mynediad i wasanaethau iechyd yn rhan o'r strategaeth, ac mae'n amod o ran y cymorth.

[62] **Rhodri Glyn Thomas:** Felly, yr ydych yn dweud y dylai unrhyw berson digartref allu cael mynediad i wasanaethau meddyg teulu a deintydd drwy'r gwasanaethau iechyd gwladol ac y dylent allu cael mynediad i wasanaethau iechyd meddwl.

[63] **Y Prif Weinidog:** Yr ydych yn dod at hyn o gyfeiriad arall yn awr. Byddwn yn aralleirio'r hyn yr ydych yn gofyn yn ei gylch, sef a allaf roi gwarant na fydd neb yn cwmpo drwy'r rhwyd. Nid wyf yn credu y gallaf roi'r warant honno, ac ni chredaf y gallai unrhyw un â chyfrifoldebau tebyg i fy rhai i mewn unrhyw fan roi gwarant na fydd neb yn cwmpo drwy'r rhwyd. Yr hyn y gallaf ei ddweud yw bod amod ym mhob cynllun neu brosiect a ariennir gennym i helpu'r digartref i sicrhau bod y gallu yno iddynt gael mynediad at wasanaethau iechyd.

saying that they often suffer from problems of this sort.

Rhodri Glyn Thomas: Are there statistics, First Minister, to show how many homeless people experience difficulty in accessing primary health services?

The First Minister: I am not sure whether there are or not; I can ask John and Linda.

The First Minister: The principle is that, if we are funding a project for the homeless, it is a condition, as far as I understand, that the ability to access health services forms a part of the strategy, and that it is a condition of the assistance.

Rhodri Glyn Thomas: So, you are saying that any person ought to be able to gain access to the services of a GP and a dentist through the national health service, and that they should be able to access mental health services.

The First Minister: You are coming at it from a different perspective now. I would rephrase what you were asking, which was whether I can give a guarantee that no-one will fall through the net. I do not think that I can give that guarantee, and I do not think that anyone with similar responsibilities to mine anywhere could give a guarantee that no-one will fall through the net. What I can say is that it is a condition of any scheme or project to help the homeless that we fund, that provision is made to ensure accessibility to health services.

[64] **Rhodri Glyn Thomas:** Mae ein hamser yn dod i ben ar y rhan hon, ond hoffwn ofyn cwestiwn sylfaenol: a ydych yn credu mai rôl a chyfrifoldeb Llywodraeth Cymru yw arwain yn y mater o weithio gyda byrddau iechyd lleol a gwasanaethau cymdeithasol llywodraeth leol i sicrhau bod pobl ddigartref yn cael eu hawliau i gyd o ran mynediad i wasanaethau iechyd?

[65] **Y Prif Weinidog:** Yn gyfangwbl; gant y cant—ond ni allwch roi gwarant na fydd neb yn cwmpo drwy'r rhwyd.

[66] **Janet Davies:** Thank you, Rhodri. Sandy, you have a particular aspect of homeless—the Supporting People aspect—that you wish to pursue.

[67] **Sandy Mewies:** I am looking in particular at the Supporting People revenue grant, and the way in which it will be transferred to local authorities from now on. As you know, it provides housing for vulnerable people, such as those with alcohol problems, care leavers and so on. What steps can the Welsh Assembly Government take, and what steps is it taking, to ensure that the programmes that are already in place, and those that are being developed, will not be jeopardised by the change? How will that be monitored in future?

[68] **The First Minister:** Supporting People has a major segment of the budget—I think that it is about £123 million this year—and it covers many categories. It covers the categories that you listed, but it is also linked to the point in time when there were large institutions for people with learning handicaps—in my constituency, Ely Hospital is the classic example; that is where it all started, in a way, with the Ely Hospital inquiry conducted by Sir Geoffrey Howe back in the mid 1960s.

[69] It was recommended that large institutions no longer be used to house people on a kind of wholesale-warehouse basis; people with learning handicaps should live in the community. Sometimes, they cannot live in the community on their own; they require support. So, basically, Supporting People is about any category of people that require some form of assistance. We have gone through absolute agonies over the rules in relation to housing benefit entitlement, and how we should cover the additional costs of having people who are not wardens but who support people to live independently, when they cannot do so 100 per cent of the time but who should also not be in institutions. The Supporting People programme is now back on track after the huge difficulties of two or three years ago.

Rhodri Glyn Thomas: Our time is almost up on this section, but, to ask a basic question, do you believe that it is the role and responsibility of the Government of Wales to lead in working with local health boards and local authority social services to ensure that homeless people enjoy all their rights with regard to access to health services?

The First Minister: Totally; 100 per cent—but you cannot give a guarantee that no-one will fall through the net.

[70] **Sandy Mewies:** As I said, I was particularly concerned about the transfer of the Supporting People revenue grant to local authorities. As you say, there are lots of other categories such as victims of domestic violence, people with mental health problems, refugees, young offenders, people with HIV/AIDS and other chronic illnesses. I guess that, strategically, it is a matter of ensuring that those very vital programmes continue in the long term. One of the problems that the service providers are facing now, and presumably will face in future, is that short-term funding sometimes leads to posts being lost, or the fear of posts being lost, which makes it difficult to retain staff. They are also unable to plan for the future all the time. What role does the Welsh Assembly Government see itself taking in monitoring that these programmes that are now in place and in development are not put in jeopardy because of the transfer? We are not talking about hypothecation, but how can we ensure that it goes on?

[71] **The First Minister:** That is one of the \$64 billion questions of the relationship between the Assembly Government and local government in Wales. We have a compact with it in that we seek to hypothecate programmes in the first instance, and then we de-hypothecate those programmes and put them into the revenue support grant after a certain time. You will know about all the problems that we have had recently with the music development fund. This is a far bigger item of policy, but the broad compact also covers it; namely, for how long do we fund directly? After that, we transfer, because it becomes appropriate to do so once local government has learned the ropes. However, then we have to keep an eye on the situation to make sure that it is not neglecting a service or deciding to take all the money out of that particular budget to spend it on new leisure centres or whatever. Usually, there is a mixture of sticks, carrots, guidelines and so on that we bring in.

[72] I think that we put an extra £5 million into Supporting People this year to try to ensure that priority services are maintained. You could ask, 'What are the priority services in this area?'. They are all priority services, in a way, and we are trying to make sure that people can keep the arrangements that they have got used to and depend on, so that they can retain their independence. By that, I mean independence together with the support that they need, so that they do not lose their homes because of that support being undermined. We are talking about a very vulnerable category of people. So, it is part of a strategy of preventing homelessness, if you like, but it is also part of a problem of intervening where you are talking about very vulnerable categories of people who—with some support—will exist very happily in the community.

[73] **Sandy Mewies:** You have talked about how closely related things such as housing, health, education, social services and so forth are all involved in this. Does that mean that all future strategies on those subjects emanating from the Welsh Assembly Government will have a requirement in them that local authorities provide such services?

[74] **The First Minister:** That is a very good question, but is it just part of a housing strategy? All of these strategies have to dovetail. An effective housing strategy has to make reference to the health implications, whether they are mental or physical, of the vulnerable categories that you may be dealing with.

10.20 a.m.

[75] However, the health strategy also has to be linked with the provision of the homes that will be of the greatest benefit possible and should do the least damage to the health of the people who live in them, as well as modernising the older housing stock in Wales, or some of the modern housing stock that was not very well built in the 1960s, such as system buildings—it was not a very good system—with no cavity walls, and projects like the famous/notorious Penrhys housing estate and others. You have to put that right. Why? Because it is a good thing to do and because it engenders good health. If you have water coming down the inside of the wall of a house, or if you have rising damp, spores are released that can be linked with all manner of childhood and adult problems. So, a health strategy must also be a housing strategy. No-one who has lived as long as I have will ever forget that, at the time of founding the national health service, Nye Bevan was not Minister for health, but Minister for Health and Housing, as the two were seen to be so closely linked.

[76] **Janet Davies:** Thank you, Sandy. We will now move on to housing for minority groups, though I know that we have talked about this a little already. Chris will start and then Gwenda will come in with some more questions.

[77] **Christine Gwyther:** First Minister, you touched a little earlier on the relationship between the Welsh Assembly Government and local government and how that tension is sometimes helpful and sometimes not. Housing for minority groups, particularly for women who have fled domestic violence, can cause problems. If they are housed by organisations such as Women's Aid, because they are not housed in council bed-and-breakfast accommodation, very often they never reach the top of the housing allocation list. I am finding that too often in my local casework. I wonder whether you can comment on that and on how the relationship between the Welsh Assembly Government and local government can deal with issues like that.

[78] **The First Minister:** On the priority needs, do you remember when we decided—on a cross-party basis, as far as I remember—to change the categories of homelessness? That was partially in response to the casework experience of AMs in all parties in all parts of Wales. The priorities were not wide enough, and certain categories, including the category that you have just mentioned, were not being dealt with adequately. I understood that fleeing domestic violence should have been included as a category from 2001 onwards. I will not start pointing fingers at local authorities, but it certainly should have been included, as it was in the guidance and authorities should have been abiding by that as a category—unless there is some other wrinkle that I have not quite appreciated. It is certainly supposed to be there.

[79] **Christine Gwyther:** Okay. Maybe your officials could follow that up, First Minister. With your indulgence, Chair, there was a question that I should have asked on rural housing, which touches on minority groups; it is about affordable housing for local people. I know that it is a large issue to bring in at this stage, but could you give me an indication of whether the Government believes that any of the initiatives that have been tried so far have actually worked? I am thinking specifically of Pembrokeshire Coast National Park's policy of building houses for local people; there was a lot of opposition from local people who could not sell their land at a price that was advantageous to them.

[80] **The First Minister:** There will always be a bargain to be struck between local landowners and the local authority. If the local authority has the guts to do it, that is what it should be thinking of doing. When I say ‘local authority’, I would include a national park authority in that. A unitary development plan will specify an envelope around each settlement and say, ‘Okay, ideally, there could be room for 50 houses in that particular village’. It could be five or 10 houses, depending on the size of the village envelope. However, outside that envelope, a farmer may come along and say, ‘I would like to sell this land for housing’ and the local authority should say, ‘Well, you are outside the envelope, but how about if a third or a half of the land was reserved for affordable housing?’. They would not get as much for the land, but, on the other hand, they would get nothing for the land if planning permission was not granted, and if the land was outside the UDP, the appeals inspector would probably support it on that. So, if the landowner wants the authority’s support, it will have to be on the basis of a reservation—or ‘the rural exception’, as it is called—to try to reserve some housing at affordable levels, namely cut-price land and low-cost housing, to help local people to access the housing market. That is what local authorities should be doing.

[81] You asked whether I know of any successes in this area. I do not know whether Linda or John could help me on the specifics of that—do we have a model example?

[82] **Mr Bader:** I do not have a specific, but there has been a number of successful rural exceptions over the years. They are relatively small. Usually, there are no more than half a dozen houses on the edge of a rural settlement; it is not widespread.

[83] **Ms Whittaker:** That is right. There are several around Wales—in north Wales and in Monmouthshire. Often, there are difficulties in planning, even when the exception regulations have been accepted as a principle, they then hit planning problems.

[84] **Gwenda Thomas:** O ystyried eich atebion y bore yma, Brif Weinidog, yn enwedig eich ateb cynhwysfawr i’r cwestiwn cyntaf, fe’ch llongyfarchaf ar ddyfnder eich gwybodaeth a’ch dealltwriaeth o hanes ac effaith cymdeithasol datblygu tai, ac anghenion pobl drwy Gymru gyfan, ac yn ehangach. Carwn roi hynny ar y record.

Gwenda Thomas: Bearing in mind your responses this morning, First Minister, particularly your comprehensive answer to the first question, I congratulate you on the depth of your knowledge and your understanding of the history and social impact of housing development, and the needs of people across Wales, and beyond. I wish to put that on record.

[85] On the needs of minority ethnic groups, the Welsh Assembly Government’s black and minority ethnic housing action plan, which was launched in September 2002, set out a range of actions for the Assembly and social landlords to undertake to promote race equality in Wales and comply with the Race Relations (Amendment) Act 2000. How can the Welsh Assembly Government ensure that BME housing issues maintain a high profile throughout Wales?

[86] **The First Minister:** They should maintain a high profile, but they cannot if we are not fairly clear on what the objectives are. This has been one of the puzzles for everyone involved in public life. I will mention the Cardiff area first, as it probably has the highest concentration of black and ethnic minorities in Wales. The puzzle of what should have been done in the redevelopment of Tiger bay remains with us to this day: was it racial discrimination to try to redevelop Tiger bay in situ, or was it the right policy to try to disperse the multiethnic population of Tiger bay so that there was a small sprinkling of black and ethnic minorities in all areas of Cardiff? There is no right answer to that question, but that is the fundamental question—do you encourage concentration or dispersal?

[87] Dispersal means that you lose a sense of community; you lose access sometimes to specific needs, such as grocery shops, religious establishments, and so on. On the other hand, are you deliberately creating a ghetto in housing policy if you say, ‘We are going to put them all in this area’, or if they are all in that area, ‘We are not going to disperse them more widely’? That is the fundamental issue that you must answer: what is the need of a multiethnic community such as Tiger bay or Thompson street, Barry, and so on? Does it work when you disperse the population, or when you attempt to redevelop an area in situ, or when you convert what was a private sector ghetto, based on old lodging houses and old private rented accommodation into a social housing ghetto, if that is what you do? You have the same problems in Newport. Do you redevelop Pill so that it ceases to have a strong concentration of ethnic minorities, or do you disperse them all the way around Newport? There is no right answer to it, but you must be clear in your mind what you are doing.

[88] On a housing policy for black and ethnic minorities, their housing needs may be similar, but their need for a mosque, or other places of worship, and access to grocery shops that service their needs, as well as clothes shops, are all important considerations in having the critical mass of numbers that would justify the support services that they need.

10.30 a.m.

[89] **Gwenda Thomas:** You referred to the ghetto situation and the problems that could arise from that, but could you be a bit more specific about housing policies and how they should promote the integration and social inclusion of minority groups in Wales?

[90] **The First Minister:** Again, I am drawing mostly on my constituency experience and the experience in adjoining constituencies. Now that the provision of social housing is not undertaken by councils in terms of new build, but primarily by housing associations, we need to ensure that the community-based housing associations that operate in areas of high black and ethnic minority demand are attuned to the issues of avoiding racial discrimination and good practice on integration. They should have support services, a good relationship with the communities, translation and interpretation facilities, and they need to understand specific needs.

[91] We are talking not merely about black and ethnic minorities, but about refugee black and ethnic minorities as well. For example, the fall-out from the long-standing civil war in Somalia has meant that far more women come to this country than men, because the men have been killed in the civil war. Sometimes staff in a conventional housing department set-up do not understand what that means. A Somali woman refugee, who is fleeing a civil war, may have a family of six, seven or eight children. They are not necessarily all her children, but under Somali custom and practice, if her sister or her husband have been killed, she would automatically be the mother of her nieces and nephews. There is no question about that, however, staff at our housing departments may react by saying, 'What do you mean? They are not your children; they are your nieces and nephews'. That is not the case in Somali practice, which is actually very good practice because it means that someone, the nearest relative, is responsible for those children. You have to make sure that people are trained to understand that and to take a sympathetic view, so that they do not say, 'You do not fit into these regulations'.

[92] **Gwenda Thomas:** That takes me on to another issue. The revised homelessness strategy has a section on the needs of refugees: how is the Welsh Assembly Government ensuring that there is appropriate and sufficient accommodation to meet the needs of asylum seekers and refugees in Wales? You touched on this matter earlier. How is the Welsh Assembly Government taking the lead in ensuring that asylum seekers and refugees receive the services that they need?

[93] **The First Minister:** I did touch on that matter earlier because I mentioned it as part of the contrast between us and parts of Scotland and England, when I mentioned Hull and Glasgow. I am not aware of any local authority in Wales that has such a huge stock of surplus accommodation that the staff really do not know what to do with it, and for which there is no local demand, so that they would almost be glad of being able to put their hands up to tell the Home Office, 'We would like to take 1,000, 2,000 or 3,000 refugees because it would help to solve the problem of what to do with our surplus social housing stock'. I believe that that has happened in Hull and Glasgow, and I am sure in other places as well. In general, in Wales, it is a case of accepting a share, but not putting your hand up to ask the Home Office, through the National Asylum Support Service, to send you the first 1,000 families that it has because that would be a handy way of acquiring a rental income that you would not otherwise get, for housing that cannot be let locally. I do not think that we are in that situation.

[94] What we have is a flow. I think that Rosemary mentioned the issue of Newport being the first stop on the M4. That has undoubtedly happened: I have met people in Newport who have told me that some people mysteriously arrive at intersections on the M4, get the bus into Newport and somebody has to deal with them. They may be young people who do not even know why they are there; they have been told that that is what they have to do and they arrive at 18 years of age on junction 26 or 25, and somebody has to deal with these people, who may not have any English. When I met the people who are involved in Newport, I thought that they offered a very professional service. You have to have people with language skills in order to deal with the matter. Usually it is to do with a connection. So, Somalis come to Cardiff, Newport and Barry, not because they have decided on Cardiff, Newport or Barry, but simply because there is a strong and long-standing Somali connection with the south-east Wales sea ports, arising from the coal export trade and the Royal Navy bunkering station in Aden, 150 years ago. That is why they arrive as a consequence of civil war or whatever other reason there might be for producing a big flow of

asylum seekers. Somehow or another, the housing associations and our policies have to be able to deal with that flow and I believe that we are dealing with it in a reasonable way, jointly with the local authorities. There will always be some people who drop out of the system or who do not fit into the categories, despite the best efforts.

[95] **Gwenda Thomas:** Just to conclude and to refer to Christine's reference to women fleeing domestic violence and the needs of women in general, particularly in the context of the brief that I have in relation to women from minority ethnic groups, the amended national homeless strategy commits the Welsh Assembly Government to review the provision of local authority homeless services to ensure that they are appropriate for women as well as for men by December 2006. Can you comment on the progress of that commitment?

[96] **The First Minister:** I will just go back to the earlier question that you asked, if I may, and mention that we do fund specific posts in the Welsh Refugee Council that can assist with dealing with advice to asylum seekers with specific housing needs.

[97] As regards the question of the specific aspects of the adequacy of provision for households where the head of the household is definitely a woman rather than it being a man, or that role being shared with a man, there are still some problems in this regard in relation to the name on the rent book. That can still be regarded as too important. You come across casework examples where the man disappeared 15 years before, but the name on the rent book is still his, as it always was. So, if there are any problems over right to buy or exchanges or transfers, the woman can be told, 'Sorry, you are not the tenant'. Realistically, the woman has been the tenant for 15 years, but that is the rule. Somehow or another, either by promoting the information to women that there should always be a joint name on the rent book in case of anything happening to the relationship, or by the council being more proactive in ensuring that the name is transferred and there being a little bit more information about marital and partnership breakdown and so on, we have to ensure that it is much easier to get that name changed. Otherwise there can be all sorts of problems, years later and, somehow, women get massively caught by—I have never come across an example of man being caught by it—this problem of the name on the rent book. We have to try to promote this actively to ensure that women are not disadvantaged in the way that is still happening.

[98] **Gwenda Thomas:** I think that they can, too, have the responsibility for all of the arrears that are left, which is a big problem in rehousing.

[99] **Janet Davies:** Housing is such a huge topic. We are now moving to something completely different, namely the issue of disrepair and renovation.

[100] **Peter Black:** The Assembly has the Welsh housing quality standard, and quite rightly so. It mostly applies to the public sector and has thrown up a huge bill in terms of public sector housing: about £3 billion is needed to meet that standard. However, in terms of the private sector, although we would like the standard to apply to it, you do not have the same means as you do in the public sector to put it right. Looking at the amount of money that has been spent on completed grants in Wales—improvement grants and disabled facilities grants and so on—it has been fairly static for the last three years at around about £84 million or £85 million, which is quite significantly less than in 1999, when you had just under £100 million spent in terms of completed grants on that.

10.40 a.m.

[101] In terms of disabled facilities grants, we are facing a wait of about 85 weeks or 20 months to put them in place. So, we seem to have a problem whereby people who require adaptations to their homes face a long wait to have them put in place, yet no additional resources are going into that. I know that the stock answer is that it is the local authority's problem how it deals with capital, but given the level of resources which the Assembly puts into this, and the strategic outlook, how should the Assembly Government be trying to address this particular problem?

[102] **The First Minister:** I think that three or four questions have been rolled into one here, and I am afraid that I am going to try to unpick them. There is a question about the repair grants issue generally, a question on the disabled facilities grants, a question about the home energy efficiency scheme and then a question about the rapid response scheme to small but very difficult repairs, if you are a 90-year-old widow or widower who cannot go up a ladder. The point that you make about the traditional house improvement grants, which used to be confined to the older housing stock but are not any more, and the means testing issue relating to access to those grants, is well made. We are not spending money now at the level that we used to—and I use the collective royal 'we', because it was before the Assembly existed, and probably when there was not a UK Labour Government either. There was a very high level of expenditure here and there—Cardiff benefited from it a great deal in areas such as Riverside in my community and later Grangetown in Cardiff South, and so on. I am sure that others involved would have seen big private house improvement.

[103] We have been very good in doing the specific categories, namely the home energy efficiency scheme to try to produce warmth and reduce money wasted by trying to heat the home but heating the outdoors instead. On the quick repairs through the care and repair scheme, in an ageing society that becomes an increasingly important issue. How do people on very basic pensions do repairs when the guttering has fallen down, or when there is some other form of repair that they cannot do on their own, given their age? Some 17,000 elderly people have been helped in the first three years in terms of that problem, and it is much quicker and better than it was before and it keeps people independent in their own home.

[104] As regards the disabled facilities grant, I am familiar from my constituency with long waits for them. On the other hand, we have stopped means testing parents of disabled children. We are providing support, so that is not an unfunded new obligation on local authorities. As far as we are aware, it is a fully-funded new obligation, but it is not hypothecated. We cannot oblige local authorities to target the disabled facilities grants—it is a matter of the priority given by the local authority and how good a team it has in terms of getting the assessment done by the occupational therapists, and so on, getting the design of the scheme done and approved, and getting the actual work carried out. Some local authorities are good, and others are not so good. It is a patchy service at the moment.

[105] **Peter Black:** Thank you for that comprehensive answer. For me, the issue is the housing capital that the Assembly provides. As you rightly say, it is not hypothecated but there is a housing capital line in the social justice budget, which is split between renovation and major repairs allowance. When the major repairs allowance was introduced, the balance between the amount of that money that went on public sector housing, and the amount that went on renovation, was switched towards public sector housing without any additional money being put in to compensate for that loss of capital in terms of the money which local authorities would have available for renovation. Is it worth looking again at that particular line to see whether you can give additional resources to try to deal with these huge waiting times? Many people across Wales are waiting for their disabled facilities grants.

[106] **The First Minister:** Anything which speeds up the process is to be commended, and will have a high level of backing and support in any kind of budget-bidding process. Then again, if the league table of local authority performance in this area shows this patchy pattern, you obviously do not want to reward local authorities that are neglecting the proper priority that they should give to this by saying, 'Okay, we will give you some rehypothecated money to improve that'. With regard to the details of what you said about the switchover in the budget line, I do not know whether Linda and John want to come in, because I am not familiar with the details.

[107] **Janet Davies:** Can you be very brief?

[108] **Mr Bader:** Yes. Several years ago, that switch did take place, because the major repairs allowance was introduced. The level of major repairs was fixed at the same level as the UK Government fixed for England. That meant that there was switch to hypothecation—that is, effectively, hypothecated expenditure from the overall capital. It was also a response to many requests from local authorities; they wanted more funding that they could put into their own houses through the housing revenue account.

[109] **The First Minister:** May I just add a supplementary point? We are still very keen on renewal areas. There are 51 now, which is quite a lot for Wales, with a lot more in the pipeline. I think that that is the right approach. They may not be on the scale of what I am familiar with in Riverside, which is a really big area of inner city housing that has been substantially modernised, because we have done the big areas first. We are, however, very keen on continuing the area renewal programme for private sector housing renewal of that 1870-1914 stock.

[110] **Janet Davies:** Thank you. Janice, you want to ask about stock transfer and the Welsh housing quality standard.

[111] **Janice Gregory:** First Minister, I think that my questions could roll into each other, but I will try very hard to keep them separate.

[112] Rhodri, you will know that the former administration in Bridgend County Borough Council was, and remains, the first local authority in Wales to ballot its tenants on wholesale stock transfer to the now very successful Valleys to Coast Housing. From that experience, having travelled around my constituency and the neighbouring constituency, I know that stock transfer is more than just housing. There is job creation, regeneration, and turning disadvantaged estates, especially in my constituency of Ogmore, into mixed, sustainable communities, and I applaud Valleys to Coast Housing's regeneration programme in these estates. However, in effect, stock transfer is a package deal. What would the Welsh Assembly Government do to ensure that this package deal would continue through to any future stock transfers for other local authorities?

[113] **The First Minister:** I certainly agree with you that it should not be seen as a change of ownership, but as a change of structure in a holistic package. It involves who will do the repairs, whether we can make it a job creation scheme, and whether we can give people much more pride in the estates on which they live following stock transfer. Obviously, it is a democratic vote-based issue, in that no stock transfer takes place without a referendum in the area. People want to be sure that they are committing themselves to making the change, which will be for keeps, and that they understand what the implications are in terms of repairs—repairs can sometimes be disruptive, but the follow-on effect is much better in terms of access to modern facilities that otherwise you will not get. Why? Because you can access building society or private bank finance to carry out those repairs in a kind of public sector collective mortgage, with Halifax, Principality, Barclays, or whoever. So, you are accessing a lot of money in order to modernise the housing stock.

[114] Valleys to Coast Housing has made very good progress, but that does not mean that every authority should immediately follow it; in the end, it is a local choice, and there will always be a referendum tripwire before any such change can take place elsewhere. There was, of course, a referendum in Wrexham, which did not work; that has killed that stone dead for the time being. I think that there are five other authorities preparing to ballot. One would recommend that as many of those as is practical should organise coach trips to see what is happening in the Valleys to Coast area so that they do not walk in with their eyes closed. Eyes will be opened—it will show what happens if stock transfer takes place.

10.50 a.m.

[115] They can go to the recently opened Caerau centre, to see apprentices being trained to make good the shortages of skilled building tradespeople. They will see that it is part of a package in which the environment is improved, with initiatives such as getting rid of areas of overgrown bramble and infested weeds that can kill the appearance of the public housing stock and make it look as though people who live there have low self-confidence, low self-esteem and do not really want to be there. That is what you have to change in terms of the perception of public housing. It can be, and should be, part of the package.

[116] The audit of Valleys to Coast Housing will, I think, be published fairly soon. We are all awaiting that with great interest, to see what the Wales Audit Office says about it and how well it got on with the job. People can do a before-and-after comparison, which may well give guidance to local authorities, and, above all, to people who participate in local authority social housing tenants and residents federations. At least five authorities are contemplating going to ballot this winter—Newport, Torfaen and others which I cannot remember. They should go to Valleys to Coast Housing to get a feel for it and talk to the tenants, asking ‘What do you think has happened? Is it better than before? In what ways is it better? What have they done? What have they done other than put central heating in?’. You can get the plumbers down to put the central heating in, or have other modernisations, but it has to be something more than that. It has to be about improving the self-esteem of people who live in social housing areas: it has no stigma attached to it, they are modern, they meet the modern needs of the twenty-first century, and people are proud to live there.

[117] **Janice Gregory:** Thank you, First Minister; I could not agree with you more that it is the area in which people live that is important, not just the bricks and mortar of the property. I have a very brief question about stock transfer. It is my understanding, although I may be wrong, that the procedures for stock transfer are not made in Wales; they come from the UK Government. Have the Welsh Assembly Government’s views been made known to the UK Government on the way that we have to work within a policy framework that is not actually of our making?

[118] **The First Minister:** You are perfectly right. We are under pressure from, probably, a majority of local authorities in Wales. They have said that they believe that the present choice in front of them as local authorities, and, eventually, in front of the tenants by way of the referendum question, is loaded because of the debt write-off arrangements. There is an argument for saying that. The Treasury would counter argue that it is writing the debt off because, from then on, private or mutual sector finance can be accessed through building societies and so forth. We have asked the Treasury, in light of everything that we are picking up from tenants and residents federations and from local authorities, to look at this again. We have written time and again, but there is no sign of any shift whatsoever by the Treasury in the rule. It wants the modernisation of current local authority housing stock to be driven primarily by obliging local authorities, through stock transfer, to be able to access building society and bank finance.

[119] We are coming at it from a slightly different point of view, by saying that we have a Welsh housing quality standard. We tell local authorities that they must reach the Welsh housing quality standard by 2012, and they say that the only way that they can do that is by transferring their housing stock. One or two authorities say that it is not a problem, that they can do it without transferring the stock, but others say that it can only be done through transferring the stock. Some will say, ‘That is fair enough’; others will say, ‘It will go to a referendum, but the only way that we can meet the housing quality standard is through stock transfer’. So, there is some dissonance in that the housing quality standard is something that we will not resile from. Local authorities have put a choice in front of people; but is it a real choice? You can see that there is a slight democracy problem in that; they are saying that the only way that they will meet the standard is through stock transfer, but people have to vote on that. So, we are not completely happy about that. All we can say is that people should go to Bridgend to see what has happened and make their own minds up when it comes to the ballot.

[120] **Janet Davies:** Thank you. Peter, I will let you come in now, but I will be switching your other question right to the end, if there is time.

[121] **Peter Black:** It occurred to me, having sat through the process in Swansea, where we are going to ballot later this year, that the problem is not necessarily the inability to borrow—under prudential borrowing local authorities already have the ability to borrow. The issue is the funding stream that is available to borrow against. Stock that is transferred is debt-free, because the Treasury pays off the debt. As a result, the new housing association effectively has a much greater income stream than the local authority against which it can borrow. If you were to persuade the Treasury to pay off council housing debts in Wales without transferring the stock, you would not have to do that. Do you not agree that that seems to be a much more sensible use of the resources?

[122] **The First Minister:** We have tried very hard. There is no sign whatsoever of any shift in the Treasury's view on this—it will not budge and that is that. You can only write letters so often—

[123] **Peter Black:** But we are asking—[*Inaudible.*]

[124] **The First Minister:** That is absolutely right. It is to do with the debt write-off.

[125] **Peter Black:** The issue is that it pays off the debt.

[126] **The First Minister:** Absolutely.

[127] **Janet Davies:** It is a very foolish way of going. I agree with the First Minister and Peter Black on this, but let us go back to Janice.

[128] **Janice Gregory:** I will try to roll up two questions into one, or the Chair will be glaring at me. On the Welsh housing quality standards, I attended Hafod Housing Association's annual general meeting last week. It is charging forward with the Welsh housing quality standards and I pay tribute to it for that. However, there is criticism from many quarters—I know this from different meetings that I attend as an Assembly Member or as Chair of the Social Justice and Regeneration Committee—that the standards are too high and, therefore, unattainable. However, do you agree that these standards are no more than what we should expect for our social housing in the twenty-first century? You very kindly mentioned the Caerau training skills centre, which is a huge bonus and boom in my constituency and which came about as part of the stock transfer deal, if you like, but there are issues regarding construction workers throughout the UK. That is not aided by the Olympic Games coming to London; most of our skilled tradespeople will be going to London to earn big bucks, leaving us even more bereft of skilled craftspeople. Can you give us any idea of Welsh Assembly Government thinking on attracting and retaining these skilled tradespeople, so that we can look at achieving the WHQS by 2012? It is a shame that the Olympic Games are also in 2012.

[129] **The First Minister:** That is true. It would be interesting to study—I do not think that anyone has ever done it properly—the differential in wages, especially piecework wages, between those working in the building industry in the public and private sector. Looking along the length of the M4, anecdotal information from people in the building industry is that it would be £2 a metre for a plasterer in Swansea, moving to £2.50 in Cardiff, £3 in Bristol, £5 in Reading and £10 in Heathrow and the west end of London. I do not know if that is true, but the differences are huge. The investment that is needed, therefore, in increasing the supply of qualified building workers—plasterers, bricklayers, electricians, plumbers and so forth—is very big, because we are now seeing the impending retirement of the last of the old five-year-apprentice-trained plumbers, electricians, bricklayers and carpenters who would have been trained before the apprenticeship system went into collapse in the late 1970s and early 1980s.

11.00 a.m.

[130] Today, the young, newly qualified tradesmen, and a few tradeswomen, need to be working on building sites with 50 and 55-year-olds before they retire, to have the skills and know-how from 30 or 40 years in the building trade passed on to the youngsters coming through today. They are emerging from the training centres, such as the one in your constituency in Caerau, or the Construction Industry Training Board centre, which we have heavily funded, in Dumballs Road. That was opened last week, I believe, and it is attempting to make good this gap in the supply in the 1980s and 1990s when apprentices were just not taken on.

[131] Local authority building departments were always a major source of apprenticeships—that has now gone. The Caerau centre is an example of the way forward, to try to make good that deficit. The CITB centre is another example of good public sector intervention to make good a market failure. You mentioned the draw of the south east—it is not only the Olympics; terminal 5 is the big draw at present, and even Wembley. As far as one can tell, high wages are being earned at Wembley for not making a tremendous amount of progress week by week; the wages are unbelievably high by Welsh standards. However, even within Wales, the differences between the Valleys and the M4, and between west Wales and south-east Wales, are probably quite considerable. We must ensure that the future white vans of the M4 are not full of people who have been trained at a public expense in Pontarddulais, Pontaradwe, Pontypridd and Pontypool, who are all heading down the M4 to work for treble the wages on Monday to Thursday. You cannot stop it—it will happen. They often bring the wages home late on Thursday night if they work four 12-hour days, instead of five eight-hour days. However, we are training them at a public expense, basically because we need them in Wales.

[132] The British building industry is being supplemented from eastern Europe; the 2012 Olympics would be undeliverable without Polish plumbers and Czech carpenters—I am certain of that. However, it is a question of getting the balance right, so that you do not deny people the right to earn mega-wages in the west end, on the M25, or on the Olympic Games, which they are fully entitled to do, as long as they have the papers to show that they are properly trained and accredited plasterers, electricians, and so on. We will need them in Wales to modernise the housing stock, because there is a big job to be done, leaving aside new house building in the private sector.

[133] **Janice Gregory:** Are the standards that we are asking for too high?

[134] **The First Minister:** The standard is not gold-plating. Except for 2012, it is meant to apply for the period after the houses have been improved, and for the 30 years following that. When I came in to full-scale politics in 1987, a huge wave of council house modernisation and private sector house building was going on. On the standards to which the council houses in my constituency—you represent one Caerau, Janice, I represent the other Caerau, and someone in Egypt represents the third Cairo, but with a different spelling. Sorry about that, Chair—we must find out that person's name, Janice. However, the Caerau that I represent was being modernised back in the mid 1980s.

[135] The issue was, to what standard were they being maintained? For instance, central heating was not put in, but kitchens were modernised, and the cavity wall ties that were collapsing and the bowed roofs that were bowing were done. However, there was no real interior modernisation. Double glazing was not put in, and, above all, central heating was not put in. Why was that? It was because people would have said that that is gold-plating. However, you would not say that it is gold-plating now.

[136] Therefore, you must try to look forward 20 years, and not think by the standards of the late 1980s when, if people were asked, 'Should council houses have central heating?', they would say, 'Certainly not'. We would say to them now, 'You silly blankety blank—expletive deleted—why on earth did you not put it in then?'. You now have to disrupt the house, when, for the sake of £900, which it was then—it would probably be £2,000 now—you could have put central heating in. You are now going to have to do it all over again to meet the Welsh Housing Quality Standard. You have to look forward.

[137] Therefore, I do not believe that these standards are unreasonable to cover the period from 2012 to 2040, effectively—the 30 years after you have met the standard and have modernised. You must not look back, but you must look forward.

[138] **Janet Davies:** Another big issue and problem is housing in multiple occupation. Ann Jones has questions on that.

[139] **Ann Jones:** It is interesting that we follow with houses in multiple occupation after talking about the housing quality standards, because we end up seeing what houses in multiple occupation do. I have a raft of questions. Given that we have passed all the legislation this week, which will hopefully take on the houses in multiple occupation, may I ask you—I will want to come back to respond to what you say—how will your Government ensure that the raft of legislation that we have passed this week on houses in multiple occupation will be enforced?

[140] **The First Minister:** I do not want to anticipate problems, but you can always foresee that there will be problems because it has been relatively easy to avoid the regulations in this area. In the old days, it was done by nominating one of the students, or one of the multiple occupants, as the householder and the others were the others. Therefore, houses that were in fact in multiple occupation, which, in theory, required planning permission when they ceased to be family homes, could easily be transferred, even though, in theory, it looked as if you could not do that without planning permission. It was easy to do, simply by nominating one of the students or one of the multiple occupants as the head of the household—ergo no planning permission required.

[141] The guts of the transfer that has taken place has been because it was so simple to avoid the regulations, which were intended to ensure that if a house went into multiple occupation, it was to have half-hour fire doors or, later, one-hour fire doors. Are they one-hour or half-hour doors now? I cannot remember. Anyway, none of that was ever done, simply because the landlords could say, 'The student in the front room is the head of the household and he or she will call the others down if there is a fire'. That is rubbish. However, it was far too simple to do, so we have to look at how we can ensure that what appeared to be a watertight system, which was no more watertight than a colander, is not what we will get when we try to implement these new regulations.

[142] **Ann Jones:** May I press you further on that? You alluded to the fact that some safeguards were included in the regulations, but it was easy to get round them. Also, local authorities had a number of powers at their disposal to deal with matters in the worst cases of houses in multiple occupation, and yet they failed to do so for a raft of reasons. One authority was quoted as saying, 'If we close down the houses in multiple occupation, we will have more people seeking social housing, which we have not got'. That is not a good enough reason for those people who are living in death traps. What are we going to do? What can we do to ensure that this legislation that we have passed now is not—

[143] **The First Minister:** Circumvented.

[144] **Ann Jones:** 'Circumvented'; that was the word that I was looking for. It is too big a word for me on a Thursday.

[145] What can we do to tighten up the legislation so that we send out a message that we will not tolerate landlords who make vast amounts of money out of the misery of quite a few people? They are not going to give that money up easily; however, by the same token, we have to ensure that they no longer trade on the misery of those people.

[146] **The First Minister:** That is quite a harsh judgment on the landlords. There will be some cases of that, and I think that your constituency may be an example of an area where what you just said is absolutely right. In other areas, for example Cardiff, Treforest, Sketty, Swansea and parts of Newport, I do not think that the conversion of family homes into houses in multiple occupation for students has led to people living in misery—they have a great deal of fun sharing a landlord's house when in university. The landlord does not have to pay council tax on the property, and the rent, as a result, is a bit lower for the students. Landlords do make a lot of money out of it; I would not say that it was made out of people's misery in that case, but I think that your constituency may be a good example of where that happens. How can we ensure that the legislation that we have passed this week is enforceable and is followed up? We are specifically, on a hypothecated basis, paying for the training by local authorities of the relevant officials to do the enforcement job. That is happening this year, so we are not neglecting that side of it.

11.10 a.m.

[147] How this will work is interesting. Cardiff West, which I represent, is not studentsville, but I am familiar with studentsvilles in Cardiff Central, Cardiff North, Swansea West and so on. The problems that arise from unchecked conversions into houses in multiple occupation are massive. There are simple things such as students leaving at this time of year. What do they do when they leave? They shove all the black bags out of the front door, lock the door, pay the last bit of rent—or perhaps not pay the last bit of rent—and disappear into the ether, but the black bags are not collected until the following week. Who is supposed to ensure that the landlord looks after those black bags to ensure that they are not ripped apart by rats and dogs over the next four or five days, making life a misery for the few remaining family homes in that street? There are practical problems of having student houses and family homes in the same street, because they are unchecked and because of these basic tenets of civilisation whereby you only put the black bag out, at the very earliest, the night before it is collected, but preferably in the morning. What happens when students leave? They cannot do it because they are going on a Wednesday and the black bags are collected on a Monday. It is a hell of a problem, and the landlord must be responsible for it, otherwise, the family occupants of the street are wondering, ‘Why it is our job to move those black bags in case our kids see rats running around the street after the dogs have ripped them all open?’. It is those simple, basic things. You are trying to ensure that, if you have a lot of HMOs and there are a lot of people leaving at the end of the academic year, it does not cause annoyance to the family occupants. Otherwise, you get a big problem.

[148] **Ann Jones:** I appreciate that there are different types of HMOs, and I think that the student HMOs can be dealt with—

[149] **The First Minister:** It is not easy.

[150] **Ann Jones:** No, it is not easy, but I think that it can be dealt with.

[151] **The First Minister:** Schools get emptied by there being too many because if all the family homes are in one area—in parts of Cardiff and Swansea—there are no kids left to go to some local schools.

[152] **Ann Jones:** I wanted to press you on where you see the Government going on the issue of affordable housing. The legislation for HMOs will close down some of the really crummy ones.

[153] **The First Minister:** The ones with carbon monoxide floating around on every floor—let us hope so anyway.

[154] **Ann Jones:** That is right, and those that still do not have hot running water and those in which people are living with tiles coming off the roof and so on. Those will hopefully be closed down. Where do we see a policy for affordable housing? Should we be saying to local authorities that if they are looking for planning gain, instead of building their affordable housing on an estate, which could cause problems, they should be looking to compulsory-purchase some of the worst of these poor houses, and turn them into family apartments rather than their being houses in multiple occupation? Is that an issue that the Government could consider for future policy?

[155] **The First Minister:** We launched the toolkit this week, but I think that the point that you are talking about is probably related to the empty homes strategy, which I might ask Linda to say a few words on in a second or two. However, in terms of affordable housing, it is mostly a matter of saying to the local authorities, ‘Mug up on the toolkit document’—which we have launched this week—‘Make sure that you understand it and that you meet the challenge of doing a proper assessment of the alleged unaffordability of homes in your area, either for rent or buy. Get stuck into the issue and understand what it might mean for the planning policy that you are also responsible for. Do not be frightened of the challenge whereby you may have to be a little more active in terms of the planning implications after you have done the assessment, but do the assessment. Do not funk the subject in the belief that if you pull a blanket over your head, the subject will go away; it will not.’ There is an issue about getting the local authorities to engage with the issue of affordable housing. There are an awful lot of tools at their disposal and they need to do the assessment. We will back them if they do that, but it has to be based on figures, not on anecdotes. There are lots of anecdotes about affordability, but we want a proper, professional assessment. If we see that, they will find that they will get a lot of support in an affordability strategy.

[156] Specifically on empty homes and whether they should be acquired, I will ask Linda to say a word on the empty homes strategy, briefly.

[157] **Ms Whittaker:** We encourage local authorities to have empty-home strategies and, where they work with local housing associations, we encourage them to bid for social housing grants to bring those properties back into use, to a high standard, to be available on the social-housing, rented-sector market. I hope that that answers your question.

[158] **Ann Jones:** Yes, thank you.

[159] **Janet Davies:** We have hardly touched on the issue of planning and affordable homes, and I am afraid that we will have to cut it short. I will ask one question, bring Sandy in on technical advice note 15 and then Rosemary on sustainable housing. If we have time, I will bring in Peter at the end. I will just ask about local development plans. As you are aware, unitary development plans were set in train from 1996, but not all of them have been approved yet. However, the new local development plans have a four-year timescale. It is very important to get people signed up to these development plans. Is it feasible to get communities signed up to the plans within that timetable, because I understand that the old schedules are being cut back quite a bit—in terms of holding a couple of public inquiries before a plan is finally approved? With the new system, will you be able to get the local development plans approved in that time?

[160] **The First Minister:** Some local authorities do not seem to be very keen on completing the process. Some are, and good progress has been made, but it is quite patchy. Once you have a unitary development plan, local authorities must accept that they have imposed a certain sort of corset on themselves once the inspector and the Assembly have approved it. We have mentioned the rural-exceptions policy in terms of planning permission being quite likely with special concessions on the affordability side. We encourage that, excepting that a unitary development plan means that you are slightly more restrictive on how much wheeling and dealing you can do when you do not have a UDP. Perhaps some local authorities find that attractive when they really should not. So, the UDP process has not gone as well as it should, and I think that we have to accept that.

[161] **Sandy Mewies:** I am just wondering how to roll up the points that I have on TAN 15 into a very short question. TAN 15 was brought in to ensure that we were not laying problems for the future by building in flood-risk areas, which is very sensible. However, the flip side of that is that land taken out of housing development has to be replaced elsewhere, and you must be very careful if you have already mitigated the flood risk, as a development could go ahead if proper assessments have been made. How does the Welsh Assembly Government feel that this has impacted on rural and urban areas, because it also applies to urban areas? For example, I moved into a third-floor flat and was told by one insurance firm that they could not insure the contents in case I flooded. My answer was that the world will be in trouble if my flat gets flooded three storeys up. What is the Assembly Government's job in this, because the Environment Agency is a consultee to the planning authority? I sometimes think that the planning authority may leave the analysis entirely to the Environment Agency, and perhaps does not take wider issues into consideration. Do you see it as a role of the Welsh Assembly Government to monitor this to see whether the fine detail is looked at? Otherwise, housing land will be lost. I understand that it is all done by computer modelling, but if a broad-brush approach is taken, will we lose some areas where flood mitigation measures have been taken, and where housing development could happen if the fine detail was examined carefully? There is this polarisation of the local authority on the one hand and the Environment Agency on the other, which has a very specific job to do. Do you have the monitoring role in that regard?

11.20 a.m.

[162] **The First Minister:** It is a difficult area. There is not total agreement between us and the Environment Agency as to the application of its flood-risk criteria. The Environment Agency regards what has happened over the past 20 years—even before climate change came onto the agenda—as a product of irresponsible local authorities and private house builders building on land that, it says, anybody could have foretold was at risk of flooding. As a result, the pendulum is up here, with far too free and easy policies in place, in the view of the Environment Agency; it would like to see the pendulum swinging all the way back over to the other side, so that planning permission is not granted for land that could flood at any time over the next 1,000 years of extreme events—in its analysis, including climate-change risks. We have said that that is going too far. We think that a 1:1,000 years flood risk is over the top, although we understand why it would want to move away from irresponsible building on the floodplains of the past.

[163] Getting the balance right for private house builders, local authority planning policies and social house developers is not easy. We are trying to be arbiters on that. We think that the excessive enthusiasm for denying building possibilities on 1:1,000 years flood-risk areas is taking the process too far—we do not agree with the EA's analysis there. TAN 15 seeks to strike a reasonable balance between the two, but it is a problem.

[164] **Janet Davies:** Thank you, Sandy. Peter, you have just two to three minutes.

[165] **Peter Black:** First Minister, the Assembly Government has done a great deal on affordable housing in rural areas, but there is also a problem in urban areas. Do you have any ideas as to how you can develop policy in the future for urban areas particularly? Would you look at a key workers' scheme and an extended homebuy in urban areas, or some other scheme to try to assist people who have equal problems in buying their own homes as those in rural areas?

[166] **The First Minister:** That is certainly under consideration. When the matter of affordability comes up, you cannot win; if you start off by mentioning the problems in urban areas such as Cardiff or Newport, where it is very difficult for first-time buyers to acquire a house, people will say, 'You forgot about the rural areas', but if you mention the rural areas as having this odd disconnect between the local wage level and the house-price levels, people will say, 'You have forgotten about the urban areas'. We are interested in both aspects of the affordability problem, following the house-price boom of 2004. It has undoubtedly put first-time buyers out of the market in large areas of Wales. Until first-time buyers can get back in, it means that you do not really have a healthy housing market—and you cannot have one until wages catch up with the basic level of first-time buyer homes.

[167] Key worker schemes are a part of it. The affordable housing toolkit was only launched this week, but the previous affordable housing tools available to local authorities were not being used to the full. We want them to take this seriously, and we want them to do proper assessments, to collect robust evidence. Then, they will find us very sympathetic to a strategy to enable them to get at the affordability to buy and to rent issue, as it goes right across both sectors. You cannot say that everyone has a right to buy a house; everyone has the right to a home, either rented or purchased, but we know that a private housing market cannot function unless first-time buyers can get into it in some way or other in their area. Sometimes, when there is a house-price boom, you will not be able to live locally. Sometimes, you can move elsewhere, as you would, say, in Cardiff, Newport and Swansea, by moving up the Valleys. That phenomenon always happens during these house-price booms that we get once every 15 years. However, local authorities must make the assessment based on robust evidence, and I think that they will find that they have a surprising number of tools and resource available, as well as assistance from us, if they do the whole job thoroughly.

[168] **Peter Black:** On the radio this morning, the director of Shelter defined the problem quite well. He said that people cannot afford to buy properties at present prices, and the number of rented properties is far smaller than it has been. He particularly pinpointed the right to buy as an issue in reducing the number of rented properties available. The Assembly will be getting new powers in 2007. If you are in Government at that stage, will it be a priority for you to freeze the right to buy or to take action on it?

[169] **The First Minister:** Yes. We have made it clear that we would suspend the right to buy in specific areas at specific times. We would not scrap the policy, as there are areas where there is plenty of social housing and there is no problem with continuing it, but there is an acute shortage of social housing in other areas. So, it is the ability to stop the right to buy for periods of five years, renewable, that is being contemplated.

[170] **Rosemary Butler:** In England, the Office of the Deputy Prime Minister is proposing to introduce a voluntary code for sustainable homes. Do you see this voluntary approach instead of regulation as the way forward in Wales, and, if so, how will you ensure the delivery of sustainable homes? I am particularly interested in energy and water efficiency.

[171] **The First Minister:** Yes. I guess that we will probably never agree with the strategy of water metering, if that is what they mean, though it is probably very necessary in the south-eastern corner of England. We do not need water metering in Wales and I do not think that we ever will. I could be wrong. That element of water efficiency is not of great appeal to us; it would be a great waste of expenditure to put water meters in when we are not short of water.

[172] On the other hand, we are very interested in other aspects of sustainability, which can apply to what happens inside the house, such as the quality or efficiency of insulation in retaining heat, basic draft proofing, cavity wall insulation, roof insulation, how high the level should be for roof insulation—10 inches or whatever it is—as specified in a retrofit or in a new home. All of that is very important. However, other issues are now coming on stream, namely whether to encourage such things as microgeneration and solar panels. If we do, what incentives should we put in place for people? Solar panels can just heat water or they can also generate electricity, though that is a very expensive method of doing it; on the other hand, it will only ever become cheap if you pump-prime it by having a tax break for the first 10 years, or something of that sort. So, there is a sustainability issue with microgeneration, which we need to consider now, as that is probably the way to go.

[173] **Rosemary Butler:** You did not mention wind turbines.

[174] **The First Minister:** That is microgeneration, is it not?

[175] **Rosemary Butler:** Yes, but I was hoping that you would mention them specifically.

[176] **The First Minister:** It seems a little ridiculous that you do not need planning permission to put up a Sky satellite dish but you do to put up a wind turbine—one might help to save the planet while the other will not. I will not tell you which is which, though. [*Laughter.*]

[177] **Rosemary Butler:** Well, they could be combined. I know that there has been some research into this.

[178] **The First Minister:** Ah, now there is a new idea.

[179] **Janet Davies:** Thank you, Rosemary. We have come to the end of this session. It has been very difficult to go through the whole of this massive subject of housing. I am sure that all Members have probably had to go without asking some of the questions that they would have liked to ask.

[180] **The First Minister:** The same applies to me in terms of my answers, Chair.

[181] **Janet Davies:** Thank you very much, First Minister. It was a very good session, and it was very helpful on the whole housing issue. The next meeting will be held on 25 January 2007, which, again, is on a Thursday. I think that we will want to discuss whether we will hold it here or externally. It will depend on your timetable.

[182] **The First Minister:** It is up to you.

[183] Diolch yn fawr i bawb.

Thank you all very much.

[184] I also thank Linda and John for assisting me.

[185] **Janet Davies:** Committee members, would you prefer to hold the next meeting here or somewhere not too far away? It would have to be somewhere in south-east Wales. I see that you would prefer to have the meeting here. Thank you.

*Daeth y cyfarfod i ben am 11.29 a.m.
The meeting ended at 11.29 a.m.*