

Communities, Equality and Local Government Committee

Inquiry into the provision of affordable housing in Wales

Response from Wrexham County Borough Council

The effectiveness of public subsidy in delivering affordable housing, in particular Social Housing Grant.

Some flexibility of subsidy funding to accommodate unforeseen short-term delays in development / delivery across annual deadlines would be helpful. However, I appreciate that clear timeframes are required, and any mechanism to enable funds to be carried forward for short periods would have to be robust.

Whether alternatives to public subsidy are being fully exploited

Alternatives such as use of private funding reserves are largely reliant upon goodwill on the part of the company / organisation that holds the funds. Incentives / support from WG to these organisations might encourage greater use of these funding sources.

Delivery of affordable housing through Planning agreements under S106 is well supported through Planning policy in local authorities. However, policy requirements for on-site affordable housing may be diluted if challenged by the developer, for example on the grounds of financial viability, and it is not always easy to establish if a challenge is justified. Changes in the housing market or the economic climate may result in a need for planning policy to change in order for effective delivery of affordable housing to continue, or to facilitate new and innovative models of affordable housing delivery; however, requirements for consultation etc mean that such changes take time to implement.

Whether the Welsh Government, local authorities and RSLs are effectively utilising their powers to increase both the supply of, and access to, affordable housing.

All the above endeavour to use their powers as effectively as possible, but factors that currently rest outside of those powers, such as the lending policies of financial institutions, can have considerable impact on the supply and accessibility of affordable housing.

There may be scope for innovative use of Welsh Government powers, such as the scheme recently proposed by the Scottish Government to enable local authorities to levy an additional council tax charge on empty properties which can then be used towards affordable housing development.

Whether there is sufficient collaborative working between local authorities, RSLs, financial institutions and homebuilders:

At present, the onus is on local authorities and RSLs to be proactive in collaborative work with homebuilders and financial institutions in order to

deliver affordable housing. However, homebuilders and finance providers are primarily driven by market conditions, and are not necessarily motivated to work in collaboration with the aims of RSLs and local authorities – an example of this is lenders' perception of greater risk attaching to affordable housing sales leading to reluctance to provide mortgages and requirement for high deposit payments that effectively make properties unaffordable.

Whether innovative methods of delivering affordable housing such as Community Land Trusts or co-operatives could be promoted more effectively by the Welsh Government:

We are aware that funded organisations (Land for People) have promoted community led housing development with limited tangible outcomes in the recent past. In the current economic climate, particularly in relation to lending restrictions it is felt that the delivery of affordable housing through community based schemes is likely to be even more difficult. However, in the context of restricted Social Housing Grant funding there is a desire to facilitate local communities to e.g. self build. Provision of practical examples of successful schemes elsewhere in the UK or a toolkit of best practice would be useful.