

CELG(4) Hsg 24

Communities, Equality and Local Government Committee

Inquiry into the provision of affordable housing in Wales

Response from TPAS Cymru

The Tenant Participation Advisory Service (TPAS) Cymru works to improve the lives of social housing tenants in both housing and community matters, by promoting effective participation of tenants with their landlords and with other partners in issues that affect them. TPAS Cymru also works to lobby for an adequate supply of decent affordable housing for rent and purchase available, to ensure that people are able to live in the communities that they choose.

This response is based on:

- TPAS Cymru's extensive experience of developing and supporting groups and working in local communities.
- Working to improve partnerships between tenants and residents and their landlords and other partners.
- Working to ensure that the provision of affordable socially rented housing is maintained and enhanced in communities that people choose to live.

TPAS Cymru welcomes the opportunity to comment on the proposals set out within the consultation letter "*Inquiry into the provision of affordable housing*". We are disappointed that our organisation was not included on the original list of consultation organisations.

General comments

TPAS Cymru welcomes the committee's inquiry into the provision of affordable housing, across all tenures in Wales. The provision of good quality affordable housing is central to the delivery of a sound National Housing Strategy, and the delivery of affordable housing cannot be separated from wider concerns about the extent of housing supply in Wales, and a wider strong economy for Wales.

We welcome the focus of the inquiry into affordable housing across all tenures in Wales, as we have long advocated with other colleagues within the housing sector that the Welsh Government should have a whole system focus to ensuring the supply of quality affordable housing in Wales.

1. *The effectiveness in using public subsidy in delivering affordable housing in particular Social Housing Grant*

The vast majority of affordable housing in Wales is funded through capital grant expenditure in the form of Social Housing Grant. At a time when there are record numbers of people on waiting lists for affordable social housing in Wales, the Welsh government should not only be protecting the capital expenditure for affordable housing but should be increasing the levels of investment to meet needs of the Welsh population.

The development of housing could be seen as a major economic stimulus for the Welsh economy, with the potential not only in providing much needed affordable homes, but also in the creation of much needed construction jobs and in the developing skills and capacity within the Welsh labour market.

The availability and cost of land is the only other area where there could be an increase in the effectiveness of public subsidy. The previous coalition "One Wales Government" made a commitment to increase the ease of releasing publicly owned land for the development of affordable housing. This policy had little effect and the new Welsh Government should honour its manifesto commitment to make publicly owned land available for affordable housing.

Many private sector developers are still sitting on large banks of land that have been included as housing in UDP's, however, because of the current economic crisis and the crash of the private housing sector, this land is not being used for the purpose that it was intended for. We suggest that the Welsh Government could be more proactive in their relationship with private developers to see if there could be potential for release of some of this unused land for the development of affordable housing in Wales.

2. *Whether alternatives to public subsidy are being exploited*

Housing Associations in Wales have been very successful in leveraging in additional private finance for the development of affordable housing and more.

However, we think that the section 106 agreements could be exploited more for the provision of affordable housing. Typically developers are interested in the easy options available, transport links, road development and development of community facilities. Whilst these are all valid planning gains, we think that local authorities could have stronger powers in insisting that there is a commitment to delivering affordable housing as a strategic priority at the local authority level.

One element that needs to be considered in the development of the whole housing system in Wales is the use of the Private Rented Sector. The Private Rented Sector is the only growing tenure in Wales, with some commentators predicting that this element of the market will grow to 30%. One of the main issues of the Private Rented Sector is that they are often seen as a last resort, for those who cannot access social housing or owner occupation. Too often the problems of poor quality housing,

combined with poor management and insecure tenancies has led to a sector with a poor reputation. We would like to see a private rented sector which provides high quality affordable housing, which is managed well and offers more security to tenants.

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

We refer our answer to that provided above in relation to land supply for the provision of additional affordable housing in Wales.

In addition to this there are other schemes which are being used by both local authorities and RSLs which could be used more to bring more affordable homes into use; empty homes and mortgage rescue.

We feel that there is more opportunity for local authorities to use their powers to bring more empty homes in Wales back into use. We feel that there is quite a lot on inconsistency in the use of this scheme across local authorities in Wales. We would like to see those underperforming local authorities learn from the good practice of those local authorities who have utilised their powers effectively.

The mortgage rescue scheme in Wales was very successful in keeping vulnerable families in their own homes and therefore not adding to the burden of existing homelessness applications and systems. This system is now only being operated in a small number of organisations in Wales, since the end in funding in April 2011. Although national figures state that the level of mortgage repossessions has stabilised, many households in Wales continue to remain in a vulnerable situation as a result of potential changes in the interest rate or the threat of redundancy. We would like to see a reintroduction of some form of Welsh government supported mortgage rescue scheme.

4. *Whether there is sufficient collaborative working between local authorities, RSLs, financial institutions and homebuilders*

In our view there is a high degree of collaboration between local authorities and RSLs within Wales, although the quality of this relationship is variable across Wales.

TPAS Cymru sees that the challenge in collaborative working that most affects the housing sector in Wales is the relationship between the private sector and the public sector. Many private sector organisations, be they in the financial sector or construction sector have become more risk averse in the current uncertain economic climate. Welsh Government could facilitate a better working relationship between the public and private sectors, by engaging more with the private sector.

5. Whether innovative methods of delivering affordable housing such as community housing land trusts or cooperatives could be promoted more effectively by Welsh government

In our view there is a strong case for the development of innovative solutions in the provision of affordable housing in Wales, particularly through the cooperative model. We do not see that either of these models will be the solution to increasing the provision of affordable housing in Wales, but they do offer viable alternatives which could be used as a patchwork of solutions.

The mutual home ownership model for the development of affordable housing in Wales has many advantages, including;

- The development of one single tenure, rather than the separate tenures which have dominated the provision of housing in the UK
- A more flexible opportunity for stair casing up and down which is less rigid than the shared ownership model currently available
- The properties and land in this model retain the subsidy within the public sector
- It's not about the sale of individually owned properties, and therefore this increases the mobility of households within the sector.

However, the disadvantage to this development is that this in reality could create another type of social housing landlord, which could make the current tenure increasingly confusing.

Conclusion

In conclusion, we feel that there are a range of options that are currently being used, which need to be utilised more and strengthened to ensure the supply of affordable housing in Wales. This includes:

- Better use of public land
- Better use of the planning system
- Bringing more empty homes back into use
- Reintroducing a Welsh government supported mortgage rescue scheme
- A better private rented sector
- Development of cooperative housing models

For further information on this consultation response by TPAS Cymru, please contact;

Amanda Oliver
Policy and Communications Manager, TPAS Cymru
The Unite Building, 1 Cathedral Road
Cardiff, CF11 9SD