



Cynulliad Cenedlaethol Cymru The National Assembly for Wales

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol The Communities, Equality and Local Government Committee

**Dydd Mercher, 15 Ionawr 2014
Wednesday, 15 January 2014**

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trawsgrifiad o'r cyfieithu ar y pryd.

The proceedings are reported in the language in which they were spoken in the committee. In
addition, a transcription of the simultaneous interpretation is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Leighton Andrews	Llafur Labour
Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Christine Chapman	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Jocelyn Davies	Plaid Cymru The Party of Wales
Janet Finch-Saunders	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Gwyn R. Price	Llafur Labour
Jenny Rathbone	Llafur Labour
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Naomi Alleyne	Cyfarwyddwr Gwasanaethau Cymdeithasol a Thai, Cymdeithas Llywodraeth Leol Cymru Director of Social Services and Housing, Welsh Local Government Association
Anne Delaney	Aelod o'r Bwrdd ac Arweinydd Polisi, Sefydliad Tai Siartredig Cymru Board Member and Policy Lead, Chartered Institute of Housing Cymru
Y Cynghorydd/Councillor Dyfed Edwards	Llefarydd Cymdeithas Llywodraeth Leol Cymru ar Dai, ac Arweinydd Cyngor Gwynedd Welsh Local Government Association Spokesperson on Housing, and Leader of Gwynedd Council
Keith Edwards	Cyfarwyddwr, Sefydliad Tai Siartredig Cymru Director, Chartered Institute of Housing Cymru
Sue Finch	Swyddog Polisi Tai, Cymdeithas Llywodraeth Leol Cymru Housing Policy Officer, Welsh Local Government Association

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Sarah Beasley	Clerc Clerk
Chloe Davies	Dirprwy Glerc Deputy Clerk
Helen Roberts	Cynghorydd Cyfreithiol Legal Adviser

*Dechreuodd y cyfarfod am 09:14.
The meeting began at 09:14.*

**Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introductions, Apologies and Substitutions**

[1] **Christine Chapman:** Good morning, everyone. I welcome you all to the Communities, Equality and Local Government Committee. Could I just remind Members that, if they have any mobile phones, they must be switched off because they affect the transmission? We have not received any apologies this morning.

09:15

**Bil Tai (Cymru): Cyfnod 1—Sesiwn Dystiolaeth 2:
Sefydliad Tai Siartredig Cymru
Housing (Wales) Bill: Stage 1—Evidence Session 2:
Chartered Institute of Housing Cymru**

[2] **Christine Chapman:** This is our second evidence session to inform our scrutiny of the Housing (Wales) Bill. First, I thank our witnesses for attending today. I welcome Keith Edwards, the director of the Chartered Institute of Housing Cymru. I also welcome Anne Delaney, a policy adviser from the Chartered Institute of Housing Cymru. Members will have read the evidence paper you sent in so, if you are happy, we will go straight to questions.

[3] I will start and then other Members will come in. Starting with Part 1 of the Bill, which deals with the private rented sector, can you tell me why you support a registration and licensing scheme first of all?

[4] **Mr K. Edwards:** Yes. Again, I will not go over all of the written submission we have given. Thank you, Chair, for your introduction and for the opportunity to contribute today. There are two reasons for this really. One is that we think that, if we are to address the issues of decent homes for people in Wales, we have to accept that the private rented sector is going to be an increasing part in delivering for Wales. Secondly, in order to do that, we have to ensure that we have a sector that is fit for purpose. Although legislation is only part of the process of making sure that the sector is fit for purpose, it is an important part.

[5] **Christine Chapman:** Okay. Thank you. I know that these will come up in more detail, but what about any potential difficulties and challenges the scheme could face?

[6] **Mr K. Edwards:** I think that there is a range of challenges, essentially around practical issues of implementation. We know that there are concerns on the part of certain landlord representative groups around particular issues to do with the extent to which this puts additional burdens on them and does not actually achieve the policy results the Government has set on this. However, in the round, we think that those practical issues can be addressed.

[7] **Christine Chapman:** Okay. Thank you. Jocelyn, do you want to come in now?

[8] **Jocelyn Davies:** Yes. You mentioned that it is a growing sector, an important sector. It is a significant proportion, is it not? Do you know the number of—

[9] **Ms Delaney:** The number of private rented properties in Wales is set to overtake the total number of social rented properties by 2020. I do not have exact figures.

[10] **Jocelyn Davies:** Yes, so it is a very significant proportion. Do you think that,

perhaps, this might put people off becoming landlords?

[11] **Mr K. Edwards:** Obviously, the proof of the pudding will be in the eating. However, I agree with what a previous Minister said, which is that the aspirations of improving quality in the sector and increasing supply are actually things that, if we get them right, can be mutually beneficial.

[12] **Jocelyn Davies:** So, you do not think that this will deter people.

[13] **Mr K. Edwards:** This is a difficult one. Last week, there was a UK story about a large letting agent deciding that it would evict people who were housing benefit recipients. To me, that almost makes the argument for better regulation of the sector itself. We need to make sure that the sector is responsible and plays a role in delivering this. I accept that there may be issues that will be of concern to individual landlords, but I think that regulation could be in the interests of the sector as a whole.

[14] **Jocelyn Davies:** So, it could improve the health of the sector, although you accept that there is a possibility that some people may decide not to let out a property.

[15] **Ms Delaney:** I think that it is a possibility, but I think it is a small possibility. I am a housing consultant and I have been doing work for the Welsh Local Government Association with all 22 Welsh local authorities over the past year on the private rented sector. I have been meeting a lot of landlords and going to things like landlord fora. My sense is that landlords are, on the whole, quite keen to let and that it is good business for them. I do not think that the requirements are onerous enough to put them off. That is not my sense of it.

[16] **Jocelyn Davies:** We often hear as an Assembly and as a committee from organisations such as yours that represent other people, and I suppose that those who represent landlords would be representing a small portion of the number of landlords. You were saying that you have met with landlords in local fora, so their views might be slightly different.

[17] **Ms Delaney:** They might be, and I really do not get the sense from that that what is proposed in this legislation is going to be off-putting to them.

[18] **Christine Chapman:** Peter has a supplementary question.

[19] **Peter Black:** You gave the example of landlords saying that they will no longer take housing benefit claimants. How would regulation address that issue?

[20] **Mr K. Edwards:** Well, from my point of view, Peter, I think that, if you set up a robust system where everyone is aware of their rights and responsibilities, you get a much better chance of people engaging in a long-term approach to issues. You will have organisations that will still choose to be outside of that, but if they choose to be outside of that, it will be much more difficult for them to do business.

[21] **Peter Black:** Yes, but you are talking about extending the regulation beyond what is in the Bill.

[22] **Mr K. Edwards:** Well, no, I am not talking about extending it. I think it is a general-direction-of-travel issue in that, if you set a very good, fair, robust framework, it sends a very clear message to landlords about what is expected of them, and to tenants.

[23] **Christine Chapman:** Okay. Leighton is next.

[24] **Leighton Andrews:** May I specifically ask about training? Do you think that the current proposals in the Bill are likely to put off certain categories of landlord?

[25] **Mr K. Edwards:** We looked at the evidence the Minister gave, I think in response to questions, and I think that he indicated that it is an area he is prepared to look at. CIH, you will not be surprised to know, is in favour of professionalising the sector. Our bread and butter is, essentially, doing that within the social sector, and for good reason because you can look at the impact of professionalisation over the past 20 or 30 years as a consequence. So, we would be very much in favour of professionalising the private rented sector as well. If there are practical issues, the Minister has indicated that he might well be prepared to look at that again, which seems to be a fair outcome from the scrutiny process. However, essentially, we think that we need to professionalise the sector, and that means adequate training across the whole sector.

[26] **Ms Delaney:** One of the problems with so-called accidental landlords who might own just one or two properties is that, if they do not come up to current standards and approaches, it is mainly as a result of ignorance. Some kind of training and input to that would be very useful.

[27] **Leighton Andrews:** How do you reach those people who have become accidental landlords?

[28] **Mr K. Edwards:** Again, it has to be incremental. Of course, individual landlords will have the option of allowing accredited organisations to let the properties on their behalf because they will have been through the accredited training. So, it seems to me that there is an incremental approach inherent in this, which we would support. However, as to what the range of engagement with the sector is going to be, only time will tell. However, incrementally over time, you would hope to increase the penetration to all landlords.

[29] **Leighton Andrews:** Is part of the incremental approach requiring letting organisations to go through the registration process first in advance of other landlords?

[30] **Mr K. Edwards:** Again, I think that the Minister is on record as saying that he would be sympathetic to that. Also, from a practical point of view, that seems to be a sensible approach.

[31] **Christine Chapman:** Jocelyn is next and then Mike.

[32] **Jocelyn Davies:** Following on from Leighton Andrews's point about these accidental landlords or very small landlords who perhaps inherit a property that already has a tenant in it, do you have any evidence at all there are bad landlords with just one property?

[33] **Ms Delaney:** There are some. I think it varies enormously. In talking to all 22 authorities, we asked members and officers what, in their view, was the proportion of 'bad' landlords, however you want to define it, and, consistently across Wales, they said that the proportion was about 5% to 10%. This is anecdotal. However, those were across individual landlords and large landlords. I think there is a mixture.

[34] **Mr K. Edwards:** You make an interesting point because there is an issue about our understanding of the sector. One of the recommendations of the Communities and Culture Committee when you were Minister, Jocelyn, was that we needed to understand the sector better, and I do not think that we are there with that yet. So, a lot of it is about anecdote and an instinctive understanding. Increasingly, it is based on evidence from the work that Anne and others are doing. We know, for example, that about 70% of the sector is made up of individual landlords, and we know that, historically, the sector has problems. It is a

reasonable assumption that you are going to have difficulties in terms of fitness in that sector.

[35] **Christine Chapman:** Okay. Mike is next.

[36] **Mike Hedges:** In my constituency, which is probably not different to others, there are two types of landlords. There are those who often live away who own a number of properties and rent them out. A number of those properties are of a relatively low standard but are good income generators. There are also accidental landlords. You talked about the accidental landlord; that is what I want to talk about. I will take two examples. My fear is that these people may well decide not to be landlords in the future. A friend of mine has gone to work away for a year. A family friend of his was looking for accommodation, therefore he has let that friend have that house, paying a nominal rent, for 12 months while he is away. It is as much for security as for anything else. I am not convinced, as you are, perhaps, that these accidental landlords will actually bother with this. If they have to do something, they might as well just leave the house. As with my mother-in-law's property, I will go to check it every few weeks.

[37] **Mr K. Edwards:** I think that it is a reasonable point to make. Again, you do not know the impact of things until they are actually highlighted. I would say two things: first, we should be making it easy for individuals in those circumstances to work through agents, for example, rather than have to go through the onerous process themselves; and, secondly, obviously there are issues around how we manage empty properties. One of the key points that we are trying to get across in our submission is that we very much support a whole-system approach. Looking at one sort of sector and one aspect in isolation is something that we would warn against. So, for example, if that led to a long-term empty property, or what have you, within an area, that would be another issue that would have to be dealt with.

[38] **Ms Delaney:** Following on from Keith's point about making it easier for people to let through agents, if that is what they choose, there are commercial agents, but there is also a growing sector of social letting agents, perhaps run by local authorities or housing associations, which will manage properties on behalf of landlords in order to have access to privately rented properties for people in housing need. There is a lot of work to be done in that sector, but I think that the potential of that sector is enormous.

[39] **Mr K. Edwards:** This would give an impetus to that process.

[40] **Mike Hedges:** I think that a lot of these people want to let to someone they know. If they own the house, they do not want to let it to someone through a letting agency. Quite often they will let it to extended family. For example, my grandmother turned a house into two flats, initially for her son, but then her nephew moved in. So, there are a lot of these sorts of things. I am sure that if you had told her that she had to go through any sort of process, she would not have bothered; she would have just left it empty or made it back into a house.

[41] **Mr K. Edwards:** There will always be exceptions. There will always be individual circumstances and cases to which you can point. My issue would be around making sure that you try to apply this as consistently as possible. Also, there will always be people on the margins who will not get caught up in the system because it is not particularly heavy in terms of regulations and sanctions, at least not initially. So, from my perspective, you have to balance the general good that this will deliver against looking at the individual circumstances that might cause some problems and how you might deal with those separately.

[42] **Christine Chapman:** Just to confirm, we will be looking at the eight Parts of the Bill in turn. Before we move on to Part 2, 'Homelessness', do any Members have any other questions on the private rented sector, or are you content to move on?

[43] **Peter Black:** The Minister, in the letter circulated to us today, states that he estimates that there are between 70,000 and 140,000 privately rented properties in Wales. Given that huge number, what sort of timescale do you envisage there will be for local authorities to actually register and license them all, and do you really think that they will get them all?

[44] **Mr K. Edwards:** Obviously, the practicalities will be a concern. My understanding is that it will be a national scheme rolled out by Cardiff, which I think is a huge head start because we have the scheme up and running and we can learn from that very quickly. Also, given that there is going to be an incremental approach, starting in 2015—I think that that is the current proposal with agents and managers—that would seem to be a sensible way of approaching it. As for whether I am absolutely confident that it will run to that timescale, I cannot really say, but it seems to me that that is a reasonable timescale to at least aspire to at this point.

[45] **Peter Black:** Would you envisage local authorities needing a lot more resources to do this?

[46] **Mr K. Edwards:** There is an issue about resources. I know that you will be taking evidence from the Welsh Local Government Association afterwards, and I know that Anne has picked up on this issue in her research. I do not know whether you wish to expand, Anne.

[47] **Ms Delaney:** The issues are mainly not around the amount of work in terms of the registration, because that would be covered by Cardiff Council doing that on behalf of other authorities, but on enforcement. Capacity in carrying out enforcement actions might well be an issue.

09:30

[48] **Christine Chapman:** We now move on to Part 2, 'Homelessness'. Peter, did you want to come in first?

[49] **Peter Black:** Yes. The original White Paper suggested that the universal right to temporary accommodation be included in the Bill, but the Minister has taken a different approach. I am wondering whether you would support the general approach taken by the Welsh Government in Part 2 of the Bill, or would you have preferred that universal right to temporary accommodation to be included in the Bill, and why?

[50] **Mr K. Edwards:** From our perspective it is important that we understand both opinions, if you like. It is at least part of the responsibility of this committee to scrutinise the proposals of Government and to make recommendations. We think that it is fundamentally important that we do not move to a situation where we have, if you like, undeserving and deserving categories of recipients of housing. We recognise that there are some practical difficulties and issues that the Minister is trying to respond to. We also noted that, in his evidence—and again, this is for us to judge—there seemed to be some discussion around precise wording and drafting to make sure that the spirit of the legislation is captured in the actual law itself. From our point of view, the most important principle is that people who are in housing need should have that need met. We would have some concerns around changes to any sort of opportunity to access housing.

[51] **Peter Black:** Do you think that the approach that the Government is now taking will create gaps that people are going to fall through?

[52] **Mr K. Edwards:** We have concerns around ex-prisoners, and women prisoners in particular, because there are certain circumstances there that will have an impact. We would hope that the process of scrutiny would iron out those issues.

[53] **Peter Black:** In terms of the strategic role of local councils, they currently have quite an important role in terms of homelessness, and the Bill does not really seek to radically change that. Do you think that the Bill goes far enough? Should it be saying that local authorities need to do more, strategically, in terms of tackling homelessness?

[54] **Mr K. Edwards:** Again, Anne has recently had direct experience with local authorities on that.

[55] **Ms Delaney:** I certainly feel that most authorities now are grasping this. Again, there are some authorities that do not necessarily have the strategic capacity that they need in housing, but I think that that is starting to redress itself. So, in terms of strategic capacity, I think that there is some work to do in some authorities, but I think that they are now grasping this issue. They are already doing a lot in terms of homelessness prevention, as are housing associations, which are already doing a lot of the work that is envisaged in this legislation. I do not think that it would be a very big leap for them.

[56] **Peter Black:** There is a lot of inconsistency out there, particularly in terms of prevention work, is there not? That has not always been picked up in terms of strategies, or in terms of how those strategies are applied. Do you think that it would be better if it was actually in the Bill that the Minister had to approve those strategies?

[57] **Mr K. Edwards:** It is an interesting point. Again, I think that it is important to recognise what can and cannot be achieved through legislation. Legislation obviously sets the framework. I think that this needs to be backed up with codes of practice and detailed support, advice and guidance to make sure that we get to a consistent position. It is in the interest of local authorities, given the pressure on resources, from an efficiency point of view, to learn from the best, if you like. With the Williams report and so on, the idea is that we will need to move towards a more regional and strategic approach with these issues in any case. The bottom line is this: I am not convinced that it needs to be in the Bill, but it does need to be backed up by robust and firm practice.

[58] **Peter Black:** If it is not in the Bill, how does the Minister enforce those strategies?

[59] **Mr K. Edwards:** Again, through codes of practice. Enforcement is obviously the key word here. I am not convinced that it needs to be there as a requirement within the Bill, but you would hope, with the engagement of local authorities, and with the joint commitment to co-production, if you like, that we could develop a framework to support the effective implementation of the legislation and the addressing of issues.

[60] **Ms Delaney:** I think that there is also a training issue here for current homelessness staff. It will mean quite a cultural change for existing homelessness staff. A lot of homelessness staff at the moment see themselves as some sort of gatekeepers in that process, whereas their role will be changed to that of facilitator in facilitating the prevention of homelessness.

[61] **Peter Black:** Does that not indicate that they are not actually learning the lessons from each other?

[62] **Ms Delaney:** I am sorry; I did not hear you.

[63] **Peter Black:** Did you not say that a lot of homelessness staff see themselves as gatekeepers? Does that not indicate that they have not really grasped the point about prevention, and that a lot of them are still behind the curve?

[64] **Ms Delaney:** I think that that is in process. I think that it varies considerably between individual members of staff. So, I think that there is a training issue to be dealt with there as well.

[65] **Christine Chapman:** I have a supplementary question from Jocelyn, and then I will call on Jenny.

[66] **Jocelyn Davies:** On this point, the current homelessness legislation has been around for 30 years and we have a lot of inconsistency; so, just having the legislation in itself is not—. You did mention earlier on your problems or concerns if things are inconsistent. Do you think that perhaps the training should lead to accreditation for professionals? We are talking about professionalising the landlord sector, but should we not professionalise those people within local authorities who will have these duties? So, perhaps accreditation there might be a good idea. Also, do you have any concerns around the broad discretionary powers within the Bill for local authorities, because inconsistency will get worse?

[67] **Mr K. Edwards:** Again, in the previous committee meeting, I think that the point was made that discretion and consistency are not necessarily always compatible. It is a reasonable point. Also, you will not be surprised to hear that, as the professional body that essentially does a lot of accredited training, we are certainly in favour of accredited training across the whole range of housing functions, including homelessness services. So, we would absolutely endorse that.

[68] I suppose that the fundamental point for us is that legislation can only be—. You cannot make homelessness illegal. You can put in place steps that will help to alleviate homelessness and make it more difficult, but you cannot outlaw people for sleeping rough or for not having a home. There has to be much more of an integrated, joined-up approach to the issue. I come back to the point about practice. The fact that we have not necessarily ensured that the best has informed the least good landlords or local authorities in the past should not deter us from trying to capture that experience and making sure that we have practice in the future that is fit.

[69] **Jenny Rathbone:** I represent Cardiff Central, which obviously has a huge number of student lets and a large number of private landlords letting to people in temporary accommodation for one reason or another. I am interested in pursuing the rights that people will need, because we are obviously going to be placing more people in private rented accommodation. I just wondered whether you could talk a little bit more about how we raise the standards and the rights of consumers. I particularly have in mind temporary accommodation provided via social letting agencies that do not have a cooker or even a plug-in point for a washing machine. There seems to be a very delicate relationship between social letting agents and not putting off the private landlord, because we require this housing to be made available.

[70] **Ms Delaney:** I have just done a piece of work looking exactly at that—social lettings agencies and their different practices in Wales. There is very uneven practice currently, but there is enough really good practice in terms of minimum standards, good management and support for tenants to demonstrate to me that it is absolutely possible. There are some organisations, such as Carmarthenshire County Council, which operate their own social lettings agency and have very high standard properties. I think that people who come in and see their catalogue of private properties are quite astounded when they find out what they might be able to rent. They have been doing that now for a number of years very successfully. There are other successful agencies. There is experience that can be built upon, but it does require a greater professionalisation of some of the social lettings agencies to make sure that all of those things are properly in place—all of those minimum standards for management and property condition.

[71] **Mr K. Edwards:** Just to supplement that, one of the huge steps forward in improving standards within the social housing sector was active engagement with tenants—tenant participation, in particular—over the past 20 or 30 years. I know that Welsh Tenants, which I think will be giving evidence—certainly written evidence—has, as one of its target groups, the private rented sector because it is notoriously under-represented in the tenants movement and notoriously difficult to engage with. We have to find ways of engaging with tenants themselves and making sure that they have an active role in determining how this thing rolls out and an ongoing role in making sure that the rights of tenants are protected.

[72] **Jenny Rathbone:** Turning to students for a moment, this is a group where landlords make very large sums of money and, on the whole, students are not aware of their existing rights, never mind enhanced rights. Do you think that this is a matter for legislation or for the colleges and universities actually providing better, clearer advice about what the student can expect?

[73] **Mr K. Edwards:** Colleges and universities have an obligation. I know that the National Union of Students has also been doing quite a lot of work on this and is very vehement, if you like, in its view that there needs to be effective regulation of the sector, because of the reasons that you have outlined.

[74] **Jenny Rathbone:** The other issue for me is that people who become homeless, whether it is as a result of domestic violence or some other emergency reason, in local authorities like Cardiff—which obviously has a huge crisis, with 12,000 on the waiting list—are almost certainly going to move into temporary accommodation. That means that those people almost always lose their jobs, because of the extraordinarily high rent that is demanded by the private landlords operating this temporary accommodation. I just wondered if there is any solution that we can see? It makes the problems that these people face even worse when they then lose their jobs, because their rent certainly does not—

[75] **Mr K. Edwards:** There is some excellent work being done through housing-related support for particular groups of people. It is not the remit of this committee, but I would put on record that both the previous Minister and the current Minister have protected the funding for that programme, which we wholeheartedly endorse. The sort of stuff that we could say in terms of addressing the issue would be, in a way, fairly obvious, but it is easier to say than to achieve. We definitely propose multi-agency approaches and we need to align support services with vulnerable people. Can we crack it on the basis of that alone? Probably not. Will legislation help? Yes, it probably will. Again, will it solve the problem? Probably not.

[76] **Ms Delaney:** As far as landlords are concerned, with the level of rent, the work that I have been doing seems to show that a lot of landlords are less concerned about getting maximum rents than getting some kind of security and ensuring that rents are paid regularly. For example, with the social lettings agency that I mentioned in Carmarthenshire County Council, landlords are prepared to allow it to let their houses at local housing allowance rates. In many instances, they are prepared to allow it to let three-bedroomed houses at two-bedroomed local housing rates—actually getting less money than they could on the open market—because they are offered support to manage that property and some kind of security that the rent will be paid. So, the rent is not always the bottom line for many landlords.

[77] **Jenny Rathbone:** Is that not going to be completely put at risk by the universal credit introduction, where the rent will be paid to the tenant?

[78] **Ms Delaney:** To some extent, but I think that a lot of landlords are happy to deal with that. There are concerns, obviously, and landlords are waiting to see how that pans out.

[79] **Christine Chapman:** Mike, do you have any more questions on Part 2 of the Bill?

[80] **Mike Hedges:** On homelessness, I have a couple of questions. If I come on to former prisoners, should non-vulnerable former prisoners be a priority? If so, why, and should they be a priority over vulnerable others?

[81] **Mr K. Edwards:** This is a fundamental and absolutely perplexing issue for anybody involved in housing. In some ways, if we stand back and look at principles, if you like, CIH promotes the not unreasonable position that everybody should have access to decent housing. Obviously, there will be people with particular needs that need to be addressed. It is a bit like the old adage that, if you are worried about the cost of education, think how expensive ignorance is. If you fail to provide homes for people, such as ex-offenders, because they technically fall outside of—again, we can argue about that—the definition, I think that you are stoking up huge issues, which not only have a detrimental effect on the individuals concerned, and their families, but will also have a financial impact on society.

09:45

[82] **Mike Hedges:** To follow up on that, I dealt with a case recently of a girl of 19, and her baby, who were sharing a room with her sister, who was 15. They were having great difficulty in finding accommodation via the local authority or the housing associations. I am not sure how I would explain to them that someone who has come out of prison should have priority over them. Perhaps you could tell me what I should say to them.

[83] **Mr K. Edwards:** There are two points. The first issue is the fundamental issue that we do not have enough homes for people. That is the first point. The second issue is that, once you get into individual cases and legislate on the basis of individual anecdotal examples, it is a bit of a slippery slope, to be honest. I think that you need to have a set of principles that are universally applied, that people can understand, and that then can be fairly introduced and implemented.

[84] **Mike Hedges:** Do you think that those principles should be fair, and considered by the vast majority of people to be fair?

[85] **Mr K. Edwards:** I might be slightly unpopular in saying this, but we do not live in government by plebiscite. It is the role of informed organisations and politicians to do what they think is right, on the basis of the evidence that they receive. That will be partly from individuals, and the circumstances in which they find themselves, and it will be partly on the basis of research that has been carried out independently. So, I think that it is right and proper that you have to look at these issues in the round, and not just look at individual cases.

[86] **Mike Hedges:** I did not make an individual case; I asked whether it should appear to be fair to people. On your point about government by plebiscite, you are absolutely right, but we have government by election, and people can have a view on political parties, based on what they put in their manifestos and their general view of those political parties. Therefore, it is not government by plebiscite, but a general view of political parties and what they stand for.

[87] **Mr K. Edwards:** Again, I take the point. I think that politicians, and others, have to take a decision in the round, based on the evidence, and based on what individual people are saying to them. They have every right to express their views, obviously, and then they have to come to an informed choice, and they have to base it on things that they have said in the past in relation to manifestos; that is entirely proper. However, none of that says to me, necessarily, that one case should determine what we do.

[88] **Mike Hedges:** I was very specific. I gave one example, but I then asked whether it should appear to be fair. It was not based on one case, but whether it should be fair, generally.

[89] **Mr K. Edwards:** Yes, of course it should be fair. Absolutely.

[90] **Christine Chapman:** We have limited time, and I want to move on to another section. Several Members want to contribute, so can we have very concise questions, so that we give the witnesses the time to answer?

[91] **Mr K. Edwards:** We will try to be concise in our answers as well.

[92] **Christine Chapman:** I have Jocelyn, then Peter, Jenny and Leighton.

[93] **Jocelyn Davies:** I am sure that there are many people who would not agree with single women with babies being prioritised over anyone else either.

[94] On the idea that you can discharge the homelessness duty into the private rented sector, do you think that the standard that we have now outlined for the registration to be a landlord will be a good enough standard in order for that duty to be discharged? Some people are going to have challenges, and they are going to be challenging tenants. Are we going to find people in a revolving door of homelessness, with private sector landlords, perhaps, unable to cope? How are we going to tell who are the best landlords for tenants with challenging behaviours, and so on?

[95] **Mr K. Edwards:** That is a very good point, is it not? I think that, in a way, when you are embarking on a totally new approach to the private rented sector—although the seeds have been sown in work that has been done previously—you have to move on a number of fronts at once, and you cannot have absolute confidence that everything is going to be right when you start off.

[96] **Jocelyn Davies:** Do you think that that standard is going to be good enough, and that every registered landlord is going to be equipped to have that duty discharged to them?

[97] **Mr K. Edwards:** No.

[98] **Ms Delaney:** What I will say is that, going back to social lettings agencies, and people who have been doing that work for a while, they learn very quickly about what their landlords can and will be prepared to deal with. Some landlords are prepared to take very challenging tenants, as long as adequate support is in place. If that support is in place, they will not have the same problems. For example, one social lettings agency said that, 'If I have a man who has severe alcohol or drug problems, and is known to have previous tenancy difficulties, I'm not going to put them in a property that somebody's renting that is owned by mam. I'm going to put them in a property with a professional landlord who is used to dealing with these issues and make sure with that landlord that we're clear what support is in place should things go wrong.'

[99] **Jocelyn Davies:** Do you think that the legislation should say something about the way that the duty will be discharged by landlords?

[100] **Mr K. Edwards:** There is a difficulty at this point with over-legislating. I would like to see that backed up with clear standards and practices, based on existing models, being rolled out, where we learn from the best practice. I do not think that it is possible to include everything in the legislation. I would deal with that slightly differently.

[101] **Peter Black:** Coming back to the issue of ex-prisoners, Mike has been talking about

what is popular and what is perceived as popular. If you said to the vast majority of people that you could reduce reoffending by 70% by the simple method of making sure that they have a home to go to when they come out of prison, do you think that people would consider that to be fair?

[102] **Mr K. Edwards:** I would not want to comment on the vagaries of public opinion, but, from my point of view, it is important that we deal with these issues in the round.

[103] **Peter Black:** The serious point here is that the research that the Government commissioned in 2008 identified accommodation as a key issue in terms of reoffending, but it also said that it is not the only issue. There has to be a proper resettlement plan. We have to get to prisoners early and we have to deal with that. Do you think that this legislation goes far enough? Should there not be a duty on local authorities to make sure that they work with prison authorities and the justice department to make sure that there is a proper resettlement plan for prisoners, to tackle those particular problems?

[104] **Mr K. Edwards:** I do not feel qualified to comment on the particular aspect of the drafting of the legislation and what jurisdiction would exist, but I think that there is an important point here. Previous evidence by organisations like Gofal has cited that, when you look at an ex-offender, you very often see—in fact it is in the majority of cases—other issues that have to be addressed. You have to look at those in the round.

[105] **Jenny Rathbone:** I want to pick up on your comments about how we deal with families deemed to be intentionally homeless where there are children. You have said that you want to ensure that they are given accommodation as long as it is the first time that they have been found to be intentionally homeless in five years. That rather begs the question of what happens after that. You have picked up on the Louise Casey report and the intensive family support that is needed when somebody has an addiction or some other reason why they have not paid the rent. How will that be achievable given the reductions in local government finance? You have been doing this work with local government; could you tell us about any local authorities that are managing to do this sort of thing?

[106] **Ms Delaney:** There are a number of very good practice schemes out there. There is one run by Charter Housing Association, for example, which is a family scheme. The results are very impressive in sustaining tenancies and ensuring that families get back on track. There are not enough of these schemes, but they are out there. The ones that are working are having very impressive results.

[107] **Leighton Andrews:** Keith, you made a very important point that, in this context, what we are really seeing is the problem of not enough housing and, therefore, the danger of vulnerable groups being played off against each other as decisions are made about priority need. Do you think that the rewriting of the categories of groups defined as being a priority need in the Bill is right—for example, the removal of mental health as a criterion?

[108] **Mr K. Edwards:** I followed the transcript of that discussion with the Minister and the legal advisers—

[109] **Leighton Andrews:** Stop being a diplomat and tell us what you think. [*Laughter.*]

[110] **Mr K. Edwards:** To be fair, you make a very good point, but it seemed to me to come down to a point of law. I do not feel qualified to comment on that. I think that I am right to say that the committee is seeking legal clarification on that as well. I can give you my opinion, but I do not think that it will be worth much in court, to be honest.

[111] **Leighton Andrews:** If, in the existing legislation, mental health is there, and then it is

taken out, does that not act as a signal to local authorities to suggest that mental health becomes a less important factor?

[112] **Mr K. Edwards:** If the consequences of the changes are that mental health becomes less important as a focus for intervention—for want of a better word—then, yes.

[113] **Christine Chapman:** We will move on now to Part 3, Gypsies and Travellers. The lead Member for this section is Jenny.

[114] **Jenny Rathbone:** There has long been a duty on local authorities to provide Gypsy and Traveller sites, but not many are rushing to the door to do it. Do you think that this legislation is sufficient to get action so that Gypsies and Travellers can get accommodation?

[115] **Mr K. Edwards:** It is certainly a move in the right direction. Understanding need is one thing, but making sure that that need is addressed is, I think, helped by the provisions of the Bill.

[116] **Jenny Rathbone:** Okay, but do you think that more teeth need to be put into this to make sure that it actually happens? Otherwise, we will continue to have illegal sites being developed.

[117] **Mr K. Edwards:** I am not convinced that you can achieve the results simply through legislation here, either. There are a lot of issues around collaboration between local authorities, public awareness and people understanding the consequences. It is about political leadership at a local level. I would be happy with the provisions within the Bill as it stands, but I would not suggest for a second that that will crack the problem.

[118] **Jenny Rathbone:** Okay. Your comments are noted. Thank you very much.

[119] **Christine Chapman:** We will move on now to Part 4, standards for social housing, and I would like to bring in Rhodri Glyn Thomas.

[120] **Rhodri Glyn Thomas:** Diolch yn fawr iawn, Gadeirydd. Pam y dylem gredu y bydd awdurdodau lleol yn cyrraedd safon ansawdd tai Cymru erbyn 2020, gan eu bod wedi methu â gwneud hynny yn 2012?
Rhodri Glyn Thomas: Thank you very much, Chair. Why should we believe that local authorities will actually achieve the Welsh housing quality standard by 2020, as they failed to do that by 2012?

[121] **Mr K. Edwards:** That is a straight question, which deserves a straight answer. The first thing that I would point out is that although we are disappointed, that is, the Chartered Institute of Housing Cymru is disappointed, that we failed to reach the standard by 2012—I think that I am right to say that Peter might have been a Minister when the standard was originally set in 2003, or whenever it was—a huge amount has been achieved. It is important to start with some positive stories about the Welsh housing quality standard. Tens of thousands of homes have been improved after decades of disrepair. Also, something that we are particularly involved in, the i2i project, which is about getting jobs and training on the back of that investment, has been a huge success story over the last few years.

[122] However, I totally accept that it is not in order that still far too many tenants have not had their homes achieve the standard by 2012. We think that it is essential that if any new standard date is set—and, in this case, the suggestion, obviously, is 2020—it is non-negotiable. We have to recognise that, if people have not achieved the standard yet, you cannot just pass a magic wand around and expect it to happen by tomorrow; there is a long lead-in time. You have to marshal the resources; you have to have programmes of work that are manageable and achievable. We do not think that anybody should have an excuse that

extends beyond 2020.

[123] **Rhodri Glyn Thomas:** A ydych chi'n credu, felly, bod angen y pwerau statudol sydd yn y Bil a hefyd y pwerau ymyrryd er mwyn sicrhau hynny? **Rhodri Glyn Thomas:** Do you believe, therefore, that the statutory powers within the Bill and also the intervention powers are necessary in order to achieve that?

[124] **Mr K. Edwards:** Yes. Looking at the evidence of the previous session, it needs to be backed up by intervention if it is not achieved. We know that there is quite a lot of work going on with authorities that have struggled in the past to make sure that that happens. However, it does have to be a carrot-and-stick situation; it is not about enforcement, it is about engaging and working with those authorities to make sure that they can achieve the standard.

[125] **Rhodri Glyn Thomas:** Mae hynny'n sicrhau y bydd safonau yn cael eu cyrraedd yn y sector cyhoeddus, ond beth am y sector preifat? Oni ddylai'r sector preifat hefyd fod ar wyneb y Bil hwn, a bod y gofynion yn ymestyn i'r sector? Rwy'n ymwybodol fod y lleiafswm o ran safonau'n bodoli, ond oni ddylai hynny fod ar wyneb y Bil hwn? **Rhodri Glyn Thomas:** That would ensure that standards would be achieved within the public sector, but what of the private sector? Should not the private sector also appear on the face of this Bill, and the requirement extend to that sector? I am aware that there are minimum standards in place, but should that not be on the face of this Bill?

10:00

[126] **Mr K. Edwards:** In terms of other sectors generally, housing associations are not technically in the private sector, but they are expected to achieve, and, in fairness, do have a better track record as a sector as a whole in achieving, the standard. However, I think that it is necessary to make sure that we maintain the focus on the housing association sector as well, because not all the properties within that sector will have achieved the standard. I am not just talking about the stock transfer authorities that are, perhaps, two or three years into an improvement plan at the moment and, obviously, have some time to go before they will achieve the standard, but I am also talking about traditional housing associations. So, it is important that we effectively scrutinise that. The fact that it is not in the legislation is not of huge concern to me, but I think that we need to have robust systems in place to ensure that housing associations achieve that standard.

[127] As far as the wider private sector is concerned, I think that that is far more problematic. CIH would love to see a standard that applied to private renting across homeownership, if you like, but it is far less easy to achieve that, other than through things like building regulations and the health and safety systems that are put in place. A universal Welsh housing standard applied across the piece would be something to aspire to, but perhaps it would not be achievable.

[128] **Rhodri Glyn Thomas:** You could ask the question, 'Why aspire to it if it is not achievable?', but we will leave that be.

[129] Rydych chi'n codi cwestiynau ynglŷn â rhentu a thaliadau gwasanaeth yn eich tystiolaeth. A ydych yn meddwl bod y Bil yn rhoi sylw digonol i'r materion hynny? **You raise questions on rents and service charges in your evidence. Do you think that the Bill adequately addresses those issues?**

[130] **Mr K. Edwards:** Taking the service charges issue first, I think that there is a lot of sorting out that needs to be done in relation to local authority service charges, and I think that there is a role for legislation in underpinning that. I also think that the issue of how we

calculate and regulate local authority rents is important, going forward. I see that, again, as part of a wider process of making sure that we harmonise things like service charges and rent setting across the sectors and that we enhance and improve the rights of tenants as well in that process.

[131] **Christine Chapman:** Peter—. Sorry, Rhodri has another question.

[132] **Rhodri Glyn Thomas:** Hyn fydd fy nghwestiwn olaf. Yn fyr iawn, a ydych yn meddwl bod rôl craffu yn y fan hon i'r Cynulliad ei hun ac a ddylai'r Bil sicrhau hynny, fel roedd Mesur y Gymraeg (Cymru) 2011 yn sicrhau bod rôl craffu amlwg i'r Cynulliad?

Rhodri Glyn Thomas: A very brief final question. Do you think that there is a scrutiny role here for the Assembly itself and should the Bill ensure that that takes place, as the Welsh Language (Wales) Measure 2011 ensured that there was a scrutiny role for the Assembly?

[133] **Mr K. Edwards:** There definitely should be a scrutiny role for the Assembly. Interestingly, the Public Accounts Committee report on the Welsh housing quality standard was probably the single most important document in reshaping the thinking around the standard, I would say, in the last few years. Whether that should be enshrined in law, again, is something that I do not really feel qualified to comment on, but I absolutely endorse the need for effective scrutiny.

[134] **Rhodri Glyn Thomas:** Diolch yn fawr. **Rhodri Glyn Thomas:** Thank you.

[135] **Christine Chapman:** Peter is next.

[136] **Peter Black:** Thank you. The evidence shows that, in terms of achieving the Welsh housing quality standard, local authorities are lagging behind RSLs and, when you look at most of the improvement schemes that the remaining 11 local authorities that have stock are carrying out on their homes, you will see that most of them fall short of achieving the Welsh housing quality standard because they tend to concentrate on wind and weather-proofing. So, the question is: in that situation, does the putting of the Welsh housing quality standard in statute go far enough? For example, it may have a requirement whereby Ministers could insist on local authorities producing plans that they would oversee in terms of how they will achieve the Welsh housing quality standard, which would include the improvement programmes.

[137] **Mr K. Edwards:** This is quite a complicated area. The first thing to say is that I do not think that it is a one-size-fits-all situation in terms of local authority performance. There are some excellent examples of local authorities, Carmarthenshire being one of them, that have adopted a standard, and improved that standard, in fact, and linked it to things such as job creation, SME development and all that. So, there are some very good examples within the local authority sector. A number of other local authorities, such as Caerphilly and the Vale of Glamorgan, although tenants voted against a stock transfer, are actively engaged in doing it in a really professional and good way. You are right that a number of authorities have failed to maintain standards and have struggled, most of all in getting the investment. My understanding is—and I have taken part in one or two discussions on this—that all the authorities that have struggled up until now to achieve the standard are actively engaged in a process of making sure that they do achieve the standard within the timescale, and that also they gain the benefits that the i2i project and others have been promoting in terms of jobs and training. I think the level of scrutiny that is already there will probably suffice.

[138] **Peter Black:** I think the situation in terms of resources and the condition of some of the housing stock is that most local authorities will concentrate on making sure the property is secure and wind and weather proof, and then not go the extra mile simply because the

resource needs to be spread to make sure that all the homes meet that basic standard.

[139] **Mr K. Edwards:** I think it is a real danger. You are absolutely right. However, the more far-sighted authorities see the opportunity—just in terms of the £3 billion or so, or what have you, that has been mobilised to date for the Welsh housing quality standard. Every year we carry out a survey through the i2i project on the jobs and training opportunities that that has created, and the impact that has had on the local economy has been phenomenal—a huge success story. So, you would hope that we could work together with local authorities, rolling out that sort of approach. CIH is certainly prepared to do that with the organisations concerned.

[140] The problem of wind and weather proofing probably more applies to local authorities that, until recently, did not have business plans that were deliverable, if you like. There is a lot of work that has been going on behind the scenes with local authorities to make sure that that happens now.

[141] **Christine Chapman:** Mark is next on this part.

[142] **Mark Isherwood:** Specifically on that point, do you have any concerns, or what are your views, about the fact that the sums involved with those business plans, particularly for the three authorities that were seen as being at highest risk, are significantly lower than the budgets that the original proposed transfer associations had stated would be required, and that corners might be being cut that would not be permitted for a transfer association?

[143] **Mr K. Edwards:** We have no direct evidence of that, but, obviously, if there was evidence, we would be concerned about that. The process should be that any business plan should be based on a robust stock condition survey and an understanding of the investment needs to reach the standard. That is a judgment that I think Welsh Government has to make, and generally does make. I have had no evidence, personally, of whether that has not been the case to date, but it needs to be kept under careful scrutiny.

[144] **Christine Chapman:** We are going to move on now to Part 5, housing finance, and the lead Member for this section is Gwyn Price.

[145] **Gwyn R. Price:** Good morning. On housing finance, could you expand on your views of the proposal to exit the housing revenue account subsidy system and the potential for local authorities to start building new homes as a result of these changes?

[146] **Mr K. Edwards:** Yes, CIH—not myself, but colleagues of mine—has worked with the Welsh Government on this. It is long overdue, and it undoes what a lot of people feel was an unjust system of subsidy anyway. We have made significant progress, although obviously the detail is yet to be finalised. The key issue for us is that, if local authorities are freed from the system and then are able to borrow again, they have two clear opportunities. It will depend on the position of the individual local authorities. So, for example, in the case of a local authority that has yet to achieve the Welsh housing quality standard, we would be very keen to ensure that the resources were put into that to bring the properties up to a reasonable standard. However, there is no doubt that a number of authorities will be in the position of having retained their stock and achieved the standard where an additional opportunity to borrow to build will come into play. We wholeheartedly endorse that. We think that supply cannot be addressed by one sector alone. We know the Minister is on record about talking in terms of a national council house building scheme. It may start more risky, but we would be very in favour of councils building again, and building to the highest quality, as they did in the post-war years in particular.

[147] **Christine Chapman:** Peter, did you have a supplementary?

[148] **Peter Black:** Yes. The Minister has estimated that the borrowing headroom as a result of removing the housing revenue account subsidy is £471 million, or thereabouts, which local authorities have. You just referred to a figure of £3 billion for the housing revenue account, which I think is most probably out of date because of stock transfer since then.

[149] **Mr K. Edwards:** Yes.

[150] **Peter Black:** Is that £471 million enough to make a huge difference in terms of meeting the Welsh housing quality standard?

[151] **Mr K. Edwards:** It will make a difference. How significant a difference, time will tell. Of course, it may well be that local authorities going forward might look at other options of using resources to build. For example, Carmarthenshire, in advance of any changes to the system—do not quote me on the figures—built a small number of bungalows in the current year without accessing it. So, there is a bit of psychology with this as well. If companies get used to building again, they might not necessarily just rely on the money that is available through the reform of the HRAS.

[152] The more fundamental point for us is that if we are going to crack the supply issue, which underlines a lot of the concerns that the committee has expressed to date, the days of us doing it through direct Government funding, through the social housing grant to housing associations, are over as the only solution in town, if you like. We have to look at that as part of the solution. The housing association sector is looking at innovative funding models; we have to look at intermediate rent, we have to look at bringing empty properties back into use and we have to look at improving standards in the private rented sector. As part of that, we have to look at things like co-op housing and local authorities—however modestly when starting off—to build numbers again.

[153] **Peter Black:** The housing revenue account subsidy system also forms part of a system that helps to regulate local authority rents, and the Government uses that system to keep rents at a particular level. Once that has been taken away by this Bill, what system would you favour to ensure that local authority rents are kept within reasonable levels?

[154] **Mr K. Edwards:** The general principle for us—and this underpins not just rents, but things like tenants' rights—is that we want to see as close a harmonisation as possible between the housing association sector and the local authority sector. There is quite a lot of work going on at the moment with regard to rent within the RSL sector. We think that it is incumbent on Government to engage with local authorities and RSLs to work towards that harmonisation. We would not be prescriptive at this stage, but we think that it needs to be on the basis that rents are fair, that tenants know the rents that they are expected to pay, that they are affordable and that local authorities and housing associations can manage it within their business plans.

[155] **Peter Black:** Of course, Welsh Government has been prescriptive in terms of both RSL rents and council housing rents. So, once you take those barriers away, what is to stop local authorities from just shooting rents up?

[156] **Mr K. Edwards:** Again, we have to look at the whole issue of regulation across sectors. We have to recognise the limits of the Bill. It looks a bit like a hybrid Bill in some senses because there are lots of different parts, but I think that it is better than that; it is more joined up than you might at first assume. For me, the Bill is the start of a process that has to address the issues. I am not legally qualified; I could not comment on what provisions need to be in there to make sure that that was achieved.

[157] **Mark Isherwood:** The debt levels that will be inherited by each local authority as a condition of exiting HRAS will limit the ceiling on the borrowing that they are allowed to carry out. However, to what extent do you believe that the focus for the local authority, when it does have access to some additional resource, should be on maximising the supply of quality social housing, rather than simply looking at options for them to be a landlord themselves?

[158] **Mr K. Edwards:** Ownership is not the critical issue for the CIH. The issue is that we build enough homes to meet need, and we are obviously very far short of that. However, there has almost been a bias against local authorities being able to build for the last 15 or 20 years or so. We would like to see local authorities being a partner at our table. We would not want to see the cessation of arrangements with RSLs in partnership locally on the social housing grant, and there may well be circumstances where local authorities will decide that they want to build in partnership with housing associations, perhaps with different arrangements—perhaps retaining ownership of the stock and perhaps the management being done by the RSL. There are all sorts of permutations. However, we would not get hung up with ownership; the key thing is to increase supply, and we see local councils having a key role in that going forward.

[159] **Christine Chapman:** We have Part 6 through to Part 8 to finish. We have a quarter of an hour. I am going to move on now to Part 6, co-operative housing, and I am going to ask Janet Finch-Saunders to come in.

[160] **Janet Finch-Saunders:** The Welsh Government has funded research into the potential demand for co-operative housing in Wales. In fact, you have carried out some of that research. You have come to the conclusion that,

[161] ‘supporting co-operative housing will strengthen tenure choice in Wales, help to raise standards and increase community involvement and cohesion’.

[162] Do you see that as riding alongside the private sector, or is this more of a move towards larger housing associations at the expense of the private rented sector?

10:15

[163] **Mr K. Edwards:** Again, I think that it is an interesting point. If I am honest, the research surprised us in a way. We were asked to conduct the research and we were not sure what support there would be, but we found that there was considerable support in the three areas of Newport, Cardiff and Carmarthenshire, with the local authority, for a new form of ownership and control. This is not entirely new, obviously; there are examples going back decades. We think that that can be part of our overall approach to solving the problem of undersupply. We were very pleased when the Minister announced funding for the three pilot projects that have been identified so far. We do not see it as being in competition with private development. Ideally, we are interested in the issue of ownership and controls. We would want the organisations to be genuinely locally owned and controlled, to be mutual co-operatives, even if that means that they have a relationship with the parent organisation.

[164] **Janet Finch-Saunders:** Okay. Of course, sections 120 and 121 of the Bill propose making two technical changes that will facilitate the development of co-operative housing. Do you feel that the Bill goes far enough in addressing the main obstacles to the development of housing co-operatives in Wales?

[165] **Mr K. Edwards:** Again, the Bill can only do so much. My understanding is that this was introduced at a fairly late stage because of the technical problems, particularly those

around reassuring lenders, so that the model would work in practice. That seems to be an eminently sensible way of proceeding. Of course, we have the renting homes Bill in the pipeline as well and I think that that will probably have a lot more to say on things like co-operative tenure and the models that might apply across that sector.

[166] **Christine Chapman:** Do you want to move on to Part 7, Janet?

[167] **Janet Finch-Saunders:** Yes, of course. You would support the proposal and would support a similar levy, where it is talking about seeking 150% of the applicable charge for the property. Why is that?

[168] **Mr K. Edwards:** Our starting point—and I think that other people have said this in their evidence—is that the problem of empty properties is a consistently difficult one for local authorities and for individual communities across Wales. In fairness, we have seen considerable progress through the Houses into Homes initiative and through a number of schemes that, for example, United Welsh Housing Association operates in terms of bringing empty properties back into use. However, progress is not as fast as we would like it to be and we think that there is a role for looking further at the range of interventions that Government and others could put into place to bring properties back into use. We think that the discretion to introduce higher rates of council tax could be useful too locally.

[169] **Janet Finch-Saunders:** What about the issues that could potentially face the accidental new owner of a property, be it through bereavement, inheritance or for whatever reason? They could end up having an asset that is not an asset on which they cannot readily afford to pay 150% of the council tax due.

[170] **Mr K. Edwards:** We did a report with Shelter about three or four years ago that identified a lot of examples of good practice of bringing empty properties back into use—a lot of them drawn from England and some from Wales. If there was one message that came out of that, it was that any attempt to bring empty properties back into use has to have a range of carrots and sticks, and you have to do it sensitively in relation to the individual householder concerned. We would hope that any provisions in this Bill would be seen in that general context of needing to engage sensitively and sympathetically with people, depending on their local circumstances.

[171] **Janet Finch-Saunders:** Do you feel that 150% is enough, or would you like to see a higher figure?

[172] **Mr K. Edwards:** We think that there is an argument for saying that it could be higher. We quite like the idea that it is up to the discretion of the local authority. That does not necessarily mean that it has to be any higher, but we think that there might be specific local reasons why you would want to intervene if there was a particular problem.

[173] **Janet Finch-Saunders:** Finally, while the Minister has always set a target for bringing empty houses back into use, individual authorities have never really been challenged by being given set targets. Do you think that that is a good or bad thing?

[174] **Mr K. Edwards:** What has been really good about the Houses into Homes initiative is that it looks at things from a slightly different end in terms of the pot of money that is available, and that has led to, if not targets, then a significant increase in the number of empty properties that have been brought back into use. Due to the fact that it is a recyclable loan fund, some of that money is already coming back in and it can be topped up and used to bring homes back into use. I do not see anything wrong with targets in one sense, except that our understanding of where the empty properties are is not complete and you will see various figures bandied about.

[175] **Janet Finch-Saunders:** I will just ask a tiny question on the back of that. It is fair to say that there is a broad inconsistency across Wales: some authorities are really good about bringing their empty stock back and some have not even begun to think about it. Do you think that it is feasible for local authorities to keep a register of all empty properties?

[176] **Mr K. Edwards:** It is probably not, in the sense that it is a very dynamic situation, and obviously it is about at what point something becomes empty—we define it as being over six months—in terms of when the clock starts ticking and how you start monitoring that. It seems to me that you would not want to go down too bureaucratic a road to do that—

[177] **Janet Finch-Saunders:** Sorry, I should have said ‘long-term empty properties’.

[178] **Mr K. Edwards:** Yes, I think that there is a very strong case for robust local evidence through the strategic housing role of the local authority.

[179] **Christine Chapman:** Before you move on to Part 8, Janet, I know that Peter has a supplementary question on Part 7.

[180] **Peter Black:** I am very much in favour of local authorities having discretion in terms of this particular stick because, in every local authority, there is going to be a whole range of different circumstances around empty properties. Some will be empty for a couple of years, but there is one near where I live that has been empty for 20 or 30 years, for example. The Minister has said that he is willing to look at a staircasing provision in terms of council tax, so the longer the property is empty, the more the local authority could increase the council tax to really provide that stick. Would you be in favour of such a measure?

[181] **Mr K. Edwards:** I would say that it is worth looking at. We do not have a definitive view on it, but, in a way, you have to balance the sophistication of the tool with the need to make sure that it is consistently applied as well.

[182] **Christine Chapman:** Thanks. Janet, do you want to move on to Part 8?

[183] **Janet Finch-Saunders:** Yes. Section 123 and Part 5 of Schedule 3 rectify a few minor defects in the Mobile Homes (Wales) Act 2013, which came to light as the Act was being prepared for publication. They include, for example, the removal of definitions no longer required as a result of changes made during the Bill’s passage. Do you have comments on the amendments to the Mobile Homes (Wales) Act 2013? [*Laughter.*] Sorry, Peter.

[184] **Mr K. Edwards:** Not really, but I am going to sneak one thing in, though. At the last committee session that I attended, we prematurely thanked Peter and congratulated him on the passage of the Bill as it was the first opportunity in public that we had to do that. We think that it is a hugely significant piece of legislation and I know that the former Minister also had that high on her political radar in terms of things that needed to be addressed.

[185] **Christine Chapman:** Okay. If there are no other questions from Members, I want to ask both Keith and Anne whether there are any other things that they would like to say regarding this Bill. Do you have any other comments?

[186] **Mr K. Edwards:** I will just reinforce the point from my point of view, and I am sure that Anne will want to come in as well, that legislation is not going to solve everything, but we think that this is a good step forward. The devil will be in the detail and it is absolutely proper that the scrutiny process irons out some of the glitches and what have you. One quick plug—I am not sure if I am abusing my position—

[187] **Christine Chapman:** We will allow it.

[188] **Mr K. Edwards:** The ‘Welsh Housing Quarterly’ that has just been published focuses on the Bill and contains a range of issues. You should get this free as Assembly Members anyway. We are pleased that three members of this committee, who are the opposition parties’ spokespeople for housing, have all given their comments on the Bill and generally welcome it, while obviously having some concerns about the detail. We think that is an excellent start and a good spirit in which to commence further scrutiny.

[189] **Christine Chapman:** Okay. Thank you for those comments. I thank you both for attending; it has been a very good session. We will send you a transcript of the meeting so that you can check it for factual accuracy, but thank you again for attending. We are going to take a break now. We are running a little early, so I suggest that we come back by 10.40 a.m. when we hope that the next lot of witnesses will be in.

*Gohiriwyd y cyfarfod rhwng 10:24 a 10:41.
The meeting adjourned between 10:24 and 10:41.*

**Bil Tai (Cymru): Cyfnod 1—Sesiwn Dystiolaeth 3:
Cymdeithas Llywodraeth Leol Cymru
Housing (Wales) Bill: Stage 1—Evidence Session 3:
Welsh Local Government Association**

[190] **Christine Chapman:** We will start back now. This will be the third evidence session to inform our scrutiny of the Housing (Wales) Bill. I wish to thank our witnesses who are attending this morning. I welcome Councillor Dyfed Edwards, who is the spokesperson on housing for the Welsh Local Government Association, as well as being the leader of Gwynedd Council. I also welcome Naomi Alleyne, who is the director of social services and housing at the Welsh Local Government Association, and Sue Finch, who is the housing policy officer for the Welsh Local Government Association.

[191] First of all, may I thank you for the paper that you have sent? Members will have read that paper. We will go straight into questions. The Bill is in eight parts, and we are going to take it section by section. I wish to start off with Part 1, which is on the private rented sector. Why does the WLGA support a registration and licensing scheme? Could you also say something about the potential benefits of such a scheme?

[192] **Mr D. Edwards:** Byddaf yn ceisio ateb eich cwestiynau ac yna yn troi at fy nghydweithwyr i ychwanegu unrhyw faterion, yn arbennig materion technegol iawn, os yw hynny’n iawn gyda chi.

Mr D. Edwards: I will try to answer your questions and I will then turn to my colleagues to add any issues, particularly technical issues, if that is okay with you.

[193] O ran y cynllun trwyddedu, yn y trafodaethau gyda’r Gweinidog a’r swyddogion—ac, yn wir, yn ein tystiolaeth ni—yr ydym wedi croesawu’r datblygiad hwn am nifer o resymau, ond yn bennaf oherwydd pwysigrwydd y sector preifat bellach o ran cynnig cartrefi i bobl mewn angen. Rydym ni i gyd yn ymwybodol o’r pwysau ychwanegol sydd ar awdurdodau i gyflenwi tai ar gyfer pobl mewn angen, ac mae’r sector preifat yn allweddol bwysig.

In terms of the licensing scheme, in the discussions with the Minister and officials—and, indeed, in our evidence—we have welcomed this development for several reasons, mainly because of the importance of the private sector now in terms of offering homes for people who are in need. We will all be aware of the additional pressure on authorities to supply homes for people who are in need, and the private sector is vital. We have developments, in the field of social

Mae gennym ddatblygiadau ym maes tai cymdeithasol, onid oes? Mae gennym safonau tai, ac mae gennym gymdeithasau tai bellach, sydd yn rhai blaengar iawn. Fodd bynnag, y sector sydd ar ôl yw'r sector preifat.

housing, do we not? We have housing standards, and we now have housing associations, which are very progressive ones. However, the sector that is left is the private sector.

[194] Os ydw i'n iawn, rwy'n credu bod tua chwarter o'r rhentu gan denantiaid bellach yn digwydd yn y sector preifat. Felly, mae'n dod yn sector cynyddol bwysig. Os ydym am sicrhau safon—a chysondeb safon—ar draws pob sector, mae'r rhan hon yn y Bil, sy'n sôn am gofrestru, yn ein cynorthwyo i gyrraedd y nod hwnnw. Ar hyn o bryd, gallwch gerdded i mewn i unrhyw awdurdod, neu gyngor, a gofyn pwy yw'r landlordiaid, ond ni fydd unrhyw un yn gallu dweud wrthyh; at ei gilydd, nid oes gennym ddogfen swyddogol sy'n nodi pob landlord. Fel y byddwn ni i gyd yn gwybod, mae rhai landlordiaid ardderchog, a rhai nad ydynt cystal. Y rhai y mae angen i ni eu cyrraedd yw'r rhai nad ydynt cystal. Y rheini yw'r rhai, gobeithio, y gallwn eu clymu i mewn i'r polisi hwn yn y ddeddfwriaeth, a dyna pam rydym yn gefnogol ohono.

If I am correct, I think that something like a quarter of rentals by tenants now happens in the private sector. Therefore, it is becoming an increasingly important sector. If we are to ensure a standard—and a consistency of standard—across all sectors, then this part of the Bill, which talks about registration, assists us to reach that aim. At present, you can walk into any authority, or council, and ask who the landlords are, and no-one will be able to tell you; all in all, we do not have an official document that lists every landlord. As we all know, some landlords are excellent, and some are not so good. The ones that we want to reach are the ones who are not so good. Those are the ones, hopefully, whom we can tie into this policy under the legislation, and that is why we support it.

10:45

[195] **Christine Chapman:** Councillor Edwards, you obviously welcome the Bill, but do you believe that the landlords who evade the current regulatory requirements will register under the new scheme, and do you think that the Bill should be amended to address this issue?

[196] **Mr D. Edwards:** A yw landlord nad ydyw'n cydymffurfio yn mynd i gnocio ar y drws i ofyn am gofrestru? Na, mae'n debyg. Ond, onid dyna yw holl ddiben cofrestru—bydd grymoedd bellach gan y tenant, a fydd yn ymwybodol bod yn rhaid i'r landlord gofrestru, a chan gymunedau ac awdurdodau lleol i fynd ar ôl landlordiaid a sicrhau eu bod nhw'n cofrestru. Os nad ydynt yn cofrestru, ni fydd modd i'r awdurdod gyfeirio tenantiaid atynt. Dyna holl bwrpas y peth, hyd y gwn i, a dyna pam rydym yn ei groesawu.

Mr D. Edwards: If a landlord does not comply, are they going to knock on the door to ask to register? No, probably not. However, is that not the point of registration—tenants will now have powers and will be aware that landlords have to register, as do communities and local authorities to pursue landlords and ensure that they register. If they do not register, then it will not be possible for the authority to refer tenants to them. That is the whole purpose of this, as far as I am aware, and that is why we welcome this.

[197] **Christine Chapman:** Peter, did you want to come in on this?

[198] **Peter Black:** In terms of enforcing this legislation, the Minister has indicated that he is looking to the fees from registration to carry out the enforcement, but there are legal precedents that say that you cannot use those fees to enforce against those who are not registered. The Minister says that you should rely on the proceeds from court costs and fines

et cetera to do that. Are local authorities confident that they have the resources to finance enforcement against those who have not registered, and are you looking to the Welsh Government to give you additional resources for that?

[199] **Mr D. Edwards:** Yn gyffredinol, o ran mater adnoddau, dyna lle mae'r drafodaeth bwysicaf wedi bod. Gydag unrhyw ddeddfwriaeth newydd, pan fyddwch yn cyflwyno dyletswyddau newydd i unrhyw un, rwy'n credu bod tipyn o nerfusrwydd o gwmpas adnoddau, oherwydd ei fod yn faes newydd. Mae hynny'n wir i ddweud ac mae'r Gweinidog wedi cydnabod hynny'n deg iawn. Mae'r gwaith mae Llywodraeth Cymru a'r Gweinidog wedi ei wneud ar yr effaith yn ymdrin â'r pwynt bod digonedd o arian yn y system. Rydych chi'n iawn i nodi'r mater cyfreithiol gyda chynghor Westminster, er enghraifft, a'r her a gafwyd, a oedd yn golygu nad oedd yn bosibl dyrannu'r adnoddau hynny wrth ennill costau.

Mr D. Edwards: Generally, on the resources issue, that is where the most important discussion has been. With any new legislation, when you introduce new duties to anyone, there is some nervousness about resources, because it is a new area. That much is true, and the Minister has acknowledged that very fairly. The work that the Welsh Government and the Minister have done on the impact addresses the point that there is plenty of money in the system. You are right to note the legal issues with Westminster council, for example, and the challenge that took place, which meant that it was not possible to allocate those resources in winning costs.

[200] Ein dealltwriaeth ni yw bod swyddogion y Gweinidog yn parhau i drafod y pwynt hwnnw, a chawn weld beth a ddaw. Nid yw'n gwbl eglur eto a oes modd gweithredu mewn ffordd sy'n ymateb i'r sefyllfa honno a'n bod yn gallu defnyddio'r adnoddau sydd ar gael. Felly, mae'r drafodaeth honno'n parhau. Nid wyf yn siŵr a oes rhywbeth i'w ychwanegu at hynny.

Our understanding is that the Minister's officials continue to discuss that point, and we will see what will come of that. It is not entirely clear whether it will be possible to act in a way that responds to this situation and that we can use the resources that are available. So, that discussion is ongoing. I am not sure whether there is anything to add to that.

[201] **Ms Finch:** Perhaps I could clarify a technical matter. As you will no doubt be aware, local authorities have powers at the moment to license houses in multiple occupation, and, in that instance, the legal arrangements allow local authorities to use the licence fee to carry out enforcement. We have had discussions with Welsh Government officials about this, and that opportunity to use that device in the context of landlord registration is now being explored, which we welcome.

[202] **Peter Black:** Can they use that money to enforce against licensed landlords, but not to force people who have not been licensed?

[203] **Ms Finch:** We understand that the HMO licence arrangements allow, despite the Westminster v. Hemming judgment, by the way in which they are drafted, the use of the licence fee to enforce. So, that is an opportunity to explore.

[204] **Leighton Andrews:** I will start with a declaration of interest in that my wife co-owns a property that is rented out in Councillor Edwards's ward. [*Laughter.*]

[205] May I ask about the registration of letting agents and whether you think that that should be the priority as a result of the legislation, rather than the registration of individual landlords?

[206] **Mr D. Edwards:** Rwy'n meddwl bod hwnnw'n bwynt diddorol iawn sy'n **Mr D. Edwards:** I think that that is a very interesting point that deserves attention. I

haeddu sylw. Rwy'n credu mai nod y rhan hon o'r Bil yw sicrhau safonau, felly, fe ddylid ystyried bod pob rhan o'r sector yn gorfod ymateb. Os nad ydych chi'n cynnwys pawb, rydych chi'n methu. Mae trafodaeth y gellid ei chael am hynny, yn arbennig os oes unigolion ag eiddo nad ydynt efallai am osod y tŷ eu hunain bellach ac yn mynd trwy asiantaeth. Efallai y bydd nifer cynyddol o dai yn cael eu cyfeirio at asiantaethau. Mater i'r Gweinidog ydy hynny. Mae ein sefyllfa ni yn glir o ran yr hyn yr ydym wedi ei gyflwyno fel tystiolaeth. Byddem yn croesawu parhau â'r berthynas adeiladol gydag asiantaethau, fel sydd gan awdurdodau lleol at ei gilydd ar hyn o bryd.

think that the aim of this part of the Bill is to ensure standards, so, one should consider that every part of the sector has to respond. If you do not address everyone, you fail. There is a discussion to be had on that, particularly if there are individuals who have property and who no longer want to let that property themselves but decide to go through an agency. Perhaps an increasing number of houses will be referred to agencies. That is an issue for the Minister. Our position is clear in terms of what we have presented as evidence. We would welcome continuing with the constructive relationship with agencies, as local authorities generally have at present.

[207] **Leighton Andrews:** Do you think that there should be different categories of registration for different categories of landlord?

[208] **Mr D. Edwards:** Categorïau o ran niferoedd—

Mr D. Edwards: Categories in terms of numbers—

[209] **Leighton Andrews:** People who are pursuing renting as a mainstream business rather than renting to family members, for example.

[210] **Mr D. Edwards:** Mae hwnnw eto'n bwynt sydd wedi codi yn ein trafodaethau ac sydd yn deg iawn. Mae nifer o bobl, efallai, yn ffeindio eu bod yn etifeddu tŷ, er enghraifft, ac yn awyddus i'w gynnig yn lleol i bobl ac yn y blaen. Mae hynny'n digwydd ar hyn o bryd, fel rydym i gyd yn ymwybodol. Yr hyn yr ydym ni wedi ei ddweud yw y byddwn yn croesawu'r hyn sydd yn y Bil ar hyn o bryd oherwydd ei fod yn holl gynhwysfawr. Y perig ydy, os ydych chi'n dechrau creu categorïau, y bydd rhai landlordiaid sydd yn greadigol iawn yn defnyddio categorïau gwahanol er mwyn osgoi eu cyfrifoldebau. Ar ddiwedd y dydd, yr hyn yr ydym yn ceisio ei wneud ydy sicrhau safon ar gyfer tenantiaid, ac mae cyfrifoldeb ar bwy bynnag sydd yn landlord, boed yn unigolyn gydag un tŷ neu yn gwmni gyda 100 o dai, i sicrhau safonau ar gyfer tenantiaid.

Mr D. Edwards: That is again a point that has arisen in our discussions and it is a very fair point. A number of people, perhaps, find that they inherit a house, for example, and are eager to let it locally to people and so forth. That happens at present, as we are all aware. What we have said is that we welcome what is in the Bill at present because it is all-encompassing. The danger is that, if you start to create categories, some landlords who are very creative will use different categories in order to shirk their responsibilities. At the end of the day, what we are trying to do is to ensure standards for tenants, and there is a responsibility for anybody who is a landlord, whether it is an individual with one house or a company with 100 houses, to ensure standards for their tenants.

[211] Mae dod yn landlord yn benderfyniad bwriadol, onid ydyw? Nid yw'n digwydd yn ddamweiniol. Felly, wrth ddod yn landlord, rwy'n meddwl bod angen i bobl sylweddoli beth ydy eu dyletswyddau. Mewn byd perffaith, byddai hynny'n digwydd yn naturiol heb unrhyw ddeddf, ond, yn

Becoming a landlord is an intentional decision, is it not? It does not happen by accident. Therefore, by becoming a landlord, I think that people need to realise what their duties are. In a perfect world, that would happen naturally without any legislation, but, unfortunately, we do not live in a perfect

anffodus, nid ydym yn byw mewn byd world.
perffaith.

[212] **Jocelyn Davies:** A local authority processes housing benefit claims for rent, so you have a list of certain rented properties. Would you be able to use that list in order to identify at least where some of the rented properties are, or, because you have collected that information for one purpose, is it the case that you cannot use it for another? Perhaps you could let us have a note on that, if you do not know, but I had wondered about that.

[213] **Ms Finch:** Yes, certainly.

[214] **Jocelyn Davies:** Taking on board what you said just now, is there any evidence that landlords with just one property are problems?

[215] **Mr D. Edwards:** Mae'r gwaith sydd wedi digwydd ar y sector yn Lloegr yn awgrymu bod tua 70% o'r tai sy'n cael eu gosod yn y categori 'landlord sydd gydag un neu ddau o dai'. Felly, mae'r gwaith sydd wedi digwydd yn Lloegr yn awgrymu mai dyna'r sector mwyaf problemus, oherwydd nad yw'r landlordiaid hyn yn trefnu eu hunain nac yn gweithio fel busnes, ac rydym yn credu bod y sefyllfa yn debyg yng Nghymru. Rwy'n siŵr bod gan bawb sydd yma heddiw adroddiadau lleol o sefyllfaoedd gyda thai sy'n cael eu gosod.

Mr D. Edwards: The work that has happened on this sector in England suggests that about 70% of the houses that are let fall into the category of 'a landlord with one or two properties'. Therefore, the work that has been done in England suggests that that is the most problematic sector, because these landlords do not organise themselves or work as businesses, and we believe that the situation is similar in Wales. I am sure that everyone who is here today has local reports of situations with houses that have been let.

[216] **Jocelyn Davies:** My image of a rogue landlord is probably somebody with more than one property, but if you have evidence to the contrary, we would welcome seeing that.

[217] Earlier on—I do not know whether you were able to see the session that we had with the Chartered Institute of Housing Cymru—

[218] **Mr D. Edwards:** Na.

Mr D. Edwards: No.

[219] **Jocelyn Davies:** Its representatives said that enforcement would probably be one of the greatest challenges. Do you think that the Bill gives local authorities enough powers of enforcement? I know that we have just had a discussion about the financing of it, but if we can park that to one side for the moment, are there enough enforcement powers and do you think that local authorities will use their enforcement powers, because it seems to me that if we bring in a Bill that says 'This is what will happen', how do we know that it will be applied consistently across local authorities?

[220] **Mr D. Edwards:** Gwnaf droi at fy nghydweithwyr mewn munud. Mae hawliau gan awdurdodau lleol ar hyn o bryd yn y maes hwn, ac mae cynghorau yn defnyddio'r hawliau hynny. Rwy'n credu bod y rhan hon yn dibynnu ar berthynas nad yw'n bodoli ar hyn o bryd rhwng y landlord a'r awdurdod lleol. Wrth gofrestru, bydd y berthynas honno felly yn dod i fodolaeth. Rwy'n credu mai dyna lle mae'r pwyslais. Rwy'n meddwl eich bod yn iawn i ddweud nad oes hawliau

Mr D. Edwards: I will turn to my colleagues in a moment. Local authorities have rights at present in this field, and councils use those rights. I believe that this part depends on a relationship that does not exist at present between the landlord and the local authority. In registering, that relationship will therefore come into existence. I believe that that is where the emphasis is. I think that you are right to say that there are no rights over enforcement per se, but rather that the

gorfodaeth fel y cyfryw, ond yn hytrach fod y berthynas honno nad oedd yn bodoli gynt, bellach, gobeithio, yn mynd i ddigwydd. Byddai hynny'n fodd o sicrhau bod modd dylanwadu ar landlordiaid a defnyddio'r grymoedd lle maent yn bod eisoes. Nid wyf yn gwybod a yw fy nghydweithwyr am ychwanegu rhywbeth.

relationship that does not already exist hopefully will happen. That will ensure that there is a means of influencing landlords and using the powers where they already exist. I do not know if my colleagues have anything to add.

[221] **Ms Finch:** Perhaps I could pick up there. We have reservations about the proposed rent stopping orders, as we have outlined in our evidence. We are concerned that they place the tenant in a very vulnerable position, because a tenant is expected to cease paying rent once a local authority issues a rent stopping order. If we are talking about landlords who do not understand the law or who are deliberately flouting the law, it is unlikely that they will be very receptive to tenants saying 'I've been told to stop paying my rent'. Therefore, we feel that that would put tenants at risk of retaliatory eviction or intimidation.

[222] Evidence from Scotland, where a similar arrangement exists, suggests that enforcing through that mechanism is very difficult, because there is no way in which you can monitor whether tenants are no longer paying their rent. So, what we have suggested is that perhaps a different approach could be used, one that is similar to that used in HMO licensing, whereby the landlord no longer is able to serve an eviction notice if they are not licensed. In other words, they have to put their registration number on their application for eviction. We feel that that would be a more effective way of enforcing it.

[223] The HMO licensing arrangements also have provision for a rent payment stop order that is introduced following that court action against a landlord. We feel that that places the tenant in a less vulnerable position.

[224] **Jocelyn Davies:** So, you would like to take the tenant out of having to take action. I know that—

[225] **Christine Chapman:** Before you come in, I know that Naomi wanted to answer as well.

[226] **Ms Alleyne:** We have also said that we think that there needs to be lead-in time. It is not just about the enforcement; it is about the positive promotion of the scheme, and encouraging landlords to sign up, to reduce the enforcement on that side. It also allows us to understand the scale of the issue, because we do not have a clear idea at the moment as to how many private landlords there are; it is estimated that there are between 70,000 and 130,000. So, if we can get more landlords signed up voluntarily, hopefully there will be less required around the enforcement.

[227] **Jocelyn Davies:** I know that Members have questions on homelessness, but perhaps I could ask about the discharge of the duty into the private rented sector. You mentioned earlier that some private sector landlords are excellent, and I think that you said that some are not quite so good. Once all the landlords are registered that you can get registered, do you think that all those that will be on the register will be suitable for the discharge of duty into the private rented sector, bearing in mind that you said earlier that some were excellent and some not so good?

[228] **Mr D. Edwards:** Mae'n debyg y bydd amrywiaeth yn parhau. Ni fydd problemau yn cael eu datrys dros nos—nid wyf yn credu y byddwn yn deffro ar fore

Mr D. Edwards: It is likely that the variation will continue. Problems will not be resolved overnight—I do not think that we will wake up on Monday morning having implemented

Llun wedi gweithredu'r Bil a, mwyaf sydyn, bydd safonau pob un landlord yn ardderchog. Mae'n mynd i ddigwydd dros gyfnod. Bydd y landlordiaid sydd wedi cofrestru yn gynnar yn y broses yn dod o dan oruchwyliaeth awdurdodau lleol, a bydd awdurdodau yn cyfeirio darpar denatiaid at y landlordiaid mwyaf addas. Yr hyn sy'n bwysig i'w gydnabod yw bod y sector yn dod yn fwyfwy pwysig. Mae awdurdodau lleol o dan bwysau aruthrol o ran digartrefedd a chartrefu pobl, nid yn unig oherwydd y sefyllfa economaidd ond hefyd oherwydd y newidiadau lles. Rhowch y cyfan at ei gilydd ac mae gennych storm berffaith—mae sawl un yn ei ddisgrifio felly.

11:00

[229] **Ms Finch:** I think that it is important to recognise that the proposed licensing scheme will not regulate standards in any way. All it does is to seek to improve the quality of management of the housing stock. Therefore, I do not think that it is necessarily the case that local authorities should be discharging just because someone is registered, because there is no guarantee that the standard of that accommodation would be appropriate.

[230] **Christine Chapman:** Mark, did you have a supplementary question?

[231] **Mark Isherwood:** Landlord registration is about the process, but enforcement is about the outcome. We know that local authorities already have extensive intervention and enforcement powers under the Housing Act 2004 and otherwise, but generally, even when pockets of high need have been identified, local authorities have been very loath to use those powers. Only a tiny percentage of landlords identified as owning unfit properties have had action taken against them under the housing health and safety rating system by local authorities. Why would creating a register change the actions of councils as landlords in taking action under the powers that they already have, and which the Minister, at this stage, is not proposing to change?

[232] **Mr D. Edwards:** Rwy'n credu bod hwnnw'n gwestiwn teg. Dof yn ôl at y peth sylfaenol, sef nad oes perthynas ffurfiol rhwng landlordiaid yn y sector preifat a'r awdurdodau lleol ar hyn o bryd. Bydd y cynllun cofrestru hwn yn creu'r berthynas honno, gobeithio. Mae'n wir i ddweud y bydd wedyn yn dibynnu ar adeiladu'r berthynas a'r ewylllys o'r ddwy ochr i sicrhau ein bod yn gwella'r cynnig a'r ddarpariaeth sydd ar gael. Nid yw'n ymwneud â gorfodaeth—rydych chi'n hollol iawn i nodi hynny. Mae'n gynllun syml na fydd yn costio llawer i landlordiaid—rhywbeth fel 33c yr wythnos. Mae'n fy nharo i fel rhywbeth sydd ond yn mynd i wella'r sefyllfa. Ni fydd yn ateb pob cwestiwn, wrth gwrs, ond o leiaf mae'n creu rhyw sail i gael perthynas dda a

the Bill and, suddenly, the standards of every landlord will be excellent. It will unfold over a period of time. The landlords who register early in the process will come under local authority supervision, and authorities will refer prospective tenants to the most appropriate landlords. What is important to recognise is that the sector is becoming increasingly important. Local authorities are under great pressure in terms of homelessness and housing people, not only because of the economic situation but also because of welfare changes. Put everything together and you have the perfect storm—many people have described it as such.

Mr D. Edwards: I think that that is a fair question. I come back to the fundamental point, that there is no formal relationship between landlords in the private sector and local authorities at this time. This registration scheme will create that relationship, we hope. It is true to say that it will then depend on building the relationship and the goodwill between the two sides to ensure that we improve the available provision. It is not about compulsion—you are quite right to note that. It is a simple scheme that will not be expensive for landlords—something like 33p a week. It strikes me as something that can only improve the situation. This will not answer every question, of course, but at least it creates the foundation for a good, purposeful relationship between the local

phwrpasol rhwng yr awdurdod lleol a authority and landlords in the private sector. landlordiaid yn y sector preifat.

[233] **Christine Chapman:** Peter, did you want to ask a supplementary question before we move on?

[234] **Peter Black:** I refer to the comment that Sue Finch made in relation to standards. Section 28 says that the Welsh Ministers may issue a code of practice setting standards relating to managing rental properties. My understanding was that that also related to the condition of rental properties. When we questioned the Minister on this, we talked about various things like electrical and health and safety issues et cetera. We got the impression that that would be part of that code of practice.

[235] **Ms Finch:** You may be correct, but my understanding from talking to officials is that, essentially, it is focused on the quality of the management of a property. That might well include having certificates for gas safety, for instance, which is part of good management of rented properties. Our understanding is that it will not require visits by authorities to inspect the property and to take action automatically once a landlord becomes registered. That was an approach that was used in Scotland and the whole system ground to a halt, because of a lack of resources to inspect every property. Our understanding is that that approach is not being used in Wales and that there will not be any automatic consideration of standards, although there will be a fitness to manage test as part of that code of practice.

[236] **Peter Black:** In relation to electrical safety standards, we received a letter today from the Minister in which he talks about housing health and safety rating systems being part of that code of practice. So we will be looking for that. Do local authorities have the capacity to enforce those kinds of requirements on 70,000 to 130,000 properties?

[237] **Ms Finch:** I think that it would be challenging for authorities to visit that number of properties within a reasonable period of time. If the legislation were brought in, it could be achieved over a period of time, if we had to reach that target, but I can understand that that will require resources. Our discussions with officials have not indicated that that was part of the proposals.

[238] **Christine Chapman:** Are there any Members who want to ask other questions on Part 1 before we move on to Part 2? No. We will move on now to Part 2, on homelessness. A number of Members have already asked to come in—Peter, Jenny and Mike. Would you like to start, Peter?

[239] **Peter Black:** Yes. In relation to the homelessness sections, you suggested that, rather than relying on local homelessness strategies, it would be more appropriate for local authorities to have a duty to ensure that a review of need and strategic planning for homelessness is fully reflected in the single integrated plan. Could you expand on that, and indicate how doing it in that way would focus on the homelessness aspects of the Bill?

[240] **Mr D. Edwards:** A gaf i wneud pwynt cyffredinol, ac yna troi at Sue a Naomi i sôn am sut y bydd yn cael ei weithredu? **Mr D. Edwards:** May I make a general point, and then turn to Sue and Naomi to talk about how it will be implemented?

[241] Rydym yn croesawu'r cyfle i gael ymateb cynhwysfawr, traws adrannol a thraws sector i ddigartrefedd. Credaf fod tystiolaeth ddigon eglur yn dangos bod angen i ni, o fewn awdurdodau lleol, weithio ar draws gwasanaethau, ond hefyd gyda We welcome the opportunity to get a comprehensive, cross-departmental and cross-sector approach to the issue of homelessness. I think that there is clear enough evidence that we in local authorities need to work across services, but also with

gwasanaethau y tu allan i'r awdurdod lleol—boed yr awdurdod iechyd, yr heddlu ac yn y blaen. Mae digartrefedd yn fater y mae angen ymateb holistaidd, cynhwysfawr iddo, ac nid—fel sy'n digwydd yn rhy aml, efallai—ei fod yn cael ei bostio i ddrws un rhan o'r sector cyhoeddus, er enghraifft. Mae cyfrifoldeb arnom i gael gwell cydweithio ar draws sectorau a gwasanaethau, er mwyn ymateb i ddigartrefedd.

services outwith local authorities—be it the health authority, the police and so on. Homelessness is an issue that requires a holistic, comprehensive response, and not—as occurs too often, possibly—being posted to the door of one part of the public sector, for example. There is a responsibility on us to get better collaboration across sectors and services, in order to respond to homelessness.

[242] Gofynnaf i Sue fanylu ar sut yr ydym yn gweld hynny'n gweithredu.

I will ask Sue to give some details on how we see that being implemented.

[243] **Ms Finch:** At present, as part of the single integrated plan, local authorities are required to do a single needs mapping exercise, so that all their strategic planning and priority setting is based on the same evidence base. We would like to see housing need, and the potential risk of homelessness, included in that overall mapping of needs, and fed into that integrated plan, with a requirement that the homelessness strategic needs are taken into account. We can give you a note of how that could actually be implemented in practice.

[244] **Peter Black:** I understand where you are coming from, and I think that that holistic approach certainly has merit. There is, of course, a requirement at present to do a local homelessness strategy, and I think that it is fair to say that practice across Wales is not consistent. Local authorities have different approaches, which often reflect the needs of their local area, but in some cases they reflect particular approaches to homelessness, which may not be in accordance with what the Minister might like to see you doing. Do you not think that, by taking away that local homelessness strategy, you actually lose focus in terms of the requirements of this Bill?

[245] **Ms Finch:** I think that you can look at this from two different points of view. The way that I see it is as homelessness being much more integrated with a range of other needs, services and planning, rather than it being separate, and an afterthought, almost. Therefore, I think that there is distinct benefit to integration with other strategic planning.

[246] **Ms Alleyn:** I think that one issue around the single integrated plans is that they are very high level as well. Therefore, in reality, there are several plans underneath that overall plan, to set out how many of these services should be delivered. Therefore, it may be that you would actually have a plan under the SIP that dealt with homelessness, but it is better informed by the general needs assessment. As Dyfed said, from our point of view, in terms of councils, it does need a corporate approach, but it also needs a public service approach to address, and I think that that partnership approach, through the SIPs, is helpful. However, you would still need detail about how that will be delivered in practice.

[247] **Peter Black:** I would be happier with that approach. That is fine. In terms of the burdens on local authorities, the approach to homelessness, for some local authorities, will be quite radical—although some are doing it already. Do you think that local authorities have the resources, and the expertise, to implement the Bill as it is currently set out?

[248] **Mr D. Edwards:** Credaf fod hwn yn bwynt trafod gyda'r Gweinidog, a chyda swyddogion y Gweinidog. Rydym wedi tynnu sylw at y ffaith bod goblygiadau sylweddol o ran adnoddau i hynny, a chredaf fod y Gweinidog yn cydnabod hynny. Mae

Mr D. Edwards: I think that this is a discussion point with the Minister, and with the Minister's officials. We have drawn attention to the fact that there are significant implications in terms of resources to that, and I think that the Minister recognises that. We

angen ystyried a allwn ni gael yr adnoddau i sicrhau y gallwn ni weithredu'n effeithiol. Dyma un rhan o'r Bil lle'r ydym wedi nodi mater adnoddau. Dyna'r drafodaeth sydd wedi digwydd gyda'r rhan fwyaf o'r Bil, a dweud y gwir, sef a oes gan awdurdodau lleol yr adnoddau, nid yn unig o ran arian, ond o ran adnoddau dynol, yn ogystal, i sicrhau ein bod yn gweithredu mewn ffordd effeithiol.

need to consider whether we can get the resources to ensure that we can work effectively. This is one part of the Bill where we have noted the issue of resources. That has been the discussion on most of the Bill, to tell you the truth, namely whether local authorities have the resources, not only financially, but also in terms of human resources in order to ensure that we work effectively.

[249] **Ms Finch:** Perhaps I could add to that. We also have specific concerns about the way in which the legislation is currently drafted, which would have huge resource implications. We have been assured that that was not the intention of the legislation and that perhaps it is a drafting error. However, it would be worth just drawing your attention to the fact that, at the moment, the legislation requires local authorities to undertake an assessment when anyone who has recently become homeless approaches the authority. As it is currently drafted, there would be an expectation that authorities would have to undertake what is currently referred to as a full homelessness investigation and assessment of eligibility for statutory homelessness duty. If that were actually brought into legislation, it would have huge resource implications. So, I think that there is a potential drafting error that needs to be addressed.

[250] Perhaps I could just come back on this question of consistency across authorities and preparation for the legislation. Last year, the WLGA started an exercise of working with the 22 authorities to prepare for the legislation. All of those authorities now have a sort of position statement as to where they are. They have an action plan in place, which shows where they need to get to, and how they need to get there. We are working with authorities on a sort of regional and sub-regional basis so that those authorities that are furthest down the road in making the changes can assist those authorities that perhaps have the longest to travel. So, there is a journey to get to where we need to go, but we have already started off on that journey, and there is some very good practice out there, which we are hoping that authorities will share.

[251] **Peter Black:** Finally from me, do you have any concerns about help to secure? For example, are there enough properties to put people into and will you be able to use the private sector? Some authorities do not have access to the same number of private sector lets as others. Is this a duty that will cause large resource implications?

[252] **Ms Finch:** Perhaps I could pick that up. The first thing to say is that it is absolutely essential that the legislation is very clear. What we do not want, following the implementation, is any sort of long wrangles about the meaning of specific sections of it. So, we need to ensure that there is clear meaning about what that section means. However, in terms of capacity, I think that what we need to focus on is that, at the moment, authorities can only use the social housing sector to meet their housing duty, and so are incredibly constrained, particularly after the impact of the bedroom tax, which has significantly reduced the number of small properties available. That is a particular problem in the current situation. If authorities have the power to discharge their homelessness duty and use the private rented sector, that opens up a whole range of new options. You are absolutely right to say that housing markets are different across Wales, and there will be more opportunities in some areas than there will be in others. However, that is an important task that authorities are taking up in developing private rented sector access schemes and social letting schemes, which aim to build on a positive relationship with private landlords, which we hope will be delivered through the registration scheme, and to provide incentives and support to landlords so that they will be interested in working with authorities to meet this new duty and new power. So, we welcome that, and we think that it certainly gives much more flexibility and more options

for people who are at risk of homelessness.

[253] **Christine Chapman:** Thank you. Jenny is next.

[254] **Jenny Rathbone:** I just want to pursue this idea that it will have much greater resource implications for local authorities. I would imagine that prevention will always be cheaper than picking up the pieces once people have become homeless. So, I really want to explore why you think that it will involve you in greater resource implications, rather than thinking of it, as the Chartered Institute for Housing described it, as that we need to move homelessness staff away from being gatekeepers, identifying who they can say 'no' to, to being facilitators preventing people from becoming homeless. Could you just say why you think that it will mean an increase in resources, rather than simply a re-focusing of the way that people work?

11:15

[255] **Mr D. Edwards:** Diolch am y cwestiwn hwnnw, sy'n mynd yn ôl at y pwyt rwy'n codi fel ryw fath o thema o ran goblygiadau o ran adnoddau—nid adnoddau ariannol yn unig, ond adnoddau dynol o ran swyddogion; mae'n bwysig iawn pwysleisio hynny. Mae'n wir i ddweud bod cryn drafod wedi bod rhyngom ni â swyddogion y Gweinidog ar hyn, ac rwy'n meddwl bod y Gweinidog a'i swyddogion yn cydnabod y bydd goblygiadau ariannol ychwanegol a goblygiadau o ran adnoddau ychwanegol. Yr hyn rydym yn rhagweld yw, tra bod y pwyslais ar atal digartrefedd—ac rydym wedi bod yn ceisio pwysleisio hynny yn ystod ein holl drafodaethau—yr hyn sy'n ymddangos bydd yn digwydd yw y bydd cynnydd yn y galw gan bobl oherwydd y bydd hawliau ychwanegol a bydd pobl yn manteisio ar yr hawliau ychwanegol hynny. Bydd cynnydd yn y galw, yn syml iawn, oherwydd bydd gan bobl hawliau ychwanegol, a bydd y bobl hynny'n yn troi lan wrth ddrws yr awdurdodau lleol. Bydd hynny'n rhoi pwysau ychwanegol arnynt, a bydd angen adnoddau ychwanegol.

Mr D. Edwards: Thank you for that question, which takes us back to a point I am raising as some kind of theme in terms of resource implications—not just financial resources, but human resources in terms of officials; it is very important to emphasise that. It is true to say that there has been quite some discussion between ourselves and the Minister's officials on this, and I think that the Minister and his officials acknowledge that there will be additional financial implications and implications in terms of additional resources. What we anticipate is that, while the emphasis is on the prevention of homelessness—and we have been trying to emphasise the importance of that throughout our discussion—what appears to be emerging is that there will be an increase in demand from people because there will be additional rights and people will take advantage of those additional rights. There will be an increase in demand simply because people have additional rights, and those people will end up at the door of local authorities. That will put additional pressure on them, and further resources will be needed.

[256] Yn fras, dyna sut rydym yn gweld y sefyllfa yn datblygu. Os rydym yn edrych ar yr hyn a ddigwyddodd yn yr Alban wrth weithredu newidiadau yno, dyna a ddigwyddodd yn union, i'r fath graddau ei bod hi'n anodd iawn rheoli'r sefyllfa. Mae'r Gweinidog wedi cydnabod bod angen sicrhau nad yw hynny'n digwydd. Mae'n awyddus i ni sicrhau ein bod yn cael yr adnoddau priodol, a gobeithio y gallwn ddod i gytundeb ar hynny.

Broadly speaking, that is how we see the situation developing. If we look at what happened in Scotland as changes were implemented there, that is exactly what occurred, to the extent that it was very difficult to manage the situation. The Minister has acknowledged that we need to ensure that that does not happen. He is eager for us to ensure that we get the appropriate resources and I hope that we can reach agreement on that.

[257] **Jenny Rathbone:** We can agree that there is an absolute need for more housing and that obviously makes your life quite difficult, but, nevertheless, will the opening up of the private sector as a place where people who are at risk of homelessness can be safely housed not increase your options for supporting people and preventing them from becoming homeless?

[258] **Mr D. Edwards:** Dyna'r gobaith. Mae'n rhaid i ni gydnabod bod rhannau o'r Bil yn mynd â ni i dir newydd, sy'n anodd iawn ei rhagweld. Os caf ddyfynnu Ronald Reagan,

Mr D. Edwards: That is the hope. We must all acknowledge that there are parts of the Bill that take us to new ground, and it is difficult to anticipate what will occur. If I can quote Ronald Reagan,

[259] 'I never make predictions, especially about the future'.

[260] Mae'n anodd iawn i ni rhagweld effaith y Bil a sut y bydd yn gweithredu ar lawr gwlad. Fel rydym wedi trafod eisoes, mae capasiti ac addasrwydd y sector breifat yn mynd i fod yn allweddol, ac mae'r berthynas rhwng awdurdodau lleol a'r sector preifat yn mynd i fod yn ganolog, felly, os ydym am allu cynyddu nifer y cartrefi sydd ar gael i bobl mewn angen. Nid ydym yn gallu gwneud hynny ar hyn o bryd, fel rydych wedi nodi, oherwydd nid oes rhagor o dai gan awdurdodau lleol i'w cynnig. Mae'r sector preifat yn mynd i fod yn allweddol. Y cwestiwn yw a yw hynny'n mynd i ateb y gofyn, a yw'r capasiti mynd i fod yna, a yw'r safonau yn mynd i fod yna, ac a fydd landlordiaid yn y sector preifat yn awyddus i gydweithio gyda'r awdurdodau lleol i gynnig tenantiaeth o ran yr hyn y mae awdurdodau lleol eisiau, nad yw, o reidrwydd, yr un peth ag y mae rhai landlordiaid eisiau, wrth gwrs?

It is very difficult for us to anticipate the impact of the Bill and how it will operate on the ground. As we have already discussed, the capacity and the appropriateness of the private sector will be crucial, and the relationship between local authorities and the private sector will be central, therefore, if we are to increase the number of homes available to people in need. We cannot do that at present, as you have already noted, because local authorities do not have any more houses to provide. The private sector will be crucial. The question is whether that is going to answer the demand, is the capacity going to be there, are the standards going to be in place, and are landlords in the private sector going to be eager to collaborate with local authorities to provide tenancies in terms of what the local authorities want to see provided, which is not necessarily the same as what the landlords want, of course?

[261] **Christine Chapman:** Before you come back in, Jenny, I will bring in Sue, who also wants to answer your point.

[262] **Ms Finch:** Just to build on what Councillor Edwards was saying, it is worth thinking about the increased duty that local authorities would have under the new legislation. We really welcome the widening of the safety net and that is one of the very positive things about this bit of legislation. At the moment, local authorities have a quite constrained duty to meet the needs of people who are statutory homeless and who are at risk of homelessness within 28 days and to provide advice and assistance, but that is fairly constrained to a very specific group of people who are largely considered to be in priority need groups. What this Bill is proposing is that authorities will have a duty to respond to anyone who comes to their door as long as they are eligible and they meet certain immigration controls and so on. So, instead of being required only to meet the needs of people who fall into certain very specific categories, authorities will have to deal with anyone who comes to their door, irrespective of local connection or intentionality. So, that will increase significantly the number of people who are actually approaching the authority.

[263] The Bill also proposes that authorities will have a duty to intervene where someone is at risk of homelessness within the next 56 days. At the moment, it is 28 days, so you are

doubling that period. That is good and it is welcome, because, if you have 56 days to intervene, you can be more effective at preventing homelessness than if you have only 28 days to intervene.

[264] Therefore, there are lots of things to welcome, but there is no doubt that, to provide a better safety net, we will need more resources to deliver it. As Councillor Edwards said, the impact assessment by Welsh Government officials has acknowledged that. They know that more people will be coming to authorities and will be using services. In the long run, we are all hoping that that will reduce the level of homelessness, but, to some extent, that is a faith in the power of prevention. That is a big unknown, really.

[265] **Jenny Rathbone:** Okay. It is useful to know that you think that the extension to 56 days from 28 days is a useful tool for you. That is helpful and it is good to know that. How do we prevent everybody who is homeless from coming to Wales? There will still be a local link requirement, and I appreciate that this is extending it to single people and those who do not have children, et cetera. How will you prevent half of England from coming to Wales to say, 'We want housing'?

[266] **Mr D. Edwards:** Mae hwnnw'n **Mr D. Edwards:** That is a very good gwestiwn da iawn. [*Chwerthin.*] question. [*Laughter.*]

[267] **Jenny Rathbone:** Is the legislation sufficiently detailed to make it clear that there are limitations?

[268] **Mr D. Edwards:** Un o'r pwyntiau rydym wedi trafod gyda'r Gweinidog a'i swyddogion yw'r angen i flaenoriaethu. Yr hyn rydym ni'n ei ddweud yw, tra ein bod yn cydnabod yr hawl sylfaenol i rywun sy'n ddigartref cael hawliau a chefnogaeth, er mwyn i awdurdod lleol allu ymateb i'r sefyllfa honno, mae'n rhaid gallu blaenoriaethu. Os nad ydych chi'n gallu blaenoriaethu, mae perygl na fyddwch yn gallu ymateb i'r bobl sydd mewn pur angen. Mae sefyllfa'n gallu codi lle mae pobl yn symud o un awdurdod i'r llall, ar draws y ffin, neu beth bynnag, oherwydd eu bod mewn angen. Mae'n rhaid i'r awdurdod lleol allu, rhywsut, benderfynu lle mae'r flaenoriaeth yn dechrau. Ble ydych chi'n dechrau gyda'r ciw hynny o bobl? Mae'n rhaid i chi ddechrau yn rhywle, felly mae'n rhaid i chi gael canllawiau, ac un ohonynt yw cyswllt lleol. Mae'r Gweinidog yn cydnabod hynny, ond rydym yn pwyso i sicrhau ein bod yn gallu blaenoriaethu o fewn yr hawliau mae'r ddeddfwriaeth yn mynd i roi i bobl. Os nad ydym yn gwneud hynny, mae perygl na fyddwn yn gallu helpu neb i'r graddau y byddwn yn dymuno ei wneud ac o fewn yr amserlen y byddwn yn dymuno ei wneud.

Mr D. Edwards: One of the points that we have discussed with the Minister and his officials is the need to prioritise. What we are saying is that, while we recognise the fundamental right of a homeless person to have rights and support, for a local authority to respond to that situation, it has to be able to prioritise. If you are unable to prioritise, there is a risk that you will not be able to respond to those people in real need. A situation could arise where people move from one authority to another, cross the border, or whatever it might be, because they are in need. The local authority has to somehow decide where the priority starts. Where do you start with that queue of people? You have to start somewhere, so you have to have guidance in place, and one of those is local connection. The Minister recognises that, but we are putting pressure on to ensure that we are able to prioritise within the rights that the legislation will provide to people. If we do not do that, there is a risk that we will not be in a position to assist anyone to the extent that we would like to do so and within the timetable that we would like to do so.

[269] **Jenny Rathbone:** I think that we would agree that it is not a good idea to have perverse incentives for people either to become homeless, or to get themselves into prison in

order to try to get further up the social housing list. However, I think that we still have to have some idea as to how local authorities will be able to prioritise who they are going to help first. Could you just tell us whether you think that the legislation is sufficiently clear about what the duties of local authorities are in this regard?

[270] **Ms Finch:** If I could pick up on that, you have certainly referred to a reservation that we have about the duty to take reasonable steps to prevent, which is the new prevention duty, in that, at the moment, there is a requirement that local connection is not taken into account. Certainly, we have concerns about cross-border movement. Large city authorities also have some concerns about whether it will pull people into the larger cities, where there is a greater concentration of services, so I think that it is not without its problems and that will be part of the additional burden that will be created.

[271] In terms of the clarity of the legislation, I think, in terms of priority need groups, it is clear, and in terms of where authorities have responsibility to look at people without local connection and the later stages, where someone is actually homeless, the clarification about local connection is clear. So, I think that the quick answer to that is, yes, we think it is clear.

[272] **Christine Chapman:** Naomi is next, but then I need to move on to some of the other Members.

[273] **Ms Alleyne:** The issue you raise is picked up in our evidence around paragraphs 24 and 25. I think that we are concerned about unintended consequences. It is something we would want to pick up in order to have a discussion about how the statutory code of guidance is framed around that. It is certainly something we need to monitor because those preventative services are not required in England, so I think that there is that particular risk there.

[274] **Christine Chapman:** Mike is next and then Mark.

[275] **Mike Hedges:** I have two questions. First, what are your views on the drafting of section 55 of the Bill, which outlines priority needs groups? There is a list of them.

[276] **Ms Finch:** We are happy with that clarification of the drafting. We saw no problems in that particular proposal.

[277] **Mike Hedges:** My other question is whether you would like to expand on your concerns about the intention to provide accommodation for intentionally homeless households with children from 2019.

[278] **Ms Finch:** We feel that there are some potential unintended consequences with that proposal. In principle, we support the idea of picking up troubled families and providing the necessary support to ensure that they do not in future become homeless again. We absolutely see the positive aspects of that. However, we also have concerns about the possible unintended consequences of not having a mechanism for providing some sort of speed bump, if you like, for families that are not taking action to avoid homelessness or who are being anti-social or deliberately not paying rent. There are some instances where the ability to say to that family, 'Look, if you go on behaving this way, this will be the conclusion' is often enough to start to provide a basis for a relationship to try to sort out those problems. Without that sort of speed bump, we have some concerns that there will be some households that will be avoidably homeless but that we, as authorities, will still have a duty to provide accommodation.

[279] **Mike Hedges:** I am not trying to put words into your mouth, but are you saying that you have a fear that people will say, 'There's no real need to pay the rent because, once they evict you, it doesn't matter because they'll rehouse you again'?

[280] **Ms Finch:** I think that is perhaps a stereotype, which is a view shared by some people, but I think that the number of people who actually fall into that category is fairly small. However, for the small number of people who do fall into that category, authorities need to have some way of avoiding that avoidable homelessness.

[281] **Ms Alleyne:** That reflects our desire, if you like, and the need, for a holistic approach because there will be a need for support for that family to deal with some of those issues. That is why taking that corporate approach ensures that, for any issues that arise regularly, there can be interventions to help work with the family. The importance of that holistic, corporate approach is reflected there. That is the sort of approach we need, working with the families so that they do not go back through the system numerous times.

[282] **Christine Chapman:** Okay, thanks. I have Mark next on this section, and then we need to move on because we are running out of time. Mark, do you have a supplementary question on the homeless section?

[283] **Mark Isherwood:** Yes. It is almost a decade since the then Welsh Government, in its homelessness strategy, required local authorities to bring in homelessness prevention measures. This was after homelessness increased after devolution by 121%. Homelessness fell, but hidden homelessness—so-called sofa-surfing et cetera—doubled and an inquiry by this committee's predecessor into youth homelessness bore out in evidence the high levels of hidden homelessness. What risk is there that these statutory prevention requirements could drive more hidden homelessness if the supply issues are not addressed?

[284] Related to that, three years ago, this committee's predecessor produced a report on the private rented sector, which said that local authorities needed to work with the PRS then to meet current and future anticipated needs. It did not happen, and the key vehicle the committee highlighted was social letting agencies—looking at Agorfa Cefni on your patch as a good practice model, where you have to have accreditation to join the scheme. That can meet the needs of the hardest to house quite effectively. Again, it is working in partnership with the third sector, rather than local authorities simply replicating the models internally. The two are linked; how can we use the latter, building on the recommendations of this committee's predecessor, to avoid the duplication of the problems that arose 10 years ago that will increase certain homelessness?

11:30

[285] **Mr D. Edwards:** Y pwynt lefel uchel rydych wedi mynd i'r afael ag ef yn hollol iawn yw'r mater o gyflenwad. Fe allwn gael deddfwriaeth hyd ddydd y farn, ond oni bai bod gennym gyflenwad o dai, ni fyddwn yn ymateb i'r gofyn na'r gofyn cynyddol. Rydych yn hollol iawn i bwysleisio hynny. Mae disgwyliadau, bellach, fel rydych yn nodi, o'r sector preifat ac mae rhai enghreifftiau da, fel rydych wedi cyfeirio atynt. Yn ogystal â hynny, mae rhai awdurdodau lleol bellach yn gofyn i'w hunain a ydynt yn gallu codi tai cyngor. Bydd rhai ohonom yn cofio rôl tai cyngor rai blynyddoedd yn ôl i gyflenwi gofynion tai yn lleol. Mae rhai awdurdodau lleol yn dod yn ôl at y cwestiwn hwnnw rwan ac yn gofyn a

Mr D. Edwards: The high level point that you have addressed quite rightly is the issue of supply. We could have legislation until the cows come home, but unless we have a supply of housing, we will not be able to respond to the demand and the increasing demand. You are quite right to emphasise that point. There are expectations, now, as you note, of the private sector and there are some good examples, and you have referred to some of those. In addition, some local authorities are now asking themselves whether they can build council housing. Some of us will recall the role of council houses some years ago in meeting local housing needs. Some local authorities are returning to that question now and asking

ydont yn mynd i fod yn strategol o ran ymateb i ofynion tai yn lleol, a ydynt yn mynd i godi stoc newydd o dai eto oherwydd problemau cyflenwad. Dyna le mae'r ateb yn gorwedd ar ddiwedd y dydd. A oes unrhyw beth i'w ychwanegu?

whether they are going to be strategic in responding to local housing demands, whether they are going to build new housing stock again because of problems of supply. That is where the solution lies at the end of the day. Is there anything to add to that?

[286] **Ms Finch:** Authorities, over the last few years, have taken their relationship with the private rented sector very seriously. All of them now have developed an improvement plan and a programme of work to build those relationships. It is particularly clear that the implementation of this legislation will be dependent on access to the private rented sector. In terms of social letting, it is interesting. We did a recent bit of work around social lettings and took the lid off it a bit. What we found was quite interesting. There are organisations that call themselves social lettings that are actually more expensive and less tenant friendly than some of the private agencies in existence. The fact that an organisation calls itself a social letting is not necessarily a sign of good service. We are working with authorities to develop private access schemes. It might be for the authority to directly relate to the landlord and build a relationship to get access to lettings, rather than necessarily using such lettings.

[287] **Mark Isherwood:** This committee was quite clear three years ago about what it meant by 'social letting agencies'. It clearly was not the negative version that you are highlighting; it was a good practice model that we received evidence on.

[288] **Christine Chapman:** I will move on to Part 3, Gypsies and Travellers. Mark and Jenny will lead on these. Mark, did you want to come in?

[289] **Mark Isherwood:** Yes. Do you believe that the Bill will help to address the needs of Gypsy and Traveller communities in Wales? If so, how, from a local government perspective, will that apply?

[290] **Mr D. Edwards:** Diolch am eich cwestiwn, sy'n trafod maes pwysig a maes y mae'n rhaid i ni gydnabod bod rhai awdurdodau lleol wedi cael trafferth yn ymateb iddo. Yn hynny o beth, mae'r Bil yn tanlinellu pwysigrwydd yr angen i awdurdodau lleol ymateb. Nid yw'n gwneud mwy na hynny, rhaid pwysleisio hynny, ond mae'n tanlinellu'r pwysigrwydd. Mae modd ymateb mewn ffordd fwy strategol ar lefel awdurdodau lleol—nid o reidrwydd ar lefel awdurdod unigol, ond yn rhanbarthol neu'n isranbarthol—ac rydym yn croesawu'r cyfle i wneud hynny. Does dim mwy na hynny yn y Bil a fydd yn helpu awdurdodau lleol. Mae'n werth nodi mai ein barn ni yw mai'r peth pwysicaf, o ran awdurdodau lleol yn ymateb i anghenion, yw arweiniad gwleidyddol. Mae modd chwarae o gwmpas gyda Bil, mae modd meddwl yn nhermau unrhyw newidiadau i'r gyfundrefn gynllunio, ond, ar ddiwedd y dydd, mae angen arweiniad gwleidyddol yn lleol gan wleidyddion i ymateb i anghenion sector o'r gymdeithas. Mae cyfrifoldeb arnom i gyd i wneud hynny.

Mr D. Edwards: Thank you for your question, which discusses an important field and one that we have to recognise that some local authorities have had problems responding to. In that sense, the Bill underlines the importance of the need for local authorities to respond. It does not do more than that, we have to emphasise that, but it does underline the importance. It is possible to respond in a more strategic way at a local authority level—not necessarily on an individual authority level, but at a regional or sub-regional level—and we welcome the opportunity to do that. There is nothing more than that in the Bill that will help local authorities. It is worth noting that our opinion is that the most important thing, for local authorities in responding to needs, is political leadership. You can play around with a Bill, you can think in terms changes to the planning system, but, at the end of the day, you need political leadership locally from politicians to respond to the needs of a sector of society. We all have a responsibility to do that.

[291] **Mark Isherwood:** You will be familiar, I am sure, with the 2006 Niner report on the accommodation needs of Gypsies and Travellers. In north Wales, local authorities worked with Bangor University to produce some more updated information on needs. To what extent, therefore, are local authorities, both in north Wales and beyond, working together to recognise that the borders that Gypsy and Traveller communities may travel within may differ from the fixed boundaries that we work within, whether it is between counties or between England and Wales? Therefore, possibly they need to work with English authorities as well where the Traveller communities cross the boundaries, to ensure that the needs meet the true needs rather than simply saying to each local authority, ‘Go out and provide another site’.

[292] **Mr D. Edwards:** Fel yr ydym wedi ei grybwyll, rwy'n credu bellach bod awdurdodau yn gweithio ar lefel ranbarthol i ymateb i'r maes, am yr union resymau yr ydych wedi eu dweud. Mae modd edrych yn fwy strategol yn hytrach nag awdurdodau unigol yn dod i fyny efo cynllun oherwydd dyna beth maen nhw'n gyfforddus efo e, ac edrych ar anghenion y maes, ac yna ateb yn llawer mwy strategol ar draws rhanbarth neu isranbarth neu ddau awdurdod yn cydweithio. Mae yna dystiolaeth bod hynny yn digwydd, er enghraifft, yn y gogledd. A oes rhywbeth i'w ychwanegu gan Naomi, efallai?

Mr D. Edwards: As I said, I think that local authorities now do work at a regional level to respond in this field, for the exact reasons that you have outlined. It is possible then to look more strategically rather than individual authorities coming up with schemes because that is what they are comfortable with, and to look at the needs in the field and respond in a much more strategic way across a region or a sub-region, or two local authorities co-operating. There is evidence that that is happening in the north. I do not know if there is anything to be added by Naomi, perhaps.

[293] **Ms Alleyne:** Obviously, the duty will be introduced on individual local authorities, but as Councillor Edwards said, there are authorities coming together, so north Wales has got a group that is looking at the needs of Gypsies and Travellers across the region. Obviously there is an issue around the permanent sites, but also transient sites, having that regional overview much more around what the needs are of an area. I think we would encourage much more discussion. I think north Wales is already there. There are some other areas that are maybe not so structured, where they are coming together. Our understanding is that the legislation—although the duty is on individual authorities—would obviously allow that co-operation to be taking place. Obviously, there is a limited pot that is available from Welsh Government to fund new sites, or to fund the refurbishment of existing sites. We certainly welcome the money that is there, but what we understand is that there are a number of authorities that have indicated that they would wish to develop new sites, but obviously not all can do that within the existing resources. One of the positives of the new duty will be that it really will raise that profile and ensure that the needs of Gypsy and Traveller communities are addressed. I am not saying that they have not been previously, but it is a new impetus, if you like, in terms of taking this work forward.

[294] **Mark Isherwood:** The Minister indicated to us that the reason the financial pot has remained at the current level of £4.5 million is because local authorities have been somewhat backward in coming forward and accessing it, despite its availability over the years, but it is reviewable if demand increases.

[295] This is my final question before I hand over to Jenny. I had a meeting with some Travellers—they called themselves ‘Travellers’—last Friday, and they raised the issue that, under current legislation, they have to vacate their main site for six weeks a year and move to another site before they can move back to their main site. That was their understanding. What consideration are local authorities giving not only to the primary sites, but also to the need for them to temporarily relocate to fall into existing criteria? They also expressed concern about their local authority in north Wales—I will not name it; it was not yours—that had, in an

assessment of provision, counted in every little private site, even those that had not yet had full planning permission. From their perspective, that was over-inflating current provision against needs, and how it will be assessed against the situation.

[296] **Ms Alleyne:** I was not aware of that provision. I will look into that and provide you with a note on that, if that is okay. On the second issue, maybe we can have a bit more detail about which authority that was and then take a view from there. One of the big concerns that we have is about how we address some of the local opposition that arises when the possibility of changes to Gypsy and Traveller sites are made. I am sure that many of you will have seen the opposition, or the level of opposition, that can appear when sites are identified. What we want to do from a local government perspective is to work much more closely with the Gypsy and Traveller community, but obviously the settled community as well, so that people understand the need to meet the needs of Gypsy and Traveller communities as part and parcel of the community. That is going to be a really big issue—how we overcome some of those local tensions that can arise when proposals for sites are made. However, we will provide you with a note on the questions, Mark.

[297] **Mark Isherwood:** Thank you.

[298] **Christine Chapman:** I want to bring Jenny in now. Just to remind Members, we have about 20 minutes left and we still have a large part of the Bill to cover.

[299] **Jenny Rathbone:** I would just like to finalise a point on this. The key question is this: will the new duties in this Bill be sufficient to get the eight or nine local authorities that have failed over the years to provide any sites for Gypsies and Travellers to do so? Will it be sufficient to overcome their resistance to doing anything, or will we need some sort of financial penalties to ensure that they comply with their duties?

[300] **Mr D. Edwards:** Fy nheimlad i yw nad mater ariannol ydyw ond mater o ewyllys. Rwy'n gobeithio, wrth weithio gydag awdurdodau fesul rhanbarth, y byddwn yn creu cyfle i fod yn strategol ac ymateb i'r gofynion yn y modd hwnnw. Nid wyf yn credu bod unrhyw beth yn y Bil a fydd yn gorfodi awdurdodau i wneud mwy nag y maent yn ei wneud ar hyn o bryd. Mae gennym waith i'w gwneud fel cymdeithas llywodraeth leol i weithio gyda phawb ar draws Cymru i sicrhau ein bod yn ymateb i'r gofyn. Mater o ewyllys ydyw, yn fwy na dim, ac nid oes rheswm pam na ellir gweithredu yn ôl y galw yn awr. Mae gwrthwynebiadau yn lleol, fel yr ydym i gyd yn gwybod. Mae gennym i gyd, fel gwleidyddion, gyfrifoldeb i arwain yn y maes hwn a chodi'n pennau uwchben y parapet o bryd i'w gilydd ac i wneud yr hyn sy'n iawn. Mae angen i ni, fel awdurdodau lleol, wneud hynny.

Mr D. Edwards: My feeling is that it is not a financial matter but a matter of will. I hope, as we work with authorities on a regional basis, that we will be able to create an opportunity to be strategic and respond to the requirements in that way. I do not believe that there is anything in the Bill that would force authorities to do more than they are doing at present. We have work to do as a local government association to work with everyone across Wales to ensure that we respond to demand. It is a matter of will, more than anything, and there is no reason why it is not possible to respond to the demand at present. There are local objections, as we are all aware. We all, as politicians, have a responsibility to lead in this field and raise our heads above the parapet from time to time and to do what is right. As local authorities, we need to do that.

[301] **Jenny Rathbone:** Okay, so financial penalties will be required to overcome some resistance and reluctance to do what is clearly required.

[302] **Mr D. Edwards:** Mae hynny'n un ffordd bosibl, ond, fel pob maes arall, credaf **Mr D. Edwards:** That is one possible method, but, as with every other field, I

y byddai'n well gennym weld pobl yn deffro i'r angen drwy ewyllys yn hytrach na gorfodaeth. Dyna'r ffordd orau ymlaen.

believe that we would prefer to see people waking up to the need willingly rather than through enforcement. That is the best way forward.

[303] **Christine Chapman:** We will move on to Part 4, which relates to standards in social housing. I call Rhodri Glyn Thomas.

[304] **Rhodri Glyn Thomas:** Yn eich tystiolaeth, rydych yn dweud bod yr 11 awdurdod lleol sydd â stoc tai naill ai wedi cyrraedd safon ansawdd tai Cymru neu â chynlluniau i wneud hynny erbyn 2020. Felly, yn y Bil hwn, a oes angen y gofyniad statudol i wneud hynny?

Rhodri Glyn Thomas: In your evidence, you say that the 11 local authorities that have housing stock have either reached the Welsh housing quality standard or have plans in place to do so by 2020. Therefore, in this Bill, is it necessary to have a statutory requirement to do so?

[305] **Mr D. Edwards:** Wel, mae'r dystiolaeth yr ydym wedi ei chyflwyno yn nodi'n glir y bydd awdurdodau yn cyrraedd y safon. Mae gan bob un gynllun busnes, ac mae'r newidiadau bellach gyda chymhorthdal y cyfrif refeniw tai yn mynd i gryfhau safle awdurdodau lleol. Nid wyf yn credu bod angen gofynion statudol tra bod hynny yn parhau. Os yw'r sefyllfa yn newid, mater arall yw hynny. Fodd bynnag, y prif rwystr i awdurdodau lleol o ran cyrraedd y safon neu ddod â chynllun busnes at ei gilydd yw'r gofynion ariannol. Rydym yn gobeithio y bydd y newid yn yr HRAS yn rhoi hwb ychwanegol i'r 11 awdurdod yna i ddelifro—hynny yw, y rhai a oedd yn cael anhawster ynghynt. Fodd bynnag, yn ôl y dystiolaeth, bydd yr 11 yn cyrraedd y safon erbyn 2020.

Mr D. Edwards: Well, the evidence that we have presented notes clearly that authorities will achieve the standard. Each one has a business plan, and the changes made to the housing revenue account subsidy will strengthen the position of local authorities. In my opinion, I do not believe that there is a need for statutory requirements while that is the case. If the situation changes, then that is another matter. However, the main barrier for local authorities with regard to reaching that standard or putting a business plan together is the financial requirement. We hope that the change to the HRAS will give a particular boost to the 11 authorities in terms of delivery—that is, those that were previously having difficulty. However, according to the evidence, the 11 will reach the standard by 2020.

[306] **Rhodri Glyn Thomas:** Beth am y pwerau ymyrryd sydd yn y Bil? A ydych yn credu bod y pwerau hynny'n gymesur?

Rhodri Glyn Thomas: What about the powers in the Bill to intervene? Do you believe that those powers are proportionate?

[307] **Mr D. Edwards:** Petai awdurdod lleol yn tanberfformio mewn unrhyw faes, byddai cwestiwn yn codi o ran beth fyddai'r Llywodraeth yn ei wneud. Fy marn bersonol, nid barn y gymdeithas llywodraeth leol, yw ei bod yn ddigon teg, os yw'r amodau'n iawn—hynny yw, yr amodau ariannol a pholisi—i ganiatáu i awdurdod gyflawni, i'r Llywodraeth neu'r Gweinidog ddweud bod angen ymyrryd er mwyn sicrhau gwasanaethau priodol i bobl Cymru os yw'r awdurdod hwnnw'n tangyflawni. Mae cydbwysedd yn hynny o beth. Rydym ni, fel teulu llywodraeth leol, yn dymuno cydweithio mewn ffordd sy'n cyrraedd y nod,

Mr D. Edwards: Should a local authority underperform in any area, a question in relation to what the Government would do would arise. My personal opinion, not the opinion of the local government association, is that it is fair enough, if the conditions are favourable enough—that is, financial and policy conditions—to allow an authority to deliver, for the Government or the Minister to say that it is necessary to intervene in order to ensure that appropriate services are provided for the people of Wales if that authority underperforms. There is a balance to be struck in that regard. We, as a local government family, want to collaborate in a

ac nid ydym yn croesawu ymyrraeth oherwydd y gall danseilio democratiaeth leol. Yn bersonol, rwy'n credu bod pen draw i hynny, ond hyd yma mae'r dystiolaeth yn dangos bod awdurdodau lleol, gyda'r amodau priodol, yn barod i gyflawni o ran safonau ac yn y blaen. Ni fyddwn yn rhuthro i ymyrryd, felly.

way that achieves the aim, and we do not welcome intervention because it can undermine local democracy. On a personal level, I think that there is a limit to that, but to date evidence shows that local authorities, with the appropriate conditions, are willing to deliver in terms of standards and so on. Therefore, I would not rush towards intervention.

11:45

[308] **Rhodri Glyn Thomas:** Beth a ddywedech am yr adrannau yn y Bil sy'n ymwneud â rhenti a thaliadau gwasanaeth? A ydych yn hapus gyda'r adrannau hynny neu a ydych yn credu bod angen eu newid?

Rhodri Glyn Thomas: What about the sections in the Bill that deal with rents and service charges? Are you content with those sections or do you think that they need to be changed?

[309] **Mr D. Edwards:** Trof at Sue i fanylu ar hynny.

Mr D. Edwards: I turn to Sue to give some detail on that.

[310] **Ms Finch:** In principle, we support the objective of having consistent standards and approaches to rent and service charge across the whole of the social housing sector. So, we would see this as a positive move, in part, to achieve that. However, it is fair to say that disaggregating service charges is going to be quite a challenge for authorities, so it will take some time. Therefore, it is important that we do not have an unrealistic target date to achieve that. However, in principle, we support what is being proposed.

[311] **Rhodri Glyn Thomas:** Felly, mae'r darlun o'r sector cyhoeddus yn hyn o beth yr ydych yn ei gyflwyno yn un gweddol gyson. Rydych yn credu bod y safonau yn gyraeddadwy a bod y cydweithrediad rhwng awdurdodau lleol a'r Llywodraeth yn gytbwys at ei gilydd. Beth ddywedech chi am y sector preifat? A ydych yn credu y dylai fod rhywbeth ar wyneb y Bil sy'n cyfeirio at y sector preifat er mwyn sicrhau bod y sector yn cyrraedd y safonau hyn hefyd?

Rhodri Glyn Thomas: Therefore, the picture that you are painting of the public sector in this sense is a fairly consistent one. You think that the standards are reachable and that the co-operation between local authorities and the Government is balanced overall. What about the private sector? Do you think that there should be something on the face of the Bill that refers to the private sector to ensure that the sector also reaches these standards?

[312] **Mr D. Edwards:** Mae hynny'n bwynt teg iawn, oherwydd dros y blynyddoedd diwethaf mae'r sector cyhoeddus wedi codi ei gêm o ran safonau drwy'r cynlluniau rydym wedi cyfeirio atynt, ac mae cryn fuddsoddiad wedi bod. Y sector sydd ar ôl yw'r sector preifat. Mae rhai o'r tai sydd yn y cyflwr gwaethaf a chyda'r amodau gwaethaf bellach yn y sector preifat. Gallem i gyd gyfeirio at gymunedau ôl-ddiwydiannol ym mhob cwr o Gymru sydd â sector preifat lle nad yw amodau'r tai yn ffafriol. Y cwestiwn, felly, yw a all y Gweinidog ddod â'r sector preifat i mewn i'r Bil. Byddem yn croesawu unrhyw beth sydd yn gwella

Mr D. Edwards: That is a very fair point, because over the past few years the public sector has raised its game in terms of standards through the plans that we have mentioned, and there has been substantial investment. The sector lagging behind is the private sector. Some of the homes in the worst shape with the worst conditions are now in the private sector. We can all refer to post-industrial communities in all parts of Wales that have a private sector where housing conditions are not favourable. The question, therefore, is whether the Minister can bring the private sector into the Bill. I would welcome anything that would improve

ansawdd tai ar gyfer tenantiaid. Sut mae rhywun yn gwneud hynny, nid wyf yn hollol siŵr, ond byddem yn croesawu unrhyw fwiad i glymu'r sector preifat o ran safonau ac ansawdd er mwyn diogelu tenantiaeth i bobl sy'n dibynnu ar y sector hwnnw, fel y mae mwy a mwy o bobl yn ei wneud. Nid wyf yn gwybod a oes gan Sue rywbeth i'w ychwanegu ar y pwynt hwnnw.

the quality of housing for tenants. How one achieves that, I am not entirely sure, but I would welcome any intention to tie in the private sector to quality standards to safeguard tenancies for people who are dependent on that sector, as more and more people are. I do not know whether Sue has anything to add on that point.

[313] **Ms Finch:** It is absolutely an issue that we are concerned about, and that is why the quality of the private rented sector has been a priority for the WLGA for some time. It is difficult to imagine how you would enforce standards through legislation without undermining the scale of the private rented sector in Wales, because if landlords have higher standards to achieve in Wales than they do in England, we risk investment flying over the border. That approach must always be taken in a very cautious way.

[314] The way that local authorities are trying to approach this is by incentivising and supporting landlords to improve their properties. The big stick of enforcement powers is very important, but we recognise that as important, if not more important, is building a relationship with the private sector and providing incentives. For example, we are working with Welsh Government officials at the moment to develop a loan scheme that authorities could offer to landlords as an incentive to improve the quality of their property. So, I think that it is a carrot-and-stick relationship to get to where we want to get, but, in principle, we absolutely support the need to improve the standards. It is a question of how we get there, really.

[315] **Rhodri Glyn Thomas:** A derbyn bod angen mynd i'r afael â hyn mewn ffordd gytbwys, yn gynharach yn y dystiolaeth dywedoch fod y sector preifat yn cynyddu o ran capasiti, ond dywedoch hefyd na fydd y Bil hwn yn newid pethau dros nos ac mai yn raddol y byddai'r newidiadau i'w gweld, yn sicr o fewn y sector preifat. A ydych yn credu bod gwerth edrych ar y posibilrwydd, wrth i hyn ddatblygu, o landlordiaid yn y sector preifat yn cofrestru ac yn cael trwydded? A fyddai gwerth ystyried sefyllfa lle y gellid cymryd y drwydded honno pe na byddai'r landlord yn cyrraedd safonau digonol, ac yn methu dangos unrhyw awydd i wneud hynny? Rwyf yn derbyn y pwynt yr ydych yn ei wneud, sef, os oes ymdrech i wella'r safon, byddai modd cydweithio gyda'r landlord, ond mae gennym rhai landlordiaid nad oes ganddynt unrhyw ddiddordeb mewn codi safonau o gwbl—yr unig beth y maent ei eisiau yw'r taliadau rhent oddi wrth denantiaid. Mewn sefyllfa felly, a fyddai gwerth inni allu cymryd y drwydded oddi ar landlord?

Rhodri Glyn Thomas: Accepting the need to tackle this in a balanced way, earlier in the evidence you said that the private sector was increasing in terms of capacity, but you also said that this Bill will not change things overnight and that we would see these changes developing gradually, certainly within the private sector. Do you think that there is any value in looking at the possibility, as this develops, of landlords in the private sector registering and for them to have a licence? Would it be worth considering a situation where we could take away that licence if the landlord did not reach a sufficient standard, and did not show any intention of doing so? I accept the point that you are making, which is that, if there is an effort to improve the standard, there would be a means to co-operate with the landlord, but we have some landlords who do not have any interest in raising standards—all they want is the rental payments from tenants. In a situation like that, would there be value in our being able to take away the licence from landlords?

[316] **Mr D. Edwards:** Byddai hynny yn gam rhesymol, oherwydd y byddai'n codi gwerth cofrestru ynddo'i hunan ar gyfer y

Mr D. Edwards: That would be a reasonable step, because it would highlight the value of registration in itself for those landlords who

landlordiaid hynny sy'n cydymffurfio. Byddai hefyd yn ymledu'r neges yn glir iawn bod cofrestru yn mynd i'r afael â safonau, ac os bydd y safonau yn dirywio yna bydd dadgofrestru. Os oes modd cofrestru, byddai rhywun yn tybio bod angen yr hawl i ddadgofrestru yn yr un modd. Maent yn dweud wrthyf fod hyn hyd yn oed yn digwydd mewn clybiau golff—os felly, mae'n rhaid ei fod yn iawn gwneud hynny os nad yw landlordiaid yn cydymffurfio. Efallai bod safonau yn ganolog i hynny—

do comply. It would send a very clear message that registration does address the issue of standards, and that if standards decline then there will be deregistration. If it is possible to register, one would assume that you would need the power to remove the licence. They tell me that this even happens in golf clubs—if so, it must be right to do so if landlords do not comply. Perhaps the issue of standards is central to that—

[317] **Jocelyn Davies:** If it is good enough for golfers. [*Laughter.*]

[318] **Mr D. Edwards:** Yn hollol. Mae hynny yn rhywbeth y dylid edrych arno. **Mr D. Edwards:** Exactly. That is something that we should certainly look at.

[319] **Christine Chapman:** We have about eight minutes left and I know that Members have a few more questions. We will move on now to Part 5, 'Housing Finance'. I know that Gwyn wants to come in on this.

[320] **Gwyn R. Price:** Would you give me your views on the proposal to exit the housing revenue account subsidy system and the potential for local authorities to start building homes?

[321] **Mr D. Edwards:** Hoffwn wneud y pwynt cyffredinol ein bod yn sicr yn croesawu'r cyfle i wneud hynny. Mae cryn drafodaethau wedi digwydd dros flynyddoedd maith. Rydym wedi bod mewn trafodaethau gyda Gweinidogion yn San Steffan ac yng Nghymru—gyda'r Gweinidog presennol a chyda'i ragflaenydd, Huw Lewis. Mae'n bwysig ein bod yn cydnabod y gwaith sydd wedi digwydd. Rydym yn croesawu'r cyfle oherwydd ei fod yn rhoi hyblygrwydd i awdurdodau lleol ddefnyddio'r arian, ac mae rhai wedi datgan eisoes mai eu huchelgais a'u dymuniad yw defnyddio'r arian ar gyfer codi tai er mwyn ymateb i anghenion tai lleol. Felly, rydym yn ei groesawu ac yn gobeithio y bydd modd inni ychwanegu at y stoc dai. Nid wyf yn siŵr sut fydd hynny'n digwydd—naill ai drwy awdurdodau lleol yn gweithio'n unigol neu mewn partneriaeth gyda'r sector tai cymdeithasol—ond mae'r gallu i ychwanegu at y stoc sydd ar gael yn gwbl sylfaenol. Mae dod allan o'r cynllun hwn yn cael ei groesawu ac yn fodd inni wneud hynny. Efallai bod Sue eisiau ychwanegu rhywbeth ar faterion eraill.

Mr D. Edwards: I would like to make the general point that we certainly welcome the opportunity to do that. There have been considerable discussions over many years. We have been in discussions with Ministers in Westminster and with Welsh Ministers—with the current Minister and with his predecessor, Huw Lewis. It is important to recognise the work that has happened. We welcome this opportunity because it creates flexibility for local authorities to use that money, and some have already stated that their ambition and their aspiration is to use this money to build houses to respond to local housing need. So, we welcome this and we hope that it will be possible for us to add to the housing stock. I am not sure how that will happen—either through local authorities working individually or in partnerships with the social housing sector—but the ability to add to the housing stock is fundamental. Coming out of this scheme is welcomed and is a means for us to do this. I do not know whether Sue wants to add anything to other issues.

[322] **Ms Finch:** The only thing that I would like to add is that, as part of the settlement with the UK Government, a cap was placed on borrowing. This clearly was not welcome news, but it was not unexpected because it was something that was imposed on the English

authorities and we were given a clear message that what happened in England was going to be a basis for what happened in Wales. So, it is not welcome, but it is an inevitable price that has to be paid for getting out of the HRAS and we have to accept it. The long-term gain will be great for every authority, but it will place some limitations on the investment available to authorities for new stock. There is a distinct will and a real excitement about that possibility, but we have yet to have clarity on the precise level of the cap because of some possible consequential. We have not yet had discussions about how that will be distributed across Wales. So, with that rider, yes, we are looking forward to developing stock in many authorities, but that cap might be—

[323] **Gwyn R. Price:** That was my third question. I note in your paper that you have concerns about achieving the Welsh housing quality standard by 2020. Is that your concern—that the cap could affect that?

[324] **Ms Finch:** Certainly, achieving WHQS will require significant resources in some authorities and that might well have an impact on the available resources to then develop housing stock. It is an issue, but we are in discussions and we will resolve that in the best possible way that, hopefully, will achieve the standard by 2020, but also allow some authorities to start building again.

[325] **Christine Chapman:** We have just a few minutes left, but we have a few sections to cover. We will move on to part 6, on co-operative housing.

[326] **Janet Finch-Saunders:** The WLGA states in its written evidence that it is hopeful that changes to section 120 and section 121—two technical changes to the Bill—will enable fully mutual housing co-operatives to access loan finance. Are these changes needed to ensure that they provide effective strategic support?

[327] **Mr D. Edwards:** Efallai y gall Sue roi mwy o fanylion technegol, ond ein dealltwriaeth ni oedd bod angen y newidiadau hyn i alluogi ariannu rhai o'r cynlluniau yn y sector hwn; felly, roedd yn gwbl briodol ei fod yn digwydd. Nid wyf yn gwybod a yw Sue am roi mwy o fanylion ar yr ochr dechnegol.

Mr D. Edwards: Sue may be able to give us more technical details, but our understanding is that these changes were needed to enable the funding of some of these schemes in this sector; so, it was entirely appropriate that it happened. I do not know whether Sue wants to provide more details on the technical side.

[328] **Ms Finch:** The only thing that I would say is that authorities are offering strategic support anyway for co-ops, and that will continue. I think that it is a technical change that will mean that lenders are more willing to lend to co-ops, and we welcome that.

[329] **Christine Chapman:** Do you want to do part 7, Janet?

[330] **Janet Finch-Saunders:** Yes. How effective are the existing tools to deal with empty homes?

[331] **Mr D. Edwards:** Mae'r dystiolaeth a'r ymarfer da sy'n digwydd ar hyn o bryd o dan y cynllun Troi Tai'n Gartrefi yn dangos bod yr enwog *carrot and stick* yn gweithio, os liciwch chi. Lle rydych yn rhoi anogaeth ac *incentives*, mae'n gweithio, ac mae enghreifftiau gwych iawn ledled Cymru o lle mae'r cynllun hwnnw wedi gwneud gwahaniaeth. Bydd y pŵer i gynyddu'r dreth

Mr D. Edwards. The evidence and the good practice that is happening at present under the Houses into Homes scheme shows that the famous carrot and stick approach is working, if you like. Where you give encouragement and incentives, it does work, and there are excellent examples across Wales of that scheme having made a difference. The power to increase council tax—by the way, we are

gyngor—gyda llaw, rydym yn gofyn am gael codi hyd at 200% ar dai gwag—yn bŵer ychwanegol a gobeithio yn *incentive* i bobl beidio â gadael tai yn wag neu, os ydynt yn eu gadael yn wag, bydd yn creu ffynhonnell incwm i awdurdodau lleol i'w ddefnyddio i fuddsoddi yn y cynllun i ddod ag eiddo gwag yn ôl i ddefnydd. Felly, rydym yn croesawu pwerau ychwanegol, ond rydym yn awyddus i gael y rhyddid i osod hynny ar uchafswm o 200%.

asking to charge up to 200% on empty homes—will be an additional power and, hopefully, an incentive for people not to leave their houses empty or, if they do, it will be an income source for local authorities to use to invest in the scheme to bring empty houses back into use. So, we welcome extra powers, but we are eager to have the freedom to set that at a maximum of 200%.

[332] **Janet Finch-Saunders:** Have you considered the potential negative economic impact of generalising and penalising second-home owners?

[333] **Mr D. Edwards:** O ran ail gartrefi, sy'n wahanol i eiddo gwag, os ydych yn edrych ar y dystiolaeth mewn gwledydd eraill yn Ewrop, nid yw'n dangos bod treth ychwanegol yn cael effaith ar dwristiaeth. Pe bai gennyf hawl i ofyn cwestiwn i chi i gyd, os ydych wedi bod dramor yr haf hwn, byddwch wedi gweld llinell ar eich bil yn sôn am dreth twristiaeth. Faint ohonoch sylwodd ar y dreth honno? Ychydig iawn, byddwn yn tybio.

Mr D. Edwards: In terms of second homes, which are different to empty homes, if you look at the evidence from other European countries, it does not show that additional tax has an impact on tourism. If I could ask you all a question, if you have been abroad this summer, you will have seen a line on your bill referring to tourism tax. How many of you noticed that tax? Very few, I would imagine.

[334] **Jocelyn Davies:** Not in Cardigan. [*Laughter.*]

[335] **Mr D. Edwards:** Not yet.

12:00

[336] Felly, nid oes tystiolaeth bod trethi ychwanegol yn y maes hwn yn cael effaith niweidiol. Mae'n fater o gydbwysedd. Mae ail gartrefi yn gallu cyfrannu yn gadarnhaol ac yn negyddol. Mater o daro cydbwysedd ydyw. Rwy'n credu bod cyfle i ni, os ydym am fod yn flaengar ac yn radical, i ddefnyddio system drethi gyda phobl sy'n gallu fforddio mwy nag un tŷ—yn aml dau neu dri—i ailddosbarthu'r cyfoeth hwnnw a buddsoddi mewn cynlluniau tai fforddiadwy i bobl mewn angen. Os yw rhai pobl yn gallu fforddio ail dŷ gwerth £300,000 a mwy mewn rhannau o Gymru a phobl eraill yn methu â fforddio un tŷ, siawns ein bod yn awyddus i unioni'r sefyllfa honno. Dyna pam rydym yn awyddus i'r Gweinidog gynnwys yr elfennau hynny ac eto roi'r rhyddid i awdurdodau lleol godi hyd at 200%. Mater o ddisgresiwn yw hwn—nid yw'n statudol nac yn orfodol—os yw'r dystiolaeth yn dangos y byddai'r dreth ychwanegol honno o gymorth

Therefore, there is no evidence that additional taxes in this respect have a detrimental impact. It is a matter of balance. Second homes can contribute positively and negatively. It is about striking a balance. I think that we have an opportunity, if we want to be innovative and radical, to use the taxation system where people can afford more than one home—often two or three—to redistribute that wealth and invest in affordable housing schemes for people in need. If some people can afford a second home worth £300,000 or more in parts of Wales while other people cannot afford a single home, surely we want to right that situation. That is why we are eager for the Minister to include those elements and yet give local authorities the freedom to charge up to 200%. It is a matter of discretion—it is not statutory or mandatory—if the evidence shows that that additional tax would support the creation of sustainable communities, in

i greu cymunedau cynaliadwy, fel mae line with the aspirations of Welsh Llywodraeth Cymru yn dymuno i ni ei Government. wneud.

[337] **Christine Chapman:** Before we move on to the last section, Peter has a supplementary question.

[338] **Peter Black:** Just going back to empty homes, obviously, first of all, there are all kinds of different reasons why a home lies empty and some are empty for longer than others. The Minister has said that he is prepared to have a look at a possible staircasing provision whereby the longer that a home is empty, the more council tax that you can impose on it. Would you be interested in that modification?

[339] **Mr D. Edwards:** Rwy'n credu y byddwn yn croesawu hynny. Rydym i gyd yn ymbwybodol o'r hyn mae rhywun yn ei ddisgrifio fel *unintended consequences*, lle mae rhywun yn etifeddu tŷ ac yn awyddus i wneud rhywbeth gyda'r tŷ hwnnw ond ddim yn gallu ei wneud ar y pryd, ond bod ganddynt gynlluniau mwy hirdymor. Byddwn yn croesawu hynny i ymdrin â'r union broblem honno. Rwy'n meddwl bod hwnnw'n bwynt pwysig i'w nodi.

Mr D. Edwards: I think that I would welcome that. We are all aware of unintended consequences, where somebody inherits a house and intends to do something with it but cannot do it at once, but they have more long-term plans. I would welcome that to address that exact problem. I think that that is an important point to note.

[340] **Christine Chapman:** Another quick supplementary question from Mark.

[341] **Mark Isherwood:** You have indicated that you believe that the problems in the private sector are greater in terms of the quality of the housing than in the social sector. Can the WLGA let this committee have figures on the number of empty dwelling management orders and housing health and safety rating system enforcement actions that local government in Wales has taken over the eight or nine years since the subordinate legislation was brought in here giving local authorities those powers to act?

[342] **Mr D. Edwards:** I gadarnhau, rwy'n meddwl mai'r hyn a ddywedais oedd bod safonau cydnabyddedig bellach yn y sector cyhoeddus a bod cryn fuddsoddiad wedi bod. Sector rydym yn dibynnu arno fwyfwy yw'r sector preifat a, hyd y gwn i, nid oes safonau cydnabyddedig. Bydd gennym y dystiolaeth honno; gallwn gael yr ystadegau hynny a'u cyflwyno i'r pwyllgor yn sicr.

Mr D. Edwards: To confirm, I think that what I said was that there are recognised standards in the public sector and that there has been considerable investment. We are increasingly dependent on the private sector and, as far as I know, there are no recognised standards. We will have that evidence; we can get those statistics and submit them to the committee, certainly.

[343] **Mark Isherwood:** That would be helpful, because the Minister, in a letter to us, cites the HHSRS as the relevant standard applied in Wales and, of course, EDMOs have been in existence for empty dwellings for a number of years.

[344] **Christine Chapman:** We will move on now to the very last section.

[345] **Janet Finch-Saunders:** I have just a final point as regards the Mobile Homes (Wales) Act 2013. Section 123 in part 5 of Schedule 3 rectifies a few minor defects in the very good Mobile Homes (Wales) Act. Do you have any comments to make on the amendments to the Mobile Homes (Wales) Act?

[346] **Mr D. Edwards:** Nid wyf yn credu ein bod wedi rhoi unrhyw beth ychwanegol ar hynny. Os cawn gyfle i ailymweld â hynny, gwnawn gadarnhau hynny. Os ydych eisiau, ysgrifennwn atoch gydag unrhyw sylwadau ychwanegol, os oes unrhyw beth newydd gennym i'w ddweud.

Mr D. Edwards: I do not think that we have made additional comments on that. If we have an opportunity to revisit that, we will confirm that. If you want, we will write to you with any additional comments that we have on that, if there is anything new that we want to put to you.

[347] **Christine Chapman:** On that note, I thank our witnesses for attending today. We will send you a transcript of the proceedings so that you can check it for factual accuracy. Thank you again for attending.

12:04

**Cynnig o dan Reol Sefydlog 17.42 i Benderfynu Gwahardd y Cyhoedd
Motion Under Standing Order 17.42 to Resolve to Exclude the Public**

[348] **Christine Chapman:** I move that

the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order 17.42.

[349] I see that Members are in agreement.

[350] The next meeting will be next week when we will be continuing to take evidence on the Housing (Wales) Bill.

*Derbyniwyd y cynnig.
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 12:04.
The public part of the meeting ended at 12:04.*