



Cynulliad Cenedlaethol Cymru **The National Assembly for Wales**

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

Dydd Mercher, 17 Ebrill 2013
Wednesday, 17 April 2013

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Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir 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

Peter Black	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Janet Finch-Saunders	Ceidwadwyr Cymreig Welsh Conservatives
Mike Hedges	Llafur Labour
Mark Isherwood	Ceidwadwyr Cymreig Welsh Conservatives
Ann Jones	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Gwyn R. Price	Llafur Labour
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales
Joyce Watson	Llafur Labour
Lindsay Whittle	Plaid Cymru The Party of Wales

**Eraill yn bresennol
Others in attendance**

John Howells	Cyfarwyddwr Tai ac Adfywio Director of Housing and Regeneration
Huw McLean	Tîm Tai'r Sector Preifat Private Sector Housing Team
Carl Sargeant	Aelod Cynulliad, Llafur (Y Gweinidog Tai ac Adfywio) Assembly Member, Labour (The Minister for Housing and Regeneration)
Tamsin Stirling	Cynghorydd Arbennig, Llywodraeth Cymru Special Adviser, Welsh Government
Alyn Williams	Pennaeth Tîm Tai'r Sector Preifat, Llywodraeth Cymru Head of Private Sector Housing Team, Welsh Government

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

Sarah Bartlett	Dirprwy Glerc Deputy Clerk
Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
Marc Wyn Jones	Clerc Clerk

*Dechreuodd y cyfarfod am 9.33 a.m.
The meeting began at 9.33 a.m.*

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

[1] **Ann Jones:** Good morning, everybody. Welcome to the Communities, Equality and Local Government Committee. In opening the committee today, may I, on behalf of the committee, send our congratulations to all those involved with Cardiff City Football Club? We look forward to seeing them in the English Premier League next year. Well done,

everybody. I think that it was a night to remember in Cardiff.

[2] **Peter Black:** Is that a film?

[3] **Ann Jones:** I do not know whether it is a film. Perhaps they would like to make a film out of it.

[4] **Mike Hedges:** Is Rhyl Football Club on the way to the premiership?

[5] **Ann Jones:** Hopefully, yes; we are on the way there. There will be further announcements, because I am sure that Wrexham or Newport will do us proud as well. There will be further announcements.

[6] I have had apologies from Kenneth Skates as he is chairing the programme monitoring committee, which clashes with this meeting. We have no substitution for him. May I ask you to turn off your mobile phones and pagers? We operate bilingually; headsets are available for translation. Channel 1 is for translation from Welsh to English and channel 0 is the floor language, should you need amplification. We are not expecting the fire alarm to operate; if it does, run. [*Laughter.*] No, we will not run, we will take directions from the ushers who will lead us to the appropriate exit.

9.34 a.m.

Ymchwiliad i Addasiadau yn y Cartref—Sesiwn Dystiolaeth 14 Inquiry into Home Adaptations—Evidence Session 14

[7] **Ann Jones:** We will move on to our inquiry into home adaptations. I am delighted to see the Minister for Housing and Regeneration, Carl Sargeant, with us. This is the Minister's first attendance at this committee with his new portfolio. We look forward to continuing to work with you. I think that it must be because you like our committee so much that you want to keep the portfolios that send you here.

[8] **The Minister for Housing and Regeneration (Carl Sargeant):** I think that it is, Chair.

[9] **Ann Jones:** Carl is with us later on for general ministerial scrutiny. Minister, you are very welcome and I believe that you have Alyn Williams with you, as the head of the private sector housing team, along with Huw McLean, who is also from the private sector housing team, for our inquiry into home adaptations. Is it all right to move straight to questions on home adaptations, Minister?

[10] **Carl Sargeant:** Yes. I am happy to do that, Chair.

[11] **Ann Jones:** Perhaps I could start with the first question. You will be aware that this is probably the fourth inquiry into home adaptations; they have been in various guises. We hope, as a committee, that this will be the last time that we have to return to the subject. What steps has the Welsh Government taken to ensure that services have been improved since the last report of the Committee on Equality of Opportunity in 2009?

[12] **Carl Sargeant:** Bore da. Good morning, Chair and committee. It is a pleasure to be back, but under a different guise this time. Thank you for the opportunity to come to give evidence to you on the disabled facilities grants. First, I think that it is important that you are doing a review into DFGs and the grants system because it was evident that improvements could be made. It is clear to us, following the report that we commissioned in 2010, outlining the delivery of the adaptations, that we have come some way in terms of improvement. The

general trend across Wales for delivery is one of improvement, showing a 45% improvement rate since 2006, reducing the average time from 593 days to 325 days. That comes well within the statutory guidance of DFGs in terms of the Housing Grants, Construction and Regeneration Act 1996. We have improved and worked better with the Welsh Local Government Association and the delivery units, the College of Occupational Therapists et cetera, opening better dialogue with them to see how this can be improved. We have also looked closely at some of the budget lines attached to that in terms of the physical adaptations grant and improving that offer by £1.5 million in 2011-12, and improving the offer to the independent living grant to Care and Repair agencies by £1.5 million. So, we believe that we have improved the offer. Local authorities and deliverers of the grant have improved their action, but it is fair to say, Chair, that it can still be improved, and I will be driving that very hard.

[13] **Ann Jones:** Okay. Thank you. Peter has a question.

[14] **Peter Black:** [*Inaudible.*]—the generally positive picture about home adaptations and the situation in Wales. Given that positive picture, and given that you have outlined how things are improving, why do you feel that you need to undertake another review of home adaptations services from the Government's point of view, and what areas do you think need particular attention?

[15] **Carl Sargeant:** Of course. There are two elements to that. The Government has commissioned a review and I have come into post following the start of the review. It is really helpful for me, as a new Minister, to understand what exactly is going on. You will be aware that I have some knowledge around the local government field, from a previous position. When I looked across the local government family, in particular, I found that this was something that used to be flagged up to me, as a Minister for local government, in terms of the differences between delivery times. I have always been one to push best practice; where we have good value and good outcomes, we should be sharing that across the board. We have clearly gone some way to delivering that, as indicated by the figures that I gave you earlier; however, the picture is slightly complex. I do not think that we fully understand the best delivery mechanism. So, what we are trying to understand at the moment is whether, in relation to the DFG, the physical adaptations grant, and the housing revenue accounts—which all link together—we are getting best value for money and also best delivery for our money? That is what we are trying to establish now.

[16] **Peter Black:** Obviously, the review is under way. I know that you will not want to draw any conclusions in terms of that, but will you conclude in time for you to consider whether any issues need to be included in the forthcoming housing Bill?

[17] **Carl Sargeant:** The housing Bill is well under way in terms of the drafting provision and in terms of what we want to do. I do not think that it will prohibit an amendment to the housing Bill, should we need to do that.

[18] **Peter Black:** Right, because some of the evidence that we have taken has indicated that some of the barriers to improving delivery times are things like means testing and some of the other bureaucratic processes that have to be gone through. It seems to me that you would need primary legislation to overcome those particular hurdles.

[19] **Carl Sargeant:** Again, I am grateful to you for the way that you have phrased your question, by not prejudging the outcome of the review—I would not want to do that, either. However, it is really important that we fully take stock of what the evidence produces to see whether we need that primary legislation. I am not yet convinced that we would need primary legislation in some of the actions to improve some of the times, as there are already some well-performing organisations within the sector. I do not quite know what is keeping the ones

that could perform better from performing better. That is something that I am seeking to understand.

[20] **Peter Black:** Okay. Thank you.

[21] **Mark Isherwood:** Good morning. What consideration has the Welsh Government given to intervening directly in local authorities where DFG performance is poor?

[22] **Carl Sargeant:** Chair, we do not have any relevant powers to intervene directly, although, as you would know, I am not shy about coming forward in making my point known to local authorities.

[23] **Peter Black:** Do you not have powers under the Local Government (Wales) Measure 2011?

[24] **Carl Sargeant:** There are powers in the local government Measure to drive improvement forward, but that is not specifically to intervene in DFG payments and the way that they have worked.

[25] **Mark Isherwood:** The evidence that we have had to date has indicated a mixed picture, with some local authorities acknowledged by their peers and by other agencies for doing a good job, and others less so. To what extent would you consider whether that might be down to the effectiveness of corporate leadership and accountability in adaptations? Again, what role could you or other Ministers play in such circumstances?

[26] **Carl Sargeant:** I think it plays a big part in delivery. It is always about leadership and the way that organisations operate. That is partly the reason I will be interested to see the outcomes of the review, to understand where the benchmarks are. I went out last week on some visits around Wales. I was in Cartrefi Conwy, a housing association, and that has done its DFGs really quickly—unbelievably quickly—and I was really surprised at how advanced it was. Part of the reason why that happened, I understand, is that it went out to the private sector in terms of the occupational therapy assessments. I do not advocate doing that at all, Chair; however, if the private sector can do it at that speed, I cannot understand why we cannot do it in the public sector. There is something there that I need to understand to do with why that happened. So, again, we have some good practice; people do things differently, and why we cannot share that across the board I do not know, but I will get to the bottom of that and I will drive a very hard bargain with the people we fund to make sure that they deliver.

[27] **Mark Isherwood:** In terms of Conwy, it has given evidence to us, and it has been flagged up by the WLGA for best practice in Wales because of the close working with OTs and housing adaptation officers, and its reaching out to other parts of the sector. So, yes, I would commend that.

[28] Do you consider that DFG guidance is being adhered to across Wales, or might it need to be updated?

[29] **Carl Sargeant:** I asked my team of officials. It is very early days in terms of coming to the portfolio, as I am sure the committee appreciates, but in preparation for this meeting I tried to pre-empt many of the questions that you might ask, and one of the issues is around guidance, because, often, it is easy to use that argument of saying, ‘Well, we don’t understand it; it could be clearer. What are the issues around that?’ I asked the team to dig out the guidance so that I could see what we are actually issuing and it is very clear. I am more than happy to supply that to the committee to see what it says. However, it does say exactly what the number of days for an assessment should be, counted from the start of the DFG to the end of the DFG, so there is no ambiguity in the advice that we are giving.

[30] As we have seen, some people deliver on the guidance, and given that it is the same guidance being issued, I do not accept that it is flawed. I will share it with committee, if that is helpful.

[31] **Ann Jones:** It would be helpful to see the guidance. Thanks.

[32] **Mark Isherwood:** If the clear guidance is not seen to be adhered to, what then?

9.45 a.m.

[33] **Carl Sargeant:** Well, it is guidance, is it not? As I said earlier on, we do not have the powers to intervene directly in this specifically. I have been criticised in the past, Chair, for seeking to micromanage local authorities, registered social landlords et cetera. However, it is a balancing act. You cannot have it both ways: you either want me to do it or you do not. I am easy, but the fact of the matter is that, currently, we have the Local Government (Wales) Measure 2011, which could drive improvement forward and so this has to be evidenced in that respect. However, as you will see in the numbers that both we and they have provided, there is certainly improvement in terms of the original timescale and where they are now.

[34] **Mark Isherwood:** I have one final point in this section. Shelter Cymru has indicated that the means test is being applied differently in different areas. Is the means test adding to bureaucracy? Should it be addressed, or is it fit for purpose?

[35] **Carl Sargeant:** I share the concerns of Shelter. The process is not consistent. There are many ways of making these assessments. At the end of the day, it is down to individuals. You will always get a different response, depending on who is making the assessment. We have to ensure that, following the guidance being issued, there is consistency across the board. That is why, once again, depending on what comes back in the report, I will consider whether I am convinced that local authorities doing this 22 different ways is the right way to do it. We are seeing some successes in other operations where we do things on a regional basis. I will have to make some considerations, which will be better informed when I have some of the answers to some of the questions that we are posing, Chair.

[36] **Peter Black:** I would like to ask you to have a look at what you have just talked about to see what is happening. My understanding is that there is very clear guidance on how the means testing is applied and that there is very little discretion for local authorities to do it differently. Obviously, you have just come into post and you need to get on top of it, but could you give us a note to elaborate on what you have just said in order to check on what local authorities are doing? My understanding is that they have very little discretion, even in terms of how they test the outgoings, which is what Shelter seems to think is the difference between local authorities. I do not believe that is the case, but we will have to see.

[37] **Carl Sargeant:** I am very happy to do that. What I am trying to suggest is that, while there is little discretion in terms of the delivery of that, it is applied by different people, and I do not know whether that slight taint on that system, with different people applying that, may have a different effect. I think that that might be an accurate reflection of what is happening out there. However, I will give you a note on that.

[38] **Joyce Watson:** Good morning, Minister. Do you think that there is a case for introducing a single adaptation system across Wales and across tenures?

[39] **Carl Sargeant:** Possibly. Once again, with regard to the confusion around the different styles of grant and the different delivery models, there is possibly an opportunity there to streamline some of that. We will understand that better when we have the results of

the review. I will make a decision on that at that point. The only problem that may come as an unintended consequence of joining up the grant system is that some are better than others in terms of delivery. Ideally, you would try to bring everybody up to the good level, but the reality is that you could possibly bring everybody down to the slowest model in terms of delivery. That is something that I would be very mindful of in terms of what the grants do, how they are delivered and so on. We need to get to a baseline understanding of what is acceptable and what is not, and how we can drive that agenda forward before I make a decision to bring all of that together, if that is the right thing to do.

[40] **Joyce Watson:** In your opinion and with regard to what you have had time—ample time—to assess, Minister, do you think that there is enough integration between housing, health and social services when adaptations are being provided, or have you had time yet to consider whether it varies by area?

[41] **Carl Sargeant:** I have not considered that in this portfolio, but, once again, some areas have historically dealt with this better than others. I would expect that to be the case in this field and I will make sure that we look at that closely.

[42] **Joyce Watson:** You will know, Minister, that the rapid response adaptation programme is only currently available to owner-occupiers in Wales. Do you think that there might be merit in expanding that to include social housing tenants?

[43] **Mr Williams:** We have already had discussions with our colleagues in health, and those discussions are ongoing. We have tried to identify a clear means of measuring the success of the rapid response adaptations programme so that we can show evidence of its benefits. That work is ongoing, and we are looking at it very closely.

[44] **Mike Hedges:** Going on from that, one of the problems with health is getting people out of hospitals. One of the big things that is needed to get people out of hospitals is the availability of not only social care, but housing that is fit for purpose for them when they move out of hospital. Do you see any advantage in speeding up some of the adaptations where it is stopping someone from being discharged from hospital?

[45] **Carl Sargeant:** That is a really valid point. On the care pathway following the exit out of the health service, there is a huge synergy and relationship between health and social services within local authorities. Some local authorities do it really well, but some could do better. That is what we have to try to get underneath. It has always been the case that an action by one department has a consequence for another department. We must ensure that we try to alleviate some of the pressures on health by better use of DFGs et cetera, so that we can get people back into their own homes, if that is appropriate.

[46] **Ann Jones:** Thank you very much. We will move on. Janet has the next set of questions.

[47] **Janet Finch-Saunders:** Good morning. My question is about how the adaptation system can be more focused on the needs of disabled people to achieve positive outcomes. Do you think that local authorities are taking steps to try to measure the quality of outcomes?

[48] **Carl Sargeant:** We measure the outcomes using performance indicators to see what they achieve. On whether we are measuring it for the right reason, I am not convinced. We need to look at what performance indicators are. It is all right to say that it is going to take 350 days to put in a DFG for someone, and you tick a box to say that you are within the statutory guidelines. However, is it the best that we could have done? I need to understand that better before I offer a more thorough answer, because I think that we could look at better opportunities to achieve our outcomes, as Mike Hedges said about getting people out of

hospital into their own homes. Are we targeting that right, or is it just a checklist where people are on a list, and we just move through it?

[49] **Janet Finch-Saunders:** Is the independent living grant a programme that could be expanded?

[50] **Carl Sargeant:** Alyn? [*Laughter.*]

[51] **Mr Williams:** We trialled the independent living grant with £1.5 million and put it through the Care and Repair agencies to see what would work and what would not. The evaluation that we undertook showed evidence that it was a very successful scheme. In the last financial year, we followed up with an extra £1 million for Care and Repair agencies to carry on working with local authorities to get the DFG waiting list down. We think that it is a very popular and very good scheme. However, it applies at the moment only to the older population. We would like something that perhaps covers all of the population, and not just that sector. So, it will be picked up as part of the review to see what the outcomes were, and to see whether it is worth continuing, and, if so, in what form.

[52] **Carl Sargeant:** To go back to the question that Joyce Watson posed about the different models of grants, I do not think that, for once, finance is driving the problem here. I believe that there is a suitable amount of funding within the system. With headroom, I do not think that we have got this right. We have got better—that is clear—but could we do better? I think so.

[53] **Janet Finch-Saunders:** Does that suggest that you should streamline the process?

[54] **Carl Sargeant:** We must take the appropriate action for the appropriate issue. I would not want to see delivery based purely on application because it is an application; it has to be properly assessed to make sure that it is the right thing to do. However, it could be better.

[55] **Janet Finch-Saunders:** In your new role, do you think that there is scope for you to look to identify areas for improvements, so that people are better informed about what they need for their own adaptations, their options and the process that needs to be followed to obtain an adaptation?

[56] **Carl Sargeant:** Yes, of course, there is always more that you can do. I am not too worried about the situation at the moment, as I understand it from the information provided, but if the committee suggests that there is an absence of data that is needed for people to access DFGs or otherwise, then I would be happy to look at that closely.

[57] **Janet Finch-Saunders:** Finally, could you include people who want to fund their own adaptations? It can be quite a confusing system when people want to fund their adaptations and just want to—

[58] **Carl Sargeant:** Get it done.

[59] **Janet Finch-Saunders:** Yes.

[60] **Carl Sargeant:** There is an issue there in terms of making the appropriate adaptations. This follows on from your previous question about the information available for people about what they really do need. There are many organisations out there that would be happy to sell you an adaptation that may be inappropriate and cost an awful lot of money. So, there may be something in there about what is needed and the privately or publicly funded element there. People need to be cautious about what is offered when they think it is the right

thing and it probably is not.

[61] **Janet Finch-Saunders:** They need that support and expert guidance.

[62] **Carl Sargeant:** Yes.

[63] **Peter Black:** [*Inaudible.*]—and are you saying that the money that is there is not being used efficiently enough, or are there other factors that indicate that that money could be better spent?

[64] **Carl Sargeant:** I do not know whether local government provided you with figures or just anecdotal evidence that there is not enough money in the system. We provide a block of money—what is it?

[65] **Mr Williams:** The general capital fund.

[66] **Carl Sargeant:** We allocate an amount of that to there. Can you mention the two figures that we have on that, Huw? Then I will explain the detail.

[67] **Mr McLean:** The money is unencumbered. In 2011-12, a total of just over £55 million was spent on private sector renewal. Of that, £34.9 million was spent on DFGs. That equates to about £18 million of headroom, which went on other types of grants.

[68] **Carl Sargeant:** In respect of DFG, I believe that there is an appropriate amount of money there. Again, it is down to the local authority. If they choose to spend more on DFG and on a demand-led budget, that is entirely up to them. However, the consequence of that is that there is less money to spend on the other element. So, there is a block of money on which they make their choice. I do not think that that is a stop in terms of the headroom and making their priorities for DFG if they should so wish.

[69] **Peter Black:** So, you are saying that local authorities are not prioritising their capital expenditure towards DFGs and are spending it on schools and roads instead?

[70] **Carl Sargeant:** That is a matter for them.

[71] **Ann Jones:** You touched on the fact that there are a lot of people out there who are willing to sell you unnecessary pieces of equipment, which perhaps would not help the individual person. How sure are your officials—there is probably a crossover with your previous portfolio—that local authorities are getting the best contracts and prices available? There is some evidence to prove that some firms will add a premium to a local authority DFG grant because they know that it is a DFG grant and is being paid, as opposed to self-funders, who will get what they call the proper price.

[72] **Carl Sargeant:** I am not aware of that, Chair. I will take that suggestion seriously and look at it with my team.

[73] **Ann Jones:** Thank you. I think that it is a valid point if we are looking at cash values.

[74] **Lindsay Whittle:** Good morning, Minister. You touched briefly on the subject of performance indicators in your answer to Janet Finch-Saunders. The last time the Committee on Equality of Opportunity looked at this in 2009, there were some recommendations, but sadly the Welsh Government only took up one of those recommendations, which was that the performance indicator should be split to show the average waiting times between adults and children. That is not very effective, and we have had a lot of evidence from the professionals saying that they would be quite happy to re-examine the performance indicators and to

provide more information. Do you think that they should be refined and made more robust? You said that you would look at it.

10.00 a.m.

[75] **Carl Sargeant:** That is an interesting comment, because, usually, local government and organisations tell me to reduce the PFI—no, I meant performance indicators, not PFI, though they say that as well. If they were to say that they would be happy to introduce more and to give me more data, I would be happy for them to do that. However, the only thing that I am mindful of, and I have always been of this mind, is that you can provide all of the data you want on the outcomes, but what will you do about it in the end? What is the use of collecting more data unless it will change the way that we deliver the system? So, if by doing this, this identifies that there are particular issues with the DFG with young people, and that we have to target that better, I am up for that, but I am not interested in measuring for the sake of measuring, which takes your eye off the delivery end of this. Let us get on with the delivery and make sure that we are doing it for the right reason.

[76] **Lindsay Whittle:** I sympathise with what you say, Minister: it is about monitoring the customer experience, and that is what this committee really wants to do. The new indicators should not just be about waiting times, but about the delivery time, whether the work was of a good quality and the whole ambit of the work. That is important and that is what needs to be looked at. We have also had a meeting in the Wales Millennium Centre with tenants, and they were most positive about this aspect, and these are the people who receive this service.

[77] **Carl Sargeant:** We have asked the deliverers about the issues around satisfaction. There are high levels of customer satisfaction, but it is not collected centrally. I will look at that carefully to see whether it would be of use, looking at the collection of that, because, again, if the majority of them are coming back saying that they are happy, I am not quite sure which bit we need to concentrate on and what they are not happy about. However, let us take stock of what the state of the nation is, and if it is worth collecting that on a national database, I am not opposed to doing that, with a purpose.

[78] **Lindsay Whittle:** The evidence we had, at least on my table, was that there is a lot of dissatisfaction, and we have promised to go back to those tenant groups at the end of this exercise. They know your name now, but we have not given them your address. [*Laughter.*]

[79] **Rhodri Glyn Thomas:** O ran yr elfen hon o foddhad, os gwnewch chi ofyn i rywun sydd wedi bod yn disgwyl am bron flwyddyn i gael addasiadau wedi eu gwneud i'w cartrefi er mwyn gwella ansawdd eu bywydau, unwaith y mae'r gwelliannau hynny wedi eu cyflawni, bydd y bobl yn dweud eu bod yn hapus iawn. Fodd bynnag, o bosibl, o fewn cyfnod byr iawn, byddant yn canfod bod y gwelliannau hynny hwyrach ddim yn cyflawni'r cyfan roeddent yn gobeithio amdano. Wedyn, os yw eu cyflwr yn newid dros gyfnod o amser a bod yr addasiadau a'r gwelliannau hynny yn anaddas ar gyfer eu hanghenion, a oes bwriad gyda chi i fonitro yn y tymor hir er mwyn gweld sut mae'r addasiadau hyn yn effeithio ar ansawdd bywydau pobl?

Rhodri Glyn Thomas: In terms of this element of satisfaction, if you ask someone who has been waiting nearly a year for adaptations to be made to their homes to improve their quality of life, once those improvements have been achieved, people will say that they are happy. However, possibly, within quite a short period of time, they will find that those improvements have not achieved all they had hoped for. Subsequently, if their situation alters over time, those improvements could well be inappropriate to their needs. Therefore, do you have any intention to monitor over the longer term how these adaptations affect these people's quality of life?

[80] **Carl Sargeant:** That is not an element that I have considered. However, I take the Member's point. All people, and the way they go about their daily lives, are different. The inclusion of a hand rail, a stairlift or another significant adaptation that might be requested may change someone's life. I have not considered the detail in terms of what you are asking, post how far forward we go after DFG, because that might be acceptable for the lifetime of that person, and there is an appropriate process, subject to there being a further need, for that person to apply to. I do not know about customer satisfaction post 12 months; I will have to give that some consideration.

[81] **Rhodri Glyn Thomas:** Credaf fod y cwestiwn sylfaenol rwyf yn ei ofyn yw: pan mae awdurdodau lleol yn ystyried addasiadau, a ydynt yn eu hystyried o ran yr hyn sydd ei angen ar yr union adeg honno, neu a ydynt yn meddwl, 'Mae gan y person hwn gyflwr sy'n mynd i waethygu, ac felly mae'n rhaid i ni gynllunio ymlaen pum mlynedd neu 10 mlynedd ar gyfer yr hyn y bydd ei angen', ac wedyn yn gwneud yr addasiadau hynny ar y pryd, yn hytrach na gorfod dychwelyd mewn pum mlynedd a chyflwyno addasiadau newydd?

Rhodri Glyn Thomas: I think that the fundamental question that I am asking is: when local authorities are considering adaptations, do they consider them in terms of what is needed at the time, or do they think, 'This person has a deteriorating condition, and so we have to plan ahead five or 10 years for what might be needed', and then make those adaptations at the time, rather than have to go back in five years' time and provide new adaptations?

[82] **Carl Sargeant:** It is based on the OT assessment at the time. I am not an OT, but you can appreciate what they consider. I understand that, if it is a degenerative illness, that is considered by the OT at the time. However, progressive illnesses would not be considered in that process.

[83] **Mr Williams:** We have also had evidence from local authority colleagues that individuals, when they have the full OT assessment, are eager to just have the minimum amount of work done and say, 'I don't need that and that', so they plough ahead with the minimum amount of work and then problems occur later on. So, it is a balancing act, but the best-performing local authorities have the full OT assessment and deliver on that.

[84] **Rhodri Glyn Thomas:** If you had a monitoring system and went back after a certain period—after 12 months, three years, or five years—then you would be able to assess to what extent that initial facilities grant had been effective in addressing the needs of the person over the longer term.

[85] **Carl Sargeant:** That is true, but I do not know whether that would be accepted by the person we were supporting in that process. So, that is a bit of a mixed bag. Some people might welcome that; some would be happy with just a small intervention that would keep them going, and that is enough for them. I know that one of Care and Repair's functions is to support people in their homes. So, it is not a case of making an adaptation and the people who make it push it in, go away and then there is nothing else; there are services post intervention to support the person in their home.

[86] **Ann Jones:** Okay. We will now move on to funding, and Gwyn is first.

[87] **Gwyn R. Price:** Thank you, Chair. Good morning. On funding, could better use be made of existing adaptations, for example through recycling equipment such as stairlifts and developing accessible/adapted housing registers?

[88] **Carl Sargeant:** I have given some thought to the complexities of an organisation

keeping a register. Many of these organisations already do this. As to how we create that on a national basis, or the value of that, that is something that I am giving further consideration to. There might be some merit in the collection of data, as I said; the housing allocation, post the installation of a DFG facility, should be a consideration in terms of the housing policy et cetera. You need to know what you have put in place for allocation post the exit of that person. So, there are some benefits to having some sort of register, and I will ask my team to look at that more closely.

[89] **Gwyn R. Price:** Following on from that, you have touched on this, but why is the Government against a national register?

[90] **Carl Sargeant:** From a data collection perspective, I do not quite know why we would collect data on a national basis. Currently, we operate, in terms of local authorities, on the basis of 22 local authorities, and their housing policies, et cetera, are all individual, so the use of a national database would be pretty insignificant. If it were to be based on housing allocation or on DFGs on a regional or national basis, there would be some advantage to that, but, generally, it is about local need and provision. I can understand, therefore, a local authority collecting and using those data, but I am not sure of the value of collecting data on a national basis—it would be collecting data for the sake of it.

[91] **Gwyn R. Price:** Following on from that, if a local adaptations register is beneficial, should that include the private sector as well? It is a hard question, is it not?

[92] **Carl Sargeant:** I have two answers, and they are opposite: ‘yes and no’. The practicalities of that are nigh on impossible. In an ideal world, it would be useful, but, going back to the point that Janet Finch-Saunders raised earlier about adaptations and private and public sector involvement in what those adaptations are, I have seen a handyman’s work, putting in a hand rail for a staircase with 1 inch screws. As soon as somebody put a little weight on it, the hand rail came off. That was a handrail and it would tick the box, but it is about the appropriateness of the installation. That is what I would be worried about in terms of the registration of the private and public sector. There has to be a standard in place for what is acceptable and what is not, and that is why the answer was ‘yes and no’. Yes, it would be great, but the practicalities of it mean that is unrealistic.

[93] **Peter Black:** To put the private sector to one side for a second, in most local authority areas there are separate housing allocation registers for the local authority and the social housing sector, apart from where you have stock transfers, but, even then, the housing associations allocate properties themselves. Getting a common housing allocation policy is very difficult; each of those organisations will have their own disabled adaptations registers, but they are not common registers, and I do not know how much they share that information about allocations. Is there merit in saying to both social housing providers and councils that they should share information about their adaptation registers to make sure that there is better circulation between the various tenures?

[94] **Carl Sargeant:** There is something in that, and I will give consideration to that. It goes back to one of the earlier questions about what grants are available and how they operate. We need to understand the complexity of that system and how the elements in it could work better together. It is not a bad idea; the issue is how it works in practice.

[95] **Peter Black:** Clearly, there are issues in terms of how the adaptations take place in those various sectors, because there are separate routes. If we can unify those routes, we should also unify the registers, if we can.

[96] **Carl Sargeant:** Yes, but they are very separate processes, and that is what we need to try to understand with regard to how the assessment took place, why and so on. It is quite

complex. What is working at the moment works, but it could be better. Will it be better if we bring them all together? I am not sure yet.

[97] **Mark Isherwood:** Following a meeting three weeks ago with the housing director and the head of policy for the National Landlords Association, I raised the issue of the private rented sector and housing adaptations. They have views and they do want to engage. The association has provided a written submission to the committee, so I think that the door is open for discussion.

[98] **Carl Sargeant:** Good.

[99] **Mike Hedges:** To take you back to your previous post, Minister, we are looking at only one small item of local authority expenditure and there is competition with other things right the way across. I am sure that another committee, speaking to a different Minister, would be asking, 'Why is more not being done for schools?' At the current rate of replacement of schools, the expectation is that a primary school will last between 800 and 1,000 years. There are all these competing pressures, so will you accept that local authorities have difficult decisions to make on this? The other question relates to the system that we have now, where a major part of the data used in the calculation of the housing element of the general capital fund is a three-year average of the amount spent on DFGs. Is there not a problem with that, in that those who are spending will get, whereas those who are not spending will not get? You are helping the good providers, but those who do not provide as well have smaller numbers going into that calculation.

[100] **Carl Sargeant:** I will ask my team to respond on the detail in terms of the numbers in a second, if I may. However, in terms of the principle of that, I absolutely agree with you that local authorities, which are under the financial pressures that we are all under, have some very difficult decisions to make. It is fair to say that, following the DFG process, there have been significant improvements in the way that is delivered.

10.15 a.m.

[101] Your second point was that those who spend less get less, and those who do well get more. I am sympathetic to that, because, if you are delivering on a system, you should get paid for doing that. There is a commitment to ensure that we deliver on DFGs. My old life, as you put it, in terms of what I used to, is all behind me. My priority now, in this particular case, is making sure that the DFG is delivered appropriately. I will press local authorities and RSL providers to ensure that we get the best value for our money. However, in terms of spending less and getting less, that is a consequence of their actions. I would hope that they would spend more and get more instead. Did you want to comment, Huw?

[102] **Mr McLean:** I am not aware of money for DFGs being based on a three-year average. There is a notional element to general capital funding for private sector renewal that funds DFGs.

[103] **Mike Hedges:** Tell me if I am wrong, but, with regard to the data used for the calculation of the housing element of the general capital fund, one of the calculators is a three-year average of the amount spent on DFGs.

[104] **Peter Black:** It is in the formula.

[105] **Mr McLean:** It is based on the standard spending assessment formula. It also takes into account the numbers of elderly and disabled people in areas.

[106] **Carl Sargeant:** I will provide a note on the detail, but the principle remains.

[107] **Mike Hedges:** May I just add one more point?

[108] **Ann Jones:** Yes, you may.

[109] **Mike Hedges:** For example, in the figures that I have here, Monmouthshire spends £444,000 and a local authority of roughly the same size, although not exactly, the Vale of Glamorgan, spends four times as much.

[110] **Carl Sargeant:** Okay.

[111] I cannot answer that question.

[112] **Ann Jones:** Mike, we will write to the Minister with your concerns and the Minister can respond.

[113] **Carl Sargeant:** I am happy to do that.

[114] **Ann Jones:** I see that no-one has any more questions. Minister, I thank you and your officials for coming in. You are going to send us notes on a couple of things that we will contact you about. As you know, you will get a copy of the transcript to check for accuracy. Minister, you are with us again for the next item, but we will take a short break to change officials. We will then return for the general scrutiny session. Thank you very much.

*Gohiriwyd y cyfarfod rhwng 10.17 a.m. a 10.25 a.m.
The meeting adjourned between 10.17 a.m. and 10.25 a.m.*

Sesiwn i Graffu ar Waith y Gweinidog—y Gweinidog Tai ac Adfywio Ministerial Scrutiny Session—Minister for Housing and Regeneration

[115] **Ann Jones:** We are in public session. I suppose that it is a bit silly to say that we are delighted to have the Minister with us, because he has been with us before. We will be conducting a general ministerial scrutiny session with the Minister, who is now the Minister for Housing and Regeneration. Minister, you have John Howells, director of housing, and Tamsin Stirling, your specialist adviser, with you. It is great to have them here.

[116] We realise that you are newly in post, and that some of the questions that we will want to ask you about in a general scrutiny session might be quite difficult. However, I am sure that we will get through this session. I will ask you the first question. While it is not your decision as to how portfolios are divided up in Government, do you feel that there are benefits to having housing, regeneration, planning and building regulations in the same portfolio? How will that impact on the programme for government, in terms of delivering its objectives?

[117] **The Minister for Housing and Regeneration (Carl Sargeant):** I thank the committee for inviting me to be scrutinised four weeks after my appointment. That is really helpful. It certainly focuses the mind.

[118] The programme for government is the responsibility of all of my Cabinet colleagues, as well as mine. The First Minister has made his decision on reshaping the way in which the portfolios lie. I am extremely privileged to have been asked to be in this post. Regarding the modification to the way in which the portfolios now interact, as you said, the housing, regeneration, planning and building regulations functions have come together, and that makes a lot more sense. The First Minister has certainly made that recommendation on that basis. There are complex synergies and opportunities within the portfolios to ensure that the

legislation profile that we are taking through in the Welsh Government aligns better across the portfolios. It is an interesting challenge for me, and a welcome one. Bringing those functions together absolutely makes sense.

[119] **Ann Jones:** Thank you very much. We are going to move on to housing supply, and I think that most Members have questions on this issue. We will start with Lindsay.

[120] **Lindsay Whittle:** Minister, I am a passionate believer in social housing, as an ex-council-house boy. I also worked in social housing for 25 years. The target of 7,500 is okay, but if you are going to regenerate Wales, that target has to be at least doubled, in my opinion. All of the emphasis seems to be on housing associations, and not on local authorities. Traditionally, the 22 local authorities have provided council housing. Do you have any new ideas or initiatives to give money to councils to build on land that they own? There is no problem in that case with negotiating cheaper deals for the land of registered social landlords, because many councils already own the land. I believe that a windfall for the 22 local authorities—perhaps £50 million to £70 million—would help kick start the economy in every local authority.

10.30 a.m.

[121] **Carl Sargeant:** Thank you for a really important question. I can say that, on most of that, I agree with you. You are absolutely right that, stemming from the first question that the Chair posed, it was about the portfolio; housing regeneration, planning and building regulations—I have instructed my team, as a new Minister, that my priority is housing, across the whole portfolio. How do we create homes across Wales? There is a huge challenge that faces us, and I am grateful to the Member for recognising the challenging figure of 7,500 homes that we are on target to build. However, I share his ambition to increase that. I am looking with my team to see whether we can find innovative ways of financing new projects. In-year, we are facing a £30 million revenue reduction, and a £50 million capital reduction. That has consequences on public service delivery, and in making those investments. The Member's wish list would suggest a £70 million shot in the arm for local authorities to create construction and housing opportunities. That would be welcome in my department, but the reality is that that will be very difficult to find in the public sector purse. That is why I am looking to see whether there are opportunities for other investors, whether that be with land or finance, to be partners in new opportunities to create new building schemes across Wales.

[122] The difference, as the Member is aware, with RSLs and councils is about a Treasury function in terms of what you can and cannot borrow, how you can use your money et cetera. Those are things that the previous Minister was certainly exploring, and which I am exploring. There is a reinvigorated focus on building homes in this department, and that is something that I am keen we start to do quickly.

[123] **Lindsay Whittle:** You mentioned the Treasury; are there any updates on negotiations to leave the housing revenue account subsidy system?

[124] **Carl Sargeant:** Yes. They are ongoing. [*Laughter.*] They are well advanced, I must say. To be fair to the Minister for Finance, who is leading on this with the Treasury officials, there does appear to be some light at the end of the tunnel, but there are still some key negotiation points in determining whether to exit the housing revenue account. I am committed to continuing with that. If I may also flag something up on that very important issue, coming out of HRAS is not the golden egg, either. There are huge pressures by doing that, and people within that system—local authorities and housing associations—need to understand is that it will not be perfect when we come out, either. It does not get us access to lots and lots of money. There are issues around the capping of borrowing et cetera that we have to consider, moving forward. It is advanced, and as soon as I have more detail on that

process, I will ask the Minister for Finance to inform committee—or I will do it—and to give you an update.

[125] **Lindsay Whittle:** I thank the Minister for his honesty.

[126] **Ms Stirling:** May I just chip in there? Certainly, coming out of HRAS may enable a number of local authorities to have small build programmes with the borrowing headroom that may be available. The figures have not landed yet, but in terms of any larger scale building, it would probably be looking at joint ventures or special purpose vehicles, and that is something on which we can learn from some of the small authorities in England that have made good progress in that direction.

[127] **Lindsay Whittle:** That is the point that I wanted to make. I previously worked for the largest housing co-operative in Wales, in Cardiff, but it is the small initiatives that I think will help kick start local economies, where small businesses can benefit, not the large, multinational housing companies. That is important. I have been a councillor for 38 years, and I have been to lots of ribbon-cutting ceremonies, but it is a long time since I last went to a ribbon-cutting ceremony on housing—a long, long time, and there is much more to do now.

[128] **Carl Sargeant:** If I may, Chair, just add to that, in the short time that I have been in post I have found that there are some really forward-thinking authorities and housing associations looking for new opportunities to develop and build new properties. There is one in Joyce's—

[129] **Joyce Watson:** Carmarthenshire.

[130] **Carl Sargeant:** Carmarthenshire—in Joyce's neck of the woods.

[131] **Joyce Watson:** Labour-run Carmarthenshire. [*Laughter.*]

[132] **Carl Sargeant:** There is also one in Caerphilly. So, there are some—

[133] **Lindsay Whittle:** They are joint ventures, though; I am talking about local authority-only ventures. I think that there is too much emphasis, because of the bedroom tax—. Sorry, we are coming to the bedroom tax. I am worried about the impact that the bedroom tax will have on housing associations.

[134] **Carl Sargeant:** I share your concern.

[135] **Ann Jones:** Mike, you have a point—is it just on this issue?

[136] **Mike Hedges:** It is just on this issue.

[137] One of the problems is that, if a council built 100 houses at £100,000 each, at least 50 of them would be sold in the following three years under the right to buy. Unless you can suspend the right to buy for new builds, what you are doing is taking on 60 years of debt and losing your money very quickly.

[138] **Carl Sargeant:** I think that you are accurate in what you say. However, we are not building any yet: that is the problem. We need to start building them before they can even consider selling them.

[139] **Mike Hedges:** Okay, but they would have that power, unless you suspended it.

[140] **Ann Jones:** When we build them, of course, they will have sprinklers, will they not?

[141] **Lindsay Whittle:** If you build units for elderly people, it is a win-win situation. You move people out of three-bedroomed properties and into a nice bungalow complex.

[142] **Ms Stirling:** Given that the suspension of the right to buy would be in areas of high housing pressure, you would hope that new building would be in areas of high housing pressure, so that you could make the link.

[143] **Ann Jones:** Most Members want to come in on this section. Peter and then Mark have issues on this, and then Janet. Mike then wants to come back.

[144] **Peter Black:** I have two points. The first is in relation to the borrowing approvals that local authorities may well gain if you come out of the HRAS system. Given that most of the authorities that have retained their houses have issues with meeting the Welsh housing quality standard, is it not more likely that they will spend the money on doing houses up, rather than on building new homes?

[145] **Carl Sargeant:** Again, it is a mixed bag out there, is it not? Some have transferred, and some have not. Some have met the standard, and some have not. There is an argument about whether we should exit or not, but exiting brings its own complexities, in terms of dealing with the people who are still delivering housing in housing schemes. We are aware that some organisations have met the housing quality standard and are ready to build. Clearly, there are others that would still have to meet the housing quality standard. So, it is a mixed picture out there.

[146] **Peter Black:** Is the Treasury likely to mirror what has happened in England in coming out of the HRAS and insisting on a cap on local authorities' ability to borrow? To what extent will that impact on any building?

[147] **Carl Sargeant:** It is likely that there will be the same rules in Wales; it is all dependent on the cap level that is presented in any exit arrangements.

[148] **Peter Black:** I have one more point. In terms of the social housing grant, whenever additional money has come to the Welsh Government, effectively as Barnett consequentials from extra spending in the UK, a large chunk of it has gone to replace the cuts in social housing grant. Is it the Government's intention to continue that policy?

[149] **Carl Sargeant:** I am certainly committed to maintaining support for social housing grants. We have put a bid in to the centrally retained capital fund to increase that amount, to see whether we can get some additionality into that. However, it is a commitment of mine to ensure that we continue with the process.

[150] **Mark Isherwood:** A previous inquiry by this committee into affordable housing recommended that we needed a whole-market approach and a whole-market target, rather than just units delivered by RSLs and local authorities. As you indicated, there is a need to maximise the number of households housed in decent housing. What are your views on that whole-market approach, which means working across sectors?

[151] You mentioned social housing grants. As you know, your predecessor announced £3 million per annum in social housing revenue funding, which would then assist, primarily, the RSLs to fund the revenue costs in order to keep their rents at socially affordable levels. Where are we up to with that? I think that it was originally indicated that that might release £100 million, but the last time I checked the Welsh Government website it was indicating £140 million. What and when are we talking about?

[152] The housing revenue account has, obviously, been referred to. We know that 11 authorities so far have transferred, so we are talking about 11 authorities. We know that the figure that was last discussed, when your predecessor gave evidence to this committee, was £70 million across Wales, gross, but the net figure negotiation was then estimated to be as little as £20 million. Are you able to give any indicative figure—assuming that the new indicator addressed the other problems—that might then be available for major repairs, WHQS, or borrowing and new build?

[153] Finally, in terms of right to buy, because that was referred to, Professor Wilcox's evidence is that the length of time that an existing tenant will stay in their property is rising because of the supply issues, and is, on average, 15 years. So, the likelihood of a suspension creating any short-term relief is remote. Across the border, there is a scheme that allows local authorities to retain moneys in order to build new properties. Is that something that could be considered, provided that it is delivering new additional properties and housing households in need?

[154] **Carl Sargeant:** The whole-market approach is an interesting question. I have some interest in that, but we cannot allow—because we have not seen delivery on this—a market-driven process in terms of the delivery of the housing stock that is required for Wales, and particularly for the UK. There is still a demand in the market that is not being fulfilled by the private sector; therefore, we have to look at what we can deliver, what our aspirations are, and how we can get to that point. Notwithstanding what I have just said, I am interested in working with the private sector to see how we can develop better opportunities for the demand that is led in Wales. However, it has to be based upon the tenant, as opposed to the business end of the interest. So, I am interested in having some dialogue with the private sector to see what that might deliver. The whole-market approach could work if everyone was an equal partner. I am quite interested in that.

[155] In terms of the HRA, I do not have any numbers for you. That is being led, predominantly, by the Minister for Finance. As I said earlier, I will ask the Minister to update colleagues with any detail that we are able to share with the committee. Again, the complexities of the exit strategy around the capping elements of this, and the quantum that will be required to release on exit, are still a matter for debate with the Treasury. That is something in which I am not involved in terms of the detail.

[156] Your final point was on the right to buy. There is an important principle here about protecting the stock of local authorities and how they may enact the right-to-buy legislation in terms of protecting that environment. I am not familiar with the scheme in England in terms of the Treasury rules allowing the funding. I assume that you mean that the proceeds from sales as a result of right to buy go back into the pot to rebuild.

[157] **Mark Isherwood:** Yes.

[158] **Carl Sargeant:** I am not familiar with that on the basis of my new portfolio. It is something that I will look at it. It is an interesting concept and I know that local authorities have raised this with me in the past about re-investment into the stock. If there is some benefit from doing that, there may be something in that. With the lack of detail, I will probably not comment on that today.

[159] On the rent levels—

[160] **Ms Stirling:** Do you want me to come in on that? I think that it was the revenue to capital scheme that you were referring to, was it not?

[161] **Mark Isherwood:** Yes.

[162] **Ms Stirling:** Housing has put £2 million a year in, and we have had a match centrally to facilitate what has been termed ‘the Welsh housing bond’. Negotiations with institutional investors are well advanced. There has been a lot of interest and officials are looking at what would be the best deal for us. So, we are anticipating—this is not precise; it is a general understanding—that around £130 million would be able to be invested, which would support the development of around 1,000 new homes. So, that is a welcome initiative and an example of the innovative way of working that we have to develop because of an overall shortage of capital coming through the normal social housing grant route. So, they are very well developed. There is an event on innovative housing finance towards the beginning of May and it may be the case that an announcement can be made on that day, depending on the next few weeks in terms of negotiations.

[163] **Mark Isherwood:** Over what period would that number of units be delivered?

10.45 a.m.

[164] **Ms Stirling:** The overall deal in terms of the revenue support is for a 30-year period, but for the 1,000 homes, the intention is that they will be delivered within this term of Government.

[165] **Mark Isherwood:** Can you confirm that this would be to enable the RSLs to borrow and own the stock, with charge over it, rather than the previous scheme, which was withdrawn at the end of 2010, which would have basically been a sale-and-lease-back scheme?

[166] **Ms Stirling:** The Welsh housing partnership is on a lease basis; this would be on the more traditional basis for housing associations, yes.

[167] **Ann Jones:** Janet, is your question on this point?

[168] **Janet Finch-Saunders:** No, it is on empty homes.

[169] **Ann Jones:** Mike, do you want to ask your question?

[170] **Mike Hedges:** First, do you share your predecessor’s commitment to the development of co-operative housing?

[171] **Carl Sargeant:** Yes.

[172] **Mike Hedges:** That is what I like to hear. My other question is a bit more complex. Welfare reform is under way and, perhaps, in terms of housing, the most difficult part of it is the end of direct payments. Have you given any consideration to the effect that that will have on interest rates for housing associations, including those that have undertaken housing stock transfer, and the effect that that could have on their long-term viability? The real question is: are you monitoring it?

[173] **Carl Sargeant:** Again, the answer is ‘yes’ to all of those questions. We do have concerns about the effect that welfare reform, direct payments and rent income will have on the financial viability of RSLs. That is an issue. We are monitoring that. We have done some assessments on all RSLs in terms of their current position. We are also increasing our validation of that process, ensuring that we increase the number of times that we check on how that financial modelling works, because there is a risk. It is an unknown risk, because we do not know what the implications will be; it is all hypothetical. We think that there will be an effect—there is likely to be an effect—but we do not know what the scale of it will be. So, we

just need to keep an eye on that. However, it is a concern.

[174] Again, that is at that end of the system where the housing associations will be affected, but also on the radar is consideration of the ways in which the tenants will be affected. That is, the debt ratio. We have seen a programme in Torfaen recently that is of concern, and I have written to the Minister accordingly to raise the issue. With regard to people who we know are financially literate and well-placed to manage their affairs, we have seen a seven-fold increase in terms of the debt process. There is something wrong with the system if that is happening. So, welfare reform is a concern, as is the way in which it will impact upon housing and tenants in the system.

[175] **Mike Hedges:** Just to finish that point, the key thing, of course, is that seeing that decrease in income is likely to add a couple of points immediately to interest rates to give some additional protection. This will only make matters worse. As things get worse, the banks will keep on adding a point or two to the interest rates in order to cover their increased problems.

[176] **Mr Howells:** We are not there yet, but we are monitoring it very carefully, because we are concerned about the way that this could develop.

[177] **Ann Jones:** I think that we have done enough on housing supply; I would like to move on. Next, there are questions on empty homes. Gwyn, Rhodri Glyn and Janet have questions on this section. Gwyn, do you want to start?

[178] **Gwyn R. Price:** Minister, could you give us an update on the Houses into Homes scheme? Do you anticipate having to make further contributions to support the Houses into Homes scheme?

[179] **Carl Sargeant:** Thank you, Gwyn, for your question. The Houses into Homes scheme has been extremely successful in terms of the process. We recently had a draw-down of the full amount of money from local authorities, which suggests to me that they could spend more. I am not in a position to add more funding to that at the moment, but it is something that I will seriously consider if I can, because, in terms of the scheme, the expectation is that it will deliver around 450 homes back into use. This is based on a regional model. It is working very effectively and all the money has gone out through the door.

[180] **Gwyn R. Price:** My next question was going to be to ask whether you are satisfied that local authorities are making full use of their powers to deal with empty homes.

[181] **Carl Sargeant:** Yes, I am. Once again, when we moved from the 22 authorities to the regional approach to delivery, there was a marked change with regard to the way in which the system worked. It would be fair to say that some authorities did not recognise that there was an empty homes problem within their authority. That has changed somewhat. The money that was available to the authorities has been drawn down and they are delivering on that. They are early days, but I have already had discussions with some local authorities and they have said, 'If you've got more money, we'll spend it', which is not unusual for local authorities, but in a positive way. *[Laughter.]*

[182] **Rhodri Glyn Thomas:** I ddilyn y pwynt hwnnw gan Gwyn, a ydych yn credu bod mwy eto y gellid ei wneud o ran mynd i'r afael â'r broblem o dai gwag? Rwy'n gwybod bod anawsterau ynglŷn â hyn a bod pob math o broblemau yn gallu codi ynglŷn ag eiddo sy'n wag. Fodd bynnag, rydym i **Rhodri Glyn Thomas:** To follow on from the questions asked by Gwyn, do you believe that there is more still that can be done to tackle the problem of empty homes? I know that that there are difficulties with this and that all kinds of problems can arise in terms of empty properties. However, we are all

gyd yn ymwybodol bod llawer iawn o dai gwag yn ein hetholaethau. Felly, a ydych yn credu bod modd gwneud mwy? Sut ydych chi'n mynd i sicrhau bod mwy yn cael ei wneud?

aware that there are many empty homes in our constituencies. So, do you believe that more can be done? How will you ensure that more is done?

[183] **Carl Sargeant:** The evidence that I have managed to glean in the short time that I have been in post is that no local authority has suggested that the guidance issued on the determination of empty homes, how they should deal with that and the ability to deal with it is weak in any way. Therefore, we believe that local authorities have the tools to deal with this issue. It is almost certainly down to the local authority as to how they have dealt with that process and if there has been a wish to deal with empty homes. The catalyst was cash. We said to local authorities, 'If you can do something with empty homes, there is money available here to do it, so do it'. That funding was not available as much before, therefore there was resistance to making that a priority. I believe that that has changed somewhat. The finance available for this programme has gone very quickly out of the door, and local authorities have dealt with that. Therefore, I believe that the guidance is appropriate. Unless the committee tells me otherwise, it is not something that I would seek to amend.

[184] **Mr Howells:** Mae mwy y gallwn ei wneud. Mae rhai awdurdodau wedi gweithio allan bod modd gwneud gwahaniaeth yn y maes hwn heb yr arian. Mae arian yn amlwg yn elfen bwysig o wneud gwahaniaeth. Fel mae'n digwydd, sir Gaerfyrddin yw un o'r awdurdodau a oedd yn dangos cyn i'r arian fod ar gael bod modd dod â chartrefi yn ôl mewn i ddefnydd. Y peth da sydd wedi digwydd dros y flwyddyn ddiwethaf yw bod pobl wedi trafod gyda'i gilydd y materion o gwmpas y maes llafur hwn. Rwy'n meddwl y gwelwn fwy yn deillio o'r trafodaethau hynny sydd wedi bod yn digwydd ar draws yr awdurdodau sydd nid jyst yn ymwneud ag arian.

Mr Howells: There is more that can be done. Some authorities have worked out that they can make a difference without funding in this area. Funding is obviously an important element of making a difference. As it happens, Carmarthenshire is one of the authorities that was demonstrating before the funding became available that houses could be brought back into use. The good thing that has happened over the last year is that people have been discussing with each other the issues around this area. I think that we will see more emanating from those discussions that have been happening across authorities that is not just to do with funding.

[185] **Rhodri Glyn Thomas:** A ydych yn bwriadu monitro effeithiolrwydd y cyfarwyddyd ar arfer da yr ydych wedi ei roi i awdurdodau lleol? A ydych yn credu bod angen datblygu'r cyfarwyddyd hwnnw?

Rhodri Glyn Thomas: Do you intend to monitor the effectiveness of the guidance on good practice that you have given to local authorities? Do you think that there is a need to develop that guidance?

[186] **Mr Howells:** Fel yr esboniodd y Gweinidog, byddwn yn gwneud hynny yn sgîl ein profiadau dros y flwyddyn ddiwethaf. Mae'r sefyllfa yn newid yn gyflym yn y maes hwn mewn ffordd galonogol iawn.

Mr Howells: As the Minister explained, we will be doing that in the wake of our experiences over the last year. The situation is changing quickly in this area in a very encouraging way.

[187] **Carl Sargeant:** Again, the proof is in the pudding. We are seeing the delivery of new homes into the network, which is welcomed by us and tenants across local authorities.

[188] **Ms Stirling:** It is important to note that some housing associations have major programmes and initiatives to bring empty homes back into use, using their own resources and by working in partnership with local authorities. It is the ever-present issue that some are doing a lot and some are doing less. As the Minister said, there is growing acceptance that this

problem needs to be tackled, and it also means that homes can be provided for significantly less money than building anew, so it has huge potential.

[189] **Peter Black:** Your predecessor described the houses that have been brought back into use as low-lying fruit. The point has also been made by John Howells that this is not just about the money, but other things as well. However, a number of local authorities, for example, still do not have officers dedicated to bringing empty homes back into use, and do not have a proper strategy in place. I think that they are diminishing in number, but there are still one or two. Do you not think that there is a case for producing a national strategy that sets out how local authorities should be approaching this, spreads that best practice, and encourages those authorities to take this issue more seriously?

[190] **Carl Sargeant:** I think that local authorities are taking this seriously now. On a regional basis, we are seeing a much improved delivery mechanism. I take your point that 22 authorities do things very differently. If the committee is suggesting that there are some authorities that are weaker than others, which they would like to bring to my attention, I would be more than happy to look at that more closely.

[191] **Ann Jones:** Mark has a question on this issue.

[192] **Mark Isherwood:** In this case, the best processes deliver the best outcomes. Denbighshire County Council, for example, has accolades at UK as well as at Welsh level for delivering the most, prior to the launch of this scheme—we are talking about hundreds—by taking a person-centred approach. That means contacting the owners of the property, and identifying what the barriers are; in many cases, you will find that they are grateful to work with you to address the problem. Therefore, it is about how we can ensure that that practice is spreading. However, a number of authorities—including your home county of Flintshire, Minister—were already putting some of their own money into empty homes schemes. How can we be sure that this is not simply being used to replace what was already going in?

[193] **Carl Sargeant:** That is a fair question. Again, I will have to consider that further to understand that system better.

[194] **Ann Jones:** Okay. Janet, do you have a question for the Minister?

[195] **Janet Finch-Saunders:** Yes. I believe that it is fair to say that we have superb examples of best practice; Conwy County Borough Council is worthy of a mention here. However, there was a time when it was a slow agenda to get going, and it also took some political will to drive that agenda. It shows how you can turn situations around. However, there are local authorities in Wales where there is a real need to bring properties back, and they are not listening. I note that the target is 5,000 across Wales. I do not believe that that figure means much to some local authorities. I would endorse what my colleagues have said—there needs to be something more robust in the way that we challenge local authorities to bring back their good-quality housing stock, which can provide affordable homes for our residents in Wales. Every local authority has a duty, with or without the funding, to be working to put a strategy in place to ensure that they actually deliver.

[196] **Carl Sargeant:** I am grateful for the committee's comments. My predecessor and I are passionate that this issue of using the low-hanging fruits, in terms of housing stock availability, to bring stock—sometimes for a very small investment—back into the housing field makes sense. I will consider that issue further, Chair.

[197] **Ann Jones:** Are Members happy with that? I see that you are. Peter, do you want to ask some questions around the home ownership initiative?

[198] **Peter Black:** Yes. Minister, can you give us an update on the NewBuy Cymru mortgage guarantee scheme?

[199] **Carl Sargeant:** The NewBuy Cymru scheme was one of the first things that I announced in the Chamber. What we did not quite see coming was that, the following day, we had the Treasury announcement on the UK Government's Help to Buy scheme. It would be fair to say that that has caused a glitch, or an issue, with the delivery of our scheme, and I will therefore be making a statement to Members today on the future of our scheme. The partners that we had intended to work with on this scheme now do not feel that they can support it. Therefore, I will be looking to see whether there is any way in which we can take forward a different type of scheme in the interim, prior to the scheme being introduced in the UK, if that makes any sense at all.

[200] **Peter Black:** Thank you for that, Minister. We have taken about 14 months to get to where we are; obviously, you were not the Minister responsible for that. Given that any UK scheme is 12 months away, it is important that we get something in, to avoid a hiatus if we can. Therefore, if you are able to, I would be grateful if you could look at alternative schemes, maybe along the lines of a simple guarantee scheme like the ones that local authorities are running, in the meantime. The important thing is that it gets up and running as quickly as possible.

11.00 a.m.

[201] **Carl Sargeant:** It is certainly not my intention to not tell the committee the detail of which provisions we may be looking to deliver on. As I mentioned earlier, we were certainly unaware of the UK scheme that was coming into place, which pulled the carpet away from the scheme and the development of what we had intended. However, I can give a commitment to the committee that I will look closely at what we can introduce in the interim, prior to the 12-month UK scheme coming into place. As soon as I have anything that we can commit to, I will inform the committee of that detail.

[202] **Peter Black:** I understand that, in relation to the UK scheme, it is a matter of whether the Welsh Government opts into it and that it does not automatically apply to Wales. Is that the case?

[203] **Ms Stirling:** There are two elements to it. As I understand it, the mortgage guarantee element is an England and Wales initiative and the equity stake element is England only. However, officials are looking at whether we can have an element of an equity stake model as well, but it is in two bits. It has been quite difficult to get details out of colleagues in Westminster. The emerging detail is quite slow in coming forward so that we can understand exactly how the two products would apply in Wales.

[204] **Ann Jones:** We need to have further scrutiny on this.

[205] **Carl Sargeant:** It is important to confirm that it is not that we are not committed to delivering this scheme. We were never not committed to doing this. The stakeholders involved in this process have, understandably, removed their commitment, because there is less of a financial risk with using the UK model. Therefore, that prohibits the continuation of the scheme that we had planned.

[206] **Mark Isherwood:** I would like to develop that alongside the call for equity share. Home builders have been calling for NewBuy, NewBuy Cymru, the mortgage guarantee scheme and the equity share scheme. We know that HomeBuy, which was originally launched in Wales in 1995 as a low-cost home ownership product, and which eventually adopted a do-it-yourself option so that people could also go on to open market purchases, is not doing very

much. However, home builders tell me that, on the other side of the border, they are seeing a significant improvement in business because of those two schemes. My understanding is that the current Help to Buy scheme is running as FirstBuy did; it is a new build shared equity scheme and if you have not bought the balance in up to five years you have to start paying a charge on it. My understanding is that, next April, the next stage is an open market variant. So, you find your 5% deposit, but there is still the shared equity element for people. I worked in the sector for nearly a quarter of a century. During most of that time, we had mortgage guarantee schemes that were, in those days, underwritten by insurance companies. So, nearly every first-time buyer had a 95% mortgage, including through previous recessions. Alongside those, we also had shared ownership schemes, and then shared equity schemes for those people who could find a 5% deposit but, in most cases, could not afford to fund a 95% mortgage. So, there is room for both. I agree that there is still some uncertainty over exactly how this is going to work from next April. Notwithstanding that, how are we going to recognise that they reach out to slightly different parts of the market and that they are not the same thing?

[207] **Carl Sargeant:** Again, the devil is in the detail. We are still awaiting some of the issues to be resolved, following the UK Treasury's announcement. It is not unusual not to have all the detail. We are eagerly awaiting that detail to see what the implications are in terms of what is available in England and what, apparently, is not available in Wales and to see whether we can mitigate any of that or support Welsh products to support the housing industry. Nevertheless, the data that is required to do that is necessary for us to formulate a forward-thinking plan.

[208] **Mark Isherwood:** Am I right to say that England is going to maintain NewBuy, as well as have this alternative scheme? Am I also right in my understanding that the open market Help to Buy scheme that will come out next April still retains a shared equity element?

[209] **Ms Stirling:** There are two bits to the Help to Buy scheme: there is a mortgage guarantee element and a shared equity element. The mortgage guarantee element will automatically apply to Wales, but the shared equity will not, and that is where officials need to have discussions with their colleagues in Westminster to see what the issues are, whether we need to develop something different or whether we can amend and tweak that element of the Help to Buy scheme and to look at any financial implications that that would have for the Welsh Government. As the Chair mentioned, that is something that we probably need to come back to the committee with in a number of months, when we are clearer about how we can take this forward.

[210] **Carl Sargeant:** That is all of the detail that we have. We do not have anything in addition to offer today, unfortunately, Chair.

[211] **Ann Jones:** I am sure that we will return to this, because it is an area that, as a committee, we are quite interested in. So, we will come back to this when there is more detail.

[212] Joyce has some questions on the private rented sector.

[213] **Joyce Watson:** Yes. My questions are about forward thinking. Minister, can you provide—and maybe you cannot—an update on proposals for regulating the private rented sector, in particular the licensing of landlords and agents?

[214] **Carl Sargeant:** When I changed post to this ministry, it was not that I was happy to see some of the legislation, or some of the events, go behind me, but I was glad of the new opportunities that the new legislation profile of this portfolio brought, particularly the housing Bill, the mobile homes Bill and the planning Bill, which are all part of a weighty profile of

legislation and can make a real difference to people in our communities.

[215] I thank Joyce Watson for her question. I assume that you have seen the summary of responses to the consultation that we undertook for the housing Bill. That has helped me to inform the next stages in terms of what the housing Bill will deliver. I think that it would be appropriate for me to write to the committee to update you on where we are with the housing Bill, and the other legislative components that you may have an interest in too, to give you an outline of exactly where we are in that proposal.

[216] **Joyce Watson:** In that case, I will leave my questions and wait for you to write to us with an update; all my questions follow the same theme, and the answers would probably be the same. So, we will look forward to your update.

[217] **Ann Jones:** On the private rented sector, part of my constituency has a great deal of private rented homes, and, often, private rented homes do not meet the needs of the people who are renting them, but it is basically a roof over somebody's head. How are local authorities progressing with the licensing side of that? There was a projection in my authority area that it would take them something like 300 years to get everybody licensed under the scheme, because of the way in which it was going. Is there evidence that there is a multi-agency approach to this licensing, bringing the police, the fire service and the Inland Revenue together, so that poor landlords can be tackled from all sides to be able to move on? That does not seem to be the case; it seems that authorities go in, then somebody else will go in, and it takes a long time before you can get somebody in a suitable home or before you can address some of the problems that are created within the area.

[218] **Carl Sargeant:** There is already an active group in the private sector working on voluntary registration in terms of this process. That is welcome, but the problem is that, generally, they are not tackling the people whom we are trying to register. That is why we are introducing compulsory elements to this, through the Bill. That will come into legislation, and will, hopefully, achieve the approval of this Assembly. However, alongside that, I am aware of a bid from the WLGA for a collaboration fund—a very innovative collaboration fund, if I may say so, which was introduced last year by the Minister for local government. *[Laughter.]* It is a programme to access funding for registration programmes to ensure that, in advance of the Bill, there is a national database of collection, which will be advantageous to them in terms of preventative spend at this stage and in preparation for the Bill when it is passed. It is something to which we are committed, to make sure that we have a positive impact for tenants and the private sector in terms of landlords. It will also ensure that we are able to highlight the unregulated and often poor landlords who provide housing accommodation for tenants across Wales.

[219] **Mark Isherwood:** Two and a half years ago, this committee's predecessor produced a report about making the most of the private rented sector, which, as I recall, was unanimous. It recommended that we license letting agents, which was unanimous, and it did not recommend that we go ahead and simply license private landlords. It called on the Welsh Government to carry out a detailed inquiry into this, backed by the then Deputy Minister, because of the complexities identified in the evidence that we received. That was backed unanimously by all Members at the time. The concern remains that local authorities already have a wide range of enforcement powers, but, in many cases, they are simply not using them. If you bring in licensing, but the failure to enforce continues as it has, it will end up rather like the mortgage market collapse, which led to the credit crunch; there was statutory authorisation and a statutory mortgage code, but because of a failure of regulation enforcement, the market collapsed. So, the reputable landlords, including the National Landlords Association and the Residential Landlords Association, are very keen to work with the Welsh Government to target the cowboys—the rogues—and to ensure that enforcement powers are used rather than simply adding more enforcement powers, which, on past

precedents, will not be used.

[220] **Carl Sargeant:** I do not accept that argument, Chair. Just because you wear a cowboy hat does not make you a cowboy. For me, the issue is to make sure that we know who the cowboys are and the only way to do that is by registration. I was in the Chair's constituency two weeks ago on a visit. I walked around the town with the Member and there were places there for which the local authority did not know who the landlords were, and, quite frankly, they should not be providing accommodation. That is not acceptable and we will bring in legislation to ensure that that does not happen. However, the Member is absolutely right to say that, to follow that through, you have to have enforcement. That is why we are seeking to ensure that there is a legislative competence within the Bill around profile and registration through to effectiveness of delivery, which I will be pursuing. So, in recognising the Member's concerns, I wish to continue dialogue with the private sector in the delivery of this. There are already some who provide this voluntarily, but it is not the cowboys, or the ones who are registering now, whom we wish to see registered, predominantly.

[221] **Joyce Watson:** The voluntary Landlord Accreditation Wales scheme in Carmarthenshire County Council has worked really hard, but it has to be said that the success rate is measured by the good landlords who sign up. I had a meeting with them two weeks ago. I am sure that you share my concern, Minister, that, at a time when people will probably have to move as they never have before, from the public sector into the private rented sector, we need to tighten up and have an element of control so that those people do not take a double whammy. They will have been wrenched from their homes, through no fault of their own and a policy that we cannot control, to find themselves in a situation outside the area in which they live and in conditions in which they do not expect to live. We must focus on doing something about this, and the sooner we do so, the better. Should it not be the case, Minister, that local authorities, which have registers of accepted private rented landlords, use only those landlords, so that we send a clear message to the private rented sector that if it is going to mop up the excesses as a consequence of the bedroom tax, it will only be allowed to do it if it plays our game?

11.15 a.m.

[222] **Mark Isherwood:** They have been saying that for two years.

[223] **Joyce Watson:** But being serious about it.

[224] **Ann Jones:** Let the Minister answer.

[225] **Carl Sargeant:** That is a valid point. I have used the mantra, from when I came into this post, of 'decent homes for decent people in decent communities.' That is pretty self-explanatory, and that is what we all should aspire to. There will always be people in the system who will seek to exploit others, in all walks of life and including houses, homes and accommodation. That is why we are introducing legislation to ensure that if you are in the private rented sector, you will have to be registered and we will have to do understand the quality of the service that is being provided. That is fair and reasonable, because we know already that there are homes for people that should be closed down. That is not acceptable in a modern society. However, there will be pressures because of welfare reform and changes in regulations about homes. We have to make sure that we can give some people a safeguard, and it is my commitment to ensure that we introduce this legislation.

[226] **Ms Stirling:** May I add that your point about local authorities using certain private sector landlords and using only ones that they know offer good-quality accommodation and manage it well is absolutely right? The issue with the private rented sector is that some

vulnerable people end up living in the private rented sector but are not placed through a local authority. If housing benefit was not to be paid on those properties, those folk would have nowhere to live. So, it is quite a complex set of interactions, but, as the Minister said, the legislation will move us to a much better place in terms of knowing where properties are, who the landlords are and being able to do something about the bad conditions that exist.

[227] **Mark Isherwood:** The report that I referred to was launched two and half years ago and proposed the development of a network of social letting agencies with only accredited landlords as members, citing the Agorfa Cefni model for the hardest to house in north-west Wales. We still have a patchwork. In some areas, we have different organisations effectively competing to set up competing social letting agencies, while in other areas there is nothing. Meanwhile, there is not yet, in many cases, a direct connection between those who need decent housing, the local authority and social letting networks. How are you going to develop a network that reaches tenants in need in all parts of Wales without duplicating the work of housing associations, stand-alone social letting agencies in the third sector and local authorities, which are all trying to do their own thing?

[228] **Ms Stirling:** You will be pleased to know that a piece of work is ongoing at the moment that is interviewing all the existing social letting agencies and facilitating discussions with regional groups of local authorities to get them to be absolutely clear about what they need from social letting agencies and what the package of service provision should be and to move that forward. So, work is under way, and we expect some changes in provision to follow from that quickly.

[229] **Ann Jones:** We have talked a lot about people owning homes, and an important issue that we need to look at is homelessness. Peter has a couple of questions on this and other Members may have questions as well. So, in the time that is left, we will move on to homelessness.

[230] **Peter Black:** I have two brief questions. First, the housing White Paper was cautious about the removal of intentionality on homelessness. What conclusions have you reached in terms of the housing Bill on that particular aspect?

[231] **Carl Sargeant:** The Member is right to raise that issue of intentionality. The complexities around families and children have concerned me and the previous Minister. We are trying to finalise the details now. As I said, I will be happy to write to the committee on the detail of the Bill when we finalise that approach.

[232] **Peter Black:** Okay. My second point is on facilities to help people who are homeless, whether they are street homeless or another type of homeless. In the first few years of the Assembly, the amount of money that was available through the section 180 grants increased quite significantly and has virtually levelled out since then. I do not get an impression of much flux in terms of the schemes that are being funded from that grant, but there are still gaps in provision around Wales. I was just wondering whether you will be reviewing the section 180 funding to try to find out where those gaps can be plugged, and what other work you are doing on that particular aspect.

[233] **Ms Stirling:** A review of section 180 has been committed to and will happen this financial year. That will take a forward look, because we need to make sure that the programme of funding supports the new legislation when it comes in. It has a much greater emphasis on the prevention of homelessness, so the review will look at the existing portfolio projects, and whether and how they support the new direction of travel. We will develop some criteria against which projects will be assessed. Information will be available later in the year and that will inevitably lead to some change. That will have to be managed in terms of the projects that get existing funding, but a very clear message will go out that that is the

intention of the review in the context of static funding because, as you suggest, there is not a growing pot of money.

[234] **Lindsay Whittle:** On homelessness, particularly the rough sleepers initiative, it is there that you see the most desperate people in our society. I know of the very good work that is being undertaken in this city—the Hubbard Centre, working with Hafod Housing Association, and I think Cardiff Council and the Welsh Government as well as Wallich Clifford. I know about the Hubbard Centre because of the generous donation by a couple called Robert and Ethel Hubbard to establish the Hubbard Centre; incidentally, they are my aunt and uncle, so that is how I know. While that is a fantastic initiative for this city, forgive me, but I do not know what is happening for the rest of our cities and towns. We do not often see rough sleepers in all our towns and villages, but I am assured that they are there.

[235] **Carl Sargeant:** The Member is right, and it is something that I also feel very concerned about—that, actually, at whatever age people are sleeping rough, it is not appropriate, and it is really sad. The key to all of this is that supporting people who are rough sleepers is critical. I pay tribute to your aunt and uncle, who made a contribution to dealing with that. The key has got to be prevention of homelessness in the first place, and that will be something that we seek to do in the legislation. Of course, if we could stop the merry-go-round, get off and deal with that, and deal with this at the same time, then that would be great, but that really is not going to happen. What we are seeking to do with the legislative programme is place a lot more emphasis on prevention of homelessness, and that encompasses families and individuals who, for whatever reason, find themselves homeless, and sleeping rough. There are organisations that we are seeking to work with to ensure that we can intervene at an early stage, and that could be on the basis of keeping them in their home for a short period before we are able to move them on with the local authority or RSL. My team's effort now has to be on preventing people from getting into that situation in the first place.

[236] **Mark Isherwood:** On that point, I commend to you the report of a previous committee on youth homelessness, which looked not only at the supply issues of emergency, intermediate and move-on accommodation, but at the complex psycho-social issues that had led people to become homeless in the first place. My question is about priority for homeless people on waiting lists. As you know, there is a growing polarisation between those—not being us—who say, 'The priority is local people' and those who say, 'Yes, but there are other categories', such as victims of domestic abuse who have to move to other areas, or people coming out of prisons who need to go somewhere other than where they came from as part of their return to normal life. We know that, in the White Paper, the Minister had said that he was going to look at some of this and commission some research, for example, into ex-offenders. I do not know where you are up to with this thinking.

[237] **Carl Sargeant:** Interestingly, I have done a bit of work on this over the last week or so in terms of the scoping of the legislation that we are bringing in. Again, that is something that I have taken an interest in in terms of the allocation guidance and profile of people regarding local connections et cetera, and issues around domestic abuse et cetera. So it is something that will be in the Bill, in terms of more defining. With regard to the work that has been done to assess that, I will turn to Tamsin.

[238] **Ms Stirling:** In terms of prison leavers, as I am sure that committee members will appreciate, there is a huge tension between those who feel that prison leavers having priority need is an essential part of supporting them to reduce or stop reoffending, and those who say, 'Actually, there is some anecdotal evidence that's creating a revolving door for folk'. So, a piece of work is being specified and will be commissioned. It is within the Minister's scope, in terms of secondary legislation, to change priority need groups, so the work will be completed in time for relevant secondary legislation to be made at the same time as the Bill, if

that is where we land in terms of the decision with regard to what the work tells us. There is no easy decision on these things. The evidence may come back that, yes, having priority need reduces reoffending and therefore we are where we are, it may come out and say that there is very limited evidence or that it does not reduce reoffending. There will still be very strong lobbies in both directions, and so it will, inevitably, be a very political decision, but we want to do that on the basis of good evidence.

[239] **Carl Sargeant:** On the back of that, also, is the definition of the terms around that, too. A six-month local connection, in terms of the tenancy agreement that you may have, is an easier option than a 12-month local connection, which gets you into the list in a different place. That is something that we are going to have to look at wholesale to see how each will affect each other. Again, anecdotally, I have heard lots of rumours about offenders being housed in different areas, but we are very short on actual, factual data. So, it is something that we are very keen to try to understand better.

[240] **Ms Stirling:** What we do know is that the homeless route is overused for prison leavers; it becomes a default route into housing, and it seems to have a negative impact on a more planned approach, but that previous piece of research showed us that what we are not absolutely clear about is that evidence of the link between providing that housing and the reoffending, which was the whole point of that priority need group being established in the first place. That is what people understood, and it was done in good faith that that would happen, and that is where we need the evidence.

[241] **Mike Hedges:** I would like to talk about the hidden homeless, the sofa surfers. They do not feature in a lot of these figures, but there are an awful lot of people—predominately young people, but not only young people—who tend to move around between staying with friends, relatives et cetera. They are not homeless in the sense of sleeping on the streets, but they are homeless in the sense that they do not have a home of their own. Has any work been done on trying to gauge those numbers? I realise how difficult it is to gauge those numbers. Are there initiatives being brought in to help some of those people?

[242] **Carl Sargeant:** I have to look at housing in the round, whether people are homeless, present themselves as homeless, are rough sleepers, or in need of being home and safe, if you like—they have premises, but need to move on. We are trying to look holistically at what our demand and supply ratios are. That also falls nicely into the planning part of my portfolio. As I said earlier, there are some synergies between what our supply and demand need is, and how we ensure that we can model the appropriate accommodation for individuals. The pressures of welfare reform and the bedroom tax are pushing people out of accommodation into single-bedroomed accommodation, if that is the route that they have to take for financial reasons. That puts even more pressure on the people who are sofa surfing, which we all know happens. So we have to put that into context, in terms of what our availability is. I think that there are around 400 single-bedroomed units available in Wales. The bedroom tax will create a huge demand for them and, frankly, we are not capable of meeting the needs of the people of Wales, with regard to the legislation that has been introduced in the UK. I did say to the Welsh Affairs Committee this week that, if we accept the principle that this is legislation being introduced for the right reasons by the Government, because that is what they believe, although I do not, that is how we are going to manage and mitigate those situations. It takes a lot longer than a few weeks to change the profile of housing in Wales—it is going to take us a lot longer to deliver that.

[243] **Ann Jones:** Thank you very much, Minister. You are four weeks into your post, and we have managed to finish just on time, so we will have to schedule more time when you have really got your head around it, and I am sure you will be here for a lot longer. Thank you very much, and thank you to your officials as well. There a couple of things that you are going to send us notes on, but the clerk will write to remind you of those. Thank you very

much for coming; it has been a pleasure to have you here all morning with us. That brings the meeting to a close.

Daeth y cyfarfod i ben am 11.30 a.m.
The meeting ended at 11.30 a.m.