The aim of this document is to present up to date opinion, commentary, analysis and data on the Welsh housing industry. This document contains over 200 references to recent publications, research and articles, with the aim of providing a wide-ranging and useful resource to housing students, strategists and practitioners.

The Chartered Institute of Housing (CIH) is the only professional organisation representing all those who work in housing. Its purpose is to maximise the contribution that housing professionals make to the well being of communities.

In Wales, CIH Cymru aims to provide a professional and impartial voice for housing across all sectors, to emphasise the particular context of housing in Wales and to work with organisations to identify housing solutions.

The views expressed in this report are those of the authors and do not necessarily represent the views of CIH.

CIH is publishing this report as a contribution to discussion and debate.

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CHAPTER 1

THE STATE OF THE NATION

KEITH EDWARDS, CIH CYMRU DIRECTOR
In his final overview of housing in Wales as Director of CIH Cymru, Keith Edwards takes a personal look at the shifting sands of welsh housing and identifies some key challenges for the future.

‘There is a fundamental difference between what’s happening in England and Wales on affordable homes. I believe affordable means affordable, and not driven by the market’

Carl Sargeant, AM  
Minister for Housing, Regeneration and Planning

As this is my final year contributing to Welsh housing review in my present role I need to apologise in advance for the selective nature of this piece. Elsewhere in the review you will find facts, figures and analysis on a comprehensive range of issues. I have decided to focus on a small number of areas that I believe to be particularly important at this point. I have also taken the liberty of relaxing the personal views on what lies ahead based on a fundamental question: what will we become?

Every year in housing is different, and the pace of change continues to pick up. Occasionaly though there are stand out years and 2014 has that feel about it. This year a number of the challenges facing Government, the housing community and, above all, people and communities are likely to have a lasting impact – from unprecedented cuts in services and punitive welfare reforms to the shape and scope of democracy itself.

My reflections have been aided greatly by re-reading back issues of Welsh Housing Quarterly, the editorially independent voice of housing in Wales, and an invaluable source for this review. This then is my take on 2014 and beyond.

**Government for Grown Ups**

After years below the radar 2014 was the year that the UK Government had quite a lot to say about Wales. Unfortunately most of it was negative. UK Ministers took every opportunity to attack our record on the NHS and education. The nadir was reached in April when the Prime Minister proclaimed Welsh hospital care was so poor that Offa’s Dyke was a ‘line between life and death’. You would be forgiven for thinking that this was all about party politics, with UK Labour the real target in the run up to the 2015 general election.

Still, so far housing has merited little attention in the political Punch and Judy show but it surely won’t be long before the contrasts we might want to celebrate are portrayed as retrograde, even harmful by UK politicians. That said there is no doubt that the trajectory of departure from the UK politics and practices in housing will continue. The driver remains what Sir Jeremy Beecham called excellence in small country governance and a large part of the housing world seems to have embraced this approach.

What were once minor schisms between Wales and England are becoming major chasms, and this is intensifying in three particular ways.

Firstly we have a different analysis of the housing system and this is shared by Welsh Government, the Chartered Institute of Housing and large parts of the housing sector. This is captured in the concept of One Housing System of interconnections across all sectors, where intervention and planning are important tools and markets ‘better servants than masters’.

Secondly this leads to a different narrative for housing, aided by the fact that housing sits within a ministerial portfolio that also includes planning and regeneration, with all three seen as critical by Government in addressing poverty, promoting social justice and developing the economy. The stand off between London and Cardiff on welfare reform underlines this divergent narrative and even words have become weapons: In Cathays Park it’s officially the bedroom tax whilst Whitehall loudly protests it’s a spare room subsidy.

‘There are items of common ground between the Party of Wales and Government’

Jocelyn Davies  
Assembly Member for the South East Wales region

Thirdly the consequence is an increasingly different agenda for action. From reforming the private rented sector to fundamental change of tenancy law, Wales is striking out on his own. The era of Government for grown ups has arrived and reinforces the point that the devolution experiment has evidently moved from the laboratory into the real world. But the idea of a slow, steady climb inferred in Ron Davies’ original prognosis needs adjustment - with the benefit of hindsight, devolution in Wales has turned out to be a process punctuated by events.

We have had a succession of commissions on powers and governance. In sporting terms Richards, Beecham, Silk and Williams could be a solid back four or an exciting three quarter line but they are of course the authors of the major reports that punctuate the devolution journey. In housing we had first Sue Essex, and recently Robin Staines, report on affordable housing and increasing supply respectively. It would be stretching it a bit to also link in the Kent report on exclusions in 2000 but it makes a great quiz question – what links all three? (answer at the end of the article).

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3. [http://wales.gov.uk/about/cabinet/cabinetstatements/2006/10/19/909/?lang=en](http://wales.gov.uk/about/cabinet/cabinetstatements/2006/10/19/909/?lang=en)  
4. [http://www.assemblywales.org/abthome/role-of-assembly-how-it-works/history-welsh-devolution.htm](http://www.assemblywales.org/abthome/role-of-assembly-how-it-works/history-welsh-devolution.htm)  
5. [http://www.assemblywales.org/about/assembly-factsheet/080623affhousingtdpmreporten.pdf](http://www.assemblywales.org/about/assembly-factsheet/080623affhousingtdpmreporten.pdf)  
'lets stop debating whether gender balance in decision making is a good or achievable thing - it is on both counts: it's the ethical thing to do and it makes good business sense'

Joy Kent
Chief Executive, Chwarae Teg

Of course in 2014 the first wave of made in Wales legislation emerged and the details of the Housing Wales Act are now very familiar to the policy community and covered elsewhere in the review. I would like to flag up the importance though of what could be seen as a legislative curtain-raiser - Peter Black’s Mobile Homes Act. Passed with Government support it has introduced a fit and proper test and licencing for site owners because as Peter explained under current law there was ‘little protection for residents’. The significance went beyond the subject matter, important though that was, as it marked the end of hundreds of years of being shackled to London for all housing-related legislation, however irrelevant even harmful to Welsh needs.

A New Era for Local Government

‘local authorities must be more proactive and innovative in seeking new housing solutions’

Neil Howell
Chair, Housing Leadership Cymru

Local government is under the financial cosh yet expectations on the role it has to play going forward are increasing – think how many of the actions required under the Housing Act fall to councils to deliver, as a case in point. A key challenge is how to ensure that the actions that emerge from the Williams report present opportunities for housing. This means reversing the outcomes of the last reorganisation in 1996, which by any measure didn’t work out too well for housing. Within a couple of years the process of denoting it as a corporate priority was well underway, usually seeing it subsumed into a ‘super department’ with anything from social care, planning or environmental health. Twenty years on that process is complete, with no totally free standing housing directorate in Wales.

Pressures are most acute in the eleven councils that have transferred their stock to new RSLs, where the struggle to secure resources is getting harder without a Housing Revenue Account (HRA) to draw support from. The eleven ‘retention’ authorities are in a much different position as the light at the end of the HRA Subsidy tunnel finally emerges, with the expected voluntary agreement on a new system expected in 2015. Not only will this mean the opportunity to invest in improving current homes but also will make sure that new council homes will be built across Wales.

‘I expect there to be a council house building programme in the future’

Carl Sargeant, AM
Minister for Housing, Regeneration and Planning

Williams clearly offer opportunities for housing if we do the groundwork now. The focus is on dealing with the public ‘funding gap’ through collaboration and co-production, prevention and early intervention, improved governance and an outcomes-focus; all approaches familiar to housing professionals across sectors.

Much attention has inevitably fallen on aspects of the report that deal with reducing complexity and duplication through better partnership, and of course essentially halving the number of local authorities. Despite Sir Paul Williams assertion that this will have to happen quickly warning that ‘it is far better to invest in reform now before it is too late’, the big changes won’t occur this side of the assembly elections in 2016.

However that doesn’t stop authorities continuing the process of informal collaboration. Pooling strategic housing resources to take a wider approach to meet new housing demands is an obvious opportunity. Collaboration on investment programmes in current homes and new ones to maximise jobs, training and community benefits is another.

One Housing System

‘Wales needs a whole market solution to its housing supply crisis’

Mark Isherwood,
Shadow Minister for Communities, Housing and Local Govt.

Our key challenge has been the same for decades: how do we significantly ramp up the number of good quality homes we build or bring back into use? The approach being taken in Wales is becoming increasingly distinct, particularly from England, perhaps irreversibly so.

There is considerable cross party consensus at least on the scale of the problem and the need to take the ‘whole system’ approach long advocated by CIH Cymru. Government is prepared to intervene in markets and has fashioned a System Steward role for itself. This means championing co-production whilst pushing partners to deliver more, squeezing out the maximum public money
and at the same time encouraging innovative funding solutions. In addition government recognises the need for the a broad range of approaches including building new council homes, promoting co-operative housing and improving the private rented sector. It also means not being afraid to act tough through legislation and making clear the increased expectations on partners to help deliver equality and social justice.

‘we’ve always understood housing in the context of administrative boundaries – housing markets don’t and won’t ever respect them and so we’ve learned they’re artificial’

Kellie Beirne, 
Chief Officer for Regeneration and Culture, 
Monmouthshire County Council

The co-production model that is the modus operandi in Wales in previous years means government, councils, housing associations and the private sector working together. We now have the best resourced empty properties programme – Houses into Homes10 — anywhere in the UK. Innovative models such as the Housing Finance Grant11 and Welsh Housing Partnership12 are having an impact on supply. Further support for Co-operative housing options came in the form of £2million to support13 pilots in Cardiff, Newport and Carmarthenshire.

Of perhaps greatest significance and biggest contrast with England, is the clear message that local authorities should be ambitious to build again with the Minister talking about the goal of a ‘national council house building programme’. Carmarthenshire was amongst the first out of the blocks building 39 two bed bungalows14 – not just a significant contribution to meet local need but hugely symbolic of the ambition to build at scale across Wales.

‘there is no silver bullet masquerading as a magic wand enabling the removal of the white rabbit from the top hat’
Robin Staines,
Head of Housing Services
Carmarthenshire County Council

The search for innovation continues. The ministerial Task Force chaired by Robins Staines was asked to take a fresh and radical look at ways of increasing supply. Recommendations included, not without controversy having a variable and competitive grant available to private developers.

Meeting housing need is the unifying long term focus. But we should remember that simply increasing the number of homes is not the answer. History is littered with poor, short term decisions that have meant we have built homes of the wrong type, in the wrong place, to inadequate standards – and the likelihood is we are still doing it. In addition simply spending money on the homes themselves does not guarantee long term community viability. We need to invest in infrastructure, create jobs and training and provide support to vulnerable people.

What will we become?
In 2010 CIH Cymru launched an initiative to map out what the housing system of the future would look like called Scenario 201515. Based on engagement with members and partners across all sectors, our vision included a housing system that:

• was dynamic, flexible and inter-connected
• developed a range of funding and resourcing options to build new homes and improve existing ones
• took a radical approach to the ownership and control of housing
• delivered ‘triple bottom line’ economic, social and environmental benefits
• was based on better collaboration and partnerships

I think it still reads well as a list of aspirations and captures a great deal of what Government and partners have been trying to achieve since. Perhaps more importantly we can point to real progress in each area:

• meeting housing need is more than ever dependent on a comprehensive cross sector approach
• innovation in funding extends to a number of major Government / housing sector / lender partnerships that are delivering new homes across Wales and investing hundreds of millions in existing homes
• new models of ownership have been established in eleven former local authorities following stock transfer with high levels of community control; in addition there has been significant progress in developing co-operative housing options
• the impact of housing on the economy, social justice and the environment is well evidenced
• the impetus for further collaboration continues within and between sectors

We can all take credit for progress so far but over the next five years what will we become? There are a number of key challenges – some sector specific, others more far-reaching – that I think will need to be addressed especially given the intensifying pressures we face. My hunch is that the housing world will look remarkably different in five years time.

Trust the people
Williams said it was essential to ‘ensure citizens and communities are at the heart of service design and
delivery’. I bet if you searched all the major national reports and the majority of local authority and housing association strategies you will find clones and variants of that aspiration. And yet we are not always great at listening. And there is a real danger, especially with the tensions that welfare reform brings, that we could be slipping back to a confrontational relationship that was the way we did things before landlords starting treating tenants with respect. Tenants need a national voice and unlike landlords they haven’t got the resources to pool together. There needs to be independent funding – perhaps a mix of national and local – but it needs to be long term and not subject to being switched off when tenants take a contrary view on issues. This is not altruism.

Seize the agenda
For housing we have to make sure that 2014 is not a repeat of 1996 - we have to make housing a central priority across Wales in any reorganisation. We need to get our arguments ready, not for a share of the spoils but to prove that housing can deliver across local government functions. We should pre-empt any changes by pushing collaboration to its limits before new boundaries are set. We have to ensure a strengthened strategic housing function to improve our ability to intervene and deliver. Merged councils must become local ‘system stewards’, orchestrating the action of partners across all sectors to deliver more homes, improve quality and respond to the housing and support needs of local people. New council housing can capture the imagination of local politicians, so it’s up to us to get this into their field of vision as soon as possible.

Push back at Government
Proximity to Government and involvement in decisions is a major plus of devolution. But we are not part of Government – we are partners in the process. Co-production has much to commend it, but it needs to avoid becoming a one-sided relationship that post-devolution, all pervasive entity that many of us belong to. We may share many of the aspirations – social, economic and political – but we have to have an increasingly honest dialogue. Government has every right to impose conditions and expectations where public money is involved. We should retain the right to challenge policies without fear or favour.

Embrace change
The housing association movement has to face up to a number of fundamental challenges. The sector needs to work together but also diversify and specialise. Transfers are natural borough-wide regeneration agents. Local RSLs can extend their interests to include community renewal. There is room for further specialisation by for example providing more and innovative ways of meeting the needs of older people. But there will have to be more alliances and mergers. There. I’ve said it.

Be radical
One of the best things to come out of housing in Wales in the past few years has been the excellent #CouncilHomesChat16 initiative. Young housing professionals and tenants who believe passionately in social housing weren’t prepared to sit back and take the constant attack on it by the media. They were not going to wait for approval from more senior professionals – like many such movements, if you’re not careful you can get left behind. Our CIH students and the people who have come through the Rising Stars Cymru programme are also a huge cause for optimism about the enthusiasm and ability out there.

‘we decided ‘enough is enough’ – it’s time to change the conversation and add balance to the debate which has become wholly one-sided – social housing has been the springboard starting point in life for people’ #CouncilHomesChat

Change the world
In my professional life the thing I am most proud of is being involved, from the the start, is the i2i project. Not because it was a uniquely exciting and innovative place to be – it was; or because of the brilliant people who were drawn towards it – and they were brilliant. The best thing about i2i was that it was central to amazing changes that saw billions invested in people’s homes, thousands of jobs created and new organisations committed to community empowerment emerge across Wales. It has also helped shape the wider policy agenda beyond housing, particularly through the i2i approach to community benefits, jobs and training. For me it is one of the best examples of what we can achieve through our energies and imagination.

To return to the question – what will we become? For me the choice is simple. We can baton down the hatches and hope to survive the next storm of cuts and attacks. Or we can do what we usually do. Draw on our creativity and innovation and keep working on the project to change the world for better, for good.

‘In Wales housing organisations have the opportunity to develop roles as social enterprises, sustaining local communities, supporting local employment and engaging the wider community in the long run this will not only be cheaper but will be a better solution for people and communities’

Tim Blanch
Former CEO Coastal Housing

Quiz answer: Essex, Staines and Kent – all officially within the London ‘commuter belt’.

16 http://councilhomeschat.wordpress.com/
CHAPTER 2

CONTEMPORARY ISSUES

- NEIL HOWELL & CLARE BUDDEN
- MICHALA RUDMAN & MICHELLE REID
- STEVE CLARKE & HANNAH SMITH
- ALISON INMAN & TAMzin STIRLING
- GUDRUN BURNETT
CHAPTER 2, ESSAY 1

WELSH HOUSING AND THE WILLIAMS COMMISSION

Neil Howell and Clare Budden; Housing Leadership Cymru
Twitter: @housingleaders

Anyone currently working in the public sector will be acutely aware of the pressures and challenges that are being faced by local government, as a range of service areas struggle to deliver the same high quality services, with fewer resources but increased levels of demand. Maintaining the status quo is no longer an option, with the public sector becoming too crowded and complex to cope with the pressures that will continue to be placed upon it. A new approach to how public services operate is needed and housing is no exception.

Housing is often one of the smaller services in local government, so the need to change and adopt a flexible approach is even more critical. Housing must take control of its own destiny and use these uncertain times as an opportunity to showcase what it has to offer.

Recent austerity measures, notably welfare benefit reforms and budget cuts, have put increased burdens on housing services and these are not issues that are going to go away. Housing must continue to do the day job and use these times of uncertainty to establish its future. Local government reorganisation in Wales should not be viewed as a threat, but as a chance to raise the profile of housing and an opportunity to influence and shape the future of service provision.

Housing has a proven track record of successful collaboration and partnership working within and across local authorities, with a range of partners including registered social landlords, as well as a variety of other sectors including health boards, social care and community regeneration services. Housing must build on this and highlight examples of good practice and positive outcomes from co-production.

Many organisations are slow to respond to change, but local government and in particular housing services are highly flexible and adaptable to change. For example the eleven Welsh local authorities that experienced large scale voluntary transfer (LSVT) of their housing stock have managed to embrace opportunities in terms of a more dedicated focus on the strategic housing role. Housing services across Wales are continually adapting to the ever changing environment and the needs and demands of our customers and communities.

The initial recommendations from the Williams commission\(^1\) may well result in local authorities that have transferred their stock, merging with those that retained their stock. This will cause considerable change, but should be embraced as another opportunity, with the possibility of re-introducing council housing in some areas, increasing the amount of social housing available and offering local authorities greater options and a growth in assets.

Smaller organisations often face greater risks and disproportionately higher budget expenditure costs, so merging and creating larger organisations may serve to build strength and resilience, although ‘big’ is not necessarily always beautiful! However it is important to be strategic and selective in developing collaborations, and to ensure that strong governance arrangements are well established.

A number of lessons can be learnt from the previous re-organisation, when Wales was divided into 22 unitary authorities, it meant in many cases that housing was diluted and not viewed as a local government priority. As a result there were very few stand-alone housing services, often leading to decreased staff morale and reduced motivation, which in turn affected performance.

To successfully meet these challenges, there needs to be clear leadership to support staff through transition. There will inevitably be a number of practical challenges that will need to be addressed, but housing must be proactive in tackling these and embrace and manage change, rather than just allowing it to happen. In this way, we will have greater control and more power to create a housing service that is effective and delivers positive outcomes.

Housing has a long tradition of delivering innovative solutions and working effectively with partners to deliver positive outcomes, which should be highlighted and promoted. Housing has not, until recently, been seen as one of the priority areas for government but we now have a Minister for housing and regeneration. To continue this theme it is important that housing positions itself to support other priority areas, to act as an enabler for other services.

In the meantime, there are a number of priorities that still need to be met locally, so it is important to continue to do the things we do best; delivering quality services to local people.

Public subsidy is reducing and continually being stretched but we need look no further than the excellent example of supporting people teams where budget cuts are being managed in a pro-active way, thereby minimising service delivery impact through joint commissioning strategies, ensuring value for money services and effective monitoring.

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of cost and outcomes is in place to safeguard service delivery.

In terms of new housing developments the innovative use of both Welsh government and local authority land can negate or significantly reduce the need for social housing grant (SHG) subsidy. In North Wales extra-care schemes are being developed with very little public subsidy and rents and service charges can still be maintained at realistic affordable levels.

New legal structures are being used to develop and deliver affordable housing. These can provide increased flexibility and the ability to offer a broader range of tenure options, meeting the needs of those on low incomes who are struggling to pay market rents, or raise a significant deposit to buy but who are unlikely to qualify for social housing.

When it comes to ‘added value’, the joint procurement of services and capital works between local authorities is clearly delivering efficiencies, and there are a number of positive regional initiatives to maximise training and apprenticeship opportunities between councils and registered social landlords through regeneration and construction work.

It is clear that there has been much change in the public sector, and that the tempo is set to increase even further. However, with housing in the driving seat, the opportunities to be taken are waiting to be grasped.

CHAPTER 2, ESSAY 2

PUBLIC PERCEPTION OF SOCIAL HOUSING

Michala Rudman & Michelle Reid; Council Homes Chat
Twitter: @councilhomechat

There can be little doubt that there has been a major shift in public attitude towards housing the population over the last hundred years or so. Following the First World War we were promised “homes fit for heroes” and significant government subsidies were pledged to fund these wonderful new homes. Finally, government saw housing as the necessity it was and made its supply a national priority. This continued in earnest after World War II when the rebuilding of Britain saw a much heralded housing boom, with an increase in standards and amenities. We’d never had it so good.

The ‘cradle to grave’ ideology of the welfare state was in full swing; Housing was fulfilling its potential to aid the economy, to support health and education – helping to put the ‘great’ back into Great Britain.

But although the welfare state, and in particular social housing, was once held up as ambitious, desirable and glorious, that perception no longer persists. Social housing is now more likely to be considered the tenure that is least aspirational, a last resort and one that benefits only the so-called dregs of society. Housing policy over the past few decades has resulted in the inescapable truth that we simply don’t have enough social housing for those who require it. This has created an aggressive and frustrating arena where there is severe competition for what little housing exists. With an estimated 90,000 people currently languishing on housing waiting lists, you would be hard pushed to find anyone nowadays who would argue that the UK government is fulfilling its responsibility in regard to housing.

Social housing is bound to be scrutinised, at a time when many are saving for a deposit for a house that is getting more expensive and elusive by the day, while others struggle to pay high rents in the private rented sector whilst working in a low-paid and often insecure job, and when more and more people rely on food banks and charity. So, of course, it's not unreasonable that there is challenge and debate around the benefits system that costs upwards of £2bn a year – especially during a recession – and that this would cause friction and tension.

However, there seems to be a disproportionate concern around who is entitled to this support; to distinguish between those that ‘deserve’ the safety net of the welfare state and those that are abusing the system and are neither valued nor respected members of society. So where did it all go wrong?

We believe it is the unrelenting and on-going media rhetoric that has ingrained harmful associations between the ‘undeserving poor’ and social housing in the public psyche by highlighting the worst cases, reaffirming the sense that we are being ripped off, and that “foreigners” are taking advantage. Evidently ‘reality’ television is more about ratings and sensationalism than it is about reality. When you watch such quintessentially British programmes as The Great British Sewing Bee, and The Great British Bake Off you have to ask yourself why the production company (Love Productions) choose to stray from a winning formula by not giving us The Great British Social Housing Estate, or The Great British Community. Instead they produce such dire poverty porn as Benefits Street and Immigration Street - designed to provoke and antagonise in a way that Bake Off is not. It’s definitely a choice, and is presented in that way to suit an agenda and reach a certain audience.

Malcolm X once said “If you’re not careful, the newspapers will have you hating the people who are being oppressed, and loving the people who are doing the oppressing.” So why bother to challenge such an obvious mechanism?

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1 http://www.nationalarchives.gov.uk/humanrights/1914-1945/default.htm
2 http://www.nationalarchives.gov.uk/pathseways/citizenship/brave_new_world/welfare.htm
During the particularly difficult season of Benefits Street there were many frustrated conversations on social media from the ‘general’ public. Some were astonished by the brazen and cheerful way we were being ‘ripped off as usual’ by social housing tenants, while others were wondering why the content being beamed into millions of living rooms across the UK was not the same picture that housing colleagues and involved tenants were seeing in their day-to-day work in communities. Instead of seeing inspiring stories we were spoon-fed the extremes, who of course do exist, but who were chosen carefully to represent those who wanted to take and not give back. We all know that there are a range of people living in social housing, but it soon became obvious that Love Productions (and their commissioners at Channel 4) were simply highlighting those who would get the most attention and strongest reaction. They didn’t care that they were giving an incredibly poor image of social housing – but many of us in housing in Wales (and across the UK) did! It was a very difficult discussion to get involved in, as so many people were (and are) extremely angry at being on the housing waiting list for so long, stuck behind ‘scroungers’ apparently ‘earning’ lots of money in benefits over extended periods of time.

The only thing necessary for the triumph of evil is for good people to do nothing. So, we pooled our various ideas and came up with an assortment of ways to fight back against this demonization. People made YouTube videos talking about the positive aspects of social housing; there was a Twitter storm that reached over 450,000 people demanding the full story was told; and a popular Twitter account and Facebook page was set up to share blogs and best practice across the sector, showing the other side of social housing. Conscious that we needed to take the message of positivity outside of the UK housing sector, and not just talk to ourselves, we also took to twitter during the programme to talk to people directly and found we were able to change people’s minds just by communicating with them. While it’s clearly not sustainable to convert people one by one, this highlights that when engaged in a meaningful discussion most people are reasonable and that it is important to make sure the right information and data is available and accessible. It is ridiculous that the anger is not aimed at the lack of affordable homes available instead of the people who rely on social housing, so we encouraged viewers to focus their ire and resentment at the right people; the decision-makers. Thankfully there are many online communities, like Shout, Yes to Homes for Housing, Housing Day, and Council Homes Chat, as well as individuals who support the social housing agenda in various ways, and continue to spread the message.

The enduring challenge remains to alter perceptions of the real value and importance of providing affordable housing for everyone. We’re trying to do this by continuing to share the positive stories and contributions, and to ensure people focus their passion by voting for housing, especially at the next general election. We believe the Welsh housing community has risen to the challenge superbly. Our message is simple: we don’t need more reality TV about social housing – we just need more social housing to become a reality.

CHAPTER 2, ESSAY 3

CAPTURING THE GOOD IN THE PRIVATE RENTED SECTOR: BEYOND LEGISLATION

Steve Clarke and Hannah Smith, Welsh Tenants
Twitter: @welshtenants

It has been a momentous twelve months since the last Welsh Housing Review. The Housing (Wales) Bill\(^9\), which has more than a significant focus on private renting, has received royal ascent, while the housing policy unit in the Welsh government are busy scribing the Renting Homes\(^10\) bill, inching its way, paragraph by paragraph to join the lexicon of a whole-system approach to housing in Wales. At the time of writing, another milestone is being traversed as consultation is underway on the two model tenancies that are set to dominate the Welsh rental landscape for years to come, a major step in helping to ensure that housing agreements are for tenants and their landlords, and not wholly the preserve of lawyers.

While the private rented sector has long been acknowledged as a key player in the housing market, the sheer scale of growth, doubling in size in the past ten years and set to grow even further representing 20% of all accommodation by 2020\(^{11}\), has demanded that we act to respond to that change.

There are other key imperatives, not least that more low income earners, who would have otherwise been directed to social housing, are having to take up this less secure and more expensive form of housing. This is evidenced by the amount of housing benefit claimants having risen to a third\(^{12}\) as the proportion of the total number claiming the benefit, pushing up the housing benefit bill at a time when government is trying to cap the overall welfare budget; a recipe which is sure to cause huge difficulties in the years to come.

Housing standards are also of concern for those more disadvantaged. Fitness for habitation is now judged according to the Housing Health and Safety Rating System\(^1\).

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\(^2\) [http://www.yestohomes.co.uk/](http://www.yestohomes.co.uk/)

\(^3\) [http://www.insidehousing.co.uk/housings-big-day/6529450.article](http://www.insidehousing.co.uk/housings-big-day/6529450.article)

\(^4\) [http://councilhomechat.wordpress.com/](http://councilhomechat.wordpress.com/)

\(^5\) [http://www.senedd.assemblies.wales/documents/c29647/Housing%20Wales%20Homes%20Leslie%20030D%20Dossier.pdf](http://www.senedd.assemblies.wales/documents/c29647/Housing%20Wales%20Homes%20Leslie%20030D%20Dossier.pdf)


\(^7\) https://onedrive.live.com/view.aspx?cid=D36D6C8B249EE19C&resid=D36D6C8B249EE19C%21146&app=WordPdf

\(^8\) Tenure Trends in the UK Housing System: Will the private rented sector continue to grow? Ben Pattison with Diane Diacom and Jim Vine, Building and Social Housing Foundation, 2010

\(^9\) [http://www.insidehousing.co.uk/166m-housing-benefit-claimants-live-in-private-sector/7003724.article](http://www.insidehousing.co.uk/166m-housing-benefit-claimants-live-in-private-sector/7003724.article)

\(^10\) [http://www.insidehousing.co.uk/166m-housing-benefit-claimants-live-in-private-sector/7003724.article](http://www.insidehousing.co.uk/166m-housing-benefit-claimants-live-in-private-sector/7003724.article)

\(^11\) [http://www.insidehousing.co.uk/166m-housing-benefit-claimants-live-in-private-sector/7003724.article](http://www.insidehousing.co.uk/166m-housing-benefit-claimants-live-in-private-sector/7003724.article)
(HHSRS) in part 1 of the Housing Act 2004\textsuperscript{15}. The cost of bringing the sector up to anywhere near the requirements has been estimated to be in excess of £3 billion in 2012. No longer is private renting a harbour for families to save to buy a home of their own, this journey, common still perhaps to some, is quickly being assigned to a tale more befitting the Brothers Grimm than as a proactive and progressive means of social and economic mobility. It has therefore come as no surprise that in Wales at least in occupational terms, private renting is being concreted into the foundations of our supply policy.

These key and critical directions have not just materialised as ghosts from Merlin’s mist, they are based on years of weather watching, and although the perfect storm has for the time being abated, the prospect of such an event emerging out of the crisis of 2008, has certainly had the effect of concentrating minds on how we ensure a fairer, more socially just, transparent and accessible form of renting for the future.

Over the past three years there has been of course significant research that paints a better pictures of the provision of housing in the private rented sector. Consumer protection and representation has been highlighted by Shelter Cymru\textsuperscript{14}, with the report finding that “we have no real sense of tenants’ views in relation to rent levels, security of tenure and housing standards”.

This seems to chime with the views of Welsh Tenants presented at the CIH Cymru PRS Summit events (in 2012 and 2013\textsuperscript{15}) that indicates a consensus of opinion around five key challenges for government, regulators and the sector. These are a need for better consumer protection and representation, addressing affordability and choice, tenure security and housing standards (both management and condition). These can only be achieved with a collaborative approach that requires the full engagement of people who rent and provides.

So to recap, we will have a registration scheme for agents and landlords, and a move towards ensuring that they are suitably skilled to undertake the protection that housing families require. We also have for the first time, a pending requirement to issue a written tenancy agreement with pre-defined, fundamental rights and obligations of the parties, enshrined in legislation.

Welcomed as these measures are, legislation to ensure registration and a minimum level of competence alone to aid the enforcing of existing legislation will not in itself deliver better landlords or for that matter, better tenants. Although these measures are significant.

Research published in 2014 by Anne Delaney and Simon Inkson\textsuperscript{16}, highlighted among other things a need for strategic leadership and a cultural shift among local authorities to bring about step-change in the relationship between them and the private rented sector. These being articulated through:

- Improvements in the corporate understanding of the strategic importance of the private rented sector in their area
- Bring together the appropriate departments within the authority in order to develop and implement an improvement plan
- Help individual services to improve their work with the private rented sector
- Improve the ability of the authority to make use of the private rented sector to address housing need and homelessness

This cultural change should also be echoed for providers in the private rented sector. The problem is, how do you instigate cultural change if the vast majority of providers have no structural support around them; such as the buy-to-let investors who own between one to eight properties and manage their own affairs, or the ‘accidental landlords’ who have inherited properties and who take their responsibilities keenly, but don’t always understand their obligations and therefore fall foul of legislation. It is estimated that more than three quarters (78\%) of all landlords only own a single dwelling for rent.\textsuperscript{17}

How do we ensure that we answer the criticisms of the larger, more professional elements of the sector to avoid reputational pooling; with good landlords unfairly grouped with the uninformed, where the legislation does little to differentiate them. After all, bad landlords or their agents can register, undertake training - and still be bad.

Registration and competency will not address for example, the manner in which ‘in tenancy disputes are dealt with affordably for the small investor’. It will not address, the knowledge and experience the social sector has achieved by entering into dialogue and participating with their tenants on how best to manage the home they rent. It will not address the significant issues faced by renters with disabilities or understanding the needs and aspirations of more diverse population of renters. It will not address the emerging new forms of private sector tenancy, such as ‘rent to rent’ models!

Could a proposal for local authorities to adopt a ‘common charter’, that goes beyond the requirement to register and learn, be a useful tool in the box? This could help to differentiate between those landlords who want to preserve and enhance their reputation, and who want to be a willing host for those people being sign-posted by local authorities to access housing in the private rented sector under the Housing (Wales) Act 2014 in the new homelessness provisions.

Should those who sign up to the charter have preferential


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access to grants or interest free loans, enhanced energy efficiency support and access to better more improved advice and support from the local authority. Much the same as that exists for de minimis and non de minimis housing associations in the social housing sector?

If so, what would the charter include? For the Welsh Tenants we would like to see a more balanced commitment of the parties, with tenants agreeing to perform their fundamental obligations as stipulated in their tenancy agreement, but perhaps helping the landlord to monitor and improve essential services provided by the agent or perhaps monitoring contractor performance.

For landlords a commitment to ensure the use of alternative dispute resolution processes and the adoption of codes of practice that already exists for social housing tenants. Something that works for both landlords and tenants would be perhaps a right, to undertake improvements similar to that which exists in the ‘Tenants Guarantee’18 for social tenants, that enables the tenant to invest in improvements to the home, but receive compensation for doing so on a sliding scale as the improvements depreciate, when they leave.

These voluntary codes and practices have ensured that at least in the social sector, it has been relatively ‘good to rent’. Why would we not want to learn the lessons of 40 years of involvement and mutual understanding of what makes social housing work effectively mirrored in the private rented sector.

Legislation on its own can propagate an adversarial position. Legislation works best when supported by a cultural shift and used as a last resort. The judiciary has long since recognised the power of alternative dispute resolution, while case law provides for reasonableness and proportionality.

Socially-just legislation needs to be followed by socially-just policy and practice. That commitment by the Welsh Government to deliver ‘socially-just’ policy needs to live up to for example the ‘difference principle’ for distributive justice19 which claims that equality in society is only achievable if the policy and practices provide maximum support for those who are worst off.

People who need additional housing support should not be signposted to the private rented sector simply by virtue that landlords are registered and have met a competency test, but citizens should also be assured that culturally the organisation or person(s) responsible for the provision of their shelter are serious, and committed to ensuring their social welfare is uppermost in their concerns, and not just a rental yield and a return on investment. Landlords should look on renters as investing in people to look after their asset - not simply looking after their income to secure their yield. If we want that cultural change we will all have to contribute.

CHAPTER 2, ESSAY 4

IT AIN’T (JUST) WHAT YOU DO, IT’S (ALSO) THE WAY THAT YOU DO IT… GOOD GOVERNANCE, CULTURE AND BEHAVIOURS

Alison Inman, CIH Governance Board member and Tamsin Stirling, Housing Consultant @alison_inman @tamsinstirling1

The focus on governance within the housing sector in Wales has increased markedly in recent times. We have seen a sector study of the governance of housing associations20, a shift in regulation which should place more focus on governance21, Ministerial emphasis on gender equality on housing association boards22 and, in August 2014, the Community Housing Cymru consultation on a Code of Governance for the sector to replace their existing Charter23.

Much of this activity is aimed at more universal application of ‘good governance’ and sectoral achievement of the ‘highest standards of governance’. However, it is our contention that these terms are often used without a clear shared understanding of what is meant. We are all aware, from relatively recent corporate history, of the catastrophic results of poor governance. However, it’s probably fair to say that what constitutes good governance is somewhat contested territory. And its contested nature probably fair to say that what constitutes good governance is somewhat contested territory. And its contested nature is fundamental to a lack of sufficient focus on governance within the regulatory framework to date, albeit that identified weaknesses in governance in a number of associations have elicited regulatory responses.

Reading a lot of articles and reports about governance, you could be forgiven for thinking that, if you put all the right structures and processes in place, good governance will automatically follow. But as Higgs in his review of the work of non-executive directors reminds us:

‘Effective boards depend as much on behaviours and relationships as on procedures and structures.’25

22 http://wales.gov.uk/topics/housing-and-regeneration/services-and-support/governance/charter-for-good-governance/
24 @alison_inman @tamsinstirling1
This is a challenge as, generally, we feel much ‘safer’ talking about structures and processes than about behaviours. And, ironically, in much of what is written about the importance of behaviours in governance, when it comes to recommendations or suggestions for practical action, it is straight back to structures and processes.

So what behaviours are we talking about?

The sector study of governance mentioned earlier, notes ‘fostering an effective governance culture is fundamental to boards leading’. Governance is not just about the work of boards, it is about how organisations do business, how they take decisions and how they communicate internally and externally. So an effective governance culture is not just about having well run board meetings where the ‘right’ decisions are taken. It is a culture which values listening, learning, the contributions of, and feedback, from individuals, where risk is appropriately managed, rather than avoided.

A fascinating article in the 26 July issue of The Week\textsuperscript{26} features Virginia Mason Hospital in Seattle, where all 5,600 staff are encouraged to immediately report anything that could potentially harm a patient, including mistakes they make themselves. These safety reports are not used to blame or punish individuals, unless they have behaved recklessly, but to examine systems and processes to see if people were set up to fail. The result has been less litigation, lower liability insurance premiums, but most importantly, fewer mistakes affecting patients. A great example of an open, learning culture in which everyone’s voice has validity.

At board level, such an open culture has been characterised in a number of ways. Sonnenfeld in his paper, What Makes Great Boards Great\textsuperscript{27}, talks about a culture of open dissent as being key to board effectiveness. He also talks about a virtuous cycle of respect, trust and candour. Open dissent as a term might be interpreted as overly conflictual. Constructive challenge is perhaps a more user friendly alternative, one used by Dr Jay Bevington who writes about governance in the health sector and who also emphasises the need for trust alongside constructive challenge. His findings are summarised here and are worthy of some reflection:

‘From our work with NHS boards, two things are particularly evident about constructive challenge and trust. Firstly, they rarely happen by chance. Indeed, trust and challenge are almost always absent in boards where they are not discussed. Therefore, they must be openly talked about, actively nurtured and deliberately protected if they are to take root and underpin higher levels of board performance. Secondly, they are both asymmetrical. That is, they take quite some time to become part of board life, but can be lost or damaged in an instant.’\textsuperscript{28}

So one of the behaviours needed for good governance is for board members and senior management to give these issues regular and deliberate attention – not just leaving this work to one or two people within the staff team and/or board.

An effective governance culture will also value, and be enhanced by, diversity. A diversity of experience and perspectives around the board table aids constructive challenge, but will need to be supported by an open culture, one where people can disagree without being disagreeable. Such a culture will see the board as adding value, rather than as a body to get proposals through.

Enabling board members to really add value requires different behaviour from officers presenting information and papers to the board. For example, taking things at an early stage to discuss principles rather than presenting detailed proposals – opening discussions up rather than closing them down.

There has been much discussion of diversity in relation to groups with protected characteristics – gender, ethnicity, age – for example. On gender equality, the 5050 by 2020 campaign\textsuperscript{29} provides great national context for housing organisations seeking to achieve gender equality on their boards. But there is also an issue of validating a diversity of skills and competencies, not just technical competencies, but softer skills such as independence of thought, listening, being able to question and challenge appropriately and operate effectively within a group that may only come together once a month. These softer skills might come from increasing diversity in relation to gender, age etc., but this won’t happen automatically. So a vital issue for open discussion is what skills and competencies are needed for effective governance, not just now, but in what looks to be a very challenging future.

So what behaviours are we talking about? Looking at behaviours that determine who is around the board table, what gets on the agenda and when, and how discussions are handled makes for a good starting point.

\textsuperscript{26} The hospital where staff are proud to blow the whistle on themselves The Week, 26 July pages 52-53
\textsuperscript{27} http://www.techventures.utah.edu/Documents/EFS/Article-What-Makes-Great-Boards-Great-(2002-09).pdf
\textsuperscript{29} 5050by2020.org.uk

Welsh Housing Review 2014
CHAPTER 2, ESSAY 5

DOMESTIC ABUSE AND THE IMPORTANCE OF THE HOUSING SECTOR RESPONSE

Gudrun (Guddy) Burnet, Peabody Housing
Twitter: @gudrunburnet @DAHAAlliance

On average, two women a week are murdered by a current or former partner in England and Wales. In 2013, the Home Office called for criminal justice, education, health, housing and benefits providers to work together to identify, protect and support victims and bring perpetrators to justice. However, is this happening on the ground?

Whilst many housing providers have begun improving their response to domestic abuse nationally, others still do not routinely participate in existing collaborative mechanisms such as MARAC (Multi-Agency Risk Assessment Conference). Not all housing staff are required to attend, or indeed offered, specialist training and some organisations’ IT systems are ill equipped to record incident levels and capture the work they are doing to tackle domestic abuse and violence in their communities. Furthermore, the national picture across England and Wales suggests that whilst some housing providers are using the nationally recognised Domestic Abuse, Stalking and Harassment (DASH) risk identification checklist, and making appropriate referral on to MARAC, some are not.

Domestic Violence and abuse - predominantly against women, children and young people is notoriously difficult to identify when it occurs within the family home. Housing providers have unique entry to the ‘hidden’ spaces occupied by perpetrators and individuals experiencing abuse, through regular contact with residents - carrying out repairs and community development activities. Housing staff are trusted and accessible and are considered by many as “different” and more approachable than the police or other statutory agencies these households may have contact with.

Furthermore, the provision of safe housing for individuals experiencing abuse and their children is a key priority, not only to them but also in reducing the risk of further serious harm, and it is vital that housing providers understand the options and support that are available to those in crisis, in order to be able to work effectively with other agencies and provide appropriate help.

It is vital that housing providers take their responsibility seriously. My organisation Peabody, is one of London’s oldest and largest housing providers. Peabody has been actively engaged in ensuring our services are robust and appropriate. We have, amongst other actions, reviewed our existing policies and practice, updated our IT systems so we are able to record casework and collect the much needed data on domestic abuse, and we have rolled out domestic abuse training at varying levels across the organisation, focussing on the importance of partnership working. This has made a real difference to Peabody’s residents and communities, reported and actioned incidents have increased from one (baseline) to 18 per quarter since we have implemented this work. This is still not enough and there is always room for improvement, and this is why it is even more imperative that agencies come together to work more effectively within a climate of austerity and cuts.

In June 2014 Wales launched the Gender-based Violence, Domestic Abuse and Sexual Violence (Wales) Bill to tackle all forms of gender based violence, domestic abuse and sexual violence and improve the public sector response in Wales.

Lesley Griffiths AM, Minister for Local Government and Government Business has stated that ‘We want a culture that challenges abusive behaviour – everyone has the right to live fear free’. The Bill intends to provide strategic focus on these issues and ensure consistent consideration of preventive, protective and supportive mechanisms in the delivery of all services.

It was formally introduced on 30 June 2014 and focuses on 3 main areas:
- improving leadership and accountability
- improving education and awareness
- strengthening services in Wales.

As part of this work, Wales is looking to introduce a National Training Framework for Wales on gender-based violence, domestic abuse and sexual violence for all key public sector and specialist service provider professionals across Wales which will include housing. Furthermore a Healthy Relationships programme in schools which enables you to tackle the issue via prevention.

This Bill presents a huge opportunity for Wales. It means that there is a national commitment to ensuring staff are equipped to deal with violence against women and domestic abuse. It provides an environment for all sectors including housing, domestic abuse, education, health to finally come together and ensure they are addressing domestic abuse in a coordinated way; that way ensuring the needs of the individual and any children are met but also that appropriate support is offered to the perpetrator as well as holding them to account.
In February 2014 CIH Cymru held a conference\textsuperscript{35} in Cardiff to continue to strengthen and bridge any gaps in partnership working to deal with domestic abuse in Welsh communities. This was well attended, by both professionals from the housing and domestic abuse sectors. Both Carl Sargeant, Minister for Housing and Regeneration and Lesley Griffiths provided key-note speeches in which their commitment to Ending Violence against Women and Domestic Abuse was made clear. Attendance at this conference led to a number of housing providers attending specialist domestic abuse and housing training that Peabody provide. Since then there have been a number of requests for this training to be rolled out across Welsh housing organisations, demonstrating a real dedication and commitment to ensure the housing sector get this right.

Over the last year a balance of research and pragmatism has resulted in great strides being made in the way the housing sector debates and responds to domestic abuse, notably in the development of the Domestic Abuse Housing Alliance (DAHA)\textsuperscript{36}; an alliance between three organisations, Peabody, Standing Together Against Domestic Violence and Gentoo. The aim of the alliance is to improve the housing sector’s response to domestic abuse.

The housing sector demonstrates time and time again our capacity and passion for innovation, however often we are the unsung heroes. There is some amazing existing practice which undoubtedly saves countless innocent people and children’s lives; however it is about time that this became a global priority. Wales in their introduction of the new Gender-based Violence, Domestic Abuse and Sexual Violence (Wales) Bill are certainly demonstrating that they are committed to leading the way in tackling violence against women and domestic abuse, and it is amazing to see the Welsh housing sector so fully engaged and on board.

\textsuperscript{35} http://www.cih.org/events/display/vpathOCR/templatedata/cih/events/data/Wales/Safer_communities_2014
\textsuperscript{36} www.peabody.org.uk/DAHA
CHAPTER 3

COMMENTARY AND ANALYSIS

JULIE NICHOLAS
1: INTRODUCTION

This year the National Assembly for Wales will pass the first Housing (Wales) Act. As part of Welsh Government’s ambitious legislative programme, this will be the 13th Act to have received royal assent since the start of the fourth Assembly.

The Welsh Seal will be applied to the letters patent (which will have been signed by HRH Queen Elizabeth to signify Her Assent), by the First Minister Carwyn Jones, and be notified to the Clerk of the National Assembly. The Housing Bill (Wales) is, at time of writing, at post stage 4 following the Solicitor General (on behalf of the Attorney General, Counsel General and Secretary of State for Wales) writing to the Chief Executive and Clerk of the Assembly to advise that they would not be referring it to the Supreme Court under the Government of Wales Act 2006.

The Mobile homes Wales Act was both the first private members bill, introduced to the National Assembly by Peter Black of the Liberal Democrats, in 2012, and the first housing-related piece of legislation. The bill received Royal Assent in November 2013.

The Renting Homes bill, proposing whole-scale tenancy reform, is to be introduced by the Welsh Government in 2015. The 2013 White Paper proposed replacing what is currently a confusing and complex area of housing-related law with a clearer, simpler and more straightforward framework, with 95% of consultation respondents supporting change to the legal framework.

Significant work with stakeholders is being undertaken in advance of the introduction of Renting Homes, most recently on the ‘Illustrative Model Contract’ which has been launched for public consultation.

A new era for Welsh Housing has begun; ‘Government for grown-ups’ is fashioning distinct Welsh answers to Westminster issues. This is providing an alternative narrative to Westminster policy; joined-up ‘system stewardship’ delivered through ‘co-production’ compared to a fairly hands-off and non-interventionist approach to housing policy in England.

Our 2014 commentary and analysis:
• explores what is happening nationally with legislation, practice and policy relevant to the housing sector;
• considers the UK economic context, including new research focussing on the effect and implementation of welfare reform policies in Wales;
• looks at trends, legislation and opportunities across the different housing tenures and takes a look at further demographic and tenure change evidence;
• explores emerging governance and leadership practice and theory in the context of equality and diversity (a growing priority for the housing sector signified by a new CIH presidential commission announced by our President Steve Stride at the Housing 2014 conference in June);
• looks at what has happened so far and what more can be done in respect of the role of housing in tackling domestic abuse and gender-based violence (another priority for the sector that has emerged in the last 12 months in Wales, championed by our housing minister);
• considers the challenges and opportunities arising from Welsh Government’s changes to homelessness law, and the continued protection of the Supporting People programme, now in its 3rd year of the new collaborative governance framework;
• provides an overview of the CIH commissioned frontline futures report, with its focus on the changing role, expectation and value of frontline housing staff working in communities;
• ends with an update on the pioneering work of organisations delivering housing led regeneration in Wales, and its integral role in the equality, sustainability and anti-poverty agendas.

2. LEGISLATION & DEVOLUTION


A Bill must be formally ‘introduced’ to the Assembly, following which there is generally a four-stage process for consideration:

Stage 1 – consideration of the general principles of the Bill by a committee, and the agreement of those general principles by the Assembly.

Stage 2 – detailed consideration by a committee of the bill and any amendments tabled to that Bill; housing-related legislation is considered by the Communities, Equalities and Local Government Committee.

Stage 3 – detailed consideration, by the Assembly,
of the Bill and any amendments tabled to that bill.

**Stage 4** – a vote by the Assembly to pass the final text of the Bill.

If passed by the Assembly at stage 4, a Bill must receive Royal Assent from the monarch before formally becoming a piece of law.

The Social Services and Well-being (Wales) Act\(^\text{15}\) was passed in 2014 with the aim of reforming and integrating social services law for people and make provision for improving the well-being outcomes for people who need care and support, and carers who need support and improving co-ordination and partnership working by public authorities. During stage 1 of the bill CIH Cymru was one of a number of housing organisations to write\(^\text{16}\) to the Minister for Social Services, Gwenda Thomas, to express concern over some content particularly the need to strengthen the links between housing and independent living within the definition of wellbeing. We were pleased to see amendments 71 which added ‘suitability of living accommodation’ to the meaning of well-being in section 2, and amendment 84 emphasising the importance of independent living by including it as one of the purposes of preventative services in an amended section 6.

The new Housing (Wales) Act 2014\(^\text{17}\) will:

- introduce a national mandatory registration and licensing scheme for all private rented homes (CIH was one of a number of housing organisations to publically support\(^\text{18}\) the introduction of this proposal);
- introduce a statutory homelessness prevention service by conferring duties on local housing authorities to help people who are homeless or threatened with homelessness, and allows for discharge of duty in the private rented sector;
- require local housing authorities to carry out an assessment of the accommodation needs of Gypsies and Travellers residing in or resorting to its area;
- introduce new social housing standards;
- abolish the Housing Revenue Account (HRA) subsidy;
- put Welsh Housing Quality Standard on a statutory basis;
- allow fully mutual housing associations to grant assured tenancies;
- allow increased council tax (up to 100%) to be charged by local authorities on long term empty dwellings.

The draft Planning (Wales) Bill\(^\text{19}\) and consultation paper were published in December 2013 and contained proposals to modernise the Welsh planning system focusing on culture change, and a move away from regulating development towards encouraging and supporting development. Scheduled to be introduced in 2014, the bill had not been introduced to the National Assembly at the time of writing.

A summary of the status of passed and proposed National Assembly for Wales legislation, pertinent to housing is

<table>
<thead>
<tr>
<th>Name of Bill/Act</th>
<th>Status (1st September 2014)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mobile Homes (Wales) Act 2013</strong></td>
<td>Assembly Member Bill, introduced by Peter Black AM. Became law in Wales on 4th November 2013</td>
</tr>
<tr>
<td><strong>Social Services and Well-being (Wales) Bill</strong></td>
<td>Passed and became law in Wales in May 2014</td>
</tr>
<tr>
<td><strong>Housing (Wales) Bill</strong></td>
<td>At post stage 4 at time of writing. The Housing (Wales) Act will be passed in September 2014</td>
</tr>
<tr>
<td><strong>Well-being of Future Generations (Wales) Bill</strong></td>
<td>Introduced in July 2014. Currently at Stage 1</td>
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<tr>
<td><strong>Planning Reform Bill</strong></td>
<td>Draft Bill consultation ended February 2014. Bill not introduced at time of writing but due to be introduced in 2014. A separate Planning Consolidation Bill is also expected after the Reform Bill</td>
</tr>
<tr>
<td><strong>Gender-based Violence, Domestic Abuse and Sexual Violence (Wales) Bill</strong></td>
<td>Introduced in June 2014. Currently at stage 1</td>
</tr>
<tr>
<td><strong>Holiday Caravan Sites (Wales) Bill</strong></td>
<td>Assembly Member Bill by Darren Millar AM. Introduced on 17 March 2014. Currently at Stage 1</td>
</tr>
<tr>
<td><strong>Financial Education and Inclusion (Wales) Bill</strong></td>
<td>An Assembly Member Bill by Bethan Jenkins AM. Introduced: 15 July 2014. Currently at stage 1</td>
</tr>
</tbody>
</table>
included in the table below.

In addition a Public Health White Paper\textsuperscript{20}, the ‘Listening to you–Your health matters’ consultation ended in June 2014, which contained a series of proposals with the aim of improving and protecting people’s health and wellbeing in Wales.

Housing is one of twenty areas in which the UK Parliament has transferred legislative power to the National Assembly, under Schedule 7 of the Government of Wales Act 2006. The Commission on Devolution in Wales, launched in 2011 and chaired by Paul Silk, was established to review the current financial and constitutional arrangements in Wales. Reporting in two parts, the Silk Commission published its first report\textsuperscript{21} focussing on fiscal powers in 2012 and its second report\textsuperscript{22} in 2014 on the wider powers of the National Assembly for Wales.

The first report found that spending by the Welsh Government and Welsh local authorities amounts to well over 50% of identifiable public spending in Wales, much of which is financed via a block grant from the UK Parliament using the Barnett formula\textsuperscript{23} that has been in use since 1978. Silk 1 stated that the National Assembly for Wales was probably unique, in that it has ‘legislative and spending powers but not tax and borrowing powers’ and concluded that a combination of continued block grant alongside selected tax devolution would be a preferred fiscal model. A range of smaller taxes were proposed for devolution to Wales including Stamp Duty Land Tax. Welsh Government consulted on this proposal in September 2013 and the CIH Cymru consultation response\textsuperscript{24} was in support of the proposal to devolve stamp duty land tax (SDLT), and suggested that Welsh Government might consider the opportunity for using devolved SDLT to vary stamp duty for purchases of second homes compared to homes for permanent habitation. We support this approach as a way to provide a leveller against the local economic loss resulting from semi-residency, and a positive method to stabilise prices and increase affordability for local people.

In October 2013 Welsh Government also consulted on whether council tax (already a devolved tax) should be increased for second homes, and CIH Cymru responded\textsuperscript{25} in support of the proposed initiative to raise additional revenue by imposing increased council tax to directly benefit local communities and compensate for the economic loss that arises from concentrations of non-primary accommodation in some areas. Part 7\textsuperscript{26} of the new Housing (Wales) Act will include provision for a higher amount of council tax to be charged by billing authorities, (up to an additional 100%), for long-term empty dwellings. Silk 2 reported its recommendations on reformed constitutional arrangements, proposed within a phased ten year timeframe of implementation. The commission recommended that the existing conferred powers model should be replaced by a reserved powers model. This would mean that the settlement would set out clearly the limits of devolved competence, reducing the possibility of doubt as to whether the subject of legislation is conferred or non-devolved, and making legislation less prone to referral to the Supreme Court. The commission recommended further that policing should be devolved with the exception of the National Crime Agency and powers in respect of arrest, interrogation and charging of suspects, until and unless criminal law is devolved. The commission recommended that the social security system should remain non-devolved. Welsh Government published its response\textsuperscript{27} to Silk 2 stating its support for the direction of travel, within a proposed timetable for constitutional reform as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>2014</td>
<td>Possible UK Government response to the Silk Commission’s recommendations</td>
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<tr>
<td>2014-15</td>
<td>Welsh Inter-governmental Committee established</td>
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<tr>
<td>2015-16</td>
<td>Provisions of Wales Bill &amp; transfer of specified executive powers negotiated</td>
</tr>
<tr>
<td>2016</td>
<td>White Paper on the Welsh devolution settlement &amp; draft Wales Bill</td>
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<tr>
<td>2017</td>
<td>Wales Bill introduced</td>
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<tr>
<td>2017-18</td>
<td>Wales Bill enacted</td>
</tr>
<tr>
<td>2021</td>
<td>New National Assembly elected operating under reserved powers model</td>
</tr>
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</table>

The first Minister Carwyn Jones called\textsuperscript{28} for consideration of further devolutionary powers with regards to energy and public health, and made clear the links to the Wellbeing of Future Generations (Wales) Bill\textsuperscript{29}, introduced in July 2014. The Future Generations’ bill aims to ensure that the needs of the present population are met without compromising the ability of those in the future to meet their own needs; according to the principle of sustainable development. It also identifies well-being goals and national indicators, establishes a new Commissioner and puts Local Service Boards (to be known as Public Services Boards) and well-being plans on a statutory basis.

Devolution continues to manifest with increasing housing policy divergence across the four home nations. Taking...
Right to Buy (RTB) as an example it is possible to see four different approaches in place;

• in Scotland\(^{30}\) RTB will end in 2014 under legislation in the new The Housing (Scotland) Bill, passed by the Scottish Parliament in June 2014. Following a two year ‘notice period’ for existing eligible tenants RTB will probably end for all Scottish council and housing association tenants, in August 2016

• in England\(^{31}\) RTB has been ‘reinvigorated’ by the coalition government, with increased discounts (of up to £100k in London) resulting in a 31% increase in sales for Q1 2014, compared to the same quarter in the previous year, the highest percentage recorded since quarterly statistics became available in 2006-07 with local authorities in London accounted for 33% of these sales

• in Wales, RTB has a maximum discount of £16k\(^{32}\), the lowest ceiling, with local authorities able to apply for a suspension\(^{33}\) of it in areas of housing pressure for a period of up to five years under the Housing (Wales) Measure 2011. The current Minister for Housing and Regeneration is not a fan, calling\(^{34}\) RTB ‘well past its sell-by date’ back in 2008.

• Northern Ireland has a RTB scheme in place available to Housing Executive or housing association tenants with a maximum discount of £24,000\(^{35}\). No changes planned at the time of writing.

Key Messages: Legislation and Devolution

• Wales is on the cusp of the biggest legislative change in its history in terms of:
  • taking responsibility for areas that it did not previously have responsibility for
  • breadth of legislative responsibilities
  • the imperative to join up these areas to maximise impact and delivery

• The impact on the housing industry is not restricted to housing focussed legislation; statutory change in other service areas will impact
  • significant requirements on local authorities to deliver on the new legislation in the context of austerity

3. UK CONTEXT

The character of and trends within the economy are important factors in determining housing policy. Gross Value Added\(^{36}\) (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. GVA only considers the actual ‘added value’ of the industry, and excludes costs incurred: GVA plus taxes (less subsidies) on products is equivalent to Gross Domestic Product (GDP). Using NUTS1\(^{37}\) regions to report in 2014 on GVA, the ONS data states that in 2012 the South East had the largest increase in GVA per head at 2.5%, followed by the North West at 1.7% and Wales at 1.6%. In 2012 London had the largest GVA per head at £37,232, while Wales had the lowest at £15,401.

\(^{30}\) [http://www.scotland.gov.uk/Topics/Built-Environment/Housing/16342/rtb]
\(^{32}\) [http://wales.gov.uk/topics/housing-and-regeneration/housing-supply/buying-and-selling/housing/rtb-discounts/suspend/?lang=en]
\(^{33}\) [http://wales.gov.uk/topics/housing-and-regeneration/housing-supply/buying-and-selling/housing/rtb-discounts/suspend/?lang=en]
\(^{34}\) [http://www.dailypost.co.uk/news/local-news/am-aims-tackle-affordable-housing-2848140]
\(^{35}\) [http://www.housingadviceni.org/rhtf-buy-discounts/housing-discounts/rtb/]
\(^{36}\) [http://www.ons.gov.uk/ons/dcp171778_345191.pdf]
\(^{37}\) Nomenclature of Units for Territorial Statistics (NUTS) is a geocode standard for referencing the subdivisions of countries for statistical purposes, developed and regulated by the European Union. The UK’s first level of subdivision (NUTS1) contains a total of 12; there are nine Regions of England, one for each for Scotland, Northern Ireland and Wales
2014 economic review gives a preliminary estimate to indicate that the UK economy grew by 0.8% in Q2 2014, the sixth successive quarter of output growth, contributing to annual growth of 3.1%. The UK GDP average growth rate was 0.7% between Q1 2013 and Q1 2014, the fastest rate of the G7 economies.

UK unemployment has also reduced recently due to a fall in the number of people moving from employment to unemployment (‘job separation’), hiring rates from the unemployed have remained low since the recession began, although the hiring rate has risen to its highest level in a decade for the long term unemployed.

How the return of GDP to pre-recession levels has been achieved gives an interesting insight into the performance of the UK economy. The fall in output from 2008 was across all industries (with the exception of government and other services), and was particularly marked in construction, which saw a decrease of 16.8% compared to output as a whole at 7.2%.

Economic output (Gross Value Added) Index were Q1 2007=100. Source: ONS series L2N8 & YBEZ

The construction industry was therefore disproportionately affected by the economic downturn. In Q2 2014 construction remained below its pre-downturn level, the most prominent housing-related output growth that is above the pre-downturn level is in real estate services, which rose between June 2013 and June 2014 by 2.4%.

Unemployment and economic activity

The recent strength of the UK’s economic recovery appears to have had a substantial impact on the labour market. In the three months to May 2014, the headline employment rate increased to 73.1% – its highest level since early 2005 – while the headline inactivity rate fell to 21.7% over the same three months – the joint lowest on record (Labour Market Statistics - July 2014).

The ONS states that ‘employment flow’ data ‘allows a particularly penetrating analysis of the labour market: for instance, if the recent reduction of unemployment is attributable to more unemployed workers becoming ‘discouraged’ and moving into inactivity, the policy implications are quite different to those if the recent fall is due to stronger hiring’.

Hiring rates among the long-term unemployed (those who have been out of work for more than two years) has risen from 5.2% in 2010 to 13.0% in Q1 2014, whilst evidence suggests that the hiring rate from the short term unemployed is below the long term average. ONS analysis of the situation is that the growth of the labour market is due to a combination of both normalisation (as old patterns have started to reassert themselves) and new developments.

The March 2014 estimates published in July by ONS stated that with the exception of Wales, all regions of the UK are either showing general increases in employment rates over recent periods or are fairly flat, increasing over the last year. For the North East, East Midlands and London the annual increase is statistically significant.

The employment rate in Great Britain was lowest in Wales (69.2%), whilst the inactivity rate was highest (25.7%). These latest estimates for Wales have been below the record high levels recorded towards the end of 2013 and start of this year. This large decrease in employment however has been accompanied by a large increase in inactivity, rather than unemployment, and needs to be seen in the context of Wales having the highest median age of the UK nations and the highest DDA disabled and work limiting disabled population, as illustrated by the ONS infographic below.
Welfare reform continues to hit hard in Wales for citizens and local economic areas. Citizens Advice Cymru's 2014 'One day at a time' report\(^6\) analysing the cumulative effect of welfare reform in Wales revealed that the impact on those households participating in the study included, struggling to maintain a minimum standard of living, increasingly going into debt, and a deterioration in mental health. In addition to impacting on benefit claimants the report concluded that, 'welfare reform will continue to have major implications for a range of organisations and services over the coming years including advice providers, local government, social housing providers, and health and social care services.'

Figures released\(^6\) in February by Welsh Ministers showed that welfare reform in Wales would result in an estimated £500 average annual loss per working age-adult, a total loss of income of around £930 million a year by 2015/16. Estimates show that hardest hit local authority areas Neath Port Talbot, Blaenau Gwent and Merthyr Tydfil experiencing a £600 p.a. reduction per working-age adult, with Cardiff, Rhondda Cynon Taf and Swansea incurring the greatest total income losses of £103 million, £81 million and £75 million, respectively.

The Department for Work and Pensions (DWP) reported\(^67\) that of the 45,847 affected by the Benefit Cap in Great Britain 1,343 were households living in Wales. This figure was reduced by 558 in May 2014.

The DWP further reported that the number of households affected by the social sector size criteria or 'bedroom tax' has fallen from 35,714 in May 2013 to 32,385 in November 2013, less than 10% of those affected. Community Housing Cymru\(^68\) research in November 2013 found that 78% of registered social landlords in Wales had experienced an increase in rent arrears, more than £1 million of which was because of the ‘bedroom tax’.

The ‘under-occupancy penalty’ continues, despite calls from CIH\(^69\) and others for it to be repealed. Some exemptions have been applied following the success of individual cases and reviews\(^50\). A recent Judicial Review\(^61\) of the bedroom tax regarding a family in Pembrokeshire, (on the basis of it being discriminatory as it does not allow for an additional bedroom where a child with disabilities needs overnight care), was supported by the Child Poverty Action Group (CPAG) but failed, because the judge found that although the bedroom tax did discriminate, it was justifiable because DHP was in place and was sufficient to address the needs of the household affected by the policy.

A Welsh Government Task and Finish Group published its report\(^52\) Impacts of Welfare Reforms on the Social Rented Sector in February. The report found that landlords and tenants are using the discretionary housing payments (DHP) system, funded by central government and administered by local authorities, as a way of meeting shortfall due to the bedroom tax. However the report recommended that there is insufficient money in the discretionary housing payments fund to help all cases of hardship in Wales caused by welfare reform. As demand is expected to further increase when direct payments for the social rented sector are introduced within universal credit, the report recommended that additional funding is made available from Welsh Government to increase the discretionary housing payments fund.

CHC members reported\(^53\) that 51% of affected tenants were paying the rental shortfall, with 37% part-paying and 12% not paying at all. However the UK housing review 2014\(^44\) reports that the impact of bedroom limits on social landlords rent arrears levels is mixed, whilst in broad terms approximately half of those affected by bedroom tax are now in arrears across Great Britain, there are indications that actions by social landlords to invest in increased welfare support and rent collection management, in anticipation of direct payments as well as the ‘spare room subsidy’ (or bedroom tax) have had a much wider beneficial effect on tenants and helped to contain arrears. This is reminiscent of findings\(^55\) from landlords, including Bron Afon and Charter in Wales, of those who participated in the direct payments demonstration and whose Direct Payments Demonstration Projects Landlord Learning Document was published by CIH in March this year. This report identified common themes from the participants’ feedback that influenced positive outcomes including:

- close working relationship and information sharing between landlords and council revenue and benefits departments
- developing effective communications with customers and maximising contact opportunities
- developing new or refined systems
- interventions offering more generic support were more successful than those provided by or arranged by landlords specifically to assist customers with personal or financial support.

The 2013 report from Sheffield Hallam\(^56\) concluded that older industrial areas account for the largest proportion of those places worst-hit by welfare reform, with Wales ‘hit much harder than the GB average’, as it has a concentration of older industrial areas badly affected by incapacity benefit reforms in particular. Merthyr Tydfil, Blaenau Gwent and Neath Port Talbot all feature in the top ten districts where welfare reform has impacted most

\(^{46}\) http://www.citizensadvice.org.uk/index/policy/policy_publications/uk_wales/one_day_at_a_time.html
\(^{47}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
\(^{50}\) http://www.chi.org.uk/news-article/display/upaIDCR%20template%20data/chi-news-article/dataWe%20believe%20the%20bedroom%20tax%20should%20be%20scrapped
\(^{53}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
\(^{55}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
\(^{59}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
\(^{61}\) http://www.chi.org.uk/news-article/display/upaIDCR%20template%20data/chi-news-article/dataWe%20believe%20the%20bedroom%20tax%20should%20be%20scrapped
\(^{62}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
\(^{65}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
\(^{67}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
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\(^{84}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
\(^{86}\) http://wales.gov.uk/newsroom/communities/2014/02/01/welfare-cuts/?trans
strongly, and are the top three worst effected by changes to incapacity benefits.

Following the implementation of the Council Tax Reduction Scheme regulations, reducing by 10% the funding from Westminster, Wales has continued to offer up to 100% council tax discount for eligible residents in 2014/15, with Welsh Government continuing the £244 million of funding for Council Tax Reduction Schemes put in place for 2013/14.

The somewhat sluggish roll-out of Universal Credit, the new benefit that will replace six existing benefits and tax credits with a single monthly payment, continues. In April 2014 Shotton became the 10th site to accept Universal Credit claims and the first Jobcentre to accept such claims in Wales. DWP reported that between April 2013 and 30th April 2014, a total of 6,960 people had commenced on Universal Credit. DWP plan a ‘natural migration’ from Housing Benefit (HB) to Universal Credit (UC), so that people on HB who have a major change in their circumstances will transfer to UC. Block transfers, probably by area or claimant type, are also planned.

4. POPULATION AND HOUSEHOLDS

The ONS estimates that the UK population has grown to 64.1 million in mid-2013, with the populations of the four UK nations at 53.9m (growth of 0.70%) in England, 5.3m (growth of 0.27%) in Scotland, 1.8m (growth of 0.33%) in
Northern Ireland and 3.1m (growth of 0.27%) in Wales. The number of households for Wales is projected to increase by 12.5% by 2031 and almost 200,000 (or 15%), to around 1.5 million by 2036. Average household size is higher than previously projected; 2.31 compared with 2.23 at 2011, based on the 2008-based household projections. For most local authorities in Wales the number of households is projected to increase by 2026, after this a slower growth level is projected.

Wales has the most rapidly ageing population of the UK home nations and Welsh Housing Review 2013 looked at this issue in depth. The population age profile for Wales will have significant implications for housing strategy and planning, making best use of stock and investment and partnership work with other public sector service areas. We reiterate that housing has a significant role to play in mitigating against the growing unmet needs of an ageing Welsh population and we refer readers back to the 2013 review for further analysis.

There is great variance in projected household growth between Welsh local authorities between 2011 and 2031; ranging from just 1% in Blaenau Gwent to a considerable 33% in Cardiff. The three cities of South Wales (Cardiff, Swansea and Newport) and Wrexham, the largest town in North Wales, are projected to have the four largest increases in households. (Figure 1)

Key Messages: UK context & Population
• The UK economy is only just back to pre-downturn levels
  • Wales has particular housing, economic and geographically specific challenges impacting locally, regionally and nationally
• Welfare reform continues to hit Wales hardest, and impacts disproportionately on our poorest and most disadvantaged citizens.

5. SOCIAL HOUSING

The Welsh Government annual statistical release on social housing stock and rents at 31 March 2014, reported a ‘very slight’ (0.2%) increase in social landlord dwellings, bedsits and bed spaces to 226,221 housing units. Social rented housing comprises 17% of total housing stock in Wales, with RSLs owning 61% of this stock. Local authority rent levels for self-contained general needs housing are below those of the RSLs, and the gap has increased slightly with the overall average rent of £76.70 per week for councils in 2014-15, compared to £79.69 for RSLs. The growing trend towards using ‘affordable housing’ as a catch-all term for social and other housing offered below market rental levels is established in UK coalition government rhetoric. What is affordable housing and who is it for?

The CLG national planning policy framework states that
• social housing includes social rented, affordable rented and intermediate housing, to households whose needs are not met by the market
• that ‘affordable rent’ is subject to rent controls that require a rent of no more than 80% of the local market rent
• that intermediate housing is for sale and rent at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing, including shared equity and intermediate rent, but not affordable rented housing.

Affordable housing that includes homes offered for rent or purchase at 20% below the local market rent has been deemed unaffordable in some areas of London. Last year, Westminster council wrote to London mayor Boris Johnson stating that rent levels at 80% of market rent would require tenants in a three-bedroom home to have an annual income of £109k, when the council’s social rented households have an average annual income of less than £12k p.a. It is difficult to see how low income households can afford such levels of ‘affordable housing’ without long-term rental subsidy, in the form of housing benefit. London property values are fortunately not applicable in Wales. However, it is important to acknowledge that ‘affordable’ is now terminology used to mean below market rate, rather than proportionality of rents in low income households.

A 2014 Joseph Rowntree Foundation report stated that the provision of low-rent housing has made a significant contribution to poverty reduction, with evidence that high rents can lead to overcrowding. The report suggests that “the new ‘Affordable Rent’ product is likely to increase...”

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64 http://www.theguardian.com/housing-network/2014/feb/03/affordable-housing-meaning-rent-social-housing
the poverty of in-work tenants or those for whom housing benefit does not cover their entire rent”.

In March 2014 the Minister for Housing and Regeneration, said65 at CIH Cymru’s TAI conference, ‘We in Wales will not ditch our commitment to delivering affordable homes, real affordable homes, not market driven’ and announced that a housing supply advisor was to be appointed.

The indicative budget66 for Social Housing Grant (SHG) for 2013/14 was £74.4 million, including £20 million67 for the smaller properties programme to mitigate against bedroom tax. The 2014/15 budget for SHG is £58.3 million68. The Welsh Government’s target for affordable housing of 7,500 social and affordable homes for the current term of government was increased69 to 10,000 in April in a new Housing Supply Pact with Community Housing Cymru. However, this target still falls far short of the estimated 5,100 non-market homes required in the 2010 research by Holmans & Monk70 from within an annual total need of 14,200 homes.

In last year’s review71 we reported on the introduction of the Welsh Government’s new ‘Housing Finance Grant’ scheme72, set up to support the building of 1,000 affordable Welsh homes through a large scale lending partnership arrangement between 19 Welsh Registered Social Landlords (RSLs) and the main financier M&G Investments who are providing £130 million of investment, commencing in September for 2014 for a two year period. The Welsh Government has committed73 to a £4 million annual funding stream for a 30 year period, from 2013-14, to assist RSLs with repayment of this finance.

Jane Hutt Welsh Government Finance Minister recently announced funding for a second phase of the scheme under the title Housing Finance Grant 2. In July 2014 Ms Hutt announced the affordable homes target under the scheme was being increased to 3,000. Building the additional 2,000 properties, which aims to create 5,000 additional jobs, is due to begin in 2017 for a 30 year period.

In October 2013 the Welsh Government issued new rent setting proposals74 on the basis of a local weighted formula. In December, following consultation with the sector, it was announced that between 2014/15 and 2018/19, the annual uplift will be CPI plus 1.5%, plus up to £2 per week for individual tenants where the aim is to bring rent within the target rent band.

A new rent policy75 was introduced to housing associations in 2014, and will be applied to local authorities in 2015, following exit from the HRAS (see below). Social rents will reflect the type, size and location of quality of the landlord’s properties; with the intention of bringing about convergence between local authority and housing association rents and a new requirement for service charges to be separated out from rental charged.

The new Housing Act sets standards to be met by stock holding local authorities for rents and service charges. Disaggregation of service charges from rent for all social landlords is required to be completed by March 2016.

The housing revenue account subsidy (HRAS) regime was abolished in England in 2011/12, and is due to be abolished in Wales at the end of the financial year for 2013/14 with the introduction of self-financing to the 11 stock-retained Welsh local authority housing revenue accounts in April 2015.

The HRAS was set up with a formula to help ensure that rents paid by tenants throughout England and Wales were similar. If spending was greater than assumed income, the UK Government paid HRAS to make up the deficit, and if spending was less, the council paid the surplus, called a negative subsidy. This formula has resulted in all eleven stock retaining local authorities in Wales paying the negative subsidy, in total this is currently approximately £73m a year, with Wales currently the only nation where the system remains in place.

Following agreement with Treasury as reported in last years review, part 5 of the Housing (Wales) Bill will abolish the HRAS system and end the transfer of housing revenues from Wales to the UK Government. As part of the agreement, stock retaining local authorities will need to buy themselves out of the subsidy system and require a housing related borrowing cap to be set for each of them. Welsh Government has recently consulted76 with the affected councils to seek an agreement on the Treasury settlement ‘offer’ and the distribution of the borrowing cap. There are indications that this will be initially by voluntary agreement. This will offer new opportunities to these local authorities to both fund the delivery of the Welsh Housing Quality Standard, for those who have not yet done so, and to begin planning for the delivery of new council homes; the first in a generation.

Investment in existing stock continues through delivery of the Welsh Housing Quality Standard (WHQS), the target date for which has been extended to 2020. A report77 by Altair for Welsh Government ‘Welsh Housing Quality Standard: Verification of progress in achieving the Standard’ concludes that progress was being made towards the WHQS target overall and significant investment is being made across the whole social housing stock there although meeting and maintaining the standard was set to remain an essential requirement.

65 https://www.youtube.com/watch?v=IMfOF8FXt-0 (Approx. 8 minutes into video)
67 http://www.insideliving.co.uk/wales-allocates-20m-bedroom-tax-fund/6529030/article
74 http://www.altairltd.co.uk/policies-for-rent-increases.shtml
76 http://www.walaith.co.uk/policies-for-rent-increases.shtml
As at 31st March 2014\(^7\) 75% of RSL homes and 39% of local authority dwellings had achieved compliance standards, with an update for 2014 due on October. It is anticipated that following HRAS withdrawal councils will receive a funding boost as they move to a self-financing model with which to both invest in current stock and deliver new homes.

The i2i year on\(^8\) report indicated that for the 2013 period there was evidence of a £183m spent by the housing sector in Wales on WHQS projects, by those organisations who participated in the CIH Cymru annual survey.

The Welsh Government’s housing regulation team\(^9\) commenced implementation of a risk based approach to regulation from January 2014 with the aim of completing the first round of assessments by March 2015. Using a co-regulation approach the Regulatory Board membership was extended, to include representatives from CIH & Shelter Cymru, and three new Advisory Groups (Regulatory, Finance, Learning and Development) have been set up.

### Williams and local government reorganisation

In April 2013 the First Minister established the Commission on Public Service Governance and Delivery. The ‘Williams Commission’ reported\(^10\) in January 2014. The Williams report proposes step-change for the delivery of Welsh public services within its 62 recommendations; it calls for radical transformation within the next five years to combat the pressures arising from austerity, changing demographics and public expectation (see Neil Howell & Clare Budden essay in Chapter two). The Williams report focusses on dealing with the public ‘funding gap’ through collaboration and co-production, prevention and early intervention, improved governance and an outcomes-focus; approaches already familiar within both the Welsh housing sector and supporting people programme.

In July the Welsh Government response\(^11\) to the report was given in which the First Minister said that the case for reform of local government was compelling, including the Commission’s recommendation that the number of councils in Wales should be halved from the current 22 to between 10 and 12 in order to provide greater efficiency and better financial resilience.

The last major local government reorganisation\(^12\) in Wales took place in 1996, restructuring into a single tier system consisting of 22 local authorities. Within a few years of reorganisation many council housing directorates had been amalgamated, or brought under the umbrella of other directorates such as social care, planning or environmental health. As stated in chapter one, currently there is no totally free standing housing directorate in Wales.

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<th>Williams Report Recommendations for Local Authority mergers</th>
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<th>Large Stock Voluntary Transfer</th>
<th>All retained</th>
<th>Mixed stock</th>
<th>All transfer</th>
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<td>6. Monmouthshire &amp; Newport</td>
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<td>7. Gwynedd &amp; Merthyr Tydfil</td>
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The proposed council mergers in Williams will create some interesting dynamics, between authorities who have been through large scale voluntary transfer (LSVT) of their stock and those who have not:

For new councils that bring together two or more authorities where all the homes have been retained there may be opportunities to grow housing as a corporate priority and major new-build programmes for council housing could become a real possibility. For new authorities where all the stock has been transferred the opportunity for closer collaboration, or merger could open up. Perhaps most interesting of all are the possibilities for ‘mixed’ authorities with at least one retained council housing stock and one LSVT authority being brought together.

The impact of reorganisation on the local authority housing function will be much wider than landlord functions. Opportunities will also open up in respect of, for example, the strategic housing role, homelessness and allocation services, partnership working with RSLs, sharing community benefits expertise and regulation of the private rented sector.

The Welsh Local Government Association (WLGA) independent group (made up of independent councillors) has responded\(^13\) to the proposal by urging caution with regards to reorganising local government boundaries, raising concerns with regards to impact on local democracy and accountability, a lack of clarity surrounding service improvement, the estimated projected cost saving and the time required to undertake the reorganisation (estimated to be 2020), when councils are already struggling to manage the impact of austerity measures.

In July 2014 the Welsh Government produced a White Paper\(^14\) Reforming Local Government, proposes the introduction, in January 2015, of a first Bill to provide powers for the preparatory work for a programme of mergers, which would enable Welsh Ministers to require the Local Democracy and Boundary Commission for

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\(^7\) [http://www.altairltd.co.uk/whqfull.pdf](http://www.altairltd.co.uk/whqfull.pdf)


\(^13\) [http://www.cih.org.uk/about/publications](http://www.cih.org.uk/about/publications)

Wales (LDBCW) to start work on recommendations for electoral arrangements for proposed new authorities. Following anticipated Royal Assent in November 2015, a second bill will be drafted, with the aim of establishing the new Authorities to be created through merger. A proposed Vesting Day of 1 April 2020 has been identified, when new authorities would assume full functions, with the old constituent Authorities abolished.

A target of 500 new properties using the co-operative housing model was announced in the Housing White Paper in 2012. A 2013 report by CIH Cymru, commissioned by Welsh Government and the Wales Co-operative Centre and focussing on three initial schemes in Newport, Cardiff and Carmarthen, suggested that there was an appetite for this tenure in Wales. The Minister followed the publication of the report with an announcement of £1.9m to support pilot schemes, partially matched by funding from Nationwide. The new Housing (Wales) Act will include measures to allow fully mutual housing co-operatives to grant assured and assured tenancies. Eight pioneer projects initially identified have now more than tripled in number to 25 schemes with the intention of delivering 124 new homes, before the project completes in March 2016. Additional ‘pipeline’ schemes bring the potential total to over 500 new co-operative homes across Wales.

Co-operative housing is community-led, with residents democratically controlling and managing their homes. The Wales Co-operative Centre has received funding for a dedicated support project, which will engage experts to work with the local co-operative housing projects on community development, legal, finance and business organisational models.

Key Messages: Social Housing

- Affordable housing and social housing are not the same and in Wales a commitment to social housing continues:
  - in terms of both the amount of social housing grant and higher grant levels
  - a new programme for council housing is expected post-HRAS withdrawal in 2015
  - innovative housing finance continues to be explored and delivered as a partnership between Welsh and local government and registered social landlords

- The Williams Commission recommendations will impact on Welsh housing:
  - as an opportunity to strengthen the strategic housing function
  - potentially the creation of mixed economy of social housing provision under merger arrangements

6. PRIVATE SECTOR HOUSING

Private Rented Sector

The Housing (Wales) Act will bring in a new mandatory, national licensing scheme for private rented sector (PRS) landlords and agents in 2015 (see above). It is anticipated that the landlord accreditation Wales (LAW) service will be extended across the 22 local authority areas to provide a national service, although enforcement will remain the responsibility of the relevant local authority. The proposed scheme will mean that all private landlords must register themselves and the addresses of their rental properties in Wales. If a landlord uses an agent on their behalf, then the agent must become licensed. The licensee must be both adequately trained and ‘fit and proper’.

This is a co-ordinated, inclusive and forward thinking approach, endorsed by CIH Cymru and many other housing organisations, although there has been a less warm response from landlord and agent representative bodies.

Concerns continue to be raised with regards to the development of private tenant involvement. As indicated in section two the Welsh Tenants organisation’s view is that a Charter could be developed, whilst Shelter Cymru following the publication of their recent research calls for a national private tenant movement in Wales. CIH Cymru supports activity to develop and build the private sector tenant voice and partnership work with landlords, building on the WLGA PRS improvement project, and current practice such as bond-schemes and private landlord forums. With changes to homelessness legislation (see below) allowing the discharge of statutory duty into the sector, as well as the new licensing scheme, the expectations of a greater partnership approach between landlords and local authorities would certainly provide both opportunity and leverage to further develop tenant.
involvement and build on the movement, which is in an embryonic stage; albeit with a new dedicated private sector resource at Welsh Tenants\(^96\) and the UK-wide Generation Rent\(^97\) organisations.

The Index of Private Housing Rental Prices (IPHRP) indicates that between May 2012 and May 2013 Great Britain (England, Wales and Scotland) private rental prices grew by 1.3%. However rents for Great Britain excluding London grew by 0.8% in the same period.

The PRS has grown significantly in the last 15 years. In the UK private rented housing has expanded to the point that it is now proportionately larger than social housing. In Wales the PRS comprises 14% of total stock, slightly below social housing at 16%, but is expected to draw level with, if not overtake, the social housing sector in the next few years.

This significant tenure swing based on household age is being increasingly reported on in terms of intergenerational conflict with regards to housing supply and access. Generation Y (to those born in the 1980s and 1990s) versus the baby boomers\(^101\) (generally those born between 1946 and 1964), are increasingly referred to, when discussing UK housing supply and access, as Generation Rent vs the NIMBY, in an attempt to incorporate the changes to housing tenure by age profile in two catch-all terms.

However a recent social attitude survey\(^103\) suggests that the support for new house building has soared since 2010, with 47% of respondents expressing their support for new house building in 2013, compared to just 28% in 2010. This might suggest that the ‘parents of Generation Rent have recognised that, if their children are going to see the benefits of home ownership, then new houses are needed’. However intergenerational tensions and views are likely to become a major consideration for, and influencer of, the future housing policy direction of all political parties.

**Owner occupation**

Owner occupation continues to be the most common type of tenure in Wales at 70.4% in 2012/13, a decrease of 4.1% on the 2010/03 figure. This is a significant demographic change, and is of course in the context of a growing private rented sector.
Mortgage affordability remains an issue for first-time buyers, as discussed in last years review. This year’s UK Housing Review finds that house price-to-income ratios are lower than at the peak but are increasing, with the exception of London, whilst mortgage cost-to-income ratios have reduced, reflecting competition in the market, resulting from the impact of Funding for Lending scheme, Help to Buy in England, and Help to Buy-Wales. This increased credit supply alongside historically low interest rates has resulted in an increase in the number of first time buyers; with the UK housing review reporting an increase from 218,000 in 2012 to 268,000 in 2013. With the smart money being on interest rate rises in the next 12 months it is unclear if this trend will continue.

According to the Land Registry house prices in England and Wales showed values have grown 6.4% in the last 12 months. Following the peak in 2007 (when the figure for England and Wales hit £181,466, average property value in June 2014 was £172,011. In Wales the average property value for the same month was £117,440. Experts at property firm CBRE believe property prices will rise by up to 30% by 2019, due to under supply, a strengthening economy and a ripple out effect from London that will impact on all regions, including a forecasted 28% increase in Wales from 2015-19.

Key Messages: Private Rented Sector
• PRS is a permanent part of the housing solution for Wales, and is now 14% of the market.
• PRS national licensing scheme is evidence of ‘system stewardship’ in action.
• Key challenge remains in improving standards
  • in terms of housing management and quality
  • as a pre-requisite for growth, through partnership
• Owner-occupation is a part of the solution, but not the whole solution
  • help to buy-Wales has had a slower start, but is having an impact
  • the impact of market stimulation on property prices, rather than supply will need continued careful monitoring

7. GOVERNANCE, LEADERSHIP AND DIVERSITY
A focus on developing good governance and regulation has become of growing global interest, since the financial crisis of 2008. Weaknesses and failures in corporate governance structures that contributed to the crisis are well documented. Poor governance it is suggested results in compromised risk management and poorer performance. Complicit with good governance theory is a rising awareness of the positive impact of board and staff diversity. In Wales there is a growing focus on the relationship between governance, leadership and diversity in housing.

Harriet Harman received criticism for her suggestion that the financial crisis would have been avoided if Lehman Brothers had instead been Lehman Sisters; however her point was not to advocate the replacement of a male dominated board with a female dominated one, but of introducing greater diversity, to strengthen governance and decision making. This principle is not without evidence; in 2004 Hong & Scott published research that found a random group of intelligent problem solvers will outperform a group of the best problem solvers. The result provided interesting insights into the trade-off between diversity and ability, and concluded that ‘diversity trumps ability’. Other research supports the effectiveness of diverse, gender-balanced boards; McKinsey’s first Women Matter report in 2007 suggests that the companies where women are most strongly represented at board or top-management level are also the companies that perform best. Most recently their 2013 report Gender diversity in top management: Moving corporate culture, moving boundaries, further makes the case for change, and calls for replacement corporate cultures to implement an ‘ecosystem of measures’ that will remove boundaries. The 2011 Women on Boards report stated that whilst women now form 46% of the economically active workforce, they were grossly underrepresented on FTSE 100 boards, making up only 12.5% of members. Lord Davies made a series of recommendations in this report and suggested a target of 25% female representation by 2015 to begin to address this imbalance. The latest figures from March 2014 suggest that this target seems to have inspired real progress, with the most recent 2014 update stating that women now account for 20.7% of board positions in the FTSE100. We await with interest next years report to see if the 25% target will be achieved; and are reminded that however progressive a 25% achievement may be, it is in no way a figure representative of the 51% of the UK population that is female.

How does housing hold up in terms of good governance and board diversity? Current President Steve Stride reports that CIH’s workforce mapping research shows that whilst ‘housing employs a higher proportion of women, people from black and ethnic minority communities and people with a disability than average. But at the top of our organisations (our boards and senior teams), it’s a different story.’

105 http://www.bankofengland.co.uk/markets/Pages/PF15/default.aspx
106 http://helpdesk.y znalazł.co.uk/builder-registration/overview/?lang=en
108 http://www.independent.co.uk/news/uk/home-news/harriet-harman-if-only-it-had-been-lehman-sisters-1766932.html
109 http://www.thisismoney.co.uk/money/mortgageshome/article-2708262/Land-Registry-figures-house-prices-remained-flat-June.html#ixzz3B9MXyMbj
110 http://www.pnas.org/content/101/46/16385.abstract
111 http://www.mckinsey.com/features/women_matter
114 http://www.independent.co.uk/news/uk/home-news/harriet-harman-if-only-it-had-been-lehman-sisters-1766932.html
115 Lu Hong and Scott E. Page; Groups of diverse problem solvers can outperform groups of high-ability problem solvers. 2004
116 http://www.mckinsey.com/consulting/women_matter
120 http://www.bankofengland.co.uk/markets/Pages/PF15/default.aspx
122 http://www.bbc.co.uk/news/business-28863492
124 http://www.mckinsey.com/consulting/women_matter
125 http://www.bbc.co.uk/news/business-28863492

The CIH Equality and Diversity charter\textsuperscript{119} may have the Peter Tatchell seal of approval, but our profession is not fully reflecting its principles when it comes to diversity of leadership.

The recent Altair report\textsuperscript{121} on the near-collapse of the Cosmopolitan group found that weak governance and management meant problems were not identified and put right. Similarly to the inquiry\textsuperscript{122} into the insolvency of Ujima Housing Association in 2007, deficiencies in regulation, governance and management, alongside an over-ambitious development programme which over-stretched finances were the principle reasons for the organisational crisis. Good governance is critical to organisational success and board diversity is critical to good governance.

Currently Community Housing Cymru is consulting\textsuperscript{123} on a proposed code of guidance for Welsh housing associations, to set out the standards and practices that boards and their members must comply with to ‘ensure good quality governance is the norm’. The proposed Welsh code includes the ‘nine year rule’ for board tenure, currently used in England, but not everyone in the sector is convinced of its effectiveness\textsuperscript{124}. However it is difficult to see how diversity on boards can be improved without regular turnover of members. Whilst greater diversity is not the only important factor in creating a culture of good governance, regular board turnover can also help to reduce the likelihood of groupthink\textsuperscript{125} and its consequential risks, by encouraging the challenge and scrutiny\textsuperscript{126} functions of the board.

In Wales the Minister for housing and regeneration, Carl Sargeant has called\textsuperscript{127} for improved gender balance on Welsh housing association boards\textsuperscript{128}, alongside a greater emphasis on diversity and equality to promote good governance.

This follows the independent research\textsuperscript{129} by Campbell Tickell in 2013, and referenced in last years review, which found that whilst the ethnic diversity of housing boards was representative (based on the 2011 Census), women were under-represented, and about a third of board members were over the age of 65. The report recommended that organisations should monitor the diversity of their boards and seek to redress any imbalances, related to under-representation of women and other protected characteristics.

In December 2013 the Minister wrote to ask housing associations how they could apply good practice in gender equality to include an action plan to improve board diversity. Speaking at TAI 2014 conference the Minister congratulated\textsuperscript{130} CIH Cymru on its board membership; with nine out of sixteen board members female, reflecting accurately the current gender-breakdown of its Welsh membership, and called for the Welsh sector to follow this example.

A few months later the CIH President Steve Stride announced\textsuperscript{131} he would be leading a commission to examine ways to improve the diversity of housing leaders, to counter the over representation of those who are ‘too pale, male and stale’. The housing industry does not operate in an equality bubble of course; the average male and female earning differentials, a helpful indication of workplace seniority and leadership, between men and women continue to evidence gender-bias.

To date it has taken 43 years to move the percentage of all women’s earnings as a proportion of all male earnings from 54% to 79%, with only a 4.5% improvement since 2000. Whether this trend towards more equal pay will continue is far from clear, continued ‘ripe’\textsuperscript{132} gender segregation at the lower end of the youth jobs market, the impact of welfare reform and the increase in the number of women moving into low paid, part time work, may all hamper progress, the Western Mail recently reported huge levels of female employees earning less than the living wage\textsuperscript{133} across Wales.

It seems timely and right that current housing leaders, in recognising the benefit that diversity brings to organisational performance, are beginning to question why it is that a sector, founded on social justice and equality principles, is not properly representative of its staff and
service users within its leadership, and what can be done to address this issue.

Key Messages: Governance, leadership and diversity
- We support the modernisation of governance in Wales
  - developing a code of governance
  - measures to increase equality and diversity
- Linking good governance with equality and diversity is not just the right thing to do, there is clear evidence of its business case with regards to improved performance
- We welcome Ministerial calls to address the gender-balance on housing boards

8. DOMESTIC ABUSE, GENDER BASED VIOLENCE AND HOUSING

Huge numbers of people are at risk of experiencing domestic abuse; the ONS reported that 1.2 million women and 800,000 men experienced domestic abuse in 2011/12. Some 7% of women and 5% of men were estimated to have experienced domestic abuse with no statistically significant change since 2008/09.¹³⁵

In June 2014 the Welsh Government published its Gender-based Violence, Domestic Abuse and Sexual Violence (Wales) Bill.²⁵⁶, Introduced by Lesley Griffiths, AM, Minister for Local Government and Government Business it focusses on three key areas:
- improving leadership and accountability
- improving education and awareness
- strengthening services in Wales.

There is an expectation in the legislation of an improved and coordinated response from public bodies to help address the issue. Welsh housing (and crucially the Housing Minister) has been keen to be involved in implementing the emerging policy and legislation, in understanding how a national strategy might impact on their organisation, and, conversely, in how their organisation might impact on the national strategy.

It is easy to understand why this might be. Domestic abuse is a social injustice, and the genesis of social housing is in social reform and innovation. The links between domestic abuse and housing management issues are becoming clearer as can be seen from recent research at Bron Afon Housing on the links between, for example, domestic abuse and increased levels of arrears and antisocial behaviour. Tackling domestic abuse and supporting those experiencing it will rightly be integral to the work of housing professionals providing homelessness services and homes, delivering housing management and support, and committed to strengthening community cohesion and promoting equality.

We have solid foundations to build on in Wales. Both the multi-agency risk assessment conference (MARAC) and domestic abuse conference-call (DACC) began here, in Cardiff and Gwent respectively, and both have included housing professionals within their multi-agency approach from the beginning. Promoting innovation and partnership working were critical motivations for CIH Cymru’s successful Safer Communities event in February 2014, which was supported by Welsh Government and attended by almost 200 Welsh housing and domestic abuse services professionals. The Housing Minister (encouraged by the success of the Peabody model (see essays above) in terms of both the increased reporting levels of, and improved organisational response to, domestic abuse) has required all Welsh housing organisations to have workplace policies in place, and to ensure staff are properly trained in this respect. This was achieved in August 2014.

Both the Housing Bill and Renting Homes Bill are intended to include proposals which will make it easier to help people experiencing domestic violence, with a focus on prevention and providing support as early as possible. The new Renting Homes Bill is introducing new clauses in tenancy contracts to better protect a victims’ tenancy rights. The proposals in the white paper include the treatment of each joint tenant as an individual, which enables a joint tenant to leave without ending the tenancy for other tenant(s), and a ‘prohibited conduct’ term to include domestic abuse, which would be deemed a breach of tenancy and could result in eviction or loss of tenancy. This will mean that it should be possible to terminate a tenancy for a perpetrator without affecting the tenancy of other tenant(s), and a ‘prohibited conduct’ term to include domestic abuse, which would be deemed a breach of tenancy and could result in eviction or loss of tenancy.

Key Messages: Domestic Abuse, gender-based violence and housing
- Housing has an integral part to play in the delivery of the domestic abuse and gender-based violence agenda
  - Wales has led the way in developing partnership

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¹³³ http://www.livingwage.org.uk/
¹³⁶ http://www.insidehousing.co.uk/care/all-welsh-social-landlords-now-have-domestic-violence-policy/7005258.article
¹³⁷ http://www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/Wales/Why_housing_providers_are_integral_to_tackling_domestic_abuse
¹³⁸ http://www.ons.gov.uk/ons/dcp171778_298904.pdf
¹⁴¹ http://www.walesonline.co.uk/news/wales-news/great-welsh-wage-scandal-women-7680343
¹⁴² http://www.cih.org/publication-free/display/vpathDCR/templatedata/cih/publication-free/data/Wales/Domestic_abuse_and_housing_in_Wales
¹⁴³ http://www.livingwage.org.uk/about/why-living-wage/businesses/
¹⁴⁴ http://www.insidehousing.co.uk/care/all-welsh-social-landlords-now-have-domestic-violence-policy/7005258.article
initiatives to tackle domestic abuse
- housing has been a key partner in these initiatives from the beginning
- Both the Housing (Wales) Bill and the Renting Homes (Wales) bill will strengthen landlord responsibility and opportunity to tackle domestic abuse, anti-social behaviour and help to create safer communities.
- there are links between domestic abuse and other housing management issues.146

to plan and commission services through a revised supporting people programme grant (SPPG). Miller Research was commissioned to review the new SP transitional structures in place with the report due in 2014 (the research proposal is available to view). A memorandum of understanding and conflict of interest policy is currently being developed, with the intention of placing existing arrangements between RCCs and local authorities on a ‘more robust footing’ and to clarify the organisational roles and responsibilities.

Using a co-production and co-design model involving all commissioners, providers and statutory services like health and probation, the RCCs are responsible for delivering a three year rolling regional commissioning plan for their areas. Service user involvement frameworks were due to be put in place in 2014 in all RCCs.

The Housing (Wales) Act will mean significant changes to statutory homelessness services introduced from April 2015 including the introduction of a new homelessness prevention duty and the ability to discharge a duty into the private rented sector. Many Welsh local authorities have been successfully implementing prevention services for some time, its success has obvious links with services provided through the supporting people programme grant (with nine support gateways in operation and a further four in development this will see the majority of councils using a gateway approach to access local homeless support services in Wales). The impact of prevention services and closer working between local government and support providers can be evidenced in the statistical returns from local authorities on homelessness figures for ‘eligible but not homeless’ and ‘eligible, unintentionally homeless and in priority need’.

However, the increase in the number of applications is more concerning, indicating that more households are seeking help, with 92% of Welsh housing professionals, who took part in a recent CIH Cymru commissioned survey, stating that they expected to see homelessness rise. This needs to be seen in the context of the on-going

9. SUPPORTING PEOPLE & HOMELESSNESS

Supporting People (SP) funds housing-related support service in Wales. It aims to prevent and reduce homeless and support independent living and funds a variety of projects including homeless hostels, domestic abuse refuges, floating support, community alarms and supported housing. The budget for 2014/15 saw just a 1.5% reduction in the total grant, a much-heralded announcement. Welsh SP budgets have certainly been far better protected than the neighbouring English budget date, and Wales continues to ring-fence the SP budget, the only UK country to currently do so.

However recent suggestions of cuts to the programme for 2014/15, mean that many RCCs and local authorities are already looking at potential savings in service areas.

A funding allocations task and finish group has been set up as a sub group of the SP finance work-stream, and are preparing a report on different funding models for the SP 2015/16 budget, taking potential cuts into consideration, no further information on budgetary decisions is available at the time of writing.

In last year’s review we updated on changes to the Supporting People programme since the 2010 Aylward review. Six Regional Collaborative Committees (RCCs) were set up to be supported by regional co-coordinators.

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146 http://wales.gov.uk/consultations/housing-and-regeneration/renting-homes/draft-explainer/16920691.article
149 http://wales.gov.uk/about/cabinet/decisions/dl2014/aprjun1/housing/cs0907/?lang=en
150 http://www.miller-research.co.uk/2014/06/09/supporting-people-review-of-transition-year/
151 http://www.insidehousing.co.uk/wales-protects-its-sp-budget/6528983.article
154 http://wrexham.gov.uk/assets/pdfs/housing/supporting_people/local_commissioning_plan.pdf
156 http://www.wales.gov.uk/about/cabinet/decisions/dl2014/aprjun1/housing/cs0907/?lang=en
157 http://www.insidehousing.co.uk/wales-protects-its-sp-budget/6528983.article
158 http://www.insidehousing.co.uk/wales-protects-its-sp-budget/6528983.article
159 http://wrexham.gov.uk/assets/pdfs/housing/supporting_people/local_commissioning_plan.pdf
160 http://www.insidehousing.co.uk/wales-protects-its-sp-budget/6528983.article
161 http://www.insidehousing.co.uk/wales-protects-its-sp-budget/6528983.article
162 http://wales.gov.uk/about/cabinet/decisions/dl2014/aprjun1/housing/cs0907/?lang=en
Several amendments were made to the Housing Bill at stage 2 and 3, relating to chapter 2: help for people who are homeless or threatened with homelessness, including key changes in relation to vulnerability definitions. The Act will have three key homelessness changes for local authority services to implement; a duty to take reasonable steps to prevent & alleviate homelessness, the ability to discharge duty into the private rented sector and a change in priority need status for those who are homeless after leaving prison. Despite challenges during the bill progression definitions of vulnerability within the guidance will be based on the ‘Pereira test’ as defined under sections 70 and 71 of the final version of the Bill; including the change to former prisoners priority status, from all prisoners to those who are deemed vulnerable.

The current review of Section 180 grant funding has not been published at the time of writing, although recipients are currently being contacted to discuss the outcomes of the review with adjustments to schemes due to commence from October. Welsh Government made £2.15 million available to local authorities until March 2014 to help fund services to prevent homelessness as a result of the housing benefit changes.

The Homelessness Grant Budget for 2013/14 was £7.18m; funding 102 projects that receive £5.99m delivered by 34 different providers including 18 private sector landlord bond guarantee Schemes. The 19 projects delivered by local authorities, totalling £750,000, aimed at helping to mitigate against the impacts of Housing Benefit reform, will end in March 2014 and will therefore not be a part of the review exercise.

Key Messages: Supporting People and Homelessness

- It is important to continue to protect the funding for Supporting People in Wales
- as changes to welfare reform and austerity affect vulnerable people disproportionately and demand for housing-related support is likely to increase
  - Whilst homelessness duty levels are reducing the number of presentations is increasing
  - new homelessness legislation will see Wales become the first home nation to introduce a statutory prevention duty, a significant and progressive step
  - implementation of the new requirements will mean a commitment to partnership working and accessing resources for implementation

10. FRONT LINE FUTURES

This UK-wide research, commissioned by the Chartered Institute of Housing and Wheatley Group and carried out by De Montfort University’s Centre for Comparative Housing Research, examines how the role of the frontline housing professional is changing, what skills will be needed in the future, and what the role the employer has to play in supporting 21st century staff.

Specific policy and legislative changes, such as welfare reform, are having significant impact on tenants, communities and landlords, alongside other developments that impact on the delivery of housing services, such as advancements in digital technology, organisational diversification and enterprise, and the opportunities afforded from community benefits on modern procurement, increasing partnership working and development practice.

CIH Scotland & Wheatley Housing Group commissioned the independent ‘Frontline Futures’ research from DeMontford University with the aim of understanding how these themes are affecting frontline housing roles and to identify the skills and knowledge that people already involved, and those joining the industry in the future, will need in order to deliver the best possible frontline services. Over one thousand housing professionals and tenants took part in the research.

The Frontline Futures final report launched in June 2014 concluded that people who work in social housing think doing things with residents, rather than doing things to or for them, is the way forward, and also that following set procedures should become less important because it is not the most effective way of getting the best results. Participating professionals reported that many people who live in social housing need increasing levels of support, and in many cases housing professionals are expected to fill the gap left by the withdrawal of other services, for example providing crisis-type services, with consequential implications for practitioners and managers to build resilience and ensure the wellbeing of staff, by providing.
education and training, as well as management support.

CIH Cymru has been keen to ensure we fully contribute to this agenda as the professional body for housing in Wales; our Rising Stars Cymru\textsuperscript{167} competition is now in its fourth year, we are developing a Champions network, and provide a mentor matching service for members, as well as the new work being undertaken by the Presidential commission on leadership and diversity, referenced above. We have a huge pool of talent to draw from, the success of the made-in-Wales Council Homes Chat\textsuperscript{168} campaign demonstrates that; organisations must continue to work to ensure that housing professionals are trained, supported and developed to undertake the changing requirements of their roles and to continue to create, innovate and deliver.

**Key Messages: Frontline Futures**

- The role of the 21st century housing officer is changing significantly
- Staff require both the resources and development opportunities to deliver new services, support tenants in crisis, plug the gap left by the withdrawal of other services and develop personal resilience
- talent management, training and networking should be supported by organisations

11. HOUSING LED REGENERATION AND TENANT INVOLVEMENT

Welsh Government funding for the i2i project ended in December 2013. The project has been a huge success and had an enormous impact on how housing business is undertaken in Wales. The i2i 5 year on report\textsuperscript{169} reported that over five thousand job and training opportunities had been created between September 2008 and December 2013 using the principles of the CAN DO approach, equating to 19.7 opportunities per week.

The CAN DO Toolkit aimed to assist social housing landlords to maximise procurement opportunities by placing community benefits as a core contract requirement, and developing supply chains through the use of small and medium enterprise. Focussing on the added value to be gained from achieving the Welsh Housing Quality Standard, the term ‘WHQS Plus’ was coined, to describe the goal of maximising the economic boost, for the households living within the communities experiencing the regeneration. Supporting organisations with the procurement of targeted recruitment and training (TR&T) opportunities for people facing barriers to the labour market, often from very disadvantaged communities, became the biggest achievement of the programme.

The Can Do toolkit placed tenant involvement at the heart of housing regeneration; practice innovations flourished and organisational cultures changed as a result. The tenant movement has been integral to the success of many Welsh housing and regeneration initiatives, and so we await the decisions on the future of national tenant organisation in Wales, following the findings of the tenant support review report\textsuperscript{170} published in 2014. Two of the national tenant organisations, funded through the support grant, Welsh Tenants\textsuperscript{171} and the Tenant Participation Service\textsuperscript{172} (TPAS) Cymru have both had grant funding reduced this year, and the Tenant Empowerment Grant\textsuperscript{173}, managed by CIH Cymru has been suspended. The understanding is that the Tenants Advisory Panel\textsuperscript{174} (TAP) has not been affected, although TAP is limited to tenants from registered social landlords, as part of the regulatory framework and does not include representation from council or private tenants. The future of the national tenant movement in Wales is unclear, with consequential concerns for the impact on tenant involvement, capacity-building and partnership work that has been achieved to date.

In 2013 Cartrefi Conwy commissioned CIH Cymru to analyse the outcomes of its WHQS programme using the Can Do toolkit, having achieved the standard. The report\textsuperscript{175} found that the corporate approach had a positive impact on the triple bottom line locally – economic, environmental and social, with the creation of an additional 320 jobs, maximising the use of local suppliers and the development of local supply chains including social enterprises. Staff, tenants and partners reported the experience as a positive one, in terms of job satisfaction and professional development, and described Cartrefi’s progressive leadership as a critical driver of the success of the programme and constructive influence on the corporate culture.

Over the past five years, there has been gathering political momentum for the community benefits agenda across Wales. In December 2012, Jane Hutt AM, Minister for Finance made a public announcement\textsuperscript{176} that public
procurement should be used as a strategic tool to deliver economic benefit to Wales through employment, training and supply-chain opportunities. Value Wales has recently published new guidance\cite{hutt2013}, which includes the use of community benefits as a core contract requirement for the £4.3 billion spent annually on the procurement of external goods and services across the public sector. The community benefits measurement tool has been revised\cite{prp} in 2014 to accommodate the new guidance.

The Ministerial forward to the guidance states:

“As Minister for Finance I want to ensure that we spend that [public] money wisely and maximise the benefits we get from the Welsh pound to build a stronger economy, promote jobs and tackle poverty in Wales... The policy [statement] must be an integral part of all procurement planning and decision making and applied across the public sector in Wales.”

New investment and regeneration projects continue in 2014. Funding decisions for the Vibrant and Viable Places\cite{jones} regeneration framework was announced, with an investment pot of more than £100m to be allocated between 2014 to 2017, for the regeneration of town centres, coastal communities and Communities First areas. Following the receipt of bids from Welsh local authorities the following allocations were announced:

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<tr>
<td>Wrexham, Town Centre Cas Pl, Hightown</td>
<td>£18.203</td>
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<tr>
<td>Torfaen, Pontypool</td>
<td>£8.594</td>
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<tr>
<td>Swansea, City Centre</td>
<td>£6.634</td>
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<td>Rhondda Cynon Taff, Pontypool</td>
<td>£5.080</td>
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<td>Newport, City Centre</td>
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<td>£3.681</td>
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<td>Swansea, Porthafan</td>
<td>£2.873</td>
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<tr>
<td>Islwyn, Anglesey, Holyhead</td>
<td>£1.597</td>
</tr>
<tr>
<td>Flintshire, Deeside</td>
<td>£1.402</td>
</tr>
<tr>
<td>Conwy, Cohyn Bay</td>
<td>£1.022</td>
</tr>
<tr>
<td>Bridgend, Town Centre</td>
<td>£0.742</td>
</tr>
</tbody>
</table>

The Welsh Government is also working in partnership with Wood Knowledge Wales, SOSAVI and a number of registered social landlords in Wales to identify opportunities to stimulate socio-economic regeneration in the Valleys based on natural environment and heritage assets. A new timber frame construction project\cite{whq} has been set up with these partners to maximise the potential of Welsh timber in housing and construction. Led by the Welsh Government, the Valleys Regional Park (VRP) Partnership pilot aims to create rural, manufacturing and construction jobs, help development of local timber supply chains and contribute to the sustainability agenda.

The Welsh softwoods in construction report\cite{wswh} estimates that Welsh forestry is capable of sustainably producing one million tonnes of softwood every year, with large volumes of larch becoming available over the next few years to manage the phytophthora ramorum epidemic. It is hoped that by beginning to incorporate Welsh timber into the 28% of Welsh housing starts that currently use timber frame construction, and working in partnership with social housing developers, a new national industry can be both figuratively and literally home-grown.

With Wales having one of the most favourable environments in Europe, and 50,000 cubic metres per annum of Welsh strength graded softwoods are produced at the BSW Timber site in Powys, already servicing a 100 mile radius, another exciting chapter for Welsh housing led regeneration and innovation may be about to begin!

Key Messages: Housing led regeneration and tenant involvement

- The opportunity for housing-led regeneration is more challenging, but the necessity is more urgent
  - regeneration increases economic activity to alleviate poverty and champion equality
- Welsh housing is both a pioneer and a leader in ensuring that housing investment can have both a positive impact on communities and influence national procurement policy
  - the success of initiatives like the i2i project and Can Do toolkit has been key to evidencing the impact of community benefits
- An independent tenant movement is important to Wales
  - reorganisation and refresh of the current arrangements are important, however a properly resourced, national organisation should be in place

\begin{itemize}
  \item \url{http://wales.gov.uk/statistics-and-research/support-tenant-participation/?lang=en}
  \item \url{http://www.welshtenants.org.uk/}
  \item \url{http://www.tpascymru.org.uk/}
  \item \url{http://www.hants.gov.uk/thehants/forhants/tenantsandtenancy/tenants.service/}
  \item \url{http://www.tpascymru.org.uk/The%20TeG%20Ten%20Years%20of%20Innovation%20and%20Diversity}
  \item \url{http://www.hants.gov.uk/thehants/forhants/tenantsandtenancy/tenants.service/}
  \item \url{http://www.cartreficonwy.org/cartrefi/yourhome.php}
  \item \url{http://wales.gov.uk/topics/housing-and-regeneration/regeneration/vibrant-and-viable-places/regeneration-areas/?lang=en}
  \item \url{http://www.tapwales.org.uk/}
  \item \url{http://www.whq.org.uk/main/articleDetailPrintable.php?ART_id=1376}
  \item \url{http://www.wfbp.co.uk/files/WSW%20Welsh%20Soft%20Wood%2021%2011.pdf}
\end{itemize}
12. CONCLUSIONS AND KEY MESSAGES

Key Messages: Legislation and Devolution
• Wales is on the cusp of the biggest legislative change in its history in terms of:
  • taking responsibility for areas that it did not previously have responsibility for
  • breadth of legislative responsibilities
  • the imperative to join up these areas to maximise impact and delivery
• The impact on the housing industry is not restricted to housing focussed legislation; statutory change in other service areas will impact
  • significant requirements on local authorities to deliver on the new legislation in the context of austerity

Key Messages: UK context & Population
• The UK economy is only just back to pre-downturn levels
  • Wales has particular housing, economic and geographically specific challenges impacting locally, regionally and nationally
• Welfare reform continues to hit Wales hardest, and impacts disproportionately on our poorest and most disadvantaged citizens.
  • landlords and tenants are beginning to feel the bite of the reform
• The Welsh population is projected to increase, and age, with consequential pressures for meeting future housing needs of the population

Key Messages: Social Housing
• Affordable housing and social housing are not the same and in Wales a commitment to social housing continues:
  • in terms of both the amount of social housing grant and higher grant levels
  • a new programme for council housing is expected post-HRAS withdrawal in 2015
  • innovative housing finance continues to be explored and delivered as a parternship between Welsh and local government and registered social landlords
• The Williams Commission recommendations will impact on Welsh housing:
  • as an opportunity to strengthen the strategic housing function
  • potentially the creation of mixed economy of social housing provision under merger arrangements

Key Messages: Private Rented Sector
• PRS is a permanent part of the housing solution for Wales, and is now 14% of the market
• PRS national licensing scheme is evidence of ‘system stewardship’ in action
• Key challenge remains in improving standards
  • in terms of housing management and quality
  • as a pre-requisite for growth, through partnership
• Owner-occupation is a part of the solution, but not the whole solution
  • help to buy-Wales has had a slower start, but is having an impact
  • the impact of market stimulation on property prices, rather than supply will need continued careful monitoring

Key Messages: Governance, leadership and diversity
• We support the modernisation of governance in Wales
  • developing a code of governance
  • measures to increase equality and diversity
• Linking good governance with equality and diversity is not just the right thing to do, there is clear evidence of its business case with regards to improved performance
• We welcome Ministerial calls to address the gender-balance on housing boards

Key Messages: Domestic Abuse, gender-based violence and housing
• Housing has an integral part to play in the delivery of the domestic abuse and gender-based violence agenda
  • Wales has led the way in developing partnership initiatives to tackle domestic abuse
  • housing has been a key partner in these initiatives from the beginning
• Both the Housing (Wales) Bill and the Renting Homes (Wales) bill will strengthen landlord responsibility and opportunity to tackle domestic abuse, anti-social behaviour and help to create safer communities.
  • there are links between domestic abuse and other housing management issues

Key Messages: Supporting People and Homelessness
• It is important to continue to protect the funding for Supporting People in Wales
  • as changes to welfare reform and austerity affect vulnerable people disproportionately and demand for housing-related support is likely to increase
• Whilst homelessness duty levels are reducing the number of presentations is increasing
  • new homelessness legislation will see Wales become the first home nation to introduce a statutory prevention duty, a significant and progressive step
  • implementation of the new requirements will mean a commitment to partnership working and accessing resources for implementation
Key Messages: Frontline Futures

- The role of the 21st century housing officer is changing significantly
- Staff require both the resources and development opportunities to deliver new services, support tenants in crisis, plug the gap left by the withdrawal of other services and develop personal resilience
  - talent management, training and networking should be supported by organisations

Key Messages: Housing led regeneration and tenant involvement

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