

Agenda – Equality, Local Government and Communities Committee

Meeting Venue:

Committee Room 1 – Senedd

Meeting date: 4 March 2020

Meeting time: 09.25

For further information contact:

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Pre-meeting (9.25 – 09.30)

- 1 Introductions, apologies, substitutions and declarations of interest

- 2 **Renting Homes (Amendment) (Wales) Bill: evidence session 2**
(09.30 – 10.30) (Pages 1 – 23)
Dr Craig M. Gurney CIHM, Lecturer in Housing, School of Social and Political Sciences (Urban Studies), University of Glasgow
Dr Thomas Simcock CMRS, Research Fellow, Unit for Evaluation and Policy Analysis, Edge Hill University

- 3 **Papers to note** (Page 24)
 - 3.1 **Additional information from the Minister for Housing and Local Government in relation to the Local Government and Elections (Wales) Bill** (Pages 25 – 27)
 - 3.2 **Welsh Government response to the report on the Draft Budget 2020** (Pages 28 – 34)
 - 3.3 **Additional information from the Deputy Minister and Chief Whip in relation to the post legislative inquiry into the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015** (Pages 35 – 39)



4 Motion under Standing Order 17.42 (vi) to resolve to exclude the public from the remainder of the meeting

5 Renting Homes (Amendment) (Wales) Bill – consideration of the evidence received

(10.30 – 10.40)

6 Consideration of a letter from the Llywydd in relation to forthcoming legislation

(10.40 – 10.45)

(Pages 40 – 41)

Break (10.45 – 10.55)

7 Local Government and Elections (Wales) Bill – consideration of the draft report

(10.55 – 12.30)

(Pages 42 – 206)

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Papur 1 – Dr Craig Gurney, Prifysgol Glasgow
Paper 1 – Dr Craig Gurney, University of Glasgow

Written evidence to Equality, Local Government and Communities Committee

Renting Homes Amendment (Wales) Bill

Individual submission

Dr Craig Gurney, Lecturer in Housing, School of Social and Political Sciences
(Urban Studies), University of Glasgow.

24th February 2020

Disclaimer

I would like to thank the Equality, Local Government and Communities Committee for inviting me to contribute to the inquiry on the general principles of the Renting Homes (Amendment) (Wales) Bill. I present evidence here in a personal capacity. My views do not necessarily represent the views of my current or previous employers. I was employed as a lecturer in housing at Cardiff University from 1996-2019 and was Chair of the Board of Management for Cynon Taf Community Housing Group from 2006-2001. There are no other relevant interests to declare.

Executive summary

The well documented changes to the housing system in Wales have changed the way in which stakeholders experience, construct, deliver and regulate the housing system. New ways of working, including new forms of regulation are necessary to keep pace with the changing landscape in front of us. Based upon my experience of researching in the field of housing studies since the late 1980s, it is my opinion that the bill makes a sensible and appropriate set of amendments to an existing act and is entirely in step with recent innovative approaches to address the multi-faceted housing problems facing Wales.

I urge the committee to exercise caution in interpreting the results of a report published by the Residential Landlord's Association which is referenced extensively in the Exploratory Memorandum and relied upon heavily in the Regulatory Impact Assessment.

1 General principles

1.1 The general principles of the bill are clearly stated, are well-intentioned and appear entirely proportionate to a changing housing landscape in Wales. They are ambitious but remain in step with a growing and well documented recognition across the devolved UK jurisdictions (Gibb et al 2019, Rugg and Rhodes 2018) that bold legislative change is needed to address a well-documented series of housing problems.

1.2 At the heart of this amendment is the introduction of a new 6 month minimum notice period which landlords can give to occupational contract holders. The stated intention of this amendment is to improve security of tenure for households living in the private rented sector (PRS) in Wales.

1.3 Based upon my reading of the extant legislation and published relevant housing research from across the UK and elsewhere I am in support of the general principles of this bill. The amendments have the potential to make good on the housing (and by implication) mental health priorities in Prosperity for All and to meet the well-being goals set out in the Well-being of Future Generations (Wales) Act 2015. Committee members will, of course, appreciate this wider context when scrutinizing the bill but it is worth re-stating I think, that the implications of the amendment have consequences which extend far beyond specific questions of landlords' profitability and the operation of the private rented sector housing market. I would hope that discussion around the bill does not get bogged down in seeking to appease disgruntled landlords and that the experiences of tenants remains in the foreground.

1.4 Security (and in particular security *of tenure*) is an important concept within this bill (indeed it is mentioned 40 times in the main body of the exploratory memorandum). Research within the multi-disciplinary field of Housing Studies has much to offer in understanding the economic, social, cultural and psychological significance of home as a place to entrust one's sleep, a place of niche and belonging, a warehouse for memories and emotions and as a firewall against chaos (see Gurney 2019a for example).

1.5 In addition to security of tenure it is important to pause to reflect upon how other forms of security are entwined with this rather narrow legal definition. Thus, emotional security, spatial security, financial security and ontological security (a term closely associated with home which conveys a sense of robust mental health, resilience and confidence in the everyday) are all routinely bundled up with security of tenure in contemporary housing research. The association of housing with well-being, happiness and robust mental health has long been recognized but has undergone somewhat of a renaissance in recent years alongside a renewed focus upon the properties of housing tenure (Soatia and McKee 2019, Clapham 2010, Gurney 1991, 1999, 2019b, Gurney et al 2020).

Ontological (in)security can be found across housing tenures and home is not the only source of it (Ellaway et al. 2016, but significant research evidence on the subject of housing precarity now exists to suggest that insecurity may have had adverse effects upon mental health and well-being . In offering greater security of tenure for occupational contracts holders, the bill is likely to have significant impacts upon the health and well-being of a group of housing consumers who are currently experiencing the worst excesses of housing precarity. As with interventions to address other forms of market failure it is the poorest, youngest, and oldest and those groups of housing consumers with protected characteristics who stand to benefit most result from the introduction this bill.

2 Potential barriers to the implementation of the Bill's provisions.

2.1 I do not anticipate any obvious potential barriers to the implementation of the bill.

2.2 It would however, be helpful to have more detailed research evidence on the capacity of the courts to deal with a possible increased number of Section 157 breach of contract grounds and of housing advice and homelessness prevention services to respond to changing demands.

3 The appropriateness of powers in the Bill for Welsh Ministers to make subordinate legislation.

3.1 The summary of new powers as outlined in Table 5.1 of the Explanatory Memorandum seem appropriate and proportional.

4 Whether there are any unintended consequences arising from the bill

4.1 There remain some uncertainties about how the market might react to the provisions of the bill. Whilst there is a need to undertake further research to monitor the effectiveness of the bill I do not believe that the

risks of any unintended consequences outweigh the benefits being proposed.

4.2 I am not convinced that there is any convincing evidence that the bill will negatively affect either the quality or quantity of housing supply. I note that in the consultation responses reported in the Explanatory Memorandum, landlord organisations have claimed that there is a risk that landlords will exit the market. It is to be expected of course that any trade organization seeking to promote and protect members' interests will make this argument when faced with any proposal to regulate the market. Whilst it may be the case that the number of landlords in the sector might decrease I would expect the market to respond (existing landlords purchase that stock, or that stock goes into the owner occupied sector) so that dwellings do not remain vacant and there is no noticeable effect upon supply.

4.3 In seeking to offset the risks of housing assets becoming less liquid, landlords might seek to employ more detailed credit and lifestyle checks on potential tenants. This might conceivably lead to an increase in rental prices and deposits at the margins or of an increased use of guarantors. Further research is needed to assess the likelihood of this occurring and of the possible consequences for precarious households.

4.4 If ongoing reforms of private rental tenure in England go a different way to the direction of travel in Wales one might reasonably expect there to be some short term shocks and adjustments to local housing markets which straddle or are close the border.

4.5 I have some concerns about the extent to which the voices of tenants and contract holders has not been heard in the consultation around this bill and in the passage of the Renting Homes (Wales) Act. Landlord organisations are well organized and have, in recent years been able to mobilize effectively to defend their members' interests in ways that tenants have not. I note this particularly in relation to the recent use of the term "rogue tenant" which has emerged to counter the term "rogue landlord" which has been deployed since the days of "Rachmanism" in the 1960s. Myself and colleagues (Gurney and Manzi 2019, Gurney and Simcock 2020) have recently undertaken research on the way in which tenants have been characterized in the media narratives and we have identified the role

of landlord organizations as central to the creation of a tenure prejudice (Gurney 1999). This bill aims to strike a balance between regulation and support. Given that, it is important to ensure that the voices and experiences of tenants are not drowned out by those of landlords.

4.6 On balance, this bill will increase security of tenure and peace of mind for tenants, and will have negligible financial impacts upon most landlords.

5. Financial implications of the bill

5.1 In relation to the financial implications set out in Part 2 of the Explanatory Memorandum I would offer one note of caution only.

5.2 My concern relates to the reliance placed upon a report published by the Residential Landlord's Association which is referenced extensively throughout the Exploratory Memorandum and in particular in the Regulatory Impact Assessment in Part 2. I note that the methodology and methods used to collect the data do not appear to have been subject to peer review, and as a result, I have concerns about the extent to which sampling bias may have been understated. This inevitably raises concerns about the validity and reliability of that research. This is particularly important given that the research was funded and commissioned by an organization with a clear stake in the outcome of this bill.

5.3 With this in mind I would urge the committee to balance the evidence from that report with evidence from sources which have been subject to a rigorous and transparent peer review.

References.

Clapham, D., 2010. Happiness, well-being and housing policy. *Policy & Politics*, 38(2), pp.253-267.

Ellaway, A., Macdonald, L. and Kearns, A., 2016. Are housing tenure and car access still associated with health? A repeat cross-sectional study of UK adults over a 13-year period. *BMJ open*, 6(11), p.e012268.

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Gurney, C. and Manzi, T. 2019 “You aren’t equipped with the necessary skills to rent”. Frame analysis, tenancy reform and the social construction of tenure prejudice. European Network for Housing Research conference

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Rugg, J., & Rhodes, D. (2018). The Evolving Private Rented Sector: Its Contribution and Potential. York. Centre for Housing Policy. Retrieved from <http://www.nationwidefoundation.org.uk/wp-content/uploads/2018/09/Private-Rented-Sector-report.pdf> [Accessed 23 February 2020]

Soaita, A.M. and McKee, K., 2019. Assembling a 'kind of' home in the UK private renting sector. *Geoforum*, 103, pp.148-157.

Evidence submitted to the Equality, Local Government and Communities Committee for the consultation on Renting Home (Amendment) (Wales) Bill

1.1 I welcome this opportunity to inform the ELGC Committee consultation on the Renting Homes (Amendment) (Wales) Bill. The Renting Homes (Wales) Act and this subsequent amendment propose significant changes to the regulation of the Private Rented Sector (PRS) in Wales.

2. General principles of the Renting Homes (Amendment) (Wales) Bill and the need for legislation to deliver the stated policy intention

Improving security for tenants

2.1 The proposed amendments to S.173 or 'no fault' evictions by this bill are significant improvements to the private rented sector in Wales. The private rented sector over the past twenty years has evolved rapidly, the sector is providing housing to a more diverse group, including families, low-income households and over-65s¹. The sector is a major source of long-term housing for these groups, and it is important to ensure that the regulatory framework of the private rented sector reflects these developments.

2.2 Currently, once tenants are past the initial 6 or 12 month tenancy period (unless they renew their tenancy, which previously required a fee and a higher rent), they face insecure periodic tenancies, where landlords are able to serve a Section 21 notice requiring the tenant to move out with just 2 months' notice without any reason needing to be provided or for the tenant to be at fault. This may pose difficulties for families, for example if they are served a S.21 during term time, to secure housing in a suitable location near their children's school(s) and could have an impact on the future outcomes of their children.

2.3 There is a growing body of research on the private rented sector, with findings highlighting the negative impact of the insecure nature of private renting on health and wellbeing², being able to feel at home in their rented property and being able to put down roots in their communities³. Recent research identified an association between private renting and higher levels of biomarker C-reactive protein (CRP), which is indicative of chronic stress/infection⁴. Further research has found that insecure housing and in particular private renting can have a negative effect on psychological well-being, with private renters experiencing anxiety and finding it difficult to 'settle down'⁵.

¹ Cole, I., Powell, R., & Sanderson, E. (2016). Putting the squeeze on 'Generation Rent': Housing Benefit claimants in the private rented sector- transitions, marginality and stigmatisation. *Sociological Research Online*, 21(2), 1-14.
doi:<https://doi.org/10.5153/sro.3909>

² McKee K, Soaita A & Hoolachan J (2019) 'Generation Rent' and the Emotions of Private Renting: self-worth, status and insecurity amongst low-income renters. *Housing Studies*. <https://doi.org/10.1080/02673037.2019.1676400>

³ Soaita AM & McKee K (2019) Assembling a 'kind of' home in the UK private renting sector. *Geoforum*, 103, pp. 148-157. <https://doi.org/10.1016/j.geoforum.2019.04.018>; Hoolachan, J. et al. 2016. '[Generation rent' and the ability to 'settle down': economic and geographical variation in young people's housing transitions](https://doi.org/10.1080/13676261.2016.1184241)'. *Journal of Youth Studies* (10.1080/13676261.2016.1184241)

⁴ Clair A, Hughes A. Housing and health: new evidence using biomarker data. *J Epidemiol Community Health* 2019; **73**:256-262.

⁵ McKee, M., Reeves, A., Clair, A. et al. Living on the edge: precariousness and why it matters for health. *Arch Public Health* **75**, 13 (2017) doi:10.1186/s13690-017-0183-y

- 2.4 The amendments proposed in this bill to S.173 notices, with the increase of the minimum notice period to six months and the restriction of issuing a S.173 notice until six months after the occupation date, will provide private renters with a minimum of 12 month security, unless there is a fundamental breach of contract by the tenant.
- 2.5 This is an important step to improve the lives of renters in Wales, while we learn from the lessons of reforms in Scotland, and the Bill strikes a fair balance in the PRS between tenants and landlords. Tenants will know that they will have at least a minimum of 12 months in their home, as long as they continue to pay the rent and fulfil their duties, and landlords will still be able to regain possession of the property if the tenant breaches the terms of the tenancy, such as in the case of rent arrears or anti-social behaviour.
- 2.6 The sector does provide much-needed housing for those looking for short-term/flexible housing, such as when moving for employment. There may be concerns that the proposed Bill could negatively affect the flexibility the sector provides some groups of renters. Yet, private renters will still have the option to sign six-month tenancies and would be able to end the tenancies at the end of the six-month period by vacating the property. The proposed bill, however, does provide greater security for these renters, with the changes to fixed-term contracts to become periodic contracts and would provide a further six months security if the tenant needed this. Nevertheless, there is a potential unintended consequence through the amendment to the use of break clauses that could trap tenants in longer-term contracts.

Maintaining balance and fairness in repossessions and the private rented sector

- 2.7 The Bill further removes the ability for the landlord to serve a S.173 notice within a six-month period following the expiration of a previous notice. This amendment is welcome, and I anticipate that this should reduce anxiety and worry for private renters through providing greater certainty and control over their home lives. This amendment is unlikely to have any negative effect for private landlords per se. If the landlord has made an error in the S.173 notice, the bill contains measures for allowing the landlord to fix any errors in the first S.173 notice within a fourteen-day period. Furthermore, if the landlord had a genuine reason to utilise the S.173 notice where the tenant is not at fault, for example, the landlord wishes to sell the property with vacant possession, it is anticipated that the landlord would then act upon the notice given. There maybe are occasions where the landlord's timeframe changes (for example with selling the property), however, this has to be balanced against the uncertainty and insecurity the tenant would face in this situation.
- 2.8 Where there is a breach of tenancy by the tenant (such as Rent Arrears, Anti-Social Behaviour, or damage to the property) the landlord would still be able to seek possession using Section 157 or Section 181 under the 2016 Act. This would be more favourable for the landlord to proceed under these grounds even without the amendment in the proposed Bill due to the shorter notice periods needed. These two routes do require a court hearing and require the landlord to provide evidence that the tenant is in breach. However, the loss of one's home is not trivial or a simple contractual matter. A home is a person's shelter, their space to be themselves, their space to escape, their space to cry, to love and to be happy⁶. For someone to be evicted from their home, this is a significant life event, and the legal process needs balance and must

⁶ Gurney, C., (2000). *Accommodating Bodies. The organisation of corporeal dirt in the embodied home*. In Mckie, L., and Watson, N., (EDS) *Organising Bodies. Policy, Institutions and work*. Basingstoke. Macmillan. Pp 55-80.

be fair. If the tenant has breached the terms of the contract, then they should be able to provide a defence against said breach. For example, if someone is being accused of anti-social behaviour, it should be up to the courts to decide whether the tenant has engaged in this behaviour or not rather than the landlord being judge and jury.

2.9 There is limited evidence on the potential impact of the proposed amendments set out in this Bill on private landlords. The Welsh Government in the Regulatory Impact Assessment (RIA) and Explanatory Memorandum have greatly depended on one particular survey from the Residential Landlords Association. This survey identifies that 49% of landlords had sought to regain possession and 83% of these had used a Section 21 notice due to rent arrears. However, I believe there is a need to be cautious in the use of these figures as I have concerns over potential sampling bias. Firstly, there is limited demographic data provided in the report which limits our ability to gauge whether the responses are representable of the wider landlord population. While the sample of landlords is very large, if there are sampling issues, this could lead to errors in the findings.

2.10 The English Private Landlord Survey 2019⁷, which used a different methodology for sampling, identified that only 7% of landlords had needed to regain possession of a property, with 58% of landlords citing rent arrears as being a major factor. In comparison, my own research⁸ identified that 25% of landlords had needed to regain possession of a property in the past 12 months, with 69% of respondents reporting rent arrears being a major reason. While all of these surveys have identified rent arrears as being a significant reason (albeit at a much lower prevalence than the RLA survey used to inform the RIA), these surveys look at landlord experience in a multi-response format and do not examine the number of tenancies ended and for what reason. One study that has examined this was undertaken by Dr Chris O'Leary and colleagues at Manchester Metropolitan University⁹. In figure 7 on page 28 of their report, the report authors identify the number of tenancies ended by through both S21 and S8 routes and the reasons for the tenancy being ended by the landlord. Based on the data in the figure, we can identify that 54% of Section 21s were served due to the tenant being at fault (37% were due to rent arrears).

2.11 If this Bill is enacted, it is anticipated that landlords would serve a section 157 or section 181 notice if the tenant is in breach of contract rather than using a Section 173 notice. However, based on the research identified above, the number of landlords who would need to utilise a S.157 or S.181 due to a breach of contract by the tenant is likely to be lower than estimated in the RIA. This may have an effect on private landlords when they are selling the property or seeking possession for alternative reasons and utilising the Section 173 notice. However, the increase of the minimum notice period to six-months would provide a more suitable period of time for the tenant to find alternative accommodation over the current two-month period.

3. Unintended consequences arising from the Bill

3.1 There are a number of potential unintended consequences that could arise with the implementation of this bill. However, on balance, the Bill would provide greater security

⁷ MHCLG. (2019). *English Private Landlord Survey 2018: Main Report*. London, UK: Ministry for Housing, Communities & Local Government.

⁸ Simcock, T., & Kaehne, A. (2019). *State of the PRS (Q1 2019): A survey of private landlords and the impact of welfare reforms*. Ormskirk, UK: Edge Hill University.

⁹ O'Leary, C., O'Shea, S., & Albertson, K. (2018). *Homelessness and the Private Rented Sector*. Manchester, UK: Manchester Metropolitan University.

for private renters across Wales and these potential issues while important should not distract from the potential benefit the Bill could bring to families and households.

- 3.2 One potential unintended consequence could be landlord investment decisions based on differing legal framework across Great Britain. The implementation of this bill would introduce differing routes for possession and would be in contrast to possession routes in England, where Section 21 notices currently remain unchanged. The Westminster Government has announced intentions to completely remove the Section 21 route, however, no timeframe is currently available on this. However, after this reform is implemented in England, this could mean that Wales would be the only country in Great Britain to retain a 'no fault' possession route and therefore, could be more favourable to investors.
- 3.3 A further consequence of this bill could be that landlords decide to move their property into the short-term let market, such as by using Airbnb. For landlords, this would be a much more unregulated market, with potential tax advantages and higher returns. The UK Government have phased in tax changes to private landlords' ability to claim finance interest relief on mortgage costs, which would reduce the profitability of private landlords. However, in certain circumstances this is available for short-term holiday let operators, which along with the higher returns could make this more financially attractive for landlords. Nevertheless, this is unlikely to be desirable for all landlords and properties. There is considerably more work needed to be undertaken on a day-to-day basis for a short-term let, and only properties in high condition that are fully furnished and in a favourable location are likely to be fully suitable for the short-term let market. It is likely that a good proportion of these properties have already moved over to the short-term let market.
- 3.4 One potential negative impact is the amendments to the break-clauses within longer-term tenancies. While the Bill makes important amendments to the Renting Homes (Wales) Act that will improve the lives of renting households. I have concerns that an unintended consequence of the break-clause amendment may remove flexibility for renters. If the renter is offered a new role or employment in another part of the country, they would still be stuck in the rental contract, with a potential negative impact on employment and mobility. My preference would be for indefinite tenancies rather than time-limited tenancies, as these provide the long-term security and flexibility renters would need, however, this is out of the scope of this Bill.

4. Financial implications of the Bill

- 4.1 While the RIA has considered costs to local government homelessness services, there are potential further cost savings and benefits to employers and healthcare providers. Research has found that private renting is associated with anxiety and stress, with factors including the insecure nature of renting. The proposed amendments are anticipated to be linked to positive long-term health impacts due to potential improvements in psychological well-being from more secure housing. It would be conceivable that this could lead to reduced health costs and improved productivity in the workplace, which could potentially lead to improved economic performance. Further research is required in this area to help determine the cost benefits of this improved security of tenure on these factors.
- 4.2 A further positive impact of this Bill through improving security of tenure and enabling families to stay longer in their properties is that this could improve child outcomes. The

improved security of tenure could reduce the disruption faced by children during school terms and lead to improved child outcomes. This is likely to have long-lasting economic and social outcomes. Further research is required to develop a deeper understanding of child outcomes and tenure and likely long-term impacts.

5. Final comments

5.1 I would like to thank the Committee for this opportunity to provide evidence and input into the scrutiny of the Renting Homes (Amendment) (Wales) Bill. This is a welcome first step to modernising the private renting sector and increasing the security private tenants have in their property. As I have highlighted above, I believe that this amendment is moving the Welsh PRS to a more fair regulatory landscape, providing tenants with the knowledge that they will have at least 12 months in the property, while landlords will still be able to regain possession if there is a breach of contract.

Dr Tom Simcock

Research Fellow, Unit for Evaluation and Policy Analysis, Edge Hill University

24th February 2020

About Dr Tom Simcock

Dr Tom Simcock is a Research Fellow in the Unit for Evaluation and Policy Analysis (EPA) at Edge Hill University. Tom has extensive experience of undertaking both quantitative and qualitative research across a diverse spectrum of policy areas including education, health, housing, and public-sector reform. Tom is currently a member of the Housing Studies Association (HSA) Executive Committee and is the Chair of the Evidence Network for Renting (EN4R), a knowledge-exchange initiative which brings together academics, stakeholders and policymakers to share research on renting to support evidence-informed policymaking and practice. Tom's most recent research has focussed on housing policy and the private rented sector; including examining the impact of welfare reforms such as Universal Credit, regulation and longer-term tenancies, and the growth in popularity of Airbnb. Tom's research on housing has received national and international media coverage, has influenced Government policy-making, including being cited in national Government consultations on the private rented sector, and his research has been widely cited in debates in the House of Commons, House of Lords, and by the London Mayor.

Agenda Item 3

Equality, Local Government and Communities Committee

4 March 2020 - papers to note cover sheet

Paper no.	Issue	From	Action point
ELGC(5)-08-20 Paper 3	Local Government and Elections (Wales) Bill	Welsh Government	To note
ELGC(5)-08-20 Paper 4	Welsh Government Draft Budget 2020-21	Welsh Government	To note
ELGC(5)-08-20 Paper 5	Post legislative inquiry into the Violence against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015	Welsh Government	To note



John Griffiths, AM
Chair
Equality, Local Government and Communities Committee
National Assembly for Wales
Ty Hywel
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CF99 1NA

24 February 2020

Dear John,

Local Government and Elections (Wales) Bill - Further information following the meetings held on 27 November 2019 and 29 January 2020

Further to my letter of 19 December please find below additional information regarding our approach to co-producing relevant guidance and regulatory arrangements created by the Bill and the provisions of the Bill relating to Fire and Rescue Authorities.

As mentioned at Committee, where appropriate we will seek to co-produce the guidance and regulatory arrangements created by the Bill. Officials are also engaging extensively with the WLGA, representatives from local government and the third sector through the networks available and seeking to achieve consensus as to the matters provided for in guidance.

Further consideration will be given on how best to engage with citizens and wider communities, assessing the benefits to be achieved from incorporating activities such as focus groups. As previously stated, I welcome the views of the Committee on this matter.

There are three Parts of the Bill in respect of which guidance and regulations are currently being co-produced with local government. These are the regulations and guidance in relation to electronic broadcasting, remote attendance and participation, those for the establishment of corporate joint committees and the guidance to support the implementation of the performance and governance regime.

Electronic Broadcasting, remote attendance and participation

Officials are currently working in partnership with a small group comprising the WLGA, Monitoring Officers and Heads of Democratic Services to explore the practical issues relating to these areas of the Bill.

The group has met twice to date and as a result officials will be visiting a number of local authorities to explore the way broadcasting is currently being undertaken, the difficulties experienced and the opportunities for building on these arrangements. The visits will also be used to explore the concerns expressed about the number and range of meetings to be broadcast. The visits will be undertaken across a range of local authorities in Wales to ensure issues that arise from different geographical footprints, size of population and the requirements in terms of language are captured.

The visits will also highlight areas where remote attendance has, or is being used, and enable discussion about local authorities' experience of the arrangements and their concerns. These visits will help frame the regulations and guidance developed in these areas.

It is intended to adopt a similar approach in relation to the duty to encourage local people to participate in local government.

Performance and Governance Regime – guidance

Officials are currently working in partnership with the WLGA and a small focus group of local government officers directly involved in the performance and improvement functions of their local authorities to co-design the content for statutory guidance on self-assessment and panel performance assessment.

Officials are also working with a range of other partners to inform thinking on these aspects of the performance and governance regime, including Estyn, Care Inspectorate Wales, Wales Audit Office and the Office of the Future Generations Commissioner.

It is anticipated a draft of the guidance will be finalised by the working group in late spring in advance of a public consultation exercise.

Corporate Joint Committees – Establishment regulations

I, and my officials, have engaged extensively with the WLGA and local government leaders on the corporate joint committee proposal and the development of the regulations. Officials are currently working with key stakeholders, such as WLGA and Local Government Lawyers and Society of Welsh Treasurers to reach consensus on these regulations.

Co-producing in this way is essential to ensure the regulations are fit for purpose and will deliver the intended requirements of simplification, consistency of core governance structures and local flexibility to deliver what is needed for an area.

In other areas, officials are also in the process of establishing a group to consider guidance relating to the duty on political group leaders in relation to standards of conduct and the production of annual reports by standards committees. In addition, work is planned to engage with the town and community council sector and their representative bodies in respect of the provisions in the Bill which relate to them.

At the meeting on 29 January the Committee raised the concerns of Fire and Rescue Authorities (FRAs) about the provisions in the Bill which would remove the need for a public inquiry into certain changes to FRAs' combination orders, and I agreed to set out our reasoning more fully.

The purpose of combination orders is to combine local authority areas into a single FRA area; without such an order each local authority would also be an FRA. Combination orders then also set out the governance arrangements for the combined FRA, including its membership, structures and funding arrangements. They have nothing to do with front-line firefighting or fire safety operations, nor could any amendments to them cover such matters.

The Fire and Rescue Services Act 2004 currently allows FRAs to require a local public inquiry into any change to their combination orders to which they do not consent. I agree that would be appropriate if it were proposed to change FRA areas, for instance to move a local authority area from one FRA to another, without the agreement of the bodies concerned. The Bill would not alter the requirement for a public inquiry in such cases, although I should stress that we have no plans to change FRA boundaries at present.

However, I cannot see that it is in any way appropriate for FRAs to be able to force public inquiries into more minor changes to their own governance arrangements, nor can I see that there would be any significant local public interest in these matters. Any such changes would be made following full consultation, and by order under the 2004 Act which could be annulled by resolution of the Senedd. By comparison, there are of course many subordinate legislative functions which regulate the internal governance of local authorities, including some in this Bill, yet there is no suggestion that local authorities ought to be able to force a public inquiry into any use of them with which they happened to disagree.

In summary, all the Bill does here is to bring the process for changing FRA governance into line with the rest of the public sector. It does away with the unique position of FRAs in this regard, and retains the normal levels of accountability for change that exist elsewhere. I reiterate that it will not hamper the delivery of front-line fire and rescue services in any way.

Yours sincerely,



Julie James AC/AM
Y Gweinidog Tai a Llywodraeth Leol
Minister for Housing and Local Government

Agenda Item 3.2

Julie James AM
Minister for Housing and Local Government

Hannah Blythyn AM
Deputy Minister for Housing and Local Government

Rebecca Evans AM
Minister for Finance and Trefnydd

Jane Hutt AM
Deputy Minister & Chief Whip

John Griffiths AM
Chair of the Equality, Local Government and Communities Committee



Llywodraeth Cymru
Welsh Government

24 February 2020

Dear John,

Thank you for your letter of 21 January enclosing a copy of the Committee's report on the Draft Budget 2020-21.

We would like to thank members of the Committee for their report. The attached paper sets out our response to the report's eight recommendations.

Yours sincerely,

Julie James AM
Minister for Housing and Local Government

Rebecca Evans AM
Minister for Finance and Trefnydd

Jane Hutt AM
Deputy Minister and Chief Whip

Hannah Blythyn AM
Deputy Minister for Housing and Local Government

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CF99 1NA

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

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We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Welsh Government Response to the Recommendations from the Equality, Local Government And Communities Committee Report: Scrutiny of the Welsh Government Draft Budget 2020-21

LOCAL GOVERNMENT SETTLEMENT

CAPITAL FUNDING

Recommendation 1. We recommend that the Welsh Government set out what actions it is taking to ensure that information is easily accessible to the public on the support that is available to make improvements to their home in relation to reducing the carbon footprint of their home

Response: Accept

The Welsh Government's Warm Homes Programme Nest Scheme provides home energy efficiency advice to people about improving the thermal and energy efficiency of their homes. The service provides advice to support our efforts to reduce the cost of domestic energy as part of our action to reduce fuel poverty and to reduce carbon emissions from homes in Wales. The Welsh Government will be consulting on a new draft plan to tackle fuel poverty, which will set out how we intend to support people out of fuel poverty and meet the climate change emergency in the years ahead.

WORKFORCE PRESSURES

Recommendation 2. We recommend that the Welsh Government provide us with an update in autumn 2020 on the actions being taken to address pay, terms and conditions and status of those employed in the social care sector outside the NHS.

Response: Accept

The Welsh Government would be happy to provide an update on the actions that we are taking to address pay, terms and conditions and the status of those employed in social care in the autumn.

The Welsh Government is considering how best to strengthen its approach to public sector pay and conditions. The aim is to take a more coherent and consistent approach to pay policy and strategy, in line with our wider strategic aims. In support of this we are currently consulting on a set of principles we have developed to underpin a new approach to public sector pay, without infringing on existing collective bargaining arrangements between employers and trade unions.

LEGISLATION

Recommendation 3. We recommend that the Welsh Government ensure that in the preparation of RIAs for proposed legislation that lessons learnt through scrutiny and implementation of previous legislation are acted upon.

Response: Accept

The Welsh Government recognises that the effective financial scrutiny of a Bill requires a robust assessment of costs and benefits. Clarity over costs is important for the Welsh Government and for our delivery partners, which is why we consult and engage with stakeholders to ensure our decisions are informed by the people who will be affected by them.

The RIA guidance in the Legislation Handbook has been revised twice during the current Assembly term to reflect lessons learned during the scrutiny and development of previous legislation. The inclusion in the guidance of a more clearly defined, staged approach to the development of RIAs (one part of which is the inclusion of a draft RIA as part of the consultation exercise) reflects our recognition of the importance of engaging with stakeholders. The latest version of the Legislation Handbook (published in May 2019) also reflects the recommendations made by Finance Committee following the 2017 inquiry (Inquiry into the financial estimates accompanying legislation).

In addition to updating the formal guidance, there are a number of other routes through which lessons learned in developing an RIA for one piece of legislation can be shared across the organisation in a timely manner. These routes include the regular meetings of the Cross Directorate Group on Legislation and the training and support provided by Welsh Government economists to policy teams.

HOUSING AND REGENERATION

HOMELESSNESS

Recommendation 4. We recommend that the Welsh Government increases the allocation of funding to the Housing Support Grant and the Homelessness prevention budget line in the 2020-21 budget to ensure that the Welsh Government's ambition on reducing homelessness to be rare, brief and unrepeated can be delivered.

Response: Accept in principle

In the face of successive cuts to our budget, we have protected our housing related support budgets as far as possible against the worst impacts of austerity.. We are aware of calls from the sector for increased funding for the Housing Support Grant and Homelessness prevention. We fully support the need to ensure that services to prevent people losing their homes and enable them to thrive in their homes are adequately funded. The Minister for Finance and Trefnydd has stated that if there is

additional funding available to the Welsh Government next year following the UK Government budget scheduled for March, she hopes to be able to indicate in the debate on the final Budget where those priorities would be. Our work to tackle and prevent homelessness in all its forms will be an important consideration in that context.

Recommendation 5. We recommend that the Welsh Government provide a firm commitment that if the Homelessness Action Plan has actions which require additional funding, that this funding is provided by the Welsh Government.

Response: Reject

The work of the Homelessness Action Group is yet to complete and as such it is not possible to make unquantifiable funding commitments. The Welsh Government commissioned the Homelessness Action Group to assist us in achieving the goal of ending homelessness, an endeavour to which we are fully committed. The reports of the Homelessness Action Group will inform our first action plan to sit under our Strategy for Preventing and Ending Homelessness and we will give careful consideration to the resources required to fully implement the Action Plan.

Recommendation 6. We recommend that the Welsh Government ensure effective monitoring of the outcomes of spend relating to youth homelessness services to ensure the effective delivery of these services, and in particular those services supporting young people as they transition to adult support services.

Response: Accept

The Welsh Government remains committed to preventing all forms of homelessness, including amongst young people. As set out in our Strategy for Preventing and Ending Homelessness, early intervention and prevention is crucial to achieving the goal of ending homelessness and youth homelessness, as well as wider education, youth and social services have a key role to play. The Welsh Government invested an additional £10m into youth homelessness prevention in 2019-20. This has enabled the development of new projects, as well as enhancing existing activity and services. As part of our grant funding, all projects are required to provide outcomes data to ensure the effective delivery of services.

In 2019-20 we established a £4.8m innovation fund, which is supporting 26 projects to deliver new and innovative housing and support approaches for vulnerable young people between the ages of 16 and 25, at risk of becoming homeless or currently homeless. As these are new projects, we recognise the need to evaluate their impact and ensure they are effective in supporting young people to both avoid and escape

homelessness. An independent evaluation of these projects will begin in March 2020.

In recognition of the importance of early identification and support, in a joint initiative between Housing and Education, we invested an additional £3.7m into the Youth Support Grant. This funding is being used to strengthen the existing Youth Engagement and Progression Framework, currently used to identify young people not in education, employment or training (NEET), to also identify those at risk of becoming homeless and put in place the necessary support. An independent evaluation of this work will commence in 2020-21, to support the further development and enhancement of the framework.

Welsh Government recently launched a communications campaign in collaboration with Shelter Cymru to raise awareness of hidden homelessness and the support available – both to young people and professionals. This campaign will be evaluated in line with the Government Communications Service (GCS) Evaluation Framework. Several measures will be used to assess the response to the campaign including visits to the Shelter Cymru website; enquiries to Shelter Cymru advice services; and public awareness of the campaign and understanding of the issue of hidden homelessness.

POVERTY REDUCTION

Recommendation 7. We recommend that the Welsh Government provides us with a breakdown of the number of DAF applications received; accepted, and declined in 2019-20, including the grounds on which applications were declined.

Response: Accept

From April 2019 to December 2019, the Discretionary Assistance Fund (DAF) has provided £9.04m in grant aid having received 119,188 applications during this time. These are broken down as follows:

- 53,268 awards made
- 61,136 applications declined
- 4,784 applications withdrawn, pending (further information required), or being processed at month-end

Each application must meet the DAF eligibility criteria before an award can be made. The main reasons applications have been declined are:

Reason application declined	Total (April to December)
Does not meet IAP qualifying condition	8,926
Incomplete application	17,849
Reached maximum awards	8,242
Failed identify checks	6,597

Other *	19,522
Total	61,136

* Applications are declined for a variety of reasons including repeat applications within 28 days, applying for items/reasons which aren't applicable and for help with ongoing costs which are out of scope of the DAF criteria.

Recommendation 8. We recommend that the Welsh Government provides details of all the Communities First projects receiving legacy funding and what work is being done to support them to become self-sustaining.

Response: Reject

The Communities First programme closed in March 2018. A Legacy Fund was created, awarded to the 19 local authorities who were eligible for Communities First Funding. The Legacy Fund could be used to support any projects which the Local Authorities wanted to continue. From April 2019 the Legacy Fund became part of the Children and Communities Grant, which offers local authorities the flexibility on how they spend funding across all 7 programmes contained within the grant. They do not specifically have to spend this funding on legacy projects nor do they report on whether a project was previously a Communities First project

Since the Children and Communities Grant was introduced across all local authorities last year, some projects funded by Legacy Fund may be a continuation of those that existed under Communities First. However many are new or have been restructured to continue to respond to evolving needs - as decided by each local authority.

Ein cyf/Our ref MA/JH/0031/20

John Griffiths AM
Chair, Equality, Local Government and Communities Committee
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

26 February 2020

Dear John,

During my appearance before the Equality, Local Government and Communities Committee on Wednesday 12 February 2020 I agreed to send you the following:

- A list of the Act's achievements since the last evidence session took place in November 2018 – this is attached at doc 1.
- Details of the National Indicators – these can be found at this link: <https://gov.wales/violence-against-women-domestic-abuse-and-sexual-violence-national-indicators-wales>
- Links to the toolkit for schools and to the online guidance toolkit – this can be found at this link - <https://gov.wales/violence-against-women-domestic-abuse-and-sexual-violence-vawdasv-educational-toolkit>
- The Wales Centre for Public Policy research, when available – I am expecting this in the next few weeks and will forward to you when I receive it.

Yours sincerely,



Jane Hutt AC/AM
Y Dirprwy Weinidog a'r Prif Chwip
Deputy Minister and Chief Whip

Achievements since last Committee appearance by then Leader of the House and Chief Whip, Julie James, AM on 7 November 2018

December 2018: A Rapid Evidence Assessment was published on “what works” in reducing the likelihood of re-offending for those who have committed domestic abuse

December 2018: National Standards for services working with perpetrators was published.

January 2019: “This is not love: this is control” campaign focussing on coercive control was launched.

9 March 2019: The Welsh Government jointly hosted a seminar with the Home Office on “A Practical Guide to Forced Marriage and Female Mutilation Protection Orders”

25 March 2019: The Welsh Government commissioned Welsh Women’s Aid to host a National Public Sector Leadership Conference.

May 2019: Statutory guidance for commissioning VAWDASV services was published.

May 2019: The relevant authorities submitted their second annual report as required by the National Training Framework.

June 2019: National Indicators for VAWDASV were published.

5 July 2019: The Welsh Government’s Violence Against Women, Domestic Abuse and Sexual Violence Progress report for the period: 1 April 2018 to 31 March 2019 was published.

July 2019: Welsh Government hosted a round table with senior leaders to discuss street harassment. This resulted in delegates making written commitments to addressing street harassment in their organisations

August 2019: CAFCASS Cymru produced two guides for practitioners on domestic abuse and working with children

September 2019: The National Advisers published their annual progress report for 2018-19.

September to November 2019: Welsh Government piloted a survivor engagement panel, which we are currently evaluating for potential roll out.

November 2019: The National Advisers published their annual plan for the next financial year 2020-2021.

November 2019: Good Practice Guidance for non-specialist public service workers on working with adult perpetrators was published

6 February 2020: Communications campaign on the theme of control and sexual violence was launched. This is the latest in the ‘This is not Love’ campaign. This campaign has driven traffic to the Live Fear Free helpline with callers referring to the campaign and the campaign pages have received over 70,000 views.

Ongoing Work

Progress Reports

- The National Advisers have provided four periodic reports to ELGC on progress in implementing the VAWDASV Act.

National Indicators and National Strategy

- We have held four of six planned workshops to further refine the National Indicators and identify additional data sources. Two further workshops will be held during March. This will also inform the development of our next five-year strategy.
- We have held two Expert Stakeholder Groups, chaired by the National Advisers. The four Welsh Government Directors General are part of this group which is taking forward work streams to inform the next National Strategy

Perpetrators

- Her Majesty's Prison and Probation Service (HMPPS) in Wales has agreed to implement the Welsh Government's VAWDASV Perpetrator Service Standards for all non-accredited VAWDASV-related interventions.
- There have been six practice sharing events for those working with perpetrators since November 2018
- We have supported a Masters of Research Project on harassment in partnership with Swansea University since January 2019.
- We continue to support a number of Masters of Forensic Psychology research projects on the evaluation of perpetrator services in Wales. Since the last meeting, one project has been completed and three more have been initiated.

Training and Development

- Ask and Act training is now available across Gwent, Cwm Taf, North Wales, Mid and West Wales, Welsh Fire and Rescue Services, Welsh Ambulance Service Trust as well as health boards and trusts. The full roll out to Ask and Act will be completed during 2020-21.
- Following White Ribbon Day on 21 November 2019, a further 7 White Ribbon ambassadors have been recruited within Welsh Government and we are beginning work to renew Welsh Government's White Ribbon accreditation.
- We are planning training for AMs and their staff on VAWDASV.

Survivor Engagement

- We are undertaking a review to identify more effective methods of engaging with diverse groups so they may have a voice in policy development and delivery.

Education

- Officials worked with The Higher Education Funding Council for Wales to develop guidance aimed at higher education institutions in Wales on tackling VAWDASV for publication in March 2020
- Officials are working with the Welsh Joint Education Committee to design and pilot a Health and Wellbeing Peer Mentoring challenge for the Advanced Welsh Baccalaureate. This will also promote the White Ribbon Youth Advocate Programme.
- Policy leads have been working jointly on developing the VAWDASV aspects of the Relationships and Sexuality part of the new curriculum. The Education Minister

announced on 21 January that children in Wales will have full access to the curriculum.

Funding

- We have awarded £2.4 million to fund new capital projects between 2018 and 2020.
- A total of £120,000 has been made available by the Welsh Government as grants to the seven regions to support them in improving the provision of perpetrator services in their areas in 2019-20.
- An additional £0.25 million revenue was announced in the 2020-21 draft budget, bringing the VAWDASV revenue budget to £5.25 million
- An additional £1.2 million capital funding was announced in the 2020-21 draft budget for dispersed units for those for whom refuge provision is not appropriate.

Agenda Item 6

By virtue of paragraph(s) vi of Standing Order 17.42

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Agenda Item 7

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