



Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales

Cofnod y Trafodion The Record of Proceedings

[Y Pwyllgor Cydraddoldeb, Llywodraeth Leol a
Chymunedau](#)

[The Equality, Local Government and
Communities Committee](#)

03/05/2017

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Public from the Remainder of the Meeting

Cofnodir y trafodion yn yr iaith y llefarwyd hwy ynnddi yn y pwyllgor. Yn ogystal, cynhwysir trawsgrifiad o'r cyfieithu ar y pryd. Lle y mae cyfranwyr wedi darparu cywiriadau i'w tystiolaeth, nodir y rheini yn y trawsgrifiad.

The proceedings are reported in the language in which they were spoken in the committee. In addition, a transcription of the simultaneous interpretation is included. Where contributors have supplied corrections to their evidence, these are noted in the transcript.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Gareth Bennett	UKIP Cymru
Bywgraffiad Biography	UKIP Wales
John Griffiths	Llafur (Cadeirydd y Pwyllgor)
Bywgraffiad Biography	Labour (Committee Chair)
Sian Gwenllian	Plaid Cymru
Bywgraffiad Biography	The Party of Wales
Bethan Jenkins	Plaid Cymru
Bywgraffiad Biography	The Party of Wales
David Melding	Ceidwadwyr Cymreig (yn dirprwyo ar ran Janet Finch–Saunders)
Bywgraffiad Biography	Welsh Conservatives (substitute for Janet Finch–Saunders)
Rhianon Passmore	Llafur
Bywgraffiad Biography	Labour
Jenny Rathbone	Llafur
Bywgraffiad Biography	Labour
Joyce Watson	Llafur
Bywgraffiad Biography	Labour

Eraill yn bresennol
Others in attendance

Jennie Bibbings	Rheolwr Ymgyrchoedd, Shelter Cymru Campaigns Manager, Shelter Cymru
Debbie Green	Prif Weithredwr, Coastal Housing Chief Executive, Coastal Housing
Joe Logan	Prif Weithredwr, Tai Calon Chief Executive, Tai Calon
Stuart Ropke	Prif Weithredwr, Cartrefi Cymunedol Cymru Chief Executive, Community Housing Cymru
Ffrancon Williams	Prif Weithredwr, Cartrefi Cymunedol Gwynedd Chief Executive, Cartrefi Cymunedol Gwynedd

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

Jonathan Baxter	Y Gwasanaeth Ymchwil Research Service
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Chloe Davies	Dirprwy Clerc Deputy Clerk
Jon Tomkinson	Cynghorydd Cyfreithiol Legal Adviser
Elizabeth Wilkinson	Ail Clerc Second Clerk

Dechreuodd y cyfarfod am 09:15.

The meeting began at 09:15.

Cyflwyniad, Ymddiheuriadau, Dirprwyon a Datgan Buddiannau Introductions, Apologies, Substitutions and Declarations of Interest

[1] **John Griffiths:** May I welcome everyone to this meeting of the Equality, Local Government and Communities Committee, and begin by announcing one substitution today? David Melding is substituting for Janet Finch-Saunders for this meeting today.

09:16

Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru)— Sesiwn Dystiolaeth 2 Abolition of the Right to Buy and Associated Rights (Wales) Bill— Evidence Session 2

[2] **John Griffiths:** We deal today with the Abolition of the Right to Buy and Associated Rights (Wales) Bill, and move into our evidence session 2. May I welcome all our witnesses for our first panel this morning, and ask you all, perhaps, to introduce yourselves, perhaps starting with Debbie?

[3] **Ms Green:** Good morning. I'm Debbie Green. I'm chief executive of Coastal Housing Group, which is based primarily in Swansea and Neath Port Talbot. I'm also chair of Community Housing Cymru.

[4] **Mr Ropke:** Morning. I'm Stuart Ropke. I'm the chief executive at Community Housing Cymru, essentially the body for housing associations in Wales.

[5] **Mr Logan:** And I'm Joe Logan. I'm chief executive of Tai Calon Community Housing in Blaenau Gwent. I'm fairly new to Wales; I've been here

since September, and enjoying it.

[6] **Mr Williams:** Bore da. Good morning. I'm Ffrancon Williams, and I'm chief executive of Cartrefi Cymunedol Gwynedd, a large-scale voluntary transfer in Gwynedd, north Wales.

[7] **John Griffiths:** Okay, well, diolch yn fawr. If you are content we will move straight into questioning. Perhaps I could begin, then, by asking you to expand on why the housing association sector supports this Bill.

[8] **Mr Ropke:** Perhaps if I kick off—. The housing association sector across Wales and indeed CHC support the general principles of this Bill and agree with the need for legislation to deliver the policy intention, which is mainly about protecting the supply of social housing from future erosion, in the face of what we've got—there's an incredibly high demand, clearly, across Wales at the moment. We know that since the inception of right to buy, almost 140,000 units have been sold across Wales, through both right to buy and right to acquire, and that's reduced the overall quantum.

[9] For CHC, there's an additional point as well I want to make about equality. I've said already: social housing is in very scarce supply across many parts of Wales. It doesn't seem equitable to us that someone who's been fortunate enough to be allocated a social home—and that's an achievement in itself—who's then paying below sub-market rent, should then have the right to buy that property at discount, when there are hundreds of thousands of people across Wales, in the private rented sector and elsewhere, who haven't got the same opportunity. We firmly believe that the real task ahead of us is to offer affordable home ownership options to everybody across Wales, not just those in social housing, and that's what the sector's been aiming to do.

[10] **John Griffiths:** Okay. Could I ask, then: do you see a case at all for reforming the right to buy and right to acquire, rather than abolishing it?

[11] **Mr Ropke:** From our point of view, I think you've already seen what you could describe as effective reform by giving the powers to local authorities to suspend right to buy and significantly change the discounts. We don't see a case for reform. We think that there is a need for a consistent piece of national legislation that makes it a level playing field across Wales, so that people across Wales know where they stand.

[12] **David Melding:** Could I follow up on this issue of fundamental principle? When the Minister came in, he said to us that he wasn't against the fundamental principle of right to buy. He then went into detail on all the reasons why he thinks at the moment it's dysfunctional, but he said the actual principle was not something he opposed. But you oppose the actual principle, I infer from what you just said.

[13] **Mr Ropke:** I think the discounts have been incredibly problematic on the whole—that's the main principle here.

[14] **David Melding:** This is taking us into instrumental things about how it's applied. I asked you about the central principle.

[15] **Mr Ropke:** As it has been operating, and what it's done around social housing stock in Wales, yes, we are not in favour of the right to buy.

[16] **David Melding:** Well, I take that to be a general answer rather than one that is conditional on how it is effected in practice.

[17] **John Griffiths:** Okay, if the witnesses are content with that—. You mentioned home ownership schemes, and the place that they might have. Could you tell the committee a little more about those home ownership schemes that housing associations are involved in and how they can address the issues around this area of legislation?

[18] **Ms Green:** It might be worth me giving some examples here, Chair. So, our stock in total is 5,577 units, of which, looking at the statistics over the last five years in terms of new homes that we've supplied—so, not talking now about social housing units—we've actually built 169 properties for low-cost home ownership. We're also a partner in the Welsh Housing Partnership, which is a joint venture that buys and then leases to social housing organisations at intermediate rent. So, that's over 280 properties that we've supplied at intermediate rent, although we've also got a portfolio of people who are either shared equity or shared ownership owners, and of those, obviously, there are options to either buy out the equity share or staircase up Welsh housing partnership as well, if their financial circumstances permit. So, over the last five years, we've had 53 either staircasing up or shared equity redemptions as well in our stock. So, clearly, there are quite a lot of different options for people there, depending on their circumstances, which might change over their lifetime as well.

[19] **Mr Ropke:** There are a number of associations across Wales offering those home ownership options. I think what has also changed in this Assembly term—Members will probably be aware that Community Housing Cymru signed a pact with Welsh Government and the Welsh Local Government Association committing housing associations to delivering at least 13,000 homes of the 20,000 target. I think, encouragingly, we've also been talking with the Government about a shared ownership scheme, which would involve Government funding in Wales for the first time, which I think would be incredibly welcome, but also other options as well, to allow people to actually get on to the home ownership ladder, including rent to own, which will see people renting originally then buying the home later on. So, home ownership is very much at the heart of what housing associations want to do, and I absolutely think it's been necessary to do that. What we've seen in Wales is housing need deepen and widen, and a vast amount of people are now unable to meet their needs on the open housing market, and we certainly see housing associations playing a very valuable role in meeting those housing needs.

[20] **John Griffiths:** Okay. Perhaps before Sian Gwenllian comes in with further questions, if I could just ask you about the receipts that housing associations receive with regard to the right to acquire, and what housing associations do with those receipts.

[21] **Mr Logan:** Okay, well, I'll try and answer that on behalf of Tai Calon. At the moment, the receipts have been sitting in a bank account, and they've been doing nothing, but we're in the process of drawing up plans to regenerate areas of our housing stock, and those receipts will make an important contribution to making it stack up. We have a very peculiar problem in Blaenau Gwent, because the rent level is very low, which makes it complicated trying to put together new build schemes. Actually having the capital receipt from the right to buy would be very helpful, so it will go back into a form of reprovion.

[22] **John Griffiths:** Okay, thank you.

[23] **Mr Williams:** Can I just add—?

[24] **John Griffiths:** Yes.

[25] **Mr Williams:** In Gwynedd, a similar situation: where, in the initial years, you're concentrating on bringing the stock up to a standard, but as you move

to development, those capital receipts do fund new housing. Of course, it's not on a one-for-one basis, because of the discount and also the amount of money involved, so you can't build, necessarily, a house, on a one-to-one basis for the receipt that you receive, but it certainly goes towards assisting the funding of new developments, and it's ring-fenced, normally, for that purpose.

[26] **Ms Green:** I guess my association is a little bit different, because we're a traditional housing association not a stock transfer, so to put things in perspective, right to acquire is not significant for us in any way. So, to illustrate that, over the last five years—bearing in mind that the right to acquire was suspended in Swansea a couple of years ago, but in the three years preceding that we had one acquisition under right to acquire in Swansea and one in Neath Port Talbot. So, actually the demand within our tenant group is really, really low. So, the receipts are insignificant, but we would normally reinvest them in our building programme, which is a significantly large programme.

[27] **John Griffiths:** Okay, thank you very much for that. Over to Sian Gwenllian.

[28] **Sian Gwenllian:** Rydw i'n sylwi bod lefel y prynu wedi gostwng yn sylweddol ers pan gyflwynwyd yr hawl i brynu. Er enghraifft, yn 1982–83, fe brynwyd 15,000 o anheddau, a'r llynedd, dim ond 330 o anheddau a oedd yn cael eu prynu, sydd yn awgrymu bod yna ostyngiad yn y diddordeb mewn prynu. Felly, pam mynd ar ôl Deddf os ydy lefel y diddordeb wedi gostwng gymaint?

Sian Gwenllian: I do note that the level of purchases has reduced substantially since the introduction of the right to buy. For example, in 1982–83, 15,000 dwellings were purchased, and last year only 330 dwellings were purchased, which suggests that there has been a reduction in the interest in buying. Therefore, why should we legislate if the level of interest has reduced to such a degree?

[29] **Mr Williams:** Fe wnafl i ateb yn Gymraeg i ddechrau, gan fy mod i'n medru'r Gymraeg. Mae yna nifer o ffactorau, rydw i'n meddwl, yn amlwg, sydd wedi arwain at y gostyngiad: y newid yn lefel y disgownt. Flynyddoedd yn ôl, roedd y

Mr Williams: I will answer in Welsh first. Well, there are a number of factors, I think, that, clearly have led to the reduction: the change in the level of discount. Many years ago, the discount was extremely generous and also the economy was very different

disgownt yn *generous* iawn. A hefyd roedd yr economi'n gwbl wahanol cyn 2008. Rydw i'n cofio, yng Ngwynedd, lle rydym ni'n gweithredu, pan oeddwn i efo'r awdurdod lleol yn flaenorol, gwerthu dros 220 o dai mewn un flwyddyn, a nifer o staff yn cael eu cyflogi i gadw ar ben hynny. So, mae'r ffactor yna wedi dylanwadu ar y nifer—y pryniant—a hefyd, wrth gwrs, y gallu i'n tenantiaid gael morgais hefyd, achos mae'r sefyllfa ariannol, a'r profion, wedi newid. Felly, mae yna ddylanwadau felly wedi dod i mewn, ond mae'r stoc yn dal i gael ei werthu. Yng Ngwynedd, er enghraifft, rydym ni wedi gwerthu, ers i ni ddod i fodolaeth, dros 50 o dai, ac mae yna ansicrwydd efo faint o stoc fydd ar ôl, er gwaetha'r niferoedd isel sydd bellach yn cael eu gwerthu.

[30] Os bydd y ddeddfwriaeth yma'n dod i rym—rydw i'n gwybod bod y pwyllgor yma wedi trafod hyn yn flaenorol—bydd *spike* o geisiadau yn cynyddu i'w weld. Ac rydym ni fel busnesau, lle rydym ni'n trio rhagamcanu yn ariannol faint fydd y gwerthiant ac yn y blaen—mae'n creu ansicrwydd i'n cynlluniau busnes ni, ac fe all hynny gael effaith ar y gwasanaethau i'n tenantiaid, a hefyd, wrth gwrs, ar nifer y tai newydd y byddwn ni'n eu hadeiladu.

[31] **Sian Gwenllian:** Felly, mae'n cael effaith ar eich rhaglen ddatblygu tai chi, yr ansicrwydd. Hynny yw, beth rydych chi'n ei ddweud ydy: efallai y

prior to 2008. I recall, in Gwynedd, where we've been working, when I was with the local authority previously, selling over 220 dwellings in one year and a number of staff were employed to deal with that. So, there is that factor that has had an influence on the number of purchases and also, of course, the ability of our tenants to access mortgages, because the financial situation, the tests involved, have changed. So, there are some influences of that kind that have had some impact here, but the stock is still being sold. In Gwynedd, for example, since we came into existence, we've sold over 50 dwellings, and there is some uncertainty as to how much stock will be left, despite the low numbers currently being sold.

If this legislation does come to pass, and I know that this committee has discussed this in the past, we may see a spike in applications, but for us as businesses where we are trying to predict financially what the level of the sales will be, it does create some uncertainty in terms of our business planning, and that could have an impact upon the services to our tenants and also the number of new homes that we will build.

Sian Gwenllian: So, it does have an impact on your programme of housing development, this uncertainty. That is, what you're

llynedd roedd y lefel yn isel, ond gall amgylchiadau newid, ac yn sydyn, a gall yr amgylchiadau—bydd pobl yn gallu prynu tai, a bydd pethau'n codi'n ôl o hynny.

sayingis that perhaps last year the level was low, but circumstances may change, and very suddenly, those circumstances—people would be able to buy homes, and things may increase.

[32] **Mr Williams:** Ydy, gall. Ac, yn bendant, mae'n creu'r ansicrwydd, yn dibynnu ar y niferoedd, wrth gwrs. Os ydy'r niferoedd yn cynyddu'n sylweddol, mae'r effaith yn effeithio, ond hefyd, i ni fenthyg arian ar gefn ein stoc, mae'r *valuation* yn cael ei weithio allan ar y niferoedd o'r stoc, a'r incwm sy'n dod i mewn. Felly, os oes yna newidiadau i hynny'n sylweddol, yna mae *valuation* y busnes yn cael ei effeithio, sydd hefyd yn gallu dylanwadu ar faint o fenthyciadau fedrwn ni wedyn eu hennill, os leiciwch chi, ar gefn cryfder ein hased ni.

Mr Williams: Most definitely, yes. It does create uncertainty. It depends on the numbers, of course. If the numbers increase substantially, then that will have a significant impact, but for us to borrow money on the back of our stock, then the valuation is worked out on the numbers of the stock and the income achieved. So, if there are changes to that—significant changes—then the valuation of the business is affected, which can also have an influence on the level of borrowing available to us, if you like, on the back of the strength of our asset.

[33] **Sian Gwenllian:** A ydy'r sefyllfa'n debyg ar draws Cymru, o ran y lefel yn isel ar hyn o bryd ond y gallu y bydd o'n codi nôl i fyny, ac effaith hynny, wedyn, ar eich cynllunio ymlaen chi?

Sian Gwenllian: And is the situation similar throughout Wales, in terms of the level being low currently, but the possibility that it will increase again, and the impact that will have on your forward planning?

[34] **Ms Green:** I think it's different where we are. I mean, clearly, it's suspended in Swansea now, but in Neath Port Talbot, potentially people could be purchasing—although they haven't, actually, since 2012 to 2013. There are some other issues, though, about maybe these are buying the wrong properties in the wrong place. So, for us, 60 per cent of our stock are actually flats. So, if people were to purchase those under the right to acquire, you've still got a leasehold obligation and a service charge, and that can cause difficulties in blocks where, actually, people can't afford the repairing obligation under a lease, and, similarly, in estates of houses where there may be things like grass cutting done and charges back to tenants, which is

subsidised for social housing tenants, actually, then that obligation falls back on the tenants under right to buy, and that could be quite difficult—anti-social behaviour issues within estates that you can't deal with because it's a home owner—. Actually, we've found that people, very often, although they become home owners, actually don't understand the maintenance obligations either. So, you can quite often single out the homes now that are in private ownership, because they're not in as good a condition as other ones in the estate. So, we find that, actually, it's better to have different conversations with people about different products, rather than people transferring through the right-to-buy mechanism, who I think are, very often, in that kind of sub-prime group of the market, and probably it's quite marginal for them whether home ownership is the right option or not.

09:30

[35] **Mr Logan:** In Blaenau Gwent we haven't seen a reduction in the right to buy, and in fact, there's been a slight increase. So, if I look at the figures for 2010–11, the figures for the last two years have been higher. So, actually, there's been a steady increase in the right to buy, and we would anticipate a spike when the legislation is working its way through.

[36] **Sian Gwenllian:** Why is that, do you think? Why is it different between Gwynedd and Blaenau Gwent, for example?

[37] **Mr Logan:** It's difficult to say.

[38] **Mr Williams:** A gaf i ddod i mewn? Buaswn i'n dweud mai un ffactor—ac efallai y gwnaiff Joe fy nghywiro i—ydy'r pris prynu. Mae'n debyg bod y pris prynu ym Mlaenau Gwent yn is nag yng Ngwynedd ac mewn nifer o ardaloedd eraill yng Nghymru, sy'n gwneud y pryniant yn haws i'r tenant, o bosib.

Mr Williams: If I could come in there, I would say that one factor—and Joe might correct me on this—is the purchase price. It appears that the purchase price in Blaenau Gwent is lower than it is in Gwynedd and a number of other areas in Wales, which makes purchase easier for the tenants, possibly.

[39] **Sian Gwenllian:** Ocê. Rydych chi wedi dechrau sôn am effaith negyddol ar gymunedau yn sgil tai yn cael eu prynu. A fedrwch chi ymhelaethu ar hynny?

Sian Gwenllian: Okay. You've started to talk about the negative impacts on communities as a result of homes being bought. Can you expand on that please?

[40] **Mr Williams:** Fe wnaif i fynd yn gyntaf, gan fod y clustffonau gan bobl. Mae yna nifer o ffactorau yr oedd Debbie yn cyfeirio atyn nhw fanna. Bellach ar ein hystadau, bron a bod medrwch chi weld y gwahaniaethau rhwng y stoc sydd mewn perchenogaeth cymdeithas tai a rhai preifat, yn enwedig yn dilyn y buddsoddiad sydd wedi mynd i mewn i'r stoc gymdeithasol bellach. Ond ar ystâd, pan mae problemau gwrthgymdeithasol yn codi, nid yw'r tenantiaid na'r trigolion yn gweld y gwahaniaeth rhwng y tenantiaethau. Felly, nid ydynt yn gweld y gwahaniaeth rhwng tŷ preifat a thŷ cymdeithasol, ond mae eu disgwyliau nhw yr un peth i ddatrys y broblem wrthgymdeithasol. Ac wedyn, mae'n anoddach o lawer i ymdrin â thenant preifat o ran ymddygiad gwrthgymdeithasol nag ydy o i un o'n tenantiaid ni oherwydd mae gennym ni'r cytundeb tenantiaeth ac mae gennym ni rymoedd fedrwn ni ddod i'r fei. Felly, mae hynny'n un peth roedd Debbie yn cyfeirio ato.

Mr Williams: I'll go first, as others are wearing headsets. There are a number of factors that Debbie referred to. Now, on our estates you can almost see the differences between the stock that is owned by the housing association and those which are privately owned, particularly following the investment made in the social housing stock. But on an estate when anti-social behaviour problems do arise, then the tenants and residents don't see a difference between the tenures. So, they don't see the difference between a private dwelling and a social housing dwelling, but their expectations are the same in resolving those anti-social problems. And it's much more difficult to deal with a private tenant in terms of anti-social behaviour than it would be a tenant of ours, because we do have that tenancy agreement and we do have powers that we can bring to bear. So, that's one thing that Debbie's already referred to.

[41] Mae lot o drïo adhawlio costau torri gwair, er enghraifft, ar ystadau. Dywedwch fod rhywun wedi prynu tŷ blynyddoedd maith yn ôl ac nid ydynt yn gorfod cyfrannu at dorri gwair, bellach yn y gwerthiannau mwy diweddar mae'n rhaid i'r tenant preifat yna gyfrannu tuag at y toriad gwair, ond wedyn mae gweddill y tenantiaid yn cael y gwasanaeth yna,

In terms of reclaiming the costs of lawn mowing on estates, for example, if someone's purchased a house many years ago they don't have to contribute to the costs of cutting grass, but now, more recently, that private tenant has to make that contribution, but the rest of the tenants receive that service seemingly free of charge. So, that

yn weledol, am ddim. Felly mae hynny'n creu tensiynau ar ein hystadau ni. does create some tensions on our estates too.

[42] Wedyn, y *party wall*. Dywedwch fod gennych chi dŷ pâr a bod gennym ni waith i'w wneud ar un ochr o'r tŷ, ar y simnai, er enghraifft. Heb gytundeb y tenant preifat drws nesaf drwy'r *party wall Act*, mae'r gwaith yna'n cael ei oedi, weithiau am flynyddoedd, tra bod y *dispute* yn cael ei ddatrys. Felly mae hynny'n creu anhawster, a'r hiraf mae'n cymryd i wneud y gwaith, mae hynny yn effeithio ar ein costau ni. Wrth gwrs mae yna, wedyn, *boundary disputes* yn codi rhwng y tai yma, sydd yn ymddangos yn rhywbeth bach, ond eto'n sugno adnoddau ac amser. Then the party wall. Let's say you have a home where there's work required on one side of the chimney. Now, without the agreement of the private tenant next door through the party wall, then that work is delayed, on occasion for many years, while that dispute is resolved. So that creates difficulties, and the longer it takes to carry out that work, then of course that has an impact on our costs too. And then there can be boundary disputes between these homes, which would appear a minor issue, but again it does take up resources and time.

[43] Jest i ymhelaethu ar yr ochr prydleswyr roedd Debbie yn cyfeirio ato, dywedwch fod gennych chi floc o fflatiau—. Fe wna i roi enghraifft i chi yng Ngwynedd ble mae yna bedwar fflat mewn bloc; tri ohonyn nhw wedi gwerthu ac un yn parhau yn ein perchnogaeth ni. Rydym ni eisiau gwneud gwaith ar y bloc yna rŵan, felly mae yna drefn i'w ddilyn— *Section 20 notification* ac yn y blaen—o dan y ddeddfwriaeth. Ond dywedwch ein bod ni eisiau rhoi chwip o blastr ar y tu allan, gwneud yr *external render* a chodi'r safon ac yn y blaen, heb gytundeb, mewn gwirionedd, y tri phrydleswr i'r gwaith—sgôp y gwaith, y contractwr a'r costau—mae yna beryg na aiff y Just to expand upon the leaseholder issue Debbie referred to, let's say you had a block of flats—. I'll give you an example in Gwynedd where there are four flats in a block; three of them have been sold and one remains in our ownership. We want to carry out work on that block, so there is a procedure to be followed—a Section 20 notification under the legislation and so on. But, let's say that we wanted to work on the external render and plaster the outside, without the agreement of the three leaseholders to that work—the scope of the work, the contractor and the costs—then there is a risk that that work will not proceed. Now, some of the investments required for these

gwaith yna yn ei flaen. Mae rhai o'r buddsoddiadau sydd eu hangen ar y math yma o adeiladau yn uchel, felly mae'r bil mae'r prydleswr yn ei wynebu yn gallu bod yn sylweddol iawn o gymharu efo'u pris pryniant gwreiddiol nhw, ac, o bosib, beth ydy gwerth y fflat yna ar y farchnad agored. Wedyn, os ydy'r buddsoddiad sydd ei angen gan y prydleswr yn dod yn agos iawn i werth y farchnad—hynny yw, a ydy o werth i'r prydleswr fuddsoddi yn yr eiddo yna—yna mi wnawn nhw oedi gyda chael y gwaith wedi'i wneud. Sgil—effaith hynny, wedyn, ar y stoc yn ei gyfanrwydd, ydy'r peryg na ddaw'r stoc yna i'r safon ddisgwyliedig.

kinds of buildings are high, and therefore the bill for the leaseholder can be very significant compared to the original purchase price and possibly even the value of that flat on the open market. Therefore, if the investment required from the leaseholder comes very close to the market value—that's to say, is it in the leaseholder's interest to invest in that property—then they will delay in terms of having that work done. The impact of that on the stock in its entirety is the risk that that stock won't come up to the expected standards.

[44] Peth arall sy'n codi, weithiau, hefyd yn y blociau fflatiau yma lle mae yna brydleswyr yw: os oes yna nwy, er enghraifft, yn y fflatiau yma, fel y landlord, mae gennym ni ddyletswydd i sicrhau bod yr offer nwy yna yn cael gwasanaeth blynyddol o dan y ddeddfwriaeth berthnasol. Nid oes gennym ni'r un un pŵer dros y tenant preifat. Felly, oni bai bod y tenant preifat yna'n cynnal yr offer nwy, mae yna, o bosib, materion iechyd a diogelwch yn codi. Dyna'r math o broblemau rydym ni'n eu hwynebu.

Another issue that can arise in these blocks of flats where you do have leaseholders is: if you have gas in these flats, for example, then, as the landlord, we have a responsibility to ensure that the equipment is serviced on an annual basis under the relevant legislation. We don't have the same powers over the private tenant. So, unless the private tenant maintains that equipment, then some health and safety issues could also arise. So, those are the kinds of difficulties that we face.

[45] **John Griffiths:** Okay. Diolch yn fawr. Perhaps, at this stage, I could bring in David Melding.

[46] **David Melding:** Thank you, Chair. I think this assertion that the right to buy affects your potential to build new homes needs to be tested, because I would've thought the major factors in the potential to build are the price of

land and the level of public grant available to you. It's a simple fact that, since the right to buy became an active policy in the 1980s and since, housing associations have flourished; they've built more homes than in the history of social housing. There's been a big shift on the other side, I accept, but that was the public policy of both Labour and, principally, Conservative Governments to reduce the number of council homes that were built. But that's fairly unaffected, I would argue, by the availability to raise funds on the open market. So, what evidence is there that we will suddenly have a boom of social house building if you didn't face the prospect of losing some of your stock to right to buy?

[47] **Mr Ropke:** I think the fact of the matter is you're quite correct that right to buy, in terms of development planning, is marginal. There is an impact, as we've heard, but I don't think we would pretend for one minute that it is an absolutely central factor of any business plan around development capacity. That's the reality of it. It does bring uncertainty into the process, as I think we've heard from there, and in terms of the types of schemes that are brought forward and management, it's more important. But in terms of development capacity, I would absolutely agree with you that it has been marginal.

[48] **David Melding:** Thank you.

[49] **Ms Green:** Although there is a subsidiary point, which is that lenders absolutely like certainty. So, a grant is clearly one component in us being able to build. The other component is the ability to borrow and we borrow based on charging uncharged property in our portfolio. As lenders' risk appetite gets less, which it has done significantly over the last few years, actually, they like to be really clear that the property they hold as security is going to stay in social housing stock. We've seen, particularly when you're dealing with capital markets, this concept of a locked box where they want absolute certainty over the security that they hold. So, even though you might actually be talking about immaterial numbers in terms of a possible one or two sales, actually, they still don't like it. And, just at times when we're out there trying to market ourselves as an attractive proposition to lenders, anything that's not helpful is not helpful and that makes the discussions more difficult.

[50] **John Griffiths:** Okay, thank you. Rhianon.

[51] **Rhianon Passmore:** Going back to your previous point, I didn't quite

understand the issue around what happens to right to buy. We talked about leaseholding and the issues in flats. Is there any evidence from your perspective in terms of what I have seen in my own constituency, which is high levels of private rentals on social housing estates, which is causing more concern in the community in terms of cohesion because of lack of input into financing those properties? That is, anecdotally, what I have seen of what's come through to me in my office, but I don't know if there is anything like that on a wider scale that you've experienced.

[52] **Mr Logan:** I'll start. We have an element of that. In Blaenau Gwent, I think it's a peculiar housing market and there's a lot of private renting and a lot of poor quality private renting. I don't think that the ex-right to buy is particularly significant in that. It makes a contribution. There definitely is an issue about anti-social behaviour and the ability to control behaviour of people in private rented sectors, and that makes it more complicated in terms of wider community cohesion. I don't think, from the Blaenau Gwent example, that the right to buy significantly contributes to that.

[53] **Rhianon Passmore:** So you don't think there is any evidence to state that there are buy-ups of ex-private rentals on social housing estates?

[54] **Mr Williams:** On our estates we have a number of private properties—ex-local authority private properties that are in the private rent. Putting your finger on exactly how those properties went through the right to buy to a private landlord, shall we say, is quite difficult. But the outcome of all that is that you've got a property on an estate where the rent is significantly higher—which is the private market rent—and that does create quite a lot of tensions in those communities, which we've mentioned.

[55] **John Griffiths:** Okay. Bethan.

[56] **Bethan Jenkins:** Fersiwn arall o'r cwestiwn yw hwn, *really*, jest o ran yr hyn yr oeddech chi'n ei ddweud, Ffrancon, ynglŷn â ddim yn gwybod lle, efallai, mae wedi digwydd yn y broses—lle mae wedi diweddu lan lle mae'r landlord preifat yn berchen ar y tŷ. A oes ymchwil wedi cael ei wneud yn hynny o beth o ran faint o bobl yn eich ardal chi sydd

Bethan Jenkins: This is another version of the question, really, just in terms of what you said, Ffrancon, about not knowing perhaps what happened in the process, and how it ended up that there was a private owner of the house. Has there been any research looking into how many people in your area have purchased these houses through this system but

wedi prynu tai drwy'r system yma, ond ddim wedi gallu fforddio cynnal y tai, a dyna pam mae landlordiaid preifat yn rhan o'r pictiwr yr ydych chi'n chwarae?

have then been unable to afford to maintain those houses, and that that is perhaps why the private landlord has come into the picture that you're part of?

[57] Yr ail gwestiwn, tra fy mod yn siarad, yw: pa dystiolaeth hefyd sydd gennych chi i ddweud, pan rydych chi'n edrych ar ystâd, mai'r landlordiaid preifat yw'r rhai sydd â'r broblem? Yn fy ardal i, byddwn i'n dweud bod yna lot o broblemau hefyd gyda rhai o'r mudiadau tai, ac mae'n rhaid i ni gysylltu â nhw. Felly, byddwn i'n meddwl y byddai fe'n annheg, heb dystiolaeth, i ddweud yn gyffredinol mai bai'r landlordiaid preifat fyddai'r holl broblemau dros unrhyw fath o broblemau cymdeithasol yn yr ardaloedd sydd ohoni.

The second question, while I'm speaking, is: what evidence do you have, when you look at an estate, to say that the private landlords are the ones with the problems? In my area, I would say that there are quite a few problems with the housing associations, and we have to contact them. So, I would say it might be unfair, without evidence, to say, generally speaking, that the problems come from the private landlords and that they're responsible for all the anti-social behaviour problems in those areas.

[58] **Mr Williams:** A ydych chi am i fi fynd yn gyntaf, jest yn sydyn? Mae yna *issues* efo ein tenantiaid ni. Nid oeddwn i'n rhoi'r gogwydd i gyd ar yr ochr breifat. Ond jest i ymhelaethu, maen nhw'n anodd i'w datrys, ac maen nhw'n haws i'w datrys lle rydym ni â rhyw lefel o reolaeth dros ein tenantiaid ni. Dyna oedd y pwynt yr oeddwn i'n trio ei wneud, felly.

Mr Williams: Would you like me just to go first, very briefly? Yes, there are issues with our tenants. I wasn't putting all the blame on the private side. But just to expand upon this, they are difficult problems to resolve, and they are easier to resolve where we have some level of control over our tenants. That's the point that I was trying to make.

[59] O ran yr ymchwil, nid ydw i'n ymwybodol o unrhyw ymchwil penodol sydd wedi'i wneud i ddarganfod faint o dai drwy'r hawl i brynu sydd wedi mynd i berchnogaeth landlordiaid preifat, ond beth rydym ni yn ymwybodol

In terms of the research, I'm not aware of any specific research that's been done to discover how many homes sold through the right to buy have gone into the ownership of private landlords, but what we are aware of is that many tenants who

ohono fo ydy bod lot o'r tenantiaid a have purchased their homes in the oedd wedi prynu'r tai yn y gorffennol past for whatever reason haven't wedi, am ba bynnag rheswm, methu been able to actually keep up the cynnal y morgais, ac mae yna mortgage, and there are some gynlluniau wedi bod yn cael eu statistics available on that under the cynnal, ac mae yna ystadegau ar gael mortgage risk scheme. ar hynny o dan y *mortgage rescue scheme*.

[60] **Bethan Jenkins:** Ocê.

[61] **Ms Green:** Can I come in there on the statistics? We know that, in the last five years, we've sold three properties under the right to acquire. We tend to proactively look to buy back properties that have gone from our stock, primarily because of housing management reasons—actually, it's easier to have an estate that is all social rented rather than a mixed tenure estate, if they've not been designed to be mixed tenure. So, in a similar period we've bought back 15 properties. We're not looking at mortgage rescue, but it might also be, in terms of scale, really, useful to think about the period April 2009 to April 2010, when the mortgage rescue scheme was at its prime. It was in the same period that we executed 24 mortgage rescues.

[62] So, in terms of people actually not being successful in maintaining a mortgage, quite often, when we bought properties back, actually the market value is not significant. The value to the person who buys at the first point of sale is because it's their home, but then when they come to remarket, actually people don't necessarily want to buy a flat within a social housing scheme, and they find it's extremely difficult to sell, which causes distress for that person at that point of sale. So, that might be one of the reasons that we'll intervene as well, actually—to enable that person to sell the property, and then we'll be buying it back.

09:45

[63] **John Griffiths:** Okay. I think we need to move on at this point, I'm afraid.

[64] **Jenny Rathbone:** I just want to pick up on one point, which—

[65] **John Griffiths:** Well, it would have to be very brief, because we've used

up half our allotted time already.

[66] **Jenny Rathbone:** Okay. Mr Logan, you said that there was a rise and rise in Blaenau Gwent in the numbers of people asking to buy. I just wondered, given its proximity to Cardiff and the much greater price of properties in Cardiff, is there any evidence of vultures descending on Blaenau Gwent in order to make a killing?

[67] **Mr Logan:** I haven't seen any evidence of that. I moved recently from England, and it was without doubt a major problem. I think that was linked to much, much higher discounts of nearly £80,000, and it was very difficult to prove. It was a cat-and-mouse game, and a lot of people were being coerced into buying. To date, I haven't seen that evidence. I think that the fact that the discounts are lower makes that probably less of an issue.

[68] **Jenny Rathbone:** Okay, that's good. Thank you.

[69] **John Griffiths:** Okay, thanks for that, and we'll move on, then, to David Melding and some questions around the suspension of the right to buy and right to acquire.

[70] **David Melding:** Thank you, Chair. I just want to ask first whether you feel this is the right priority, I suppose. Last year, we built 2,400 affordable homes, which is pitiful, really, compared to the need we face. And I think the crisis is particularly bad in Wales, but, to be balanced, it's bad in England also. We have an objective in this Assembly to build 20,000 affordable homes. Now, that's an increase of 2,500 over previous plans over a five-year period, which I would argue is fairly modest. Why are the housing organisations congratulating the Government on their 20,000 affordable homes target and not actually placing much more scrutiny on that as the real problem, rather than the 300, 400, 500—depending how you count them—right-to-buy sales that occur each year?

[71] **Mr Ropke:** I think we have prioritised the 20,000 homes, and I take your point that we're still not getting to the levels of home building that we need in Wales. But I think we were very welcoming of that announcement, because it takes us a step towards where we need to be in terms of home building in Wales. We were hugely encouraged, actually—if we go back to the Assembly elections last year, when we were involved and, indeed, ran the Homes for Wales campaign in conjunction with the coalition across the private and public sectors—that all the political parties within their

manifestos acknowledged the need for building more homes in Wales. And where we see the 20,000 is as a good step forward of that. It's a reality that, if you're looking at increasing numbers of build, you can't just expect a massive increase in one year to come; construction has to ramp up slowly over time. We have to have the skills in place, the finance in place, and, indeed, the capacity within housing associations to do that. So, we have concentrated on that.

[72] I don't think it's a case of prioritising this over the 20,000; the Government chose to bring this legislation forward. As we've said, we are in broad agreement with the legislation and its purpose in coming forward. I think it's another club in the bag, another tool in the box, to help preserve social housing stock in Wales. Clearly, we need to build alongside that, but it wasn't a case of prioritising this; this was just another element of housing policy within Wales.

[73] **Ms Green:** I would second that. The reason that we're talking about right to buy today is because we've been called to talk to this committee.

[74] **David Melding:** Sure, I don't—

[75] **Ms Green:** If you were to be sitting in my organisation, we wouldn't be talking about right to buy; we'd be talking about how do we build new homes.

[76] **David Melding:** Sorry, I didn't mean any discourtesy as to why you were here; I accept that it's in response to our invitation. But I suppose it's whether the Assembly and the Government should be concentrating so much on the issue of right to buy, rather than the housing crisis in general. In part you've answered the next question, because you have what I interpret as a general objection to right to buy, which I disagree with, but you have every right to hold a different view; we do live in a democracy, after all. But, obviously, the existing public policy is to allow local authorities to seek suspension and, frankly, if they want a suspension and they go through the correct procedures, they will get one. I don't think there's a great problem with that; we've not had a local authority denied a request to suspend. Why do we need to go further than that? The statute book already caters for this change in public policy if it's accepted at a local level, which was the advantage of the suspension route, in that you've got to involve your local communities.

[77] **Mr Ropke:** I think, if we're going down this route, national policy offers clarity. There is no difference if you're sitting in Cardiff or if you're sitting in Bangor. You know what the policy is: the same applies. I think that's helpful. We've also heard about confidence and lenders as part of that. So, our view is that, if you're going to allow suspensions—and the point being that local authorities, when they've come forward, have been allowed—this should be a national picture. It shouldn't be dependent on where you live whether this right is in place or not.

[78] **David Melding:** Okay. And then my final point is really to reflect on quite an interesting piece of evidence we've had from Shelter. They're as strong as you are in terms of disliking the right to buy in principle, but I have to say, when we see some nuance in evidence, it probably adds to its strength, even if you're on my side of the argument. They are troubled by the different way that tenants are going to be treated in terms of having a final opportunity to seek the right to buy, because, basically, people in areas that have already suspended it will not have a period of grace, whereas people captured—about three quarters if this legislation goes through—by the proposed Bill would have about a year in which to make an application. Do you have any sympathy with their view that perhaps we should, retrospectively, give that period of grace now to people in local authorities that have already suspended the right to buy?

[79] **Mr Ropke:** I think it's an interesting suggestion from Shelter. I'm not sure that I agree entirely with the point that they're making there. I think, as you mentioned, local authorities, where suspension has happened, have already had to demonstrate that there is acute housing pressure in place before achieving that suspension. And, at the time, tenants, and indeed, interested stakeholders in that area, have had the opportunity to input into that policy through the Measure, and, indeed, locally, when it's been suspended. So, I think we've been through the gate once, so I don't think I'm broadly in favour of going in that direction, although I see where Shelter are coming from on it.

[80] **David Melding:** Does any other witness have a different view to that?

[81] **Ms Green:** No. I mean, it's difficult. My statistics are so small that they're not statistically significant when you think about two acquisitions under right to acquire in Swansea and the period preceding the suspension. There's no evidence of a massive demand. What my association has done, bearing in mind that—I suppose accepting in a small point that there are

people who have lived in their property for a long time and thought that they still had the right. So, we will look sympathetically at people wanting to acquire, but under specific circumstances. So, taking into consideration the points I made earlier about where there are estates, actually it's problematic, but, equally, we do have some houses that just stand by themselves, where we've bought under previous programmes—the sort of rehab programme back in the early 1090s, for example—where, actually, there's mutual benefit: that person's able to purchase, they've lived there a long time, and it costs us, to a degree, in housing management. And, so, we have had one tenant take advantage of that opportunity. Clearly, there's no discount, so that's just a sale at market value, but often the value of the property is not particularly high. So, it doesn't mean that people don't have discretion, but I think, actually, the fact that we've got discretion to do things that we think work best for our communities overall is important.

[82] **David Melding:** And, finally, then, do you think there may be human rights implications with treating two classes of tenants so differently? I know some people do argue that where the right to buy has been suspended there was a consultation process. But, of course, that's analogous to what this is, really, and then what the Government proposes is that, after this full scrutiny, there will then be a period of grace. Well, obviously, after the previous consultation on whether right to buy should be suspended, at the point the local authority made the application to suspend there was no period of grace, so it does seem to be quite categorically different. And there is a fairness, and, possibly, even stronger than that, a human rights implication to this, wouldn't you agree?

[83] **Mr Ropke:** As I say, I think it's an interesting suggestion from Shelter. I would take the view, as I said, that this had been through a process at the time on a local level. Clearly, I think it's for others to decide if there are human rights issues here, or fairness issues. I think we've heard the evidence that the numbers have been quite small in many cases. Again, I'm not sure this is a huge showstopper; I gave my view at the start there.

[84] **John Griffiths:** Okay. And Joyce.

[85] **Joyce Watson:** I just wanted to ask one of the questions the other way around, about suspension versus abolition of the right to buy. We've heard evidence from the Minister, and we've heard evidence from you this morning, that there is quite a difference between those two. And the main difference being that suspension is a limited period within a political cycle, whereas

abolition will be perhaps a lot longer than that and more sustaining of your investment in the way that you've described this morning. Do you think that that's an accurate reflection on the difference?

[86] **Ms Green:** Yes, I think it is. I think clarity is also really important. People don't always make the best-informed decisions around these things. Typically, people don't understand leasehold obligations very well; I think they find right to buy, right to acquire, confusing. They've been confused by the fact that right to buy has, obviously, a prominence in England, and it's been suspended, for example, in Swansea. So, actually, I think, when people are making difficult decisions with big financial consequences, that clarity, on all sides, is helpful.

[87] **John Griffiths:** Well, I think that usefully takes us on to the next area of questioning, which Bethan Jenkins has, on information to tenants.

[88] **Bethan Jenkins:** Ie, jest **Bethan Jenkins:** Yes, I just have a cwestiwn ynglŷn ag adran 8 yn question about section 8 specifically, benodol, ynglŷn â'r wybodaeth a fydd in terms of the information that will yn mynd at denantiaid ynglŷn â'r hyn be provided to tenants about what is sydd yn mynd i ddigwydd: a ydych going to happen. Do you believe that chi'n credu ei fod e'n ddigonol, ac a it is sufficient, and do you believe ydych chi'n credu bod yr hyn sydd yn that the responsibilities laid upon cael ei roi ar landlordiaid, o ran landlords are acceptable? And also, cyfrifoldebau, yn dderbyniol? A do you believe that any changes to hefyd, a ydych chi'n meddwl y byddai that section, specifically, would be of newidiadau i'r adran honno, yn assistance—if you have any benodol, yn helpu—os oes unrhyw suggested amendments, for awgrymiadau o welliannau, er example? enghraifft?

[89] **Mr Ropke:** I think we're broadly happy with the information that's been laid out, and, indeed, the draft documents that need to be provided to tenants. I guess there was a concern amongst housing associations around section 8, and the time limit, in terms of the time that information would have to be provided after the policy had been ended, assuming the Bill goes through. But section 6 really deals with that, in terms of limiting the time period we'd have to keep informing tenants. So, section 8 repeals the duty in section 6, so we were satisfied with that. And I think the documents provided by the Welsh Government in terms of the expectations of information, in terms of how that information is provided, have been quite comprehensive.

[90] **Bethan Jenkins:** Anybody else? Because, just on the draft document, perhaps, then, I come from a different place to you, but I didn't find it very inspiring. I thought if you were given this document, as a tenant, that you might get a bit bored half way through reading it. And is there a way of trying to communicate it in a—

[91] **Mr Ropke:** I think that's absolutely fair. I think there were certain things, clearly, that, on a legal basis, in terms of the information, need to be said. I wouldn't see this document itself being the way that the landlords here, and, indeed, other housing associations in Wales, would choose—

[92] **Bethan Jenkins:** Oh, right, okay.

[93] **Mr Ropke:** —to communicate with tenants.

[94] **Bethan Jenkins:** So, how would—? Because obviously they've given you this.

[95] **Mr Ropke:** So, what is helpful from Welsh Government is the legal information that has to be imparted to tenants—that's clear; you have to do that. But, if you're any of these associations, or others, you would put that in a format and you would choose to communicate it in a way that suits your tenants. And I don't think, actually, that is for Government to say, 'You must do it this way'. There is legal information that needs to be imparted, but really it should be down to individual associations how they then choose to pass that legal information on, and what format they would use, how they might make it more engaging, interesting, and otherwise.

[96] **Ms Green:** I think we'd probably talk to our tenant groups, actually, about what sort of letter would make sense for them, and then just also run that past internal legal advice to make sure we were covering all the legal points that we were doing, in a way that was engaging and was in plain English. My only nervousness is that people might—when you've got over 5,000 tenants, most of whom have shown no interest, historically, in buying their property, they might be a little bit confused by the letter. So, I think I'd be talking to them about how, actually, to put that letter in context as well.

[97] **Bethan Jenkins:** Because it does say,

[98] 'provide all its relevant tenants with a copy of the information

published by the Welsh Ministers’.

[99] But you would see that you could still interpret that as being able to adapt the way that you communicated, to different groups as well?

10:00

[100] **Mr Ropke:** I think there are two ways. If there is compulsion to provide the information as given to tenants, clearly you would do that. You would then put stuff in guidance, and other communication, alongside it.

[101] **Bethan Jenkins:** How would you engage with other sectors? I’ve done a lot with financial inclusion and, obviously, we were asking in previous sessions about, perhaps, unscrupulous loan sharks who might come in and say, ‘Look, you can afford this; come on, try and put your case forward.’ Would that come as part of the way that you would communicate to tenants about how they could seek—? Because it mentions Citizens Advice here, just in one sentence, but is there an active way that you could be working with tenants to help them through this process also?

[102] **Mr Logan:** Shall I come back? We’ve been working with the local authority very closely on this. As an origination, communication is probably our highest priority—to get the communication right. I think a lot of the communication will be face-to-face, so we will put out newsletters, which would explain the letters; we wouldn’t just have a letter going through people’s doors unexpectedly. So, we’d give them advance notice and then there would be a welcome for face-to-face communication and a wider look at housing options, and giving people more broad housing options advice.

[103] **Mr Ropke:** To pick up on that point that Joe has made, I think there is a case actually, when this information goes out, to provide tenants with information about other affordable home ownership options that are available. We would be very keen to see that.

[104] I think also that one of the big differences here, and you talked about the affordability question for tenants who might pursue the right to buy, is that if we look at other affordable home ownership options, like shared ownership and rent-to-own, ultimately, if that scheme comes in, actually, there are very, very strict affordability criteria and checks run by the association on that basis. That should apply across the piece, whatever home ownership option is being pursued. Certainly, I know that housing

associations take that responsibility very seriously. It is not in their interest to get a tenant either using right to buy or buying under other affordable home ownership options into difficulties.

[105] **Bethan Jenkins:** My final question is based on the Community Housing Cymru evidence, which said that they wanted further clarity on their duty to provide tenants and prospective tenants with information. I just wanted to be assured here today that you were—. You know, you seem content with what your obligations would be under section 8. Is that true or would you share those concerns from that evidence as well?

[106] **Mr Ropke:** No, I think our concern was around section 8 and we are satisfied with section 6. In the main, our concern was around the fact that housing associations would have to continue for a long period of time, after legislation is in place, informing people about a policy that had gone. That was the main concern, yes.

[107] **John Griffiths:** Could I just ask, in terms of communicating with particular groups of tenants, whether you would envisage provision in languages other than English and Welsh, and perhaps also for people with literacy problems?

[108] **Mr Williams:** We have those mechanisms in place currently and are very tuned in to those needs. I think some of the languages beyond Welsh and English might be more prevalent in the more populated parts of Wales. We're seeing Polish and so on coming into Gwynedd more, as one example, and need to respond to that and we will respond to that. But perhaps in the more populated and bigger cities, arrangements are already in place is what I would say.

[109] **John Griffiths:** Okay.

[110] **Mr Logan:** I would say that it's very much routine—we gather information about the make-up of our tenants and there'll be people with sight and visual problems and hearing problems and language difficulties and we respond accordingly. It's a really important part of our service.

[111] **John Griffiths:** Okay, thanks for that. Just finally, coming back to some of the evidence that you've already given on this matter, there is a view that providing tenants and prospective tenants with a copy of the information as required by Welsh Government isn't proportionate or indeed necessary and

that it would be sufficient if the information were cascaded via newsletters and websites and social media. Do you have sympathy with that view or not?

[112] **Ms Green:** I think it's quite a difficult one to balance. We know, from the work that Community Housing Cymru commissioned with Cardiff Metropolitan University, looking at how tenants were dealing with universal credit—and that did quite a lot of work on how tenants reacted to a standard arrears letter—that, actually, tenants can quite often be quite intimidated by formal communication. That's really anything that comes through the door in an envelope and people's literacy levels are, generally speaking, low, and lower than we might sometimes imagine. So, I think there is a bit of a concern about that, that actually, if we don't get the communication right and across enough different channels, they won't engage with it. So, I think that's why we're thinking that the letter isn't going to be enough and we need to think about other methods of communication that are more manageable, less intimidating, a bit softer and more personalised.

[113] **John Griffiths:** Okay. Thank you very much for that. We move on, then, and I think Joyce Watson has some further questions.

[114] **Joyce Watson:** On the same theme, really, about notice, do you think that the two-month notice period is sufficient for you to carry out the work?

[115] **Mr Williams:** The two-month or the 12-month?

[116] **Joyce Watson:** The two-month notice period for ending the right to buy. That is what's in the legislation.

[117] **Mr Williams:** I'll kick off, if you like.

[118] **John Griffiths:** On new build.

[119] **Mr Ropke:** That's new build, yes?

[120] **John Griffiths:** Yes.

[121] **Joyce Watson:** Sorry, yes.

[122] **Mr Williams:** It's 12 months for the bulk of the tenants.

[123] **Joyce Watson:** Yes.

[124] **Mr Williams:** I'll just draw the analogy with communication on welfare reform, which is part of what we do. We try and reach a varied audience as quickly as we can with a very business-critical topic, and we've done that very successfully. So, from my perspective, neither timescale would present us with difficulty.

[125] **Joyce Watson:** Okay. And do you think, because there are two different timescales, one for new build and one for existing, that there's likely to be some confusion amongst your tenants or prospective buyers?

[126] **Mr Ropke:** I don't believe so, because I believe, at the time of letting a new property, it's very clear that you are moving to a new-build property and what you're moving into and what you're able to do. And I have to say that the number of new tenants who'll be in a position to buy a new-build property is absolutely minimal. You know, if we speak to our members, they would say they would expect very, very few, if any, enquiries from people moving to a new-build property at that stage: they've just been allocated a social rented home; they've been at the top of the waiting list; there would not be many people who were in a position to buy.

[127] **Joyce Watson:** Okay. And, finally, just on this, do you think it's likely that landlords would keep properties vacant to ensure that they're classified as newly let dwellings and are therefore exempt from the right to buy and the right to acquire two months after Royal Assent?

[128] **Mr Ropke:** No.

[129] **Joyce Watson:** No? That's a definitive 'no'.

[130] **John Griffiths:** Admirable clarity. Thank you very much. I think Rhianon has further questions.

[131] **Rhianon Passmore:** Thank you, Chair. With regard to the delay that is expected in terms of Royal Assent and the information being given to tenants, I would presume that there would be targeted information in terms of new build versus the 12-month period. Do you feel that the 12-month period is adequate and reasonable? Do you think it should be longer than that, or is there a view amongst yourselves that, as it states, that is sufficient?

[132] **Mr Williams:** I'll kick off. I think it's perfectly adequate for us to do what we need to do.

[133] **Rhianon Passmore:** Okay.

[134] **Mr Williams:** And then, on the new build, you know, there tends to be less to communicate with, just in terms of numbers. So, we can be very focused on those individuals. So, I would be confident—

[135] **Rhianon Passmore:** Is there any alternative view around that?

[136] **Mr Ropke:** Where we talked to the sector, they were very, very clear that the intention would be to get information out very, very quickly. So, I believe that 12 months is adequate.

[137] **Rhianon Passmore:** Okay. You've mentioned previously—earlier questions touched on this—in terms of there being a potential for those to recognise that a window potentially could be closed and that there might be some sort of spike in terms of buying in future, and I think you referenced this at the beginning. Do you think there would be any impact in terms of capacity in your organisations around this additionality of workload, if that does come to fruition?

[138] **Mr Logan:** It depends on the level of the spike. I mean, the numbers that we've got, which are a little under 20 a year, are perfectly manageable. We'd anticipate that perhaps going up to 30 a year, and we can cope just with moving resources around.

[139] **Rhianon Passmore:** Okay. With regard to the discount level, one of the mitigations that has been potentially referenced is that, if you make that a smaller discount, that would minimise any spike. Is there any view that that is necessary?

[140] **Mr Ropke:** I think the key question here is around intention. Clearly, a reduction of the maximum discount would lower the potential for a spike. I guess the question for Assembly Members and, indeed, those drawing up the legislation is that, if they see that spike as undesirable, that's one way of mitigating it. It's a question of whether you think the spike is undesirable or not, I guess.

[141] **Rhianon Passmore:** Okay, one further question, and it just touches

upon something that was mentioned earlier. You mentioned those high level—. I think Debbie Green mentioned buy-back from those who have previously bought their homes and for whatever reason have not been able to maintain those payments. Do you think that there is an issue in terms of poor housing standards? For instance, I'm thinking of asbestos or construction for some of these houses, because they stand out like a sore thumb, some of them, on housing estates. Do you think there is a wider issue around poor housing? I'm not talking about Welsh housing quality standard, but how that references to those anomalies.

[142] **Ms Green:** Our biggest insight, actually, has been through mortgage rescue. So, on the point that we rescue, then WHQS standards apply. Typically, we've had about £10,000-worth of maintenance to do in those schemes where we've bought them back under mortgage rescue, which suggests that there are a group of people—I don't know what the numbers would be across Wales—for whom home ownership is not the best option. Actually, they're living in properties—some of these people have health issues or disabilities—that are not fit for purpose, and home ownership clearly wasn't the right route for them. So, we kind of know that evidentially through those properties we've bought back through mortgage rescue.

[143] **Rhianon Passmore:** Is there a need for further research around this, do you think?

[144] **Mr Williams:** I don't think so, personally. When a social landlord does a buy-back, be it for social reasons driven by the tenant and/or a previous local authority or housing association house that's on the market, the landlord will make a judgment about the sale in the same way as you would do in a private sale. But, the benefit we have is that we will have a very good idea of the technical issues with that property. You mentioned asbestos, for example. We have very good management of our own stock and, if there's a house that we're thinking of buying next to one of our houses, we'll have a fairly good idea of what the technical issues are and perhaps the standard that that property might be in. That wouldn't hold us back necessarily from buying back.

[145] **Rhianon Passmore:** Okay. Thank you.

[146] **John Griffiths:** Okay. Could I just ask a couple of perhaps final questions then? In terms of the regulatory impact assessment and the cost-benefits to housing associations that are potentially identified, do you have

any comment on that? Are you content with the regulatory impact assessment in those terms?

[147] **Mr Ropke:** Yes, I think the costs and benefits have been well outlined. Back to the key point, in terms of costs currently, a receipt doesn't mean you can directly replace one for one because of the reality of the discount that's in place. It's one of the major costs and opportunity costs for us at the minute for this policy.

[148] **John Griffiths:** Are you content with the extent of the consultation with yourselves from Welsh Government in terms of the costs and benefits of this Bill?

[149] **Mr Ropke:** When the Bill was originally drafted, which was some time ago now actually, when it came forward, there was an extensive consultation exercise—it was 18 months to two years ago—when Welsh Government engaged with the housing association sector through ourselves in terms of written communication, but also through events and seminars and the like. There was a good opportunity to raise concerns and input into the drafting of the legislation at that stage. So, yes, we are content.

[150] **John Griffiths:** Okay, well, if there are no further questions, thank you all very much for your evidence this morning. You will be sent a transcript to check for factual accuracy. Thank you all very much indeed.

[151] We are not breaking, by the way, until after this session. I'm not sure if everybody realises that.

[152] **David Melding:** They've all gone to recharge their batteries.

[153] **John Griffiths:** I think so. Shall we have a two-minute break then? It would seem that people have voted with their feet. [*Laughter.*]

[154] **David Melding:** I think flexibility is always a good quality.

[155] **John Griffiths:** Indeed.

*Gohiriwyd y cyfarfod rhwng 10:14 a 10:19.
The meeting adjourned between 10:14 and 10:19.*

**Bil Diddymu'r Hawl i Brynu a Hawliau Cysylltiedig (Cymru)—
Sesiwn Dystiolaeth 2
Abolition of the Right to Buy and Associated Rights (Wales) Bill—
Evidence Session 2**

[156] **John Griffiths:** Okay. We move, then, to our second evidence session today, on the Abolition of the Right to Buy and Associated Rights (Wales) Bill, and I'm very pleased to welcome Jennie Bibbings, who is campaigns manager of Shelter Cymru. Welcome. If we could move straight into questioning, perhaps I can begin by asking what impact you think abolishing the right to buy and right to acquire will have on the housing crisis that you described in your paper.

[157] **Ms Bibbings:** Well, looking at these issues from the point of view of our casework, the impact of the right to buy as we see it currently, really, is in the daily difficulty that we have in preventing homelessness and working with our partners in local authorities to prevent homelessness as well, because we have people coming in through the door who really do need to be in social housing and it's just not available for them. So, we see a lot of our clients end up in private rented housing. It's not as affordable for them; it hasn't got the levels of security that a lot of our clients need; if they've got the families they want to put down roots, the conditions often aren't as good; and they don't get access to the support that they need as well. So, really, from our perspective, this is about the broader aims that we have in Wales of homelessness prevention. Social housing is so important for that.

[158] **John Griffiths:** Okay, thank you very much for that. Notwithstanding that, do you think there's a case for reforming the right to buy and right to acquire, rather than outright abolition?

[159] **Ms Bibbings:** Well, there's nothing inherently wrong with the concept of a right to buy, and I think we do need to acknowledge that it has been a really popular policy with social tenants over the years. Lots of people have been able to exercise their right to buy and are really happy with the results—not everybody; things haven't always gone smoothly for people. But there are a lot of people out there who did exercise the right to buy and were really happy with that, and I don't think we can, kind of, dismiss tenants' aspirations to home ownership out of hand. We've got personal experience of this in my family. My late step grandmother bought her council house, lived in it for 20-odd years until the day she died. She was really happy, you know,

and I think that what she got out of that was—. Yes, it was about, I guess, status, but more than that; it was about a sense of security for her and being able to pass something on to her grandchildren as well, you know—a tangible financial asset. That is quite important culturally to us, rightly or wrongly.

[160] So, there's nothing inherently wrong in the concept of a right to buy, but I think the trouble is that the figures have just never stacked up and the impact assessment that's attached to this Bill, I think, has got a really good summary of the financial realities of the right to buy, in that we've never been able to achieve a like-for-like. There's no example out there where this kind of scheme has been sustainable in terms of maintaining numbers of social housing, and so, for that reason, we're at the point now where we have to kind of—. You know, this is the thing about the right to buy: it's the interests of the individual versus the interests of the wider community, and at this point we have to consider the issues of the wider community—all those people who come to Shelter Cymru who not only are social tenants, but need to be social tenants and currently aren't.

[161] **John Griffiths:** Okay. Thank you for that, Jennie. Could I also ask you about awareness amongst social housing tenants of this legislation? Do you consider that is at a satisfactory level?

[162] **Ms Bibbings:** Well, I haven't seen any data on that. There has been quite a lot of media interest and quite a lot of media stories, but, knowing the challenges of communicating with tenants, I'm sure there is an awareness issue out there. And particularly with some of the kind of—. There's potential for confusion with some of the local suspensions that have come in. So, there might be a lack of clarity amongst some tenants about what exactly is happening with the right to buy. So, I would suggest, not having seen any kind of market research data are anything on it, that there probably is a bit of an information gap out there.

[163] **John Griffiths:** Okay. Sian Gwenllian has questions also.

[164] **Sian Gwenllian:** A oes gennyh chi, yn Shelter Cymru, unrhyw bryderon y byddai diddymu'r hawl i brynu a'r hawl i gaffael yn rhwystro rhai pobl rhag cael y cyfle i brynu tŷ?
Sian Gwenllian: Do you, in Shelter Cymru, have any concerns that abolishing the right to buy and the right to acquire would be a hindrance for some people, stopping them from having the opportunity of home

ownership?

[165] **Ms Bibbings:** Well, it is going to stop some people having the opportunity to home ownership—this is true. There are a small number of people, and not massive numbers since the discount was reduced, but there are some people who may have benefited who won't be able to now. And, yes, we have to acknowledge that, and it would be nice to be able to spend public money on enabling people to realise those aspirations, but we are, I think, at a point where we have to make some difficult choices in terms of how we spend public money on housing subsidy and, really, we have to come back to the core aim, the most important aim in all of this, which is supporting the supply of genuinely affordable, low-cost rented homes.

[166] **Sian Gwenllian:** Felly, mae Sian Gwenllian: So, you do have gennyh chi bryder bod y gallu yma i concerns that this ability to buy a brynu tŷ yn mynd i ddiflannu yn sgil house is going to disappear as a hynny. Onid ydy hynny yn rhyw result of that. Isn't that a slightly agwedd dipyn bach yn hen ffasiwn old-fashioned attitude by now? You erbyn hyn? Roeddech chi'n sôn am talked about a family member. aelod o'ch teulu. Onid ydym ni wedi Haven't we moved on as a society by symud ymlaen fel cymdeithas erbyn now, and this desire to be a home hyn, ac nid yw'r awydd yma i fod yn owner isn't as big a thing as it was in berchen tŷ yn gymaint o beth ag the past? oedd o ers talwm?

[167] **Ms Bibbings:** It is a difficult one. I think that it's easy for a lot of us who are home owners to kind of say to people 'Well, you shouldn't be wanting to be a home owner, it's unreasonable', when, in fact, if you listen to a lot of tenants, most people do want to own their own home. We did some research last year. We did a survey of private renters, which was funded by British Gas, and we asked people all about this. We asked people about their long-term housing aspirations and the vast majority of them wanted to be home owners—79 per cent of them wanted to own their own home. But, when we asked them about whether they were able to save money for that, only 41 per cent of them were actually putting away money every month towards a deposit, and most of them were saving less than £100 a month. It's going to take them years and years, decades, to get the amount of money that they need for a deposit.

[168] So, we've got a lot of people in rented housing at the moment, who are spending too much on their rent to be able to get into home ownership,

and this, I think, is an important one for Government spending, because if we want to support people to own their own homes, and most people do want to own their own homes—I would imagine most people around this table probably do own their own homes—then what we should be doing is giving people that bit of space so that they can afford to save, and the best way of doing that is by investing heavily in affordable rented housing. And that's what happened, going back to the great home-owning boom of the 1970s, 1980s, and 1990s. That grew directly out of the investment in social housing that preceded that, because people did not have to pay these high rents. They could afford to save and put money buy.

[169] **Sian Gwenllian:** Ac yn eich **Sian Gwenllian:** You also mention in
tystiolaeth, rydych chi hefyd yn sôn your evidence that some of the other
bod rhai o'r cynlluniau perchentyaeth home ownership schemes that are
eraill sy'n cael eu cefnogi gan y Government backed are more
Llywodraeth yn fwy effeithiol na'r efficient than the right to buy or right
cynlluniau hawl i brynu a'r hawl i to acquire schemes in terms of giving
gaffael, o ran rhoi'r gallu yna i bobl people that ability to buy homes. Do
brynu eu tai. Fedrwch chi ymhelaethu you want to expand on that?
ar hynny?

[170] **Ms Bibbings:** Of course, yes. There are a range of different schemes out there, and, without wanting to get bogged down in too much detail, some of them are more suitable for private tenants than others. I think we have had issues in the past with some of the Government-backed schemes. For example, the earlier incarnations of help to buy were well intentioned, but they had this unintended consequence of stoking demand but not increasing supply, so what you do is you create this inflationary housing bubble. The latest version of help to buy does tend to address that to an extent, because it's aimed at new build only, so that, at the same time as you're stoking demand, you're also putting investment into housing supply.

[171] However, I do think that there are some legitimate questions to be asked about help to buy, and about who the real beneficiaries are of right to buy. How many of the people who've used it would genuinely never have been able to have afforded to own their own home without it? To what extent is it genuinely helping people onto the ladder, or is it just letting people get on the ladder a little bit more quickly than they would have done otherwise, or buy a slightly bigger house than they would have done otherwise? So, I think we do need to ask ourselves who is benefiting from this. And there is also the fact that help to buy, in practical terms, is putting millions of pounds

of Government investment in the hands of house building companies—these big house building companies. And those house building companies have had a role—. Some of their practices are among the mix of reasons why we've got such expensive housing in the first place.

[172] So, there are different ways for people to get into home ownership, but our position is clear that, at a time of austerity, when we haven't got money to splash around, we should be focusing on genuinely affordable, low-cost rented homes, and giving people that space to be able to save, so that they can own their own home in time.

10:30

[173] **John Griffiths:** Okay. Are you content, Sian? Thank you very much. I think, then, we move on to David and some questions around the suspension.

[174] **David Melding:** Thank you, Chair. Before I start to disagree with you, can I just put on the record how nuanced and engaging I found your written and oral evidence, but I do want to probe a bit now. Is this whole Bill worth the trouble? We already, on the statute book, have the ability to suspend the right to buy, and five authorities have done so. So, why are we wasting this time in an important public debate that surely should focus on the need to build more homes?

[175] **Ms Bibbings:** I guess the issues with the suspension of the right to buy are that, in practical terms, only a handful of authorities have been able to go through that process. It sounds as though it was a very bureaucratic process. I'm not entirely sure why it had to be as bureaucratic as it evidently has been, but the picture seems to be that it's something that councils are struggling to make their case for—they're struggling to be able to get that pushed through.

[176] It seems to me that the aim of ending the right to buy has been something that the Welsh Government has been ploughing towards for many years, using whatever powers they had at the time to make that happen. At the time of the Wales Measure, that was what we were able to do—that's as far as we were able to push it. But, now we seem to be at a stage where everyone is in agreement that the right to buy isn't something that we can afford to sustain at the moment and this would—the argument would be that, going through this process now at Welsh Government level, you avoid

the need for all those local authorities to have to go through that bureaucratic process.

[177] **David Melding:** Well, not everyone believes that the right to buy is no longer sustainable.

[178] Let me return to this point, then, of whether it is the right target. Last year, we built about 2,400 affordable homes in Wales. It's a pitiful level. It's the level of house building that really affects the availability of housing further down the line, including the very important area of those that are currently homeless. I just wonder why a greater priority is not put on that rather than the 300, 400, 500 homes that are currently annually going to some form of right to buy.

[179] **Ms Bibbings:** I feel that it's all part of a mix of prioritising new, affordable homes as well as the existing ones. My colleagues who work in housing associations tell me that the right to buy is a factor in preventing them from investing. We know that it is an issue in local authorities too, so you would hope that, by stemming the flow of social homes into the private sector, you will also be giving that greater confidence to investors, which would have an effect, hopefully, wider than those 300 properties a year.

[180] **David Melding:** I should say that that the previous witnesses, under pressure from me admittedly, did acknowledge that that was a highly marginal factor—

[181] **Ms Bibbings:** Really?

[182] **David Melding:**—and that the real thing that affects house building is the price of land and the availability of public grant and, in this context, I do recommend a book entitled *Rethinking the Economics of Land and Housing*, which was co-written by an author who works at Shelter, which makes exactly this point: it is a land crisis that we face at the moment, which is, in many ways, much more fundamental on a socialist level than what we're dealing with here. But it's not for me to give ideological direction to my opponents.

[183] **Ms Bibbings:** Thank you for that.

[184] **David Melding:** The situation is that current public policy is to build 20,000 affordable homes in this Assembly—in this five-year period. That's

2,500 more than the pre-existing plans. It's little wonder that we're in trouble, isn't it, really? There is a lack of house building, which has occurred pretty much since the mid or late 1990s. Why aren't we focusing on that? Shelter should be doing more, shouldn't it, in bringing our attention to that, to balance its admirable work in covering the other really acute pressure points like homelessness?

[185] **Ms Bibbings:** Absolutely, and our sister organisation in London—we are separate organisations: Shelter and Shelter Cymru—have large policy and research teams doing exactly this, and it is an ambition of ours to really increase that aspect of our expertise, because we see there's a real need for it. And, you know, there are good practice approaches out there, of which there is too little awareness, and it's certainly something that I would like to do more of.

[186] **David Melding:** I did say your evidence was nuanced, and I generally believe that adds weight to your opposition, in which the general drift doesn't particularly help my argument, but we live in a democracy. [*Laughter.*] And I do like to see people engaging in the reality of the question, and I think your acknowledgement of the desire of many to own their own homes is also welcome. But I'm particularly interested; you've picked up this point about the period of grace after a decision is made should this Bill become an Act and law, and that that, in retrospect, should be given to, or consideration should be given to extending that period of grace to, those tenants who are in local authority areas where the right to buy has been suspended. I wonder if you can help the committee by just adding to that why you think that this is important.

[187] **Ms Bibbings:** Yes, of course. It's just a suggestion, but, given how popular this policy has been over the years, given that there are nearly 0.5 million social tenants in Wales, many of whom will be feeling the loss of the option of this, it's just a suggestion that it might be perceived as slightly fairer, it might help the Government in getting this through with social tenants, if it were being seen to be carried out in a way that was as equitable and as fair as possible. And I do understand the Welsh Government's position on this and the local authorities' position on this, because the five that have got the suspension have done an awful lot of work, and there are a lot more who have got work in the pipeline as well. But I don't think that kind of bureaucracy should be the driving force behind these decisions; I think it should be tenants' interests. And so, obviously, this is one for your conscience as politicians, but it's just a suggestion that it might be simpler to

communicate and fairer just to give all social renters in Wales one final bite at the cherry. And I'm really conscious that I'm giving evidence to you and, you know, the person who would naturally be here, and who isn't, is Steve Clarke of Welsh Tenants, because Welsh Tenants doesn't exist anymore, but I am conscious that these are perspectives that do need to be fed into the committee.

[188] **David Melding:** Thank you. I think that's a very lucid response, and I note that you tie it very much to the attitudes and interests of tenants. Do you have any misgivings, perhaps, on—you've talked about fairness—but even firmer grounds of human rights? Because we will be creating two classes of tenants: one that will be covered by the period of grace that will extend if this Bill becomes an Act, but those tenants already captured by a suspension won't get anything similar, and they wouldn't have had that period of grace after their local authorities made that decision to suspend, whereas, of course, if the Assembly makes the decision to end right to buy, there is, then, after that the important decision, this period of grace, but those in areas that suspended never got the same once those local authorities made their decision. Do you think this introduces human rights concerns about the availability of housing and property, which go to the heart of—? Most, like the European convention on human rights, for instance, concentrate very much on this sort of area. Are there issues there, do you think?

[189] **Ms Bibbings:** Well, I'm not an expert in human rights by any means, but I think that it is quite clear that a temporary suspension of the right to buy is not the same thing as ending the right to buy, and it may well be the case that tenants could say, 'Well, you told me it was ending for five years; you didn't tell me it was going to end for ever and a day'. So, I don't think that it—. Yes, I agree that, you know, tenants in those—. They are two classes of tenants, and they are in different situations, but the human rights implications of that, the technical implications of that, I don't think I can comment on.

[190] **David Melding:** Well, I think that's fair. I won't press you.

[191] **John Griffiths:** Okay, thank you for that. Joyce first, I think, and then Jenny.

[192] **Joyce Watson:** David did talk about nuanced evidence, and I want to talk about nuanced questioning, so I'm going to bring it back the other way.

We have heard evidence by previous witnesses, and written evidence, that, when authorities were applying for the suspension of the right to buy, there was large-scale commentary that surrounded that and the information that was given. Do you accept that people were particularly well-informed about that suspension, and that all tenants at that time, whoever they were, did actually have an opportunity then, as they will have now, to exercise that right?

[193] **Ms Bibbings:** I do. I do accept that, and I'm sure that the councils did put a lot of effort into communicating it. And I know that they had to consult, and all of that was done. So, I can see both sides of the argument with this one, but I just think that what would have been communicated to them around suspension of rights isn't quite the same message as ending the right altogether.

[194] **John Griffiths:** And Jenny.

[195] **Jenny Rathbone:** I just wanted to go back to the earlier conversation about human rights. Do you recognise that the human right of people to acquire housing has to be balanced by the right of everyone to a home?

[196] **Ms Bibbings:** Yes, absolutely, and the whole right-to-buy issue cuts to the core of that.

[197] **Jenny Rathbone:** Thank you.

[198] **David Melding:** It's something I recognise—*[Inaudible.]*

[199] **John Griffiths:** Okay. Well, thank you for that, and, by the way, Steve Clarke will be coming in to give evidence in one of our future evidence-taking sessions.

[200] **Ms Bibbings:** Oh, good.

[201] **John Griffiths:** Okay. And, Bethan, I believe you have some questions regarding the information that tenants will have.

[202] **Bethan Jenkins:** Ie, jest eisiau gofyn ynglŷn ag adran 8 a'r hyn sydd yn cael ei roi yn y ddogfen o ran gwybodaeth i denantiaid. **Bethan Jenkins:** Yes, I just wanted to ask about section 8 and what's included in terms of information for tenants. Do you think that that's

chi'n credu bod hynny'n ddigonol? A'r hyn roeddwn yn ofyn yn gynharach i'r mudiadau tai oedd: a oedden nhw'n credu mai'r ffordd roedden nhw'n cyfathrebu'r wybodaeth honno i denantiaid yn ddigonol? Er enghraifft, mae fe'n dweud yn y ddogfen bod y Llywodraeth yn gallu penderfynu pa wybodaeth maen nhw yn meddwl sydd yn ddigonol, ond efallai y byddai beth mae Llywodraeth Cymru yn ei feddwl sy'n dderbyniol ddim yr hyn y byddai Shelter neu fudiad tai yn feddwl a fyddai'n dderbyniol. Felly, eich barn chi ar hynny, a'ch barn chi ar y ddogfen ddrafft sydd wedi cael ei rhoi gan Lywodraeth Cymru hefyd. Nid oeddwn i'n meddwl ei bod yn ysbrydoledig iawn, ond efallai y byddai gennych chi rhyw fath o farn ar hynny hefyd.

sufficient? And this is a question that I asked earlier of the housing associations: did they believe that the way that this information is being communicated to tenants is adequate? For example, it says in the document that the Government can decide what information they believe should be provided, but perhaps what the Welsh Government might think is acceptable wouldn't be what Shelter or a housing association might feel is required. So, I'd want your view on that, and your view on the draft document that has been put forward by the Welsh Government. I didn't think that it was particularly inspiring, but you may have some sort of view on that.

[203] **Ms Bibbings:** Yes, sure. In general terms, the Bill is quite good on information. If we're taking the example of Scotland, it is a lot more specific around that. I had a look at the draft document. I thought it was okay. I thought it was quite clearly written. For me, one of the gaps, though, and I think it is something that really needs to be addressed, is about giving tenants the right information so that they can be aware of when they're being targeted by lenders who aren't scrupulous, dodgy mortgage brokers—. You know, we've seen a lot of this in the buy-to-let market over recent decades. Social tenants can be targeted by mortgage brokers; they can be mis-sold mortgages. There are solicitors out there who make whole careers out of challenging mis-sold right-to-buy mortgages. And I just think that tenants need a clear set of bullet points or something that helps them to recognise the signs that they're being targeted by someone who's not Financial Conduct Authority-registered or who might—. You know, there are all kinds of different scams out there that tenants can become prey to. At the moment, the draft document—it does have warnings about, 'Make sure you can afford the mortgage repayments', and all that stuff, but it's quite bland. It doesn't really jump out at people, and it doesn't include anything about

unscrupulous practices and how people can recognise that.

[204] **Bethan Jenkins:** I've said previously I've done quite a lot of work on the financial inclusion aspects, and obviously there's the draft—no, it's not a draft anymore; there's the new financial inclusion strategy. That should be being enacted now. Do you think we would need something on the face of this Bill that would potentially put something along those lines, like you're saying, about unscrupulous sellers, and such, into this Bill? Because that's obviously why I produced the private Member's Bill, because I wanted to see something in writing, in law. If it's not there, what needs to be done? It may be at the discretion of the Government whether they include that information or not, or of the housing association, and that could vary across Wales. So, is there something that you think—or could you go away and think of an amendment or something that would be helpful, to say, 'Well, actually, it's okay, it's quite bland, but this extra information is necessary', so that tenants feel that they have access to all the information? You don't have to do it, but it may help us if you do.

10:45

[205] **Ms Bibbings:** No, no—I think that would be a really welcome addition, to be honest. Because there are a couple of areas in the wording of the draft Bill, as it is at the moment, which does give quite a lot of—

[206] **Bethan Jenkins:** In the draft document, you mean?

[207] **Ms Bibbings:** Well, and on the Bill itself, you know, saying, 'all such information as it considers relevant'. So, landlords wouldn't necessarily have to follow what the Welsh Government prescribed either. And I would welcome something in there to make it clear about, particularly, this, because I think that tenants could become vulnerable to a wave of hard-selling mortgage brokers, potentially, once they know that they've only got a few months left to apply. So, yes, I can look at that, certainly.

[208] **Bethan Jenkins:** And would you see the need to try and communicate in different ways, for different groups? We mentioned earlier about different languages, but also to do with different—you know, learning disabilities and such that they'd need to have that information in different ways.

[209] **Ms Bibbings:** Yes, absolutely. I think some landlords are very good at communicating with their tenants in different ways; others aren't quite as

good. I'm thinking back a few years ago to where we had the removal of the spare room subsidy, and some of our clients didn't get any communication from their landlord at all; they just had the housing benefit letter, and it sent them into a spiral of panic. And some landlords were actually having to hold their hands up and admit that they didn't have full contact details for all of their tenants. But I do set that aside next to some very good practice in this area too. But it would be useful, I think, for the Government to maybe set out some expectations about what different information channels should be used.

[210] **Bethan Jenkins:** And do you think, in the draft information to tenants, that there's enough of a balance between the benefits of renting from a housing association and the benefits of home ownership, or should there be an extension of different schemes? Could there be a missed opportunity that this Bill is so narrow on the right to buy, where it could be offering new alternatives to how you would, potentially, own a home, but in a different way?

[211] **Ms Bibbings:** Yes, absolutely. It could put more detail in about the different kinds of schemes that are out there. I know that there's some local variation in that, but that's okay—we can cope with that. It would be useful to have some kind of pros and cons about the benefits of being a home owner versus the benefits of being a renter. I guess it would be quite difficult to do that in a neutral way that wasn't a little ideologically driven—but not impossible, not impossible.

[212] **Bethan Jenkins:** Okay.

[213] **John Griffiths:** Okay. And Rhianon.

[214] **Rhianon Passmore:** Picking up on the theme there, in terms of, culturally in the UK we are aspirationally home owners, unlike Norway and Scandinavia—we just need to register in terms of their quality of life. However, going back to the earlier point, has Shelter, in terms of your main audience, those who are vulnerable—families and single parents who are facing eviction or homelessness—and the job that you do every day, have you made an assessment in terms of right to buy? We talked earlier in terms of those, it seems to be to me, quite a high level of buy-back from housing associations from those who've bought their own homes. So, do you have any research evidence, from your perspective, as to if that is the case, and then, in terms of those tenants that potentially couldn't afford to keep up

those mortgage payments, their ability then to face financially the future?

[215] **Ms Bibbings:** I had a look back through our casework evidence. We've had some cases around right to buy. Of course, we only ever see things when things go wrong. And we had some cases of people who found that they couldn't subsequently afford their mortgage and ended up going through the whole process and having it repossessed. So, we have had some, fairly limited, evidence around that. More common in our casework is evidence around people who are living as private renters in homes that were formerly purchased under the right to buy. We have quite a lot of those. I couldn't give you any figures off the top of my head, but I can go back and look, if that would be helpful. But it's certainly a more common feature in our casework to have tenants who are in an estate that is largely still social but with a separate landlord and facing very different and more acute problems than their neighbours.

[216] **Rhianon Passmore:** Okay, thank you.

[217] **John Griffiths:** We move on, then, to Joyce.

[218] **Joyce Watson:** I just want to ask whether you think that the notice periods that are proposed in the Bill are sufficient to allow tenants time to exercise their right to buy or to acquire and whether you think it's appropriate there are different notice periods for newly let dwellings or previously let social housing.

[219] **Ms Bibbings:** I think they're fair enough, really, the notice periods. People have got a year to get their application in. I can understand the rationale for it being shorter, for two months, on the new builds. I do welcome that there is provision in the Bill to make exemptions if people have been moved there and it's not through their choice but because of the estate management ground—that they are exempt. I think that's a sensible addition. So, yes, I think we're okay with those.

[220] **Joyce Watson:** Thank you.

[221] **John Griffiths:** Okay. Any further questions from Members? No. In that case, may I thank you very much for coming along to give evidence to the committee this morning? You will be sent a transcript of your evidence to check for factual accuracy. Thank you very much.

[222] **Ms Bibbings:** Diolch.

10:51

Papurau i'w Nodi Papers to Note

[223] **John Griffiths:** The next item on our agenda today is papers to note. Paper 3 is correspondence with the Cabinet Secretary for Communities and Children in relation to violence against women. You'll note from the Cabinet Secretary's response that there are a number of items that we'd sought information on that are still in hand in terms of Government action and action by others, so we intend to write again on those matters in due course.

[224] Paper 4 is a letter from the Cabinet Secretary for Communities and Children in relation to Communities First and lessons learned. We will be undertaking visits and I know that a number of you have already let the clerks to the committee know which visits you will attend. Clerks will accompany Members on those visits.

[225] Paper 5 is a letter from the Chair of the Public Accounts Committee in relation to reforming local government and the White Paper.

[226] Paper 6 is correspondence from the Cabinet Secretary for Communities and Children in relation to the Abolition of the Right to Buy and Associated Rights (Wales) Bill, which we've been examining this morning.

[227] Paper 7 is a letter to the Cabinet Secretary for Finance and Local Government in relation to human rights in Wales.

[228] Paper 8 is a letter to the Cabinet Secretary for Finance and Local Government in relation to local government reform.

[229] Are Members content to note all those papers? Bethan.

[230] **Bethan Jenkins:** I've just got some comments on one of the letters. Is that something we can discuss in private?

[231] **John Griffiths:** Yes, we'll turn to that later, then, if Members are content. Okay, thank you for that.

11:38

**Cynnig o dan Reol Sefydlog 17.42(vi) i Benderfynu Gwahardd y
Cyhoedd o Weddill y Cyfarfod
Motion under Standing Order 17.42(vi) to Resolve to Exclude the Public
from the Remainder of the Meeting**

Cynnig:

Motion:

*bod y pwyllgor yn penderfynu that the committee resolves to
gwahardd y cyhoedd o weddill y exclude the public from the
cyfarfod yn unol â Rheol Sefydlog remainder of the meeting in
17.42(vi) . accordance with Standing Order*

17.42(vi).

Cynigiwyd y cynnig.

Motion moved.

[232] **John Griffiths:** In that case, then, the next item is item 5, which is a motion under Standing Order 17.42 to resolve to exclude the public from the remainder of the meeting. Are Members content? Okay, we will then move to private session.

Derbyniwyd y cynnig.

Motion agreed.

Daeth rhan gyhoeddus y cyfarfod i ben am 10:53.

The public part of the meeting ended at 10:53.