Affordable Housing

Introduction

A commitment to increase the supply of affordable housing in Wales by 6,500 units during the term of the Third Assembly was a central policy commitment of the One Wales agreement.

For housing to be affordable, it should be financially accessible to those who cannot afford open-market housing. In the context of planning policy, there should also be secure mechanisms in place to ensure that it remains affordable, not just on first occupation, but also for subsequent occupiers. This can often be achieved by the use of planning obligations, such as Section 106 agreements. These agreements made between local authorities and developers under Section 106 of the Town and Country Planning Act 1990 and can include an obligation to provide affordable housing.

Social rented housing is provided by both local authorities and Registered Social Landlords (RSLs). However, in recent years it has been RSLs that have built nearly all new social housing. The Assembly Government provides Social Housing Grant (SHG) to RSLs to assist with the provision of affordable housing. In 2008/09, £106.9 million has been made available through SHG. The demand for social rented housing remains high with approximately 90,000 households currently on waiting lists across Wales.

Low Cost Home Ownership (LCHO), which is sometimes referred to as Intermediate Housing, has allowed many people in Wales to purchase properties at prices below market levels. The Assembly Government has chosen not to continue providing SHG for its Homebuy LCHO scheme. However, properties provided with SHG funding can be offered for disposal on Homebuy terms under the Assembly Government’s tenure neutral policy (not pre-determining whether SHG funded housing should be used for rental or LCHO).

During its first year, the Labour/Plaid Cymru coalition government has implemented policies aimed at addressing the availability of affordable housing:

- The Affordable Housing Legislative Competence Order (LCO) was laid before the Assembly by the Deputy Minister for Housing in December 2007. This LCO is currently awaiting the approval of Parliament.
- The Rural Housing Enablers (RHE) projects are to be expanded. The four existing RHE pilot projects (Pembrokeshire, Rural Conwy and Denbighshire, Gwynedd, Monmouthshire and south Powys) will continue, whilst new posts will be created in Ceredigion, Carmarthenshire, rural Wrexham and Flintshire, north Powys, Mid Powys and Ynys Mon;
- Grants for first time buyers – eligible first time buyers in qualifying Housing Renewal Areas will be eligible for grants for energy efficiency measures;
- Former AM Sue Essex led a review into affordable housing, and in particular, the role of and regulation of RSLs;
- The Assembly Government is consulting on guidance for local authorities to produce Affordable Housing Delivery Plans (AHDP). This fulfils a commitment in One Wales, and seeks to increase the supply of affordable homes by 6,500 during the current Assembly term. AHDPs are an interim measure until Local Development Plans are adopted.
- A consultation on meeting housing needs in rural areas, including the provision of affordable housing.
- Funding to support the expansion of Community Land Trusts.
- The Assembly Government Land Protocol makes publicly owned land available for affordable housing and has recently been expanded to include land owned by NHS Trusts in Wales.
Under the Government of Wales Act 2006, the National Assembly for Wales can seek legislative competence through Acts of Parliament or Legislative Competence Orders (LCOs) to make a piece of law in the form of an 'Assembly Measure'. Measures can only be made in a specific policy area (or 'Matter') added to one of the 20 'Fields' (or broad subject areas) which are contained in Schedule 5 of the Act.

As "Housing" is Field 11 of Schedule 5 to the Act, the National Assembly for Wales can seek Measure-making powers in this area. There are currently no Matters in this Field.

During the Third Assembly, one LCO in the field of housing has been sought: the National Assembly for Wales (Legislative Competence) (No.5) Order 2008 (Affordable Housing). This LCO was proposed by the Welsh Assembly Government and, if approved, will allow the Assembly to pass a Measure allowing the Right to Buy (in relation to local authority housing) and Right to Acquire (in relation to RSL properties) to be suspended for a set period of time in areas of housing pressure.

Key Welsh Government strategy documents and action plans:


- Local authorities establish the demand for affordable housing through conducting Local Housing Market Assessments (LHMA). The Assembly Government provides detailed guidance to local authorities on the preparation of LHMA.


Useful links

- The Welsh Assembly Government has a housing section on its website: [www.wales.gov.uk/housing](http://www.wales.gov.uk/housing) and also publishes [decision reports](http://www.wales.gov.uk/housing) relating to housing policy.

Further information

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