

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.ⁱ This can often be achieved by the use of planning obligations, such as Section 106 agreements. These are 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.ⁱⁱ In 2008/09, £106.9million has been made available through SHG.ⁱⁱⁱ The demand for social rented housing remains high with approximately 90,000 households currently on waiting lists across Wales.^{iv}

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;^v
- Grants for first time buyers – eligible first time buyers in qualifying Housing Renewal Areas will be eligible for grants for energy efficiency measures;^{vi}
- Former AM Sue Essex led a review into affordable housing, and in particular, the role of and regulation of RSLs;^{vii}
- 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.^{viii}
- 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.^{ix}

Current and proposed legislative competence of the Assembly

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:

Ministerial Interim Planning Policy Statement 01/2006 provides a new chapter 9 (Housing) of Planning Policy Wales (PPW). Technical Advice Note (TAN) 2: Planning and Affordable Housing (2006) supplements PPW.x

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.s.xi

In January 2008 the Deputy Minister for Housing announced that Better Homes for People in Wales: A National Housing Strategy for Wales, would be replaced. The new strategy should commence during 2009/2010.xii

Useful links

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

Further information

For further information on affordable housing policy, please contact Jonathan Baxter, Members' Research Service, (Jonathan.Baxter@wales.gsi.gov.uk), 029 2089 8993

ⁱ Welsh Assembly Government, [Technical Advice Note 2: Planning and Affordable Housing](#), June 2006

ⁱⁱ Welsh Assembly Government, [Social Housing Grant](#)

ⁱⁱⁱ Deputy Minister for Housing, [Written Submission, Communities and Culture Committee, CC930-08-08](#), 7 May 2008

^{iv} Members' Research Service survey July 2008

^v Welsh Assembly Government, [Decision Report: Criteria for a Rural Housing Enabler Network for Wales](#), July 2008

^{vi} Welsh Assembly Government, [Decision Report: Grants for First Time Buyers](#), 7 May 2008

^{vii} Sue Essex et al, [Affordable Housing in Wales: an independent report to the Minister for Housing](#), June 2008

^{viii} Welsh Assembly Government, [Decision Report: The Creation of a Rural Development Fund and provision of funding for Land for People](#), May 2008

^{ix} Deputy Minister for Housing, [Written Submission, Communities and Culture Committee, CC930-08-08](#), 7 May 2008

^x Welsh Assembly Government, [Technical Advice Note 2: Planning and Affordable Housing](#), June 2006

^{xi} Welsh Assembly Government, [Local Housing Market Assessment Guide](#), March 2006

^{xii} Welsh Assembly Government, [Decision Report: The Preparation of a New Housing Strategy for Wales](#), January 2008