

Jocelyn Davies AC/AM
Y Dirprwy Weinidog dros Dai
Deputy Minister for Housing



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref
Ein cyf/Our ref JAD/0078/08.

Mick Bates AM
National Assembly for Wales
Cardiff Bay
Cardiff

DD/MM/YY

During the debate on Housing on 5th March you asked about my plans for the Homebuy scheme and I agreed to write to you on that.

The *Review of Low Cost Home Ownership Policies in Wales* which we published in 2006 was commissioned from the Cambridge Centre for Housing and Planning Research. The overarching aim of the Review was to advise on whether schemes' objectives were being realised as intended and, if not, whether revisions were needed.

Proposals to reform the Homebuy scheme in response to the report's findings were put forward in *A Review of the Homebuy Scheme in Wales* which was issued in March 2007. Amongst other things, the paper indicated that in future Social Housing Grant (SHG) - funded Homebuy would be targeted so that relatively modest numbers will have greatest impact and that we would therefore target assistance through the SHG Programme only to those whose needs could not be met using schemes that do not require public subsidy and/or to support identified strategic objectives.

In setting out our proposals to reform the Homebuy scheme, the Assembly Government recognised that it had limited resources to meet the level of demand for assisted home ownership and pointed to the increasing, though variable, use of planning obligations to deliver affordable housing without public subsidy, using section 106 agreements.

Last August we published the results of Assembly Government commissioned research to establish the use and value of planning obligations in Wales. For 2005/06 it established that there were 130 agreements containing affordable housing obligations which contributed a total of 869 affordable homes. Many of these have been provided without public subsidy and the report identifies the potential for Welsh local authorities to significantly increase the number and value of obligations that they agree by improving the negotiation process and the clarity of local policy.

The creative use of the planning system and other mechanisms is critical to the delivery of our vision for housing and we are working with local authorities on a range of initiatives to assist them to improve their delivery of affordable housing. For example, we have held a series of training seminars for local authority planning and housing officers and elected

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1NA

English Enquiry Line 0845 010 3300
Llinell Ymholiadau Cymraeg 0845 010 4400
Ffacs * Fax 029 2089 8129
PS.deputyminister.for.Housing@wales.gsi.gov.uk

Wedi'i argraffu ar bapur wedi'i ailgylchu (100%)

Printed on 100% recycled paper

members on this subject. We are also funding a further series of seminars for local authority officers on negotiating section 106 agreements and have commissioned 'best practice' guidance on the drafting and application of affordable housing clauses in these agreements.

Shortly we will be introducing a requirement for councils to prepare Affordable Housing Delivery Plans to provide a sharper focus on this issue in advance of the adoption of their Local Development Plans. So our clear expectation is that we expect to see year on year increases in the number of schemes coming forward all over Wales as authorities adapt to the challenge.

Against that background there was a strong recognition in considering bids for Social Housing Grant recently that much of the demand for assisted home ownership could be met in this way without public subsidy. On the other hand rented social housing requires a higher level of subsidy than Homebuy and I looked to the SHG programme to help meet the need for such housing in determining allocations for 2008/9 to 2010/11. Moreover, to allocate in response to the bids submitted would serve simply to perpetuate some of the weaknesses identified in the Cambridge Review. No allocations for Homebuy have therefore been made for 2008/9 and beyond, but it remains the case that under our tenure neutral policy all homes provided via SHG can be offered for disposal on Homebuy terms. We intend to amend the current consents regime to ensure that where properties are sold on Homebuy terms a covenant is imposed which gives the housing association the right to repurchase on subsequent disposal or to nominate someone in housing need to purchase the equity share. Some associations are already doing this where they dispose of properties.

We are always eager to consider and explore new and innovative ways of addressing rural housing problems and that is why we have agreed to create a funding stream to promote the expansion of Community Land Trusts in Wales. I am also minded to provide support to expand the existing network of rural housing enablers, and expect to make an announcement on both of these shortly. These initiatives should help communities to realise the potential offered by the planning system and to explore which development mechanisms for affordable housing are most appropriate in the local context. I am aware of the initiative you have shown personally in promoting Community Land Trusts and your party's support for rural housing enablers, and I hope that you will continue to work with us as we develop our approach in these areas.

To: 1. Linda Whittaker
2. Deputy Minister for Housing

From: Julian Anderson
Housing Directorate

MB/JAD/0078/08.

CC: Peter Greening
Lisa Dunsford
CGU mailbox

Formatted: Font: (Default)
Arial, 12 pt