

# Welsh housing policy: where next?

**Viewpoint**  
Informing debate

October 2011

It is an exciting time for housing policy in Wales with a new administration in place and new legislative powers. This paper brings together recent JRF research relevant to housing policy and practice. It sets out to start a debate on the key focus of housing policy in Wales and to ask how can we create a more stable housing system?

## Key points

- Housing policy should ensure that people have access to decent, secure and affordable housing. Policy making should be transparent and seek to avoid distorting people's tenure choices.
- More clarity is needed on the vision for social housing within Wales. The stability provided by social housing is important. Other areas of social policy also need to work together with housing to tackle social inequality.
- A focus on preventing homelessness is essential. More could be done to ensure that temporary accommodation provides a positive transition out of homelessness.
- Strategies to increase housing supply could include risk sharing on new housing developments and reform of the existing housing association model.
- The gap between design aspiration and the actual performance of low and zero carbon homes needs to be reduced. This requires more evidence that design claims are achieved in practice. Tenants should also be supported to achieve energy efficient living.
- The principle of co-production could be expanded to create a more transparent 'made in Wales' housing policy framework. It could take shared responsibility for testing solutions and generate evidence on what works.

## Author

Kathleen Kelly, Programme Manager, Joseph Rowntree Foundation  
Tamsin Stirling, independent housing consultant

# Introduction

The new Welsh Government has an opportunity to develop Welsh specific housing policy, firmly rooted in the context and reality of Wales. This paper addresses the following issues:

- The housing context in Wales;
- Where should Welsh housing policy focus?
- What is the purpose of social housing?
- Preventing and tackling homelessness;
- Working together to increasing housing supply; and
- Achieving sustainable homes.

## The Welsh Context: building on success

The publication of the Essex Review of affordable housing (Essex, et al., 2008) heralded a very successful co-production approach to achieving new housing supply. The strength of this approach is evident in the target of 6,500 new affordable homes being exceeded during the 2007 – 11 Welsh Government (Labour Party Wales and Plaid Cymru, June 2007). The Welsh Government has articulated its commitment to continuing to involve all major housing stakeholders in developing and delivering policy; this commitment is also evident amongst stakeholder organisations (e.g. Chartered Institute of Housing Cymru, undated). There are plans to extend this shared responsibility for the development and implementation of policy to include the charitable sector, health and social care. A range of recent policy documents underline the need for cross working to ensure that housing and related needs can be met (NAW 2011; Aylward, et al., 2010; WAG, 2009 and 2010c). With 23 per cent of the Welsh population living in low income households and a large part of the gains made in addressing child poverty lost in the last five years (Parekh and Kenway, 2011) a cross-sector approach to addressing key housing *and* social policy challenges is very welcome.

There have been many notable successes in Welsh housing policy. Homelessness acceptances declined during 2006 and 2010 (WAG, 2011a) and there is a ten-year homelessness plan focussing on tackling the causes of homelessness (WAG, 2009). Evictions by social landlords have been falling since 2005/06 and mortgage possession claims fell between 2008 and 2010 (Council of Mortgage Lenders). The Communities First regeneration programme also saw residents feel empowered to manage positive change in their community (Adamson and Bromiley, 2008). The Supporting People budget for housing related support is ring fenced, giving support services greater protection from spending cuts than their counterparts in England or Scotland. Although subject to cuts, Wales has also retained a private sector budget to fund renewal areas and grants or loans to home owners to improve or adapt their homes.

However with homelessness rising (WAG, 2011a) there are clear challenges ahead. Wales has the highest rate of after housing costs child poverty in the UK (Parekh and Kenway, 2011). Around a third of social housing tenants were in rent arrears at the end of 2010 (WAG, 2010a). However social housing grant is falling by approximately 31 per cent between 2010/11 and 2011/12, with further reductions expected in later years. This will act to limit the supply of new affordable homes in Wales. There are approximately 26,000 existing homes in Wales that have been empty for more than six months (CIH Cymru/Shelter Cymru, 2009). This is against a background of unmet housing need of 9,500 households (Holmans and Monk, 2010). The standard of housing is also a crucial issue. The cost of poor quality housing has been estimated as a £67 million annual cost to the health service or 5 per cent of the annual health budget for primary care (Davidson, et al., 2011).

Major structural inequalities are also apparent between local housing markets. The South Wales Valleys remain amongst Britain's lowest house price areas. Although this can make owning a home more obtainable, when coupled with persistent house price volatility it can also make the market more fragile and subject to risks such as negative equity (Ferrari and Rae, 2011).

The Welsh Government has new powers to develop and implement primary legislation on a range of issues including housing. New legislation is likely to have a crucial role to play in furthering the Welsh Government's housing objectives. However new legislation will not be the answer to every policy issue. One of the strongest shifts in policy direction, towards homelessness prevention, was driven by consensus between national and local government and other partners and did not require legislative change.

## Where should housing policy focus?

A central dilemma characterising housing policy is where available public funds should be directed – towards achieving housing aspirations or meeting housing need?

Stephens (2011) argues that successive Governments have promoted home ownership as the tenure of choice. However, in the context of a volatile housing market policy, tools that widen access to home ownership risk worsening the conditions that they are designed to address. Recent OECD analysis shows that the rigid housing supply system in the UK means that changes in demand for housing are more likely to result in higher house prices than increased housing supply (Andrews, et al., 2011). Thus policies to promote home ownership can inflate demand without necessarily increasing housing supply. Ferrari and Rae (2011) suggest that the value of shared ownership and shared equity is most evident in boom periods of the market cycle. However, they argue that there are genuine concerns that they do not make good sense in volatile market situations. Neither can such tenures be regarded as a stepping stone to full ownership since only around half those moving in the shared ownership sector move on to full ownership (Wallace, 2008).

Although the ability to accumulate wealth still remains a key attraction of home ownership, its effects are uneven. On one hand, the wealth created by the expansion of home ownership has been at the expense of those excluded from home ownership altogether (Stephens, 2011; Appleyard and Rowlingson, 2010). On the other hand, home ownership tends to mitigate pensioner poverty due to reduced housing costs in retirement (Stephens, 2011). There are also clear geographical differences in housing wealth. Wales has one of the highest levels of negative equity – where the value of the property falls below the value of the mortgage. In Wales 55 per cent of ‘constrained’ mortgage holders have insufficient equity to pay for any form of deposit on their next home (CML, 2009 cited in Ferrari and Rae, 2011). Financially constrained home owners are also much more vulnerable to the risks of market shocks such as interest rate rises. Thus wider social policy concerns about wealth and spatial inequality challenge a sole policy focus on achieving aspirations for home ownership.

As Wallace (2010) highlights these same concerns about wealth inequality, the importance of assets and social mobility also drive scrutiny of the role of social housing. Social housing is seen as the safest tenure to live in during a recession (Monk and Whitehead, 2009). This underlines its importance in the current economic climate. JRF’s recent work on *tackling housing market volatility* also highlighted the importance of the stability provided by the social rented sector for those are unable to buy or rent market housing (Stephens, 2011). Although social housing can be stigmatised in policy debate, public attitudes to it are more positive, particularly amongst lower income households (Wallace, 2010).

Rather than focussing on one tenure over another, Rugg (2010) argues that housing policy needs to acknowledge that no tenure in itself represents a universally appropriate policy outcome. Stephens (2011) suggests that the primary purpose of housing policy is to ensure that people have access to decent, secure and affordable housing. Single tenure housing policies must consider their knock-on impacts across the housing system and have explicit objectives. Key objectives for a housing policy framework include the principles of efficiency (making the market work better), equity (fairness between people and between different generations) and sustainability over the longer term (Hall and Gibb, 2010). In addition housing policy should also aim to create:

- less volatile housing markets;
- additional support for low income and vulnerable households; and
- additional housing investment incentives which create responsive housing supply where and when required.

Housing policy must focus across the whole housing tenure system when considering its impact (Stephens, 2011). It should also seek to avoid distorting people’s tenure choices (Haffner and Oxley, 2010). Thus policies to promote access to home ownership need to be carefully balanced against policy on other tenures to avoid exacerbating inequality. The impact on local housing markets should also be carefully considered (Hall and Gibb, 2010), particularly as the last housing market cycle saw some local markets become disconnected from the operation of the national housing market (Ferrari and Rae, 2011). The divergent fortunes of local housing markets are explained by economic changes, the jobs market and migration patterns which suggests that a focus on initiatives such as economic development and regeneration can be just as crucial as housing policy (ibid; Batty, Cole and Green, 2011). As Housing Pact Cymru notes, a co-production approach to developing a ‘made in Wales’ housing policy would help to create and deliver a transparent approach to housing policy making. This could consider both the above objectives and links to other key policy areas such as regeneration and child poverty (Chartered Institute of Housing Cymru, undated).

## What is the purpose of social housing?

Social housing in the UK has largely focussed on its role as a welfare safety net (Stephens, 2008; Lupton, et al., 2009). Historically the tenure represented an important step up in terms of housing quality (Lupton, et al., 2009). The crucial role of good quality, low rent housing in alleviating poverty has also been highlighted (Bradshaw and Holmes, 1989). However recent WISERD (Welsh Institute of Social and Economic Research Data and Methods, 2011) showed poverty rates for tenants were around three times higher than for owners. This suggests that as social housing has become more focussed on the most disadvantaged it has also become less likely to deliver positive benefits in other areas of people’s lives (Lupton, et al., 2009).

Concerns surrounding outcomes for those living in social housing have tended to focus on tenure reform as the solution. Current reforms in this vein in the English housing system include fixed term tenancies as short as two years and near market rents on new social tenancies (DCLG, 2010). These reforms might be seen as an attempt to limit social housing's role to that of a time limited 'emergency service' (Stephens, 2008), meeting housing need for only as long as it lasts. Ending social tenancies after a fixed period may lead to revolving door of applicants. As Stephens (2011) notes, the reformed social housing system in England is unlikely to tackle the needs of vulnerable people as well as 'the traditional social housing model'.

Reform of social rents to near market rents could be seen as an attempt to promote the affordability role that social housing plays in the wider housing system. Social housing takes this role in the Netherlands and Scandinavian countries such as Sweden (Stephens, 2008). However evidence suggests that a more nuanced approach to social housing policy reform might be required.

A key benefit of the current safety net approach to social housing is that it does not exclude the poorest and most vulnerable households from the social housing system (Fitzpatrick and Stephens, 2007). Countries that use their social housing to provide a wider affordability function tend to have less inequality than the UK (Stephens, 2008). In circumstances of lower inequality Stephens (2008) notes that a greater income mix of tenants can be created. He is clear though that this is usually at the expense of the poorest in society. Social housing systems that perform a wider affordability function can also require a two-tier system. In Sweden for example a 'secondary' market where local authorities sub let municipal housing to more vulnerable tenants with no security of tenure operates (ibid). Such tenancies often come with other conditions such as not drinking or smoking. Fitzpatrick and Stephens (2007) argue that such two tier social housing systems can mean that it is harder for households to integrate following a period of homelessness.

British society is now more unequal than it was, with the socioeconomic gap between the circumstances of children in social housing and other tenures wider than for any previous generation (Lupton, et al., 2009). This suggests that any effort to use social housing to provide a wider affordability function needs to be considered alongside, rather than in place of, its existing function as a welfare safety net.

A key disadvantage of the social housing system as a welfare safety net is that when coupled with spatial concentrations of social housing it can lead to concentrations of disadvantaged households (Fitzpatrick and Stephens, 2007). This means that it is important to retain a focus on demand side policies such as labour markets (Ferrari and Rae, 2011) and on the links between housing and regeneration identified in Chartered Institute of Housing Cymru's (undated) housing pact. A JRF funded learning network on developing new communities also highlights the importance of the long term stewardship of places and investing in social capital to build community development (JRF, 2011). All of these issues point to the crucial need for other areas of social policy to tackle inequality in society (Lupton, et al., 2009). Any policy focus on using social housing as a 'spring board to opportunity' as well as a safety net will require other areas of social policy such as education, training, employment and welfare reform to work together with social housing policy (Kelly, 2011).

CIH Cymru's housing pact call for a clear statement of intent on the future approach to social housing in Wales is a welcome stimulus to promote debate. Any such statement must be clear about:

- what any proposed reform of social housing can realistically achieve;
- the benefits and risks inherent in the current system; and
- the role of other social policy areas in achieving the objectives of a social housing system.

Conducting a wide ranging tenure review across the whole housing system, rather than focussing solely on social housing, could enable Welsh housing policy to better reflect tenants' role as consumers and landlords as providers (Law Commission, 2006). Such an approach could enable a move to a more landlord neutral tenure system that could reduce complexity (Carr, et al., 2010). This might also have the benefit of enabling social landlords to more easily offer a broader range of housing options to prospective tenants, whilst continuing to protect the traditional welfare safety net role of social housing within the Welsh system. Such thinking would also need to be closely linked to discussions on housing providers' ability to develop and provide new homes.

## Preventing and tackling homelessness

Homelessness is rising at a time of declining funding for homelessness initiatives. The numbers of households accepted as homeless between October and December 2010 was 19 per cent higher than the same quarter the previous year (WAG, 2011a). Revenue funding for homelessness initiatives will fall by 2.9 per cent in both 2011/12 and 2012/13. However, Supporting People funding has been protected with the allocation of an additional £2 million.

The UK welfare reform agenda is expected to put increasing pressure on a range of households, including young people. The introduction of the single room rent for those up to 35 years old will limit many people's options to shared housing in the private rented sector. The gap between rents and levels of housing benefit in the private rented sector might also be expected to rise with changes to how rents are calculated for benefit purposes. These issues could be key drivers of change in local housing markets over the next few years with impacts on the number of homeless households (Clapham, et al., 2010). At the time of writing it is unclear how landlords will respond to these changes or how this will feed through into actual levels of homelessness.

Quilgars et al. (2008) and Kelly (2010) suggest a series of policy measures to prevent and tackle homelessness. Many of these are already reflected in the content and emphasis of the Welsh Government's ten-year homelessness plan:

- Education for young people on the housing system and homelessness services in informal and formal educational settings;
- Early intervention and prevention, particularly in relation to young people who are homeless or who are threatened with homelessness;
- Greater clarity about the purpose of temporary accommodation as a transitional and positive step for homeless people;
- Continued joint working between agencies; and
- A greater focus on supporting young people to live in the private rented sector. This might include education about the private rented sector and supporting services to work with young people to develop shared living skills and with landlords to broker tenancies and difficulties in landlord tenant relationships.

Whilst the above research centred on young people, many of the lessons are also applicable to other groups of homeless households. For example, the need for an emphasis on preventing homelessness and avoiding over use of the homelessness system for offenders have been highlighted as issues (WLGA, 2008). Research on how homelessness relates to social exclusion across the homeless population in the UK also suggests that we may need to rethink how support is provided. Homelessness is often the end of a journey involving other issues eventually culminating in the loss of a home or becoming roofless. This reinforces the need for early intervention and joint working across agencies from a range of sectors. It also suggests that support services may need to work together in new ways to tackle issues before they culminate in homelessness (McDonagh, forthcoming). There is a role for the Welsh Government in continuing to support joint working between services working on homelessness and related issues such as mental health, poverty, drug/alcohol misuse and family/relationship breakdown.

## Working together to increase housing supply

Increasing housing supply is an important long term route to improving both house price stability and affordability (Stephens, 2011). Although additional private sector housing for sale and rent is likely to have the greatest impact on house price stability, social housing is important for those who cannot afford to buy or rent market housing. There are four main areas to consider when addressing housing supply:

- Existing stock;
- Land supply;

- Securing Investment; and
- Affordable housing.

### **Existing stock**

With a backlog of housing need and a large stock of empty homes, bringing these buildings back into use in high housing pressure areas is an important short term strategy in Wales. Initiatives such as Powys County County's revolving loan scheme and rural housing enablers that identify empty homes are welcome (Welsh Housing Quarterly, June 2011). However, experience of how best to use existing powers to bring these homes back into use could be shared more effectively. The requirement to pay full VAT on conversions when there is zero VAT on new build housing can be cited as a reason why more empty properties are not brought back into use. However, if this changes it may mean new homes having to pay VAT rather than conversions being exempt or paying a lower rate (Monk and Whitehead, 2011). This would further damage the construction industry and threaten new housing supply. Other initiatives such as self build, which enable low income households to do the work themselves to bring an empty home back into use, could be encouraged (Monk and Whitehead, 2011). In addition more work could be done to reduce overcrowding and under occupation within the existing housing stock.

### **Land supply**

Land supply plays a crucial role in enabling new homes to be built. Planning Policy Wales Edition 3 requires authorities to have a five-year supply of land for housing. Turley Associates (2011) suggest a more mixed picture on land supply, with some authorities not having the required land in their plans.

Whilst there are gaps in the evidence base on how land supply is treated in other countries, a range of approaches can be taken to improve land supply (Stephens, 2011; Monk and Whitehead, 2011):

- Releasing public land using approaches such as deferred payment or risk sharing where Government shares the risk but also the profit from housing development on the land;
- Granting more planning permissions than needed in the hope that this brings more land forward;
- Funding infrastructure to unlock more development;
- Identifying housing associations that already own land suitable for development and working together to bring it forward;
- Using models such as self build, community land trusts, community mutuals and co-operatives.

Monk and Whitehead (2011) highlight the crucial role of publicly owned land in improving land supply. They note that in the past this involved the public sector purchase of agricultural and brown field land which reduced volatility in land supply. Although still important in countries such as the Netherlands, it is unlikely to be pursued in the UK to any great extent today. However, releasing existing publicly owned land, in locations where homes are needed, is vital. Monk and Whitehead (2011) argue that care must be taken to work with local markets which may mean releasing large public sites in smaller blocks. They note that this would avoid flooding the local market, potentially affecting the site's viability, and allow smaller developers to compete. It also requires careful assessment of the financial viability of the site and its location – is it suitable for residential use and is there local demand for housing?

Land tax is often suggested as a solution to land supply problems. Its theoretical advantage is that it would tax only unearned inflationary gains in land such as those arising from publicly funded amenities. However questions have been raised about whether we have sufficiently reliable data to develop a land tax (Stephens, 2011). A recent Treasury Committee (2011) report also argues that a land value tax would not raise sufficient revenue to be worth the cost of implementation.

### **Securing investment**

There are three main issues that drive the search for alternative forms of finance to build new housing. First, the slump in house building, which is important as the vast majority of new housing supply is from private house building (Stephens, 2011). Secondly, the reduction in capital grants for new affordable housing. This drives not only a search for other forms of finance but also underlines the need to get more value from available public funds, such as through generating additional employment or training opportunities. Thirdly, the tightening of credit availability

which particularly affects small and medium sized construction firms who are more dependent on loans to fund their building activity (Stephens, 2011). This is important as small specialist builders normally supply half our housing output (Ball, 2010a). Although larger construction firms have access to a wider range of finance they built up high levels of debt before the recession (ibid).

The growth of the private rented sector in Wales (WAG, 2011c) and other parts of the UK has led to a focus on how the sector might be expanded by attracting institutional finance to build more homes for private renting (Williams, et al., 2011; Resolution Foundation, 2011). Whilst the private rented sector fulfils an important function in the housing market, there are concerns about the quality of homes and management within the sector, particularly for more vulnerable households. Thus a policy of attracting institutional finance to expand the private rented sector might be tested against:

- how much additional housing it provides; and
- its impact on the quality of stock and management within the sector.

Ball (2010) questions whether institutional investment would actually deliver against these objectives, particularly for more vulnerable households since:

- institutional investors do not have any competitive advantage over the prevailing small private landlord model. This means that the scale of institutional investment is likely to remain small;
- institutional investors' profit model also relies on buying and selling properties, rather than profit from renting, which would continue to contribute to a volatile housing market;
- institutional investors tend to favour niche markets, such as serviced apartments for young professionals, key workers or students; which suggests that increased investment would not necessarily help to meet more housing need; and
- attracting institutional investors may simply crowd out existing landlords rather than provide additional housing supply. There is also no evidence to suggest that institutional landlords would provide better quality management or increased security of tenure for residents.

Given limited public funds Stephens (2011, p76) considers the use of public subsidy to attract institutional investment into the private rented sector and concludes that "there is no compelling case" for this. This suggests that harnessing the existing structure of the private rented sector might be a more successful model if the goal is to meet housing need. This could involve providing private landlords with tax concessions in the form of depreciation allowances, in return for providing access to low income households (Oxley and Haffner, 2010). It is possible that additional criteria could be attached to tax concessions around tenure length or landlord accreditation for example.

### **Affordable housing**

In addition to the considerations above, the long term funding of affordable housing merits specific consideration. Increasing social rents to fund new housing could enhance social landlords' ability to borrow to finance new homes (Hall and Gibb, 2010). However, the recent Welsh Government consultation on national rent setting starts from the assumption that overall social rent levels will stay the same (WAG, 2011d). Another approach could be social landlords attracting investment from pension funds and other sources such as raising bond finance (Smart and Ropke, 2010). Williams et al. (2011) note that there is scope for further development of these approaches to raising finance.

Other approaches to raising finance for affordable housing that might be explored further include:

- further development of the Welsh Housing Investment Partnership; and
- generating additional revenue by changing the approach to Council Tax relief on empty homes.

Pawson and Wilcox (2010) suggest that the classification of local authority borrowing for housing as public debt could also be re-examined. They suggest that this would enable authorities to borrow money for new housing without increasing public sector debt. However Stephens (2011) suggests that it is unclear how far this would actually enhance authorities' financial capacity.

The successful co-production model of policy development and implementation engendered by the Essex Review of affordable housing (Essex, et al., 2008) provides a sound basis to take forward these potential solutions. This could usefully include more work to persuade local communities of the need for new housing development.

## Achieving sustainable homes

A focus on achieving sustainable homes requires careful consideration of a range of factors including which communities might be most affected by the impact of climate change, *where* homes are built and the standard of the homes themselves. Housing policy has focussed largely on the standard of homes but also needs to take into account these wider issues. For example Houston et al. (due to be published in November 2011) argue that it is crucial to understand the population characteristics of those affected by climate change, not just the details of affected properties. This enables more targeted work to inform people of the risks of climate change and to build people's capacity to mitigate or adapt to the impact of climate change (Zsomboky, et al., 2011; Houston, et al., due to be published in November 2011).

Places at particular risk of climate change such as flooding also need particular attention (Zsomboky, et al., 2011; Houston, et al., due to be published in November 2011). Zsomboky et al. (2011) highlight how the South Wales coast is one of five main areas likely to have a particularly rapid rise in sea level or to experience the greatest impact resulting from changes to sea levels. They note how this creates wider social justice implications than the quality of people's homes since climate change can damage coastal livelihoods such as those based on fishing or tourism. It can also blight whole areas where it is not cost effective to create coastal or flood defences with the resulting crash in local prices and inability to insure homes. It is therefore crucial that climate change is taken into account in decisions on planning applications and new infrastructure in order to avoid putting more people at risk (Zsomboky, et al., 2011).

Of course building sustainable new homes is also crucial to addressing climate change. New social housing in particular is leading the way in producing lower carbon homes. For existing social rented homes achieving the Welsh Housing Quality Standard (WHQS) also includes significant improvements in energy efficiency in some areas. However, other areas are struggling to improve the sustainability of their existing stock, with neither Wrexham nor Swansea having a viable business plan to achieve the WHQS in their council housing as a result of the vote against stock transfer (WAG, 2011b). Although WHQS does not apply to private sector housing stock, the inclusion of private sector housing stock within the second phase of the Arbed energy efficiency programme is very welcome. Worryingly however, research has highlighted that the expected performance of low carbon homes is not always achieved in practice (Bell et al., 2010). Heat loss can be higher than expected and may result in new homes that are only marginally in advance of existing standards. Bell, et al., (2010) suggest that this gap between design aspiration and actual performance can be addressed through a range of measures such as:

- **Procurement** – housing providers taking more interest in the energy and carbon performance of homes, ensuring that claims made by designers, contractors, developers and suppliers are supported by robust evidence;
- **Design** – design processes being improved to focus on the likely performance in practice, rather than theoretical estimates, with more consideration given to supporting low carbon lifestyles;
- **Construction** – improving processes to include in-production testing and ensuring that changes made during construction are closely controlled so that housing energy performance is not compromised; and
- **Resident support** – developers and landlords providing meaningful guidance and support for residents on using their homes to support energy efficiency. In Wales the evaluation of Arbed I provides a valuable opportunity to assess residents' behaviour changes following energy improvement works and to capitalise on this in future information programmes.

The successful co-production model that already operates within Wales could provide a valuable national feedback loop to collect and analyse information on completed zero-carbon developments and their performance. This could include a focus on reducing fuel poverty and what influences behaviour change as well as the technical specifications for new build homes or improvements to existing stock. This feedback loop then be used to review the Code for Sustainable Homes to ensure resources are effectively invested in what makes the most difference to mitigating the impact of climate change on poverty. This would enable sustainable housing policies to more fully consider social, economic and environmental factors within their remit.

## Conclusion and recommendations

There is an opportunity to craft future Welsh housing policy based on evidence. Providing access to decent, secure affordable housing is a shared responsibility. The co-production approach to policy development and implementation can harness this shared responsibility to test solutions and generate evidence on what works. It also offers an opportunity to make sure that the housing system supports other areas of social policy and that they in turn support housing policy objectives. The role of wider social policies around the economy, employment, education, health, social care and welfare reform are all important to achieving successful housing outcomes and more stable housing markets. Housing policy must carefully consider these inter-relationships.

## About this paper

This paper was written by Kathleen Kelly, Programme Manager in the Policy & Research Department at the Joseph Rowntree Foundation and Tamsin Stirling, independent housing consultant and editor of Welsh Housing Quarterly.

The content of this paper was informed by a review of recent JRF evidence, particularly the JRF Housing market Taskforce, and a discussion with a range of housing practitioners at a fringe session at the Tai 2011 conference. However the conclusions drawn are solely those of the authors.

More information on the JRF Housing market Taskforce, including many of the papers informing this review, can be found at [www.jrf.org.uk/housing-market-taskforce](http://www.jrf.org.uk/housing-market-taskforce)

## References

- Adamson, D. and Bromiley, R. (2008) *Community empowerment in practice: Lessons from Communities First*. York: Joseph Rowntree Foundation
- Andrews, D., Caldera Sánchez, A. and Johansson, Å. (2011), "Housing Markets and Structural Policies in OECD Countries", *OECD Economics Department Working Papers*, No. 836, OECD Publishing. doi: 10.1787/5kgk8t2k9vf3-en
- Appleyard, L. and Rowlingson, R. (2010) *Home-ownership and the distribution of personal wealth: A review of the evidence*. York: Joseph Rowntree Foundation
- Aylward, M., Bailey, K., Phillips, C., Cox, K. and Higgins, E. (2010) *The Supporting People Programme in Wales: Final Report on a Review commissioned by Jocelyn Davies AM Deputy Minister for Housing and Regeneration, Welsh Assembly Government - Executive Summary, Conclusions and Recommendations*. Cardiff: Welsh Assembly Government
- Ball, M. (2010) *The UK private rented sector as a source of affordable accommodation*. York: Joseph Rowntree Foundation
- Ball, M. (2010a) *The housebuilding industry: Promoting recovery in housing supply*. London: CLG. Available at: [www.communities.gov.uk/documents/housing/pdf/1526670.pdf](http://www.communities.gov.uk/documents/housing/pdf/1526670.pdf)
- Batty, E., Cole, I. and Green, S. (2011) *Low-income neighbourhoods in Britain: The gap between policy ideas and resident realities*. York: Joseph Rowntree Foundation
- Bell, M., Wingfield, J., Miles-Shenton, D. and Seavers, J. (2010) *Low carbon housing: lessons from Elm Tree Mews*. York: Joseph Rowntree Foundation
- Carr, H., Cowan, D., Hunter, C. with Wallace, A. (2010) *Tenure rights and responsibilities*. York: Joseph Rowntree Foundation
- Chartered Institute of Housing Cymru (undated) *housing PACT Cymru*. Available at [www.cih.org/cymru/policy/documents/33495CIHHousingPactCymruFINAL.pdf](http://www.cih.org/cymru/policy/documents/33495CIHHousingPactCymruFINAL.pdf) Cardiff: CIH Cymru
- Chartered Institute of Housing Cymru/Shelter Cymru (2009) *Empty properties: making the most of the existing stock - Key information briefing 9*. Cardiff: CIH Cymru
- Council of Mortgage Lenders (January 2011) *Circular to Welsh Assembly Government – Mortgage Market Review/ conditions update*. Cardiff: CML Cymru
- Davidson, M., Nicol, S., Roys, M. and Beaumont, A. (2011) *The cost of poor housing in Wales*. Swansea: Building Research Establishment/Shelter Cymru

Department of Communities and Local Government (November 2010) *Local decisions: a fairer future for social housing*. London: DCLG

Essex, S., Smith, R. and Williams, P. (2008) *Affordable Housing Task and Finish Group - Report to the Deputy Minister for Housing*. Cardiff: Welsh Assembly Government

Ferrari, E. and Rae, A. (2011) *Local housing market volatility*. York: Joseph Rowntree Foundation

Fitzpatrick, S. and Stephens, M. (2007) *An International Review of Homelessness and Social Housing Policy*. London: CLG

HACT (April 2011) *Fit for Living: Innovative funding options for older home-owners to repair and adapt their homes*. London: HACT

Haffner, M. and Oxley, M. (2010) *Housing taxation and subsidies*. York: Joseph Rowntree Foundation

Hall, D. and Gibb, K. (2010) *Increasing supply within the social rented sector*. York: Joseph Rowntree Foundation

Holmans, A. and Monk, S. (2010) *Housing Need and Demand in Wales 2006-2026*  
Two-Sector National Estimate for 2006-21 and 2006-26 for Wales and Local Authority Areas and Backlog of Unmet Housing Need. Cardiff: Welsh Assembly Government

Houston, D., Werritty, A., Bassett, D., Geddes, A., Hoolachan, A. and Mcmillan, M. (due to be published in November 2011) *The invisible hazard: pluvial flooding in urban areas*. York: Joseph Rowntree Foundation

Joseph Rowntree Foundation (2011) *Sustainable urban networks*. York: Joseph Rowntree Foundation

Kelly, K. (2011) *Response to the Department of Communities and Local Government Consultation Local decisions: a fairer future for social housing*. York: Joseph Rowntree Foundation

Kelly, K. (2010) *A young people's charter on housing*. York: Joseph Rowntree Foundation

Labour Party Wales and Plaid Cymru (June 2007) *One Wales: A Progressive Agenda for the Government of Wales*. Cardiff: Labour Party Wales and Plaid Cymru

Law Commission (2006) *Renting Homes: The Final Report, Volume 1: Report, LC 297*. London: Law Commission

Lupton, R., et al., (2009) *Growing up in social housing in Britain: A profile of four generations from 1946 to the present day*. York: Joseph Rowntree Foundation/Tenant Services Authority/Scottish Government

McDonagh, T. (forthcoming) *Tackling homelessness and multiple exclusion*. York: Joseph Rowntree Foundation

Monk, S. and Whitehead, C. (2011) 'Housing supply' in Kelly, K. (ed) *Joseph Rowntree Foundation response to the Labour Party Housing Policy Review*. York: Joseph Rowntree Foundation

Monk, S. and Whitehead, C. (2009) *Renting in the Downturn: Assessing the impact of the economic downturn on renters and the rented sectors*. Paper 11: CLG Housing Analysis and Surveys Expert Panel (online). Available at: [www.york.ac.uk/inst/chp/HAS/Paper%2011%20-%20Renting%20in%20the%20downturn.pdf](http://www.york.ac.uk/inst/chp/HAS/Paper%2011%20-%20Renting%20in%20the%20downturn.pdf)

National Assembly for Wales (February 2011) *Making the most of the Private Rented Sector in Wales*. Cardiff: NAW Communities and Culture Committee

New Economics Foundation (November 2010) *One Million Homes: how to build a million affordable new homes in the next five years and still cut the public subsidy*. London: NEF

Parekh, A. and Kenway, P. (2011) *Monitoring poverty and social exclusion in Wales 2011*. York: Joseph Rowntree Foundation

Pawson, H. and Wilcox, S. (2010) *The UK Housing Review: 2010*, Briefing Paper, Coventry: Chartered Institute of Housing. Available at: [www.cih.org/policy/UKHRBriefingPaper2010.pdf](http://www.cih.org/policy/UKHRBriefingPaper2010.pdf)

Quilgars, D., Johnsen, S. and Pleave, N. (2008) *Youth homelessness in the UK*. York: Joseph Rowntree Foundation

Resolution Foundation (March 2011) *Meeting the housing needs of low-to-middle earners*. London: Resolution Foundation

Rugg, J (2010) *Young people and housing: the need for a new policy agenda*. York: Joseph Rowntree Foundation

Shelter Cymru (undated) *Policy factsheet: the private rented sector*. Swansea: Shelter Cymru

Smart, G. and Ropke, S. (2010) *Facing the future Evolution or revolution? Responding to the new operating environment for housing associations*. London: National Housing Federation

Stephens, M. (2011) *Tackling housing market volatility in the UK*. York: Joseph Rowntree Foundation

Stephens, M. (2008) 'The role of the social rented sector' In: Fitzpatrick, S. and Stephens, M. *The Future of Social Housing*. London: Shelter, pp. 27-38.

Treasury Committee (2011) *Principles of tax policy. Eighth Report of session 2010–11, HC 753*. London: Treasury Committee

Turley Associates (January 2011) *Wales Housing Update*. Cardiff: Turley Associates

Wallace, A. (2008) *Movement of households in shared ownership housing in the UK*. York: Joseph Rowntree Foundation

Wallace, A. (2010) *Public attitudes to housing*. York: Joseph Rowntree Foundation

Welsh Assembly Government (2009) *Ten year homelessness plan for Wales 2009-2019*. Cardiff: WAG

Welsh Assembly Government (2010a) *Social housing rents and rent arrears as at 31st March 2010*. Cardiff: WAG

Welsh Assembly Government (2010b) *Social Landlords Possessions and Evictions in Wales 2009/10*. Cardiff: WAG

Welsh Assembly Government (2010c) *Improving Lives and Communities: Homes in Wales*. Cardiff: WAG

Welsh Assembly Government (2011a) *Homelessness, October to December 2010 - SDR 43/2011*. Cardiff: WAG

Welsh Assembly Government (2011b) *Social Landlords' Performance in Achieving the Welsh Housing Quality Standard*. Cardiff: WAG

Welsh Assembly Government (2011c) *Dwelling Stock Estimates, 2009-10 - SDR 13/2011*. Cardiff: WAG

Welsh Assembly Government (2011d) *A New Policy for Social Housing Rents*. Cardiff: WAG

Welsh Housing Quarterly (June 2011) *The loan rangers. Or how Powys County Council's small and beleaguered private sector housing team is helping private landlords invest in their properties and provide more housing opportunities for local people*. Cardiff: WHQ issue 83, p12

Welsh Local Government Association (2008) *Necessary but not sufficient: housing and the reduction of re-offending*. Cardiff: WLGA

Williams, P., Salisbury, N. and Caven, R. (April 2011) *Opportunities for institutional investment in affordable housing: Report to the HCA Housing Finance Group 2001*. Cambridge: Cambridge Centre for Housing and Planning Research

WISERD (March 2011) *An Anatomy of Economic Inequality in Wales - a report prepared on behalf of the Wales Equality and Human Rights Commission*. Cardiff: Welsh Institute of Social and Economic Research Data and Methods

Zsomboky, M., Fernandez-Bilbao, A., Smith, D., Knight, J. and Allan, J. (2010) *Impacts of climate change on disadvantaged UK coastal communities*. York: Joseph Rowntree Foundation

Published by the Joseph Rowntree Foundation, The Homestead,  
40 Water End, York YO30 6WP. This project is part of the JRF's research  
and development programme. These views, however, are those of the  
authors and not necessarily those of the Foundation.  
ISSN 0958-3084 ISBN: 978 1 85935 876 4

Other formats available.

Tel: 01904 615905 email: [info@jrf.org.uk](mailto:info@jrf.org.uk)