

# Consultation on the White Paper on securing a path towards Adequate Housing, including Fair Rents and Affordability

To: All Chief Executives, Main Contacts and APSE Contacts in Wales. For information only for England, Northern Ireland, and Scotland

## 1 Executive summary

The Programme of the Welsh Government set out their commitment to publish a White Paper on adequate housing, fair rent, and affordability. To inform the White Paper development, in June 2023, they published a Green Paper on securing a path towards Adequate Housing, including Fair Rents and Affordability. The Welsh Government published the Green Paper as a call for evidence seeking views on how to achieve housing adequacy in Wales, as well as evidence on how to better understand the rental market in Wales and the affordability issues in the sector. The purpose of the Green Paper was to acquire a wide range of evidence from stakeholders across the sector ahead of developing any proposals for policy intervention or potential legislative change.

The Welsh Government report that they have drawn on the evidence from the Green Paper, the consultation workshops which were held with various stakeholders, including private landlords and tenants, and the advice of an external Stakeholder Advisory Group to develop the proposals contained in the White Paper.

The Welsh Government launch a consultation on the White Paper on the 24 October 2024 and responses need to be submitted by 31 January 2025. For full details of the White Paper and the consultation, please click [here](#).

## **2 Overview of the White Paper**

The proposals set out in the White Paper include potential interventions to improve the affordability and quality of the Private Rented Sector (PRS) in the shorter term, and longer-term proposals around how it is intended that the government will progress towards achieving housing adequacy across all tenures in Wales. They state that they have sought to ensure a balanced and evidence-based approach which recognises the potential factors that guide what is achievable, such as resources and the devolution settlement.

The White Paper is split into three sections, an overview, a chapter on housing adequacy, and then in recognition of the issues of affordability in the PRS, a chapter on fair rents.

## **3 Housing Adequacy**

The Welsh Government states that it is committed to ensuring everyone in Wales can access adequate housing. The Green Paper sought evidence and views on the different approaches for achieving housing adequacy. This chapter of the White Paper considers the way forward in terms of delivering access to adequate housing in Wales. The chapter addresses housing adequacy across housing types, including the rental and owner-occupier sectors.

In exploring how to define adequate housing, the chapter focuses on the framework provided by the United Nations' Committee on Economic, Social and Cultural Rights (CESCR). It is reported that this framework is based on seven factors (or criteria) of housing adequacy as set out in the International Covenant on Economic, Social and Cultural Rights (ICESCR).

The chapter sets out how the framework could be applied in Wales and identifies areas where further consideration would be needed if the framework were to be applied in future. The chapter goes on to explore the United Nations CESCR's concept of 'a minimum core,' which is an expression of the minimum essential level of adequacy and considers how a minimum core might be defined in the context of Wales. The focus then turns to the CESCR's concept of 'progressive realisation,' which acknowledges that housing adequacy may be delivered over time. Consideration is given to how this concept may inform the long-term strategic planning needed to drive forward progress towards adequate housing in Wales.

Actions that have recently been delivered or are currently being undertaken to support access to adequate housing in Wales are then outlined.

Drawing on the overarching framework set out earlier in the chapter and the concept of 'progressive realisation,' the concluding section of this chapter sets out proposals to bring forward legislation that would support delivery of housing adequacy in Wales.

## **4 Fair Rents and Affordability in the Private Rented Sector**

The Welsh Government advise that as part of their commitment to housing adequacy, they want to ensure everyone in Wales has an opportunity to secure affordable and habitable accommodation. Affordability is identified in chapter two of the document as being a key component of delivering housing adequacy. Chapter two also sets out that data relating to Indicator 49 of the Wellbeing of Wales National Indicators which suggests affordability is a particular issue for renters in both the social and private sector. Whilst a number of policy and legislative levers are in place to help ensure affordability, these primarily relate to the social rented sector. It is reported that there is separate work underway to develop a future social rent policy for Wales, and upon which a separate consultation is planned, and as such, social rent does not form part of this White Paper. The White Paper and the Green Paper before it, instead focus on affordability in respect of the Private Rented Sector (PRS).

The Green Paper sought evidence and views on the different approaches for achieving affordability in the PRS, including views on rent controls. The Welsh Government confirm that they have considered the evidence submitted on fair rent and rent control. It shows a key challenge to designing affordability interventions in the PRS is the lack of 'live' data on actual rental costs ('market rents'), as opposed to live data on the asking prices for new rentals ('asking rent'). The asking price for new rentals often differs considerably from the actual rent paid (market rent) and as such, it is only up-to-date data on market rents which provides a true picture of the cost of renting in the PRS.

As well as the responses to the Green Paper, the Welsh Government have also considered further research on the effectiveness of rent control which has become available following publication of the summary of responses to the Green Paper. It is reported that the available evidence indicates any rent control measures would likely be ineffective in the absence of clear data on market rents. Without such data it would not be possible to identify where affordability challenges exist and require intervention (particularly those that exist at the local level), or to effectively monitor the impact of such interventions.

The Welsh Government also recognise that rent control measures could have a detrimental effect on private renters, as it could lead to a reduction in the supply of rental properties in Wales, potentially increasing rental costs and in turn increase the risk of homelessness. Therefore, it is stated that it is not the government's intention to take forward rent control measures in the PRS at this time.

Instead, recognising the need to improve data, the chapter sets out proposals for how they will look to capture "market rent" data consistently across the PRS at a more localised scale. The intention is to collect data in an anonymised form and to make it publicly available. This

will enable both current and prospective tenants to have a better understanding of market rents in their local area.

As well as 'affordability,' the chapter also looks at other aspects of housing adequacy within the PRS. It explores how such rent data could be used to promote 'fairness' by providing new opportunities for renters to challenge unjustified rent increases. The Welsh Government propose to explore how Rent Officers Wales might also play a new role in assessing and adjudicating on rent notices, and the potential for making an appeal to the Residential Property Tribunal.

With a view to improving "accessibility," the chapter also explores measures aimed at making renting more equitable, particularly for people who face barriers to renting. For example, people who experience challenges in securing a deposit or guarantor or wish to rent with a pet.

The chapter also sets out proposals to improve certainty on "habitability," another key factor of housing adequacy, and the availability of private rented properties through consideration of an Annual Property Record.

It is reported that the government also want to improve the supply of affordable rental properties by bringing empty homes back into beneficial use, particularly where it can assist those currently living in temporary accommodation obtain an appropriate, longer-term home. The chapter therefore explores opportunities to strengthen existing Leasing Scheme Wales, which is aimed at increasing affordable supply in the PRS, through exploration of the potential refund of the land transaction tax higher residential rates.

## **5 Summary of consultation questions**

**Q1:** If the seven factors of adequate housing were used in Wales to monitor housing adequacy, what indicators could be appropriate to evaluate each of the seven factors of housing adequacy? (The seven factors are listed below, and a more detailed discussion of each factor is set out earlier in Chapter 2. Please use these as headings and set out under each heading the indicator or indicators you believe may be appropriate to use)

- Security of tenure
- Availability of services, materials, facilities, and infrastructure
- Affordability
- Habitability
- Accessibility
- Location

- Cultural adequacy

**Q2:** If indicators are developed to measure housing adequacy in Wales, should they apply in the same way across Wales or should they feature a degree of regional or localised variation? If so, how might this work in practice?

**Q3:** Should people who live in a particular local authority area be able to access adequate housing in any locality of their choosing within that local authority? What are your views on this matter?

**Q4.** Should elements of the adequate housing framework apply to the owner-occupied sector (Yes/No/No views/Don't know)? If so, how might this be made to work in practice and what issues require further consideration?

**Q5.** In your view, would the proposal to require Welsh Ministers to produce a housing strategy help progress towards ensuring access to adequate housing for people in Wales? (Yes/No/Don't know). Please explain your reasoning.

**Q6.** Should there be a requirement on Welsh Ministers to draw on the seven factors of housing adequacy when drafting the strategy? (Yes/No/Don't know). Please explain your reasoning.

**Q7.** How often should Welsh Ministers be required to review the strategy? (Every year; Every 2-3 years; Every 4-5 years; There should be no such requirement; Don't know; No views). Please explain your reasoning.

**Q8.** How often should Welsh Ministers be required to report on progress on delivery of the strategy to the Senedd (Welsh Parliament)? (Every year; Every 2-3 years; Every 4-5 years; There should be no such requirement; Don't know;). Please explain your reasoning.

**Q9.** Do you agree rent data should be collected at a local level by Rent Smart Wales (e.g. ward or postcode)? (Yes/No/Don't Know- Why?)

**Q10.** Other than those already outlined, are there any other principles or objectives that should be considered in developing how rent information should be provided to RSW?

**Q11.** Do you think spatial mapping of amalgamated rent data is useful and should be made publicly available? (Yes/No/Don't Know- Why?)

**Q12.** Do you think there should be a mechanism to challenge a rent increase? (Yes/No/Don't know- Why?)

**Q13.** Do you think license holders should be required to complete an Annual Property Condition Record? (Yes/No/Don't Know- Why?)

**Q14.** In your view, what information should be included in the Annual Property Condition Record? For example, should rent data be collected by the Annual Property Condition Record?

**Q15.** Are there any other groups of people who have not been identified in the eligibility criteria who should be considered? Please specify any groups who have not been identified in the proposed eligibility criteria.

**Q16.** Do you think permitted payments would support people with pets to access the PRS? (Yes/No/Don't know- Why?)

**Q17.** Do you anticipate any positive or negative impacts which would result from this proposal?

**Q18.** Do you think the proposed criteria for a refund of the Land Transaction Tax higher residential rates element of the tax charge would incentive landlords and increase access to affordable PRS homes? (Yes/No/Don't Know Why?)

**Q19.** What period of time between the purchase of the dwelling and entering the headlease with the local authority should be provided to be eligible for a refund?

**Q20.** Do you anticipate any positive or negative impacts which would result from this proposal?

**Q21.** Do you have any further evidence or observations you wish to provide?

## 6 APSE Comment

According to data from the Office of National Statistics the private rental sector in Wales has grown significantly over the past decade. Between 2011 and 2021 the number of households living in the private rental sector grew to over 228,000 an increase of over 44,000 on 2011. By 2021 17% of Welsh households were living in the private rental sector, up from 14.1%.

This increase means that the number of households living in social housing did grow modestly between 2011 and 2021, increasing by 7,000. Despite this, there are 6,000 more households now living in the private rental accommodation than there are living in the social housing sector, with 16.5% of Welsh households living in social housing.

Therefore, it is clear that there is a heavy reliance on the PRS but due to insecurity of tenure, affordability and the absence of regulation in the sector, people are forced to move multiple times, pay a higher percentage of their income for housing than in other tenures and live in homes either unfit for their needs or inhabitable. Failures in the PRS impact on a person's ability to set down roots and integrate into a community and can ultimately result in the person or family presenting as homeless whereby it falls upon the local authority to step in and provide the support required.

APSE believes that good quality, affordable housing is the foundation for thriving communities and economic growth.

Through discussion held at the [APSE Housing, Construction and Building Maintenance Network](#) the lack of effective regulation in the PRS is cited as one of the greatest challenges for local authorities to deliver on council priorities. Therefore, APSE welcomes the Welsh Government's commitment to secure a path towards adequate housing, including fair rents and affordability. However, as alluded to in the consultation document there needs to be an awareness of the unintended consequences with the proposals, to ensure that landlords in the PRS sector do not opt to pull out of the rental sector or take the route of letting their property out for short term holiday lets.

Although there is a renewed focus on local authorities building social housing, these properties will take time for local authority social housing to be built and become available to rent, leaving a gap in the availability of properties for rent in an area placing further burdens on tenants in terms of affordability, availability and suitability of homes and placing further burdens on local authorities in terms of the duties regarding homelessness.

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