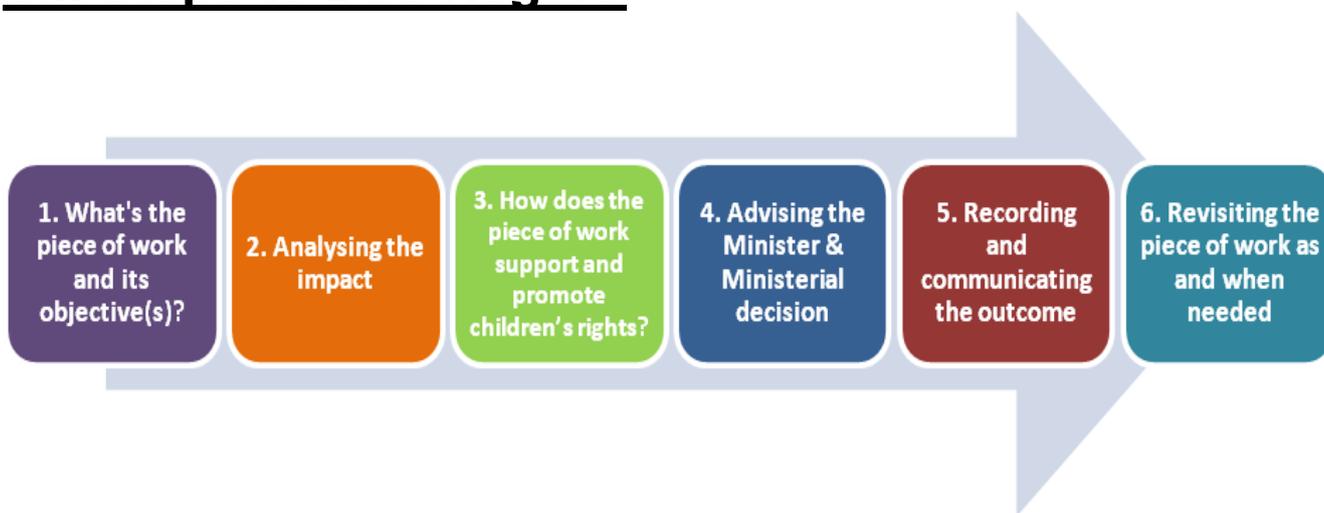




Children’s Rights Impact Assessment (CRIA)

Title / Piece of work:	Regulation of Registered Social Landlords (Wales) Act 2018
Name of Official:	Martin Davies & Kathryn Markey
Department:	RSL Sector Development and Regulation/Housing and Regeneration
Date:	5 June 2018

Six Steps to Due Regard



Step 1. What's the piece of work and its objective(s)?

You may wish to include:

- A brief description of the piece of work
- What the time frame for achieving it is?
- Who are the intended beneficiaries?
- Is it likely that the piece of work will specifically affect children?
- Will the piece of work have an effect on a particular group of children, if so, describe the group affected?
- Provide links to any supporting evidence, data or research which support your proposal.

Description

On 29th September 2016, the Office for National Statistics (ONS) published the outcome of its review of the statistical classification of Registered Social Landlords (RSLs) in Wales, Northern Ireland and Scotland.

As it did for English Housing Associations, the review concluded RSLs in Wales are public, market producers and are reclassified to the Public Non – Financial Corporations sub – sector for the purpose of national accounts and other ONS economic statistics. In Wales, the decision is effective from 24th July 1996, the enforcement date of the Housing Act 1996.

The main reason for this conclusion is that RSLs are subject to public sector control, mainly through what are known as Regulatory Powers, set out in the Housing Act 1996.

Reclassification has significant financial implications for Welsh Government and the RSL sector. The classification of RSLs in Wales as Public Non-financial Corporations would increase Public Sector Net Borrowing because private sector market borrowings taken out by the newly reclassified public sector RSLs would score as a charge against Welsh Government budgets.

If RSLs remained classified as Public Non-financial Corporations funding for housing would be competing with other Welsh Government priorities. It is likely this would result in fewer new affordable homes and limited options for the Welsh Government to maximise the positive contributions RSLs make to the communities in which they work, including significant local employment and economic benefits. It would also result in uncertainty for stakeholders, including funders who have made long term commitments to funding an independent RSL sector.

The Regulation of Registered Social Landlords (Wales) Act 2018 removes or amends the relevant regulatory controls (the indicators of Government control) which should enable the ONS reclassification decision to be reviewed and reversed.

Intended Beneficiaries

The intended beneficiaries of the Act are those in need of decent, affordable housing, many of whom will be amongst the most vulnerable groups in society, including those living in poverty (which, in turn, would include children, young people and their families).

Is it likely that the piece of work will specifically affect children? Will the piece of work have an effect on a particular group of children, if so, describe the group affected?

Yes, the objective of the Act is to safeguard and maintain the supply of social housing. Children and young people and their families who require social housing will therefore be affected in a positive way by the Bill's provisions. This would include some of the most vulnerable children and young people, in particular, those affected by poverty.

Step 2. Analysing the impact

- What positive impacts will this piece of work have on children, young people or their families?
- What are the negative impacts and what compensatory measures may be needed to mitigate them?
- How will you know if your piece of work is a success?
- Have you considered the short, medium and long term outcomes?
- Have you developed an outcomes framework to measure impact?
- Do you need to engage with children & young people and/or stakeholders to seek their views using consultation or participatory methods?
- If yes to above, how have their views influenced your work?
- Do you need to produce child friendly versions of proposals/consultations?
- Does the piece of work have any links to delivering the key objectives of the [Child Poverty Strategy for Wales](#)?
- If so, state how the work may impact on child poverty.

What positive impacts will this piece of work have on children, young people or their families?

The aim of the Regulation of Registered Landlords (Wales) Act 2018 is to safeguard and maintain the supply of decent, affordable housing in Wales. It has the potential to impact positively in a number of ways, aligned with the *Child Poverty Strategy for Wales* which recognises the critical role which housing plays in supporting young people. It acknowledges that living in poor quality housing can be detrimental to children and young people's health and wellbeing, with effects lasting into adulthood. It asserts that improving the supply and quality of affordable housing will not only help prevent homelessness but also make an important contribution to reducing health and educational inequalities.

What are the negative impacts and what compensatory measures may be needed to mitigate them?

Officials have identified no negative impacts arising from the Act.

A key consideration in developing proposals to address the impacts of reclassification has been the need to maintain robust regulation. We have taken steps to revise and strengthen the approach to regulation in advance of regulatory reform. As a result, an improved approach to delivery of housing regulation has been developed in collaboration with key stakeholders, including the sector, funders and tenants.

A requirement to consult with tenants prior to certain actions being taken was inserted at Stage 3 of the legislative process. The consultation requirements replace similar expectations for consultation as set out in Regulatory Guidance applying to RSLs. As such, it does not alter the outcome of this impact assessment.

In addition, the Welsh Government consulted with stakeholders to revise the existing delivery outcomes to set new performance standards. The performance standards mirror the revised approach and have a much stronger focus on decision making, leadership and financial viability of housing associations.

The regulatory judgement framework has been in place from 1 January 2017.

How will you know if your piece of work is a success?

Success has been measured by the enactment of the Regulation of Registered Social Landlords (Wales) Act 2018 and meeting the necessary criteria to allow ONS to re-classify RSLs back in to the private sector

Have you considered the short, medium and long term outcomes?

Yes. Whilst, in the short term, the success of the Act will be measured in terms of the reversal of the decision to reclassify RSLs by the ONS, in the medium term, this will support Welsh Government's commitment to build 20,000 affordable new homes during this term of government. Access to decent housing has been shown to have a wide range of long term benefits for families, children and young people. The Child Poverty Strategy for Wales acknowledges that housing and regeneration play a critical role in supporting young people and low income families to achieve better outcomes and living in poor quality housing can be detrimental to children and young people's health and wellbeing, with effects lasting into adulthood.

Have you developed an outcomes framework to measure impact?

The impact of the legislation is to allow re-classification. This will enable RSLs to borrow in order to fund more houses but, this is subject to consideration by other policies and their impact assessments.

Do you need to engage with children & young people and/or stakeholders to seek their views using consultation or participatory methods?

A public consultation was held between 8 May and 3 July 2017. As it was technical in nature, there was no targeted engagement with children and young people.

Do you need to produce child friendly versions of proposals/consultations?

The issue itself i.e. the Regulation of Registered Social Landlords (Wales) Act 2018, does not impact on Children and Young People directly. Child friendly versions will not therefore be produced.

Does the piece of work have any links to delivering the key objectives of the Child Poverty Strategy for Wales?

As set out above, the Child Poverty Strategy for Wales acknowledges that housing and regeneration play a critical role in supporting young people and low income families to achieve better outcomes and living in poor quality housing can be detrimental to children and young people's health and wellbeing, with effects lasting into adulthood.

If so, state how the work may impact on child poverty.

The Child Poverty Strategy for Wales acknowledges that families living in temporary accommodation and those who are homeless are less likely to access important support services and describes how homelessness can have a significant negative impact on the children in these households, affecting their development and educational attainment. Having a settled and secure home means that parents are more likely to secure training and long term employment opportunities. This means that they and their children are therefore less likely to live in poverty.

Step 3. How does your piece of work support and promote children's rights?

Dependant upon the impact of your piece of work, use balanced judgement to assess:

- Which UNCRC articles are **most** relevant to the piece of work? Consider the articles which your piece of work impacts upon. <http://childrensrights.wales/images/PDF/UNCRCRights.pdf>
- Explain why these articles are relevant and how the piece of work promotes them.
- How are you improving the way children and young people access their rights?
- What aspects of children's lives will be affected by the proposal?
- What are the main issues that the CRIA should focus on?
- Does the piece of work help to maximise the outcomes within the articles of the UNCRC?
- If no, have any alternatives to the current piece of work been considered?
- Include any evidence from consultation(s), if applicable, here.

Which UNCRC articles are most relevant to the piece of work?

By safeguarding and maintaining the supply of social housing in Wales, the Act will help maximise outcomes within the articles of the UNCRC. The importance of a safe, secure, affordable home for children, young people and their families underpins many of the articles.

The UN Committee on the Rights of the Child, when making their recommendations in 2016, made a specific recommendation around 'Standard of Living' at paragraphs 69 & 70

<http://gov.wales/docs/dsilg/publications/cyp/160727-final-concluding-observations-2016-en.pdf>

"(e) Strictly implement the legal prohibition of prolonged placement of children in temporary accommodation by public authorities in England, Wales and Scotland, and enact similar legislation in Northern Ireland;

(f) Take necessary measures to reduce homelessness and to progressively guarantee all children stable access to adequate housing which provides physical safety, adequate space, protection against the threats to health and structural hazards, including cold, damp, heat and pollution, and accessibility for children with disabilities."

The Welsh Government will be required to update on progress against this recommendation and the implementation of the Act may go some way to helping demonstrate progress.

It will also help Children and Young People access Article 28 (right to education) - *Every child has the right to an education*, Article 24 (health and health services) - *Every child has the right to the best possible health and* Article 27 (adequate standard of living) - *Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.*

Explain why these articles are relevant and how the piece of work promotes them.

Also, as set out above, the *Child Poverty Strategy for Wales* recognises the critical role which housing plays in supporting young people, describing how living in poor quality housing can be detrimental to children and young people's health and wellbeing, with effects lasting into adulthood and asserting that improving the supply and quality of affordable housing will make an important contribution to reducing health and educational inequalities.

Parents who are homeless or who are in temporary accommodation are less likely to be in permanent employment and therefore less likely to have a standard of living which meets their children's needs.

How are you improving the way children and young people access their rights?

Safeguarding and maintaining the supply of social housing will result in fewer homeless families and fewer families living in temporary accommodation. Families who are homeless or who are in temporary accommodation are less likely to access important support services which can have a significant negative impact on the children in these households, affecting their development and educational attainment. Their parents are also more likely to be in permanent employment which means that the family's income is likely to be higher. Children and young people living in a permanent home are therefore better supported to access their rights to education and healthcare and are more likely to have a standard of living which meets their needs.

What aspects of children's lives will be affected by the proposal?

The Act will impact particularly on children's health and education because the availability of affordable social housing can impact on a family's standard of living and is likely to support a broader range of positive impacts including a child's development and wellbeing.

What are the main issues that the CRIA should focus on?

The CRIA should focus on the positive impacts on children and young people of safeguarding the supply of social housing in Wales, how this potentially supports them to access their rights.

Does the piece of work help to maximise the outcomes within the articles of the

UNCRC?

Yes - The provision of adequate, affordable housing, of an appropriate standard, impacts positively on aspects of a child's life such as health, wellbeing, education and standard of living.

Step 4. Advising the Minister and Ministerial decision

When giving advice and making recommendations to the Minister, consider:

- Outlining the ways in which the piece of work helps to maximise the outcomes within the articles of the UNCRC?
- Has any conflict with the UNCRC articles within the proposal been identified?
- Outlining the wider impact; does the proposal affect any other policy areas?
- With regard to any negative impacts caused by the proposal; can Ministers evidence that they have allocated as much resources as possible?
- What options and advice should be provided to Ministers on the proposal?
- In relation to your advice on whether or not to proceed with the piece of work, is there any additional advice you should provide to the Minister?
- How undertaking this CRIA has influenced your advice to the Minister.
- Is it appropriate to advise the Minister to reconsider the decision in the future, in particular bearing in mind the availability of resources at this time and what resources may be available in the future?
- Have you provided advice to Ministers on a LF/SF and confirmed consideration of the UNCRC at the relevant paragraph i.e. statutory compliance?
- Is the advice supported by an explanation of the key issues?

Outlining the ways in which the piece of work helps to maximise the outcomes within the articles of the UNCRC?

The Act ultimately seeks to safeguard and maintain the supply of social housing in Wales and has the potential to maximise the outcomes within the articles of the UNCRC, particularly in relation to Article 28 (right to education) - Every child has the right to an education, Article 24 (health and health services) - Every child has the right to the best possible health and Article 27 (adequate standard of living) - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.

Has any conflict with the UNCRC articles within the proposal been identified?

No conflict has been identified.

Outlining the wider impact; does the proposal affect any other policy areas?

No other policy areas are affected.

With regard to any negative impacts caused by the proposal; can Ministers evidence that they have allocated as much resources as possible?

No negative impacts have been identified.

What options and advice should be provided to Ministers on the proposal?

The Act seeks to enact primary legislation to reform regulatory controls which will enable Welsh Government to get to a position where ONS can again review the RSL classification decision, returning them to the private sector and re-classifying their net debt and borrowings. The objective is to safeguard and maintain the supply of social housing.

How undertaking this CRIA has influenced your advice to the Minister.

Advice from officials remains consistent.

Is it appropriate to advise the Minister to reconsider the decision in the future, in particular bearing in mind the availability of resources at this time and what resources may be available in the future?

No, unless circumstances change, it will not be appropriate to advise the Minister for Housing and Regeneration to reconsider the decision.

Have you provided advice to Ministers and confirmed consideration of the UNCRC at the relevant paragraph i.e. statutory compliance?

Yes, in providing the Minister with advice in support of the decision to pursue primary legislation or not, it was confirmed that the decision to legislate was fully in compliance with UNCRC

Is the advice supported by an explanation of the key issues?

Yes, a full explanation of key issues was provided.

Step 5. Recording and communicating the outcome

Evidence should be retained that supports:

- How the duty has been complied with **(Steps 1-3 above)**
- The analysis that was carried out **(Steps 1-3 above)**
- The options that were developed and explored **(Steps 1- 3 above)**
- How have the findings / outcomes been communicated? **(Step 4 above)**
- 'Tells the story' of how the assessment has been undertaken and the results **(Step 4 above)**
- Include any hyperlinks to additional background information which may be of relevance.
- All CRIs undertaken on legislation must be published alongside the relevant piece of work on the WG website. All other CRIs must be listed in the WG website CRIA newsletter and must be made available upon request. Ministers are however, encouraged to publish all completed CRIs.

This impact assessment will be published on the Welsh Government when the Regulation of Registered Social Landlords (Wales) Act receives Royal Assent. It will replace the version of the impact assessment published when the legislation was first introduced into the National Assembly for Wales.

Step 6. Revisiting the piece of work as and when needed

In revisiting the piece of work, consider any monitoring, evaluation or data collection that has been undertaken:

- Has your piece of work has had the intended impact as set out in Step 2.
- Have you engaged with stakeholders to discuss how the policy or practice is working.
- If not, are changes required.
- Identify where improvements can be made to reduce any negative impact.
- Identify any opportunities to promote children’s rights, bearing in mind any additional availability of resources at this time.

This impact assessment was reviewed as necessary during the National Assembly for Wales’s scrutiny of the Regulation of Registered Social Landlords (Wales) Bill and updated when the Act received Royal Assent. No further reviews are planned.

Budgets

Does the piece of work have any associated allocation of budget?	No
Can you identify how much of this budget will be used for children and young people?	Not applicable
Has any additional spend been identified to ensure children and young people have been given an opportunity to contribute to the piece of work and have their opinions heard? If so, how much?	No

Monitoring & Review

Do we need to monitor / review the proposal?	No
If applicable: set the review date	n/a