

# **Welsh Language Impact Assessment**

**June 2018**

## Welsh Language Impact Assessment

<b>Title:</b> <b>Regulation of Registered Social Landlords (Wales) Bill</b>	<b>WLIA Reference No</b> <i>(completed by WLU): 17/09/03</i>				
<b>Name of person completing form:</b>	<b>Martin Davies &amp; Kathryn Markey</b>				
<b>Date first completed:</b>	<b>9 August 2017</b>				
<b>Revised on:</b>	<b>5 June 2018</b>				
<b>Policy lead:</b>	<b>Ian Walters</b>				
<b>Programme/Project Type</b>					
<input type="checkbox"/> Policy		<input type="checkbox"/> Project or programme			
<input checked="" type="checkbox"/> Legislation		<input type="checkbox"/> Research, evaluation			
<input type="checkbox"/> Grant		<input type="checkbox"/> Services			
<input type="checkbox"/> Business change		<input type="checkbox"/> Contracts, tenders			
<input type="checkbox"/> Infrastructure					
<input type="checkbox"/> Construction, Capital					
<input type="checkbox"/> ICT					
<input checked="" type="checkbox"/> Other (Please specify below) <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>					
<b>Costs: How much is the projected whole life cost for the programme/project?</b>					
If below £25k, then a full WLIA is not always required (see guidance).					
Under £25k	£25k - £49k	£50 - £249K	£250K - £1m	Over £1m	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Of the above, please provide details if there are any identified costs directly associated with the Welsh language?</b>					
<p>This is the cost to the Welsh Government of the Regulation of Registered Social Landlords (Wales) Act being developed and passing the National Assembly's scrutiny process. The costs and benefits related to the regulatory reforms proposed are set out in the Regulatory Impact Assessment published alongside the Act. There are no costs directly associated with the Welsh language other than staff time for translation.</p>					
<b>How long is the programme/project expected to run?</b>					
Up to 1 yr	Up to 2yrs	Up to 5yrs	Up to 10yrs	More than 10 yrs	Unknown
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The legislation process was completed within one year.

**Key milestone dates for the programme/ project:**

Work to develop the policy proposals began in 2016/17. The Bill was passed by the National Assembly for Wales during May 2018 and received Royal Assent on 20 June 2018. The legislation will remain in force until any future action to change it.

In addition, a public consultation on the policy proposals was held between May and July 2017. A separate Welsh language impact assessment was prepared for the consultation. The consultation document, summary of consultation and Welsh language impact assessment are at :

<https://consultations.gov.wales/consultations/regulatory-reform-registered-social-landlords>

A Welsh language impact assessment was published when the Bill was introduced into the National Assembly in October 2017. This version of the impact assessment has been revised in line with the Regulation of Registered Social Landlords (Wales) Act as at Royal Assent in June 2018.

## STAGE 1: PLANNING

**What are the aims and objectives of the policy?**

**What are the desired outcomes/ what constitutes 'success'?**

The Regulation of Registered Social Landlords (Wales) Bill will amend or remove those elements of central and local government control which have led the Office for National Statistics (ONS) to classify Registered Social Landlords (RSLs) in Wales as Public Non-financial Corporations. This should then allow ONS to consider reclassifying RSLs as Private Non-financial Corporations.

On 29 September 2016, the 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 24 July 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 the Welsh Government and the RSL sector. As a result of reclassification into the public sector, Public Sector Net Debt and Public Sector Net Borrowing are increased. The increase in Public Sector Net Borrowing will occur as any private sector market borrowings taken out by the newly reclassified public sector RSLs will score as a charge against Welsh Government's budget. This means the annual movement in RSLs' private sector debt, would score against the Welsh Government's budget.

Without reclassification back to private sector organisations, funding for RSLs to build and improve social housing would have to compete with other Welsh Government capital project priorities. This would be likely to have a highly negative effect on delivering social housing, and in meeting the Welsh Government's target of 20,000 new affordable homes in this administration term.

The removal or amendment of relevant regulatory controls (the indicators of Government control) would enable the ONS reclassification decision to be reviewed.

The UK Government brought forward urgent legislation covering English RSLs by means of the Housing and Planning Act which enabled the reclassification to be reversed. The Scottish Administration has also introduced legislation to enable a further ONS review of the classification of RSLs.

The ONS review of the classification of RSLs in Wales focused on an assessment of the regulatory controls (Indicators of Government Control) applying to RSLs, principally set out in the Housing Act 1996, including the provisions inserted by the Housing (Wales) Measure 2011.

The development of the Act was informed by the public consultation on policy proposals.

**What policy options have been considered?**

**and**

**What impacts will there be if the policy is *not* implemented?**

**Two options were considered in Wales:**

**Option 1 – Do nothing (i.e. Do not introduce regulatory reform)**

Without reclassification back to private sector organisations, funding for RSLs to build and improve social housing would have to compete with other Welsh Government capital project priorities. This would be likely to have a highly negative effect on delivering social housing, and in meeting the Welsh Government's target of 20,000 new affordable homes in this term of government.

**Option 2 - The enactment of legislation to remove or amend the relevant central and local government controls (to enable the Office of National Statistics to review their reclassification decision.**

Removal of the powers deemed by ONS to demonstrate control will reduce the Welsh Government's and Local Authorities' control over the RSL sector in the same way as similar legislation has in England. Measures are being developed to mitigate any significant risks to stakeholders (Tenants, Lenders, Government) as far as possible, introducing a requirement to notify the Welsh Ministers of asset disposals to replace consent requirements, retaining power to remove Directors where there are concerns that they may be operating contrary to legal or regulatory standards and requirements. This is in addition to the introduction in January 2017 of a new regulatory framework which ensures the Welsh Minister's view of the performance of RSLs is clear and public

Reform of controls was essential to get to a position where ONS could again review RSL classification decision, with a view to returning RSLs to the private sector.

**Does the programme demonstrate a clear link with the Welsh Government's strategy for the Welsh language - Cymraeg 2050**

**Yes** – the strategy, citing the 2011 Census, indicates that there has been a further decline in the number of communities in Wales where over 70 per cent of the population can speak Welsh – as well as a decline in the number of communities where the majority of the population can speak the language. It identifies that inward and outward migration processes, limited employment opportunities and limited availability of **affordable housing** for local people have had profound effects on the demographic and linguistic profile of many communities.

Regulatory reform measures would support the reversal of this decline this by safeguarding and maintaining social housing supply (and thus affordable housing for local people) in rural and Welsh speaking communities.

**What are the impacts/ effects (both positive and/or adverse) on the Welsh language you have identified at the initial planning stage**

i.e. Welsh speakers, Welsh language communities, Welsh medium education, Welsh learners, services available in Welsh?

It is anticipated that by taking measures which safeguard and maintain the supply of social housing, including in Welsh speaking areas, the proposals would help to address the limited availability of affordable housing for local people and thus prevent outward migration of Welsh speakers. This would, in turn, help to protect the linguistic integrity and sustainability of those communities. This is in line with the Welsh Government proposals for growing the number of Welsh speakers to one million by 2050 as set out in its strategy for the Welsh Language.

Technical Advice Note (TAN20) on Planning and the Welsh Language (2013) estimates that 1,200 – 2,200 fluent Welsh speakers are moving out of Wales each year. The need to maintain thriving communities that provide enough economic and cultural appeal for local people to remain in those areas is vital – and especially so in rural communities. RSLs play a vital role in this respect, in particular as they prioritise housing for local people registered on their Common Housing Registers.

RSLs, as providers of social housing, will come under new Welsh language duties when dealing with their Welsh speaking tenants. The Welsh language (Wales) Measure 2011 gave way to a new system for regulating the use of Welsh within the public and private sector. Gradually, a new Welsh language standards system is replacing the outdated Welsh language schemes, bringing with it a more robust, consistent and clear method of regulating Welsh language services available to the public. It is the Welsh Ministers' duty to make standards regulations that are applicable to the sector and regulations for providers of social housing are currently being prepared. Along with the Welsh Ministers' aim to provide more affordable housing, Welsh language standards will ensure that the rights of Welsh speakers in communities earmarked for planning are considered. Together, both policies ensure that communities across Wales can thrive – economically, socially and linguistically.

**Who are the stakeholders? Are the needs of Welsh speakers and learners addressed? To what extent are Welsh language interest groups likely to respond positively to the proposals?**

The stakeholders affected directly by these proposals are principally RSLs and local authorities, together with RSL tenants and prospective tenants, who are affected indirectly. Welsh language interest groups are likely to respond positively to the provisions of the Bill. If enacted it will safeguard and maintain social housing supply in rural and Welsh speaking communities and has the potential to impact positively in a number of ways by helping to increase:

- Sustainability of Welsh speaking communities:
- Transfer of Welsh within households/across generations
- Flow of Welsh speakers to and from traditional Welsh speaking strongholds
- Net effect of the number and percentage of Welsh speakers in a region/ or nationally
- Promotion, standing, and status of the Welsh language in everyday life.

If RSLs are not reclassified as private sector organisations for accounting purposes and are faced with the need to compete with other Welsh Government priorities, the Welsh Government's target of creating 20,000 new affordable housing would be at risk. Having an inadequate supply of housing stock in rural communities, often first language Welsh speaking communities, could have a detrimental effect on the future sustainability of the language. The pupil intake in Welsh medium schools could be affected; Welsh language community activities could begin to decline and the provision of local services delivered in Welsh could become unachievable. These unintended consequences, if the above policy does not proceed, could result in a significant shift in the linguistic nature of what would previously have been traditional Welsh speaking communities.

**Where an assessment was not completed, or no impacts were identified, please provide a full account for record keeping purposes?**

(This could be used in the Welsh Language Tribunal in future)

The Regulation of Registered Social Landlords (Wales) Act was passed in response to the ONS classification of RSLs as public sector organisations in September 2016. Without the changes introduced by the Act, it is very likely that the Welsh Government's commitment to build 20,000 affordable new homes will be threatened. The objective is to safeguard and maintain the supply of affordable homes.

No negative impacts have been identified. Potentially, as outlined above, there are a number of positive impacts for Welsh speaking communities. Regulatory reform sets out to safeguard and maintain the supply of social housing in all areas of Wales. This will apply equally to Welsh speaking communities where it would have the added positive impact of helping to prevent the outward migration of Welsh speakers, helping to improve the sustainability of the community and helping to promote the standing and status of the Welsh language in everyday life.

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.

**What actions/ further work has been identified at the initial planning stage?**

e.g. data requirements, need for peer review, external engagement with Welsh speaking groups, identify stakeholders or consultation list, need to contact Welsh Language Unit for advice)?

No further action has been identified. As described in detail above, the regulatory reform is anticipated to impact positively on Welsh Speaking communities and no adverse impacts have been identified.

<b>STAGE 2: IDENTIFYING AND ASSESSING IMPACTS</b>	
<b><u>Impact Assessment Summary</u></b>	
<b>Summarise the detailed impact assessment carried out together with the scores assigned.</b>	
<b>Positive effects/ impacts:</b>	
<p>The Act supports the Welsh Government's strategy for the Welsh language by safeguarding and maintaining social housing supply (and thus affordable housing for local people) in rural and Welsh speaking communities, helping to increase:</p> <ul style="list-style-type: none"> <li>• Sustainability of Welsh speaking communities:</li> <li>• Transfer of Welsh within households/across generations</li> <li>• Flow of Welsh speakers to and from traditional Welsh speaking strongholds</li> <li>• Net effect of the number and percentage of Welsh speakers in a region/ or nationally</li> <li>• Promotion, standing, and status of the Welsh language in everyday life.</li> </ul>	
<b>Adverse effects/ impacts:</b>	
No adverse impacts have been identified.	
<b>Opportunities to promote the Welsh language e.g. status, use of Welsh language services, use of Welsh in everyday life, Welsh at work increased?</b>	
<p>The proposals to introduce regulatory reform would help to promote the use of Welsh in everyday life by helping to increase:</p> <ul style="list-style-type: none"> <li>• Sustainability of Welsh speaking communities:</li> <li>• Transfer of Welsh within households/across generations</li> <li>• Flow of Welsh speakers to and from traditional Welsh speaking strongholds</li> <li>• Net effect of the number and percentage of Welsh speakers in a region/ or nationally</li> <li>• Promotion, standing, and status of the Welsh language in everyday life.</li> </ul>	
<b>Evidence/ data used including demographic profile when considering the effects/ impacts:</b>	
<ul style="list-style-type: none"> <li>• Technical Advice Note (TAN) 20: Planning and the Welsh Language (2013)</li> <li>• A living language: a language for living - Welsh language strategy 2012 to 2017</li> <li>• Cymraeg 2050: Welsh Language Strategy</li> <li>• Discussion with Welsh Language Legislation Branch</li> </ul>	
<b>What is the overall anticipated likely impact on the Welsh language if this policy is taken forward based on the impact assessment/ risk assessment?</b>	Positive: <input checked="" type="checkbox"/> <b>X</b> Adverse: <input type="checkbox"/> Neutral: <input type="checkbox"/> Unknown: <input type="checkbox"/>

<b>Decision following IA</b>	1. No major change	<b>X</b>
	2. Adjust the policy to improve impacts	<input type="checkbox"/>
	3. Continue the policy with mitigation measures	<input type="checkbox"/>
	4. Stop and remove the policy	<input type="checkbox"/>

***If answered 2,3, or 4 above – then answer the following:***

**How will you address these impacts in order to improve the outcomes for the Welsh language?  
Details of mitigation measures/ action points/ alternative options to reduce adverse impacts and increase positive outcomes:**

**If engaging or consulting, what are your plans? What questions do you wish to ask stakeholders about the Welsh Language Impact Assessment and Welsh language related issues?**

A public consultation on draft policy proposals between May and July 2017 invited stakeholders to express views on the proposals for regulatory reform of RSLs. A Welsh Language Impact Assessment was published alongside the consultation document and stakeholders were able to comment on it.

The Regulation of Registered Social Landlords (Wales) Bill received full legislative scrutiny in the National Assembly between October 2017 and May 2018. A previous version of this Welsh language impact assessment was published when the Bill was introduced.

<b>STAGE 3: POST CONSULTATION AND PREPARING FOR PUBLICATION, MONITORING AND EVALUATION</b>
<b>Following consultation, what changes have you made to address any Welsh language issues that were raised?</b>
No changes were necessary in response to issues raised in the consultation or during the legislative scrutiny process.
<b>How will you monitor the ongoing effects during the implementation of the policy?</b>
We have reviewed this Welsh language impact assessment at key stages during the National Assembly's legislative scrutiny process.
<b>Please outline how you will continue to capture effects/ impacts in future monitoring and evaluation?</b>
We have reviewed this Welsh language impact assessment at key stages during the National Assembly's legislative scrutiny process.
<b>Any other comments – ongoing results of evaluations, emerging impacts</b>
n/a

