

Local Government and Housing Committee Paper: Ending Homelessness – November 2022

Context

1. Building on the foundations provided by the 2014 legislation, the Welsh Government published its [Strategy for Ending Homelessness](#) in October 2019. At the same time, an expert Homelessness Action Group was commissioned to address a number of key questions to assist in achieving our longer-term goal of ending homelessness in Wales. The Group engaged widely with those with lived experience of homelessness and other key stakeholders in producing three [reports](#) which contain a range of recommendations. The publication of the second and most wide-ranging report of the Group coincided with the start of the pandemic.
2. At the start of the first lockdown in March 2020, the Welsh Government immediately put an emergency homelessness response in place. This involved substantial additional funding, together with both statutory and non-statutory guidance to ensure that no-one was left without accommodation, together with the support they needed, to stay safe. The inclusive ‘no-one left out’ approach has been in place continuously since then, and to date has resulted in local authorities and their partners supporting over 26,400 people with temporary accommodation and support since April 2020. I want to take this opportunity once again to put on record my thanks to all those working in the homelessness and housing support sector whose dedication, hard work and commitment to supporting people across Wales has, and continues to, transform lives.
3. The pandemic has enabled us to gain a much more accurate picture of [the true scale of homelessness across Wales](#). Whilst the emergency response has helped many individuals to engage with services for the first time, it has demonstrated the level of hidden need that the housing, health and wider support system is not ordinarily addressing and the need to respond to these over the longer term.
4. As we start to look beyond the pandemic, our [Ending Homelessness Action Plan](#), published in November 2021, sets out the next steps being taken to implement our strategy to end homelessness and has been informed by both the recommendations of the expert Homelessness Action Group and learning throughout the pandemic.
5. The Action Plan outlines the Welsh Government’s long-term approach to ending homelessness. This means in Wales we want homelessness to be rare, brief and unrepeatable: a rarity (prevented in most cases) and when it does occur, it should be brief in that the individual or household is supported back into a settled home quickly and effectively so that they do not fall back into homelessness, setting households up to succeed not to fail and to remain in their home. For that to happen, we are committed to shifting much more of our energy and resources to preventing homelessness from happening in the first place. We are also committed to moving to a rapid rehousing approach, which involves increasing housing capacity, so that we are able to help people in crisis to quickly enter long term suitable accommodation and thrive there.

6. Ending homelessness and implementing the Homelessness Action Group's recommendations to fundamentally reform homelessness services and to focus on prevention and rapid rehousing forms part of the Cooperation Agreement with Plaid Cymru and is a Programme for Government commitment.

Key Challenges

7. Our focus remains on preventing homelessness and, in the medium to long-term moving to a rapid rehousing approach when homelessness cannot be prevented. However, the ongoing impact of the pandemic, the cost-of-living crisis, affordability of the Private Rented Sector (PRS) and the humanitarian crisis arising from the war in Ukraine, have all placed considerable pressures on housing services and wider partners, and have necessitated an increased reliance on temporary accommodation in the short term.
8. For these reasons, homelessness prevention has become increasingly challenging. The cost-of-living crisis and subsequent impact on household budgets means many people are unable to pay their rent or other household bills and risk falling into rent arrears and subsequently potentially facing eviction. This is pushing more individuals to seek homelessness prevention support from local authority homelessness teams.
9. Affordability of the PRS for people in receipt of housing benefits has always been difficult and is becoming increasingly challenging. With Local Housing Allowance (LHA) rates set by UK Government, and frozen since April 2020 (based on 30th percentile of rents as at September 2019), the gap between LHA rates and current rents being charged is significant. Data held by Rent Officers Wales for the year to the end of September indicates a shortfall on an all-Wales basis of just under 9% (8.99%). However, this masks significant regional variations, with Newport and Monmouth showing the greatest differences of 20.20% and 17.55% respectively.
10. The humanitarian crisis arising from the war in Ukraine has led to 6,097 Ukrainians arriving in Wales as of 22 November, under both the Super Sponsor scheme (2,951 people) and Homes for Ukraine scheme (3,146). Whilst hugely important that Wales responded as a nation of sanctuary, this has placed considerable additional pressure on the housing and homelessness system in Wales, owing to a need for both initial and move-on accommodation under the Super Sponsor Scheme; temporary and move-on accommodation where sponsor arrangements breakdown under the Homes for Ukraine scheme; and where Family Sponsorship arrangements have broken down.
11. This is on top of the ongoing response to the Afghanistan crisis, other refugee responses, and widening of asylum dispersal to all areas of Wales by the Home Office, all of which have also placed additional pressures on both temporary and move-on accommodation.
12. Since August 2020, Welsh Government has collected monthly management information from local authorities on both rough sleeping and temporary accommodation numbers. The latest published data show there are 8,545 people

currently in Temporary Accommodation (TA) across Wales (as at end August 2022), including 2,515 dependent children. Whilst this should be seen in the context of over 26,400 people supported through the period with TA - pressures remain considerable. Homelessness presentations remain consistently at around 1,400 a month with only c.500-700 people being moved on to suitable long-term accommodation.

13. I recognise and remain concerned about the pressures on housing and homelessness services and that it why I have put in place a range of measures which are outlined in this paper.

Implementation of Ending Homelessness Action Plan

14. Despite the increasingly challenging context, progress has been made in taking forward our long-term goal of ending homelessness in Wales. The high-level Ending Homelessness Action Plan sets out a number of actions being taken forward over the next five years. The plan will be reported on early next year, to include updates on individual actions, as well as new or updated actions. Within the plan, the actions are split into three broad categories: transformation of the homelessness system, prevention, and overarching support actions.

Transformation of the Homelessness System

15. The adoption of a 'no-one left out' approach during the pandemic fundamentally changed the approach to homelessness provision, ensuring no-one was forced to sleep rough in Wales. Welsh Government has been clear that there is no going back to the pre-pandemic approach to homelessness and therefore key actions in our plan include supporting the continued emergency response; developing and delivering rapid rehousing transition plans; increasing housing supply; and longer-term legislative reform.
16. As part of a package of over £197m for housing support and homelessness services this year alone, Welsh Government has provided local authorities with £10m to assist with the costs of temporary accommodation and ensure no going back to the previous homelessness system. We have also recently introduced transitional legal arrangements to continue the 'no-one left out' approach, as part of the longer-term transformation away from priority need and to a system focused on prevention and rapid re-housing. The Homelessness (Priority Need and Intentionality) (Wales) Regulations 2022 amended the Housing (Wales) Act 2014, meaning a person who is street homeless, and a person with whom they may reasonably be expected to reside, is recognised as a person having priority need for support and accommodation. To support local authorities in implementing these transitional arrangements, we also published an [addendum to the Code of Guidance](#).
17. As part of the consultation on the transitional legal arrangements we also consulted on potential amendments to the suitability requirements in the legislation, in respect of hotel and B&B accommodation. The consultation responses highlighted the complexity of this issue given the increasing pressures

on local authorities and further work and engagement with partners is underway to determine the most appropriate transitional measures in this area.

18. Whilst we have continued to support local authorities in responding to the considerable demand for temporary accommodation, we have also been working with them to support the longer term move to a rapid rehousing approach. In February and March this year, my officials undertook a series of regional webinars bringing together local authorities, RSLs and wider partners to support the development of rapid rehousing plans. We also published [guidance on rapid rehousing](#) in October 2021 as well as Rapid Rehousing communications guides in August 2022, all of which have been developed with partners, in order to support the further development of local authority transition plans.
19. In moving to a rapid rehousing approach and reducing our reliance on temporary accommodation, increasing the supply of suitable permanent homes is essential. Through our Programme for Government, we have committed to delivering 20,000 low carbon homes for rent in the social sector. Our housing need estimates show that, under central estimates, 7,400 additional homes a year are needed until 2023/24; this includes a need for 3,500 additional affordable homes each year. Our commitment goes beyond this and in support of this we have set record levels of Social Housing Grant funding through the budget in this current year (2022-23) with £300m and indicative draft budget allocations of £330m in 2023-24 and £325m in 2024-25. Our new approach to undertaking Local Housing Market Assessments, published in March 2022, also provides vital support to local authorities in assessing the local housing need across Wales.
20. We are also committed to improving access to longer term affordable housing in the private rented sector. As part of this, we are investing £30m over 5 years in Leasing Scheme Wales. The Scheme is designed to support individuals and households who are experiencing or at risk of homelessness. Tenants on the Scheme will benefit from longer term security of tenure (between 5-20 years) at rents restricted to Local Housing Allowance rates. There is additional funding from the Welsh Government to ensure that they receive the same level of support they would expect in social housing.
21. As well as increasing supply of permanent homes in the longer term, we recognise the importance of providing good quality interim accommodation options for local authorities to move people on from temporary accommodation. To support this, Welsh Government made a further £65m of funding available in July 2022 for the Transitional Accommodation Capital Programme, to create more than 1,000 additional homes over the next 18 months to help people move on from temporary accommodation. This funding is supporting local authorities and registered social landlords to create good-quality accommodation available for everyone in housing need. A range of schemes is being brought forward to quickly create accommodation capacity by bringing mothballed properties that would otherwise not be re-let into use, remodelling existing accommodation, converting buildings into good-quality accommodation, utilising modern methods of construction and using modular accommodation as a medium-term form of housing on some sites as they are developed. Almost half of these will be long-term or permanent homes and the others will be good-quality homes suitable for

use by individuals and families for a number of years, enabling people to establish themselves in communities and put down roots

22. At the same time as responding to the immediate challenges facing the housing and homelessness sector, we are also progressing longer-term legislative reform. An independent expert panel, chaired by Professor Suzanne Fitzpatrick, has been established to provide recommendations to Welsh Government for future legislation and will report within 12 months. A comprehensive engagement exercise involving a wide range of stakeholder, community and service user groups is also planned, to ensure the broadest possible input to the policy and legislative development. A formal consultation on a White Paper is planned for next year.
23. Ensuring strong housing support services that both support people to sustain tenancies and avoid homelessness, and wrap-around to support those who have experienced homelessness is essential. In recognition of this Welsh Government increased the Housing Support Grant (HSG) by £40m in 2020/21 to £166.7m and have sustained this substantial increase this financial year. We have been working with the sector to pilot a new HSG outcomes framework this financial year, which will be rolled out across Wales in the next financial year, ensuring we fully evidence the impact this grant is having on individual outcomes.

Prevention

24. Welsh Government recognises that if we are to end homelessness, preventing it in the first place and making it a rarity is critical. As set out in the action plan, prevention is not simply about housing; it is about ensuring other services intervene to support people at an earlier stage in order to prevent them ever facing homelessness.
25. As part of our early intervention and targeted prevention work, we continue to provide £3.7m from the Homelessness Prevention budget to the Youth Support Grant. This funding supports the continued development of the Youth Engagement and Progression Framework (YEPF) to support the identification of young people at risk of becoming homeless. This includes identifying and supporting those in school settings as well as those who may have disengaged. Following extensive engagement with partners, the Welsh Government recently published a refreshed YEPF, which fully embeds the prevention of youth homelessness within the framework. We also continue to fund a Youth Homelessness Co-ordinator in each local authority area, based in the youth service, working with their housing and social services colleagues to ensure those at risk of homelessness are supported. Youth Services are able to provide a continuity of support as they work with young people aged 11-25.
26. We also continue to work closely with Health colleagues within Welsh Government and are committed to supporting individuals with complex needs – individuals who often pass between substance misuse, mental health and housing services. We currently invest almost £64m in our substance misuse agenda, of which over £36m goes to our Area Planning Boards through our Substance Misuse Action Fund. These allocations increased by £11m from £25m to £36m in

2022-23 as part of the Budget. This includes £3m to support ongoing alternative Opioid Substitution Therapy (Buvidal) for at risk ex-heroin users. In addition, we doubled to £2m funding for support services for people with housing and complex substance misuse and mental health needs, and this will further increase to £4.5m by 2025/25.

27. A health and homelessness sub-group has also now been established under the National Advisory Board for Ending Homelessness and met for the first time in November. It brings together Public Health Leads from across the University Health Boards (UHBs) in Wales, as well as senior Welsh Government Health and Housing officials. Their work is underpinned by a wealth of evidence which confirms people experiencing homelessness have far worse health and social care outcomes than the general population. The group will explore the models of integrated working across local authorities and UHBs, including the multidisciplinary services in Cardiff and Rhondda Cynon Taf. The group will also prioritise work focused on complex needs, health related challenges for people living in all types of temporary accommodation and how improvements in health can help people to sustain tenancies.

28. As well as the preventative work with colleagues across Government, we also recognise the need to support acute prevention measures to try and reduce the flow of people presenting in need of temporary accommodation. We therefore provided local authorities with an additional £6m discretionary homelessness prevention and relief funding earlier this year, which can be used flexibly, including for those not in receipt of housing-related benefits. This funding can be used for a range of measures, including payment of rent arrears, rent guarantees, support with other household bills and support to help an individual move-on from temporary accommodation.

Overarching Supporting Actions

29. A Task and Finish Group, sitting under the Ending Homelessness National Advisory Board was established earlier this year to assist in the development of an Ending Homelessness Outcomes Framework. My officials have undertaken a number of engagement events as part of the development of the framework and a formal consultation on the new framework is planned for early next year.

30. Ensuring those with lived experience of homelessness are able to inform and feed into every level of policy development continues to be a priority. We provide funding to a number of organisations in support of this, including Cymorth Cymru, Shelter Cymru and End Youth Homelessness Cymru.

31. Our commitment to legislative reform will also be rooted in the lived experience of homelessness. Cymorth Cymru are running a project to engage experts by experience in the work of the Expert Review Panel, complemented by additional engagement undertaken by Tai Pawb to ensure that the legislation is developed through an equalities' lens, addressing the intersection between homelessness and the experience of multiple protected characteristics. We are working with Children in Wales and their partners to bring the perspective and experiences of children and young people directly into the development process.

Conclusion

32. Whilst I do not underestimate the scale of the challenge ahead, I remain confident that if we continue to work together with our partners, we can achieve our collective long-term aim of ending homelessness in Wales.