



Senedd Finance Committee Members  
cc. [SeneddFinance@senedd.wales](mailto:SeneddFinance@senedd.wales)

13<sup>th</sup> December 2021

Dear Finance Committee Members,

**This pandemic has highlighted the importance of having a safe place to call home - and the stark inequalities faced by people experiencing homelessness and those living in poor quality, insecure or overcrowded accommodation. Despite the huge challenges posed by Covid-19, the response by the homelessness and housing support sector in Wales has been immense. Together, we have shown what can be achieved with strong leadership, true partnership and the necessary funding.**

Although businesses have reopened and restrictions have eased, the hard work has only just begun for the homelessness sector. An estimated 67,000<sup>1</sup> people in Wales were on the social housing waiting list earlier this year and thousands of people have experienced homelessness since. There are over 6,900<sup>2</sup> people in emergency accommodation, with approximately one thousand people presenting to local authority homelessness departments every month. The challenge ahead of us is enormous.

**However, we also have a huge opportunity.**

Many of the people in emergency accommodation are engaging with services for the first time in years, possibly even decades, despite their experiences of trauma and system failure. The Covid response broke down many of the barriers they previously faced, and we now have an opportunity to provide people with the home and support they need to avoid a return to the streets.

The work of the Homelessness Action Group provided Wales with a roadmap to end homelessness in Wales and the Welsh Government has committed to following it. The Programme for Government sets a target of building 20,000 new social homes and reiterates the plan to reform homelessness services and make the transition to rapid rehousing. The Co-operation Agreement<sup>3</sup> between Welsh Labour and Plaid Cymru commits to end homelessness, and if people are made homeless that it should be brief, rare and unrepeatable.

Our incredible workforce is enthusiastic about delivering lasting change, following the toughest period of their careers. They continued to deliver support when most businesses closed their doors, and have kept people safe and supported throughout the pandemic. It's time that services received enough funding to provide the pay, recognition and support these key workers deserve.

---

<sup>1</sup> Shelter Cymru, 2021

<sup>2</sup> Homelessness accommodation provision and rough sleeping, Welsh Government, September 2021

<sup>3</sup> The Co-operation Agreement, Welsh Government and Plaid Cymru, 2021

**But to achieve all of this, we need sustained capital and revenue investment.**

Welsh Ministers have committed to ending homelessness in Wales, but this needs to be reflected in their 2022/23 budget decisions if this ambition is to become a reality. As a result, we are calling for the Welsh Government upcoming budget to:

- Provide a three-year indicative funding settlement for the Housing Support Grant, which increases by at least inflation each year, from a baseline of £166 million.
- Invest at least £300 million for Social Housing Grant in the 2022/23 Welsh budget, to a total £1.5 billion over five years.
- Allocate funding in the 2022/23 budget to enable local authorities to continue to provide emergency accommodation and support to people experiencing homelessness.

Please see attached for our [Housing Matters](#) report, which provides further detail about these priorities and why investment is critical to help us make progress towards ending homelessness in Wales.

As we approach the publication of the Welsh Government draft budget, we are asking Members of the Finance Committee to scrutinise the funding allocated to the Housing Support Grant, Social Housing Grant and the continued provision of emergency accommodation.

Please don't hesitate to get in touch with us if you would like any further information.

Yours sincerely,



**Katie Dalton**  
Director, Cymorth Cymru



**Stuart Ropke**  
Chief Executive, Community Housing Cymru

# **Housing Matters**

## **Welsh budget 2022/23**



**#HousingMattersWales**

## **Cymorth Cymru**

**Cymorth Cymru** is the representative body for providers of homelessness, housing and support services in Wales. Our members provide a wide range of services that support people to overcome tough times, rebuild their confidence and live independently in their own homes.

We act as the voice of the sector, influencing the development and implementation of policy, legislation and practice that affects our members and the people they support. We want to be part of a social movement that ends homelessness and creates a Wales where everyone can live safely and independently in their own homes and thrive in their communities.

[www.cymorthcymru.org.uk](http://www.cymorthcymru.org.uk)

## **Community Housing Cymru**

**Community Housing Cymru (CHC)** is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our mission is to enable Welsh housing associations to be brilliant.

Our members provide around 165,000 homes and related housing services across Wales for around 10% of the population. In 2020 our members spent £1.3bn directly in the Welsh economy with 85p in every pound spent remaining in Wales.

Our 20 year vision is a Wales where good housing is a basic right for all. We have a simple ask: Put 'home' at the centre of your plans to support the people of Wales to live healthy, prosperous and connected lives. Housing associations stand ready to invest, partner and deliver with you.

[www.chcymru.org.uk](http://www.chcymru.org.uk)



# Introduction

**This pandemic has highlighted the importance of having a safe place to call home - and the stark inequalities faced by people experiencing homelessness and those living in poor quality, insecure or overcrowded accommodation. Despite the huge challenges posed by Covid-19, the response by the homelessness and housing support sector in Wales has been immense. Together, we have shown what can be achieved with strong leadership, true partnership and the necessary funding.**

Although businesses have reopened and restrictions have eased, the hard work has only just begun for the homelessness sector. An estimated 67,000<sup>1</sup> people in Wales were on the social housing waiting list earlier this year and thousands of people have experienced homelessness since. There are over 6,900<sup>2</sup> people in emergency accommodation, with approximately one thousand people presenting to local authority homelessness departments every month. The challenge ahead of us is enormous.

**However, we also have a huge opportunity.**

Many of the people in emergency accommodation are engaging with services for the first time in years, possibly even decades, despite their experiences of trauma and system failure. The Covid response broke down many of the barriers they previously faced, and we now have an opportunity to provide people with the home and support they need to avoid a return to the streets.

The work of the Homelessness Action Group provided Wales with a roadmap to end homelessness in Wales and the Welsh Government has committed to following it. The Programme for Government sets a target of building 20,000 new social homes and reiterates the plan to reform homelessness services and make the transition to rapid rehousing. The Co-operation Agreement<sup>3</sup> between Welsh Labour and Plaid Cymru commits to end homelessness, and if people are made homeless that it should be brief, rare and unrepeatable.

Our incredible workforce is enthusiastic about delivering lasting change, following the toughest period of their careers. They continued to deliver support when most businesses closed their doors, and have kept people safe and supported throughout the pandemic. It's time that services received enough funding to provide the pay, recognition and support these key workers deserve.

**But to achieve all of this, we need sustained capital and revenue investment.**

Welsh Ministers have committed to ending homelessness in Wales, but this needs to be reflected in their 2022/23 budget decisions if this ambition is to become a reality. As the Welsh Government prepares its draft budget and Senedd Committees begin their scrutiny, we are asking Members of the Senedd to support our three priorities:

- Provide a three-year indicative funding settlement for the Housing Support Grant, which increases by at least inflation each year, from a baseline of £166 million.
- Invest at least £300 million for Social Housing Grant in the 2022/23 Welsh budget, to a total £1.5 billion over five years.
- Allocate funding in the 2022/23 budget to enable local authorities to continue to provide emergency accommodation and support to people experiencing homelessness.

We urge Members of the Senedd from all political parties to support these priorities and reinforce their commitment to ending homelessness in Wales.



**Katie Dalton**  
Director, Cymorth Cymru



**Stuart Ropke**  
Chief Executive, Community Housing Cymru

<sup>1</sup> Shelter Cymru, 2021

<sup>2</sup> Homelessness accommodation provision and rough sleeping, Welsh Government, September 2021

<sup>3</sup> The Co-operation Agreement, Welsh Government and Plaid Cymru, 2021

# Housing Support Grant

**The Housing Support Grant (HSG) is the Welsh Government's principal funding stream for preventing homelessness. It supports more than 60,000 people each year to live independently and thrive in their communities.**

Through the provision of refuge, supported accommodation and tenancy support services, the HSG enables people to exit homelessness, leave abusive relationships, maintain their tenancies, overcome mental health and substance use issues, build on their strengths and fulfil their aspirations. These services have a significant impact on people's lives and contribute to a more resilient, healthy, prosperous, and equal Wales, supporting the aims of the Wellbeing of Future Generations (Wales) Act 2015.

The Homelessness Action Group recognised the importance of housing related support and called for the HSG budget to be increased in its major report<sup>1</sup> about how to end homelessness in Wales. This will become even more important as Wales makes the transition to rapid rehousing. Last year's Housing Support Grant budget was increased in recognition of the importance of funding support services. To build on the efforts made to reduce homelessness during the pandemic, it is critical that it is protected and increased further, at least in line with inflation in future budgets.

Another compelling reason to protect and increase the HSG is to enable services to receive enough funding to pay their staff a fair wage and provide them with the support they need. They have saved and transformed lives during the pandemic - but are some of the lowest paid workers in Wales and frequently experience vicarious trauma as a result of the work they do. It's time that they received the reward, recognition and support they deserve - or we risk losing a highly skilled and passionate workforce.

We are asking the Welsh Government to provide a three-year indicative budget for the HSG. The annual funding cycle creates huge uncertainty and means that both local authorities and service providers find it impossible to plan for the future, often struggling to recruit and retain staff because they cannot offer more job security. With the UK Government's recent spending review setting budgets up to 2024-25, the Welsh Government should provide the certainty that services so desperately need.

## **The Welsh Government should:**

**Provide a three-year indicative funding settlement for the Housing Support Grant, which increases by at least inflation each year, from a baseline of £166 million.**

<sup>1</sup> The framework of policies, approaches and plans needed to end homelessness in Wales, 2020

## Value for money - savings to public services

In addition to changing lives, the Housing Support Grant also reduces pressure on a myriad of public services, from health and social services to criminal justice. Research conducted by Cardiff Metropolitan University<sup>1</sup> found that every £1 invested in HSG services delivers £1.40 net savings to public services in Wales. This equates to £300million in gross savings every year. Research for Crisis<sup>2</sup> found that preventing homelessness can result in savings of around £9,266 per person compared to allowing homelessness to persist for 12 months.

Research shows that every £1 invested in HSG services delivers a net saving of £1.40

## Benefits to housing and homelessness services

- Enables local authorities to discharge their duties under the Housing (Wales) Act 2014 through the provision of tenancy support and supported housing.
- Provides emergency accommodation for people who are homeless or fleeing domestic abuse.
- Prevents evictions, reducing pressure on homelessness departments.
- Provides people with housing and support so they can continue to live independently in their own homes.

## Benefits to health and social services

- Reduces demand on GP, hospital and ambulance services.
- Helps people to better manage their mental health and avoid hospitalisation.
- Prevents delayed discharges from hospital.
- Helps people to overcome substance use issues.
- Prevents older people from needing residential care.
- Enables people with learning disabilities to live independently in their communities.
- Supports many parents and families, can reduce safeguarding risks and reduce pressures on children's services.

## Benefits to other public services

- Reduces re-offending, improving community safety.
- Helps families to escape domestic abuse by providing accommodation and support.
- Support children to succeed at school by providing safe and stable family environments.
- Support often marginalised people to (re)access education, volunteering, training and work opportunities, often through their own social enterprises.

I have a sense of purpose in life and employment

Makes you feel like you're worth something

Kept me off the streets

Given me and my children security and a safe environment

Stopped the cycle for me using drugs and going to jail

Given me hope

1 Evidencing the Impact of The Housing Support Grant in Wales, Cardiff Metropolitan University, 2020

2 Better than Cure? Testing the case for Enhancing Prevention of Single Homelessness in England, Crisis, 2016

## Social housing funding

**The Homelessness Action Group was unequivocal in its call to increase the supply of social housing, placing this at the heart of the framework of policies to end homelessness in Wales. With an estimated 67,000 people<sup>1</sup> on the social housing waiting list and over 6,900 people<sup>2</sup> in emergency accommodation, it is clear that Wales urgently needs to build more social homes.**

We warmly welcome the Programme for Government commitment to build 20,000 low carbon social homes during this Senedd term. To ensure delivery begins at pace it is critical this ambition is backed up by the necessary capital investment. These homes are crucial if Welsh Government ambitions for rapid rehousing are to be realised.

The Action Plan for Ending Homelessness sets out the need to shift from a crisis response to prevention in order to make homelessness rare, brief and non-repeating. Some emergency accommodation will always be required, but it will not be possible to deliver rapid rehousing at scale until sufficient numbers of affordable and self-contained homes are made available, along with the appropriate level of support.

We share these ambitions. To deliver the social homes needed at the required scale and pace, social landlords need long-term funding certainty to make every pound work as hard as it can and to most effectively plan, invest, take risks and build partnerships. With the UK Government's recent spending review setting budgets up to 2024/25, the Welsh Government has an opportunity to set out indicative Social Housing Grant budgets for the next three years.

In summary, Welsh Ministers should commit to a three-year budgeting arrangement for the Social Housing Grant, to provide long term certainty and maximise the number of homes built. At least £300 million of Social Housing Grant is required in the 2022/23 budget, to a total £1.5 billion investment programme over five years.

### **The Welsh Government should:**

**Invest at least £300 million for Social Housing Grant in the 2022/23 Welsh budget, to a total £1.5 billion over five years.**



<sup>1</sup> Shelter Cymru, 2021

<sup>2</sup> Homelessness accommodation provision and rough sleeping, Welsh Government, September 2021

## Benefits to jobs and the economy

- For every one person employed full time by a housing association, another 1.5 good quality jobs are supported elsewhere in the economy<sup>1</sup>.
- Research estimates that building 20,000 social homes will support over 7,000 jobs and 3,000 training opportunities across Wales and produce almost £2 billion of economic output<sup>2</sup>.
- Through investment in new and existing homes, housing associations help strengthen local economies: providing jobs and supporting local supply chains. Housing associations spend 85p in every pound in Wales, and have ambitions to increase this to 90p in every pound by the end of the Senedd term<sup>3</sup>.
- In 2018/19, housing associations invested £4 million to provide training for their tenants, with 8,000 people receiving employability and skills development.

## Health benefits

- Poor housing costs the NHS in Wales £95 million a year. However, a good quality home saves the NHS money<sup>4</sup>.
- Every £1 spent on improving warmth in vulnerable households could result in a £4 return on investment<sup>5</sup>.

## Helping to end homelessness

- Earlier this year, Shelter Cymru estimated<sup>6</sup> there are around 67,000 households on social housing waiting lists - and Welsh Government figures state that over 6,500 people are in emergency accommodation.
- Research in 2018 by homeless charity Crisis indicated Wales needed to build 4,000 more social homes each year for the next 15 years<sup>7</sup>.



1 Socio-Economic Impact of the Housing Association and Community Mutual Sector 2017/18

2 Socio-Economic Impact of the Housing Association and Community Mutual Sector 2017/18

3 Here for homes manifesto, Community Housing Cymru, 2021

4 Making a difference - Housing and health: A case for investment, PHW and CHC, 2019

5 Making a difference - Housing and health: A case for investment, PHW and CHC, 2019

6 Shelter Cymru, 2021

7 Housing supply requirements across Great Britain, Crisis, 2018

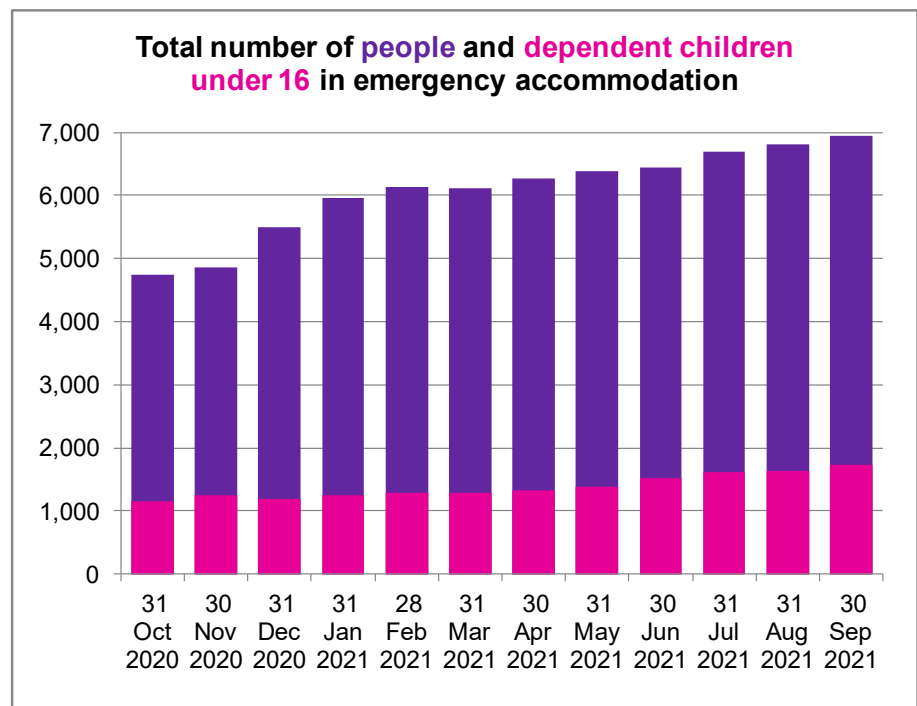
## Emergency accommodation funding

The Welsh Government took critical action at the start of this pandemic, announcing £10 million for emergency accommodation and support that enabled people to come off the streets and stay somewhere safe. As Covid-19 continued to place strains on people's lives, relationships and finances, thousands of people have presented to local authority homelessness services during this pandemic.

Unfortunately, structural factors such as the absence of enough truly affordable housing has meant that thousands of people have remained in emergency accommodation, despite considerable efforts to help them into permanent homes. There are currently over 6,900 people in emergency accommodation, with approximately 1,000 people presenting to local authority homelessness departments every month<sup>1</sup>.

The Welsh Government has committed to providing funding to local authorities for the remainder of this financial year - but due to the lack of truly affordable housing we know that people will continue to need emergency accommodation as we enter the next financial year.

It is critical that the Welsh Government's draft budget includes funding for local authorities to enable them to continue to secure emergency accommodation into 2022/23.



### The Welsh Government should:

Allocate funding in the 2022/23 budget to enable local authorities to continue to provide emergency accommodation and support to people experiencing homelessness.

<sup>1</sup> Homelessness accommodation provision and rough sleeping, Welsh Government