



## Written Evidence for Senedd Finance Committee Hearing - Tai Ffres, United Welsh Housing Association

### 1. Introduction

1.1. United Welsh welcomes the opportunity to attend the evidence session of the Senedd Finance Committee, to discuss our experience and use of capital funding for the purpose of delivering the Tai Ffres service. In preparation for the evidence session on the 18<sup>th</sup> of July 2024 we have prepared some brief background information on the Tai Ffres service.

### 2. Background to Tai Ffres

2.1. Tai Ffres is a collaborative service between United Welsh and Llamau to deliver a bespoke housing pathway for young people aged 16-25years old in Wales. Tai Ffres is a financially sustainable model of housing that overcomes young peoples' disadvantage in their ability to access and maintain tenancies in affordable, good quality homes in Wales. The Service does not require Housing Support Grant.

2.2. As a youth focussed housing service within United Welsh, we offer safe, secure, and affordable homes for young people in Wales, with access to Asset Based Coaching as required. We help to create safe spaces for young people, where they can thrive and realise their potential. Tai Ffres provides services to young people who are homeless or threatened with homelessness, fulfilling a crucial gap in housing provision:

- Where young people do not need specialised supported housing provision
- Where young people are ready to move on into independence from specialised supported housing provision
- Where young people are ready to leave looked after care services such as "When I'm Ready" or Supported Lodgings services.
- Which are affordable to young people in low income or insecure work, training and education.

2.3. The development of Tai Ffres was initially supported by the Welsh Government Youth Homelessness Innovation Fund and was based on our knowledge of the gaps in the current pathways out of homelessness and for those at risk of becoming homeless; and how they did not meet the needs of many young people.

2.4. Tai Ffres is founded on the principle of to *preventing* homelessness (or where homelessness has already occurred – ensuring it is very brief and unrepeated). Many young people moving into independent general needs housing, from specialist supported services or temporary homelessness services are at risk homelessness due to.

- tenancy failure,
- developing more complex issues if left unsupported in moving into inappropriate general needs housing provision either within the social or private rented sectors.

- Living in precarious financial circumstances due to the limited availability of affordable private rented accommodation.
- Struggles with extreme cost of living pressures

2.5. Thus, Tai Ffres seeks to move beyond a narrow focus of providing young people with a roof over their head, to providing a more rounded approach which carefully considers the blend of housing, neighbourhood, finances, skills development, support, processes, relationships, and community. This will give a young person the best possible chance of success in life and will make a significant difference in preventing homelessness.

2.6. Whilst Tai Ffres is a new model to the UK and Wales, similar models of provision for young people have been in operation elsewhere in the world for over fifty years. We have been inspired by our international colleagues in Finland<sup>1</sup> and Australia<sup>2</sup>, and we have drawn on these longstanding services as examples to emulate for young people in Wales.

### **3. Financing**

3.1. Through the provision of £15m, 0% Capital Loan Funding from Welsh Government we have been able to move from concept to the delivery of high quality, affordable homes for young people in Cardiff.

3.2. The specific benefits of this form of capital finance are:

- Borrowing at 0% interest allows us to significantly reduce our operating costs as we do not have to factor in loan finance costs.
- Our lower operating costs for this service allow us to offer the lowest rents in Cardiff. Significantly lower than private rented accommodation and lower than all other Housing Association accommodation in the city.
- Not having to service debt enables us to have low rents and still be able to run the service with ZERO requirement for Housing Support Grant (HSG). The four members of staff are fully funded from the rent income from the stock portfolio (even at record low rents).
- Having the funds immediately available allows us to move quickly to acquire and refurbish properties.
- The long-term nature of the loan allows us to think and act strategically.
- The service is sustainable and scalable.
- The service is not at risk due to short term revenue grants or funding cycles.

3.3. Tai Ffres accommodation costs far less to the public purse than temporary accommodation, whilst being of much higher quality and providing a long-term home for young people.

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<sup>1</sup> <https://nal.fi/en/finnish-youth-housing-association/>

<sup>2</sup> <http://mfyh.org.au/about-us.php>

#### 4. The Tai Ffres Operational Model

- 4.1. Tai Ffres currently has 28 units of accommodation, 6 of which are currently being refurbished and will be ready for occupation imminently.
- 4.2. Tai Ffres will grow to c. 102 homes within the next 18-24 months.
- 4.3. Cardiff City is the initial location of the Service due to its acute homelessness pressures.
- 4.4. Staffing x4:
  - Service manager
  - Expert housing management professional,
  - X2 Asset-based coaches, (employed by Llamau)
- 4.5. All young people in Tai Ffres can access all aspects of United Welsh and Llamau client services including the Money Advice, Customer Involvement, and bespoke learning services.
- 4.6. Governance:
  - The Service has a ‘Shadow Board’ with a range of professionals from a variety of disciplines. Young people are actively involved and encouraged to become Board members. Cardiff City Council are active Board members.
  - United Welsh Executive Team provides oversight of the service
  - United Welsh Board – provides a level of oversight.
  - Llamau Executive Team provides additional oversight of the service

#### 5. Rent Model

- 5.1. Tai Ffres rents are uniquely low in comparison to other housing services, internally they are 17% below our general needs rents for similar properties and sit well below the Local Housing Allowance (LHA) rates for Cardiff. Our current rental model for 2024/2025 is below, shows the difference between the weekly Tai Ffres rents against United Welsh General Needs, Local Housing Allowance Rates for Cardiff, and private rental sector rents for Cardiff.

Weekly rent per type of apartment	Tai Ffres Rents	United Welsh Rents	Local Housing Allowance	Private Sector Rents <sup>3</sup>
Studio apartment	£75.33	£88.66	£84.25	N/A
1 bedroom apartment	£83.33	£98.51	£149.59	£179.55
2-bedroom apartment	£110.54	£130.79	£189.86	£216.45

<sup>3</sup>Price Index of Private Rents (PIPR) from the Office for National Statistics  
[www.ons.gov.uk/visualisations/dvc2974/fiq07/index.html](http://www.ons.gov.uk/visualisations/dvc2974/fiq07/index.html)

5.2. The Tai Ffres model of rents is also significantly below those of more traditional and more intensive supported housing services provided. The figures in the table below, from the Supported Accommodation Review<sup>4</sup> highlight the high costs of providing traditional supported housing services, supported by revenue grants such as HSG.

	<b>Average rent per week</b>	<b>Average service charge per week</b>
Single homeless people	£93	£124
Homeless families	£96	£89
Young people leaving care	£90	£120
Young people at risk	£99	£117
Young parents	£93	£100

5.3. One of the driving forces behind the development of Tai Ffres was to ensure that those young people who are working are not disproportionately worse off as a result of choosing to move into employment or training opportunities. Thus, ensuring the affordability of rents for young people was a major concern during the innovation and design stage of Tai Ffres. Therefore, ensuring access to innovative low-cost forms of financing for the service implementation was fundamental.

5.4. Our calculations show that the Tai Ffres service provides affordable rents for those young people in paid employment, well within the JRF/ Shelter Housing Costs Affordability (2015) level of 28% for rental costs. The example below shows the levels of rental affordability for a 21-year-old in employment on a 40-hour contract, on minimum wage of £11.44 per hour, living alone in a 1-bedroom apartment.

<b>% affordability of direct housing costs</b>	<b>Tai Ffres Rents</b>	<b>United Welsh Rents</b>	<b>Local Housing Allowance</b>	<b>Private Sector Rents</b>
1 bedroom apartment	18.21%	21.53%	32.69%	39.24%

## 6. Client Groups and outcomes

6.1 Our client groups for the service are as follows.

- 35% of young people were homeless and living in temporary hotel accommodation before moving to Tai Ffres services.
- 65% were living in specialist young persons supported housing provision.
- 41% of young people are care experienced.
- 35% of young people have a child under the age of 3 years.
- 65% are single households. Half of the young people accommodated in the service are in some form of education, training, or employment.

<sup>4</sup> [Supported accommodation review - The scale, scope and cost of the supported housing sector](#) | A report of research carried out by Ipsos MORI, Imogen Blood & Associates and Housing & Support Partnership on behalf of the DWP and the DCLG (Nov 2016) - Table B.8 Summary of rents and service charges (rounded) for Private Registered Providers in England (CORE 2014/15) by supported housing client group page 117.

- Of those not in education, training, or employment 58% are currently seeking education, training and employment opportunities, and the remainder are unable to work due to medical conditions or childcare support issues.

6.2 Whilst we're in our relative infancy as a service, we can demonstrate that young people are seeing the value of the provision of the Tai Ffres service.

- One child is no longer on the child protection register because of them and their parent living in stable and secure accommodation for the first time.
- One young person has applied and been accepted into university to study a foundation science degree with a hope that this will lead into a dentistry degree.
- Three young people have moved into their first experience of training or education since living in Tai Ffres accommodation.
- Two young people have moved into full time paid employment for the first time

6.3 As part of our commitment to ensuring we're developing a service which meets the needs of young people and stakeholders, we have received funding from The National Lottery, Supporting Great Ideas Fund, to work in partnership with colleagues from Cardiff University on a bespoke research and evaluation of the service. Initial interviews have taken place with several young people in the service, and they have provided us with the following quotes from young people in the service, on their experiences of Tai Ffres.

## 7. Testimonials:

### **Support Services**

*If I didn't have that kind of [practical] support and I was just renting a private, just give me the keys and be like, yeah, 'there you go that's your house', it would have been much harder with no support." (Molly, 18 years-old, care leaver)*

*"I do wanna go back to work and I'm looking at it and I just need to let [the support worker] know and then we can see what we can do. It's more like if I need the support, I can go to them rather than them being on top of me for it, which I prefer anyway. Like if I need it." (Olivia, 22 years old, living with 3-year-old son)*

### **Feelings of home**

*"[Interviewer: do you feel like this is your home?] Yeah, I do feel like, like every time the heating is on all the time. So, I feel warm. Comfortable. And I don't really have anyone to tell me off about anything. Yeah, I wake up whenever I want. Yeah, I cook whenever I want. Sometimes I cook like 4 in the morning, which I didn't really have the opportunity in support lodgings. Umm, come back home sometimes. Late night. [...] Yeah, that's literally what I call a home." (Molly, 18 years-old, care leaver)*

*"It was a really quick and easy process. Very quick. You know, a lot of people probably get very overwhelmed by it. But and I probably did, to be fair, but. No, I didn't. Yeah, it's just been. Nice. It's been like 'this is your place now, here you go, do what you want with it', you know? And I like the freedom that it gives in a*

*sense. Like there's still support. But you can do what you want. Like it's still your place.” (Jade, lives with partner and one-year old son)*

### **Affordability**

*“Yes, it is affordable because I do a part-time job and I'm not earning that much to be honest. But I still could afford it. It's not that much, but it's just something new that I have to like look after like. Before, I didn't really care about bills or anything you know? But now it's like no, I need to take care of it. I have to pay. This much amount monthly, so you know it's just more responsibilities I've got. But it's not like something to say I'm worried about that. I'm not gonna have enough money to pay you anything. It's not like that.” (Molly, 18 years-old, care leaver)*

*“When I do go back to work...so if I was to pay towards my rent it's not like a headache going like ‘oh my god, I'm gonna pay this much towards my rent and then be left with this much.’ Obviously, it's a cost-of-living crisis, everyone's struggling in ways but the rent [here] is a massive difference to what people are paying [elsewhere].” (Olivia, 22 years old, living with 3-year-old son)*

### **Location**

*“Yes, that was amazing. When I found out that I got a house here because my workplace is literally on [name of street] and it's 5 minute's walk for me.” (Molly, 18 years-old, care leaver)*

*“I think it's obviously my family only live 10 minutes away now. So, and I think it's just like the safety of the area [...] And obviously, you're close to everything. It's like, really central so...I don't have to get a bus to town. I don't have to get a bus to [where the shops are]. So, everything I need is in one place.” (Olivia, 22 years old, living with 3-year-old son)*

### **How life has improved since living in Tai Ffres**

*“[Interviewer: how is your relationship with your family?] Better now I've moved out. I feel like when we were all on top of each other, it was arguments and then a baby in the mix [...] it was just arguments that wouldn't be if we weren't overcrowded. Now, we get along fine that I live by myself. Yeah, it's amazing now [laughs] that I live where I live on my own with [my son]. And then they have theirs and then we just visit now.” (Olivia, 22 years old, living with 3-year-old son)*

*“Since he [Jade's partner] was like 18 or something he's been in and out of hostels before. The place he was in before was a hostel, and we didn't live together. He, like, came over the temporary accommodation [that Jade was staying in] and like stayed for a day or two in the week, but then you have to go back to the hostels [because] could lose your space. But our plan was like when we moved into a permanent place he'd go on the tenancy, and it'd be our space. And he doesn't have to go in and out of hostels anymore.” (Jade, lives with partner and one-year old son)*

## **8. Conclusions**

- 8.1 Tai Ffres would not exist without the 0% interest Capital Loan funding United Welsh received.
- 8.2 Tai Ffres is an innovative housing solution for young people, using an innovative model of finance. Tai Ffres is a financially sustainable model of housing that overcomes young peoples' disadvantage in their ability to access and maintain tenancies in affordable, good quality homes in Wales without reliance on insecure revenue grant funding.
- 8.3 Through the provision of the Tai Ffres service, we are ensuring that specialist supported service provision is accessed by those people who require it, rather than being the "pathway" out of homelessness or social services provision. We also are ensuring a safe and managed transition into independence, without putting young people at risk in inappropriate housing services.
- 8.4 To date, twenty-eight young people, their partners and children have been accommodated in our service provision. Without the development of this service, they would have remained for a further period either in expensive temporary homelessness hotel accommodation or specialist supported accommodation at a cost to the welfare benefit system, whilst waiting for permanent accommodation.
- 8.5 Circa 28 lives have changed for the better, with young people having hope and every chance of fulfilling their potential.