

## Written Response from Powys County Council

### Subject: Housing Support Grant (HSG) and Homelessness Prevention

#### 1. Effectiveness of Welsh Government Planning for HSG in Light of Rapid Rehousing Transition and the Forthcoming Homelessness Bill:

**1.1 Strategic Frameworks:** The Welsh Government has developed a comprehensive strategy for rapid rehousing, aiming to make homelessness rare, brief, and non-repeated. This strategy includes ensuring that people move into settled homes as quickly as possible and receive the necessary support to maintain their tenancies. The strategy is detailed in the "Rapid Rehousing: guidance" document, from which Powys, along with local authorities across Wales, has produced its Rapid Re-Housing Transition Plan that outlines the principles and practices for implementing rapid rehousing in Powys; and indeed, across Wales in the case of Welsh local authorities as a collective. The requirement for local authorities to produce a four yearly Housing Support Programme Strategy that brings together both statutory provision for housing and homelessness and non-statutory instruments in the form of support delivered through the Housing Support Grant funded services, has been effective in aligning all housing and homelessness provision under the umbrella of one strategic document and action plan.

**1.2 Policy Adjustments:** The forthcoming Homelessness Bill is expected to further support these efforts by providing a legislative framework that prioritizes rapid rehousing and integrates it with other housing and support services. This legislative support is crucial for ensuring that rapid rehousing becomes the default approach for addressing homelessness, reducing reliance on temporary accommodation. Care will however need to be taken in framing any future homelessness legislation and guidance to secure an equitable balance between those who are homeless and those who have an equally intense and urgent need for a home or accommodation that is better able to help them manage and improve their well-being.

**1.3 Stakeholder Engagement:** Continuous engagement with stakeholders, including local authorities, support providers, and community organizations, is crucial for refining and implementing these plans effectively. The Welsh Government's six weekly Legislative Reform engagement meetings have been useful at involving housing and homelessness stakeholders, including HSG leads, across all local authorities and shown the Welsh Government's intent to consult and collaborate in planning sessions to ensure that the strategies are practical and address the real needs of those experiencing homelessness. Strengthening the responsibilities and duties of all housing providers, including critically housing associations, to provide homes for those who are vulnerable or who are homeless, will be critical to the success of all our efforts to improve the housing of vulnerable households. The forthcoming Homeless Bill is a timely opportunity for the Welsh Government to enhance the duties and responsibilities of housing associations to proactively support local housing authorities in resolving homelessness and helping vulnerable people have a place they can call home.,

**1.4 Resource Allocation:** Between 2021 and 2024, local authorities have been allowed to use a portion of their Housing Support Grant allocation to fund short-term project management and strategic planning resources to support the delivery of rapid rehousing.

This allocation demonstrates the Welsh Government's commitment to providing the necessary resources for effective implementation. As will be expanded upon later, commitments to future funding have reverted from a three-year indicative allocation of Housing Support Grant, back to a one-year indicative allocation which is a retrograde step in terms of future resource planning. That said, the integration of the whole of the Homelessness Prevention Grant and Bond Scheme funding into the HSG, and indicative uplifts to assist the third sector to achieve the real living wage in a period of economic uncertainty, have highlighted the importance the WG has placed on the HSG as the key non-statutory funding vehicle for homelessness prevention commissioning and procurement.

**1.5 Monitoring and Evaluation:** The Welsh Government has revised and refreshed the HSG Outcomes Framework that monitors and evaluates the performance of HSG-funded services. In addition, review of HSG Delivery Plans, commissioning intentions and the implementation of WG Relationship Managers who liaise closely with local authority housing managers and HSG leads has been an effective way to monitor and evaluate service delivery and exchange ideas.

## **2. Current and Anticipated Pressures in the Delivery of HSG-Funded Support Services:**

**2.1 Funding Constraints:** Prior to the Covid 19 pandemic, the Housing Support Grant went through several real-term budget cuts, putting significant pressure on service delivery. The cost of delivering these services has continually increased, leading to challenges in maintaining current service levels. The reasons for the increased costs can be encapsulated as follows:

**Increased Cost of Living:** The overall cost of living has risen, including higher prices for essentials like food, utilities, and transportation. This impacts both the operational costs of support services and the living expenses of those they support.

**Rising Property Prices and Rent:** Property prices and rental rates have increased significantly in many areas, making it more expensive to secure housing for those in need. This also affects the cost of maintaining existing properties.

**Higher Demand for Services:** There has been an increase in the number of people requiring housing-related support, partly due to economic challenges and the ongoing effects of the COVID-19 pandemic. This higher demand puts additional strain on resources.

**Funding Cuts:** Many support services have faced reductions in funding over the years, which means they must do more with less. This has led to increased costs as they try to maintain the same level of service with fewer resources.

**Complex Needs of Clients:** The individuals requiring housing support often have more complex needs, such as mental health issues or substance use disorders. Providing comprehensive support for these needs requires more specialized staff and resources.

**Regulatory and Compliance Costs:** There continual addition of new regulations and compliance requirements that support services must adhere to increase administrative costs and the need for additional training and resources.

The increased allocations of HSG during and following the pandemic were a welcome recognition of the increased demands on housing and homelessness services and support provider organisations across the third sector; however, demand continues to outstrip funding allocation levels. The Welsh Government's decision to provide only a yearly indicative allocation of the Housing Support Grant in 2025-26 significantly hampers efforts to

effectively plan for the future prevention of homelessness. This short-term funding approach creates a range of challenges that undermine the stability and effectiveness of homelessness prevention strategies.

Overall, the Welsh Government's current funding approach not only disrupts the planning and implementation of effective homelessness prevention strategies but also sends a message of instability and short-term thinking. For a more robust and sustainable approach, it is essential to move towards multi-year funding allocations that provide the necessary stability for strategic planning, staff retention, service procurement, and data-driven decision-making. This shift would enable organizations to build stronger relationships, foster innovation, and ultimately make a more significant impact on preventing homelessness in Wales.

**2.2 Workforce Challenges:** There are concerns about the wages and working conditions of support workers, which do not always reflect the expertise required to be a support worker. This has led to difficulties in recruiting and retaining skilled staff in Powys. Firstly, the inability to plan beyond a single year sends a discouraging message to staff. Without the assurance of long-term funding, it becomes difficult to develop and implement comprehensive strategies aimed at reducing homelessness. Staff are left in a state of uncertainty, unable to commit to long-term goals or innovative approaches that require time to develop and yield results. This uncertainty further impacts recruitment and retention, as potential and current employees may seek more stable opportunities elsewhere, leading to a loss of experienced and dedicated personnel. Even though many HSG commissioned and procured service contracts are multi-year, they do always have to be caveated on the basis that they will continue only as long as the yearly indicative funding is in place otherwise the contracts will be discontinued. Hence the messaging tends to be couched in uncertainty.

**2.3 Increasing Demand:** The rising number of people experiencing or at risk of homelessness – the result of lack of housing available that people can afford to buy or rent, and in the case of the latter the continued use by private landlords of non-secure Standard Contracts, has increased the demand for support services, exacerbating existing pressures.

In spite of there being a strong and growing new development programme in Powys for Council housing and homes developed by housing associations, too many vulnerable households are still compelled to rent accommodation in the private sector. Privately rented accommodation is still predominantly let on Standard Contracts, that includes the risk of 'no fault' evictions, at rents considerably higher than Local Housing Allowance and the rents offered by the Council and housing associations.

Private landlords in some cases have reacted adversely to the legislation, introduced by the Renting Homes (Wales) Act to strengthen and improve the rights of tenants, and opted out of this line of business. Not all properties have remained in the rental market, with some being bought by homeowners but others by Air BnB type operators. This means that while options for home ownership – especially at the entry level of the housing market – may have increased, there may be fewer privately rented accommodation for those who cannot buy or be able to secure social housing.

To give vulnerable people a place they can truly call home, the most pressing need is for a net increase in the total number of homes available in Powys, with rented housing being best

provided by social landlords willing and able to offer secure contracts, homes maintained to the Welsh Housing Quality Standard and genuinely affordable rents.

Demand for housing in Powys, especially for those with low to medium incomes and those who are vulnerable, far outstrips supply.

### **3. Knowledge About Service Performance, Including Data on Outcomes:**

**3.1 Outcomes Framework:** The Welsh Government's continued implementation of an HSG Outcomes Framework to monitor and evaluate the performance of HSG-funded services, is a fairly useful baseline for capturing data on the effectiveness of these services in achieving their goals. The lack of long-term indicative funding runs counter to the fact that the outcomes data suggests that homelessness is an issue that needs to be funded for the long term to be effective. Longitudinal data is vital for understanding trends, measuring the impact of interventions, and making informed decisions. Without the stability of multi-year funding, data collection efforts are fragmented, making it difficult to draw meaningful conclusions and adapt strategies based on evidence.

**3.2 Data Collection:** Local authorities and service providers are required to submit regular data returns, which include both primary and secondary outcomes. This data is used to assess the impact of support services and inform future planning. There is quite a robust process for ensuring accountability for HSG funding however the data collection process is not unduly onerous.

### **4. Effectiveness of Joint Working Between Housing Support Services and Public Services:**

**4.1 Collaboration Models:** Effective joint working often involves multi-agency collaboration, where housing support services work closely with health and social care providers to deliver integrated support. This can include shared case management and coordinated service delivery. Powys has worked to develop closer working between our main floating support provider services funded by HSG and local authority housing teams to improve the 'move on' of people from temporary into settled accommodation. There have been pockets of success but recruitment challenges in certain localities in Powys reflect the necessity for wage levels in the sector to increase to attract people into the housing support market.

**4.2 Challenges and Successes:** While there are successful examples of collaboration, such as joint agreements over which services will focus on temporary accommodation support and which ones will focus on Housing First delivery for example, there continue to be challenges as well. These challenges may include issues such as differing organizational cultures and priorities and funding streams that can hinder joint working. The rurality of Powys is a challenge in terms of relevance of public transport for many journeys, which creates sustainability pressures as higher staff mileage is incurred to meet support needs across localities. Collaboration is therefore key to sharing resources wherever possible.

Insufficient funding of statutory Health and Social Care Services and local authority Housing Services in Powys means that non-statutory preventative services must be better funded and provided to prevent low level needs escalating to crisis. The reliance on HSG to bridge the gap between statutory services and non-statutory provision cannot be overstated. Ensuring that gaps in Statutory Health and Social Care funding aren't met by HSG in a way that breaches HSG guidance remains an ongoing challenge.

Maintaining and improving housing related support provision to prevent and reduce the risk and incidence of homelessness would benefit from creating a clearly defined task-based 'ring-fence' to help make sure that HSG resources remain entirely focused on homeless prevention. This will clarify for all services and agencies what can and cannot be considered eligible for HSG and so limit the risk that HSG funding may be used for activity that does tangibly prevent and reduce homelessness.

## **5. Future Commissioning of Services to Support People with Complex Needs:**

**5.1 Integrated Support Services:** Future commissioning funded by HSG will include a focus on integrated support services that address the diverse needs of individuals with complex needs. This includes combining housing support with health, mental health, and social care services. Unfortunately, the short-term indicative funding model complicates the procurement of services on a multi-year contractual basis. Multi-year contracts and the ability to develop strong, long-term in-house teams allows for the development of trust and collaboration, which are essential for effective service delivery. They also provide the time needed to embed innovative approaches and practices, ensuring that new methods are given a fair chance to prove their effectiveness. Continuity of funding is crucial – indeed, essential - for building strong working relationships with service providers and stakeholders.

Powys is actively looking for site or building opportunities to develop the Enhanced Homeless Services project - two Instant Access 24/7 Triage Centres, two Interim 24/7 Supported Housing Schemes and its own 'bed-and-breakfast' style Instant Accommodation scheme. The Triage Centres and the Interim Supported Housing schemes will also act as hubs in key localities that comprise complex needs support, health and social care support and will be closely aligned with HSG funded support services.

**5.2 Person-Centred Approaches:** HSG commissioned services should be tailored to the specific needs of individuals, providing flexible and responsive support that can adapt to changing circumstances. These are tried and tested approaches. However, one phenomenon that has been far more apparent in recent years and is a growing problem is the non-engagement of people who are offered support and the complexity of need they present with. Demand for 'Assertive Outreach' is increasing and will need the right level of investment in conjunction with earlier intervention to be able to prevent homelessness and trauma for households and individuals.

**5.3 Innovative Models:** Exploring and implementing innovative models of care, such as Housing First and Critical Time Interventions, can provide effective support for people with complex needs. However as stated already, the uncertainty surrounding yearly allocations can lead to a reactive rather than proactive approach to homelessness prevention. Organizations may find themselves constantly adjusting to funding changes rather than focusing on long-term solutions. This reactive stance can result in inefficiencies and missed opportunities to address the root causes of homelessness.

### **Summary:**

Powys County Council acknowledges the Welsh Government's efforts in planning for the future of the Housing Support Grant (HSG) through strategic frameworks, policy adjustments, and stakeholder engagement. However, current and anticipated pressures, including funding constraints, workforce challenges, and increasing demand, pose significant

challenges. The Outcomes Framework and data collection efforts are crucial for assessing service performance. Effective joint working between third sector housing support services and public services is essential, though it faces challenges. Future commissioning should focus on integrated support services, person-centred approaches, and innovative models to effectively support people with complex needs.

### **Key Statistics:**

- In 2022-2023, HSG-funded services helped prevent homelessness for over 20,000 households in Wales.
- 35% of those supported by HSG services were individuals with mental health issues, and 25% were experiencing domestic abuse.
- Every £1 invested in housing support services saves £1.68 in public spending by reducing the need for more costly crisis interventions.
- According to the HSG Outcomes Framework, 85% of service users reported improved well-being and stability in their housing situation after receiving support.
- Joint working between housing support services and health services has led to a 30% reduction in hospital admissions among service users.
- In 2022, 40% of housing support providers reported difficulties in recruiting and retaining staff due to funding uncertainties.
- The number of households assessed as homeless and owed a duty to help secure accommodation increased by 7% to 12,537 in 2022-2023.
- The number of households in temporary accommodation rose by 23% to 5,481 as of March 2023, the highest figure since the legislation was introduced in April 2015.

These statistics highlight the significant impact and value of the Housing Support Grant in Wales, underscoring the importance of continued and increased funding to sustain and enhance these vital services.

### **References**

[1] [Rapid Rehousing: guidance - GOV.WALES](#)

[2] [Housing Support Grant Guidance - GOV.WALES](#)

[3] [Developing a Rapid Rehousing Transition Plan 2022 to 2027 - GOV.WALES](#)