

Cyflwynwyd yr ymateb i ymgynghoriad y [Pwyllgor Cyllid](#) ar [Cyllideb Ddrafft Llywodraeth Cymru 2025-26](#).

This response was submitted to the [Finance Committee](#) consultation on the [Welsh Government Draft Budget 2025-26](#).

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About Crisis

Crisis is the national charity for people facing homelessness across Wales, Scotland and England. We know that homelessness is not inevitable, and we know that together, we can end it.

We provide services directly to people experiencing homelessness, carry out research into the causes and consequences of homelessness, and campaign for the changes needed to end it.

In Wales, our Crisis Skylight South Wales team works across Swansea, Neath and Port Talbot to support people at risk of or currently experiencing homelessness. Between July 2023 and June 2024, we supported 442 people on their journey out of homelessness.

The cost of homelessness in Wales

The number of people facing homelessness in Wales is increasing. Last year, local authorities recorded 13,539 homeless households - an increase of 8% on the previous year.¹

It is undeniable that we must end homelessness to prevent the significant personal trauma it causes for individuals and families, but it is also essential that we end homelessness for the benefit of the public purse.

There is a wide range of research demonstrating the increased health and social care needs among people experiencing homelessness, including evidence specific to Wales.² Without investing in homelessness prevention, we place additional cost pressures on our health and social care sector.

As of 30th September 2024, 11,363 people were staying in temporary accommodation in Wales.³ While temporary accommodation provides essential shelter, extended stays can leave people feeling stripped of their dignity and with little autonomy over their own lifestyle and future. Temporary accommodation often lacks facilities for cooking or washing clothes, and Crisis members often report that the heating and hot water is controlled centrally, so people staying there have to ask for it to be turned on. In addition, people are often required to vacate temporary accommodation during the day, observe curfews and are unable to have visitors. It is not uncommon for people's wellbeing to decline while staying in temporary accommodation.

¹ <https://www.gov.wales/homelessness-april-2023-march-2024>

² For example: phw.nhs.wales/publications/publications1/health-of-individuals-with-lived-experience-of-homelessness-in-wales-during-the-covid-19-pandemic-infographic/

³ <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-september-2024.html>

Beyond this traumatic impact on an individual or family, temporary accommodation also incurs significant costs for local authorities. Since 2021, the cost of temporary accommodation in Wales has more than doubled. It stood at over £99 million in the last financial year (2023/2024).⁴

The Welsh Government has committed to making homelessness in Wales rare, brief and unrepeatable. It is imperative that we invest in the infrastructure needed to achieve this, ensuring that, in the future, stays in temporary accommodation are kept to a minimum, and people are housed as swiftly as possible. Investment to bring forward more affordable homes and improved support for those at risk of or experiencing homelessness is imperative preventative spend which addresses both the human cost of homelessness and the wide and long-term financial cost to the public purse.

A budget to end homelessness

It is vital that the Welsh Government's budget pledges sufficient investment across the below areas in order to progress its national plan to end homelessness and make homelessness rare, brief and unrepeatable. Within the context of the continuing cost-of-living crisis, such investment is critical preventative spend to stop homelessness presentations rising further. This will ease future demand on public services and in the long term, avoid incurring more costs for public services. In particular, we urge that the Welsh Government prioritises investment across the following areas:

- **Increasing housing supply**
Addressing the undersupply of affordable housing has a crucial role to play in ending homelessness in Wales, delivering on the commitment to move towards a rapid rehousing model and reducing the spend on temporary accommodation. Local authority homelessness services desperately need more affordable housing to meet the needs of people experiencing homelessness. Crisis welcomes the recently published [Audit Wales Affordable Housing Report](#), which clearly demonstrates the need to boost investment in social homes in order to meet the target of creating 20,000 new affordable homes. We strongly urge the Welsh Government to match its acknowledgment of this report with significant investment for housing supply in its upcoming draft budget.
- **Draft Ending Homelessness Bill**
The draft Ending Homelessness Bill, due to be published next year, represents a crucial cornerstone in the realisation of the Welsh Government's plan to end homelessness. Amidst the cost-of-living crisis, with homelessness at record levels, it represents an indispensable opportunity to make a step change in the way that homelessness is relieved in Wales, and to drive homelessness prevention further upstream. Crisis is aware that Alma Economics is currently analysing the cost of the proposed Bill. We would urge that the Welsh Government considers investment in these changes to be an essential part of the significant cost savings to health, social services and the wider public purse by taking an early prevention approach to homelessness.

⁴ <https://sheltercymru.org.uk/wp-content/uploads/2024/10/The-Cost-of-Crisis-Report-2024-1.pdf>

- **Housing Support Grant**

While Crisis' frontline service is not funded by HSG, we are aware that - across the public and third sector and housing support services – this fund plays a vital role in preventing and ending homelessness. Many services accessing this fund have been under constant pressure over the last decade, and under the added strain of the current cost-of-living crisis, insufficient investment in the Housing Support Grant in this budget would run the risk of pushing the sector to breaking point. For this reason, Crisis supports the Cymorth Cymru and Community Housing Cymru [Housing Matters campaign](#), which makes clear the significance of investment in this area. It highlights that every £1 invested in Housing Support Grant services delivers a net saving of £1.40 for other public services in Wales. Following a previously frozen budget and campaign, the uplift to the Housing Support Grant last year was welcome and helped to address concerns raised by a number of services around real living wage for staff. But, as the cost of running services rises and more people in Wales face homelessness and require support from services, it is imperative that the Welsh Government invests in HSG.

In the long-term, investment in these three areas will not only lead to ground-breaking systemic change, but also to savings across the Welsh public sector as homelessness becomes rare, brief and unrepeated.

We would therefore encourage the Committee to consider the sufficiency of investment in these areas when scrutinising the draft budget.

More information

Thank you for reading this response. For further information, please email Jasmine Harris, Senior Policy and Public Affairs Officer: [REDACTED]