

SHS 09

Ymgynghoriad ar y cyflenwad o dai cymdeithasol

Consultation on social housing supply

Ymateb gan: Lloyds Bank Foundation

Response from: Lloyds Bank Foundation

Local Government and Housing Committee
Welsh Government
5th Floor, Tŷ Hywel
Cardiff Bay
CF99 1NA

18 April 2024

Dear Mr Griffiths

I am writing on behalf of [Lloyds Bank Foundation for England and Wales](https://www.lloydsbankfoundation.org.uk) and our charity partners in Wales to provide comment relevant to some aspects inquired about in the Senedd's consultation on Social Housing Supply.

As a funder, we currently partner with around 40 charities in Wales directly supporting people who are either homeless or in housing need. We have consulted with them to prepare this response. As we are neither a public body, nor a private enterprise, we hope to offer an independent, constructive, and complementary voice to discussions on housing supply in Wales. We are happy to elaborate on the views in this letter, including offering further evidence with one or more of our charity partners, particularly around the human impact of the shortage of social housing.

We will comment on three aspects relevant to this inquiry:

1. Progress towards meeting the target of 20,000 low-carbon social homes for rent
2. How housing standards and decarbonisation affect delivery of new social housing
3. How local communities can be engaged in social housing developments

Supply and standards – how they affect people

It is well known that the UK has a housing shortage, with a shortfall of 100,000 new social homes every year in the UK. Housing is not just a basic right for people but will be an essential lever in the race to net-zero, too. Social housing makes a significant contribution to the economy. As well as providing discounted rents for those who need them, social housing also adds value to society by reducing unemployment, improving health, and improving educational attainment by providing stable homes.

The Welsh Government's commitment to End Homelessness in Wales and ongoing work to ensure Fair Rents and Adequate Housing in Wales are complementary pieces of work; ensuring appropriate social housing supply is a key part of achieving these aims. We commend the commitment to build 20,000 low-carbon social homes for rent in

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Wales between 2021 – 26. Whilst lower than the target across the border, this target could be seen as proportionate, given current resource constraints.

However, **progress to date has been slow**. Due to this ongoing shortage, thousands of people experience ongoing and preventable homelessness. Official homelessness statistics, [particularly the number of people in temporary accommodation](#), show how entrenched this issue is. Temporary accommodation is used by local authorities to fulfil homelessness duties, however Welsh Government needs act more quickly to prevent the need for temporary accommodation for anything other than short emergency periods. We have partnered with the [Bevan Foundation](#) and [Shelter Cymru](#) to drive progress on this unsustainable situation in Wales. (More info [here](#).)

For example, in Swansea alone, there are approximately 100 people with refugee status living in emergency housing (usually hotels). One of our charity partners, [Swansea Asylum Seekers Support](#), has described this as:

*“**psychologically and often medically very damaging**: the lack of autonomy, being unable to prepare food, families with children all sharing one room (frequently leading to domestic conflict if not violence), and in addition, often being forced to move from one hotel to another; [...] People are cut off from advice and support services and from any co-ethnic community. Staying in hotels, unable to prepare meals, makes it impossible to follow a nutritious diet: people eat (expensive) fast food.”*

Another charity partner describes how their regular volunteers *“have become miserable, pessimistic, bitter and apathetic. [They] find themselves in a **fresh hell of dependency, frustration, restricted potential.**”*

Several of our charity partners explain how stressful and sometimes re-traumatising the ‘Housing Options’ process is for people as there are no (or very few) options. The rising numbers of people needing accommodation, refugees and others, are not matched by available housing, whether public (social), housing association, or private. Young people, and particularly young LGBTQIA+ people, are disproportionately affected by homelessness. One of our charity partners, [Dewis Housing](#), describes how young people *“**regress in their independence skills and wellbeing/mental health** due to the significant issues in timely move on from supported accommodation to social housing.”*

Similarly, our charity partners supporting women, including the [North Wales Women’s Centre](#) and [Women Connect First](#) in South Wales, struggle with the appropriateness of the housing being offered to clients and the length of time people are in temporary accommodation. *“Some of the properties are in a terrible state of disrepair and are not being maintained. The Council and Housing Associations promise to come out and repair but often don’t, and the women we support often feel they have no voice.”*

To highlight the extreme end of what this can mean, the story of Elen*, a survivor of domestic violence from North Wales with several young children. Elen hoped the council could find her and her children a 2-3 bed property (they were happy to share bedrooms), but the council couldn't offer that and there was nowhere bigger available. The children ended up split up with different foster families and the stress of it caused Elen to be sectioned. Besides the human cost, the financial cost of social work and care could have been prevented if this family had suitable housing in the first place.

Accelerating and raising the target

There is an argument to maintain a proportion of private sector rentals to enable people to move more easily to different areas (e.g. for work or study). However, the current over-reliance on the private rented sector to meet housing need and the over-saturation of second or holiday homes in certain areas is **distorting the market** and impacting negatively on people and communities (especially Welsh-speaking, and rural communities). Similarly, volume house builders who drip-feed supply drive demand in a way which does not help meet need. This is where public sector needs to step in.

There are complexities around housing supply such as land use and planning, allocation policies, tenure change and loss of stock, which the Welsh Government is best placed to manage. The public sector has a key role to play in terms of strategically planning, designing and leading the delivery of large-scale developments, and Welsh Government is well-positioned to **work with partners to accelerate the volume of social homes built per year in Wales**. The Government-backed construction company [Unnos](#) seems a useful vehicle to drive forward this ambition.

That said, these measures seem only likely to meet the scale of output set out in the immediate plan, rather than meet the full extent of homelessness and housing need in the medium and long-term. The Foundation recognises that the Welsh Government is operating within tight financial constraints that limit the capital budget available for new social housing. We hope it will utilise its influence with the next UK Government to both **ensure the early release of capital resources** that are currently locked up, including **Crown Assets and Dormant Assets**, but also insist that any increase in capital funding for new social housing made available in England is also reflected in an increased capital settlement or **borrowing headroom for Wales**.

Upon building 20,000 homes by 2026, Welsh Government should **set more ambitious targets next time**, having established the relevant relationships and refined the method.

Decisions around social housing are not limited to new builds. There is also a need to do more with existing stock; **retro-fitting some stock** is therefore part of the solution to meeting housing need and achieving national climate targets. Taking a complementary approach to ongoing work around Fair Rents and Adequate Housing and

the Ending Homelessness in Wales Action Plan, Welsh Government should **work with partners to maintain and improve standards over the next government term**. Rent Smart Wales, WLGA, NRLA and TPAS Cymru have clear roles to play. Audit Wales, procurement professionals, and [banks, too, are key players](#).

Ensuring equity

It is imperative that Welsh Government find a way to balance the various tenures available in Wales. An appropriate mix of private and social housing is needed to help make rents affordable and to reduce homelessness, particularly **preventable homelessness driven by systemic failures** (such as the recent increase in refugees sleeping rough, and the high numbers of children growing up in temporary housing).

As the [Bevan Foundation's research on Local Housing Allowance](#) demonstrates, we need to **move away from an over-reliance on the private rented sector** in order to reset house prices and rents, so everyone in Wales can have a decent home, whether they own it or not. It is also worth noting that *"it is extremely difficult to find suitable, one-bedroom, move on accommodation for young people ready for the next stage of their journey from Supported Accommodation"* (Dewis Housing).

Housing providers would benefit from **engaging directly with third sector service providers** to get valuable insight enabling them to support groups, such as young people, LGBTQIA+ people, refugees, survivors of abuse and trauma. Elen's* story shows how flawed the current system is and how vital it is to promote a more pragmatic, trauma- and gender-informed approach to housing allocations.

As a funder, we advocate for fairness, compassion, and equity and we support increased social housing. Whilst we advocate prioritising those on the lowest incomes initially as part of a progressive realisation approach, to **prevent a two-tier housing system** in the long-term, Welsh Government should aim to promote social housing as a mainstream option for those on average incomes – not just those on low incomes. We encourage a reframing of the term "affordable housing". **Affordability should be seen as a measure of success** – if you can afford to live within your means, you are doing well in life, and we want more people in Wales to feel like they are doing well in life.

Thank you for the consideration of our letter. We look forward to the next steps in the committee's inquiry and would welcome the opportunity to bring in diverse voices of lived experience to an upcoming evidence session, if this would be helpful.

Yours sincerely,

Kelly Huxley-Roberts
Wales, Policy and Partnerships Manager