

Social Housing Supply

Senedd Local Government and Housing Committee consultation

A response from Cymorth Cymru

19 April 2024

About Cymorth Cymru:

Cymorth Cymru is the representative body for providers of homelessness, housing and support services in Wales. 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.

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. This includes people experiencing or at risk of homelessness, young people and care leavers, older people, people fleeing violence against women, domestic abuse or sexual violence, people living with a learning disability, people experiencing mental health problems, people with substance misuse issues and many more.

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. We are committed to working with people who use services, our members and partners to effect change. We believe that together, we can have a greater impact on people's lives.

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1. Introduction

- 1.1. We welcome the opportunity to respond to the committee's inquiry on social housing supply. As the representative body for homelessness and housing support services in Wales, our response focuses on the importance of social housing in the context of the Welsh Government's commitment to ending homelessness.
- 1.2. Where appropriate, we have included quotes from people who have experience of homelessness, taken from our recent 'Experts by Experience' work for the Welsh Government's Expert Review Panel on legislative reform. The following quote underlines the importance of providing affordable, secure homes to people experiencing homelessness:

| *"To find a permanent place to call home is everything."*

2. Homelessness: The need to increase social housing supply

- 2.1. We do not have enough truly affordable housing in Wales and this is acutely felt by people who are experiencing or at risk of homelessness. In this response, we will highlight the need to significantly increase the number of new social homes in Wales *and* ensure that the allocation of existing social homes helps as many people as possible to exit homelessness.
- 2.2. The Welsh Government's latest data¹ shows that there were 11,501 people in temporary accommodation at the end of January 2024, a figure that has grown from 3,577 in August 2020. Over this period, approximately 1,500 people per month have moved into temporary accommodation, with only 500-800 people per month moving on to settled homes.
- 2.3. Many of our member organisations work with people in temporary accommodation (TA) and tell us that the main barrier to people moving on is the lack of affordable housing in both the social and private rented sectors. This also applies to people in supported accommodation, who have been supported in their recovery and feel ready to move on to an independent tenancy – but cannot find any affordable housing. This is incredibly frustrating for them, risks institutionalisation, and also prevents other people from accessing supported housing.
- 2.4. While the recent UK Government announcement about the increase in Local Housing Allowance rates should enable more people to find private rented housing, we are yet to see whether this will make a significant difference. We fear that many people will continue to face a financial shortfall and other barriers, such as landlords unwilling to rent to people in receipt of benefits, or requiring guarantors and a large amount of rent upfront. Either way, there will still be a considerable need for social homes, which should be there to meet the housing needs of people on low incomes and/or experience vulnerability, inequality or disadvantage.

| *"There is not enough social housing to meet needs, and private landlords will not accept you if you are young and on benefits."*

- 2.5. We remain incredibly supportive of the Welsh Government's 20,000 social homes target. Given the rise in people experiencing homelessness and the number of people in temporary accommodation, this commitment is more important than ever. If delivered effectively, to meet homelessness need, this has the potential to make a real difference to many people's lives and deliver wider benefits to the economy.
- 2.6. Recent research² published by Shelter and National Housing Foundation highlights the wider economic benefits of social housing. Research shows that 90,000 additional social homes across the UK could add £51.2 billion to the economy, with major savings made across the NHS, education and homelessness services due to the associations between social housing and better health and education outcomes. If this figure was applied to the Welsh Government's target of 20,000 social homes, the equivalent figure would be £11.4 billion.

¹ Welsh Government, [Homelessness accommodation provision and rough sleeping: January 2024](#)

² Shelter and National Housing Federation, [The economic impact of building social housing](#) (2024)

3. Funding for social homes

- 3.1. Meeting the 20,000 social housing target requires an ongoing commitment to provide adequate funding to local authorities and housing associations.
- 3.2. We welcome the Welsh Government's decision to increase the capital budget for social housing in 2024/25, making this the third year of record investment in social housing. It is essential, however, that the Welsh Government continues to provide enough funding for local authorities and housing associations during the remainder of this Senedd term. In addition, social housing must continue to be a capital spending priority for future Welsh Governments, if we are to deliver the ambition of ending homelessness in Wales.
- 3.3. We have also welcomed the development of the Welsh Government's Transitional Accommodation Capital Programme (TACP), which has supported a wide range of projects aimed at creating much-needed extra housing capacity across Wales. In its first year, the Programme provided £76.4m to Local Authorities and Registered Social Landlords (RSLs) to bring forward 936 homes³, including:
 - bringing unused and mothballed properties back into use
 - remodelling existing accommodation
 - converting buildings into good-quality accommodation
 - using modern methods of construction on development sites
- 3.4. We are very supportive of this programme, as it enables social housing capacity to be maximised while new social homes are being developed. People experiencing homelessness need housing now, and the TACP is a pragmatic solution that operates well alongside the social house-building programme, enabling local authorities to work with their partners locally to develop solutions to meet housing need. In our view, the Welsh Government should continue to invest in this programme.

Ensuring funding increases to meet emerging challenges

- 3.5. The cost of building new homes has increased significantly over the last few years, with Brexit, COVID-19 and high inflation causing a perfect storm for social housing developers. It is critical that rising costs are fully considered during the Welsh Government's annual budget process, recognising the need to allocate additional funding where necessary, to enable local authorities and RSLs to deliver against the social housing target.
- 3.6. We welcome the new Welsh Housing Quarterly Standards, which maintain the focus on improving standards for social tenants while introducing a firm commitment to decarbonisation. However, we know that implementing these standards will be challenging for the social housing sector, as the costs of maintaining existing homes and building new homes has increased. It is therefore of the utmost importance that the Welsh Government provides appropriate funding through the Social Housing Grant to help social landlords to meet these new standards.
- 3.7. The same principle applies to the plans for decarbonisation within the social housing sector. Again, we are supportive of the Welsh Government's ambitions to respond to climate change, as well as the benefits that greater energy efficiency measures can have for tenants on low incomes. However, the social housing sector has been clear that the decarbonisation programme will not be achievable unless the Welsh Government makes additional funding available. This particularly important for social housing providers who have a high proportion of older stock, which is much more difficult to adapt to improve energy efficiency.

³ Welsh Government, [Transitional Accommodation Capital Programme announcement](#) (2023)

4. The right home in the right place

- 4.1. As previously stated, we are extremely supportive of the 20,000 social homes target. However, we want to emphasise that setting a numerical target for social housing building is not enough on its own. The Welsh Government and its partners must deliver the **right homes** in the **right place**, in order for tenancies to be sustained and repeat homelessness to be avoided.
- 4.2. New social homes should be designed for the people that need them, and strong consideration must be given to reflecting the needs of the population and ensuring homes are accessible and part of cohesive communities. This means understanding people's needs and circumstances, including health, care, treatment and support needs, family and support networks, caring responsibilities, transport infrastructure, education and work needs.
- 4.3. During our 'Experts by Experience' work for the Expert Review Panel on legislative reform, we asked people with experience of homelessness about accessing affordable housing and what was important to them. A number of people outlined the importance of being given the right home in the right place. In particular, people highlighted the need for:
- The need for single bedroom properties
 - Age appropriate housing
 - Accessible housing for disabled people
 - Proximity to family with regards to childcare and caring responsibilities
 - Proximity to schools for their children
 - Proximity to their workplace
 - Proximity to support networks
 - Proximity to health, care, treatment and support services
 - Dispersed housing vs. congregate models
 - Understanding their wishes to avoid particular areas, in order to aid their recovery
- 4.4. Some people told us about their experience of being offered social housing in the wrong place, which didn't take account of their needs and circumstances. This can often lead to social isolation and hinder people's recovery.
- | *"Moved somewhere with no support network – causes isolation."*
- | *"Individual need is not taken into account - i.e. a father with shared childcare responsibilities. I wasn't allowed a place with a second bedroom for my children."*
- | *"I don't feel nothing is working well in regard to how social housing is allocated. I previously explained I did not want to live in a certain area, then I ended up back on the streets."*
- | *"It's setting us up to fail."*
- 4.5. Others talked about the importance of support services being provided alongside social housing, to enable people to sustain their tenancy.
- | *"Would still want to access support after moving into settled accommodation."*
- | *"Support in community is crucial."*
- 4.6. As well as being housed close to relevant support services, this highlights the need to continue to invest in the Housing Support Grant, which funds the vast majority of homelessness and housing support services in Wales. Providing a roof over someone's head is one thing, but providing the right support can ensure that the tenancy is a success. In a recent survey⁴, 81% of housing-related support providers reported an increase in demand for support and 94% reported an increase in the complexity of support needs.

⁴ Cymorth Cymru and Community Housing Cymru, [Housing Matters: Welsh budget 2024/25](#) (2023)

5. Joined up approach to meeting housing need and rapid rehousing

- 5.1. As well as the 20,000 social homes target, the Welsh Government's Programme for Government⁵ also includes a commitment to *'implement the Homelessness Action Group's recommendation to fundamentally reform homelessness services to focus on prevention and rapid rehousing'*. The Welsh Government's Ending Homelessness Action Plan⁶ also includes commitments to *'support the continued transition to rapid rehousing'* as well as supporting local authorities to *'develop and deliver rapid rehousing transition plans in all areas of Wales'*.
- 5.2. Rapid Rehousing is defined in Welsh Government guidance⁷ as *'an internationally recognised approach which ensures that anyone experiencing homelessness can move into a settled home as quickly as possible, rather than staying in temporary accommodation for long periods of time'*.
- 5.3. This guidance states that some of the crucial elements are:
- an understanding of the level housing and support needs, including how many households are moving or waiting to move into temporary settings; how much and what type of housing is required to permanently house people; and who needs support, and at what level, to maintain their tenancy
 - a coordinated and strategic approach to identify sources of housing from local authorities, Registered Social Landlords and within the Private Rented Sector
 - house-building programmes that factor in housing need, for example through Local Housing Market Assessments;
 - landlord and local authority allocation policies that prioritise households with no permanent home
 - a multi-agency commitment to providing support, particularly by mental health and substance misuse services
 - a comprehensive range of prevention activities, such as mediation and advice services
 - people with lived experience of homelessness having a role in informing and co-producing plans and services within the transition to RRH.
- 5.4. Welsh Government also published guidance⁸ for local authorities and partners about how to develop Rapid Rehousing Transition Plans. This outlines the importance of aligning housing to local need, stating that it is *'fundamentally important that transition plans are built on reliable and comprehensive data'*. It goes on to say that core data is 'essential' and should be collected in the local authority Local Housing Market Assessment (LHMA), Local Authority prospectus (Social Housing Grant (SHG) Programme) and Local Development Plans, the Housing Support Programme Strategy and, the Rapid Rehousing Transition Plan.
- 5.5. The guidance was accompanied by an Excel tool, which was designed to support the identification of the gap between housing need, demand and supply, and in particular support the identification of 'Existing Unmet Housing Need' which must inform the LHMA. There is a particular focus on homelessness, with the suggestion that data on demographics, household type, causes of homelessness, outcomes, and repeat homelessness is collected to inform decisions about housing need. The committee may want to explore how this data is being collected and used to inform the planning and delivery of housing across Wales.
- 5.6. As well as collecting and utilising the right data, there needs to be a joined-up approach to policy, planning and delivery between the homelessness and housing supply teams, both within the Welsh Government and in local authorities.

⁵ Welsh Government, [Programme for Government](#) (2021)

⁶ Welsh Government, [Ending Homelessness Action Plan](#) (2021)

⁷ Welsh Government, [Rapid Rehousing: guidance](#) (2022)

⁸ Welsh Government, [Developing a Rapid Rehousing Transition Plan](#) (2021)

- 5.7. From our experience of working with the Welsh Government during the COVID pandemic, we started to see the benefits of the homelessness policy and housing capital teams working more closely together, particularly during the development and delivery of the Phase Two funding and the Transitional Accommodation Capital Programme. The continued partnership approach between these teams is essential to ensure that cohesive national policy can support the funding and delivery of housing supply targets to help end homelessness.
- 5.8. It is also critical that strategic housing functions within local government are working in partnership with their homelessness teams to understand housing need and deliver the transition to rapid rehousing at a local level. Homelessness teams are under huge pressure, as demonstrated by the Welsh Government's homelessness data. They cannot make this transition on their own; they need their colleagues who are responsible for housing supply to be working with them, ensuring that decisions about capital spend and the development of social housing, as well as planning of local services and infrastructure, will help to meet the needs of people experiencing or at risk of homelessness.
- 5.9. Finally, as part of the transition to rapid rehousing, wider public services also need to play their part. As indicated above, providing the right support to people can be critical in helping them to maintain their tenancy and avoid future homelessness. A wide range of public services, including health and social care, have an important role to play.

6. Ending Homelessness White Paper

- 6.1. In October 2023 the Welsh Government published its Ending Homelessness White Paper⁹, following significant work undertaken by the Expert Review Panel on legislative reform.
- 6.2. As part of our work on the Expert Review Panel we consulted with over 300 people with lived experience of homelessness. We asked people about their views and experiences of accessing social housing and whilst some people responded with positive experiences, particularly with advocacy from support services, the vast majority shared how they found the system difficult to navigate and were unable to access the right home in the right place.
- 6.3. As outlined in paragraph 4.3 and 4.4 of this consultation response, a number of people highlighted the need for local authorities to understand their particular needs, whether this be focused on location, accessibility, or proximity to support services. The Ending Homelessness White Paper includes a number of proposals that seek to improve people's ability to access 'the right home in the right place', taking into account some of the issues raised by experts by experience:

We propose accommodation cannot be deemed suitable unless it is located within reasonable travelling distance of existing or new educational facilities, employment, caring responsibilities and medical facilities, unless the applicant wishes to move beyond a reasonable travelling distance from those facilities. (page 132)

We propose the local housing authority be required to take into account, in relation to both the applicant and any member of the applicant's household, any specific health needs, any impairment, where the accommodation is situated outside of the area of the authority, the distance of the accommodation from the authority's area, the significance of any disruption caused by the location of the accommodation to the employment, caring responsibilities or education of the person and the proximity of alleged perpetrators and victims of domestic or other abuse. (page 132)

- 6.4. It was also clear from our engagement with people with experience of homelessness that it was taking far too long for them to access social housing. Many of the people we spoke to who were homeless and in temporary accommodation felt that they were not being given enough priority for social housing:

⁹ Welsh Government, [Ending Homelessness White Paper](#) (2023)

“Takes far too long to be housed, more social housing needed more support for vulnerable people.”

“It doesn’t matter if you’re here 6 months, a year, ten years.”

“I’m 20 years old and I’ve spent a year with two kids in a hostel. That’s a 20th of my life.”

“Temporary accommodation is like a prison but you don’t know when you’re going to be released.”

“It’s like a prison sentence without knowing the length of the sentence. If you knew the timescales you could be more prepared and see the light at the end of the tunnel.”

- 6.5. The White Paper includes a number of proposals that seek to improve access to social housing for people experiencing homelessness, including:

We propose new legislative provision which will make clear an RSL cannot unreasonably refuse a referral from a local housing authority, within a specified timeframe, except in specified circumstances. (page 145)

We propose to assign additional preference to those who are homeless and owed a statutory homelessness duty over other priority groups who are deemed to have an ‘urgent housing need’. (page 148)

We propose to introduce legislation to require the use of Common Housing Registers and common allocations policies across all local authorities in Wales. (page 149)

We will consider whether it is appropriate to make changes to the Regulatory Standards that apply to Registered Social Landlords to encourage an even greater commitment to ending homelessness and to monitor performance and delivery. (page 162)

- 6.6. We are very supportive of these proposals, as we believe all stock-holding local authorities and RSLs that receive social housing grant should be contributing to the ambition to end homelessness. We know that most social landlords already make a huge contribution to this ambition, taking a high proportion of allocations from homelessness, particularly since the pandemic, supporting local authorities to move people experiencing homelessness into settled accommodation. Many also provide fantastic housing support services and provide properties for supported accommodation and/or Housing First. They play an invaluable role in helping to support people experiencing or at risk of homelessness.
- 6.7. We believe that the proposals in the White Paper would not have a negative impact on social landlords that are already doing great work to help end homelessness, but will encourage all social landlords to play their part and help local authorities to find secure tenancies for people when homelessness levels are high. We do however, urge the Welsh Government to carefully consider the guidance to ensure that the relationships between local authorities and social landlords are constructive and supportive, recognising when there are genuine reasons for a social landlord to refuse a referral.
- 6.8. While we want to see an increase in allocations from homelessness, we also want to see mixed communities, rather than placing all people with experience of trauma and homelessness together in one building or community, which could impact on their recovery. This means that local authorities and social landlords will need to develop a shared understanding of how allocations will impact on people, and how different approaches may need to be taken with new developments vs. individual properties becoming vacant.
- 6.9. Finally, in order to give social landlords confidence to increase their allocations from homelessness, there will need also to be greater investment in housing support services to help people to cope with challenges and maintain their tenancies. This requires an increase in the Housing Support Grant, as outlined in our recent evidence to the committee regarding the Welsh Government’s budget for 2024/25.