

# Homelessness

March 2023



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# Homelessness

March 2023



# About the Committee

The Committee was established on 23 June 2021. Its remit can be found at:  
[www.senedd.wales/SeneddHousing](http://www.senedd.wales/SeneddHousing)

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Current Committee membership:



**Committee Chair:  
John Griffiths MS**  
Welsh Labour



**Mabon ap Gwynfor MS**  
Plaid Cymru



**Jayne Bryant MS**  
Welsh Labour



**Joel James MS**  
Welsh Conservatives



**Sam Rowlands MS**  
Welsh Conservatives



**Carolyn Thomas MS**  
Welsh Labour

The following Member attended as a substitute during this inquiry.



**Mike Hedges MS**  
Welsh Labour

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## Chair's foreword

The Covid-19 pandemic sparked a significant change to homelessness policies in Wales. The “no-one left out” approach adopted by the Welsh Government and its partners has meant that everyone who needs shelter is given it, and a light has been shone on what was previously hidden homelessness. This approach has undoubtedly saved many lives in that time and we’ve seen the extraordinary efforts that local authorities and support services are making to move forward with the policy.

The **Ending Homelessness in Wales: A high level action plan 2021-2026** set out a number of actions to achieve the end goal of ending homelessness in Wales. We heard about the challenges faced by local authorities and support services to implementing the “no-one left out” approach and the action plan on the ground. The changes have meant a huge increase in demand for temporary accommodation and we set out to hear about the impact of this, on the people being housed as well as the staff supporting those people. We heard about the mixed standards available which we are deeply concerned about.

We also set out to look at ways to reduce the reliance on temporary accommodation. A fundamental cause of homelessness is the lack of social housing supply in Wales. The private rented sector also has a part to play and the current market is unaffordable for many. We will be undertaking several pieces of related work in the future including looking at social housing supply and at the private rented sector. We have already begun work on the right to adequate housing with a public call for evidence and will continue to take evidence throughout the spring.

We would like to see improvements to the standards of temporary accommodation so that people facing homelessness aren’t further traumatised because of where they are placed. We would like local authorities and support services to receive more support from the Welsh Government with the vital work that they’re doing. We want to see improvements to the quality and availability of data around homelessness. We also ultimately want all options for boosting housing supply to be looked into.

I would like to thank everyone who has contributed to our report.

**John Griffiths MS**

Chair,

Local Government and Housing Committee

# Introduction

In January 2022 we **wrote to targeted stakeholders** asking for their views on several homelessness issues that were current at the time. Following consideration of the responses received and engagement work with support service stakeholders and their service users, we agreed to undertake a focused inquiry. On 12 October 2022, the Committee agreed terms of reference for the inquiry.

**1.** The terms of reference were to examine:

- The supply, suitability and quality of temporary accommodation currently being used to house people experiencing homelessness and the support services made available to them;
- The impact living in temporary accommodation has on individuals and families;
- The impact of the ongoing demand for temporary accommodation and support services on local authorities, their partners and communities;
- Options to increase the supply of affordable and appropriate housing in the short to medium term to reduce the use of temporary accommodation;
- Progress implementing **Ending Homelessness in Wales: A high level action plan 2021-2026**, and in particular the move towards a rapid rehousing approach.

## Evidence gathering

**2.** We gathered evidence in writing and by holding oral evidence sessions with stakeholders. A **public consultation** was launched on 13 October and closed on 11 November 2022. We received 19 responses to the consultation.

**3.** We heard oral evidence from stakeholders on 16 and 24 November and from Julie James MS, Minister for Climate Change, on 7 December 2022.

**4.** In addition to the formal evidence sessions, we met informally with stakeholders and individuals with lived experience of homelessness and considered several case studies of homelessness experiences.

**5.** We are grateful to everyone who took part in the inquiry.

**6.** Details of all evidence gathered can be found in the Annex to this report.

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# 1. Background

**7.** Since the start of the Covid-19 pandemic in spring 2020, the Welsh Government and its partners have adopted a “no-one left out” approach to homelessness. **Statutory guidance** was updated to support this approach. Temporary accommodation was generally provided to those who needed it, in line with the guidance, to ensure nobody had to sleep rough during the pandemic.

**8.** Following consultation on **post-pandemic interim homelessness measures** in the early summer 2022, the Welsh Government has brought forward legislative changes to allow the ‘no-one left out’ approach to continue. These changes are being made ahead of more fundamental changes to homelessness law expected later this Senedd term. The **Homelessness (Priority Need and Intentionality) (Wales) Regulations 2022** (“the 2022 Regulations”) came into force on 24 October 2022. These regulations add people who are street homeless (and anyone who would normally be expected to live with them) to the categories of people who, under the Housing (Wales) Act 2014, are regarded as having a priority need for accommodation. **Guidance** has also been issued to support this change.

**9.** In November 2021, the Welsh Government published **Ending homelessness in Wales: a high level action plan 2021 to 2026** (“the Action Plan”), which took forward recommendations from the Homelessness Action Group.

**10.** Since the Action Plan was published, Professor Susan Fitzpatrick from Heriot-Watt University has been appointed to Chair an **Expert Review Panel** for homelessness legislation in Wales. The panel will produce a report and recommendations on legislative reform for the Welsh Government during 2023 and will be supported by Crisis. The Welsh Government has also committed to publishing a White Paper on reform of homelessness legislation. This is expected later in 2023.<sup>1</sup>

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<sup>1</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 130

## 2. “No-one left out” approach

**11.** We considered the “no-one left out” approach, which has been in place since March 2020. We heard of the outstanding efforts of all who have been involved in implementing the “no-one left out” policy. The policy has uncovered levels of previously hidden homelessness. Many people who would not have approached the local authority for assistance beforehand are now being given homelessness assistance and support, including emergency temporary accommodation where it is needed. We heard from stakeholders who said the policy was the right thing to do and had “undoubtedly saved lives during the pandemic”.<sup>2</sup>

**12.** The number of people being housed in temporary accommodation has risen dramatically since the implementation of the “no-one left out” policy, and the numbers continue to rise. The latest statistical release was published on 9 February 2023 and shows that as of November 2022, of the 9,043 individuals in temporary accommodation 2,696 of these were dependent children aged under 16. The Welsh Local Government Association (“WLGA”) told us that “over 26,400 people who were previously homeless have been supported through emergency temporary accommodation” and the “consistent upward trend...shows no sign of reducing.”<sup>3</sup> The latest data shows that figure has now risen to over 30,000.

**13.** We heard mixed evidence from local authorities about the sustainability of the “no-one left out” approach, although the WLGA told us that local authorities “are supportive of the principle”.<sup>4</sup>

**14.** Cardiff Council told us that the policy itself has not altered its working practices, as it had already been housing “all single people, regardless of whether they're in priority need, [ ] for a few years”.<sup>5</sup>

**15.** We heard from other councils that, although the “no-one left out” policy had impacted on their working practices, they remained supportive of its principles. Wrexham Council explained:

*“...it's the pace of the changes that has really bowled us over in some respects. We are in a perfect storm in terms of pandemic, the introduction of that 'no-one left out' principle, which obviously and rightly was introduced due to COVID restriction measures, and then now it is the continuation, and*

<sup>2</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 255

<sup>3</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association \(WLGA\)](#)

<sup>4</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 46

<sup>5</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 148

*then further pressures that we're under due to the Ukraine position, and so on and so forth. So it is the scale of the change that has caught us and is continuing to challenge local authorities, and will continue in the future."*<sup>6</sup>

**16.** Witnesses questioned the sustainability of the policy due to its reliance on financial support. However, some authorities felt that the challenges posed by the policy were wider than funding. Wrexham Council told us that

*"...although we agree with the principles behind the "no-one left out" approach, there is no infrastructure to support it. There is no accommodation to support it, irrespective of funding. If you could throw £10 million at Wrexham tomorrow, we still wouldn't be able to come up with the goods because of the infrastructure and the time it would take to do developments."*<sup>7</sup>

**17.** Its representative referred to wider challenges it is facing around housing supply, referring to the "huge issue with phosphates" impacting the authority's ability to build new homes.<sup>8</sup> We explore this further in Chapter 6 on housing supply.

**18.** Swansea Council also voiced concerns with the practical sustainability of the policy, noting that it has created "a whole industry of temporary accommodation in the past couple of years, and we've created a reliance on it."<sup>9</sup> The council raised further concerns about the reliance on temporary accommodation, telling us that

*"We have got, I would say, 20 per cent to 25 per cent of people within our temporary accommodation stock who have had more than one offer and have refused it, sometimes for good reason and sometimes not for good reason, but know that we will continue to provide temporary accommodation."*<sup>10</sup>

**19.** The council questioned whether the overall aim should be that everyone receives an offer of suitable accommodation, which is different to "no-one left out".<sup>11</sup>

**20.** Swansea Council also raised concern at the potential for other events, such as the rising cost of living and the Ukraine crisis, to have an impact on the number of homelessness

<sup>6</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 52

<sup>7</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 54

<sup>8</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 54

<sup>9</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 131

<sup>10</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 131

<sup>11</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 131



presentations. We heard that housing supply issues and challenges around securing homes in the private rented sector could mean the policy is “not deliverable if we do nothing.”<sup>12</sup>

**21.** Stakeholders supporting individuals and families experiencing homelessness unanimously agreed that the “no-one left out” policy should remain and welcomed the additional priority need category for street homelessness. We heard from Crisis that:

*“we've committed to the direction, so we should start being more practical about making sure that it becomes a reality.”<sup>13</sup>*

**22.** The Wallich said

*“...I don't see that it's an option to retreat into a more gate-keeping model. Because the people who present and who will be denied are still going to be there, they're still going to be presenting...”<sup>14</sup>*

**23.** Shelter told us that the additional priority need category has had a positive effect on individuals who previously had not been given temporary accommodation under the guidance in place during the pandemic as it provided them with a legal route to challenge decisions. However they acknowledged the continuing pressure on the availability of temporary accommodation, stating that “there's still a lot of people out there who are street homeless and not getting the accommodation they need.”<sup>15</sup>

**24.** The Minister emphasised to us her gratitude to:

*“local authority teams, both at the political level and those people on the front line who have worked absolutely tirelessly and of whom we are immensely proud, right through the pandemic.”<sup>16</sup>*

**25.** The Minister told us that the approach taken since the Covid-19 pandemic has:

*“undoubtedly saved lives, and it's also lifted the lid on the true scale of homelessness in Wales and previously unmet support needs.”<sup>17</sup>*

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<sup>12</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 56

<sup>13</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 132

<sup>14</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 255

<sup>15</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 134-135

<sup>16</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 41

<sup>17</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 3

**26.** The Minister emphasised “if we withdrew from the ‘no one left out’ approach, people would be forced to sleep rough in Wales, and that cannot be right in a civilised society.”<sup>18</sup> The Minister acknowledged that there will continue to be challenges to the shift in approach, including “the cultural change” needed as a result of the “fundamental change” to local authorities’ workloads.

## Homeless-at-home approach

**27.** Shelter told us about an alternative approach, “homeless at home”, which would mean people could present as homeless while being able to stay with relatives or friends, rather than risking a not homeless decision by not accepting temporary accommodation. Shelter noted this could reduce pressure on all forms of temporary accommodation whilst making it easier for the individuals to maintain work. We heard that Shelter have had positive discussions with the Welsh Government about this.<sup>19</sup>

**28.** We discussed the suggestion with the Minister, who told us:

*“It clearly should not be the default that everyone goes into temporary accommodation; that's not the most suitable place for everyone to be. There are lots of merits to the proposals and we're just working to explore how such an approach could be introduced to provide the flexibility to local authorities, and make sure that the local authority is still complying with its duty, and ensure that the rights of the individual are protected. So, it's an excellent idea. It needs some refining.”<sup>20</sup>*

## Our view

**29.** The evidence from stakeholders and the Minister showed a strong commitment across the sector to the “no-one left out” policy. As many have noted, this policy has undoubtedly saved lives. We recognise the immense effort that staff working for local authorities, support providers, the Welsh Government and other stakeholders have played in implementing the policy. We also recognise the concerns raised by some local authorities around the longer term practicalities of implementing and sustaining the policy. We acknowledge concerns heard in evidence that some offers of permanent accommodation are turned down. We ask the Welsh Government to

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<sup>18</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 3

<sup>19</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 168

<sup>20</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 26

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consider the frequency and reasons for offers of permanent accommodation being refused by people living in temporary accommodation.

**30.** We welcome the Welsh Government's decision to appoint relationship managers to act as direct contacts for local authorities to share homelessness related concerns.

**Recommendation 1.** We believe that the purpose of the relationship manager roles should be clarified and the Welsh Government should consider opportunities to enhance the roles to better support local authorities.

**31.** We support the “no-one left out” policy and with the right level of resources, commitment and support we believe it is sustainable. However, we believe there may be opportunities to make changes to how it is implemented that benefit both local authorities and people who find themselves facing homelessness. For example, a homeless at home approach, as outlined by Shelter Cymru in their evidence to us, could ease some of the pressure on local authorities who are facing challenges in sourcing temporary accommodation. It would also allow people to avoid moving into potentially unsuitable and expensive temporary accommodation, whilst still enabling them to receive support and assistance to secure permanent accommodation.

**32.** We believe that a primary focus of the “no-one left out” approach should be on prevention. We recognise that prevention work depends on the Housing Support Grant (HSG) and we explore this and make a further recommendation in paragraph 138.

**33.** The Welsh Government should consider introducing a homeless at home policy, supported by clear guidance that protects the rights of people who find themselves facing homelessness, as a matter of urgency. The guidance should recognise this policy will not be suitable for all applicants.

### 3. Temporary accommodation

#### Supply of temporary accommodation

**34.** We were told by local authority representatives and the WLGA that the supply of temporary accommodation is under intense pressure. Some authorities are having to use B&Bs and hotels as temporary accommodation as well as having to place people outside of their local area.

**35.** Cardiff Council told us that it has a wide range of temporary accommodation, including over 800 units for single people, 12 staffed hostels, 219 units of shared housing and a triage centre for those with complex needs.<sup>21</sup> However, the council was still concerned, stating that “demand is completely outstripping” supply.<sup>22</sup> It explained that all of its 1500 units were full<sup>23</sup> and that it was having to use hotels to accommodate homeless families.<sup>24</sup> Cardiff Council told us that demand:

*“equates to approximately 53 families being referred for temporary accommodation each month when move on is approximately 42. This means that families are only being placed at the final warrant stage of the homelessness cycle. This creates considerable strain on families who are already under extreme stress over the thought of becoming homeless.”<sup>25</sup>*

**36.** To increase capacity in the short-term, we heard that Cardiff Council is reviewing existing space and utilising modular buildings to create an additional 172 units.<sup>26</sup> (HO – 09 Cardiff Council)

**37.** The other authorities we heard from were in similar positions relating to supply. Pembrokeshire County Council said that its hotels and hostel are “full to the brim” and its biggest challenge is placing individuals with complex needs in suitable supported accommodation due to cost and availability.<sup>27</sup> Wrexham Council said that its temporary accommodation is being filled as soon as it becomes available.<sup>28</sup> Swansea Council said a particular pressure point is out of hours, when it is difficult to take on more temporary

<sup>21</sup> Local Government and Housing Committee, [HO\(2\).09 Cardiff Council](#)

<sup>22</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 20

<sup>23</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 20

<sup>24</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 38

<sup>25</sup> Local Government and Housing Committee, [HO\(2\).09 Cardiff Council](#)

<sup>26</sup> Local Government and Housing Committee, [HO\(2\).09 Cardiff Council](#)

<sup>27</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 42

<sup>28</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 40

accommodation at short notice. We heard that, in Swansea, there are four times as many people in B&B accommodation and hotels compared with before the pandemic.<sup>29</sup>

**38.** The Salvation Army told us Merthyr Tydfil Borough Council, one of its key local authority partners, was:

*"attempting to support 160-170 homeless people with 60 plus in B+B's [These additional pressures create a mountain that can feel impossible to climb."]<sup>30</sup>*

**39.** Research undertaken by the Bevan Foundation in summer 2022 revealed that the shortage in supply of temporary accommodation is so acute that some authorities are advising tenants served with eviction notices to remain in the properties until they are issued with court orders to leave.<sup>31</sup> Support service stakeholders including the Salvation Army are concerned about increased financial pressure on local authorities in the next financial year if funding to use temporary accommodation such as hotels and B&Bs is reduced, and the impact on "current provision, innovation, adaptation and developmental work".<sup>32</sup>

**40.** We heard that the pressures facing local authority staff are being felt by other organisations supporting people experiencing homelessness. Shelter Cymru spoke of concerns:

*"that the race to secure accommodation in our pressurised housing market is leading local authorities to take some risks in terms of procurement."]<sup>33</sup>*

**41.** Shelter Cymru cited an example of a block accommodation provider that recently became unavailable at short notice, which resulted in the authority having to find alternative accommodation for a number of households. They added:

*"We feel that short-term and insecure contractual arrangements pose a real business and reputational risk for authorities and, critically, upheaval and added uncertainty for residents."]<sup>34</sup>*

**42.** The Salvation Army told us that in Cardiff alone there was a projected shortage of 126 units by the end of the financial year, with 83 families currently waiting to be placed in temporary accommodation. It noted that, in Cardiff, the demand for temporary accommodation

<sup>29</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 44

<sup>30</sup> Local Government and Housing Committee, [HO\(2\).14 Salvation Army](#)

<sup>31</sup> Local Government and Housing Committee, [HO\(2\).15 Bevan Foundation](#)

<sup>32</sup> Local Government and Housing Committee, [HO\(2\).14 Salvation Army](#)

<sup>33</sup> Local Government and Housing Committee, [HO\(2\).07 Shelter Cymru](#)

<sup>34</sup> Local Government and Housing Committee, [HO\(2\).07 Shelter Cymru](#)

has increased significantly and waiting lists for all Gateways (families, single and young persons) combined are up 350 per cent, higher than in previous years.<sup>35</sup>

**43.** A further concern raised by service provider stakeholders is that some local authorities are operating waiting lists for temporary accommodation. Shelter expressed concern and disappointment about the operation of waiting lists, acknowledging that it is “a symptom of the current unprecedented demand against limited supply”.<sup>36</sup>

**44.** The Chartered Institute of Housing Cymru told us it had heard reports of waiting lists for temporary accommodation, move-on accommodation and permanent accommodation across most of Wales, including examples of people sleeping rough waiting “two weeks or more to secure a place in temporary accommodation.”<sup>37</sup>

**45.** The Wallich also voiced its concern that not all individuals presenting as homeless are being given temporary accommodation due to local authorities’ units being at, or over, capacity. They were worried that this would force people to sleep rough on the streets, “one of the most dangerous forms of homelessness”.<sup>38</sup>

**46.** Cymorth Cymru referred to statistics from August 2022 to demonstrate a shortfall in the supply of temporary accommodation and stated:

*“We do not believe that Wales currently has an adequate supply of suitable, high quality temporary accommodation.”*<sup>39</sup>

**47.** Cymorth acknowledged that although the Welsh Government’s **guidance** focussed on reducing the use of B&Bs “to an absolute minimum”, local authorities are facing immense challenges in finding alternative accommodation.<sup>40</sup>

**48.** The Minister emphasised that:

*“the use of waiting lists for people who are entitled to temporary accommodation, under either section 68 or 75 of the Housing (Wales) Act 2014, is unlawful”.*<sup>41</sup>

<sup>35</sup> Local Government and Housing Committee, [HO\(2\).14 Salvation Army](#)

<sup>36</sup> Local Government and Housing Committee, [HO\(2\).07 Shelter Cymru](#)

<sup>37</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 4

<sup>38</sup> Local Government and Housing Committee, [HO\(2\).10 The Wallich](#)

<sup>39</sup> Local Government and Housing Committee, [HO\(2\).17 Cymorth Cymru](#)

<sup>40</sup> Local Government and Housing Committee, [HO\(2\).17 Cymorth Cymru](#)

<sup>41</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 29

**49.** The Minister did, however, tell us that she is aware of “potential waiting lists”, but that her officials have been assured by the local authorities that they are operating within their statutory responsibilities. An example of this could be putting a person on a type of waiting list if they have been threatened with homelessness, where they would be offered temporary accommodation once they are facing “imminent eviction”. The Minister emphasised that this working practice “reflects the pressure” on temporary accommodation and authorities.<sup>42</sup>

**50.** Shelter Cymru welcomed the increased use of modular builds to provide temporary and permanent housing, referencing examples in the **Vale of Glamorgan** and on the **North Wales coast**. They felt strongly that future residents should be consulted on design, location and tenure to ensure that it meets their needs.<sup>43</sup>

**51.** Cymorth Cymru felt that the Welsh Government should continue to fund the Transitional Accommodation Capital Programme (“TACP”) if it proves to be effective, to provide solutions during the wait for the 20,000 social homes.<sup>44</sup> Wales & West Housing commented that there are only a small number of homes that are untenanted (“voids”) therefore the TACP “was never going to deliver thousands of homes—at best, it was going to deliver a few hundred.”<sup>45</sup>

**52.** The Minister told us about the £65 million invested in TACP<sup>46</sup> and subsequently, in a **letter** to us, noted that had since been increased by £24 million to a total of £89 million for the current year. The Minister also told us about a £197 million package of funding to prevent homelessness, and that there is “an additional £10 million available to local authorities to support the provision of temporary accommodation.”<sup>47</sup>

## Our view

**53.** We recognise that local authorities are struggling to source sufficient temporary accommodation because of the high numbers of people facing homelessness. We were concerned to hear of the increasing necessity to use B&B accommodation and hotels as temporary accommodation. recognise that this reflects the extreme level that homelessness cases have now reached.

**54.** We hope that, going forward, the Welsh Government will support local authorities to move away from relying on this type of accommodation as soon as possible. We recognise that

<sup>42</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 30

<sup>43</sup> Local Government and Housing Committee, [HO\(2\).07 Shelter Cymru](#)

<sup>44</sup> Local Government and Housing Committee, [HO\(2\).17 Cymorth Cymru](#)

<sup>45</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 81

<sup>46</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 31

<sup>47</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 5

the lack of longer-term accommodation means there is a very high reliance on temporary accommodation at present and this may continue for some time. Whilst we support the move to a rapid rehousing approach, it is important that there is sufficient temporary accommodation to meet demand. This could include more use of modular builds for temporary accommodation that could be constructed relatively quickly where there is suitable land available. We recognise that some authorities use modular builds for temporary accommodation effectively and see an opportunity for this best practice to be shared.

**Recommendation 2.** We recommend that the Welsh Government should identify and facilitate the sharing of best practice around modular builds for temporary accommodation.

**55.** We were concerned to hear witnesses suggest that waiting lists for temporary accommodation were being operated in some areas. We note the Minister's assurances that legislation was being complied with and any waiting lists were for people threatened with homelessness.

**56.** We note the significant funding that has been made available through the Welsh Government's Transitional Accommodation Capital Programme (TACP) to provide a range of interim and longer-term accommodation options. We feel that additional funding for temporary and transitional accommodation options could be beneficial, provided local authorities and their partners are adequately supported to deliver and manage this additional accommodation.

**Recommendation 3.** We recommend that the Welsh Government explores opportunities for further funding for temporary and transitional accommodation, and evaluates the effectiveness of current funding, including the TACP.

## **Suitability and quality of temporary accommodation**

**57.** When securing accommodation for a person who is homeless or threatened with homelessness, a local authority must ensure it is suitable. Section 59 of the 2014 Act outlines what must be considered when determining if accommodation is suitable. The Welsh Government's **Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness** provides detailed guidance regarding what is considered suitable accommodation. Welsh Ministers have used their powers to specify when accommodation is not to be regarded as suitable. This includes, subject to exceptions, B&B accommodation.

**58.** The Welsh Government has consulted on making a Statutory Instrument covering possible changes to the **Homelessness (Suitability of Accommodation) (Wales) Order 2015** ("the



2015 Order”). The **consultation** proposed adding to the exceptions currently set out in legislation where B&B accommodation is considered suitable for a person in priority need (or who may be in priority need). Specifically, the consultation proposed that B&B accommodation would be considered suitable if an Authority’s ability to provide accommodation has been restricted as a result of pressures from Covid-19, subject to a time limit of 31 March 2023.

**59.** The Minister’s letter to us dated 26 January 2023 noted that:

*“The consultation responses highlighted the complexity of this issue given the increasing pressures on local authorities and further work and engagement with partners is underway to determine the most appropriate transitional measures in this area, and we expect to set out the proposed way forward shortly.”<sup>48</sup>*

**60.** We heard a lot of evidence about the suitability and quality of temporary accommodation. We heard from Crisis that due to the pressure that housing staff are under they may not have time to “do a full and thorough assessment of somebody’s needs” therefore there could be a risk of people being placed in unsuitable accommodation. Crisis emphasised that the picture varied across all local authorities, and within all local authorities, rather than some performing better than others.<sup>49</sup>

**61.** We heard from Shelter Cymru that the circumstances under which authorities are working are extremely difficult, and that people are being placed in “poor quality accommodation” as a last resort.<sup>50</sup> Cymorth Cymru told us that authorities have had to use “whatever they can get their hands on”.<sup>51</sup>

**62.** Evidence consistently suggested that people placed in hotels and B&B accommodation, particularly families, faced difficult living conditions.<sup>52</sup> This is due to the lack of adequate facilities and usually cramped conditions.<sup>53</sup> The Chartered Institute of Housing Cymru told us of families being placed into one-room B&B’s.<sup>54</sup> This was echoed by Cymorth, who spoke of parents and children having to share single rooms.<sup>55</sup> Tai Pawb told us that the use of refuges and hostels has increased by 18 per cent, whilst the use of B&Bs as temporary accommodation has increased by

<sup>48</sup> Local Government and Housing Committee, [Letter from the Minister for Climate Change, 26 January 2023](#)

<sup>49</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 159

<sup>50</sup> Local Government and Housing Committee, [HO\(2\).07 Shelter Cymru](#)

<sup>51</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 280

<sup>52</sup> Local Government and Housing Committee, [HO\(2\).09 Cardiff Council](#)

<sup>53</sup> Local Government and Housing Committee, [HO\(2\).15 Bevan Foundation](#)

<sup>54</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 15

<sup>55</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 282

over 474 per cent, showing that “the least suitable forms of temporary accommodation are where the biggest growth has been”.<sup>56</sup>

**63.** Shelter Cymru also told us that they’re seeing growing case load of people challenging accommodation suitability, evictions from temporary accommodation, or people being placed on waiting lists when the duty should be immediate.<sup>57</sup>

**64.** Local authorities told us of occasions when families have had to be placed in hotels and B&B accommodation. However, some, including Pembrokeshire County Council, said they are very reluctant to do it, although it can happen in emergency situations.<sup>58</sup>

**65.** We heard that similarly for Wrexham Council, in emergency situations, they have had to place families into hotels. However, like Pembrokeshire Council, they said that they try to move families into more suitable accommodation as soon as possible and keep stays in hotels and B&B accommodation “very, very short”.<sup>59</sup>

**66.** Cardiff Council told us of the improvements it had made to the quality of its temporary accommodation, having removed its lower quality stock. However, the issue of supply remains and they stressed that “it’s just not enough at the moment to deal with incoming demand.”<sup>60</sup>

**67.** Overall, we heard from stakeholders that the quality of temporary accommodation is very varied across Wales.<sup>61</sup> Housing Justice Cymru told us that they have seen both “appalling” and “fantastic” accommodation, which costs the same to the individual living there regardless.<sup>62</sup> They emphasised that it is “luck of the draw” in terms of the quality and suitability of temporary accommodation placements.<sup>63</sup>

**68.** Shelter Cymru, acknowledging that they are more exposed to the extreme examples, cited a harrowing experience of very dirty temporary accommodation which they suggested could be reported to environmental health. However the individual did not want to pursue it and was moved to different accommodation. Shelter Cymru flagged that because local authorities may

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<sup>56</sup> Local Government and Housing Committee, [HO\(2\).12.Tai Pawb](#)

<sup>57</sup> Local Government and Housing Committee, [HO\(2\).07.Shelter Cymru](#)

<sup>58</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 87

<sup>59</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 90

<sup>60</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 92

<sup>61</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 280

<sup>62</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 146

<sup>63</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 183

not face a challenge to the suitability of accommodation, they “don’t get any case law around suitability”.<sup>64</sup>

**69.** Housing Justice Cymru noted the impact poor quality accommodation, potentially without any support, could have on people experiencing homelessness, perhaps for the first time:

*“...we need to be looking really closely at the suitability of accommodation, as Jenny’s highlighted, because if people are experiencing homelessness for the first time and we put them into the wrong accommodation with no support, actually they can start to experience trauma that will mean that they may not get straight back into mainstream housing and a job.”<sup>65</sup>*

**70.** Common problems with temporary accommodation that we were told about in evidence included:

- families sharing one room with little to no space for children to play or study;<sup>66</sup>
- shared bathroom facilities;<sup>67</sup>
- lack of cooking facilities<sup>68</sup> beyond kettles and microwaves;<sup>69</sup>
- insufficient support for people with higher or complex needs;<sup>70</sup>
- camp beds and sleeping bags in place of proper beds;<sup>71</sup>
- no internet connectivity so residents are unable to apply for benefits, register with GPs or carry out online banking;<sup>72</sup>
- curfews;<sup>73</sup>
- pest infestations such as scabies, rats and fleas<sup>74</sup>

<sup>64</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 153

<sup>65</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 182

<sup>66</sup> Local Government and Housing Committee, [HO\(2\).04 Chartered Institute of Housing Cymru](#)

<sup>67</sup> Local Government and Housing Committee, [HO\(2\).04 Chartered Institute of Housing Cymru](#)

<sup>68</sup> Local Government and Housing Committee, [HO\(2\).04 Chartered Institute of Housing Cymru](#)

<sup>69</sup> Local Government and Housing Committee, [HO\(2\).10 The Wallich](#)

<sup>70</sup> Local Government and Housing Committee, [HO\(2\).10 The Wallich](#)

<sup>71</sup> Local Government and Housing Committee, [HO\(2\).10 The Wallich](#)

<sup>72</sup> Local Government and Housing Committee, [HO\(2\).10 The Wallich](#)

<sup>73</sup> Local Government and Housing Committee, [HO\(2\).12 Tai Pawb](#)

<sup>74</sup> Local Government and Housing Committee, [HO\(2\).13 Crisis](#)

- heating and hot water controlled centrally;<sup>75</sup>
- lack of security;<sup>76</sup>
- Constant noise throughout the night;<sup>77</sup>
- Other residents using drugs;<sup>78</sup>
- Inexperienced staff at evenings or weekends;<sup>79</sup>
- No laundry facilities;<sup>80</sup> and
- Out of the individual or family's local area.<sup>81</sup>

**71.** Crisis stated that some of their members "feel safer sleeping rough than they do in temporary accommodation."<sup>82</sup> Tai Pawb echoed this, stating that:

*"in a worst-case scenario, rather than preventing homelessness, unsuitable accommodation can lead to it; impacting lives while also leading to additional costs to public services."*<sup>83</sup>

**72.** Additionally, a key problem is the length of time some people are having to spend in temporary accommodation. Cymorth told us of service users who had been in temporary accommodation for nearly two years. We heard that the uncertainty of not knowing when people will be able to move on also has a negative impact.<sup>84</sup>

**73.** Affordability of temporary accommodation is another obstacle for people facing homelessness. We heard that it is often unaffordable for people who work meaning it is difficult to sustain a job and people risk getting into a "dependent passive position."<sup>85</sup> Shelter Cymru raised concerns about high service charges when staying in temporary accommodation that often impact on working people.

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<sup>75</sup> Local Government and Housing Committee, [HO\(2\).13.Crisis](#)

<sup>76</sup> Local Government and Housing Committee, [HO\(2\).13.Crisis](#)

<sup>77</sup> Local Government and Housing Committee, [HO\(2\).13.Crisis](#)

<sup>78</sup> Local Government and Housing Committee, [HO\(2\).17.Cymorth.Cymru](#)

<sup>79</sup> Local Government and Housing Committee, [HO\(2\).17.Cymorth.Cymru](#)

<sup>80</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 282

<sup>81</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 128

<sup>82</sup> Local Government and Housing Committee, [HO\(2\).13.Crisis](#)

<sup>83</sup> Local Government and Housing Committee, [HO\(2\).12.Tai.Pawb](#)

<sup>84</sup> Local Government and Housing Committee, [HO\(2\).17.Cymorth.Cymru](#)

<sup>85</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 140

**74.** Nacro told us that amongst their service users, a number of people feel that entering into temporary accommodation would increase their vulnerability, and therefore they would:

*"...rather remain homeless than access temporary accommodation...there is an increasing issue...with people who are presenting with pets, and stating that they've got support pets and they don't want to access HMOs because of that."*<sup>86</sup>

**75.** The Petitions Committee wrote to us in October 2022 outlining a petition it was considering to ban the use of 'no pet clauses' in tenancy agreements in Wales.<sup>87</sup> After considering the letter we asked the Minister on 7 December about temporary accommodation suitable for people with pets, and she told us that local authorities are expected to look closely at the housing available to ensure people who have pets can be accommodated.<sup>88</sup>

**76.** Cymorth told us of concerns whereby people are placed with others who have "complex traumas" which exacerbates the already difficult situation.<sup>89</sup> The Wallich voiced concerns about large scale temporary accommodation such as hostels or converted hotels

*"Large TA properties such as hostels or converted hotels can be difficult for staff to manage when they are at full capacity, and the volume and complexity of residents' needs can very quickly lead to incidents which will have negative impacts on the local community, damaging neighbourhood relationships. Oversubscribed accommodation will generally lead to worse outcomes (and higher costs) across health services, policing and criminal justice, and other public services delivered by local authorities."*<sup>90</sup>

**77.** Stakeholders told us of improvements to temporary accommodation suggested by their service users. This included:

- Better communication regarding when a settled home could be secured, as well as a maximum time limit on stays in temporary accommodation (for example six months);
- A broader variety of available temporary accommodation, with larger rooms, better quality facilities and in more appropriate locations;

<sup>86</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 314

<sup>87</sup> Local Government and Housing Committee, 16 November 2022, [Paper 5](#)

<sup>88</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 53

<sup>89</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 281

<sup>90</sup> Local Government and Housing Committee, [HO\(2\) 10 The Wallich](#)

- More provisions for mental health support;
- More activities for children;<sup>91</sup>
- More consideration for placements, such as ensuring recovering addicts are not placed with active users;<sup>92</sup>

**78.** The Minister acknowledged that local authorities are having to use a variety of options “including hotels and B&Bs” to ensure that no one is sleeping rough, as a result of the ongoing pressures and demand in the housing system.<sup>93</sup>

**79.** In addition to the disturbing evidence we heard about the suitability and quality of some temporary accommodation, we also heard about some that was of much better quality and how a stay provides an opportunity to engage with support services.

**80.** Cardiff Council told us of examples of good practice, such as high quality, self-contained units it has for single people and families. It also has provision for people with complex needs including:

*“...dedicated units for substance misuse, alcohol dependency, mental health, offending behaviour, and Mixed Disciplinary Teams that can be deployed to intervene in cases where significant concerns are raised around an individual's welfare.”<sup>94</sup>*

**81.** Cardiff Council also told us about the success of its Tenancy Training for young people which “has achieved an incredibly successful tenancy sustainment rate of 99%.”<sup>95</sup>

**82.** It was noted that on occasion, longer stays in supported accommodation could be beneficial; such as for people who have experienced long-term substance use or sexual exploitation.<sup>96</sup> Tai Pawb stressed that even while focus is on Rapid Rehousing, these types of temporary accommodation should continue to be invested in.<sup>97</sup> Cymorth told us that some residents appreciate on-site support workers as well as the sense of community that can arise from sharing accommodation with people who have had similar experiences to them.<sup>98</sup>

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<sup>91</sup> Local Government and Housing Committee, [HO\(2\).17 Cymorth Cymru](#)

<sup>92</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph

<sup>93</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 35

<sup>94</sup> Local Government and Housing Committee, [HO\(2\).09 Cardiff Council](#)

<sup>95</sup> Local Government and Housing Committee, [HO\(2\).09 Cardiff Council](#)

<sup>96</sup> Local Government and Housing Committee, [HO\(2\).12 Tai Pawb](#)

<sup>97</sup> Local Government and Housing Committee, [HO\(2\).12 Tai Pawb](#)

<sup>98</sup> Local Government and Housing Committee, [HO\(2\).17 Cymorth Cymru](#)

**83.** The WLGA told us that for some people, supported temporary accommodation can be beneficial, for example those who have been experiencing chaotic lifestyles, as it could offer stability and opportunities to engage with support services.<sup>99</sup>

**84.** Cardiff Council told us:

*"...it's not a simple answer that long stays in temporary accommodation are always negative. So, we have young people, single people and families with fairly complex needs who really benefit from our supported accommodation and the support that they receive there. For example, young people coming out of care do benefit from a period of time in supported accommodation, where they receive independent living skills support before they move on to that permanent accommodation. So, it's not as clear-cut that long stays are always negative."*<sup>100</sup>

**85.** Cymorth asked its service users about positive elements to their experiences of temporary accommodation, and cited examples including access to support, living in close proximity to people who had been through similar experiences, and having shelter rather than staying on the streets or on other people's sofas. Cymorth however acknowledged that for many, they had positive anecdotes only because "it was better than the situation they had come from."<sup>101</sup>

## Impact on individuals and families

**86.** Stakeholders told us of the staggering impact being placed in temporary accommodation is having on those individuals and families. We heard of the isolation some people face when placed far away from friends, family, employment, schools, healthcare and support networks<sup>102</sup>. Not only does this isolation impact on people's mental health and sense of community, it also increases the costs that they face, including higher transport costs to access schools, childcare or work.<sup>103</sup> We also heard that digital exclusion affects those living in temporary accommodation due to limited Wi-Fi access.<sup>104</sup>

**87.** We heard that rules in place in some temporary accommodation mean that many lose usual freedoms, such as not being allowed to have visitors and having to abide by curfews<sup>105</sup>,

<sup>99</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association \(WLGA\)](#)

<sup>100</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 26

<sup>101</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>102</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

<sup>103</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>104</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>105</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 287

only exacerbating the feelings of isolation and loneliness<sup>106</sup>. Cardiff Council recognised this, stating that:

*"Temporary accommodation has been well documented as having a negative and destabilising impact on the lives of those that need it, removing the independence of some individuals and often taking people away from their supporting networks such as friends, family, health services or education."*<sup>107</sup>

**88.** We heard how inappropriate temporary accommodation can have a hugely negative impact on the mental health and relationships of families housed together, often in the same room.<sup>108</sup> Cymorth also highlighted that it could impact on people's access to their children, if the children reside elsewhere with a former partner.<sup>109</sup>

**89.** We also heard that many people and children feel unsafe<sup>110</sup> in overcrowded temporary accommodation, particularly when having to use shared facilities, as well as finding the experience traumatic, worsening the already traumatising situation of being homeless.<sup>111</sup> It was noted that some people can feel pushed to leave and sleep rough if the temporary accommodation is "too chaotic", if for example an individual who is trying to abstain from substance misuse is placed in close proximity to active users.<sup>112</sup> We heard that ex-offenders can also find it difficult to avoid re-involving themselves with criminal activity if placed in a "volatile" environment as we are told is often the case, and "beyond returning to using substances, it is common for residents in temporary accommodation to be targeted and coerced into drug-related work."<sup>113</sup>

**90.** Crisis explained to us that there is a lack of temporary accommodation for people with "complex support needs", and that if people are not receiving the support they need, for example in a B&B that was "never designed to be temporary accommodation for homelessness services", feelings of isolation, abandonment and hopelessness are exacerbated, further impacting on mental health.<sup>114</sup>

**91.** We heard that individuals and families placed in hotels and B&Bs face additional costs as they have little or no access to kitchen facilities. These people become reliant on takeaways and

<sup>106</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

<sup>107</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>108</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>109</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>110</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

<sup>111</sup> Local Government and Housing Committee, [HO\(2\) 10 The Wallich](#)

<sup>112</sup> Local Government and Housing Committee, [HO\(2\) 10 The Wallich](#)

<sup>113</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#)

<sup>114</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 156



eating out, which is more expensive and usually less nutritious than cooking for themselves.<sup>115</sup> Having no access to kitchen facilities also risks a “de-skilling effect”, whereby people lose the skills of preparing healthy meals, which has a further impact on health.<sup>116</sup>

**92.** We heard that the service charges in temporary accommodation are often high, and not covered by housing benefits. As a result there is a risk of people getting into debt, which could exclude them from social housing waiting lists.<sup>117</sup> Shelter told us of service users who have had to give up work when they move into temporary accommodation in order to be eligible for benefits, as their usual wages are “insufficient to cover the rental costs”.<sup>118</sup> Some people can be:

*“Stuck with no money, no job, and no idea about what the future will hold, it is little wonder that some end up struggling to maintain their mental wellbeing and their accommodation).”<sup>119</sup>*

**93.** The Wallich outlined that eligibility for benefits can change for people placed in temporary accommodation, and that they are supporting clients who “would be able to work more hours, or are working and could happily support themselves, but they’re stuck in the system without anywhere to move on.”<sup>120</sup> The Salvation Army said that the current system “works against people getting back into work” as once they begin to earn money through work, benefits are reduced and they are unable to sustain the temporary accommodation tenancy.<sup>121</sup>

**94.** We heard that a key negative impact on individuals in temporary accommodation often comes from the lack of communication about how long they will be there and what will happen next. Cymorth have been told that:

*“...being in temporary accommodation felt like a prison sentence, but they didn’t know their release date, because they had no idea about how long they were going to be in there.”<sup>122</sup>*

**95.** Shelter told us that their service users can feel as if life is on hold and “of being in limbo”.<sup>123</sup> Community Housing Cymru also told us about the impact of “the instability and

<sup>115</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>116</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 285

<sup>117</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 173

<sup>118</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

<sup>119</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

<sup>120</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 322

<sup>121</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 324

<sup>122</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 282

<sup>123</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

uncertainty that comes from not having a settled home.”<sup>124</sup> The Salvation Army highlighted that the lack of move-on opportunities following a stay in temporary accommodation causes people to feel “stuck” and has a detrimental effect on mental and physical health.<sup>125</sup>

**96.** Cardiff Council acknowledged this, highlighting that the impact is worse felt by those living in hotels, due to the lack of “security and stability that families need to return to independent living”.<sup>126</sup> The council said that for people with lower support needs, particularly families, longer stays in hotel temporary accommodation are unacceptable.<sup>127</sup>

**97.** Tai Pawb told us that data on the demographics of people in temporary accommodation is unclear, for example, the numbers of people with protected characteristic as defined by the Equalities Act 2010 is not specified. They said that:

*“...having this data could help in three ways; firstly, to understand whether particular groups were more likely to be placed in temporary accommodation, or in certain forms of it. Secondly to understand whether people's needs are met through their temporary accommodation placement and help plan for the most appropriate type needed in the future.”<sup>128</sup>*

**98.** Tai Pawb also emphasised that having this data could help guide preventative work as it could identify the people most at risk of having to use temporary accommodation.<sup>129</sup>

## Our view

**99.** We acknowledge that local authorities are under extreme pressure and are working to the best of their abilities with the temporary accommodation stock that they have. However, we recognise the hugely detrimental impact that living in these properties can have on individuals and families.

**100.** We are concerned that people don't know how long they will have to stay in temporary accommodation before finding a settled home. As a result people feel “in limbo” and as if their life is on hold, which can have a detrimental effect on their mental health as well as impacting on other aspects of their life, like work and relationships. We recognise the difficulties for local authorities in addressing this situation given the lack of move-on accommodation. However, it is

<sup>124</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

<sup>125</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 277

<sup>126</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>127</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 27

<sup>128</sup> Local Government and Housing Committee, [HO\(2\) 12 Tai Pawb](#)

<sup>129</sup> Local Government and Housing Committee, [HO\(2\) 12 Tai Pawb](#)

important that people living in temporary accommodation are given regular, realistic updates on how long their stay is likely to be.

**Recommendation 4.** The Welsh Government should review how local authorities ensure people staying in temporary accommodation are kept informed of their ongoing housing status, including how long their stay is likely to be, and identify best practice in communicating this information. The Welsh Government should update the Committee on its findings urgently.

**101.** We acknowledge that, for most people, a stay in temporary accommodation should be as brief as possible. We are concerned that for many, it can have a detrimental effect on several areas of their lives including mental health, relationships, education, substance and alcohol misuse. However we note that for some people with complex or high support needs, appropriate temporary accommodation can provide an opportunity to engage with support services. We believe that it would be helpful to have better data on the demographics of people accessing temporary accommodation as this may help inform future prevention work.

**Recommendation 5.** The Welsh Government should improve the data and statistics on the people living in temporary accommodation with the aim of informing prevention work.

## **A homelessness regulator**

**102.** Given the inconsistencies raised by stakeholders as to the suitability and quality of temporary accommodation, Shelter Cymru<sup>130</sup> have suggested that it would be beneficial to have an independent regulator to ensure standards are met, and to advocate for those living in temporary accommodation.

**103.** We also received a call for a regulator role from **Professor Peter Mackie, School of Geography and Planning, Cardiff University**. Professor Mackie suggested the role could go further than ensuring standards of temporary accommodation and that a regulator could scrutinise homelessness legislation, services and progress towards implementing the Action Plan's goals. In his 2021 **own initiative report into homelessness** the former Public Services Ombudsman for Wales also called for a regulator role to support and provide information and guidance to local authorities.

**104.** We asked the Minister how she responds to calls from stakeholders for a homelessness regulator, particularly to have oversight over temporary accommodation standards. The Minister

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<sup>130</sup> Local Government and Housing Committee, 24 November 2022, paragraph 201

acknowledged that not all temporary accommodation is “physically”<sup>131</sup> inspected, and recognised the need to “increase the level of consistency of homelessness services”<sup>132</sup>, but that:

*“The existing statutory guidance makes it clear that temporary accommodation should be suitable.”*<sup>133</sup>

**105.** Despite acknowledging that it has been “really hard”<sup>134</sup> to maintain the standards, the Minister was not convinced by the suggestion of a regulator:

*“I just simply do not see what a regulator telling people that they're not currently meeting the standards actually achieves, other than being another stick to beat them with. They don't need another stick to beat them with, they need help to get themselves into a position where they can provide the rapid rehousing approach that we actually need. So, I'm afraid I'm not really understanding quite what the regulator would add that we're not already doing.”*<sup>135</sup>

## Our view

**106.** We are concerned about the impact that poor quality and unsuitable temporary accommodation can have on individuals and families who are placed there. It is clear that some of the properties currently used are not suitable or of an acceptable standard.

**107.** We note that there is statutory guidance on the suitability of accommodation and that it is challenging for local authorities to comply with this in every instance because of the demand and shortage of suitable accommodation. We recognise that, in spite of the guidance, many people are being housed in temporary accommodation that is of an unacceptable standard and that it needs to be addressed. Properties should meet a minimum standard, and as the homelessness figures suggest that its continued use will be needed for some time, the standards, and monitoring of those standards, must be improved.

**Recommendation 6.** The Welsh Government should urgently explore what can be done to monitor and improve standards in temporary accommodation and report back to the Committee. As part of this work, the Welsh Government should consider whether there is an

<sup>131</sup> Local Government and Housing Committee, 7 December 2022, paragraph 39

<sup>132</sup> Local Government and Housing Committee, 7 December 2022, paragraph 133

<sup>133</sup> Local Government and Housing Committee, 7 December 2022, paragraph 36

<sup>134</sup> Local Government and Housing Committee, 7 December 2022, paragraph 137

<sup>135</sup> Local Government and Housing Committee, 7 December 2022, paragraph 137

opportunity to update the existing statutory guidance in a way that recognises the challenges currently faced by local authorities

**108.** We note the suggestion of introducing a regulator role for the sector, including the recommendation made by former Public Services Ombudsman in *Homelessness Reviewed: an open door to positive change*, and see merit in such a proposal. We note the Minister's view that a regulator would not result in changes to the quality of accommodation as standards already exist and recognise the difficulties that establishing a regulator could cause. However we are persuaded by the evidence received and see the merit in establishing a homelessness regulator in the future, for greater oversight of homelessness services including temporary accommodation standards.

**Recommendation 7.** The Welsh Government should consider the opportunity to establish a homelessness regulator as part of its reform of homelessness legislation.

## 4. Homelessness prevention and support services

**109.** Whilst we heard how challenging it is to help people move on from temporary accommodation, we also heard that more needs to be done to prevent homelessness in the first place. Crisis told us that currently, relationship breakdown is one of the main reasons for homelessness which is difficult to prevent and can be exacerbated by the cost of living putting pressure on relationships.<sup>136</sup>

### Prevention

**110.** The WLGA highlighted that a multi-agency approach to prevention is required:

*"tackling homelessness and supporting homeless people isn't just down to homeless teams and housing. This requires a public service and a much broader response, and it does require other agencies to provide support at appropriate times...because of capacity in those services, they're not always responsive...homelessness needs to be tackled collectively, not just by officers within homelessness teams and housing".<sup>137</sup>*

**111.** Wrexham Council recognised relationship breakdown as a main cause of homelessness and told us that its mediation services, that were previously called upon, have seen a reduction in demand:

*"We're not being asked for mediation services like we used to, in terms of relationships, because they don't need to mend their relationships at home, because they know that the council have got to pick them up. And we're finding that that extends then to other agencies and third sector, which, when somebody approaches them, they'll just say, 'Go to the council. They've got to find you somewhere.' So, again, if you like, the responsibility is put firmly on the housing options departments, and other partner agencies do have that—. They're allowed, if you like, to walk away now, because the responsibility lies firmly with the local authority."<sup>138</sup>*

<sup>136</sup> Local Government and Housing Committee, 24 November 2022, paragraph 180

<sup>137</sup> Local Government and Housing Committee, 16 November 2022, paragraph 120

<sup>138</sup> Local Government and Housing Committee, 16 November 2022, paragraph 150

**112.** Wrexham Council told us of its need for more homelessness prevention officers. They raised concern that the people coming to them for assistance are already in crisis, whereas they would like to focus more resources on prevention:

*"...for the 'everyone in' approach to work, we feel that we need prevention officers. We don't do any prevention at the moment, because people come to us in crisis. We're trying to get people to come to us sooner so that we can work with them [ ] But we have no prevention officers, and we feel, as a service, that we probably need between five and 10 of those, but there's no funding for them. So, on a basic level, although we're grateful for the money that we've had, and through the pandemic, there was nothing for the statutory function, and we still have to deliver that function. I feel that sometimes, that's forgotten."*<sup>139</sup>

**113.** Cardiff Council told us that for homelessness placements, it has three bespoke Gateways for different groups including young people, single people and families, so that support can be tailored to needs and ensure the most appropriate accommodation is provided.<sup>140</sup> The council's higher needs supported accommodation has a multi-agency approach including units for substance and alcohol misuse, mental health and offending behaviour.<sup>141</sup>

**114.** Cardiff Council also told us that its currently working on rolling out prevention services city-wide:

*"to help ensure that those with a housing need can get the assistance so urgently required at an early intervention stage. Our hope is that the increased focus on prevention, alongside our dedicated private rented team can help to shore up our housing needs in the short-term."*<sup>142</sup>

**115.** Shelter Cymru said that "our casework clearly tells us that a lack of suitable, person centred support, is a strong contributory factor in many of these cases, with some people being evicted into street homelessness because their support needs have not been met while in TA."<sup>143</sup>

<sup>139</sup> Local Government and Housing Committee, 16 November 2022, paragraph 127

<sup>140</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>141</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>142</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>143</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter](#)

**116.** Cymorth told us that supported accommodation services are being sent “inappropriate referrals for people with complex support needs that they are unable to support”. They said that:

*“This can lead to a breakdown in placement pushing the individual back into a cycle of homelessness. The additional impact of unsuitable placements is to other residents, cost to the local authorities and can potentially extend to impacts on the local community due to the individuals support needs not being met. This is due to local authorities placing individuals out of desperation due to the shortage of temporary accommodation placements available and the numbers of people presenting as homeless or at risk of homelessness.”<sup>144</sup>*

**117.** Support service stakeholders supported the view that a multi-agency approach is necessary to homelessness prevention,<sup>145</sup> including pooling expertise across local authorities whilst engaging with third sector partners.<sup>146</sup> It was highlighted that once a household is moved on to settled accommodation, available support must continue, ideally for the first 12 months and that multi-agency support and monitoring of tenancy sustainment is key to homelessness prevention.<sup>147</sup> It was noted that increasing numbers of housing association tenants have “very complex needs”.<sup>148</sup>

**118.** The WLGA highlighted that a multi-agency approach to prevention is required:

*“tackling homelessness and supporting homeless people isn't just down to homeless teams and housing. This requires a public service and a much broader response, and it does require other agencies to provide support at appropriate times...because of capacity in those services, they're not always responsive...homelessness needs to be tackled collectively, not just by officers within homelessness teams and housing”.<sup>149</sup>*

**119.** The WLGA noted that across multi agency services, “broader understanding and compassion” is required around the needs of the service users, who may not be able to keep scheduled appointments and risk being discharged from services as a result.<sup>150</sup> Housing Justice

<sup>144</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth](#)

<sup>145</sup> Local Government and Housing Committee, [HO\(2\) 08 Community Housing Cymru](#)

<sup>146</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter](#)

<sup>147</sup> Local Government and Housing Committee, [HO\(2\) 08 Community Housing Cymru](#)

<sup>148</sup> Local Government and Housing Committee, [HO\(2\) 08 Community Housing Cymru](#)

<sup>149</sup> Local Government and Housing Committee, 16 November 2022, paragraph 120

<sup>150</sup> Local Government and Housing Committee, 16 November 2022, paragraph 120



Cymru referred to Shelter Cymru's report '**Trapped on the Streets**', which found that people experiencing homelessness find it very difficult to navigate the homelessness system, to meet scheduled appointments and engage with services.<sup>151</sup>

**120.** The Minister emphasised the importance of a multi-agency, joined up approach to homelessness prevention. She said that local authorities need:

*"to be linked up with other services and that the trauma-centred approach needs to be taken...I'm particularly keen to make sure that financial services in local authorities have a trauma-informed approach."*<sup>152</sup>

**121.** The Minister highlighted the importance of authorities, local health boards and public services boards (PSBs) working together in a "support way".<sup>153</sup>

**122.** Third sector stakeholders recognised the resource issue across local authorities and other support services. The Bevan Foundation highlighted that pressure on temporary accommodation, as well as homelessness prevention services, could be eased now that no-fault evictions must give six months' notice. They added that it would also help if local authorities were sufficiently resourced to begin supporting tenants at the outset of eviction periods, rather than when eviction is imminent. The Foundation's research has shown that authorities are currently:

*"unlikely to start providing tenants in such situations with significant levels of support until 56 days before eviction, the time they are legally required to do so under the Housing (Wales) Act 2014."*<sup>154</sup>

**123.** The Minister highlighted that an additional £6 million has been provided to local authorities for the discretionary homelessness prevention fund, to help with rent arrears, rent guarantees and other household bills.<sup>155</sup> She told us about "relationship managers" within Welsh Government dedicated to work with each local authority to understand local level issues and help secure further temporary accommodation.<sup>156</sup>

<sup>151</sup> Local Government and Housing Committee, 24 November 2022, paragraph 186

<sup>152</sup> Local Government and Housing Committee, 7 December 2022, paragraph 95

<sup>153</sup> Local Government and Housing Committee, 7 December 2022, paragraph 95

<sup>154</sup> Local Government and Housing Committee, [HO\(2\) 15 Bevan Foundation](#)

<sup>155</sup> Local Government and Housing Committee, 7 December 2022, paragraph 6

<sup>156</sup> Local Government and Housing Committee, 7 December 2022, paragraph 12

**124.** The WLGA noted that owner-occupiers are also likely to find it more difficult to meet mortgage payments due to increased household costs overall, which will lead to further demand for homelessness services and temporary accommodation.<sup>157</sup>

**125.** Stakeholders raised the potential for prevention schemes for owner-occupiers, due to mortgage repossessions increasing in Wales. Shelter Cymru referred to the rescue scheme from 2008-10, whereby homeowners facing repossession could become social tenants if the property were acquired by a social landlord, or part owners with social landlords where they could release an equity share. Shelter noted that this scheme has not had dedicated funding and so has only been operational locally where possible.<sup>158</sup> Shelter Cymru also referred to rent rescue work, noting good practice that could be “scaled up”.<sup>159</sup>

**126.** The Minister also told us that she is exploring mortgage rescue with lenders and local authorities, to assist owner-occupiers to retain their homes.<sup>160</sup>

## Our view

**127.** We agree that focussing on prevention is the best approach in tackling homelessness and recognise the immense pressure that local authorities and support services are under. We are concerned that due to the lack of resources and funding, many authorities and services are having to focus support on people who reach crisis point, rather than on prevention.

**128.** We note that the Ending Homelessness Action Plan recognises the need for an ‘all-public services’ response. We support that sentiment and see an opportunity to take this forward through an updated Action in the Action Plan supported by regular monitoring and scrutiny. It is important that all public services, not limited to housing, take responsibility for ending homelessness, and preventative work is key to this.

**129.** We welcome the additional £6 million that has been provided by the Welsh Government to local authorities for the discretionary homelessness prevention fund, to help with rent arrears, rent guarantees and other household bills. We are concerned that owner occupiers are at risk of homelessness during the current cost of living crisis. This could lead to an increase in repossessions, which could result in further demand for services and temporary accommodation. We therefore recommend that the Welsh Government explores options for potential prevention schemes for owner-occupiers, for example this could include enabling

<sup>157</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association](#)

<sup>158</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

<sup>159</sup> Local Government and Housing Committee, 24 November 2022, paragraph 178

<sup>160</sup> Local Government and Housing Committee, 7 December 2022, paragraph 69

homeowners facing repossession to become social tenants if the property were to be acquired by a social landlord. We were pleased to hear that the Minister is exploring mortgage rescue schemes with lenders and local authorities to assist owner-occupiers to retain their homes, and we would be grateful if the Minister could provide us with more information.

**Recommendation 8.** The Welsh Government should outline what steps it is taking to prevent owner-occupiers becoming homeless. In particular, the Welsh Government should update the Committee on progress in developing mortgage rescue schemes as a matter of urgency.

**Recommendation 9.** The Welsh Government should take every opportunity, including through an updated Ending Homelessness Action Plan, to ensure all public services are working in partnership to prevent homelessness.

## Housing Support Grant

**130.** We heard about the importance of Housing Support Grant (“HSG”) funded services to homelessness prevention. The grant’s current annual budget is £166.8 million which will be maintained in the 2023-24 financial year. The grant supports around 60,000 people a year through refuges, supported accommodation and tenancy support services. We heard from the WLGA that the current annual HSG is already under pressure due to homelessness demands.<sup>161</sup> Wrexham Council told us of its extreme gratitude for the additional HSG funding, as it hasn’t “had anything through for the statutory function.”<sup>162</sup>

**131.** Cymorth Cymru referred to **Welsh Government statistics** that show the positive impact that prevention work can have on the number of homelessness cases. Cymorth Cymru called for continued investment in prevention, through the HSG and the Homelessness Prevention Grant, and highlighted the benefits of tenancy support, mediation, legal advice and collaborative work with local authorities.<sup>163</sup>

**132.** Stakeholders, including CIH Cymru, welcomed the increase to the HSG during the pandemic, however noted that it hasn’t resulted in a “meaningful” increase to staff wages and that homelessness prevention and support services are under pressure to provide multi-agency support to people living in temporary accommodation.<sup>164</sup> We heard further evidence how staff supporting people experiencing homelessness have had no “meaningful” pay increase for 10 years, and that there is a risk of the system collapsing if staff left the sector for other jobs.

<sup>161</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association](#)

<sup>162</sup> Local Government and Housing Committee, 16 November 2022, paragraph 127

<sup>163</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>164</sup> Local Government and Housing Committee, [HO\(2\) CIH Cymru](#)

Several stakeholders called for improvements to recruitment and staff retention in the housing sector, with the Wallich suggesting that:

*"The priority for improving recruitment and retention of using HSG funding to increase staff should be using HSG funding to increase staff pay."*<sup>165</sup>

**133.** Cymorth Cymru told us that homelessness support workers:

*"have worked in this sector for 20, 30 years because they love this job and they love helping people, and they are being pushed closer to the edge because they haven't had a wage increase. And some of them, you'll see from some of our evidence, cannot put food on the table. There are front-line workers in this sector who are skipping meals because they can only afford to feed their children."*<sup>166</sup>

**134.** The Welsh Government official emphasised that the HSG is:

*"the key mechanism for making sure that local authorities have got the funding to be able to commission those specialist services and the support workers to help prevent homelessness."*<sup>167</sup>

**135.** The official told us that the 30 per cent uplift of £40 million given to the grant in recent financial years has been maintained for the 2023-24 financial year, which the Committee noted on publication of the draft budget in December 2022.<sup>168</sup>

**136.** The Minister told us that a revised outcomes framework with local authorities and support services is being considered, in order to better understand how HSG is delivered and the purpose of the grant. She told us that the new framework has been successfully piloted with a number of local authorities and it will be rolled out in the next financial year.<sup>169</sup>

## Our view

**137.** The Housing Support Grant is crucial to fund important homelessness prevention services which are currently needed more than ever. These services are reliant upon hard-working staff. We therefore recognise and support the calls for uplifts to support staff wages. We are

<sup>165</sup> Local Government and Housing Committee, [HO\(2\) The Wallich](#)

<sup>166</sup> Local Government and Housing Committee, 24 November 2022, paragraph 263

<sup>167</sup> Local Government and Housing Committee, 7 December 2022, paragraph 90

<sup>168</sup> Local Government and Housing Committee, 7 December 2022, paragraph 90

<sup>169</sup> Local Government and Housing Committee, 7 December 2022, paragraph 79

concerned that the HSG allocation remains at £166.8 million in cash terms, a real terms reduction, at a time when improving recruitment and retention of staff should be a priority.

**138.** We asked the Minister about additional funding for the HSG during our scrutiny of the Welsh Government's draft budget 2023-24<sup>170</sup>. In our **report** published on 6 February 2023, we expressed our deep concerns around the grant stagnating at £166.8 million and the impact this will have on essential homelessness support services. We recommended that the Welsh Government should make it a priority to increase the HSG funding allocation ahead of the final budget and should explore all options for doing so. We strongly believe that this should be a priority investment area for the Welsh Government going forward and that it must ensure an increase to this vital grant in the future.

**Recommendation 10.** The Welsh Government must increase the allocation for the Housing Support Grant at the earliest opportunity, taking into account the high level of inflation and the demand on homelessness services.

## Commissioning support services

**139.** We heard from Cymorth Cymru that increases to staff pay should be taken into consideration for homelessness prevention and support services commissioning<sup>171</sup> so that there is a minimum pay level and services bidding for contracts are not "driving down wages simply to win that contract."<sup>172</sup> Stakeholders highlighted that the current commissioning system is often a competition about delivering services for the lowest cost.

**140.** The Wallich noted:

*"we still have more work to do in terms of moving towards a more collaborative way of commissioning and developing services, as opposed to a competitive race to the bottom, who can deliver this service cheapest, which is not the way to provide a good-quality service, and it's certainly not the way to provide all the extra stuff around training and development and providing all that support for staff who have experienced vicarious trauma."*<sup>173</sup>

**141.** We heard that this method of commissioning is due to the restricted funding for local authorities and; "about a broken system that needs to be fixed."<sup>174</sup> Stakeholders noted that

<sup>170</sup> Local Government and Housing Committee, 19 January 2023

<sup>171</sup> Local Government and Housing Committee, 24 November 2022, paragraph 294

<sup>172</sup> Local Government and Housing Committee, 24 November 2022, paragraph 358

<sup>173</sup> Local Government and Housing Committee, 24 November 2022, paragraph 309

<sup>174</sup> Local Government and Housing Committee, 24 November 2022, paragraph 294

commissioning homelessness services should be a multi-agency approach, Cymorth Cymru told us:

*"We can't just commission housing support services on their own; we need mental health services and substance use services to be around the table and accessible."*<sup>175</sup>

**142.** The additional requirements and costs outside of commissioning budgets were highlighted by Cymorth who said that service staff are exposed to trauma through the work they do, which requires supported time for reflection and clinical support, not factored into commissioning currently. Cymorth recognised that without this, support workers may not be able to deliver the highest quality support to service users<sup>176</sup> and "the negative impact will not be limited to homelessness, but will also be felt by health, social care and criminal justice services."<sup>177</sup>

**143.** Cymorth Cymru referred to feedback from some providers who "feel unable to bid for some contracts, as the funding offered does not cover the true cost of delivering the service". Cymorth Cymru also highlighted inflationary pressures on providers:

*"In some cases, the contract value is the same as a few years ago, with no inflationary increase to reflect the cost of running the service today. As well as choosing not to bid for contracts, there is a risk that some providers may walk away from existing agreements if there is no increase in funding."*<sup>178</sup>

**144.** We also heard that whereby the same services have been commissioned for several years, local authorities may not be carrying out any evaluation on what is and isn't working with that service.<sup>179</sup>

**145.** A Welsh Government official told us that the Welsh Government provides guidance to local authorities on commissioning services:

*"...whilst the responsibility for commissioning HSG services' funding and that rests with the local authority, we publish practice guidance to support the delivery of the grant, and, within that guidance, in chapter 7, it sets out the*

<sup>175</sup> Local Government and Housing Committee, 24 November 2022, paragraph 298

<sup>176</sup> Local Government and Housing Committee, 24 November 2022, paragraph 295

<sup>177</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>178</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>179</sup> Local Government and Housing Committee, 24 November 2022, paragraph 186

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*legislative framework and the general principles of commissioning and procuring of the HSG services.”<sup>180</sup>*

## Our view

**146.** We are concerned that commissioning support services can often be a crude exercise. As stakeholders highlighted, the current commissioning system may often be a competition about delivering services for the lowest cost. We heard that more should be done in terms of moving towards a more collaborative, multi-agency approach of commissioning services.

**147.** We were concerned to hear that when the same services have been commissioned for several years, local authorities may not be carrying out any evaluation on what is and is not working with those services. We believe that the Welsh Government should undertake a review of the current commissioning system and see how it can be improved and made more collaborative to ensure services of high quality; it should certainly not be about who can deliver the cheapest service. We recognise that service providers are facing increased running expenses because of the cost of living pressures. It is clear that this is having a detrimental impact on staff and on the services provided. We are concerned that, in some cases, these pressures could impact on the ability of support providers to deliver commissioned services.

**Recommendation 11.** The Welsh Government should review its Housing Support Grant guidance to ensure funding is supporting the delivery of effective homelessness prevention services that are robustly monitored and evaluated.

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<sup>180</sup> Local Government and Housing Committee, 7 December 2022, paragraph 78

## 5. Impact on staff working in the sector

**148.** We are aware that the numbers of homelessness cases and demand on temporary accommodation is putting pressure on staff working in the sector. We recognise that in local authorities, the teams of officers may be relatively small and they are having to deal with exceptionally high caseloads. We also note that there can be a substantial turnover of staff in these teams. CIH Cymru told us that:

*"services are becoming overstretched which is having a detrimental impact leaving many staff feeling exhausted."*<sup>181</sup>

**149.** The WLGA referred to the report by CIH Cymru, **'Joining the dots'** which highlights the impact on local authority staff supporting people experiencing homelessness, finding that:

*"over 75% of responses told us that they felt their mental wellbeing had decreased since January 2020, and that workload pressure was a key factor."*<sup>182</sup>

**150.** The WLGA also referred to the report **"Workload and Wellbeing: an insight into the experience of operational staff during Covid-19"** published by the Housing Support Network, which:

*"describes how many spoke of increased demand and pressure in their work often related to the changes in Welsh Government homelessness policy and Guidance. A high proportion stated that work negatively impacted their wellbeing and over half stated that they had considered leaving the role. The continued and ongoing demands for homelessness services and temporary accommodation in the period since the end of the pandemic mean that these pressures on staff continue to be applicable."*<sup>183</sup>

**151.** Cardiff Council's evidence stressed the impact on staff, with many areas continuing to face an increase in homelessness cases "which are currently projected to rise more than 10% on last year and have now risen consecutively since 2020/21."<sup>184</sup> The council told us that a range of housing teams within the authority are facing increased demands. This included frontline housing officers, the temporary accommodation team and also the allocations team who are

<sup>181</sup> Local Government and Housing Committee, [HO\(2\) 04 CIH Cymru](#)

<sup>182</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association](#)

<sup>183</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association](#)

<sup>184</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)



trying to balance “the constant difficulties of a waiting list of over 8000 applicants”. They noted concerns about the risk of burnout for staff who are having to make “emotionally very difficult” decisions around accommodation placements. The council said it has seen an increase in complaints due to delays in placements and is fearful that staff retention could be impacted, leading to a lower quality of service.<sup>185</sup>

**152.** We heard evidence of a similar picture from other authorities. Pembrokeshire County Council told us that its turnover of homelessness staff is high as a result of the pressure on them, that maintaining staff morale is challenging and that as a council it doesn’t “have any resilience to cope with additional pressure.”<sup>186</sup> Wrexham Council told us that it has 807 open cases to be dealt with by 10 officers, resulting in its staff being:

*“tired, because there are not enough of them.”<sup>187</sup>*

**153.** Wales & West Housing acknowledged that the people spending increasing lengths of time in temporary accommodation are suffering from increased stress and anxiety as a result, which makes the job of the people supporting them even more challenging.<sup>188</sup> Crisis echoed this, describing support services as having been “firefighting” for a long time, and no longer having the resources to deal with the number of homelessness cases therefore having to tell people “that there just isn’t enough accommodation or support to go round.”<sup>189</sup>

**154.** Cymorth Cymru told us that the lack of solutions which support staff are able to offer people in temporary accommodation is causing those people to react negatively towards staff, which exacerbates the stress felt by staff.<sup>190</sup> Nacro had similar concerns about staff who are suffering “vicarious trauma” due to being unable to offer “any hope” to people experiencing homelessness.<sup>191</sup>

**155.** Crisis referred to research from Cymorth Cymru, which reports that many frontline staff feel overwhelmed by the number of people requiring support, and that:

*“these workers are already burnt out by the excessive workload they have had to take on since the beginning of the pandemic, and they have the emotionally difficult job of repeatedly telling people facing homelessness that*

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<sup>185</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>186</sup> Local Government and Housing Committee, 16 November 2022, paragraph 50

<sup>187</sup> Local Government and Housing Committee, 16 November 2022, paragraph 127

<sup>188</sup> Local Government and Housing Committee, 24 November 2022, paragraph 46

<sup>189</sup> Local Government and Housing Committee, 24 November 2022, paragraph 128

<sup>190</sup> Local Government and Housing Committee, 24 November 2022, paragraph 247

<sup>191</sup> Local Government and Housing Committee, 24 November 2022, paragraph 251

*there is not enough support to meet demand. This is having a significant impact on the workforce's wellbeing and many staff members feel unable to carry on in their roles.*<sup>192</sup>

**156.** Crisis added that the tendency to offer lower salaries in the third sector due to the nature of the funding means that the cost-of-living crisis is impacting the workers themselves as well as the people they are supporting.<sup>193</sup>

**157.** The Minister told us that she is “absolutely blown away” by the dedication and “truly life-transforming work” that housing support and homelessness staff carry out. She recognised that they have been working “in absolute crisis mode” since the beginning of the Covid-19 pandemic nearly three years ago.<sup>194</sup>

**158.** The Minister reiterated that a recruitment campaign was to start in January of this year for the sector. For this she told us that a workforce task and finish group will have considered what is required to attract and retain staff in what she recognised is a “highly challenging environment”. She highlighted that the campaign hoped to attract resilient workers to reach out to traumatised individuals who are very difficult to reach.<sup>195</sup>

## Our view

**159.** We recognise the immense pressure that staff working in the homelessness sector are currently under. Since the start of the pandemic, staff have shown remarkable resilience and determination to deliver the “no-one left out” policy. As we emerge from the pandemic, that pressure continues as high demand for homelessness services continues.

**160.** We are deeply concerned about the impact that this pressure is having on staff morale and well-being and heard about recruitment and retention issues. We note the Minister’s commitment to “attract more people” to housing and homelessness work with a recruitment campaign but this will not resolve all of the issues we heard about. We note the ongoing consideration of workforce issues that has been commissioned by the Welsh Government and would ask that we are provided with an update when this work is complete.

**Recommendation 12.** The Welsh Government should provide an update to the Committee on the results of its campaign to recruit staff to work in the homelessness sector. This should include an assessment of the effectiveness of the work, The Welsh Government should also

<sup>192</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#).

<sup>193</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#).

<sup>194</sup> Local Government and Housing Committee, 7 December 2022, paragraph 92

<sup>195</sup> Local Government and Housing Committee, 7 December 2022, paragraph

explore how retention of staff can be improved and consider this when taking forward its Action Plan commitment to develop a resilient and valued workforce recognised for their expertise.

## Discretionary Housing Payments (DHPs)

**161.** Some stakeholders called on local authorities to further utilise Discretionary Housing Payments ("DHPs") to top up shortfalls between tenants' housing benefits and the costs they face. Shelter Cymru noted that "with a majority of people currently in TA [temporary accommodation] being single person households, topping up housing benefits to a 2-bed rate would not necessarily be prohibitively expensive".<sup>196</sup> Propertymark felt that the Welsh Government should encourage all authorities to spend DHP in full to assist with top-ups.<sup>197</sup>

**162.** The Bevan Foundation told us that a small number of local authorities are not spending 100 per cent of their DHP funding<sup>198</sup> and Propertymark noted that Welsh Government should provide authorities with a guaranteed minimum for DHP allocations so that it can be spent in full.<sup>199</sup> Propertymark also felt that authorities should be reassured with a guaranteed level of DHP, to enable "a long-term vision on improving supply for the most vulnerable."<sup>200</sup>

**163.** The WLGA told us that in recent years, many authorities are supplementing support funding with their own as well as looking at other available funding streams.<sup>201</sup> Pembrokeshire County Council told us that it's in an "overspend" position with its DHP and has had to supplement it with the homelessness prevention grant, which is welcomed as an "invaluable tool", if unsustainable due to its short term provision<sup>202</sup>. Swansea Council told us it uses the majority of its DHP allocation, however that in relation to the shortfall between rents and LHA,

*"it's simply just not right that we should use public money to give to a landlord double the amount of local housing allowance. And it's not sustainable."*<sup>203</sup>

**164.** The Minister said that a further £6 million is being provided to local authorities' through a discretionary homelessness prevention fund to support tenants with rent arrears, rent

<sup>196</sup> Local Government and Housing Committee, [HO\(2\) 07 Shelter Cymru](#)

<sup>197</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

<sup>198</sup> Local Government and Housing Committee, 24 November 2022, paragraph 85

<sup>199</sup> Local Government and Housing Committee, [HO\(2\) 15 Bevan Foundation](#)

<sup>200</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

<sup>201</sup> Local Government and Housing Committee, 16 November 2022, paragraph 83

<sup>202</sup> Local Government and Housing Committee, 16 November 2022, paragraph 89

<sup>203</sup> Local Government and Housing Committee, 16 November 2022, paragraph 81

guarantees and household bills. It also aims to prevent increased numbers of people flowing in to temporary accommodation and increase the number who are moving out.<sup>204</sup>

## **Our view**

**165.** We note that funding for Discretionary Housing Payments comes from the UK Department for Work and Pensions and would support calls for the allocation provided to Wales to be increased. We welcome efforts by the Welsh Government to provide additional funding and flexibility to local authorities through its additional £6 million allocation for discretionary homelessness prevention. We heard evidence that DHPs provide an opportunity to address current pressures on temporary accommodation, such as through funding rent shortfalls, and would urge the Welsh Government to consider how it could support this approach within the financial constraints it currently faces.

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<sup>204</sup> Local Government and Housing Committee, 7 December 2022, paragraph 6

## 6. Housing supply

**166.** The Welsh Government's Ending Homelessness Action Plan includes a commitment to increase housing supply, availability and accessibility in both the social and private sectors.

**167.** We heard that the lack of housing supply is a key factor impacting on homelessness and on the rising number of people in temporary accommodation. Cardiff Council told us about the "unequal flow" of people moving into temporary accommodation and fewer leaving it due to the increase in Section 21 notices and unaffordable rents as well as the cost-of-living crisis.<sup>205</sup> Without sufficient, appropriate supply to meet housing needs, some people are unable to maintain properties and risk being made homeless, and those in temporary accommodation cannot be moved on into settled accommodation. It also means that local authorities will need to rely on large amounts of temporary accommodation.

### Private rented sector

**168.** We heard that for people experiencing homelessness, accessing the private rented sector is more difficult than ever. Witnesses also told us that, for a variety of reasons, some landlords were leaving the sector and this put additional pressure on homelessness services.

**169.** The National Residential Landlords Association ("NRLA") referred to Capital Economics research which revealed that just under 9,000 new private rented homes would be needed each year to meet housing targets in Wales.<sup>206</sup> It outlined the "significant mismatch" between the supply and demand for private rented housing which is worsened by the cost-of-living crisis and inflation.<sup>207</sup>

**170.** The NRLA told us that of their members who have left the market, 84 per cent cited changes in legislation as the reason, whilst 50 per cent stated it was due to the cost of upgrading their property. Their statistics suggest that 2.5 times as many landlords have sold properties compared with the number buying properties, and they highlighted that those selling tend to be "small landlords", with between 1-5 properties, and anecdotally it is "bigger landlords" with higher numbers of properties buying them. The NRLA emphasised that this is a disadvantage for the sector in terms of homelessness, as positive relationships between "small

<sup>205</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>206</sup> Local Government and Housing Committee, [HO\(2\) 05 National Residential Landlords Association](#)

<sup>207</sup> Local Government and Housing Committee, [HO\(2\) 05 National Residential Landlords Association](#)

landlords" and tenants are being lost which reduces the likelihood of rents being kept at the same affordable level, enabling people to maintain their rented property.<sup>208</sup>

**171.** Propertymark told us that a number of factors could be causing landlords to exit the private rented market, and acknowledged that this has a detrimental effect on the number of people in temporary accommodation:

*"We are concerned that the proposal to extend notice periods, the cost of decarbonisation with limited funding opportunities and the prospect of rent freezes in Wales, will have a devastating impact on the sector with more landlords exiting the sector and the supply of PRS tenancies further detracting. This could mean that families may have extended stays in temporary accommodation with a greater financial burden on local authorities."*<sup>209</sup>

**172.** A further range of reasons were cited by witnesses for the reduction in private rented properties on the market, including:

- Landlords choosing to sell properties due to changes in housing law as a result of the commencement of the Renting Homes (Wales) Act 2016<sup>210</sup>. Statistics appear to support this with a "247% increase in cases presenting with a Section 21 "No Fault Notice" from their landlord (increase compared January 2022 - August 2022 against the same period in pre-pandemic 2018)."<sup>211</sup>
- High property prices in the current housing market;<sup>212</sup>
- Landlords changing the use of their property to a short term let, such as an AirBNB model;<sup>213</sup>
- Changes to taxes for landlords in recent years, including increases to Land Transaction Tax on buy-to-let properties and corporation tax, and the withdrawal of tax reliefs including on mortgage interest costs and Wear and Tear Allowance;<sup>214</sup>

<sup>208</sup> Local Government and Housing Committee, 24 November 2022, paragraph 32

<sup>209</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

<sup>210</sup> Local Government and Housing Committee, [HO\(2\) 02 Nacro](#)

<sup>211</sup> Local Government and Housing Committee, [HO\(2\) 14 Salvation Army](#)

<sup>212</sup> Local Government and Housing Committee, [HO\(2\) 14 Salvation Army](#)

<sup>213</sup> Local Government and Housing Committee, [HO\(2\) 02 Nacro](#)

<sup>214</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

**173.** Local authorities also reported increases in private rented sector landlords leaving the market. In Cardiff, 2022 saw a 216 per cent increase in section 21 notices, and a 350 per cent increase in landlords selling properties.<sup>215</sup> Cardiff Council cited reasons including increased legislation such as commencement of the Renting Homes (Wales) Act as well as reduced profitability<sup>216</sup>. Wrexham Council reported similar reasons for landlords in the area leaving the market, with over half those who have already served section 21 notices saying it was a direct result of the commencement of the Renting Homes Act.<sup>217</sup>

**174.** Cardiff Council highlighted other reasons for leaving the market cited by the landlords it surveyed, including inflated property prices and taxation changes. The council described it as “a perfect storm” leading landlords to sell their properties.<sup>218</sup>

**175.** The Bevan Foundation reported that landlords are leaving the sector to enter the short-term holiday rental sector due to opportunities for larger profits and reduced regulation, citing research which found that in all except one local authority area, landlords could make “more money in 10 weeks” via Airbnb lets than at Local Housing Allowance rate. It commented that this further reduces the stock available for people on lower incomes.<sup>219</sup>

**176.** The NRLA believes that the private rented sector could play a key part in reducing homelessness numbers if the right support is provided to landlords to prevent them from leaving the market. It called for:

*“Support for landlords with their mortgage payments as interest rates increase to prevent landlords from leaving the market as they make a loss on the income from their properties.*

*Introducing an exemption from the 4% Land Transaction Levy on the purchase of additional homes to boost the supply of properties for longer term rent.*

*Ensuring that the long-term let market is not burdened by over-regulation, including ensuring it is not more appealing for landlords to let properties out short-term or for holiday let.”<sup>220</sup>*

<sup>215</sup> Local Government and Housing Committee, 16 November 2022, paragraph 20

<sup>216</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>217</sup> Local Government and Housing Committee, 16 November 2022, paragraph 100

<sup>218</sup> Local Government and Housing Committee, 16 November 2022, paragraph 96

<sup>219</sup> Local Government and Housing Committee, 24 November 2022, paragraph 30

<sup>220</sup> Local Government and Housing Committee, [HO\(2\) 05 National Residential Landlords Association](#)

**177.** Propertymark agreed with the NRLA about the measures that could be taken, telling us that the Welsh Government should do more to support the private rented sector to ensure it could accommodate the demand of people in temporary accommodation.<sup>221</sup> They said that:

*"without providing greater incentives to landlords, it is unlikely that supply in the private rented sector will increase."*<sup>222</sup>

**178.** Crisis felt that the Welsh Government should take action to incentivise landlords to stay in the private rented sector, by working with the NRLA and Rent Smart Wales.<sup>223</sup> Support service stakeholders felt that cooperation with landlords could be key to assisting with the homelessness crisis, including establishing sustainable tenancies,<sup>224</sup> reviewing restrictions on tenants such as deposits or guarantors, and direct payments to landlords where the tenant is in receipt of housing benefits.<sup>225</sup>

**179.** We heard concerns about the impact that the difficulties accessing the private sector has on homelessness from the Bevan Foundation:

*"One key message that emerged is just how difficult it is for many households to find permanent accommodation once they are in temporary accommodation. We heard from people living in temporary accommodation and from staff working within the sector that many private landlords and letting agents are extremely reluctant to let to people in temporary accommodation due to preconceptions and prejudices held about homeless people."*<sup>226</sup>

**180.** We also heard about the numbers of empty private sector homes currently in Wales, and heard suggestions from stakeholders about how they should be brought back into use:

*"...there are, I think, over 25,000 empty homes in Wales at the moment, and it just seems like a no-brainer to convert existing supply as well as look at bringing new supply in, looking at whether there can be greater incentives for landlords to bring those empty homes back into use, whether or not that can be linked to the Welsh Government leasing scheme. It's just definitely something to explore, and thinking about whether people are aware of the*

<sup>221</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

<sup>222</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

<sup>223</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#)

<sup>224</sup> Local Government and Housing Committee, 24 November 2022, paragraph 197

<sup>225</sup> Local Government and Housing Committee, 24 November 2022, paragraph 193

<sup>226</sup> Local Government and Housing Committee, [HO\(2\) 15 Bevan Foundation](#)



*incentives to bring empty homes back into use, particularly whether people are aware that these empty homes are contributing to the housing crisis and to homelessness. I'm not sure it's quite clear to people the effect that keeping these homes empty for a prolonged period of time has on the wider community."*<sup>227</sup>

**181.** In response to the suggestions that an increasing number of private sector landlords are exiting the market, the Minister acknowledged the "anecdotes", but told us that data does not indicate "a mass exodus":

*"We haven't seen a decrease in registered landlords from Rent Smart Wales, and we've asked a number of searching questions about why that might be and there are a number of things coming forward, but the figures are relatively small in comparison to the number of registered properties.."*<sup>228</sup>

**182.** Following this, the Minister told us that the Welsh Government has been exploring possible reasons for the suggestions that more landlords are leaving the private sector market, including tasking local authorities to seek feedback from landlords who serve section 21 notices on their reasons for doing so. We heard that a range of reasons have been cited:

*"the final removal of tax relief; the high property prices over the last 12 months and people wanting to take advantage of that before the bubble bursts—everybody thinks the property bubble is about to or has now burst, so people are trying to take advantage of that; rising mortgage rates for buy-to-let properties; uncertainty of UK Government changes to the minimum energy efficiency standards for private rented landlords; and people deciding to do so before the implementation of the renting homes Act".*<sup>229</sup>

## Data on the private rented sector

**183.** Several stakeholders highlighted that there is a lack of available data on the private rented sector. We noted that in evidence, statistics comparing property prices with Local Housing Allowance were taken from websites such as Rightmove or Zoopla were cited, in lieu of other data options. This included the NRLA<sup>230</sup> and the Bevan Foundation.<sup>231</sup> The Bevan Foundation suggested that all landlords in Wales should be mandated to share annually how much they

<sup>227</sup> Local Government and Housing Committee, 24 November 2022, paragraph 216

<sup>228</sup> Local Government and Housing Committee, 7 December 2022, paragraph 116

<sup>229</sup> Local Government and Housing Committee, 7 December 2022, paragraph 117

<sup>230</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 36

<sup>231</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 29

charge in terms of rent, and that Rent Smart Wales should collect and process this data, in order for the disparity to be clearer.<sup>232</sup>

**184.** The Bevan Foundation also highlighted a lack of information on landlords leaving the private sector and who is purchasing the properties being sold. They said it would be useful to gain an insight into whether properties are being sold to other landlords, or owner/occupiers, or for the short-term let market such as Airbnb. They highlighted that solutions could be tailored and targeted depending on this.<sup>233</sup>

**185.** The NRLA supported calls for better data on the private rented sector, highlighting that despite working in the sector themselves, they too seek data from commercial partners or even look to England for patterns. They told us they:

*"need to know what's happening in Wales, because otherwise we're guessing."*<sup>234</sup>

## Our View

**186.** We are aware that many witnesses voiced concerns at the challenges faced by homeless households in accessing the private rented sector. We are concerned by the evidence raised by local authorities and others; that landlords are issuing eviction notices and leaving the sector. This is particularly concerning given the housing supply issues we are currently facing. However, we note the Minister's evidence that data from Rent Smart Wales does not reflect this. We believe it would be helpful to have robust data in the public domain to confirm if landlords are leaving the sector and, if they are, their reasons. Improved data could also let us know who properties are being sold to and provide better data on current rent levels.

**187.** During our scrutiny of the Welsh Government's draft budget 2023-24, we heard that the Welsh Government is undertaking a review of Rent Smart Wales later this year. As part of this review, the Welsh Government could, among other things, consider whether Rent Smart Wales should collect and process data on rent levels. In evidence to us in September 2022, a Welsh Government official confirmed the intention to progress and investigate a business case for a Welsh Housing Survey.<sup>235</sup>

**Recommendation 13.** The Welsh Government should take action to improve data on the private rented sector. This should include setting out what data could be collected, how the data

<sup>232</sup> Local Government and Housing Committee, [HO\(2\) 15 Bevan Foundation](#)

<sup>233</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 34

<sup>234</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 36

<sup>235</sup> Local Government and Housing Committee, Record of Proceedings, 29 September 2022, paragraph 103

could be collected and an update on plans previously discussed to take forward a business case for a Welsh Housing Survey.

**Recommendation 14.** The Welsh Government should ensure that Rent Smart Wales collects data on the number of private landlords leaving the sector and their reasons for doing so. This data should be published regularly.

**188.** We agree with stakeholders that cooperation with private landlords could be key to assisting with the homelessness crisis. We believe that the Welsh Government could do more to incentivise landlords to stay in the private rented sector and also to encourage more to join the market. We will be considering this matter as part of our future work on the private rented sector.

**Recommendation 15.** The Welsh Government should set out how it is working with the private rented sector to improve the supply of quality, affordable homes. This should include what actions it has explored to incentivise landlords to stay in the private rented sector.

## Local Housing Allowance

**189.** An additional factor in the private rented sector that is impacting homelessness is the rent costs when compared with Local Housing Allowance (“LHA”) rates. Nacro noted that the competition can be fierce, with rents often “way above recommended local housing allowance amounts leaving people who rely on state benefits unable to compete”.<sup>236</sup> CIH reported that 69 per cent of renters in Wales have a rent shortfall which makes the private rented sector “unaffordable” for many of the people in temporary accommodation.<sup>237</sup>

**190.** Cymorth Cymru cited “the failure of the UK Government to keep Local Housing Allowance (“LHA”) rates at an appropriate level to reflect the cost of housing in Wales”<sup>238</sup> and referred to Bevan Foundation research published in June 2022 which showed that:

*“only 24 properties advertised across Wales were available at LHA rates, which equates to just 1.4%. Fifteen local authorities did not have a single property available at LHA rate.”<sup>239</sup>*

**191.** The Bevan Foundation told us that as of 1 August 2022, only 60 properties across Wales were available to rent at LHA rate, and that seven local authorities had no properties available at

<sup>236</sup> Local Government and Housing Committee, [HO\(2\) 02 Nacro](#)

<sup>237</sup> Local Government and Housing Committee, [HO\(2\) 04 CIH Cymru](#)

<sup>238</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>239</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

that rate.<sup>240</sup> It urges investment in LHA rates so that it covers “at least the bottom third of rents”.<sup>241</sup>

**192.** The WLGA highlighted that significantly increased rents in most areas means that the gap between the LHA and market rents is increasing, rendering the private rented sector inaccessible and unaffordable for a significant number of households.<sup>242</sup> It said that the situation has been ongoing for several years and is now reaching “crisis point”.<sup>243</sup> The NRLA also called for changes to be made by “restoring local housing allowance rates to the 30th percentile” to ensure that people at risk of homelessness can access the private rented sector.<sup>244</sup>

**193.** The local authorities we heard from told us about the significant gaps between LHA and private sector rents in their areas. Cardiff Council’s latest assessment showed a shortfall of minimum £400 across all property types.<sup>245</sup> Swansea Council said that the difference is around £500, approximately double the LHA rate.<sup>246</sup> In Pembrokeshire County Council there was a shortfall of between £250-300 between monthly market rents and LHA.<sup>247</sup>

**194.** Stakeholders, including the Bevan Foundation and Crisis,<sup>248</sup> suggested utilising Discretionary Housing Payments (“DHPs”) to assist with the shortfall between LHA and private sector rent rates in the short term<sup>249</sup>, including for problems of arrears.<sup>250</sup> Crisis also felt that rental prices should be stabilised, for example tied with wage growth, to further assist the current shortfall.<sup>251</sup>

**195.** We heard from the Minister about the particular issue with LHA for single people under 35 due to them being eligible to receive only a shared accommodation LHA rate, even if they live alone. The Minister said as a result they often “can’t sustain single-person accommodation”.<sup>252</sup>

<sup>240</sup> Local Government and Housing Committee, 24 November 2022, paragraph 11

<sup>241</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#)

<sup>242</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association](#)

<sup>243</sup> Local Government and Housing Committee, 16 November 2022, paragraph 76

<sup>244</sup> Local Government and Housing Committee, [HO\(2\) 05 National Residential Landlords Association](#)

<sup>245</sup> Local Government and Housing Committee, [HO\(2\) 09 Cardiff Council](#)

<sup>246</sup> Local Government and Housing Committee, 16 November 2022, paragraph 70

<sup>247</sup> Local Government and Housing Committee, 16 November 2022, paragraph 74

<sup>248</sup> Local Government and Housing Committee, 24 November 2022, paragraph 196

<sup>249</sup> Local Government and Housing Committee, 24 November 2022, paragraph 85

<sup>250</sup> Local Government and Housing Committee, 24 November 2022, paragraph 88

<sup>251</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#)

<sup>252</sup> Local Government and Housing Committee, 7 December 2022, paragraph 107

## Our view

**196.** We are concerned that Local Housing Allowance rates, and restrictions that apply to under-35s, are barriers to moving people on from temporary accommodation. We heard that market rents were simply unaffordable in many areas, and were particularly concerned to hear that as of 1 August 2022, only 60 properties across Wales were available to rent at LHA rates and that some local authorities had no properties at all available at that rate.

**197.** We heard calls for LHA rates to be restored to at least the 30<sup>th</sup> percentile of local market rents to ensure that people at risk of homelessness can access the private rented sector. During our scrutiny of the Welsh Government's draft budget 2023-24, the Minister told us that the Welsh Government is imploring the UK Government to put the LHA rates back to at least 30<sup>th</sup> percentile of local market rents. In our draft budget report, we recommended that the Welsh Government should do everything it can to influence the UK Government and we reiterate that recommendation here.

**Recommendation 16.** The Welsh Government should set out what steps it is taking to influence the UK Government to increase the Local Housing Allowance rate to at least the 30<sup>th</sup> percentile of local market rents.

**198.** We note that some witnesses suggested that better data on rents would help inform discussions on levels of local housing allowance, as well as future work on rent controls. It was suggested that Rent Smart Wales could undertake this work. In our report on the **Welsh Government Draft Budget 2023-24**, we asked the Welsh Government to share the findings from its forthcoming review of Rent Smart Wales. The Minister noted in evidence to us that one aspect of that review will look at the data Rent Smart Wales collects. We see an opportunity to explore whether data on rents could be collected through Rent Smart Wales. We will return to this matter in future work on the private rented sector later in the year.

**Recommendation 17.** The Welsh Government should explore a role for Rent Smart Wales in improving the data on private rented sector rents and report its findings to the Committee.

## Leasing Scheme Wales

**199.** The Welsh Government introduced its **Leasing Scheme Wales** in March 2021, which aims to increase access to, and the affordability of, renting privately in Wales. Fifteen local authorities have signed up to it. Under the scheme, private landlords lease their properties to local authorities for between 5 and 20 years. Rent is restricted to Local Housing Allowance rates.

**200.** Overall, stakeholders felt that Leasing Scheme Wales is a positive development to improve access to and affordability of the private rented sector, with CIH telling us that the scheme is going well in some areas and that more landlords are coming forward to take part.<sup>253</sup> We heard that some local authorities are also operating similar private sector schemes on a local level.<sup>254</sup>

**201.** Despite its success in some areas, concern was expressed that setting rent guarantees at Local Housing Allowance rates can make the scheme less attractive to private rented sector landlords, which has resulted in a low take up in other areas. Propertymark told us that “in most local authority areas”, the level is “extremely limiting and far below market rents”.<sup>255</sup> CIH echoed this concern, stating that in some areas:

*“landlords are more reluctant to sign up to the scheme due to the difference between the guaranteed rent and their mortgage costs.”<sup>256</sup>*

**202.** We heard from the NRLA that take-up of the scheme would likely be higher if the package was “sufficiently attractive”.<sup>257</sup>

**203.** Cardiff Council also felt that the current leasing scheme is not sufficiently attractive to private sector landlords. It told us that it tries to sell the benefits of the scheme to landlords at every opportunity, but that when other letting markets such as private rented or short term provide up to £500 of an additional income, the scheme “can’t compete.” The council however did feel that a large scale, national advertising campaign from the Welsh Government would be welcomed.<sup>258</sup> CIH told of a similar picture for its members, including one in Cardiff who has multiple properties to let, and who commented that the scheme is:

*“far too restricted, and most lenders won’t lend on it”.<sup>259</sup>*

**204.** The NRLA told us that views of the scheme amongst their members are mixed:

*“88.6 per cent of landlords see that the guaranteed income is a positive and 73.9 per cent see that it’s a hassle-free nature of letting a property. However, when looking at negatives, 88 per cent of landlords fear a loss of control over their property, and 78 per cent fear the risk of damage to their property. So, ‘mixed message’ is the ultimate way of describing that. There are benefits,*

<sup>253</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>254</sup> Local Government and Housing Committee, [HO\(2\) 06 Welsh Local Government Association \(WLGA\)](#)

<sup>255</sup> Local Government and Housing Committee, [HO\(2\) 03 Propertymark](#)

<sup>256</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>257</sup> Local Government and Housing Committee, [HO\(2\) 05 National Residential Landlords Association](#)

<sup>258</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 177

<sup>259</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 96

*there are drawbacks, and there is a way that that can help the system, but there are things that need to be addressed to make it less of a concern for landlords.”<sup>260</sup>*

**205.** The NRLA told us that the “appetite to offer properties on the scheme is there” if concerns were to be addressed.<sup>261</sup>

**206.** The Bevan Foundation suggested that the scheme should be regularly reviewed and amended to ensure it is assisting as many low-income tenants as possible, for example by enabling local authorities to act as guarantors for low-income tenants.<sup>262</sup> Cymorth Cymru felt that it is important to encourage more private sector landlords to enter the scheme.<sup>263</sup>

**207.** Crisis also told us that they feel more should be done to raise awareness of the scheme, and also that the Welsh Government could consider offering “greater financial aid” if a landlord were to bring a property back into use in the social housing rather than private rented sector.<sup>264</sup>

**208.** The Minister told us:

*“We’ve been very successful in pushing Leasing Scheme Wales right across our local authorities. I only spoke to the leaders last Thursday, [ ] about extending that out to the last few local authorities that haven’t joined, and we will be really pushing that.”<sup>265</sup>*

**209.** The Minister recognised that Local Housing Allowance :

*“having a massive impact on our ability to get private sector landlords to come into the leasing scheme.”<sup>266</sup>*

**210.** The Minister wrote to us on 26 January 2023 stating that

*“In terms of making the scheme more attractive to landlords, we have recently increased the potential grant funding available to landlords through inclusion of an additional £5,000 grant to improve the energy efficiency of the property towards an EPC C rating. This means that those landlords signing*

<sup>260</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 93

<sup>261</sup> Local Government and Housing Committee, [HO\(2\) 05 National Residential Landlords Association](#)

<sup>262</sup> Local Government and Housing Committee, [HO\(2\) 15 Bevan Foundation](#)

<sup>263</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>264</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#)

<sup>265</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 66

<sup>266</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 39

*up to the scheme for 5 years could access up to £10,000 whilst those who sign up for 25 years could be eligible for up to £30,000.”<sup>267</sup>*

## Our view

**211.** We acknowledge that Leasing Scheme Wales is a relatively new initiative. We were encouraged to hear that stakeholders felt that it is a positive development to improve access to and affordability of the private rented sector. However, we are concerned that setting rent guarantees at Local Housing Allowance rates makes the scheme less attractive. We heard that take-up could be higher if steps were taken to address issues that are of a concern for landlords.

**212.** We believe that the scheme should be reviewed and amended to make it more attractive to landlords. We also believe that more should be done to raise awareness of the scheme, including among landlords and property agents.

**Recommendation 18.** The Welsh Government should explore how it can review and amend Leasing Scheme Wales to make it more attractive to landlords. It should also set out how it will raise awareness of the scheme, in particular with letting and estate agents.

## Social housing

**213.** Stakeholders recognised the positive impact that the Welsh Government’s commitment to supporting and providing social housing over the past 10 years has had, with Wales & West Housing commenting that it had made “an enormous difference” to the current homelessness situation.<sup>268</sup>

**214.** However, it is clear that there is not enough social housing. Wales & West Housing told us that there is supply across the social housing sector to meet 60-65 per cent of the people in need, therefore there is a shortfall:

*“And that shortfall then moves into temporary accommodation and takes up that temporary accommodation. The next month, you’ve got another cohort of another 800 or 900 people, and there’s still no more available for the number of people that we couldn’t house the first time.”<sup>269</sup>*

<sup>267</sup> Letter from the Minister for Climate Change, 26 January 2023

<sup>268</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 65

<sup>269</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 11



**215.** The Salvation Army noted that the shortage of social homes is impacting on Housing First schemes and not in-keeping with the principles of that model, with clients of the scheme currently waiting an average of 6 months to be allocated a property.<sup>270</sup>

**216.** CIH's **Tyfu Tai Cymru** report published in late 2021 revealed that close to 90 per cent of social landlords are experiencing problems with supply chains for building new homes, as well as maintaining existing ones, primarily due to increased material prices and time delays.<sup>271</sup> The WLGA recognised challenges to providing enough new homes including:

*"...the availability of land, phosphate restrictions in many areas, rising costs of materials, constraints on the supply of materials, shortages in necessary key skills, capacity within some Council functions, capacity within utility companies, etc."*<sup>272</sup>

**217.** We heard that for some authorities, phosphates is a significant barrier to building new homes. Targets set by Natural Resources Wales for phosphate levels in some rivers have meant that many planning applications for new homes are currently on hold. This is because wastewater from housing developments can contribute to higher phosphate levels in rivers which, in turn, can affect water quality and damage ecosystems that support rare and important wildlife. Local Planning Authorities have to consider the impact of proposed developments on water quality in certain rivers. Wrexham Council told us of its desperation for the issue to be resolved, as it has put all developments on hold with no timescale for resolution.<sup>273</sup>

**218.** The Minister addressed the phosphates problem reported by some local authorities, and told us that nutrient management boards and working groups are liaising to devise solutions.<sup>274</sup> The Minister also told us during our scrutiny of the Welsh Government draft budget 2023-24 on 19 January that there is "a whole series of issues with sites held up" due to phosphates in rivers; that a "series of meetings" have been held to try and resolve the issues; and that she hopes that resolving this problem:

*"will unlock a number of housing sites across Wales, which we'll then be able to accelerate, and we stand ready to do that."*<sup>275</sup>

<sup>270</sup> Local Government and Housing Committee, **HO(2) 14 Salvation Army**

<sup>271</sup> Local Government and Housing Committee, **HO(2) 04 Chartered Institute of Housing Cymru**

<sup>272</sup> Local Government and Housing Committee, **HO(2) 06 Welsh Local Government Association (WLGA)**

<sup>273</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 127

<sup>274</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 20

<sup>275</sup> Local Government and Housing Committee, **Record of Proceedings, 19 January 2023**, paragraphs 34-35

## Our view

**219.** We welcome the Welsh Government's ambitious target to deliver 20,000 low-carbon homes for social rent during the current Senedd term. However, current market conditions make this target more challenging than ever and we are concerned that there will not be enough social housing to meet demand for some time. We have raised this issue with the Minister on a number of occasions. In our report on **Second Homes**, we asked for an update on how the target would be achieved and the Welsh Government's response noted the first data would be published in autumn 2022. In our report on the **draft budget 2023-24**, we recommended that the Welsh Government should set out how it will reach its target and be transparent on its progress. We ask that as part of this, the Welsh Government provides regular updates on the Committee on its progress.

**220.** We heard that due to issues with supply chains and increased material prices, social landlords are experiencing problems with building new homes and maintaining existing ones. We are also concerned that targets on phosphates in rivers is a significant barrier to building new homes. Given the current housing supply pressures, there is an urgent need to overcome these barriers and find practical solutions. In our report on the **draft budget**, we recommended that the Welsh Government should provide the Committee with an update following a planned summit with stakeholders to find a solution to the impact of phosphate issues on house building. This update should include the likely costs of the action plan for the Welsh Government and where the funding will come from. We look forward to receiving these updates and following progress in this area.

## Homes of the right type and in the right place

**221.** Stakeholders recognised the challenging situation whilst also highlighting the lack of suitable homes to meet the demands of the people currently in temporary accommodation. The Wallich said:

*"there are significant difficulties encouraging private housebuilders and developers to build genuinely affordable one-bedroom homes to meet the needs of single people in TA. In some areas, the only affordable options for move on are large, shared HMOs in the private rental sector, which are often low quality and not appropriate for the needs of the individual."*<sup>276</sup>

<sup>276</sup> Local Government and Housing Committee, **HO(2) 10 The Wallich**

**222.** CIH said that its local authority members have highlighted the vast number of single households in temporary accommodation, and that there is a significant lack of appropriate, affordable one-bedroom accommodation for them to be moved into, resulting in longer stays in temporary accommodation.<sup>277</sup> We heard of particular issues in Wrexham whereby the demand for single household accommodation “far outstrips what's available.”<sup>278</sup>

**223.** Wales & West Housing commented on the “mismatch” between the types of homes that are required and the types of homes that are available:

*“over the last 10 years, only about 10 per cent of the homes that have been built are one bedroom, and yet you've got 8,000 to 10,000 people needing one-bedroomed accommodation in temporary accommodation, that exist in temporary accommodation at the moment. We have that mismatch in planning terms, and we've had that for a very long time and the reluctance of lots of people concerned in the sector to build more one-bedroomed accommodation, and addressing that is a very brave move in policy terms and in planning terms, to stop the huge volume of three-bed homes that we also need built, and move to something that actually matches closer to the huge demand that we're facing.”*<sup>279</sup>

**224.** The NRLA told us that there needs to be “more of the right houses in the right places for the right people”, and that the legislation needs to be considered as developers are unlikely to willingly change direction themselves, due to it being less commercially viable to build smaller homes. The NRLA felt that there are “small landlords” who would buy the smaller types of properties required for the current demand, “but they need to be built and they need to be available”.<sup>280</sup>

**225.** The Wallich voiced concern that this issue will not be resolved and that

*“without some sort of positive state intervention, builders will continue to build only larger family homes, luxury apartments, or high-density student accommodation, rather than the less profitable, affordable homes that meet the genuine demand in the system.”*<sup>281</sup>

<sup>277</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>278</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 30

<sup>279</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 66

<sup>280</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 63

<sup>281</sup> Local Government and Housing Committee, [HO\(2\) 10 The Wallich](#)

**226.** CIH said that:

*"there is a need when drafting local development plans to look at the way housing need is being calculated."*<sup>282</sup>

**227.** Shelter Cymru suggested that a perceived higher level of management required for people with high support needs is the reason for the lack of one-bedroom properties being built. They said that these types of homes need to be made into a "financially viable model for social landlords to step in and build that type of home."<sup>283</sup>

**228.** Some positive evidence was provided in terms of shared accommodation, including an example cited by the Salvation Army from United Welsh, which provided low rent homes for young people in shared accommodation.<sup>284</sup> Whilst acknowledging that shared accommodation is "not for everybody", Shelter Cymru cited good practice projects of people being matched to share accommodation which had positive tenancy sustainment rates, and questioned whether "more high quality well-supported shared arrangements" should be put in place.<sup>285</sup>

**229.** The Minister recognised the particular pressure point of demand versus supply of one-bedroom accommodation. She acknowledged that "not all single people want to or can afford to live alone, particularly the under 35s", therefore creative alternatives such as houses of multiple occupation (HMOs) using co-operative or community approaches allow people choosing to live together to do so.<sup>286</sup> The Minister told us that of the 1,000 homes being brought back into use through the £65 million being invested in the Transitional Accommodation Capital Programme (TACP), 390 one-bedroomed properties will be included.<sup>287</sup> The Minister subsequently confirmed in her **letter of 26 January** that additional funding of £24 million has been made available for TACP.

## Our view

**230.** We heard of the challenges in finding suitable homes to meet the demands of single people in temporary accommodation. It is clear that there is a significant lack of appropriate affordable one-bedroom accommodation and that more needs to be done to address this and any local barriers to developing this type of accommodation.

<sup>282</sup> Local Government and Housing Committee, [HO\(2\) 04 Chartered Institute of Housing Cymru](#)

<sup>283</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 141

<sup>284</sup> Local Government and Housing Committee, [HO\(2\) 14 Salvation Army](#)

<sup>285</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 223

<sup>286</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraphs 105-108

<sup>287</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 109

**231.** We heard calls for the introduction of legislation to ensure the development of one-bedroom properties as developers may be unlikely to willingly change direction themselves, due to it being less commercially viable to build smaller homes. We also heard that there is a need to look at the way housing need is being calculated when drafting local development plans. We note that the Transitional Accommodation Capital Programme includes 390 one bedroom properties but we feel that more needs to be done. We therefore urge the Welsh Government to explore all possible options for increasing the number of one-bedroom properties available. We will be returning to this matter in our future work on housing supply.

**Recommendation 19.** The Welsh Government should explore all possible options for increasing the availability of one-bedroom accommodation, including options for ensuring the planning system actively encourages the delivery of more one-bedroom accommodation in the appropriate locations.

**232.** It was encouraging to hear of some good practice projects which provided low rent homes for young people in shared accommodation. We acknowledge that shared accommodation does not suit everyone, but we would encourage the Welsh Government to work with local authorities and support services to explore whether more high quality, well-supported shared arrangements could be put in place.

**Recommendation 20.** The Welsh Government should set out how it is working with local authorities, housing associations and support services to increase the availability of high quality shared accommodation. This should include raising awareness of shared accommodation options and sharing good practice.

## **Making better use of existing housing stock**

**233.** We heard from both Cardiff Council and Pembrokeshire County Council that they buy existing homes in attempts to boost affordable housing supply, Cardiff Council told us:

*"the Authority is actively trying to secure accommodation in the form of buy backs and has so far secured 25 properties in 2022."*<sup>288</sup>

**234.** However Pembrokeshire County Council highlighted that homes must achieve Welsh Housing Quality Standard compliance, which ensures that properties are compliant in terms of space and energy efficiency and with decarbonisation targets.<sup>289</sup>

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<sup>288</sup> Local Government and Housing Committee, [HQ\(2\) 09 Cardiff Council](#)

<sup>289</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 168

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**235.** Cymorth told us that only six per cent of homes in Wales are rented from local authorities, therefore in order to boost this, properties belonging to private landlords wishing to leave the market could be considered for purchase by local authorities to use as social lets.<sup>290</sup>

Stakeholders including Tai Pawb<sup>291</sup> and Crisis<sup>292</sup> highlighted this option as a way of increasing housing supply in the social housing sector.

**236.** The Wallich told us of a “mixed picture” among registered social landlords in making vacant properties available for new tenants:

*“Some of them are doing better at turning round voids quicker than others. I think there are real challenges there in terms of just their staffing, in terms of getting the properties refurbished, getting the gas and electrical safety inspectors in to just do all the checks and things that they need to do. A lot of those things are slowing down, just because of human resource, and that can mean that it's taking longer to turn voids around.”<sup>293</sup>*

**237.** The Minister indicated that there was some flexibility for social landlords to buy properties from private landlords if they were leaving the sector, whilst ensuring they are brought to required standards within a time period of 10 years. The purpose is to enable homes to be occupied immediately to assist with the current housing crisis, whilst ensuring that they will eventually meet required standards.<sup>294</sup>

**238.** The Minister also told us about examples of social landlords acquiring tenanted properties from the private sector in instances where the tenant has been threatened with eviction due to the landlord wanting to sell the property. The Minister emphasised that:

*“the best solution all round is to keep people in their homes where at all possible.”<sup>295</sup>*

## Our view

**239.** We were encouraged to hear that some local authorities have bought existing homes in an attempt to boost affordable housing supply within their area but it seems that this varies across Wales. Stakeholders suggested that properties belonging to private landlords wishing to

<sup>290</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>291</sup> Local Government and Housing Committee, [HO\(2\) 12 Tai Pawb](#)

<sup>292</sup> Local Government and Housing Committee, [HO\(2\) 13 Crisis](#)

<sup>293</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 331

<sup>294</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 111

<sup>295</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 112

leave the market could be considered for purchase by local authorities to use as social lets. We note that there is flexibility for social landlords to buy properties from private landlords, as long as they are brought to required standards within ten years, this included tenanted properties. We hope that local authorities are making full use of these schemes to help keep people in their homes.

**Recommendation 21.** The Welsh Government should work with social landlords to ensure that they fully utilise schemes to enable them to buy properties from private landlords, including tenanted properties. This should include awareness of what support is available to bring those properties up to the relevant standards within an agreed timeframe.

**240.** It is important that we also make best use of our existing housing stock. We were concerned to hear that there is also variation among registered social landlords with regards to making vacant properties available for new tenants. We would encourage the Welsh Government to explore with all social landlords why there may be delays in letting properties, the reasons for the delay and consider what support it can provide to help ensure that these properties can be made available as soon as possible.

**Recommendation 22.** The Welsh Government should set out what data it collects on social housing vacancies, including the time taken to re-let properties when they become vacant, reasons why properties remain vacant and how it supports social landlords to ensure properties are available for letting.

## Social housing allocation policies

**241.** Some witnesses raised social housing allocation policies as a potential barrier facing homeless households trying to find long term accommodation. Crisis highlighted that data should also be improved in the social housing sector, in order for the Welsh Government to monitor housing association compliance with current nominations agreements.<sup>296</sup>

**242.** Shelter Cymru recognised the potential difficulties around allocations, telling us that:

*"none of them are easy to answer because it can't just be about seriousness and it can't just about time served; it has to be a balance in between."*<sup>297</sup>

**243.** Shelter also told us that they're aware of local authorities that:

<sup>296</sup> Local Government and Housing Committee, [HQ\(2\) 13.Crisis](#).

<sup>297</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 173

*"go around the allocations policy, or else they're having to build additional flexibility in there because the allocations policy hasn't been written with the needs of the people who are most vulnerable in mind."*<sup>298</sup>

**244.** The Salvation Army also had concerns around allocations, as they had:

*"seen some examples of where we worry that RSLs may be cherry-picking, and high barriers to entry could be preventing some of our clients with the more complex needs from accessing suitable move-on, for example high thresholds around previous failed tenancies, previous rent arrears, and anti-social behaviour in some cases. We support people with high needs, they have a lot of these things, and that can be just a barrier, that there's nothing available for them because they've got these marks on their record. In terms of rapid rehousing and Housing First again, these people should be considered eligible to move into a permanent home, for example, in a housing association, but there can be some reticence sometimes in terms of taking people with high needs, for a variety of different reasons."*<sup>299</sup>

**245.** Cymorth Cymru also highlighted that the data on this is "not reliable" and "not accurate" and that better understanding is required.<sup>300</sup>

**246.** The Minister told us that allocation policies, particularly for RSLs, are being reviewed to ensure:

*"that people who are in the most need are getting the allocations that they deserve to have."*<sup>301</sup>

## Our view

**247.** We believe that social landlords' allocation policies should support efforts to provide households in temporary accommodation, and those facing homelessness, with long-term accommodation. We welcome the Minister's assurance that this issue is being looked into and ask that allocations policies are reviewed to take into account the barriers to accessing housing that people could be facing, such as rent arrears.

<sup>298</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 222

<sup>299</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 332

<sup>300</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 339

<sup>301</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 40



**Recommendation 23.** We ask that the Welsh Government reports its findings on this matter to the Committee and ensures that all social landlord allocation policies are routinely published so they are open to public scrutiny.

## 7. Rapid rehousing transition plans

**248.** The **Action Plan** includes a commitment to ensure homelessness is brief by ensuring that people reach settled housing as quickly as possible, which “relies on a transformational shift to rapid rehousing”. The Action Plan gave a deadline of September 2022 for local authorities to have Rapid Rehousing Transition plans in place and the Welsh Government has previously suggested a timescale of five years to transform homelessness services. A number of witnesses, including the Minister, suggested that timescale would need to be reassessed.

**249.** Overall we heard that local authorities and support services are committed to moving towards a rapid rehousing approach as outlined in the Action Plan. Crisis highlighted the importance of action five in the plan that a “fully equipped, resilient workforce” must be prioritised to ensure the approach succeeds.<sup>302</sup>

**250.** Local authorities highlighted barriers to successful implementation of the actions, including Wrexham Council who cited difficulties with sourcing supported accommodation for people with complex needs,<sup>303</sup> and Cardiff Council who highlighted the housing supply issues.<sup>304</sup>

**251.** Despite being encouraged by some of the work already completed in delivering the high level action plan, CIH raised concern that some of its local authority Members felt the timescale for publication of the Rapid Rehousing Transition Plans was not realistic due to the existing pressure and workloads, and that successful implementation of the plans depends on funding.<sup>305</sup> In her **letter of 26 January 2023**, the Minister confirmed that as of then, eight local authorities had submitted their plans to the Welsh Government.<sup>306</sup>

**252.** Cymorth Cymru recognised that “rapid rehousing will be very, very challenging to achieve in five years” that:

*“it’s really challenging for local authorities to have developed those rapid rehousing transition plans. [...] But I think that is symptomatic of the pressures that are on local authorities at the moment.”<sup>307</sup>*

<sup>302</sup> Local Government and Housing Committee, **HO(2) 13 Crisis**

<sup>303</sup> Local Government and Housing Committee, Record of Proceedings, 16 November 2022, paragraph 32

<sup>304</sup> Local Government and Housing Committee, **HO(2) 09 Cardiff Council**

<sup>305</sup> Local Government and Housing Committee, **HO(2) 04 Chartered Institute of Housing Cymru**

<sup>306</sup> Local Government and Housing Committee, **HO(2) 16 Housing Justice Cymru**

<sup>307</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 354

**253.** The Wallich expressed some frustration at the delay in publishing the plans, and called for them to be published as soon as possible, including details to allow a multi-agency, person-centred approach to begin.<sup>308</sup>

**254.** We heard some concerns around the rapid rehousing approach, including multiple different models across Wales; how success is evaluated<sup>309</sup>; the lack of social housing being a barrier to delivery<sup>310</sup>; and whether it is feasible in five years<sup>311</sup>. It was also emphasised that for it to work, investments need to be made in supported temporary accommodation for the short-term whilst increasing housing supply in the longer term<sup>312</sup> as well as needing strong leadership “from the top of the local authority and across several local authority functions.”<sup>313</sup>

**255.** We also heard concerns that third and voluntary sector organisations may not have been included in the development of the plans as much as was intended. Housing Justice Cymru told us:

*“we are also aware that there was an ask of local authorities to consider third sector and volunteers, and we don't feel that that has been really taken into account particularly.”<sup>314</sup>*

**256.** This was reinforced by Cymorth Cymru who acknowledged that there may not have been opportunities for authorities to engage with other stakeholders yet, but “it’s critical that they do so” as those stakeholders will be:

*“absolutely key in delivering rapid rehousing, and they need to be engaged wholeheartedly in the process. But local authorities also need to engage with health services in particular, and other public services, criminal justice, probation, et cetera, because, as I said, this is not just a housing issue, it's a public services issue, and, if we're to move towards rapid rehousing, we need those other public services to play their part.”<sup>315</sup>*

**257.** North Wales Housing Association told us that whilst rapid rehousing is a solution, “it’s not the entire solution” and that temporary support settings could be most effective at times for

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<sup>308</sup> Local Government and Housing Committee, [HO\(2\) 10 The Wallich](#)

<sup>309</sup> Local Government and Housing Committee, [HO\(2\) 16 Housing Justice Cymru](#)

<sup>310</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>311</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 105

<sup>312</sup> Local Government and Housing Committee, [HO\(2\) 10 The Wallich](#)

<sup>313</sup> Local Government and Housing Committee, [HO\(2\) 17 Cymorth Cymru](#)

<sup>314</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 230

<sup>315</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 356

some people with complex needs.<sup>316</sup> Shelter Cymru recognised that whilst there will be a role for supported accommodation, the principle of rapid rehousing “should be better for everybody.”<sup>317</sup> Crisis suggested a review of plans across Wales would enable lessons learned and best practice to be shared.<sup>318</sup>

**258.** The Minister acknowledged that it will take longer than the five years originally suggested in the Action Plan to adopt a truly rapid rehousing approach, but that the focus of homelessness being “rare, brief and rapidly resolved” remains unchanged.<sup>319</sup>

**259.** The Minister told us that the Welsh Government will report on the Action Plan in early 2023, which will include updates on existing and new actions. She also told us that a “substantial and complex Bill reshaping the whole legislation and policy framework in Wales” will begin via a White Paper in 2023. We heard that an expert review panel chaired by Professor Suzanne Fitzpatrick is currently holding meetings and will make recommendations on proposed legal changes to the Minister in 2023.<sup>320</sup>

**260.** The Salvation Army highlighted the “exceptionally positive results” of the Housing First model, which they said reduces strain on other services such as health, substance misuse services and criminal justice.<sup>321</sup> Cymorth highlighted a 90 per cent tenancy sustainment rate out of 245 Housing First tenancies as an evidence base for investment in this approach.<sup>322</sup>

**261.** The Minister told us that the rapid rehousing transition plan guidance includes Housing First models as the default approach for people with high needs. She said that the “next phase of that is to support local authorities to upscale their ongoing housing first projects to match the likely increased demand moving forward in this next transition phase” but acknowledged that this model can be difficult to deliver:

*“It sounds like a silver bullet, doesn't it: just do this for everyone. But it's not necessary for everyone, it doesn't work for everyone, and also it's actually hard to deliver. We do need to make sure that people understand what they're delivering and are doing it right. So, we are rolling it out. We're rolling it out in that phased way, in a transition phase. I'm very keen to make sure that we continue to do that, but we need to do it in a sustained way, true to*

<sup>316</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 106

<sup>317</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 234

<sup>318</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 236

<sup>319</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 126

<sup>320</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 130

<sup>321</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 302

<sup>322</sup> Local Government and Housing Committee, Record of Proceedings, 24 November 2022, paragraph 299

*its principles, and not water it down so that we can say we're doing it across the piece."*<sup>323</sup>

**262.** The Minister acknowledged the "enormous challenges faced by local authorities" but commented that

*"they also need to understand the benefit of developing a plan for their long-term planning and short-term activities addressing the current situation. It's all very well to fight the fires, but you do need to have a plan for what you're going to do longer term."*<sup>324</sup>

## **Our view**

**263.** We are deeply concerned by the challenges currently faced by local authorities and the impact this has had on delivery of the Rapid Rehousing Transition Plans in time to meet the deadline set. We acknowledge that the homelessness context has changed since the Action Plan was published and that the cost of living crisis seems likely to put further pressure on homelessness and housing services that are already stretched. We recognise that a shortage of affordable social housing and barriers to accessing the private rented sector mean it is likely that temporary accommodation will have to be used extensively for some time before rapid rehousing becomes deliverable.

**Recommendation 24.** The Welsh Government should support local authorities to implement their rapid rehousing transition plans.

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<sup>323</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 83

<sup>324</sup> Local Government and Housing Committee, Record of Proceedings, 7 December 2022, paragraph 125

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## Annex A: List of oral evidence sessions

The following witnesses provided oral evidence to the committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed on the Committee's website.

Date	Name and Organisation
16 November 2022	<p><b>Naomi Alleyne, Director Social Services and Housing,</b> Welsh Local Government Association</p> <p><b>Gaynor Toft, Interim Head of Housing and Public Protection Services,</b> Pembrokeshire County Council</p> <p><b>Steve Porter, Operations Manager Community Housing,</b> Swansea Council</p> <p><b>Tracy Hague, Head of Service Housing,</b> Wrexham County Borough Council</p> <p><b>Laura Garvey-Cubbon, Operational Manager, Strategy and Housing Need,</b> Cardiff Council</p>
24 November 2022	<p><b>Allan Eveleigh, Assistant Director of Communities,</b> North Wales Housing Association</p> <p><b>Shayne Hembrow, Group Deputy Chief Executive,</b> Wales &amp; West Housing</p> <p><b>Steven Bletsoe, Operations Manager Wales,</b> National Residential Landlords Association</p> <p><b>Matt Dicks, Director,</b> Chartered Institute of Housing Cymru</p> <p><b>Steffan Evans, Head of Policy (Poverty),</b> Bevan Foundation</p> <p><b>Jennie Bibbings, Head of Campaigns,</b> Shelter Cymru</p> <p><b>Jasmine Harris, Senior Policy and Public Affairs Officer,</b> Crisis</p> <p><b>Bonnie Williams, Director,</b> Housing Justice Cymru</p>

	<p><b>Katie Dalton, Director,</b> Cymorth Cymru</p> <p><b>Thomas Hollick, Policy and Public Affairs Coordinator,</b> The Wallich</p> <p><b>Catherine Docherty, Assistant Regional Manager - Wales and South West,</b> Salvation Army</p> <p><b>Emma Shaw, Regional Manager Wales and South West, Homeless Service,</b> Salvation Army</p> <p><b>Jessica Hymus-Gant, Services Manager – Conwy S180, Denbighshire, Flintshire and Wrexham,</b> Nacro</p>
<b>7 December 2022</b>	<p><b>Julie James MS,</b> Minister for Climate Change</p> <p><b>Amelia John, Director, Housing Policy Division,</b> Welsh Government</p> <p><b>Sarah Rhodes, Head of Homelessness Prevention,</b> Welsh Government</p> <p><b>Emma Williams, Director of Housing and Regeneration,</b> Welsh Government</p>

## Annex B: List of written evidence

The following people and organisations provided written evidence to the Committee. All Consultation responses and additional written information can be viewed on the Committee's website.

Reference	Organisation
HO(2) 01	Luke Richards
HO(2) 02	Nacro
HO(2) 03	Propertymark
HO(2) 04	Chartered Institute of Housing Cymru
HO(2) 05	National Residential Landlords Association
HO(2) 06	Welsh Local Government Association
HO(2) 07	Shelter Cymru
HO(2) 08	Community Housing Cymru
HO(2) 09	Cardiff Council
HO(2) 10	The Wallich
HO(2) 11	Llamau
HO(2) 12	Tai Pawb
HO(2) 13	Crisis
HO(2) 14	Salvation Army
HO(2) 15	Bevan Foundation
HO(2) 16	Housing Justice Cymru
HO(2) 17	Cymorth Cymru
HO(2) 18	Welsh Government
HO(2) 19	Anonymous



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## Additional Information

Title	Date
Shelter Cymru	15 December 2022