

Housing Matters

Welsh budget 2020/21

#HousingMattersWales



Introduction

The Housing Support Grant is the Welsh Government's principal funding stream for preventing homelessness and supporting independent living. Every year it helps more than 60,000 people to avoid homelessness, escape abuse, live in their own homes and thrive in their communities.

Through the provision of refuge, supported accommodation and tenancy support, Housing Support Grant funded services prevent people from sleeping rough, enable people to leave abusive relationships, help people to overcome mental health problems and work with them to build on their strengths and fulfil their aspirations. These services can be utterly transformational for individuals and contribute to a healthier, more prosperous, more equal Wales.

In addition to changing lives, the Housing Support Grant also reduces pressure on a myriad of public services, from health and social services to criminal justice. A number of reports have evidenced the positive financial impact of these services in the UK, including research for Carmarthenshire Council, which estimated that **every £1 invested in Supporting People services delivers £2.30 of savings to housing, health, social care and community safety.** Another piece of research for the UK Government estimated that every £1.60 invested in housing-related support services delivers £3.41 in savings through reduced demand on the statutory sector.



Welsh Government budget 2020/21

In advance of the Welsh Government's budget for 2020/21 we are calling on Ministers to increase funding for the Housing Support Grant and ensure that services have the resource and capacity to meet the support and accommodation needs of people who are experiencing, or at risk of, homelessness in Wales.

This report explains why this is necessary and how additional funding can help to meet key Welsh Government objectives.

We are ambitious about ending homelessness and playing our part in making this a reality. To do this, Welsh Government should invest further in the Housing Support Grant.

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Context

The Housing Support Grant (HSG) was created in April 2019 following the merger of Supporting People, Homelessness Prevention Grant and Rent Smart Wales Enforcement funding streams. It funds the vast majority of homelessness and housing-related support services in Wales, including homeless hostels, domestic abuse refuges, supported accommodation schemes and tenancy support services.

Increasing homelessness

Since the Housing (Wales) Act 2014 local authorities have collected data on the number of households threatened with homelessness and assessed as homeless and owed a duty under Section 73 of the Act. As shown in the table the numbers have been increasing every year since data collection began and our members tell us that more people need support for increasingly complex, co-occurring problems and experiences of trauma.

	No. of households threatened with homelessness within in 56 days	No. of households assessed as homeless and owed duty under Section 73
2015/16	7,128	6,891
2016/17	9,231	10,908
2017/18	9,072	11,277
2018/19	10,737	11,715

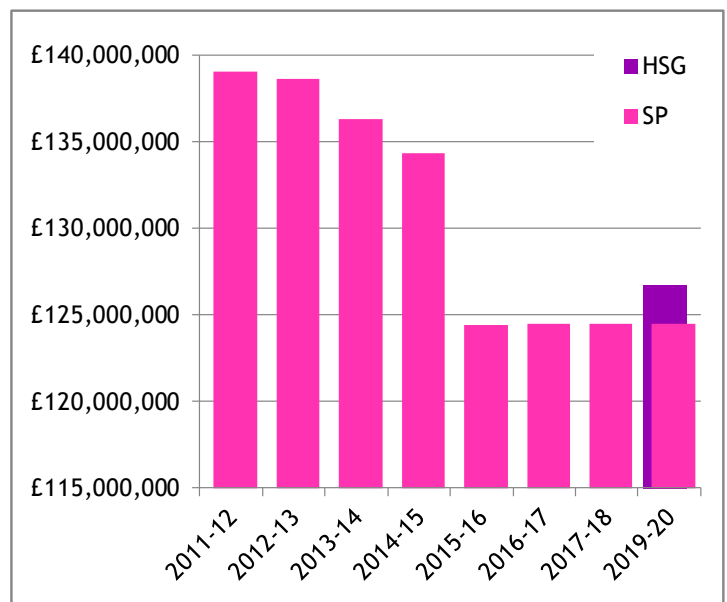
While some of the factors that cause homelessness are out of the Welsh Government's control, it does have control over one of the key tools to prevent and alleviate homelessness: the Housing Support Grant. As this budget is set annually, both Ministers and Assembly Members have a responsibility to set and scrutinise the level of funding and ensure that it meets people's needs.

Decreasing funding

This graph shows how the Supporting People budget has reduced over recent years, from £139million in 2011/12 to £124million in 2019/20¹.

Taking into account inflation, £139million in 2012 would equate to over £161million in 2018².

This equates to a real terms funding cut of **£37million** from the Supporting People budget between 2012 and 2018.



¹ In 2019/20 this formed part of the overall Housing Support Grant budget of £126.8m, but we know that the SP element was £124.5m due to the Welsh Government / Plaid Cymru budget deal.

² Using the Bank of England inflation figures

The case for an increase

The cross-party support and political efforts to protect Supporting People funding in recent years have enabled support providers, housing associations and councils to support tens of thousands of people. However, our members are telling us that services have now reached a tipping point - and a cash flat settlement in 2020/21 will not be enough.

Local authorities, third sector support providers and social landlords have worked incredibly hard over the past few years to make savings within their services. Costs of delivery have grown, mainly due to inflation and complexity of demand, but funding has not. This is set against a backdrop of increased homelessness and people presenting with a more challenging combination of co-occurring issues such as mental health problems, substance use problems and the impact of trauma.

We know that building trusting relationships with people is critical, especially with the high prevalence of Adverse Childhood Experiences (ACEs) among people experiencing, or at risk of, homelessness. Mitigating ACEs and breaking the cycle requires support workers to have the time and capacity to build those effective relationships. But funding restrictions and pressure to see as many people as possible in a limited amount of time is making this increasingly difficult.

Our members tell us that it is increasingly difficult within current budget constraints to deliver person centred, trauma informed services to meet the needs of people requiring support. Without additional investment in the Housing Support Grant in the next Welsh Government budget, there is a risk that services will not have the capacity to meet people's needs - and homelessness could get much worse.

Redistribution of funding across Wales

Since the Supporting People Programme was established in 2003 the distribution of funding to local authorities has been based on historical spend rather than on greatest need. The Welsh Government attempted to address this problem by implementing a new funding formula in 2012-13, which redistributed funds according to need. However, this redistribution was suspended when the Supporting People Programme faced budget cuts, as some local authorities would have faced significant reductions in spend. Since then, the Wales Audit Office and Public Accounts Committee have encouraged the Welsh Government to recommence this work.

Over the last year, the Welsh Government has been developing a new approach to redistribution. This has understandably caused a huge amount of anxiety for the local authority areas which are likely to lose funding. The services operating in these areas are currently being used by people who are experiencing or at risk of homelessness, domestic abuse, mental health crises and many other issues. Any cuts could lead to these services being closed and people being unable to access the support they need.

It is widely accepted that redistribution is best done at a time when the overall budget is increasing, so that no single area faces a cut which would lead to much-needed services disappearing. As a result, we believe that the Welsh Government needs to inject enough funds into the overall Housing Support Grant budget to enable the areas which have historically lost out to receive the funds they need, while avoiding cuts to services in other local authorities.

Delivering Welsh Government priorities

The Welsh Government has reiterated its ambition to end homelessness and has supported a range of initiatives and policy ideas to help make this a reality. These priorities can only be delivered through additional investment in Housing Support Grant funded services.

Ending evictions into homelessness from social housing

Housing associations and local authorities are committed to ending evictions into homelessness from social housing. Tenancy support services are core to ending evictions into homelessness, providing vital support to tenants and acting as conveners for case conferences with other public services. Only through working across public services can we reduce homelessness and end the risk of anyone becoming homeless following the end of a social housing tenancy.

Additional investment in tenancy support services is vital to ending evictions into homelessness, as raised by the Homelessness Action Group's recommendation in their October 2019 report:

The Welsh Government should therefore increase funding for the Housing Support Grant to enable local authorities to commission more housing-related support services that will help people to maintain social tenancies.¹

The scale of investment needed to reduce evictions and end evictions into homelessness is difficult to quantify, owing to the complexity of issue which can lead to risk of eviction. However, 4700 households were in 13 or more weeks of arrears in social housing as of 31st March 2018, a risk factor in tenancy sustainment². Rent arrears is the majority cause of eviction from social housing in Wales, although the causes for significant rent arrears are varied.

Using cost figures from the Wales Audit Office report into the Supporting People Programme, an additional £14.5 million investment would fund intensive support for these 4700 tenants, addressing the causes behind rent arrears and preventing potential homelessness³.



£14.5
million

Scaling up Housing First

Over the past few years the Welsh Government has made a welcome commitment to delivering Housing First, a model which has had considerable success and is supported by international evidence⁴.

However this commitment has been funded through annual 'trailblazer' funding to date. Funding for Housing First needs to be main-streamed and the Housing Support Grant is the most appropriate place for this to sit. However, this means that additional funding needs to be added to the Housing Support Grant to enable the roll-out of Housing First for the particular group of people for which it is recommended - without replacing services for other people experiencing or at risk of homelessness.

¹ <https://gov.wales/sites/default/files/publications/2019-10/homelessness-action-group-report-october-2019.pdf> (page 26)

² <https://stats.wales.gov.wales/Catalogue/Housing/Social-Housing-Rent-Arrears/tenanciesinarrearsat31march-by-year-provider-duration>

³ <https://www.audit.wales/system/files/publications/Supporting-People-2017-English.pdf> (page 7)

⁴ <https://housingfirsteurope.eu/guide/what-is-housing-first/the-evidence-for-housing-first/>

The Crisis report ‘Implementing Housing First across England, Scotland and Wales’¹ provides an estimate of how many people in Wales would require Housing First, bearing in mind that this model is targeted people who have high, multiple and complex needs and/or repeated experience of rough sleeping. The research estimates that between 600 and 1100 people in Wales need this intervention.

Using the costs from the Liverpool feasibility study² and research about the cost of Housing First in England, we have calculated that this would cost between £6,388,200 and £11,711,700 to implement per annum in Wales.

£6-11
million

Providing refuge and support for people fleeing VAWDASV

In 2018-19 specialist VAWDASV services in Wales have seen a year on year increase in the number of survivors approaching them for help, as well as an increase in the complexity of issues that they deal with (mental health, substance misuse, sexual violence and exploitation).

For example, last year, 21,699 survivors were referred to local specialist services, which is 61% increase from the previous year. This figure also includes 30 women without ‘recourse to public funds’ who were accommodated in refuges and who would have otherwise faced destitution. Many specialist services are operating at on shoestring budgets and as demand increases, they are facing more desperate circumstances. Last year, 512 survivors were unable to be supported in refuges because of a lack of service space, capacity or resources. Welsh Women’s Aid also estimates that 77% of children who experienced domestic abuse in the past year did not receive support from a specialist service.

“The women in this service saved my life. I couldn’t cope and they gave me my life back. I was living in an unreal situation and they understood. They made me feel less isolated and helped me find myself again.”

(Survivor)

We have calculated the cost to provide support to survivors both in refuge and in the community in Wales at £22,035,958. This money would ensure that the specialist VAWDASV sector in Wales is adequately resourced to provide lifesaving services to survivors fleeing violence and abuse. This would include refuge services (including shared housing, self-contained units and dispersed accommodation), resettlement support, outreach and floating support, crisis interventions, dedicated support for children and young people and therapeutic support such as support groups. In 2017/18, the VAWDASV sector received only £8,947,707 from supporting people funding.

£13
million

The additional £13,088,251 would mean that no survivor is turned away and that services are able to provide change that lasts through a holistic model of support from identification to recovery including supporting children and young people alongside the non-abusive parent.

¹ https://www.crisis.org.uk/media/239451/implementing_housing_first_across_england_scotland_and_wales_2018.pdf
² https://www.crisis.org.uk/media/237545/housing_first_feasibility_study_for_the_liverpool_city_region_2017.pdf

HSG benefits to other public services

While the Housing Support Grant is primarily focused on the prevention and alleviation of homelessness, we know that it delivers a range of benefits to other public services.

Benefits to local authority housing and homelessness services

- Enables local authorities to discharge their duties under the Housing (Wales) Act 2014 through the provision of tenancy support and supported housing.
- Provides emergency accommodation for people who are homeless or fleeing domestic abuse.
- Prevents evictions, reducing pressure on homelessness departments.
- Provides people with housing and support so they can continue to live independently in their own homes.



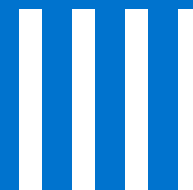
Benefits to health and social services

- Reduces demand on GP, hospital and ambulance services.
- Helps people to better manage their mental health and avoid hospitalisation.
- Prevents delayed discharges from hospital.
- Helps people to overcome substance use issues.
- Prevents older people from needing residential care.
- Enables people with learning disabilities to live independently in their communities.
- Supports many parents and families, can reduce safeguarding risks and reduce pressure on children's services.



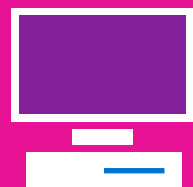
Benefits to community safety and criminal justice

- Reduces re-offending, improving community safety.
- Helps families to escape domestic abuse by providing accommodation and support.
- Helps people to overcome substance use issues.



Benefits to education and the economy

- Support children to succeed at school by providing safe and stable family environments.
- Support often marginalised people to (re)access education, volunteering, training and work opportunities, often through their own social enterprises.



The views of people using services

Every year Cymorth Cymru organises engagement events to listen to the views of people who have used homelessness and housing-related support services in Wales. We create a safe, non-judgemental space where people can be honest about their experiences with the knowledge that they will be treated with respect. Each year people ask us to share their views with people who make decisions about services, such as Assembly Members and Welsh Government Ministers. Their comments help to illustrate the impact of these services on people's lives.

Q. Where do you think you would be if you had not been able to access these services?



Q. What has been the impact on your life?

