



Crisis

# The homelessness monitor: Wales 2025

**Beth Watts-Cobbe, Glen Bramley, Rhiannon Sims, Hal Pawson, Gillian Young & Suzanne Fitzpatrick.** Institute for Social Policy, Housing and Equalities Research (I-SPHERE), Heriot-Watt University; City Futures Research Centre, University of New South Wales; Newhaven Research Ltd.

April 2025





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# About Crisis

**Crisis is the national charity for people experiencing homelessness. We help people directly out of homelessness, and campaign for the social changes needed to solve it altogether. We know that together we can end homelessness.**

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**Disclaimer:** All views and any errors contained in this report are the responsibility of the authors. The views expressed should not be assumed to be those of Crisis, or of any of the key informants who assisted with this work.

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# Acronyms

<b>AHC</b>	After Housing Costs
<b>ASB</b>	Anti-social Behaviour
<b>CAS3</b>	Community Accommodation Service 3
<b>CoL</b>	Cost of Living (Payments)
<b>CPI</b>	Consumer Price Index
<b>DAF</b>	Discretionary Assistance Fund
<b>DHPF</b>	Discretionary Homelessness Prevention Fund
<b>DWP</b>	Department for Work and Pensions
<b>EAP</b>	Emergency Assistance Payments
<b>EHNAB</b>	Ending Homelessness National Advisory Board
<b>EPC</b>	Energy Price Cap
<b>ERP</b>	Expert Review Panel
<b>FRS</b>	Family Resources Survey
<b>GB</b>	Great Britain
<b>GDP</b>	Gross Domestic Product
<b>GVA</b>	Gross Value Added
<b>HB</b>	Housing Benefit
<b>HMPPS</b>	HM Prison and Probation Service
<b>HSG</b>	Housing Support Grant
<b>IFS</b>	Institute for Fiscal Studies
<b>LA</b>	Local Authority
<b>LHA</b>	Local Housing Allowance
<b>NIC</b>	National Insurance Contributions
<b>NLW</b>	National Living Wage
<b>NRPF</b>	No Recourse to Public Funds
<b>OBR</b>	Office for Budget Responsibility
<b>ONS</b>	Office for National Statistics
<b>PHP</b>	Personal Housing Plans
<b>PRS</b>	Private Rented Sector
<b>RHA</b>	Renting Homes (Wales) Act 2016
<b>RRTP</b>	Rapid Rehousing Transition Plans
<b>RSL</b>	Registered Social Landlord
<b>SMD</b>	Severe and Multiple Disadvantage
<b>TA</b>	Temporary Accommodation
<b>UC</b>	Universal Credit
<b>UK</b>	United Kingdom
<b>UTA</b>	Unsuitable Temporary Accommodation
<b>WGC</b>	Welsh Governance Centre



# Foreword



## **This latest edition of the Homeless Monitor for Wales comes at a key juncture for the homelessness and housing sector.**

As the cost of living crisis continues and rents rise, more and more people are facing difficulties with housing insecurity and forced into the trauma of not having somewhere to call home.

Last year, the number of people living in temporary accommodation – often for months on end and without basic facilities – hit record highs. The pressure on unsuitable temporary accommodation, like Bed and Breakfast rooms is now greater in Wales than elsewhere in Great Britain.

This means more people and families struggling with the trauma and uncertainty of homelessness. It means frontline workers trying to balance increased caseloads where budgets are squeezed. And, in some cases, devastatingly, it has meant people have been forced to sleep rough.

However, this is also a time where the Welsh Government is seeking change, pressing ahead with commitments set out within the national ending homelessness high level action plan.

This monitor demonstrates that, if we are to move away from consistently firefighting with high levels of homelessness and start to turn the tide in Wales, change is imperative. Without bold action, homelessness will continue to rise.

It shows that the best chances we have of reducing homelessness is to take forward a range of policy developments – both in the Senedd and Westminster.

Using economic modelling, the report projects that policy changes in Westminster, such as raising Local Housing Allowance and ensuring that Universal Credit supports those facing destitution could have a significant impact for reducing homelessness in Wales.

It also emphasises the importance of bringing forward bold change to reduce homelessness at the Senedd. For example, illustrating the significant benefits – in the immediate, medium and long term – of taking a more consistent approach to allocations of social homes to homeless households.

This research demonstrates the importance of striving forward with the building affordable social homes and expanding Housing First support across the country.

Furthermore, it sends a clear message that we must do more to prevent people from becoming homeless in the first place. It shows that homelessness prevention is limited within the constraints of current legislation and that professionals across the sector warmly welcome current proposals for changes to the law to drive homeless prevention upstream.

However, in these difficult times, this monitor also shows that people working across local authorities are anxious about some aspects of proposals for change. Their voices are clear – reform must be accompanied by investment in housing supply and support services.

While this Monitor reinforces the need to progress many of the commitments outlined within the Welsh Government's Ending Homelessness National Action Plan and within the White Paper on Ending Homelessness – this must be supported by long-term investment and a drive that extends beyond the end of this Senedd term in 2026.

As challenging as change can be, if we do not seek policy change, the numbers of people facing the dangers of homelessness across Wales will continue to rise. We must act now to prevent homelessness in the future.

Matt Downie MBE

Chief Executive at Crisis

Chair of the Ending Homelessness National Advisory Board in Wales

**To note:** This research was drafted in autumn 2024 and as such, may not reflect all relevant policy developments after this time.

# Executive summary

**The Homelessness Monitor series is a longitudinal study providing an independent analysis of the homelessness impacts of recent economic and policy developments in Wales and elsewhere in the UK.<sup>1</sup> This fifth Wales-focused Monitor report provides an account of how homelessness stands in 2024 (or as close to 2024 as data availability allows), and focuses in particular on ongoing implementation of the Ending Homelessness in Wales High Level Action Plan including pursuit of extensive legal reforms, as well as the homelessness impacts of the ongoing cost of living crisis and mounting pressures in temporary accommodation. The report also includes updated modelling estimates and forward projections of 'core' homelessness.**

Key points to emerge from this latest analysis are as follows:

- Wales faces a challenging social-economic context in which to address homelessness, characterised by a stagnant economy, high levels of economic inactivity, and falling living standards. Public finances are in a perilous state, with Welsh Government and local authorities facing a widening deficit. Measures to bolster incomes during the pandemic and cost of living crisis have prevented a rise in the overall rate of poverty, but destitution and child poverty are on the rise, reflecting the continuing inadequacy of the social security safety net.

- Housing construction output remains insufficient, and without additional spending will miss its target of delivering 20,000 social homes by 2026. Private rental vacancies have declined as the sector has contracted, leading to sharply rising rents, compounded by the lack of shared accommodation and one bedroom properties and the continued inadequacy of Local Housing Allowance levels despite their recent reset.
- The numbers of social lettings to new tenants have declined over the last decade but the proportion of such lettings to homeless households has increased since 2018/19, and the gap between the proportion of new lets to homeless households for local authorities (46%) and housing associations (42%) has narrowed. Despite an increase at national level, the proportion of social lets to homeless households across local authority areas remains extremely variable.
- The focus of homelessness policy in Wales has been strengthening prevention, rapid rehousing and removing barriers to housing and support, with key changes in recent years including the development and implementation of Rapid Rehousing Transition Plans and the extension of priority need to people sleeping rough. These changes have made a positive difference to homelessness responses, especially in some areas, but barriers to further impact include a lack of suitable housing options and a lack of staff capacity within local authority teams, poor data infrastructure and a lack of buy-in to the approach in some LAs.
- White Paper proposals seeking to 'End Homelessness in Wales' garnered

widespread support from local authorities and key informants, with proposals to introduce new duties to prevent homelessness on wider public bodies and the extension of the LA prevention duty to six months especially welcome. Proposals to remove or alter the tests determining access to housing assistance were supported by key informants who saw them as essential to lowering barriers to assistance, but were controversial among some LAs who felt that these changes would increase demand and diminish people's sense of personal responsibility to resolve their own housing needs. Funding, more access to suitable housing, appropriately phasing implementation, securing buy-in from wider public services and creating culture change within local authorities were identified as the required enablers of implementation of these proposals should they progress into legislative change.

- Notwithstanding measures to improve responses, estimated levels of rough sleeping rose by 86% in the three years to July 2024. A key driver has been the unlawful failure of some local authorities to accommodate some homeless households in the context of acute pressures on temporary accommodation. Prison leavers and those with No Recourse to Public Funds are seen to be at particular risk of sleeping rough.
- The flow of homeless households subject to local authority prevention or relief duties has remained fairly level for the last few years, standing at 12,939 in 2023/24. Other statutory homelessness data reveal a system under strain. Since 2018/19, the proportion of prevention and relief actions judged successful has declined substantially and temporary accommodation use now stands at a record high, having increased by 189% in the three years to March 2024. Placements in B&B accommodation overall and for families have risen astronomically, with B&B now the dominant form of TA provided in Wales and the country more reliant on unsuitable forms of TA than either England or Scotland.

- Key factors explaining these acute pressures in the statutory homelessness system include a very challenging structural and housing market context limiting local authorities' ability to prevent evictions from or secure access to appropriate private rented housing, alongside the ongoing impacts of the COVID-19 pandemic and the more inclusive response to homelessness it prompted. Local authorities are reported to be in 'crisis management mode' restricting their capacity to pursue proactive prevention or other transformative policy agendas.
- In 2022, overall core homelessness in Wales is estimated to have stood at 12,250 households. Rates of core homelessness in Wales are lower than in England (0.9% compared to 1.01%), although they have risen more sharply in Wales than in either England or Scotland (where rates are lowest at 0.62%). Assuming a continuation of current policies (i.e. not including proposals for wide ranging legislative change), increases in core homelessness will persist in the short to medium term (to 2031), and rise faster in the longer term (2031-41).
- According to our modelling, effective policies for reducing core homelessness in the immediate term include:
  - increasing the share of social lettings allocated to homeless households
  - raising Local Housing Allowance rates, and
  - making changes to Universal Credit and other benefits to reduce destitution.
- Over the longer term, increased targeted new social housing supply, successful balancing up of the Welsh economy, and increased provision of Housing First are also projected to have a positive impact.
- There is widespread support among stakeholders for proposed legislative reforms that seek to move homelessness prevention measures upstream - including the extension of the prevention duty to 6 months and the proposals for new public sector duties. This appetite for further legislation on homelessness prevention is

<sup>1</sup> Parallel Homelessness Monitors are published for England and Wales. All of the Homelessness Monitor reports are available from <https://www.crisis.org.uk/ending-homelessness/>



perhaps reinforced by our modelling which suggests that prevention measures within the confines of existing legislation are limited.

- A comprehensive and appropriately sequenced policy reform programme is modelled as capable of reducing core homelessness in Wales by half against our baseline scenario by 2041. This scenario would see core homeless rates 22% below the level of 2019. Furthermore, unsuitable temporary accommodation would be down by 83%, hostels by 54%, rough sleeping would be reduced by 45%, and sofa surfing down by 39%. There would also be some reductions in wider measures of statutory homelessness (16%) and in total temporary accommodation (18%), despite the significant widening of eligibility for homelessness support associated with the ending of priority need.

## The wider context

Since the pandemic, the Welsh economy, like that of the UK, has stagnated and economic inactivity has increased, especially in Wales, as people exit the labour market due to ill health. Various post-pandemic economic shocks, most significantly the spike in inflation and the resulting sharp rise in interest rates, have seen living standards drop.

Elevated levels of net public debt and taxation, partly to help pay for the costs of supporting businesses and households through the pandemic and cost of living crisis, plus 14 years of public sector austerity, have left public finances in a perilous state. Having boosted the Welsh Government's budget by £1.7bn for the current financial year and 2025/26, the new UK Labour Government's 2024 Autumn Budget should somewhat ease Welsh Government and local authority funding pressures and the risk of unsustainable deficit in the shorter term. In the longer term, the 2025 UK Spending Review should clarify how the currently anticipated tightening of public spending from 2026/27 is to be achieved in terms of which policy area budgets will be most affected. Measures to bolster incomes during the pandemic and cost of living crisis have prevented a rise in the

overall rate of poverty. However, other policy decisions, particularly the imposition of the two-child limit in 2017, have led to a sharp rise in households with three or more children living in poverty. Likewise, decisions that have reduced the real value of benefits, tightened benefit sanctions, and limited access to discretionary funding, especially for those with no recourse to public funds, have seen destitution rise. Whilst still lower than the GB average, the rate of destitution in Wales has risen more sharply than in many other areas of GB since 2017.

Given the limitations of the wider social security safety net, discretionary localised forms of support, particularly Discretionary Housing Payments and the Discretionary Assistance Fund, are very important in helping LAs in Wales prevent and address homelessness, albeit that the nature of these funds mean that people receive inconsistent help and that their effectiveness is limited by budgetary constraints and rules restricting how they can be used.

Too few private market and affordable homes are being built in Wales. Sector stakeholders welcome the Welsh Government's ambitious 2021-26 target to deliver 20,000 social homes and recognise the significant capital investment budgeted to achieve it. However, the £235m capital (covering all policy areas) included in the £1.7bn additional Barnett consequential funding announced in October falls well short of the additional investment - £580m-£740m on top of existing budget - Audit Wales says is required to achieve this target.

Private rental vacancies have declined as the sector has contracted, though it's unlikely legislative changes implemented from December 2022 to strengthen tenants' rights and raise property standards have been a key factor. The shortage of vacancies has led to a sharp rise in private rents, compounded by the lack of shared accommodation and one bedroom properties. The end of a four year freeze in Local Housing Allowance levels, which were reset to the 30th percentile of local rents was welcomed by LAs and somewhat eased affordability pressures for low-income private renters, but this has been short lived following the UK Government's

decision to reimpose a freeze for 2025/26. LAs also report that the role of the Local Housing Allowance in addressing homelessness is limited by the shortage of private lets, especially one bedroom units, and the high rents being set for properties available for let relative to Local Housing Allowance rates across Wales.

The Welsh Government has sought to raise standards across the rented sector, including via the Renting Homes (Wales) Act, in force since late 2022. Alongside a raft of other provisions, it introduced a twelve-month minimum residency period and extended notice periods for most tenancies to six months. The full impacts of the Act are subject to ongoing evaluation, but LAs are concerned that it has led to landlord disinvestment, driving up homelessness and making it harder to resolve. Evidence from across the UK, however, suggests housing market conditions, the aging profile of landlords, taxation policies as well as tighter regulation have all contributed to the decline of private tenancies. Some key informants also say the Act has strengthened their hand in advocating for tenants' rights. Claims for accelerated repossession dropped back in 2023, driven by a sharp drop in the use of 'no fault' evictions notices following the change in the notice period from two to six months in December 2022.

Looking ahead, the White Paper on securing a path towards adequate housing, issued for consultation in late October 2024, centres on the potential for a national housing strategy and proposals to improve the affordability, accessibility and habitability of private lets alongside the collection and use of private rental data. These themes were echoed in the Senedd's Local Government and Housing Committee's Private Rented Homes Review published earlier the same month, though it also called for a review of 'no-fault' evictions in light of recent progress to secure legislation to end such evictions in England.

The numbers of social lettings have also fallen back since 2013/14, albeit at a much slower rate than in England, where the Right to Buy remains in operation. There has been a marked increase in social lettings to homeless households in Wales since 2018/19 and the

gap between the proportion of new lets to homeless households for local authorities (46%) and housing associations (42%) has narrowed. Proposals to improve nominations and housing support for homeless households may see this gap narrow further. That said, there remains a great deal of variation in the proportion of new lets to homeless households across Wales, with the rate ranging from under 20% to over 70% at local authority area level. There has also been little or no increase in the proportion of social lettings to homeless households in a handful of local authority areas since 2018/19. LAs report that the lack of suitable, especially appropriately sized, stock is a key barrier to increasing allocations to homeless households but were split on whether housing association lets to this group are high enough. Key informants were clear, however, that housing association allocations to this group remain far too low in some areas.

## Homelessness policy

The focus of homelessness policy in Wales on strengthening prevention, rapid rehousing and removing barriers to housing and support was widely endorsed by sector stakeholders. Barriers to its implementation include poor data infrastructure and a culture in LAs that is at odds with the strategic direction, as well as demand and resource pressures.

The extension of the priority need category to include people who are street homeless, cementing changes introduced during the pandemic, was recognised to have improved responses to rough sleeping and is welcomed by many as the "right thing to do". However, in a pressurised wider context the change has exacerbated housing pressures for LAs and redirected their focus onto crisis responses and temporary accommodation management. Some LAs are concerned that the shift to include those who are street homeless as in priority need has widened the scope for exploitation of the legal safety net.

The majority of LAs report that well-developed Rapid Rehousing Transition Plans are in place and these plans appear to be starting to positively impacted responses to homelessness in many areas,

including via increased access to settled housing, improvements in partnership working and changes in the profile of temporary accommodation used. Meanwhile, stakeholders outline that barriers to progressing Rapid Rehousing Transition Plans include lack of access to suitable (especially one-bed) accommodation, a lack of buy-in to the agenda on the part of LAs and wider partners, and acute service pressures and limited resources.

Housing First operates in the majority of LA areas in Wales, and achieves high tenancy sustainment rates, but levels of provision are insufficient to meet demand in around half of the LAs in which it operates. Key barriers to scaling up provision and ensuring its fidelity to Housing First principles are a lack of suitable accommodation and insufficient support capacity.

There is considerable scope to further strengthen partnership arrangements supporting LA responses to homelessness. Existing partnerships are strongest with housing associations, though practice varies substantially, with some continuing to 'cherry pick' tenants. Partnerships with social services, criminal justice and health are in place to some degree in a majority of LAs areas but often depend on personal relationships rather than embedded practices. Partnerships with schools and education services appear weakest, though it should be noted that these are areas of policy and practice development under proposals for the upcoming Ending Homelessness Bill.

The Housing Support Grant saw an uplift of £13 million in 2024/25 after a three-year freeze. According to most LAs this will enable homelessness services to be maintained at current levels, but will not enable enhancements in service provision despite acute service pressures. A majority of LAs report challenges recruiting and retaining staff with the required skills within LA homelessness services and commissioned services, driven by high workloads, low remuneration and a lack of recognition of the contribution of the workforce.

The overall package of proposals in the White Paper on Ending Homelessness in Wales garnered widespread support from LAs and key informants. Elements of the proposals that were particularly welcomed include the introduction of new duties to prevent homelessness on wider public bodies and the extension of the LA prevention duty to six months. Proposals to remove the intentionality test and soften local connection rules were welcomed by key informants but controversial among LAs who are concerned they will increase demand and diminish people's sense of personal responsibility for resolving their own housing needs. Funding, more access to suitable housing, appropriately phasing implementation, securing buy-in from wider public services and creating culture change within local authorities were identified as the required enablers of implementation.

## Trends in rough sleeping and statutory homelessness

Estimated levels of rough sleeping rose by 86% in the three years to July 2024. Key drivers have included the unlawful failure of some LAs to accommodate some homeless households in the context of acute pressures on temporary accommodation. Prison leavers and those with No Recourse to Public Funds are seen to be at particular risk of sleeping rough.

Having peaked in 2019/20, the flow of homeless households subject to local authority prevention or relief duties fell back slightly in 2020/21 and has subsequently remained fairly level, standing at 12,939 in 2023/24. There is a lack of statutory data available on the profile of households facing homelessness in Wales or its triggers, though efforts are underway to improve this. Our LA survey indicates widespread perceptions of 2023/24 increases in demand from people with complex needs, single adults and those leaving prison.

Since 2018/19, the proportion of prevention and relief actions judged successful has declined, from 68% to 58% of prevention duty outcomes and from 41% to 26% of relief outcomes. These trends are seen to be driven by LA capacity being diverted from prevention

and relief efforts to crisis management and by a very challenging structural and housing market context, limiting LAs ability to prevent evictions from the private rented sector and secure appropriate and affordable alternative housing.

As a result of the declining efficacy of prevention and relief interventions, alongside the extension of priority need, the number of households owed the Main Rehousing Duty has rapidly escalated in recent years – doubling over the period 2019/20-2023/24. The majority of such households are 'positively discharged' into secure housing, though around a fifth do not secure this outcome, and instead lose contact with services.

Only a very small number of households are now excluded from the Main Rehousing Duty on the basis of being judged not in priority need or homeless intentionally. In 2023/24 only 90 households were excluded from rehousing on this basis, 5% the number impacted in 2018/19. Nevertheless, single people continue to be over-represented among those not substantively or effectively helped via the statutory homelessness system.

Total temporary accommodation placements grew by 189% in the three years to March 2024, from 2,232 to 6,444. B&B placements rose fivefold (452%) to 2,730 from only 495. Since 2017, such placements have risen well over tenfold. The number of families (as opposed to single people) in B&B hotels has also escalated, from 33 to 408 over the three years to March 2023 – again, more than a tenfold increase.

The key drivers of these dramatic surges in temporary accommodation use are the impacts of the COVID-19 pandemic and the more inclusive response to homelessness it prompted, alongside a challenging housing market context, and in particular increasing challenges accessing appropriate private rented sector accommodation. While access to social housing – in particular housing

association accommodation - seems to have improved in many areas, two thirds (11 of 16) of LA survey respondents reported a decline in access private rented accommodation for homeless households in the last year. Single people, those with complex needs, and prison leavers are especially difficult to accommodate.

As a result of these temporary accommodation pressures, some LAs are routinely failing to accommodate those owed a duty, relying on poor quality temporary accommodation, and increasingly resorting to out of area placements. Lengths of stay are increasing, and inadequate support is fuelling management challenges, evictions, repeat homelessness and rough sleeping. These pressures are straining staff capacity and wellbeing, as well as LA budgets.

## Core homelessness

In 2022, overall core homelessness in Wales is estimated to have stood at 12,250 households<sup>2</sup>. This overall figure is made up of 6,550 people sofa surfing, 2,600 in unsuitable temporary accommodation, 2,270 in hostels etc., 600 in unconventional accommodation and 250 rough sleeping. These numbers have risen sharply since 2019 driven mainly by responses to the COVID-19 pandemic followed by the cost of living crisis.

Rates of core homelessness in Wales are lower than in England (0.9% compared to 1.01%), although they have risen more sharply in Wales than in either England or Scotland (where rates are lowest at 0.62%). Wales now has relatively more households in unsuitable temporary accommodation than the other two countries, and more of all categories of core homelessness than Scotland, with the exception of rough sleeping.

<sup>2</sup> Core homelessness numbers are estimated for base year, in this instance FY 2022/23 ('2022' for short), drawing on many sources of data and in some cases modelled estimates. Some of these sources entail significant time lags between the time period they refer to and their becoming available, and the analysis involved in this instance was undertaken in spring and summer of 2024.



Assuming a continuation of current policies, increases in core homelessness will persist in the short to medium term (to 2031), and rise faster in the longer term (2031-41). However, several important policy developments are in progress or under consideration in Wales, which are likely to alter this trajectory.

According to our modelling, the most effective policies for reducing core homelessness are increasing the share of social lettings allocated to homeless (including core homeless) households, raising Local Housing Allowance rates, and making changes to UC and other benefits to reduce destitution.

In the longer term, in addition to the above housing allocations, Local Housing Allowance, and welfare measures, other scenarios are modelled to significantly reduce core homelessness, including increased targeted new social housing supply, successful balancing up of the Welsh economy, and increased provision of Housing First accompanied by appropriate rehabilitation provision and a reduction of traditional hostel accommodation.

A comprehensive and appropriately sequenced programme of policy change is shown to be capable of reducing core homelessness in Wales by half against our baseline scenario by 2041. This scenario would see core homeless rates 22% below the level of 2019. Furthermore, unsuitable temporary accommodation would be down by 83%, hostels by 54%, rough sleeping would be reduced by 45%, and sofa surfing down by 39%. There would also be some reductions in wider measures of statutory homelessness (16%) and in total temporary accommodation (18%), despite the significant widening of eligibility for homelessness support associated with the ending of priority need.

## Conclusions

The main stories to emerge from this edition of the Homelessness Monitor: Wales are of pressures mounting on local authority homelessness services in the context of continued efforts to drive forward more preventative, inclusive and housing-led responses. These pressures are particularly apparent in relation to temporary accommodation, with placement levels at a record high and leading to a host of negative impacts both for those facing homelessness and for local authorities. Local authorities' reducing ability to effectively prevent or relieve homelessness is another key marker of a strained system and difficult housing market context. The policy agenda being pursued in Wales is directly focused on reducing temporary accommodation pressures and enhancing local authorities' capacity to effectively prevent and respond to homelessness, and received widespread support for stakeholders, but there is no doubt that the ambitious forthcoming Housing Bill will land at a time when LAs feel acutely ill-resourced to implement new approaches and take on further responsibilities without significant support from wider agencies and further investment.

The next Wales-focused edition of the homelessness monitor will provide an opportunity to review how the ambitious policy agenda on homelessness in Wales is playing out, and the extent to which the challenges identified have been overcome. It will also enable a reflection on the impact of significant changes in homelessness policy in Wales as well as the change of political leadership at the UK level and following the 2026 Senedd election. Key questions are whether the political priority given to homelessness in Wales continues and whether the new UK Government decides to take a different approach in homelessness-relevant reserved policy areas including social security.

# 1. Introduction

## 1.1 Introduction

This longitudinal Homelessness Monitor study, which started in 2011, provides an independent analysis of the homelessness impacts of economic and policy developments in Wales. It considers the consequences of economic and housing market trends for homelessness, with recent iterations capturing the homelessness-related effects of the COVID-19 pandemic. A central focus is the impacts of homelessness-relevant policy changes implemented by UK governments since 2010, as well as the effect of relevant Welsh Government policies on housing, homelessness and welfare.

This fifth Wales-focused update report provides an account of how homelessness stands in Wales in 2024 (or as close to 2024 as data availability allows), and analyses key trends in the period running up to 2024. It focuses in particular on what has changed since we published the last Homelessness Monitor for Wales in 2021, including the homelessness impacts of the ongoing cost of living crisis, mounting pressures in temporary accommodation and the implementation of the Ending Homelessness in Wales High

Level Action Plan 2021-2026. We also, for the second time, provide an analysis which projects homelessness trends in Wales into the future, holding the current context steady and also under a range of policy scenarios. Four previous reports provide a fuller account of the recent history of homelessness and related policy in Wales.<sup>3</sup> Parallel Homelessness Monitors have been published for other parts of the UK.<sup>4</sup>

## 1.2 Scope of report

While in the public imagination homelessness is often equated with rough sleeping,<sup>5</sup> legal and expert understandings tend to count a much broader range of living situations as homelessness on the basis that they reflect people's lack of access to minimally adequate housing.<sup>6</sup> In order for this report to be as comprehensive and inclusive as possible, we adopt a range of definitions or 'perspectives' on homelessness, considering the impacts of relevant policy and economic changes on the following (partially overlapping) groups:

- People sleeping rough.
- Statutorily homeless households: that is,

3 Fitzpatrick, S., Pawson, H., Bramley, G., Young, G., Watts, B. & Wood, J. (2021) *The Homelessness Monitor: Wales 2021*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/wales/the-homelessness-monitor-wales-2021/>; Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S., Watts, B. & Wood, J. (2017) *The Homelessness Monitor: Wales 2017*. London: Crisis. [https://www.crisis.org.uk/media/237787/the\\_homelessness\\_monitor\\_wales\\_2017.pdf](https://www.crisis.org.uk/media/237787/the_homelessness_monitor_wales_2017.pdf); Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: Wales 2015*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/wales/the-homelessness-monitor-wales-2015/>; Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2012) *The Homelessness Monitor: Wales 2012*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/wales/the-homelessness-monitor-wales-2012/>

4 See Crisis Homelessness Monitor Series: <http://www.crisis.org.uk/pages/homelessnessmonitor.html>

5 O'Neil, M., Pineau, M.G., Kendall-Taylor, N., Volmert, A. & Stevens, A. (2017) *Finding a Better Frame: How to Create More Effective Messages on Homelessness in the United Kingdom*. Online: FrameWorks Institute. <https://www.frameworksinstitute.org/publication/finding-a-better-frame-how-to-create-more-effective-messages-on-homelessness-in-the-united-kingdom/>

6 Busch-Geertsema, V., Culhane, D., & Fitzpatrick, S. (2016) 'Developing a global framework for conceptualising and measuring homelessness', *Habitat International*, 55, 124-132.



households who seek or receive housing assistance from local authorities (LAs) on grounds of being currently or imminently without accommodation.

- People experiencing ‘core homelessness’:<sup>7</sup> this refers to households who are currently experiencing the most acute forms of homelessness or living in short-term or unsuitable accommodation. It includes people in the following situations: rough sleeping; sleeping in cars, tents and public transport, or occupation of non-residential buildings; staying in hostels, refuges and shelters; living in ‘unsuitable’ temporary accommodation (TA) (e.g., Bed and Breakfasts (B&Bs)); sofa-surfing (i.e. staying with non-family, on a short-term basis, in overcrowded conditions).

### 1.3 Research methods

Five methods have been employed in this longitudinal study.

- First, relevant literature, research and policy documents have been reviewed.
- Second, we have undertaken in-depth interviews with a sample of key informants from across the statutory and voluntary sectors in Wales. The sample of 15 interviewees included representatives of homelessness service providers, as well as other key stakeholders with a national overview of relevant areas of policy and practice in Wales. These interviews were conducted between May and August 2024.

- Third, we have undertaken statistical analysis on a) relevant economic and social trends in Wales; and b) the scale, nature and trends in homelessness for the categories of people experiencing it noted above.
- Fourth, for the third time in Wales, we have conducted a bespoke online survey of Welsh LAs (in May-June 2024), with a view to gaining their perspective on local homelessness trends and also on the impacts of a range of relevant policy developments. We laid particular emphasis this year on the impacts of the cost of living crisis on homelessness, the ongoing implementation of the Welsh Government’s Ending Homelessness in Wales Action Plan,<sup>8</sup> and the proposed legislative reforms set out in the White Paper on Ending Homelessness in Wales.<sup>9</sup>
- Fifth, we incorporate a statistical modelling exercise which both estimates ‘core’ forms of homelessness, and projects trends in these forms of homelessness into the future.

In all, 16 Welsh LAs responded (a response rate of 73%).<sup>10</sup> In analysing the returns, responding authorities were classed according to a typology presented in Table 1.1, which combines geography and housing market conditions, with non-responders marked with an asterisk.

**Table 1.1: Welsh local authority typology**

<b>South Wales</b>	Swansea, Neath Port Talbot*, Bridgend, Vale of Glamorgan, Cardiff, Newport, Monmouthshire*
<b>Mid and West Wales</b>	Anglesey, Gwynedd*, Powys, Ceredigion*, Carmarthenshire, Pembrokeshire
<b>Welsh Valleys</b>	Rhondda Cynon Taff, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen
<b>North East Wales</b>	Conwy, Denbighshire*, Flintshire, Wrexham*

### 1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.<sup>11</sup>

Theoretical, historical and international perspectives indicate that the causation of homelessness is complex, with no single ‘trigger’ that is either ‘necessary’ or ‘sufficient’ for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across countries, and between demographic groups.

With respect to the main structural factors, international comparative research, and the experience of previous UK recessions, suggests that housing market trends and policies have the most direct impact on levels of homelessness, with the influence of labour market change more likely to be lagged and diffuse, and strongly mediated by welfare arrangements and other contextual factors. The central role that poverty plays in shaping homelessness risks in the UK is also now well established.<sup>12</sup>

The individual vulnerabilities, support needs and ‘risk taking’ behaviours implicated in some people’s homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage. At the same time, the ‘anchor’ social relationships which can act as a primary ‘buffer’ to homelessness, can be put under considerable strain by stressful financial circumstances. Thus, deteriorating economic conditions in Wales, such as those associated with the current cost of living crisis, could also be expected to generate more ‘individual’ and ‘interpersonal’ vulnerabilities to homelessness over time, with any improvement in such conditions tending to have the reverse effect.

7 Bramley, G. (2017) *Homelessness Projections: Core homelessness in Great Britain, Summary Report*. Online: Crisis. [https://www.crisis.org.uk/media/237582/crisis\\_homelessness\\_projections\\_2017.pdf](https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf)

8 Welsh Government (2021) *Ending Homelessness in Wales: A High Level Action Plan 2021-2026*. Online: Welsh Government. <https://www.gov.wales/ending-homelessness-wales-high-level-action-plan-2021-2026>

9 Welsh Government (2023) *Consultation on the White Paper on Ending Homelessness in Wales*. Online: Welsh Government. [https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper\\_0\\_0.pdf](https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper_0_0.pdf)

10 Four of the six non-responders were largely rural councils: Ceredigion, Denbighshire, Gwynedd and Monmouthshire. The other two were areas containing substantial towns: Neath-Port Talbot and Wrexham. Importantly, all three larger urban authorities – Cardiff, Newport and Swansea – participated.

11 For a more detailed account of this conceptual framework please consult with Chapter 2 in the first Homelessness Monitor for Wales: Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2012) *The Homelessness Monitor: Wales 2012*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/wales/the-homelessness-monitor-wales-2012/>

12 Bramley, B. & Fitzpatrick, S. (2018) ‘Homelessness in the UK: who is most at risk?’, *Housing Studies*, 33(1), 96-116.

## 1.5 Structure of report

Chapter 2 reviews the wider context for homelessness, including economic, poverty and labour market trends, housing market developments, and welfare policy changes, including response to the current cost of living crisis. Chapter 3 shifts focus to homelessness-specific policies and practices at national and local level, including the implementation of Rapid Rehousing Transition Plans (RRTPs), and other elements of the Welsh Government's Action Plan on homelessness. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in statutory homelessness in Wales. Chapter 5 provides estimates of the current scale of core homelessness in Wales, and projects trends in these forms of homelessness into the future. All of these chapters are informed by the insights derived from our in-depth interviews with key informants conducted in 2024, and from the statistical and qualitative information gleaned from this year's online survey of LAs. In Chapter 6 we summarise the main findings of this report.

# 2. The wider context

## Key points

Wales has suffered disproportionately from the spike in inflation and other economic shocks that have rocked the UK economy and lowered living standards, reflecting Wales' underlying structural economic problems, lower incomes, higher economic inactivity rates and higher poverty rates relative to most of the UK.

Following the new Labour Government's October 2024 Budget, public sector finances in Wales are in a less perilous state than at the start of the fiscal year, but public services remain under immense pressure from rising demand and higher costs, and some 'unprotected' services may still be at risk of funding cuts, especially from April 2026.

Measures to bolster incomes during the pandemic and cost of living crisis prevented a rise in the overall Welsh poverty rate but policy decisions to cut the real value of state benefits and restrict eligibility have contributed to rising rates of child poverty and destitution.

Discretionary Housing Payments and the Discretionary Assistance Fund (DAF) play a vital role in assisting LAs to prevent and address homelessness, but their effectiveness is limited by budgetary constraints, rules restricting how they can be used, and by variations in how the schemes operate locally.

Wales is building insufficient numbers of homes in all tenures and without additional capital funding the widely applauded Welsh Government's 2021-26 target to deliver 20,000 social homes will not be achieved. It remains to be seen how much of the additional £235m capital investment for 2025/26 arising from the October budget will be spent on housing, but this sum falls well short of the investment gap identified by Audit Wales.

The rebasing of Local Housing Allowance rates in April 2024, which will now remain in place until at least April 2026, may have somewhat eased homelessness pressures in the short term. However, the fundamental issue remains that a combination of rising rents, declining vacancies and a shortage of one bedroom properties are increasingly limiting the ability of lower income households to secure and sustain a private tenancy they can afford.

The impact of The Renting Homes (Wales) Act, which came into force in late 2022, will not be known for some time, but initial opinions are mixed. Only time will tell if the decline in accelerated possession claims, which are mostly 'no fault' evictions notices, since the notice period was increased from two to six months in December 2022, is a permanent downward shift.

Since 2018/19, the proportions of all social lettings to new tenants that are allocated to homeless households have increased and the gap between the proportion of local authority (46%) and housing association (42%) lets to homeless households has narrowed, but geographical variations in allocations to homeless households remain stark. Proposals to improve nominations and housing support for homeless households may see further improvement in the rate of new social lettings to homeless households if they are brought forward into new legislation.

## 2.1 Introduction

This chapter provides an overview of recent economic, social, and housing trends that shape the environment in which homelessness occurs. Section 2.2 looks at economic developments and their impact on public and household finances, section 2.3 looks at measures taken to support

households adversely affected by the rising cost of living, and section 2.4 looks at factors shaping housing supply and access to rented homes that are affordable.

## 2.2 The broader economic context

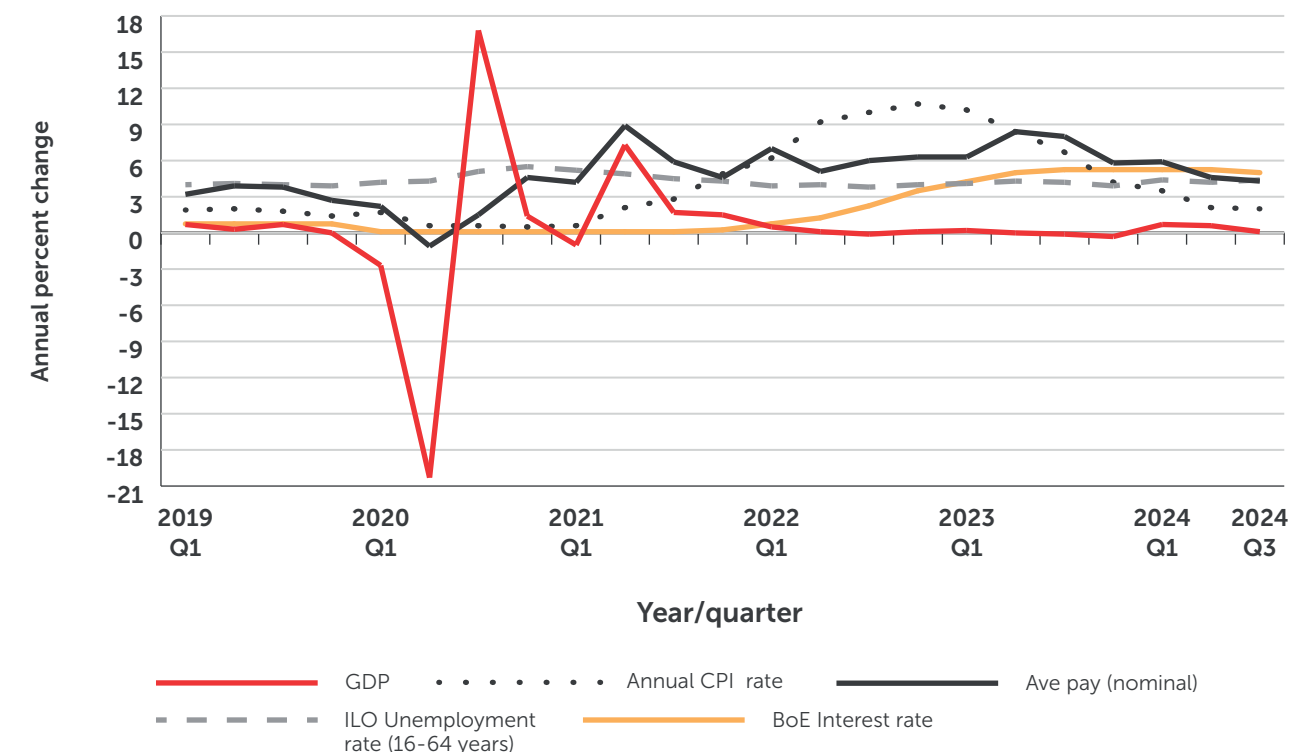
The UK's macro-economy, in which the Welsh economy is embedded,<sup>13</sup> has performed poorly since the 2008-2009 global recession, reflecting the multifaceted problem of low productivity, underpinned by inadequate investment.<sup>14</sup> The Welsh economy has also remained relatively weak,<sup>15</sup> with Gross Value Added (GVA) per head<sup>16</sup> remaining around 72% of the UK average.<sup>17</sup>

The 2020 pandemic saw an unprecedented drop in Gross Domestic Product (GDP) (see figure 2.1) and public sector net debt rise towards 100% of GDP<sup>18</sup> as government borrowing increased to pay for measures to protect the health and financial stability of households and businesses. Post-pandemic economic shocks then stalled a return to economic growth and reduced living

standards. These included a surge in global energy and food prices,<sup>19</sup> Brexit,<sup>20</sup> and the September 2022 'mini-budget',<sup>21</sup> which compelled the Bank of England to intervene to stabilise the market and prevent some pension funds from failing.<sup>22</sup> The Bank of England also imposed 14 successive interest rate rises to ease inflation, which peaked at 11.1% in October 2022.

During 2024, UK inflation fell back towards the UK Government's 2% target, leading the Bank of England to reduce the base interest rate from a 16 year high of 5.25% to 5% in August 2024 (see figure 2.1).<sup>23</sup> However, with inflation for services running at 5.6% in Q3 of 2024,<sup>24</sup> households and businesses will continue to struggle with the impact of inflation and high interest rates for some time to come.

Figure 2.1: Key economic indicators for the UK



Source: Office for National Statistics (ONS) August-September 2024, Economic. Labour Market Statistics plus Bank of England Bank Rate (BoE base rate)

Notes: 1. A drop in Labour Force Survey response rates means quarterly ILO unemployment figures from Q2 2020 to Q4 2023 are subject to greater volatility and should be treated with some caution. 2. Average weekly earnings represent annual GB growth rates, seasonally adjusted

13 Price, J (2023) *Chief Economist's Report and Fiscal Prospects*. Cardiff: Welsh Government <https://www.gov.wales/sites/default/files/publications/2023-12/welsh-budget-2023-chief-economists-report.pdf>

14 Resolution Foundation & Centre for Economic Performance, LSE (2023) *Ending Stagnation: A New Economic Strategy for Britain*. London: Resolution Foundation. <https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/12/Ending-stagnation-final-report.pdf>

15 Ibid

16 GVA measures the value of goods and services produced, less the cost of inputs and raw materials directly attributable to that production and is often used to compare regional economies.

17 Office of National Statistics (2024) *Regional Gross Domestic Product and Gross Value Added*. London: ONS <https://www.gov.wales/regional-gross-domestic-product-1998-2022>

18 Office of National Statistics (2024) *Public Sector Finances, UK: February 2024*. London: ONS. <https://www.ons.gov.uk/economy/governmentpublicsectorandtaxes/publicsectorfinance/bulletins/publicsectorfinances/february2024>

19 Organisation for Economic Co-operation and Development (2023) *OECD Economic Outlook, Interim Report March 2023: A Fragile Recovery*. Paris: OECD <https://www.oecd-ilibrary.org/sites/d14d49eb-en/index.html?itemId=/content/publication/d14d49eb-en>

20 Office for Budget Responsibility (2023) *Brexit Analysis*. London: OBR, <https://obr.uk/forecasts-in-depth/the-economy-forecast/brexit-analysis/#future>

21 Resolution Foundation (2023) *Mind the (credibility) gap: Autumn Statement preview*. London: Resolution Foundation. <https://www.resolutionfoundation.org/publications/mind-the-credibility-gap/>

22 Stephen, M. (2024) 'Economic Prospects and Public Expenditure,' in *The UK Housing Review*. Coventry: CIH. <https://www.ukhousingreview.org.uk/ukhr24/commentaries-pdf/UKHR-2024-Commentary-Ch1.pdf>

23 Bank of England (2024) *Monetary Policy Summary and Minutes of the Monetary Policy Committee Meeting – August 2024*, <https://www.bankofengland.co.uk/monetary-policy-summary-and-minutes/2024/august-2024>

24 Office for National Statistics (2024) *Consumer price inflation, UK: September 2024*. Online: ONS. <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2024>

The pandemic had a comparatively modest impact on unemployment due to the furlough scheme and other UK and Welsh Government responses outlined in the 2021 Homeless Monitor for Wales.<sup>25</sup> Between 2020 and 2024, unemployment in Wales wavered around 3-5%, well below the 8-10% seen during the global recession. However, the economic inactivity rate in Wales (28.7%) remains well above that for the UK (22.1%).<sup>26</sup> Sheffield Hallam University estimated that

in 2022 the true rate of unemployment (i.e. adults aged 16-64 claiming unemployment related benefits plus those claiming incapacity benefits that would rather work) in Wales was 7.7%, significantly higher than England (5.6%).<sup>27</sup>

In the decade to 2023, lower quartile weekly wages for Welsh residents in full time work increased more sharply (45%) than for those on median wages (35%),<sup>28</sup> driven mainly by above inflation uplifts in the minimum wage,

25 Fitzpatrick, S., Pawson, H., Bramley, G., Young, G., Watts, B. & Wood, J. (2021) *The Homelessness Monitor: Wales 2021*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/wales/the-homelessness-monitor-wales-2021>

26 Welsh Government (2024) *Labour Market Overview July 2024*. Cardiff: Welsh Government <https://www.gov.wales/labour-market-overview-july-2024-headline-results.html>

27 Beatty, C., Fothergill, S., Gore, T., and Leather, D. (2022). *The real level of unemployment 2022: the myth of full employment across Britain*. Sheffield: Sheffield Hallam University, CRESR., <https://www.shu.ac.uk/centre-regional-economic-social-research/publications/the-real-level-of-unemployment-2022>

28 Office for National Statistics (2023) *Annual Survey of Hours and Earnings Time Series of Selected Estimates*. Online: ONS. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/ash1997to2015selectedestimates>



officially known as the National Living Wage (NLW) since 2014. In April 2024, the NLW was extended to those aged 21-22 and increased by 10% to £11.44, surpassing the former UK Government's target to bring the NLW up to 67% of median hourly pay.

In July 2024, a new UK Labour Government was elected. It plans to extend the NLW to everyone aged 18+ and ensure annual NLW uplifts take account of the cost of living,<sup>29</sup> such that from April 2025 the NLW for those aged 21+ years will rise by 6.7% to £12.21 while the rate for those aged 18-20 years will increase by over 16% from £8.60 to £10. Two new bills to strengthen labour law and its enforcement will also widen access to Statutory Sick Pay and holiday pay, end 'fire and rehire/replace' practices and abolish zero-hour contracts.<sup>30</sup> In spring 2024, some 3.3% of Welsh workers were on zero-hour contracts, in line with the UK rate (3.1%).<sup>31</sup>

## Economic and fiscal outlook

The Office for Budget Responsibility (OBR) forecasts<sup>32</sup> that GDP will grow in 2024 (1.1%) and 2025 (2%) and that interest rates will fall to 3.8% by the end of 2025. Nonetheless, GDP per person is forecast to be only around 1% higher by the end of 2025 than in 2019, reflecting a combination of chronically weak

GDP growth since the pandemic, rising levels of economic inactivity and faster than previously projected UK population growth, driven by net-migration from outside Europe.<sup>33</sup>

The OBR's near term UK forecasts are usually assumed to be applicable to Wales.<sup>34</sup> This assumption will be tested by the loss of 2,500 jobs at the Port Talbot steelworks and potentially up to 10,000 supply chain jobs<sup>35</sup> despite the public purse committing £500m to a £1.25bn package to support transition to greener steel production.<sup>36</sup> The pace at which Eluned Morgan, the third Welsh First Minister since the start of 2024, can secure political stability following the collapse of the Welsh Labour and Plaid Cymru co-operation agreement in May 2024 may also have some impact. Securing political stability will also be key to co-ordinating a coherent and integrated approach for achieving a more prosperous, resilient and greener Wales.<sup>37</sup>

The 2024 UK Spring Budget left little room for borrowing and outlined spending cuts that Institute for Fiscal Studies (IFS) estimated to be equal to reductions of 1.9-3.5% for 'unprotected' policy areas (i.e. excluding health, education, childcare and defence) in the 4 years to 2028/29.<sup>38</sup> The new UK

Government's 2024 Autumn Budget saw some re-balancing of priorities in line with the Government's aim of increasing investment in public services and capital projects, including housing, to secure economic growth and higher living standards in the longer term.<sup>39</sup>

Higher day-to-day public service spending will be funded largely by higher taxation, which could see tax revenue equal to 38% of GDP by 2029/30, the highest rate since 1948.<sup>40</sup> Measures to raise taxation include a continued freeze on income tax thresholds until 2027/28, only partly offset by the lowering of the personal National Insurance Contributions (NIC) taper from 12% to 10% in January 2024 and to 8% from April 2024. Employer NIC will also increase, and will account for half of the additional £42bn tax revenue identified in the Autumn Budget. The Government's re-writing of its fiscal rules will also see borrowing increase by £100bn over the next five years. This will mainly help fund new housing and other capital projects but it will also help tackle the £22bn 'black hole' in public finances announced in July,<sup>41</sup> which partly stemmed from the new Government's public sector pay decisions and a £6.4 billion shortfall in funding to accommodate and support asylum seekers.

The original 2024/25 Welsh Government budget of £26.6 billion,<sup>42</sup> included a Block Grant of £20.7 billion from Westminster.<sup>43</sup> After adjusting for inflation, the Welsh Governance Centre (WGC) found that this budget was less than anticipated in the 2021 Spending Review and could require non-NHS spend to fall below 2010-11 levels.<sup>44</sup> WGC also cautioned that the Welsh Government's spending plans could generate a deficit of £683 million by 2028/29<sup>45</sup> and that Welsh local authorities could face a funding gap of £744m by 2027/28.<sup>46</sup>

The £1.7bn Barnett consequentials arising from the 2024 Autumn Budget have eased these funding pressures in the short term, having boosted the Welsh Government's resource budget by £774m for 2024/25 and by £694m for 2025/26 and increased capital monies by £235m. The 2025 UK Government's Spring Spending Review is unlikely to progress proposals to devolve the Crown Estate,<sup>47</sup> or transfer justice and police powers to Wales,<sup>48</sup> but it will most likely revise the Autumn Budget assumption that annual uplifts in day-to-day public service spending will be limited to 1.3% from 2026/27 onwards. However, until this happens, there is a risk that 'unprotected' policy areas in Wales and elsewhere in the UK could face budget cuts.

29 Prime Minister's Office (2024) 'What Changes Are We Making to the Minimum Wage?' 30 July 2024, London: UK Government <https://www.gov.uk/government/news/what-changes-are-we-making-to-the-minimum-wage>

30 UK Government (2024) 'Government Unveils Significant Reforms To Employment Rights'. 10 October 2024. London: UK Government. <https://www.gov.uk/government/news/government-unveils-most-significant-reforms-to-employment-rights>

31 Office for National Statistics (2024) *EMP17: People in Employment on Zero Hours Contracts – August 2024* release. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/emp17peopleinemploymentonzerohourscontracts>

32 Office for Budget Responsibility (2024) *Economic and Fiscal Outlook – October 2024*, London: OBR, <https://obr.uk/economic-and-fiscal-outlooks/>

33 Ibid

34 Price, J (2023) *Chief Economist's Report and Fiscal Prospects*. Cardiff: Welsh Government, <https://www.gov.wales/welsh-budget-2023-chief-economists-report>

35 Mosalski, R. (2024) 'This Deal Is Not Something To Celebrate' - UK Government Signs New Port Talbot Steelworks Deal With Tata', *Wales Online*. 11 September. Online: Wales Online. <https://www.walesonline.co.uk/news/politics/this-deal-not-something-celebrate-29910488>

36 Department for Business and Trade & Wales Office (2024) Government puts workers at the heart of new and improved *Port Talbot deal*- Press Release 11 September 2024, <https://www.gov.uk/government/news/government-puts-workers-at-the-heart-of-new-and-improved-port-talbot-deal>

37 Welsh Government (2019) *Prosperity for All: Economic Action Plan*. Cardiff: Welsh Government. <https://www.gov.wales/prosperity-all-economic-action-plan>

38 Institute for Fiscal Studies (2024) Public Finances and the 2024 General Election. 25 May. London: IFS. <https://ifs.org.uk/articles/public-finances-and-2024-general-election>

39 HM Treasury (2024) Autumn Budget 2024, London: UK Government <https://www.gov.uk/government/publications/autumn-budget-2024>

40 Office for Budget Responsibility (2024) *Economic and Fiscal Outlook – October 2024*, London: OBR, <https://obr.uk/economic-and-fiscal-outlooks/>

41 Chancellor of the Exchequer (2024) *Public Spending: Inheritance*. 29 July. London: House of Commons. <https://hansard.parliament.uk/search/MemberContributions?house=Commons&memberId=4031>

42 Welsh Government (2024) *Final Budget 2024 to 2025*. Cardiff: Welsh Government. <https://www.gov.wales/final-budget-2024-2025#content>

43 Office of the Secretary of State for Wales (2024) *Wales Office Supplementary Estimate 2023-24: Estimates Memorandum, Report to Welsh Affairs Committee*. London: House of Commons. <https://committees.parliament.uk/publications/43845/documents/217478/default/>

44 Ifan, G. (2023) *The Medium-Term Fiscal Outlook For Local Government In Wales*. Cardiff: Welsh Governance Centre, Cardiff University. [https://www.cardiff.ac.uk/\\_\\_data/assets/pdf\\_file/0011/2776448/The-medium-term-fiscal-outlook-for-local.pdf](https://www.cardiff.ac.uk/__data/assets/pdf_file/0011/2776448/The-medium-term-fiscal-outlook-for-local.pdf)

45 Ifan, G. (2024) *Stark Choices await the Welsh Budget Whichever Party Wins the UK General Election*. 26 June. Online: Cardiff University. <https://blogs.cardiff.ac.uk/thinking-wales/stark-choices-await-the-welsh-budget-whichever-party-wins-the-uk-general-election/>

46 Ibid

47 See for example the Minister's response during a recent debate on crown estate bill: [https://hansard.parliament.uk/Lords/2024-09-02/debates/1CB252D7-FD89-446C-8730-5E8059671D74/CrownEstateBill\(HL\)#main-content](https://hansard.parliament.uk/Lords/2024-09-02/debates/1CB252D7-FD89-446C-8730-5E8059671D74/CrownEstateBill(HL)#main-content)

48 Commission on Justice in Wales (2019) *Justice In Wales For The People Of Wales*, Cardiff, *Commission on Justice in Wales and Welsh Government*, [https://www.gov.wales/sites/default/files/publications/2019-10/Justice%20Commission%20ENG%20DIGITAL\\_2.pdf](https://www.gov.wales/sites/default/files/publications/2019-10/Justice%20Commission%20ENG%20DIGITAL_2.pdf)

The challenging fiscal outlook may renew efforts to evolve the cross-policy, holistic and preventative approach to policy making and delivery as envisaged by the Well-being of Future Generations (Wales) Act 2015.<sup>49</sup> To date, the Act has not been consistently and effectively progressed, as illustrated by the Welsh Government's recent decision to cut preventative spend on poverty and inequality to protect frontline services without any appraisal of how these cuts might impact on the sustainability of such services in the longer term.<sup>50</sup>

Other than establishing a 'Council for The Nations and Regions',<sup>51</sup> it is unclear how the UK Government will progress its commitment to strengthen inter-governmental relations and devolution and if this will build on the work of the Independent Commission on the Constitutional Future of Wales<sup>52</sup> and its recommendations for reducing constraints on Welsh Government finances and borrowing. It also remains to be seen if the Welsh Government will make better use of its existing powers, such as its unused power to vary income tax. In the interim, it has consulted on options for council tax reform,<sup>53</sup> the most ambitious of which would assign properties to one of 12 up-to-date property value bands. The consequences of the

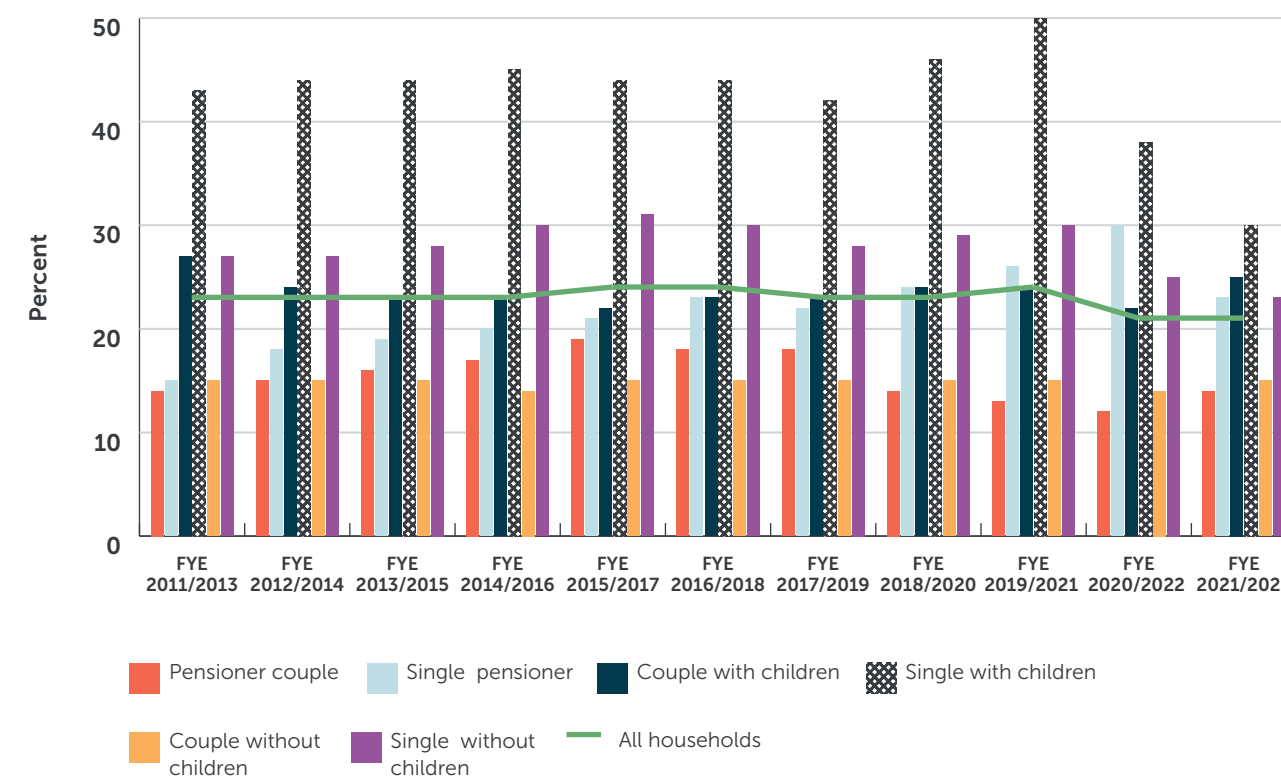
different options for local authority funding, the housing market and household income are not clear despite the findings of a recent IFS investigation.<sup>54</sup>

### Deepening inequality and poverty

The 2019-2024 UK Government was the first to preside over a fall in living standards since records began in 1961.<sup>55</sup> Households outside the top 20% of the income distribution saw living standards fall but households in the bottom 20% fared worse.<sup>56</sup> In addition to spending a high proportion of their budget on food, energy and other essentials, which saw big price hikes, poor households tend to pay more for basics, with one study noting that lack of access to on-line deals could mean paying 25% more for food and other items.<sup>57</sup>

The OBR<sup>58</sup> expect living standards to return to pre-pandemic levels by the end of 2025 but high and rising housing costs mean constrained living standards will remain an acute problem for many households. How this affects income inequality in the UK, which is now at a higher level than in any other major European country,<sup>59</sup> will shape the incidence and severity of poverty, a key risk factor for homelessness.

Figure 2.2: Trends in the household composition of Welsh residents in AHC poverty, 2011/13 to 2021/23



Source: Welsh Government (2024) Households Below Average Income; Family Resources Survey (FRS) – Table FYE 2008 to FYE 2023  
Notes: Figures are based on 3 year rolling averages.

Between 2011/13 and 2018/2020 poverty rates in Wales and the UK remained broadly static. Over this period, 24% of all Welsh residents lived in a household with an income below 60% of median household income after factoring in housing costs (AHC), somewhat higher than the comparable UK rate (22%). In 2021/23, the Welsh AHC poverty rate dropped to 21%, falling into line with the UK rate. This was driven by a drop in the proportion of lone parents in poverty (see figure 2.2), specifically lone parents in work with one or two children. This sub-group of lone parents has benefited most from the temporary £20 weekly Universal Credit (UC) uplift during the pandemic, the implementation of more generous UC work allowances and lower

tapers for parents from late 2021, and the introduction of temporary Cost of Living (CoL) Payments.

Despite the drop in lone parent households in AHC poverty and the introduction of the Child Poverty Strategy for Wales, which was renewed in January 2024,<sup>60</sup> the number of children in poverty (190,000) in Wales has changed little in recent years. The main reason for this has been an increase in the proportions of larger households with three or more children in AHC poverty, which increased from 37% in 2016/18 to 51% in 2021/23. A similar upward trend occurred at the UK level, propelled by the introduction of a two-child limit for UC and Child Tax

49 Welsh Government (2021) *Well-being of Future Generations (Wales) Act 2015: The Essentials*. Cardiff: Welsh Government. <https://www.gov.wales/well-being-future-generations-act-essentials.html>

50 Finance Committee of the Welsh Parliament (2024) *Scrutiny of the Welsh Government Draft Budget 2024-25*. Cardiff: Senedd. <https://senedd.wales/media/objkwoio/cr-ld16314-e.pdf>

51 Prime Minister's Office and His Majesty King Charles III (2024) *The King's Speech 2024*. London: UK Government. <https://www.gov.uk/government/speeches/the-kings-speech-2024>

52 Independent Commission on the Constitutional Future of Wales (2024) *Final Report: January 2024*. Cardiff: Welsh Government. <https://www.useyourvoice.wales/final-report>

53 Welsh Government (2023) *Consultation on a Fairer Council Tax: phase 2*. Cardiff: Welsh Government. <https://www.gov.wales/fairer-council-tax-phase-2>

54 Adam, S., Phillips, D., Ray-Chaudhuri, S. (2023) *Assessing the Welsh Government's Consultation on Reforms to Council Tax*. London: IFS. <https://ifs.org.uk/sites/default/files/2023-11/R287-Assessing-the-Welsh-Government%E2%80%99s-consultation-on-reforms-to-council-tax.pdf>

55 Ray-Chaudhuri, S., Waters, T., and Wernham, T. (2024) *Living standards since the last election*. London: IFS. <https://ifs.org.uk/publications/living-standards-last-election>

56 Ibid

57 Centre for Social Justice (2023) *Left out: how to tackle digital exclusion and reduce the poverty premium*. London: CSJ. <https://www.centreforsocialjustice.org.uk/wp-content/uploads/2023/08/CSJ-Left-Out.pdf>

58 Office for Budget Responsibility (2024) *Economic and Fiscal Outlook – March 2024*. London: OBR. <https://obr.uk/efo/economic-and-fiscal-outlook-march-2024/>

59 Resolution Foundation & Centre for Economic Performance, LSE (2023) *Ending Stagnation: A New Economic Strategy for Britain*. London: Resolution Foundation <https://economy2030.resolutionfoundation.org/wp-content/uploads/2023/12/Ending-stagnation-final-report.pdf>

60 Welsh Government (2024) *Child Poverty Strategy for Wales 2024*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-01/child-poverty-strategy-for-wales-2024.pdf>



Credit claims from 2017.<sup>61</sup> The Benefit Cap and the flat-rate nature of the temporary CoL payments have been factors too.

While official poverty statistics point to a slight decline in AHC poverty, other evidence, especially around destitution, paints a bleaker picture. The National Survey for Wales<sup>62</sup> reports that the proportion of adults in material deprivation increased from 3% to 16% between 2019/20 and 2022/23. Likewise, the Poverty Snapshot Survey Series,<sup>63</sup> reports that 13% of households sometimes, often, or always did not have enough money for all the basics in Winter 2024, up for 8% in Spring 2021.

More troubling still, destitution in the UK doubled between 2017 and 2022, such that 3.8 million people, including 1 million children, were destitute at some point during 2022.<sup>64</sup> While the 2022 Welsh rate remains below the UK average, destitution has been rising more sharply in Wales than in many other UK areas since 2017. Rising levels of destitution have been reflected in food bank usage. The Trussell Trust network distributed 187,400 food parcels in 2023/24 in Wales compared to 116,325 in 2018/19, a 61% increase.<sup>65</sup>

## 2.3 Financial support for low-income and vulnerable households

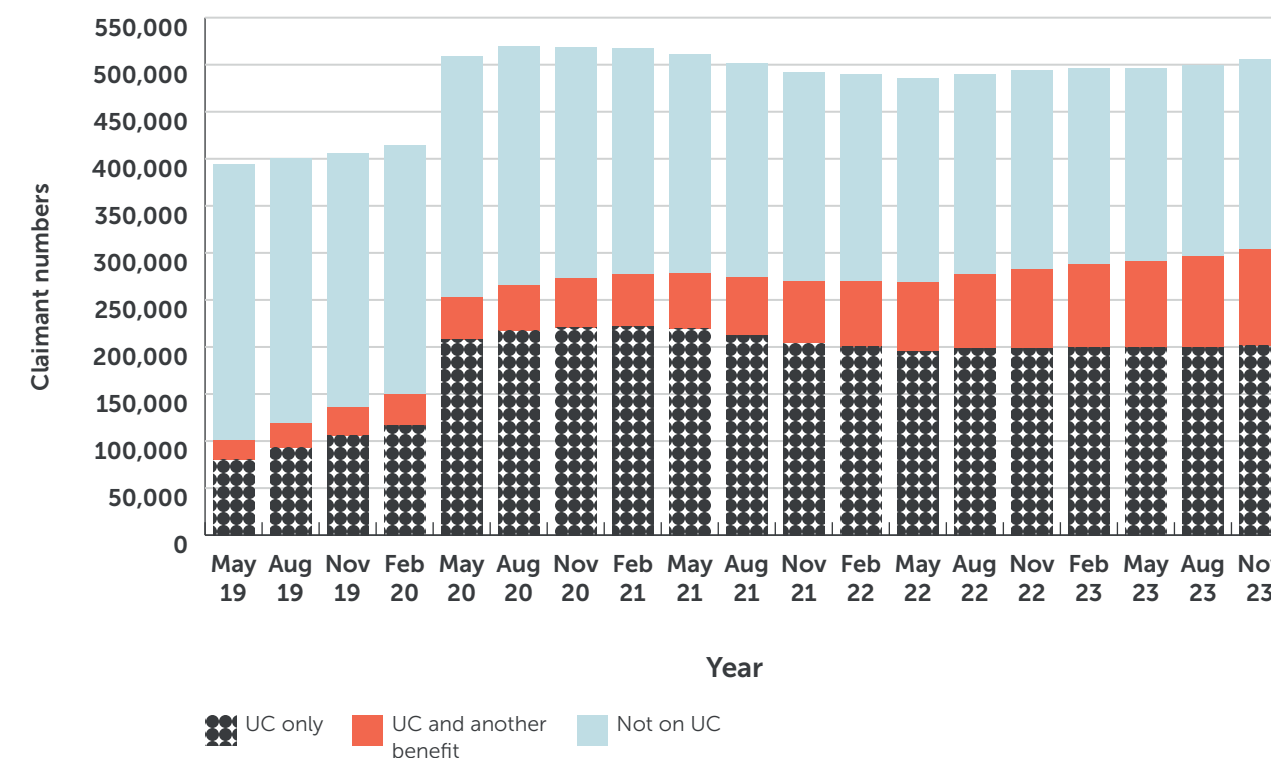
This section looks at the temporary support to protect households from the cost of living crisis and recent social security developments that impact on poverty and the risk of homelessness.

### Cost of living and other temporary payments

Several temporary cost of living measures were introduced in 2022/23 in response to a rapid rise in the energy price cap (EPC), which peaked at £4,279 in Q1 2023.<sup>66</sup> All households in Great Britain (GB) received a one-off £400 energy bill discount. Households in Wales living in a Band A to D rated property or in receipt of a Council Tax Reduction Scheme payment also received a £150 Council Tax rebate, paid through Barnett consequentials (£152 million). An Energy Price Guarantee, which ran from October 2022 to March 2024, limited annual bills for a 'typical household' to £2,500, later increased to £3,000. Finally, CoL payments provided targeted support for low income and vulnerable households, with those claiming income-related benefits receiving £650 in 2022/23 and £900 in 2023/24, those claiming disability benefits receiving £150 in both years, and older households receiving £300 in both years.

CoL payments helped ensure that in real terms, the poorest households experienced less of a drop in their income than other

Figure 2.3: Working age benefit claimants in Wales, May 2018 to November 2023



Source: DWP (August 2024) Benefit Combinations: Official Statistics to November 2023  
Notes: Figures are for working age claims for various benefits including Universal Credit (UC), Housing Benefit (HB) and other legacy, disability benefits and carers allowance.

households.<sup>67</sup> On the other hand, the flat rate CoL payments benefited small households rather than large families.<sup>68</sup> The cliff-edge nature of CoL payments meant households with earnings just above the upper eligibility threshold received nothing, leaving them worse off than similar households that received a payment.<sup>69</sup>

Various groups were also excluded from claiming CoL payments, such as households who only claimed HB or other legacy benefits (a minimum of 12,400 households in Wales)

and those with no recourse to public funds (NRPf). Households with irregular earnings whose pay just happened to exceed the UC threshold in the assessment period for a CoL instalment payment of £300 also missed out, as did households that had their UC sanctioned and were not in receipt of a Hardship Payment.<sup>70</sup>

### Income related social security

The numbers of working age social security claimants in Wales jumped from 414,000 to 517,700 in the twelve months to February

61 Patrick, R. et al (2023) *Needs and Entitlements: Welfare Reform and Larger Families*. London: Nuffield Foundation. <https://www.nuffieldfoundation.org/project/how-uk-welfare-reform-affects-larger-families>  
62 Welsh Government (2024) *Poverty and Deprivation (National Survey for Wales): 2022-2023*. Cardiff: Welsh Government <https://www.gov.wales/poverty-and-deprivation-national-survey-wales-april-2022-march-2023-html#139216>  
63 Bevan Foundation (2024) *A Snapshot of Poverty in Winter 2024*. Merthyr Tydfil: Bevan Foundation. <https://www.bevanfoundation.org/wp-content/uploads/2024/03/Snapshot-of-poverty-in-winter-2024-Final.pdf>  
64 Fitzpatrick, S., Bramley, G., Treanor, M., Blenkinsopp, J., McIntyre, J., Johnsen, S., & McMordie, L. (2023). *Destitution in the UK: 2023*. York: Joseph Rowntree Foundation. <https://www.jrf.org.uk/report/destitution-uk-2023>  
65 Trussell Trust (2024) *Emergency Food Parcel Distribution in Wales 1 April 2023 to 31 March 2024*. London: Trussell Trust. <https://www.trusselltrust.org/wp-content/uploads/sites/2/2024/05/EYS-Wales-Factsheet-2023-24.pdf>  
66 Ofgem (2023) Retail market indicators. Online: Ofgem. Accessed June 2023, <https://www.ofgem.gov.uk/energy-data-and-research/data-portal/retail-market-indicators>

67 Ray-Chaudhuri, S., Waters, T., and Wernham, T. (2024) *Living standards since the last election*. London: IFS. <https://ifs.org.uk/publications/living-standards-last-election>  
68 Treasury Committee (2022) *Autumn Statement 2022 – Cost of living payments*. London: House of Commons <https://publications.parliament.uk/pa/cm5803/cmselect/cmtreasy/740/report.html#heading-1>;  
69 Institute for Fiscal Studies (2022) *IFS Response to Government Cost of Living Support Package*. London: IFS. <https://ifs.org.uk/articles/ifs-response-government-cost-living-support-package>  
70 Institute for Fiscal Studies (2023) *The cost of living crisis: a pre-Budget briefing*. London: IFS. <https://ifs.org.uk/publications/cost-living-crisis-pre-budget-briefing>



2021 (see figure 2.3). Since then, numbers have remained well above pre-pandemic levels. Of the 505,700 claimants in November 2023, around 273,200 were claiming disability related benefits (54%), consistent with the high inactivity rates reported earlier.

In the 15 years to 2023/24, benefit rates for working age households failed to keep pace with earnings or prices,<sup>71</sup> due to various cuts and freezes and the switch from the Retail Price Index to the Consumer Price Index (CPI) for uprating benefits in 2011. While benefits were uprated by 10.1% in April 2023 and 6.7% in April 2024, consistent with the CPI rate in the previous September, basic UC cash rates are below cash thresholds for destitution for those of working age.<sup>72</sup> Single adults have borne the brunt, with the UC standard allowance now equal to just 14% of average earnings,<sup>73</sup> amongst the lowest income replacement rate of all high-income Organization for Economic Cooperation and Development (OECD) countries.<sup>74</sup> The planned 1.7% uplift to UC and most other working age benefits in April 2025 will not improve the UK's performance in these rankings.

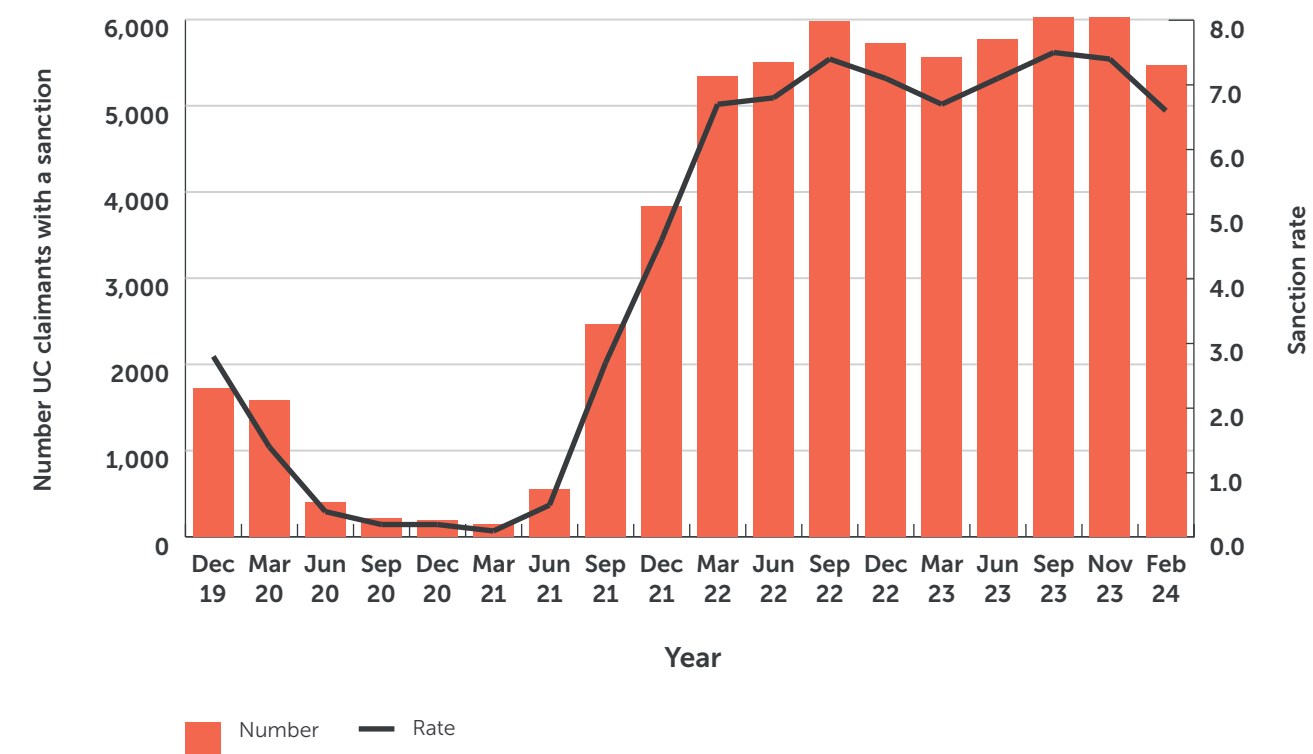
A fifth of working age claimants in Wales,<sup>75</sup> mainly UC claimants, can be sanctioned if deemed to have failed to meet work-related conditions. Some 5,500 UC claimants were

serving a sanction in February 2024, equal to 6.6% of UC claimants subject to conditionality (see figure 2.4). Both the numbers and the rate of people subject to a sanction spiked in Wales and the rest of GB after the resumption of face-to-face interviews in summer 2021, which were suspended during the pandemic.<sup>76</sup> This has reinforced concerns that safeguards to protect disabled and vulnerable people from sanctions are not being consistently and effectively applied.<sup>77</sup>

Following the July 2024 General election, proposals by the previous UK Government to impose stricter sanctions and to extend sanctions to many more claimants<sup>78</sup> will no longer proceed. Instead, the new UK Government plans to merge Jobcentre Plus with the National Careers Service in England to create a new agency to promote and support people into work rather than police claimants.<sup>79</sup> Meanwhile, in Wales the UK Government proposes to work with the Welsh Government to build on collaborative practices between Jobcentre Plus and Careers Wales.

Over two fifths of those claiming UC have money directly deducted from their payments.<sup>80</sup> This is most commonly for Department for Work and Pensions (DWP) advances and overpayments but can involve deductions for arrears to public bodies

Figure 2.4: UC claimants in Wales serving sanction at point in time, December 2019 to February 2024



Source: DWP UC Sanction Rates accessed via Stat-Xplore, accessed August 2024.  
Notes: The rate refers to UC claimants serving a sanction as a percent of UC claimants subject to conditionality.

for rent, council tax and utility bills. Since the pandemic, the recovery rate for UC deductions has been lowered<sup>81</sup> and payback periods for some debts have been extended. That said, DWP continue to prioritise debt repayments with little assessment of the risk to health and wellbeing,<sup>82</sup> deepening poverty and debt<sup>83</sup> and pushing some into destitution and homelessness.<sup>84</sup> This may change going forward following the Autumn Budget announcement of the introduction of the 'Fair Repayment Rate', which will lower the maximum deduction that can be taken

from UC standard allowance from 25% to 15%. Local Housing Allowance (LHA) rates underpin the calculation of housing cost support for private renters claiming UC or HB and were frozen for the four years to April 2024. Over this period, the proportion of private renters in Wales claiming UC that paid a rent in excess of the applicable LHA rate increased from 65% to 77%.<sup>85</sup> The resultant risk of destitution and homelessness was highest for those moving house. The Bevan Foundation found that in the first two weeks of February 2023, just 32 of the 2,638

71 Ibid  
72 Bramley, G. (2023) *Destitution in the UK: income thresholds for October 2022*. York: Joseph Rowntree Foundation. <https://www.jrf.org.uk/report/destitution-uk-income-thresholds-october-2022>  
73 Brewer, M., Handscomb, K., Pacitti, C., & Try, L. (2023) *Sharing the Benefits: Can Britain Secure Broadly Shared Prosperity?* London: Resolution Foundation. <https://economy2030.resolutionfoundation.org/reports/sharing-the-benefits/>  
74 Joseph Rowntree Foundation and the Trussell Trust (2022) *An Essential Guarantee: Reforming Universal Credit to Ensure We Can All Afford the Essentials in Hard Times*. York: Joseph Rowntree Foundation. <https://www.jrf.org.uk/report/guarantee-our-essentials>  
75 Study team estimates derived from DWP statistics.  
76 Webster, D. (2024) *Briefing: Benefit Sanctions Statistics, Summer 2024*. Online: CPAG. <https://cpag.org.uk/policy-and-research/latest-policy-briefings-and-reports/david-webster-briefings>  
77 Work and Pensions Committee (2024) *Safeguarding Vulnerable Claimants Inquiry*. London: House of Commons. <https://committees.parliament.uk/work/7866/safeguarding-vulnerable-claimants/publications/>  
78 UK Government (2023) *Employment Support Launched For Over A Million People* <https://www.gov.uk/government/news/employment-support-launched-for-over-a-million-people?ref=publicsquare.uk>  
79 Secretary of State for Work and Pensions (2024) *Getting Britain Working – Speech At the Launch of the Pathways to Work report*, 23 July <https://www.gov.uk/government/speeches/getting-britain-working>  
80 Child Poverty Action Group (2022) *Reducing Deductions: The First Step In A Package Of Support For Low-Income Households*. Glasgow: CPAG <https://cpag.org.uk/news/reducing-deductions-first-step-package-support-low-income-households>

81 Effectively from 40% to 25% of the Standard Allowance for Universal Credit.  
82 Lloyds Bank Foundation (2022) *Deductions: The Driver of Poverty*. London: LBF. <https://www.lloydsbankfoundation.org.uk/media/h1adbmzu/deductionsreport.pdf>  
83 Edmiston, D. (2024). 'Indentured: Benefit deductions, debt recovery and welfare disciplining.' *Social Policy & Administration*, 1–16. <https://doi.org/10.1111/spol.13021>  
84 Fitzpatrick, S., Bramley, G., Treanor, M., Blenkinsopp, J., McIntyre, J., Johnsen, S., & McMordie, L. (2023). *Destitution in the UK: 2023*. York: Joseph Rowntree Foundation. <https://www.jrf.org.uk/report/destitution-uk-2023>  
85 DWP Stat-Xplore Universal Credit data downloaded June 2024.

advertised private rentals (1.2%) in Wales had a rent fully covered by the applicable LHA rate, a problem further compounded by the minimal provision of shared accommodation and one bedroom units in much of Wales (see below).<sup>86</sup> A joint Crisis and Zoopla study also found that just 2% of rentals in the year to April 2023 in Wales were advertised within LHA rates.<sup>87</sup> Reflecting this bleak picture, all LA survey respondents reported that the LHA freeze had made it challenging to prevent or alleviate homelessness during 2023/24, with 12 identifying it as very challenging.

In April 2024, LHA rates were reinstated to the 30th percentile of local rents as they stood in September 2023. The majority of LA survey respondents (10 of 16) anticipated that this would somewhat enhance the scope for preventing or alleviating homelessness in their area, but respondents were clear that the fundamental and significant challenge of a shortfall between LHA rates and actual market rents remained:

**“it is too little too late. The market has seen significant increases in rent in the PRS [Private Rented Sector]... it will help a little though.”**

(LA, North East Wales)

**“The increase will not be effective enough to have any meaningful impact, rental prices have increased substantially.”**

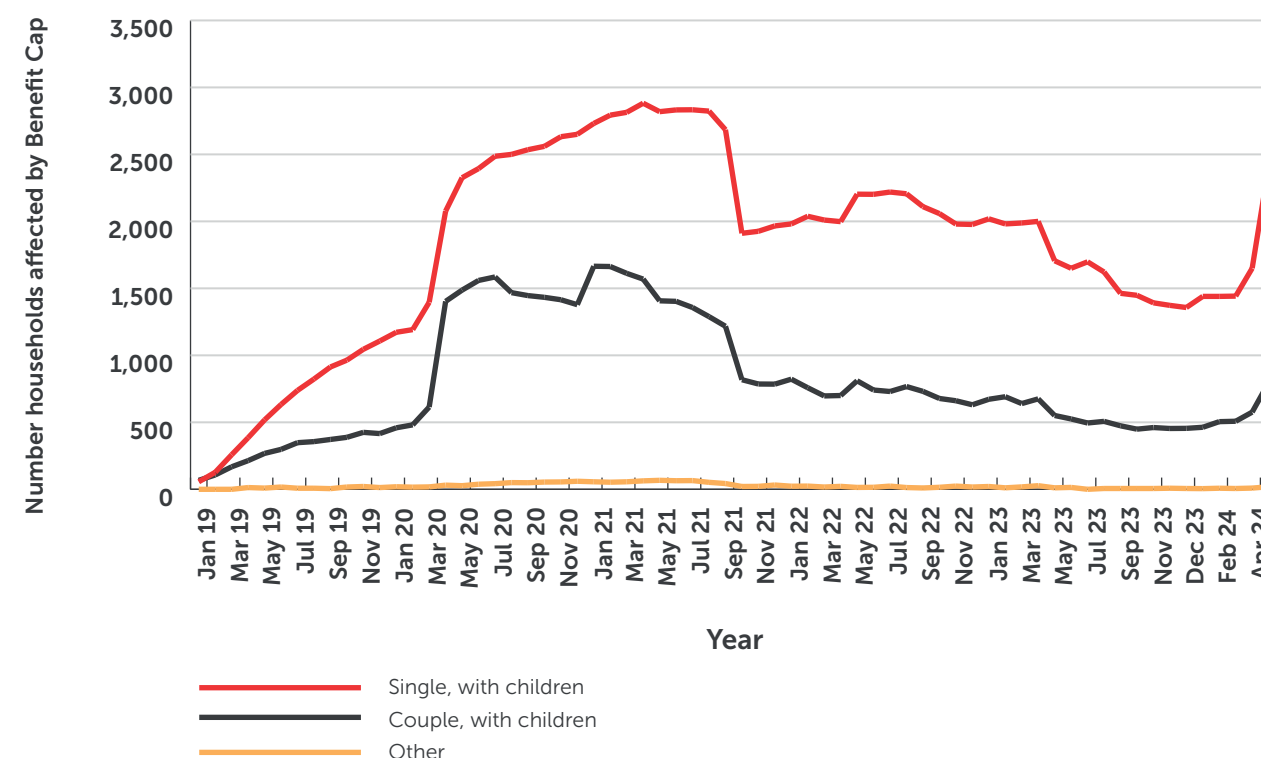
(LA, South Wales)

The Benefit Cap limits the total income households can receive from benefits and generally applies to working-age households that earn less than £793 pcm, regardless of housing costs. Outside of London, the cap was increased by 10.1% in 2023/24 to £22,020 a year for couples and households with children and to £14,753 for single adults, the first rise in the cap since it was lowered in November 2016. Even so, the Resolution Foundation estimate the cap is now £14,000 lower in real terms for families in Wales than when first introduced in 2013.<sup>88</sup>

In Wales, 1,953 households were affected by the Benefit Cap in February 2024. Figure 2.5 shows this was much lower than in April 2020 when the launch of the weekly £20 UC uplift led to a spike in affected households. It was also lower than in February 2021, when numbers peaked at 4,513 as those claiming UC due to a loss of earnings near the start of the pandemic became subject to the Cap. Looking at those affected, around 75% were lone parents and a further 24% were couples with children, with around 30% losing out on income of £25-49 pw and 35% losing out on income of £50+ pw. The re-freezing of the Benefit Cap in 2024/25 while simultaneously increasing the lower earning threshold and uprating LHA and benefit rates has seen numbers rise again since April 2024.

Past experience suggests the new UK Government’s decision not to uprate current LHA rates until at least April 2026 alongside the ongoing household Benefit Cap freeze and the decision not to repeal the Benefit Cap or two-child limit will inevitably push more households, especially those with children, into destitution and homelessness and add to demand for discretionary funding.

Figure 2.5: Households subject to the Benefits Cap in Wales, January 2019 to May 2024



Source: DWP Benefit Cap Statistics Stat-Xplore UC and HB tables accessed November 2024

### Discretionary and Welsh specific benefits

The DWP provides funding for Discretionary Housing Payments (DHP) to Welsh and English local authorities. This fund allows local authorities to offer extra financial support to those claiming HB or the UC housing element. Around 70% of DHP in Wales is used to mitigate ongoing rental costs, typically those associated with the bedroom tax, LHA reform and the Benefit Cap, and the remaining 30% to support ‘other costs’ such as short-term help with rent whilst moving house and providing a rent deposit.<sup>89</sup> A detailed breakdown is not yet available, but the 2024 Autumn Budget confirmed £1 billion will be made available to fund Discretionary Housing Payments across England and Wales in 2025/26 plus a

12 month extension of the Household Support Fund that operates in England but generates Barnett consequential that are understood to help fund the Welsh Government’s Discretionary Homelessness Prevention Fund (DHPF).

DWP funding for DHPs has been a rollercoaster since the pandemic. The Welsh allocation increased from £8.14 million in 2019/20 to £10.1 million in 2020/21 but dropped back to £8.7 million in 2021/22 and £6.46 million in 2022/23, and 2023/24.<sup>90</sup> In 2021/22, the Welsh Government provided a supplement of £4.1 million, which more than offset the DWP funding cut. Instead of repeating this approach in 2022/23, the Welsh Government established a Discretionary Homelessness Prevention Fund (DHPF), which

86 Bevan Foundation (2023) *Local Housing Allowance and the Private Rental Market in Wales: Winter 2023*. Merthyr Tydfil: Bevan Foundation <https://www.bevanfoundation.org/wp-content/uploads/2023/03/Wales-Housing-Crisis-Winter-2023.pdf>

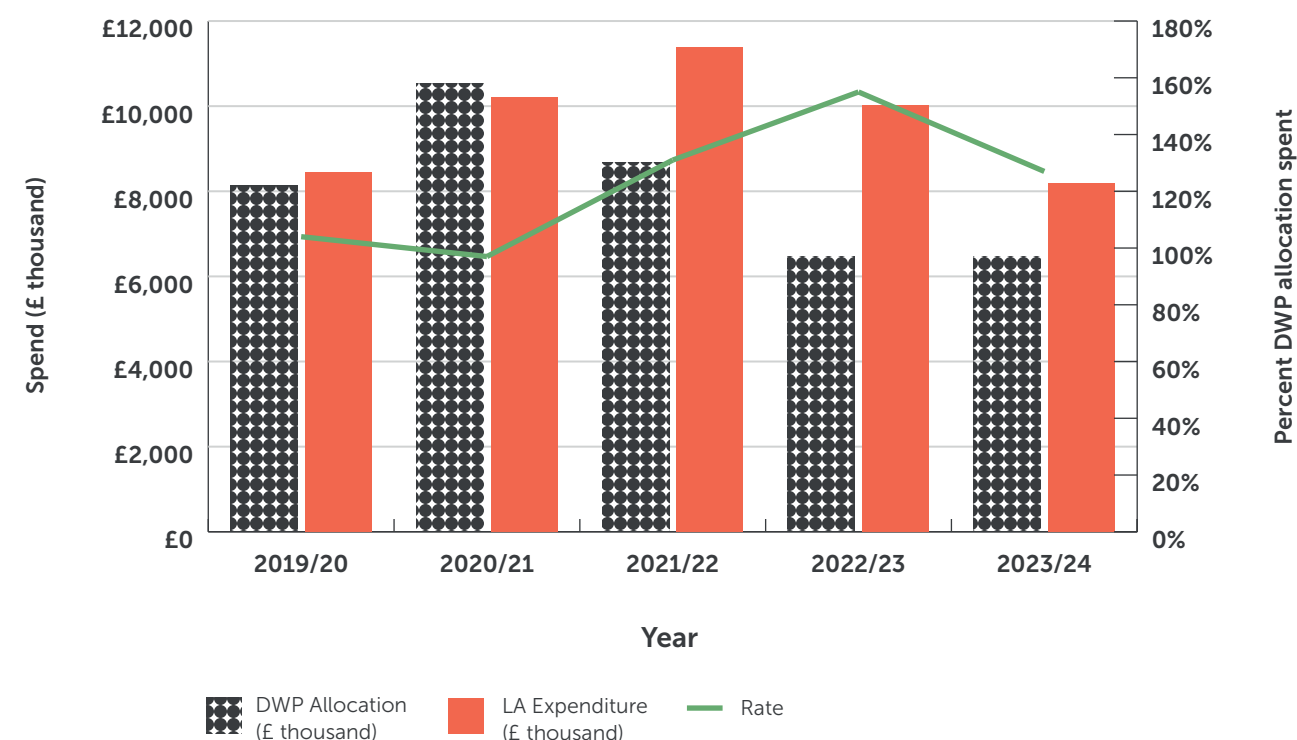
87 Crisis (2023) *Charity Calls For An End To Housing Benefit Freeze This Winter As Shocking New Statistics Unveiled*, press release, Cardiff, <https://www.crisis.org.uk/about-us/crisis-media-centre/charity-calls-for-an-end-to-housing-benefit-freeze-this-winter-as-shocking-new-statistics-unveiled/>

88 Try, L (2024) *Catastrophic Caps: An Analysis Of The Impact Of The Two-Child Limit And The Benefit Cap*. London: Resolution Foundation. <https://www.resolutionfoundation.org/publications/catastrophic-caps/>

89 DWP (2024) *Discretionary Housing Payments Statistics*. Online: DWP. <https://www.gov.uk/government/collections/discretionary-housing-payments-statistics>

90 Ibid

**Figure 2.6: DWP allocation and Welsh local authority expenditure on Discretionary Housing Payments**



Source: DWP (2023) Use of Discretionary Housing Payments: fiscal year 2022/23: supporting tables

had an annual budget of £6 million in both 2022/23 and 2023/24,<sup>91</sup> though the 2022/23 allocation was increased to £7.4 million.<sup>92</sup> The DHPF allowed local authorities to decide how much to spend on topping up their DHP allocation from DWP and how much to spend on non-permissible DHP activities such as help with rent arrears due to benefit over-payment clawback and sanctions or to support to those not in receipt of housing-related benefits.

Welsh local authorities spent 155% of their DWP allocation in 2022/23 and 127% of their allocation in 2023/24, suggesting that up to £3.6 million of DHPF was used to supplement DHP spend in 2022/23 and £1.7 million in 2023/24 (see figure 2.6). Nonetheless,

rising Private Rented Sector (PRS) rents and homelessness pressures continue to put the DHP budget under strain.

All LA survey respondents (16 of 16) saw DHPs as important in preventing or alleviating homelessness in their area, with most (12) describing them as very important. One described DHPs as “a critical pot to not only help with housing costs at crisis point, but also to stabilise housing and keep people away from statutory services” (LA, North East Wales). Key informants endorsed this view, describing DHPs as “valuable as a tool” (Voluntary sector key informant) and “hugely important” (Statutory sector key informant). Others describing Welsh LAs as “heavily reliant” on DHPs to prevent homelessness, with another

commenting “I’m really not sure... where [we] would be if we didn’t have them” (Voluntary sector key informant). DHPs were recognised as offering “a real source of relief for tenants and their social landlords” (Housing sector key informant) as well as enabling LAs to ‘spend to save’, by “keep[ing] people away from statutory services” (LA, North East Wales).

Participants recognised that one of the key roles of DHPs is to ‘pick up the slack’ left by the wider and inadequate social security safety net, addressing the homelessness risk created by the LHA freeze and the Bedroom Tax. This was recognised as problematic and reducing the scope of DHP to respond to short-term crises of other kinds:

**“[One] concern is the continued reliance on DHP for Bedroom Tax cases... with a limited pot this UK Government Policy diminishes the potential pot for more targeted crisis spend of which there is a lot.”**

(LA, North East Wales).

**“they are picking up the slack of failures elsewhere in the system. Particularly on the LHA freeze... They should continue, but we need to move to a position where they get used far more infrequently, and they are for unexpected circumstances, rather than just becoming a feature of our housing system, where they pick up the slack of other failures.”**

(Voluntary sector key informant)

Despite their importance, other challenging aspects of DHP provision were recognised, including the inconsistency of approach in different LAs and post-code lottery people face in accessing support. Examples given included the length of time LAs will support households for, the extent to which the time of year impacts on LAs willingness to spend the DHP budget, and the extent to which LAs use DHPs to assist their own tenants versus other groups. Participants also recognised that DHPs can be difficult to access, both in terms of the process of application and the “rigid rules” restricting the circumstances in which they can be used.

**“The process is... complex and requires support staff to assist even those who are relatively capable.”**

(LA, Valleys)

**“there are delays in processing claim etc it can be too late to make a difference. Also too rigid rules – not able to clear arrears and pay top up – both are needed in some cases to give time to sort the issue – this would help majorly if not so rigid.”**

(LA, Mid and West Wales).

One LA commented that they use their Homelessness Prevention Funding (see above) to address these limitations with DHPs.

A final concern raised by LAs was DHPs can “create dependency” (LA, Valleys) if paid over the long term. This led one respondent to argue that awards must go alongside “some ‘learning’ on the clients side to ensure financial responsibilities are understood and manageable - this will ensure personal responsibility and allow for the DHP funds to go further” (LA, Mid and West Wales). This

91 Welsh Government (2023) *Ending Homelessness in Wales: A high Level Action Plan 2021-2026*. Cardiff: Welsh Government, <https://www.gov.wales/sites/default/files/publications/2023-08/ending-homelessness-progress-update.pdf>

92 Bevan Foundation (2023) *DHPs and the Welsh Housing Market*. Merthyr Tydfil: Bevan Foundation. <https://www.bevanfoundation.org/resources/wales-housing-crisis-discretionary-housing-payments/>



perspective exemplifies the issues of using discretionary localised funds to address long-term shortfalls in household income relative to their expenditure.

The other main source of discretionary grant support is the Welsh Government controlled DAF. The successor to the Social Fund, it consists of Emergency Assistance Payments (EAPs) that help pay for essential costs, such as food, fuel and clothing, and Individual Assistance Payments that help people live independently. The DAF budget increased by £18 million to £38.5 million for 2023/24, with EAPs accounting for 97% of spend.<sup>93</sup> Since April 2023, people can apply for up to three EAPs of up to £111, within a rolling twelve month period, with a seven day gap between applications.<sup>94</sup> These changes have been welcomed,<sup>95</sup> but questions remain about the adequacy of the budget and the fact that UK rules restrict access to those claiming state benefits and exclude those with NRPF.

All 16 LA survey respondents saw DAF as important in preventing or alleviating homelessness in their locality, most (11) thought it was very important, with two key roles emphasised. First, DAF can prevent homelessness by “providing swift financial aid to individuals and families facing crises” (LA, Valleys):

**“The DAF can negotiate with landlords to prevent evictions due to rent arrears.”**

(LA, Valleys).

**“Provides early relief of homelessness negating need for clients to contact the Homeless Service.”**

(LA, South Wales).

Second, DAF is seen as an essential resource for those resettled in new tenancies to enable them to afford white goods and other household basics:

**“Very important re: moving and provision of white goods.”**

(LA, Mid and West Wales).

**“Critical source of funding to help people with items for any home we support them in whilst helping exit homelessness. White goods and furnishing along with essential such as cutlery and other household items. Council funding and voluntary sector support for such items very limited.”**

(LA, North East Wales).

LAs and key informants identified various limitations with DAF’s operation, however, including budget constraints,<sup>96</sup> the short-term/one off nature of support on offer, and the requirement for a signed tenancy agreement to be in place at point of application meaning that people either stay longer in costly TA or are forced to move in to a property without the basics in place:

**“Waiting times can be problematic... [the] requirement for [a] signed tenancy agreement as proof of new home alongside the application creates delays for move on from costly homeless accommodation. If the application could be reviewed a week before move in date this would save time, disruption for resident and Council fund costs for homeless accommodation.”**

(LA, North East Wales).

**“They have to have had the tenancy for the DAF to be able to be awarded... I would prefer that we were in a position... get the DAF in principle agreed, so that some of that stuff can be ordered... rather than going**

**in to just an empty shell and having to go through that whole process and wait, which isn’t helpful.”**

(Statutory sector key informant)

More generally, work is ongoing to create a Welsh Benefits System that is easier for people to access devolved benefits, underpinned by a Charter that tasks the signatories with collectively developing an inclusive system.<sup>97</sup> The Charter is currently focused on local authority-controlled benefits and includes proposals to replace existing local Council Tax Reduction Schemes with a national scheme by 2026.<sup>98</sup>

## 2.4 Housing system trends

Between the 2011 and 2021 Census, the proportion of households in Wales owning their home fell from over 68% to 66%, those renting privately rose from 14% to 17% and those renting from a social landlord remained at 17%. Against this backdrop, this section explores housing market and policy developments relating to housing supply and demand and their impact on the ability of households to access and retain a home they can afford to rent.

### Housing market and new supply

After the first pandemic lockdown, the Welsh housing market entered a miniboom (see Figure 2.7). Prices soared as demand outstripped supply, fuelled by ultra-low interest rates, the temporary Land Transaction Tax holiday and limited new supply. House price growth began to slow in 2022 as the cost of living accelerated and the average price dropped by 2.6% to £214,000 in the

93 Ferraz-Luz, S. (2023). *Discretionary Assistance Fund: Analysis report*. Cardiff: Welsh Government, GSR report number 97/2023., Available at: <https://www.gov.wales/discretionary-assistance-fund-analysis-report>

94 Minster for Social Justice (2023) *Written Statement: Changes to the Discretionary Assistance Fund from 1st April 2023*. Cardiff: Welsh Government, <https://www.gov.wales/written-statement-changes-discretionary-assistance-fund-1st-april-2023>

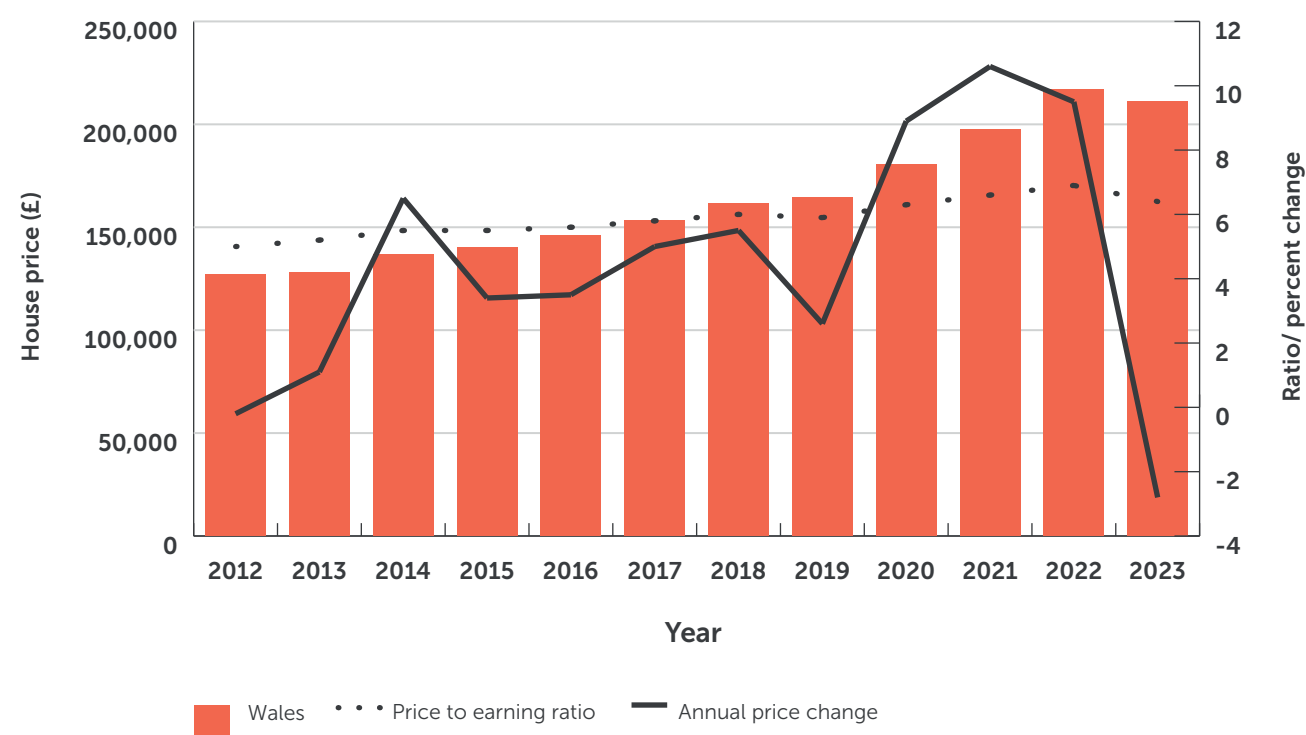
95 Bevan Foundation (2023) *Welcome for Welsh Government Changes to the Discretionary Assistance Fund*. 28 February. Online: Bevan Foundation. <https://www.bevanfoundation.org/news/2023/02/welcome-for-daf-change/#:~:text=The%20Bevan%20Foundation%20had%20called,made%20with%20regard%20to%20DAF.>

96 For example, Welsh Government announced changes to the kitchen packages available on the DAF in 2023 - for example replacing ovens tumble dryers with a covered heated air dryer and ovens with a “cooking bundle” including an air fryer, microwave, slow cooker and single hot plate. NEC (2023). *Discretionary Assistance Fund (DAF) Approved Partner Bulletin*, November 2023.

97 Welsh Government (2024) *Welsh Benefits Charter*. Cardiff: Welsh Government. <https://www.gov.wales/welsh-benefits-charter>

98 Senned Research (2024) *Local Government Finance (Wales) Bill – Bill Summary*. Cardiff: Welsh Parliament. <https://research.senedd.wales/media/tpplk2aw/24-02-local-gov-finance-bill-summary.pdf>

Figure 2.7: Welsh average house prices and prices to earnings ratio 2012 – 2023



Source: ONS House Price Index accessed April 2024, ASH earnings (accessed via Nomis) and own calculations

twelve months to December 2023, as mortgage interest rates rose. This slow downward trend continued in the first half of 2024 but with the average house price costing six times the average wage, house purchase remains too big a stretch for many, increasing demand for private rentals.

House completions in Wales grew only slightly from 5,840 in 2013/14 to 6,040 in 2019/20, remaining well below the average of 8,560 homes built each year before 2008/09 (see figure 2.8). House building across GB has yet to return to pre-pandemic levels but the pace

of recovery in Wales has been especially slow. This has been attributed to the complexity of the under-resourced Welsh planning system,<sup>99</sup> a lack of contractors, labour shortages, supply chain blockages<sup>100</sup> groundwork costs, targets to reduce phosphates in rivers,<sup>101</sup> and high interest rates.

Between 2021/22 and 2023/24, an average of 5,100 homes were completed each year, well below the Welsh Government's 2019 based and outdated estimate that 7,400 additional homes, including 3,500 affordable homes, were required each year to 2023/24.<sup>102</sup> The

scale of under-delivery was higher than elsewhere, with an annual average of just 4 homes built for every 1,000 households in Wales compared to seven in England and nine in Scotland. Key informants were concerned that despite a clear need for smaller, one bedroom stock, this as not being built at anywhere near the pace needed:

**“we’re not seeing many flats and single-person properties being built in terms of new social homes coming forward.”**  
(Voluntary sector key informant)

**“for housing associations... it can be quite difficult to get planning approval sometimes for accommodation, apartment accommodation for younger people. Although local authorities need it, local elected members don’t want a block of flats for young people.”**  
(Housing sector key informant)

Starting in 2022, local authorities are expected to collaborate with partners to prepare a Local Housing Market Assessment every five years that complies with guidance and the accompanying template for estimating existing need, newly arising need and the potential shortfall in housing, broken down by tenure and dwelling size. It will take time for these new arrangements to bed-in but the intention is that they will lead to better evidence-based local priorities to boost supply and address housing need, including actions set out in the Local Housing Market Assessment Prospectus submitted to the Welsh Government. Key informants welcomed the new approach as “more standardised” (Statutory sector key informant) and “certainly another step on that journey of marrying up strategic planning

and community need” (Statutory sector key informant), but raised some concerns about the methodological approach, including a lack of more granular and up-to-date data on housing needs, the absence of a requirement to include housing associations in the assessment process and risk that the process underestimates need, including of one bedroom units (see also chapter 4):

**“[There are] some question marks over the methodology still. It still might be undercounting, but even if it might undercounting, it is still returning much higher levels of need, especially the one-bed need.”**  
(Statutory sector key informant)

**“when we looked at the initial data for what’s coming through, the immediately obvious thing... for the whole of Wales is that it didn’t appear that there were any one bedroom units needed... It was just a great indication that, perhaps, the two systems weren’t joined up.”**  
(Voluntary sector key informant)

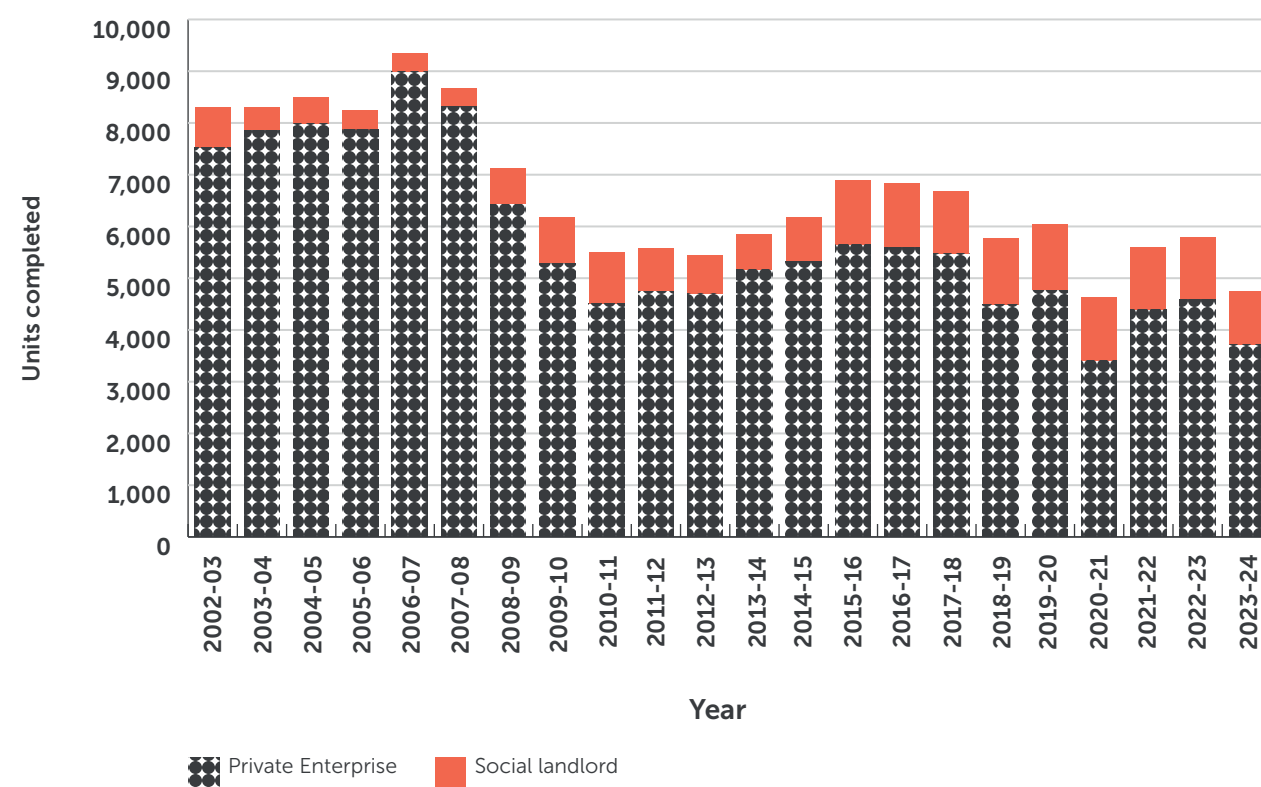
99 Competition and Market Authority (2024) *Wales Summary of CMA Market Study Final Report into Housebuilding*. London: CMA, [https://assets.publishing.service.gov.uk/media/65d8bb1454f1e70011165960/\\_Wales\\_summary\\_...pdf](https://assets.publishing.service.gov.uk/media/65d8bb1454f1e70011165960/_Wales_summary_...pdf)

100 CIH Cymru (2024) *CIH Cymru’s Response To Local Government And Housing Committee Inquiry Into Social Housing Supply*. Cardiff: CIH. <https://www.cih.org/publications/cih-cymrus-response-to-the-senedds-local-government-and-housing-committee-inquiry-into-social-housing-supply-in-wales/>

101 Evans, A. (2023) *A division of Labour? The policies for housebuilding in Wales and England*. London: Litchfield. <https://lichfields.uk/blog/2023/august/18/a-division-of-labour-the-policies-for-housebuilding-in-wales-and-england/>

102 Welsh Government (2020) *Estimates of Housing Need: 2019-based*. Cardiff: Welsh Government. <https://www.gov.wales/estimates-housing-need-2019-based>

Figure 2.8: New housing completions, 2016/17 to 2023/24



Source: Welsh Government house completions data, rounded to the nearest 10  
 Notes: Private enterprise figures may include some affordable homes, resulting in some (unquantified) undercount of social sector builds and an overcount of private sector builds.

The Welsh Government has spent £1.27 billion in support of its target to deliver 20,000 low carbon social homes in the five years to the end of 2025/26. It also has a £730 million notional budget for the remaining two years. However, partly because of rising costs, Audit Wales suggest that unless the notional budget increases by anywhere from £580 million to £740 million, only between 15,860-16,670 social homes will be delivered by March 2026.<sup>103</sup>

Key informants welcomed what they saw as “very ambitious” (Statutory sector key informant) house-building target focused on social (rather than affordable) homes, and praised clear recent signals that the ambition of addressing homelessness is central to the target:

**“It’s been made very clear... the 20,000 homes programme... is to resolve homelessness. If we can meet the demand, particularly for one-beds... we’ve got a really, really good chance of undoing a historical wrong.”**

(Voluntary sector key informant)

103 Audit Wales (2024) *Affordable Housing – September 2024*. Cardiff: Audit Wales. [https://audit.wales/sites/default/files/publications/Affordable\\_housing.pdf](https://audit.wales/sites/default/files/publications/Affordable_housing.pdf)

**“choosing to say social housing rather than affordable housing was... really, really important ... the ambition and then the funding that has followed in the capital budget since has been a really positive thing.”**

(Voluntary sector key informant)

Some key informants were concerned however that the target is unlikely to be met and, in any case, underestimates current housing need:

**“[it] is based on 2019 estimates of housing need, which are based on much lower levels of temporary accommodation use... so I think we can be pretty certain that it is a vast underestimation of housing need.”**

(Statutory sector key informant)

**“We’re hanging on to that target by a thread... It is incredibly difficult.”**

(Statutory sector key informant)

Of the 6,000 affordable homes delivered through the Social Housing Grant programme by March 2023, 4,800 were for social rent and 400 were for intermediate rent (see figure 2.9). Around 37% of the dwellings were acquisitions rather than newly built homes. While acquisitions play a key role in relieving

homelessness and other urgent housing needs, they do not increase the overall housing stock. The lack of house building and concerns it was adding to affordability pressures prompted the Senedd’s Local Government and Housing Committee to launch an ongoing inquiry into challenges surrounding the delivery of housing. However, the Inquiry is looking at social housing rather than the whole-system investment and planning reform agenda prioritised by the new UK Government.

In addition to the construction challenges faced by all housing developers, social landlords face difficult choices in balancing investment in new and existing homes, the latter to achieve Welsh Housing Quality Standard and policy ambitions to decarbonise and improve the health and safety of the existing housing stock. The 1,700-page Grenfell Tower Inquiry’s final report will also have major implications for investing in existing homes and resident services and organisational culture.<sup>104</sup> The inquiry found that the deaths of 72 people were entirely avoidable and were the culmination of decades of a woeful disregard for human life, wholly inadequate regulation, incompetence, calculated dishonesty and greed, and the repeated dismissal of evidence and concerns from residents and others.

Planned increases in employers NIC and the NLW noted earlier will also increase operating costs for many social landlords and other organisations engaged in delivering housing services, which could force some to scale back development programmes and housing services, including housing support.

### The private rental sector

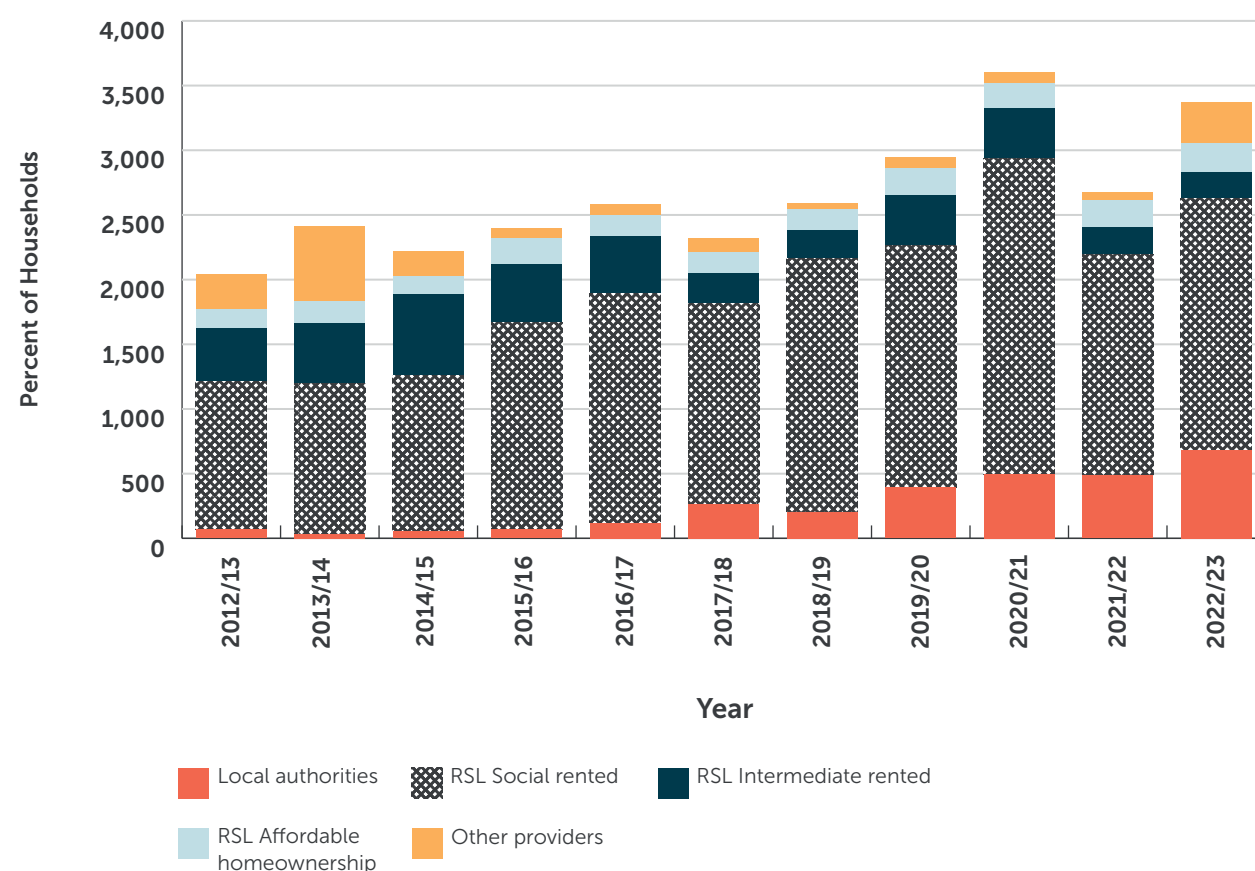
There are over 103,000 registered private landlords in Wales, though some may have ceased trading.<sup>105</sup> Official estimates suggest that there were 194,900 private rented dwellings in March 2022, which was 14,800 more than in 2011, but 13,400 fewer than in

104 The Grenfell Tower Inquiry (2024) *Grenfell Tower Inquiry: Phase Two Report*. Online: The Grenfell Tower Inquiry. <https://www.grenfelltowerinquiry.org.uk/>

105 Rent Smart (2024) Registrations Dashboard: <https://rentsmart.gov.wales/en/registrationdashboard/>



Figure 2.9: Additional social (affordable) homes delivered, 2012/13 to 2022/23



Source: Welsh Government affordable housing statistics, downloaded April 2024  
 Notes: In line with the Welsh Government target, figures include the purchase, acquisition, or conversion of existing dwellings plus units leased for upwards of a year to house homeless families.

2018, when private rented stock peaked.<sup>106</sup> It is very difficult, however, to accurately quantify changes in the private rented stock.

The Welsh Government has sought to raise standards in the rented sector for some time. It passed the Renting Homes (Wales) Act 2016 (RHA), albeit its implementation only began in December 2022, after some amendments in 2021. The Act contains a raft of measures for the private and social rented sectors that centre on enhanced property standards and

new tenancy contracts that clarify the rights and responsibilities of tenants and landlords. In particular, the new occupation contracts strengthen private tenants' rights through, for example, the provision of a twelve-month minimum residency period and the extension of notice periods for most tenancies from two to six months, including 'no fault' evictions.<sup>107</sup>

106 Welsh Government (2023) *Dwelling stock estimates: as at 31 March 2022*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/statistics-and-research/2023-09/dwelling-stock-estimates-31-march-2022-398.pdf>

107 The main exceptions relate to a breach of contract, such as rent arrears and anti-social behaviour. The Act has also improved tenancy succession rights, streamlined arrangements for updating joint tenancies and provisions to suspend rent payments if a property is deemed unfit for human habitation.

The full impact of the 2016 Act will not be known for some time but the ongoing evaluation<sup>108</sup> points to a need to improve communication and guidance and more 'user-friendly' tenant contracts. It also questions whether the Act will benefit more vulnerable tenants living in sub-standard accommodation provided by 'rogue' landlords and highlights challenges and inconsistencies around the inclusion of student accommodation and temporary accommodation within the Act. This includes the fact those living in temporary accommodation provided by housing associations have less security of tenure than those in local authority temporary accommodation.

There is a perception that the 2016 Act has fuelled contraction of the sector<sup>109</sup> which, alongside transfers to the short-term lettings market,<sup>110</sup> has exacerbated temporary accommodation shortfalls.<sup>111</sup> This perspective was very evident in LA survey responses. When asked whether 'Fewer households have become homeless as a result of 'no fault' eviction because of the provisions', most LAs (8 of 16) disagreed with the statement (only three agreed with the remaining respondents either neutral or unsure). By contrast, virtually all respondents (14 of 16) agreed that 'More households are becoming homeless because landlords are leaving the private rental market because of these provisions. A large proportion of LAs were adamant that the Act had been a main driver of these perceived trends:

**"The RHA has most definitely impacted the PRS and discouraged landlords from renting."**

(LA, Valleys)

**"landlords have advised us that the additional burden of [the] Renting Homes [Act] has caused them to make the decision to sell their properties... For those landlords who are not professional landlords, Renting Homes legislation and requirements are daunting and onerous."**

(LA, South Wales)

On the other hand, other evidence suggests that the RHA may not be the sole, or even key driver. Bank of England analysis suggests that in the four years to the end of 2022, there was a modest drop in private rented stock across the UK, but disinvestment in Wales was not identified as being any higher than elsewhere in the UK.<sup>112</sup> Other LAs and key informants also recognised the role of multiple factors, including rises in interest rates and the lure of the short-term lets market:

108 Lock, K., Baker, T., Davies, A., Morris, D., Wilson, B., James, V. (2023). *Renting Homes (Wales) Act 2016 Evaluation: Phase 1 Report*. Cardiff: Welsh Government, <https://www.gov.wales/renting-homes-wales-act-2016-evaluation-phase-1-report>

109 Ibid

110 Bevan Foundation (2023) *Holiday Lets and the Private Rental Sector*. Merthyr Tydfil: Bevan Foundation. <https://www.bevanfoundation.org/resources/holiday-lets-and-the-prs/>

111 Bevan Foundation (2022) *Wales Housing Crisis - An Update on the Private Rental Market in Wales in Summer 2022*. Merthyr Tydfil: Bevan Foundation. <https://www.bevanfoundation.org/resources/wales-housing-crisis-summer-2022/>

112 Blood, K., Hughes, E., and Waddell, J (2023). *Has the private rental sector been shrinking?* London: Bank of England. <https://www.bankofengland.co.uk/bank-overground/2023/has-the-private-rental-sector-been-shrinking>

**“we have [seen] a loss of... properties from the private sector. It is unclear whether this is as a result of increase in interest rates, the implementation of RHA or AirBnB type accommodation offering a better return for landlords”**

(LA, North Wales)

**“Renting Homes has ...not been the only driver in terms of decisions that landlords have made, either to exit the private rented sector entirely, or to refocus the way that they operate... looking at different market segments.... Interest rate changes... the debates around EPCs... it’s been part of a complex picture.”**

(Statutory sector key informant)

Whatever the cause, the decline in the PRS was a particular concern for LAs. Almost all survey respondents (13 of 16) disagreed with the statement ‘There is an appropriate mix of housing options to meet the needs of different households in my area’, six strongly. In elaborating on these responses, LAs identified the lack of affordable PRS accommodation as a key issue, alongside insufficient one bedroom stock, homes for large families and shared accommodation:

**“[There is a lack of] Single Person Accommodation [and] Affordable Private Rented Accommodation [and a] Lack of HMO’s.”**

(LA, Mid and West Wales)

**“PRS is unaffordable for a majority of applicants resulting in reliance on social housing. Limited supply of larger properties.”**

(LA, South Wales)

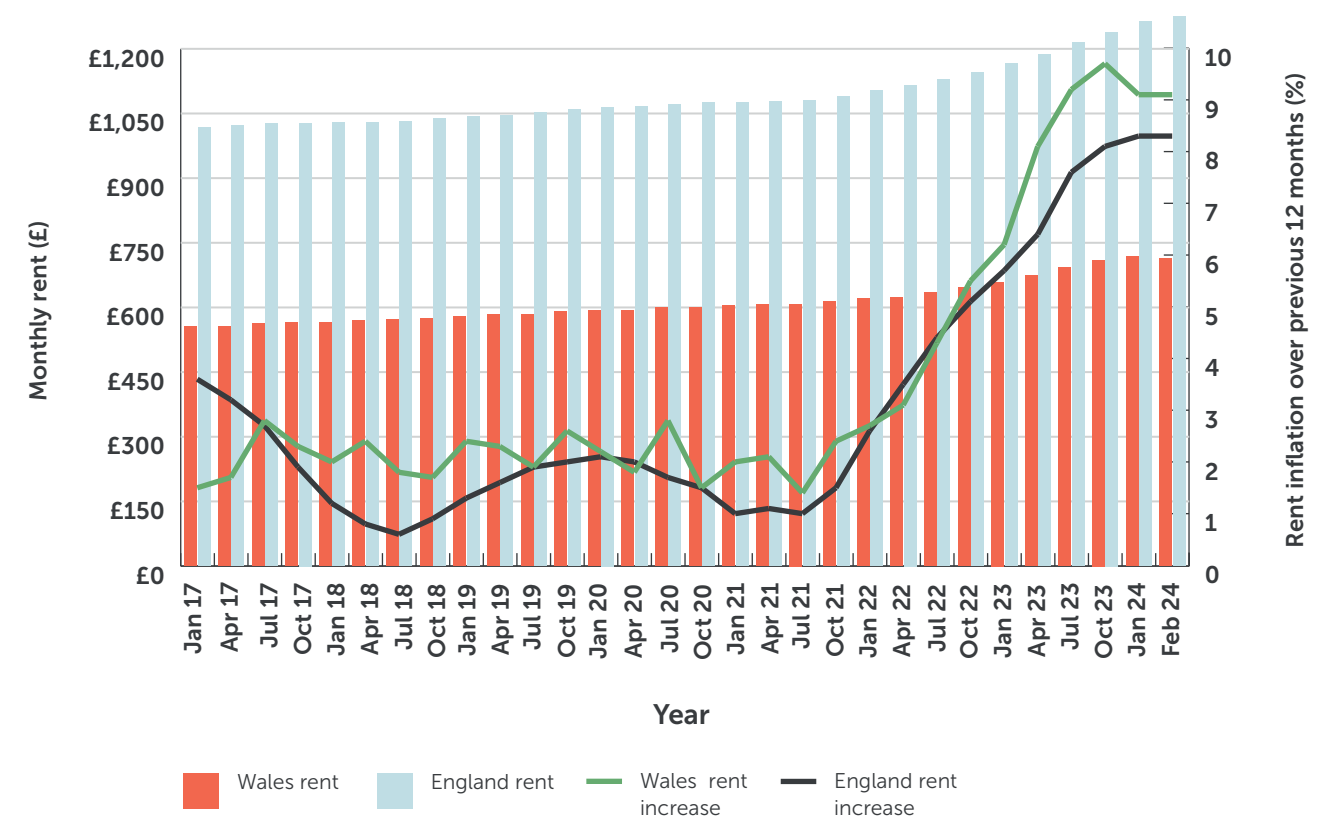
Beyond the Act’s contested impacts on landlord disinvestment, key informants were keen to emphasise its positive impacts for tenants, including their access to recourse on issues of quality and tenure security:

**“The Renting Home Wales Act has given us, as an organisation, more tools for some of our casework... having the ability to challenge on conditions, on fitness for human habitation, eviction grounds and things like that, that’s been really positive. Six-month notices give more time to enable us to work with clients.”**

(Voluntary sector key informant)

The widening gap between the supply and demand for private lets, which has driven up rents, has been shaped by constraints on house purchase and continued growth in household numbers. In the year to January 2024, the average Welsh private rent increased by over 9% compared to an average of 2%

Figure 2.10: Private rent prices and rental inflation in England and Wales, January 2017 to January 2024



Source: ONS (2024) Price Index of Private Rents (nominal), accessed June 2024

uplift in each of the five years to 2021 (see figure 2.10). While private rental inflation in Wales appeared to have slowed in 2024 in response to weaker demand,<sup>113</sup> rents remain a big stretch for many. In 2021/22, private renters in Wales on lower quartile incomes could expect to spend 32% of their gross household income, including any benefit income, on a lower quartile rent, rising to 38% for a median private rent (see figure 2.11).<sup>114</sup>

At the end of October 2024, the Welsh Government issued a White Paper<sup>115</sup> outlining plans to develop legislation in the next Senedd

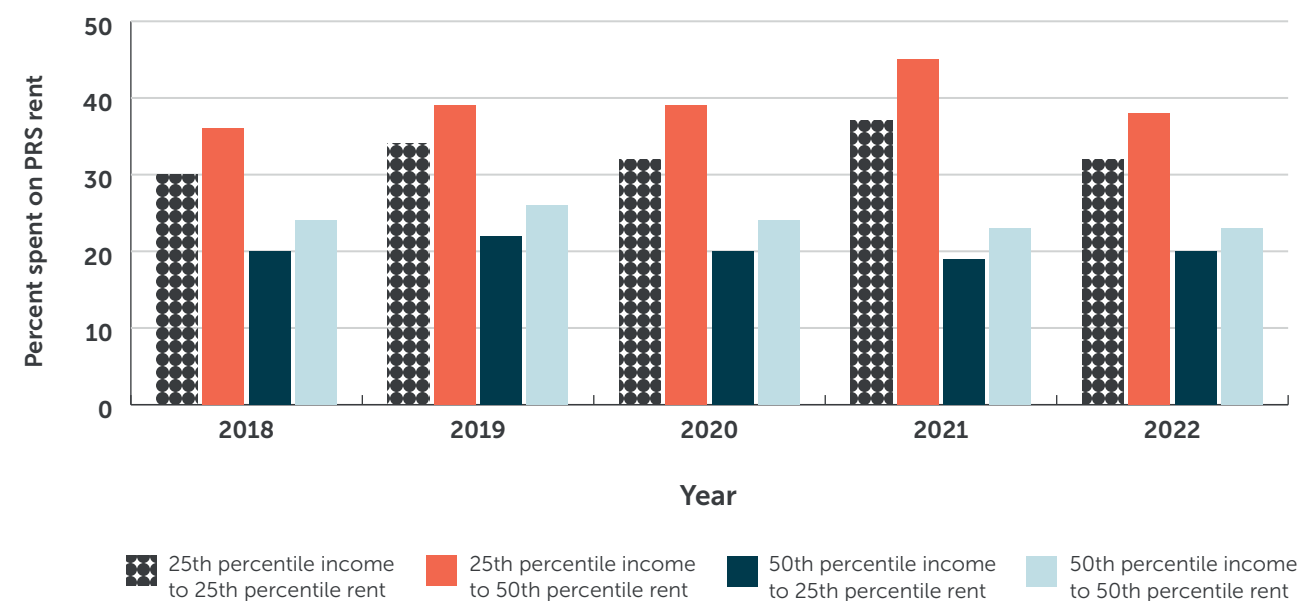
term to require Welsh Ministers to produce a housing strategy and to regularly report on progress towards achieving housing adequacy. The rest of the White Paper focused on improving the affordability, accessibility and habitability of private lets, including proposals to enable tenants to challenge rent increases and to keep pets and to enable local authorities to act as a guarantor for homeless and other vulnerable households struggling to secure a private let. Another proposal is to explore the potential to refund the Land Transaction Tax uplift applied to the purchase of additional properties to private landlords

113 Donnell, R. (2024) *Rental Market Report: March 2024*. London: Zoopla: <https://www.zoopla.co.uk/discover/property-news/rental-market-report/>

114 More recent ONS analysis only reports median rent to median income ratios and the underlying data is not directly comparable with those reported in Figure 2.11

115 Welsh Government (2024) *White Paper On Securing A Path Towards Adequate Housing, Including Fair Rents And Affordability*, Cardiff: Welsh Government, <https://www.gov.wales/white-paper-securing-path-towards-adequate-housing-including-fair-rents-and-affordability>

**Figure 2.11: Monthly private rent as a proportion of gross household income of private renters in Wales**



Source: ONS (2024) Private rental affordability, England, Wales, and Northern Ireland  
 Notes: ONS apply a grossing factor weight to adjust for potential bias in FRS responses to create regionally weighted gross household incomes for private renters. ONS use rents derived from the PRS index.

that have joined a private leasing scheme and lease their property at below LHA rates. The paper also included proposals to improve private rental data, one of which would require all registered landlords to provide Rent Smart Wales with annual data on rent levels and potentially a self-certified Annual Property Condition Record.

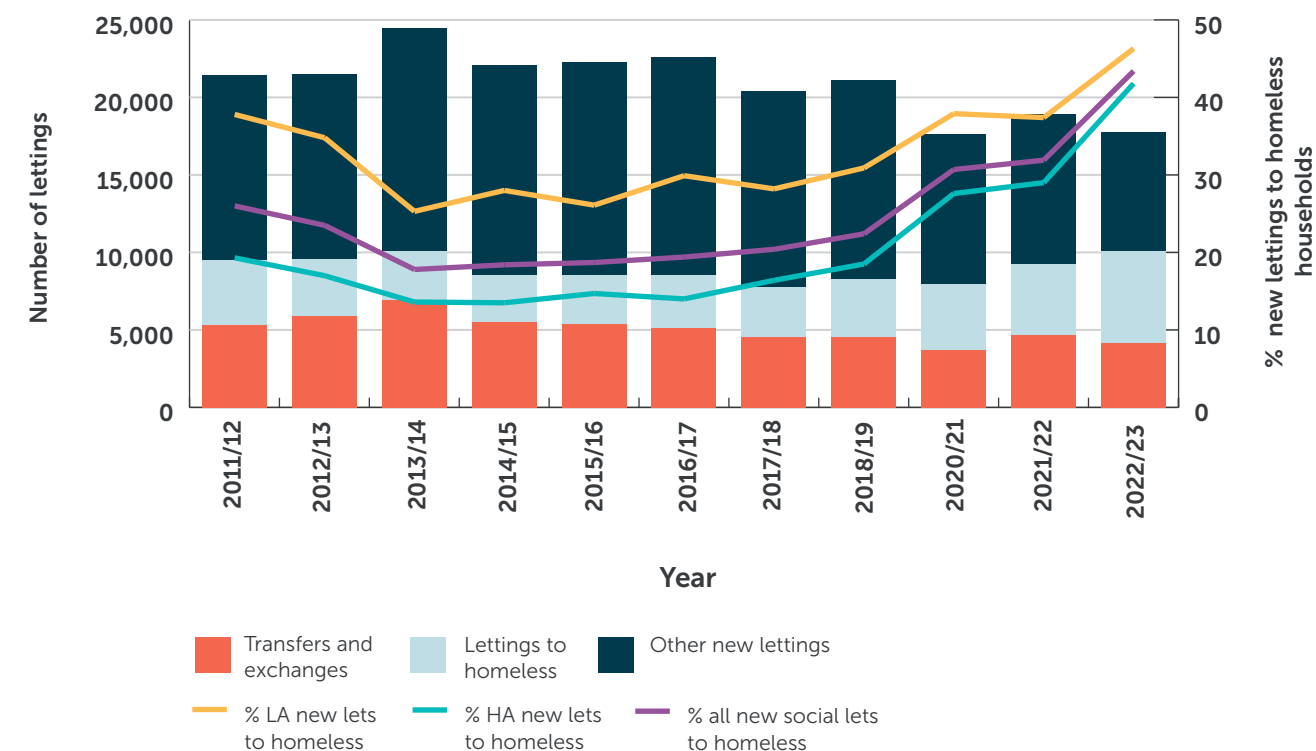
Similar themes were echoed in the Senedd's Local Government and Housing Committee's Private Rented Homes Review published earlier in the same month.<sup>116</sup> However the Committee called for a review of 'no-fault' evictions as well as rent regulation, whereas the White Paper ruled out rent control, citing the risk of reductions in supply.

### The social rented sector

Since the Right to Buy ended in 2019, the social rented stock has slowly expanded. In March 2022, there were around 237,395 social rented homes, 8,000 more than in March 2019. Housing associations own or manage around 63% of the 225,432 of social rented homes covered by the Welsh Government Social Rent Policy.<sup>117</sup>

Social landlords allocated 17,762 homes in 2022/23, the latest year for which data is available. As figure 2.12 illustrates, the annual flow of lettings has gradually declined since 2013/14, albeit the rate of decline has been much less pronounced than in England and, to a lesser extent, Scotland.

**Figure 2.12: Lettings to social tenants and percent new letting to homeless households, 2011/12 to 2022/23**



Sources: Welsh Government (still waiting response to questions)  
 Notes: 1. Lettings refer to lets of general and sheltered units covered by the Welsh Government Social Rent Policy and exclude supported and temporary lets. New lettings exclude transfers and mutual exchanges. 2. Due to the pandemic, no data on social housing lettings in Wales for 2019-20 was collected. 3. Lettings to homeless households prior to 2015/16 are not directly comparable due to change in legislative duties and are provided for context only.

Around 13,626 of all lets (77%) in 2022/23 were new lettings, comprised of 7,709 lets to new tenants and 5,917 lets to homeless households. Since 2015/16, when new homeless prevention and relief duties were introduced, the proportion of new lettings to homeless households has increased from 19% to 43%, though some of this increase appears to be due to the inclusion of households assisted under S73 and not just S75 of the 2014 Act in allocations data since at least 2018/19. Even so, Welsh social landlords now appear to allocate a much higher proportion of new lettings to homeless households than their English peers (30%), though still less than their Scottish peers (52%). It is, however, hard to be definitive due to differences in the definition of new lettings and the homelessness legislative context across GB. Several key informants also continue to cast doubt on the quality and scope of allocations data in Wales.

Welsh local authorities continued to allocate a higher share of their new lettings to homeless households (46%) in 2022/23 than housing associations (42%), but this gap has narrowed considerably. In 2018/19, the proportions were 31% and 19%, respectively. Nonetheless, there continues to be a great deal of variation in the proportion of new lettings to homeless households across Wales, reflecting (at least in part) differences in culture and orientation discussed further in chapter 3, section 3.6). In 2022/23, the rate of all new social lettings to homeless households ranged from 19% to 74% at local authority area level. A similar pattern was found in terms of housing association lettings at local authority level (21-74%) and the local authority sector (9-82%). The stark variation is indicative of the fact that the proportion of social lettings to homeless households in five local authority areas has changed little, if at all, since 2018/19

116 Welsh Parliament Local Government and Housing Committee (2024) *Private Rented Sector October 2024*, Cardiff: Senedd Commission, <https://senedd.wales/media/pwxnkeay/cr-ld16755-e.pdf>

117 Welsh Government (2023) *Social housing vacancies, lettings and arrears: April 2021 to March 2022*. Cardiff: Welsh Government. <https://www.gov.wales/social-housing-vacancies-lettings-and-arrears-april-2021-march-2022>



whilst in other areas the rate has increased considerably.

Likely reflecting this geographic variation, LA survey respondent views on social housing allocations to homeless households were quite mixed (see table 2.1). Overall, they tended somewhat towards the view that the level of local authority allocations to homeless households is making it difficult to accommodate others in housing need, with seven of 12 respondents for whom this question was relevant agreeing with a statement to that effect (four strongly so, see table 2.1). Only one of 16 respondents was of the view that LA housing allocations to homeless households were not high enough. LAs who explaining their responses emphasised that the main barrier to accommodating homeless households is not allocations policy or practice, but the availability of suitable homes, especially of an appropriate size:

**“A higher percentage of allocations goes to homelessness. The issue is lack of available accommodation to meet the need”**

(LA, South Wales).

**“The challenge is not down to policy or willingness of housing partners to house homeless households, but as referenced in previous answers, we do not have the right type of homes to match the profile of homelessness.”**

(LA, North East Wales)

Half (8 of 16) responding LAs were of the view that the level of housing association

allocations to homeless households were making it difficult to accommodate others in housing need (only 3 disagreed). LAs were divided, however, on whether housing association allocations to homeless households are high enough. Six (of 16) LAs were of the view that levels are not high enough, five disagreed and four were neutral. Again, this is likely to reflect that the contribution of housing associations varies significantly, and indeed, some LAs pointed out that common housing register arrangements in their area meant that there was no difference between local authority and housing association practice in this respect. Others emphasised the overall lack of social housing or appropriate stock (especially one bedroom and large family homes) and the trade-offs around higher allocations to homeless households:

**“The problem is there isn’t enough social housing. The direct lets approach provides some movement for homeless households but it’s robbing Peter to pay Paul... The unintended consequence of direct lets is that homelessness becomes a route to social housing.”**

(LA, North East Wales)

**“Applicants in housing need (not homeless) are waiting longer for allocations resulting in their circumstances deteriorating.”**

(LA, South Wales)

The Wales Expert Review Panel (discussed further in chapter 3) identified that allocation policies and practice, including nomination

**Table 2.1: LA views on social housing allocations to homeless households (no. of LAs)**

	Strongly Agree	Agree	Neither agree not disagree	Disagree	Strongly Disagree	N/A	Don't know
The level of LA housing allocations to homeless households is making it difficult to house others in housing need in my area	4	3	2	3	0	4	0
The level of LA housing allocations to homeless households in my area is not high enough	0	1	2	7	2	4	0
The level of housing association allocations to homeless households is making it difficult to house others in housing need in my area	4	4	5	3	0	0	0
The level of housing association allocations to homeless households is not high enough	2	4	4	4	1	0	1

arrangements, do not always support efforts to house homeless households.<sup>118</sup> According to research commissioned by the Welsh Government, challenges often arise because of variations in landlord emphasis on the flexibility needed to weigh up matters like community and tenancy sustainment, differing interpretations of ‘unacceptable behaviour’ and under-supply of housing support.<sup>119</sup>

Key informants recognised a range of challenges around allocations, including an overall lack of stock; a mismatch between the profile of stock and housing need; the importance of finding people the right home, in the right place, with the right support; and the costs of high allocations to homeless households to other groups. However, there was a consensus that the level of allocations to homeless households varies substantially

and is “*remarkably low*” (Statutory sector key informant) in some areas, with the most important driver of this variation seen to be inconsistent housing association practice including “*cherry-picking*” (Statutory sector key informant) (see chapter 3):

**“it’s very inconsistent... some social landlords play a huge part... go... above and beyond... often do supported housing, floating support, make properties available for Housing First. Then there are others who maybe don’t do that stuff... and**

118 Expert Review Panel (2023) *Ending Homelessness In Wales: A Legislative Review*. London: Crisis. <https://www.crisis.org.uk/media/uqgbuwpp/ending-homelessness-in-wales-a-legislative-review.pdf>

119 Woolley, B. (2023) *Allocations: Understanding more, in the context of homelessness in Wales*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/consultations/2023-10/allocations-understanding-more-context-homelessness.pdf>

**take lower allocations from homelessness.”**

(Voluntary sector key informant)

**“there are lots of good examples where councils are happy with the engagement that they get with RSLs [Registered Social Landlord] and the allocations that result from those, but equally, there are still some relationships which are not as fruitful and positive.”**

(Statutory sector key informant)

In the context of current levels of homelessness and temporary accommodation use (see chapter 4) a levelling up and overall increase in the prioritisation given to homeless households in allocations was seen to be justified, alongside attention to the provision of appropriate support and the impacts on other groups:

**“we have to ensure the allocation system is focused on the most vulnerable and the most in need at the moment: that’s a practical reality. If that means more homeless households, we know that is possible... we just need to think about support services”**

(Voluntary sector key informant)

**“Sometimes all that needs is, like we did in COVID, a short period of time where you really just prioritise this population.”**

(Academic sector key informant)

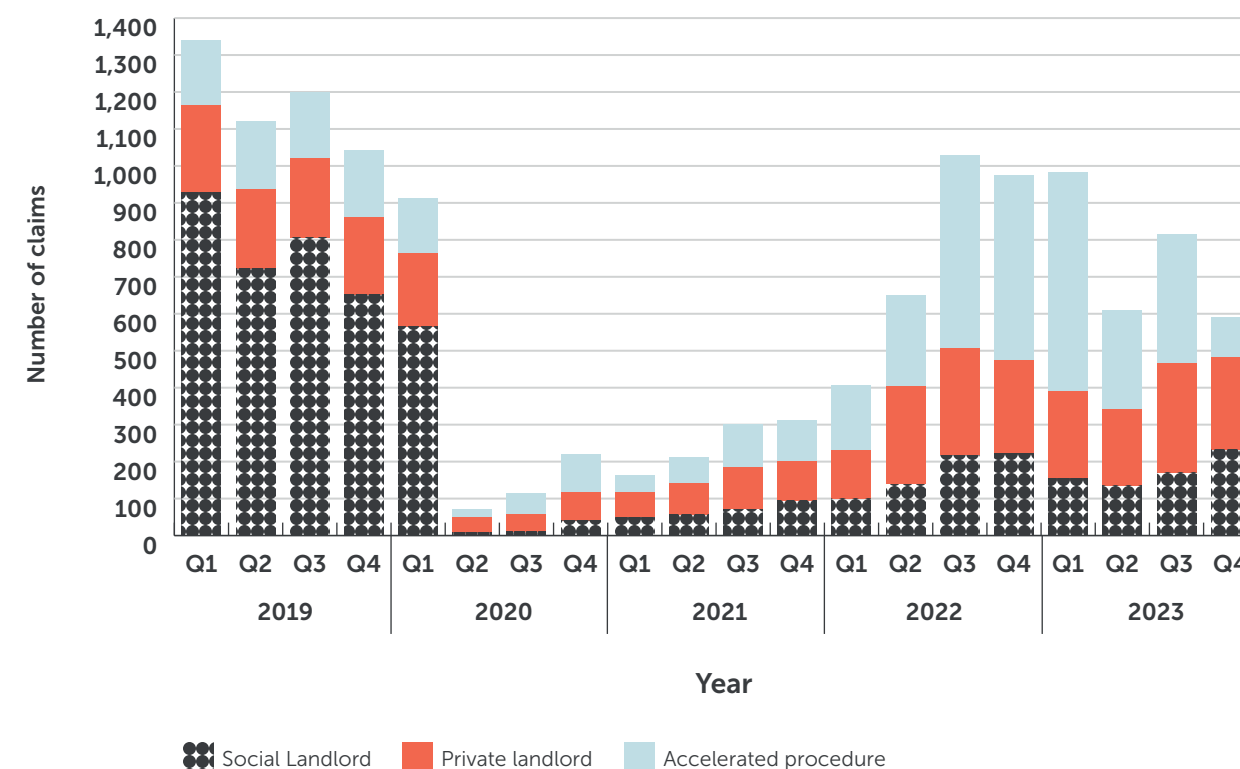
**“it’s absolutely right to focus for the time being on households who are homeless. They are in the more dire need... at the same time... we need to keep an eye on those groups that might have previously got into social... but won’t because the priority is given to a much greater extent to homeless people.”**

(Voluntary sector key informant)

The ‘White Paper on Ending Homelessness in Wales’ contained proposals to address these challenges and ensure social housing is let to those in most need and is discussed further in chapter 3.<sup>120</sup>

The Welsh Government’s social rent and service charge standard 2020-25 set annual uplifts at CPI plus 1% per annum,<sup>121</sup> but the onset of the cost of living crisis saw this standard suspended. Rent increases were capped at 6.5% in 2023/24 and 6.7% in 2024/25 in return for social landlord committing not to evict anyone for financial hardship during this period. The standard will be re-introduced for 2025/26, so long as inflation remains below 3% in September

Figure 2.13: Landlord quarterly possession claims for Wales, Q1 2019 to Q4 2023



Source: Ministry of Justice, Mortgage and Landlord Possession Statistics Quarterly (Issued Feb 2024). Note: Figures for Q4 2023 are provisional

2024.<sup>122</sup> Housing associations are now seeking a multi-year rent standard from 2026/27 that will provide adequate income to allow investment in new and existing homes whilst balancing affordability for tenants.<sup>123</sup> But others have cautioned that rent rises are already undermining social landlords’ role in protecting people from poverty and destitution.<sup>124</sup>

### Evictions and repossessions

Emergency measures prevented most evictions during the first months of the pandemic, with landlord possession claims plunging from 1,120 in Q2 2019 to just 71

in Q2 2020 (see figure 2.13). Subsequent emergency measures then ensured most tenants were entitled to six months’ notice before their landlord could begin court action. When these measures ended on 24 March 2022, landlord possession claims rose sharply, driven by a spike in ‘accelerated procedure’ claims. The accelerated procedure claims are generally Section 173 or ‘no fault’ evictions that allow a landlord to reclaim possession without giving a reason. In the nine months to December 2022, a total of 1,269 out of the 2,654 claims (48%) were ‘accelerated procedure’ compared to just 544 out of 3,363 claims (16%) in the nine months to December 2019.

120 Welsh Government (2023) *Cabinet paper: Ending homelessness in Wales White Paper- Cabinet paper CAB(23-24)06*. Cardiff: Welsh Government. <https://www.gov.wales/cabinet-paper-ending-homelessness-in-wales-white-paper>

121 Welsh Government (2020) *Welsh Government Rent And Service Charge Standard, 2020-2025*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-01/rent-and-service-charge-standard-2020-2025.pdf>

122 James, J (2024) *Written Statement: Affordability at the centre of social rent policy*. Welsh Parliament. <https://www.gov.wales/written-statement-affordability-centre-social-rent-policy>

123 Bevan Foundation (2023) *Wales’ social rent setting policy is not fit for purpose (comment)*, <https://www.bevanfoundation.org/views/wales-social-rent-setting-policy-is-not-fit-for-purpose/>

124 Evans, S. (2023) *Increasing Social Rents Cannot Be The Housing Sector’s Answer To Rising Inflation – blog*, Bevan Foundation, <https://www.bevanfoundation.org/views/increasing-rents-not-answer/>

Measures preventing landlords from serving a possession notice within the first six months of a 'new' occupation contract and increasing the 'no fault' notice period from two to six months came into force in December 2022. This effectively prevented landlords from filing an accelerated procedure claim with the courts during the first year of a tenancy. Not surprisingly, therefore, 'accelerated procedure' claims in 2023 fell from 524 in Q1 to 108 in Q4. By way of comparison, the number of 'standard' possession claims made by social and private landlords, typically for rent arrears, anti-social behaviour (ASB) or breach of tenancy conditions, in Q4 of 2023 were virtually unchanged from Q4 of 2022.

Overall, the data suggests that RHA may have reduced the use of 'no fault' claims evictions in the short term. However, the number of notices issued without proceeding to court is not known and there is no certainty that the recent downward trend in accelerated procedure claims will continue into the medium term.

While mortgage arrears increased in 2023, less than 1% of UK mortgage holders are in arrears.<sup>125</sup> Lender actions continued to minimise repossessions and easier access to Support for Mortgage Interest Loans from April 2023, meaning repossessions remained low, with just 967 possession claims and 167 bailiff enforced re-possession in Wales in 2023. The Welsh Government has also recently established 'Help to Stay' which offers a shared equity loan to homeowners struggling to pay their mortgage and have an income of under £67,000.<sup>126</sup> Mortgage repossessions are therefore unlikely to drive up homeless presentations in the near future.

125 UK Finance – Welsh figures not available

126 Welsh Government (2024) *Get Help Paying Your Mortgage With A Help To Stay Shared Equity Loan*, Cardiff: Welsh Government <https://www.gov.wales/get-help-paying-your-mortgage-help-stay-shared-equity-loan>

## 3. Homelessness policy

### Key points

The focus of homelessness policy in Wales on strengthening prevention, rapid rehousing and removing barriers to housing and support was widely endorsed by sector stakeholders. Alongside resource pressures, barriers to its implementation include poor data infrastructure and a culture in LAs that is at odds with the strategic direction. Some also highlighted that political leadership at the very highest levels (i.e. First Minister) would aid buy-in and effective implementation.

The extension of the priority need categories to include people who are street homeless, cementing changes introduced during the pandemic, was recognised to have improved responses to rough sleeping and strongly endorsed by most sector stakeholders as 'the right thing to do'. By bringing those previously excluded within the statutory safety net, the change has exacerbated housing pressures for LAs and required a focus on crisis responses and temporary accommodation management. Some LA representatives are concerned that the shift has undermined people's personal responsibility to resolve their own housing needs and enabled exploitation of the legal safety net. However, it is unclear why these concerns only apply to groups newly entitled to support.

LA survey respondents reported that well-developed Rehousing Transition Plans are in place in the majority of LAs and have begun to positively impact responses to homelessness in many areas, including via increased access to settled housing, improvements in partnership working and changes in the profile of TA used. Barriers to progressing RRTPs include lack of access to suitable (especially one-bed) accommodation, a lack of buy in to the agenda on the part of LAs and wider partners, and acute service pressures and limited resources.

The Homelessness Support Grant saw an uplift of £13 million in 2024/25 after a three-year freeze, intended to be used to increase workforce pay. According to most LAs this will enable homelessness services to be maintained at current levels, but will not enable enhancements in service provision despite acute service pressures. A majority of LAs report challenges recruiting and retaining staff with the required skills within LA homelessness services and commissioned services, driven by high workloads, low remuneration and a lack of recognition of the contribution of the workforce.

The overall package of proposals in the White Paper on Ending Homelessness in Wales garnered widespread support from LAs and key informants. Elements of the proposals that were particularly welcomed include the introduction of new duties to prevent homelessness on wider public bodies and the extension of the LA prevention duty to six months. Proposals to remove the intentionality test and soften local connection rules were welcomed by key informants but controversial among LAs, who perceived that these changes would increase demand and diminish personal responsibility. Funding, more access to suitable housing, appropriately phasing implementation, securing buy-in from wider public services and creating culture change within local authorities were identified as the required enablers of implementation.

### 3.1 Introduction

This chapter considers recent policy changes and proposals to respond to homelessness in Wales. Section 3.2 reviews the focus and governance of current homelessness strategy in Wales as well as the data infrastructure underpinning it. The following sections zero in on particular elements of this policy agenda, their implementation to date and reception



among key sector stakeholders and LAs (at point of fieldwork, i.e. spring/summer 2024), these being: the extension of the priority need criterion (Section 3.3), the rapid rehousing agenda (3.4), housing first (3.5) partnerships (3.6) and funding and the workforce (3.7). Section 3.8 provides an overview of the proposals for reform in the White Paper on Ending Homelessness in Wales, published in 2023, and an examination of these proposals from the perspective of key sector stakeholders and LAs.

### 3.2 The Ending Homelessness in Wales Action Plan

Respective Welsh Governments have sustained a high-level political commitment to improving responses to homelessness. A key step was the introduction of the world-leading Housing (Wales) Act 2014, which introduced statutory duties on Local Authorities to prevent homelessness for the first time in the UK. Subsequent actions have sought to further improve responses, including the convening of the Homelessness Action Group to make recommendations on how to 'end homelessness in Wales' and actions taken in response to the COVID-19 pandemic.<sup>127</sup> The final recommendations of the Homelessness Action Group, which were informed by lessons learned during the pandemic, were taken forward by the newly elected Welsh Government in 2021, which committed to reforming homelessness legislation to strengthen preventative approaches and introducing a renewed focus on rapid rehousing.<sup>128</sup>

These commitments were taken forward in the 2021-26 Ending Homelessness in Wales Action Plan, a refreshed version of a 2019 strategy, which sought to identify means to ensure that homelessness is 'rare, brief and unrepeated' with high level actions organised under three themes – transforming the homelessness system, prevention and overarching support actions.<sup>129</sup> In March 2022, the then Minister for Climate Change (with responsibility for housing), Julie James invited Crisis to convene an Expert Review Panel (ERP) to conduct a comprehensive review of legislation relating to homelessness,<sup>130</sup> "rooted in the principles of early prevention, No One Left Out, and rapid rehousing".<sup>131</sup>

Key informants strongly endorsed the "clear policy direction" (key informant, statutory sector) taken in Wales, describing the current strategy as "the right vision... the right framing" (Voluntary sector key informant) and "progressive... trauma-informed and people-focussed" (Voluntary sector key informant). The "hugely ambitious" (Statutory sector key informant) nature of the Action Plan was also praised: "I'm struck by... the breadth of ambition, which on an issue as urgent as this is really welcome" (Housing sector key informant).

Several stakeholders were of the view, however, that despite the former Minister, Julie James, having championed the cause, addressing homelessness had not yet been accepted as a "truly cross-governmental priority" (Voluntary sector key informant), with buy-in from across the public sector and at the highest political level:

**"we need a recognition from, probably, a First Minister level, that this is a cross-government challenge... [and to] draw out the interconnectivity between homelessness, health, education, employment, a little bit more clearly."**

(Voluntary sector key informant)

There was a strong concern that the level of ambition articulated in the Action Plan and associated documents is not matched by sufficient focus on the challenges of implementation and resources required:

**"no one could argue with Welsh Government ambition at the national level... but... it's not becoming a wholesale change everywhere because the resources aren't following through to enable it to happen."**

(Housing sector key informant)

A housing sector key informant expressed "real sympathy for delivery partners" given "the scale of expectation upon them" (Housing sector key informant), a perspective that LAs endorsed:

**"you're asking us to do too much in one go.... we've got to build, we've got to retrofit, we've got to try and increase the private rented sector. You're asking us to achieve very large changes within a sector with no real additional**

**support... and then you want us to end homelessness... We're not going to achieve all of that within the timeframes... with the market the way it is."**

(Statutory sector key informant)

An additional implementation challenge concerning the need for 'culture change' emerged strongly from key informant interviews. Though a welcome shift to "an ethos ... [of] prevention" (Academic sector key informant) was acknowledged, key informants identified that viewpoints on homelessness antithetical to Welsh Government's policy intentions remain embedded:

**"there probably is a culture.... that stems from managing a really finite resource... a view around who deserves help and who doesn't deserve help and what kind of behaviours merit help and what kind don't... Trigger[ing] the culture change that ends any sense of deserving versus undeserving within the homelessness field... is one of the opportunities here."**

(Statutory sector key informant)

An Ending Homelessness National Advisory Board (EHNAB) was established (formerly the Housing Support National Advisory Board) to "provide oversight and examine and provide advice on strategic issues" relating to the implementation to the Action Plan. In 2023 – mid-way through the Plan's implementation – the Board published a report assessing progress and making recommendations for priorities for the second half of the Plan's

127 Fitzpatrick, S., Pawson, H., Bramley, G., Young, G., Watts, B. & Wood, J. (2021) *The Homelessness Monitor: Wales 2021*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/wales/the-homelessness-monitor-wales-2021/>

128 Welsh Government (2021) *Programme for government: update*. Welsh Government. Online. <https://www.gov.wales/sites/default/files/publications/2022-01/programme-for-government-update-december-2021.pdf>

129 Welsh Government (2023) *Ending Homelessness Outcomes Framework Consultation*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/consultations/2023-06/ending-homelessness-outcomes-framework-consultation.pdf> P.6.

130 Welsh Government (2022) *Written Statement: Establishing an Expert Review Panel for homelessness legislation in Wales*. Welsh Government: Online. <https://www.gov.wales/written-statement-establishing-expert-review-panel-homelessness-legislation-wales>

131 Expert Review Panel (2023) *Ending Homelessness In Wales: A Legislative Review*. London: Crisis. <https://www.crisis.org.uk/media/uqgbuwpp/ending-homelessness-in-wales-a-legislative-review.pdf>. P.13.

lifespan.<sup>132</sup> A major emphasis was placed on bringing forward legislative change to transform the homelessness system informed by the recommendations of the ERP.

The EHNAB was seen by key informants as a useful and effective structure in helping drive forward the Plan. In particular, there was a view that in the board provides “some... constancy... a backstop... a kind of continuity about the narrative that might not otherwise be there” (Statutory sector key informant) during a period of rapid policy development. The task and finish group structure<sup>133</sup> that sits underneath the overall board was viewed to have given “really helpful... focus” (Voluntary sector key informant) in progressing delivery, with several key informants especially welcoming the focus on health and homelessness and the workforce.

The Action Plan also committed Welsh Government to the development of a new Outcomes Framework, led by an EHNAB task and finish group,<sup>134</sup> to pull together indicators relevant to understanding its progress.<sup>135</sup> A final version setting out high-level strategic outcomes and specific indicators was published in January 2024<sup>136</sup> followed by a baseline report against which future progress will be measured.<sup>137</sup> Alongside the new Framework, Welsh Government committed to reviewing existing data collection

arrangements, to ensure statutory and non-statutory agencies are collecting the data needed to measure progress against the new outcomes.<sup>138</sup>

Key informants welcomed the Framework as reflecting a broad understanding of homelessness and recognising the importance of early risk factors and prevention. The inclusion of workforce-related outcomes was also praised as recognising the dependence of the Plan on frontline staff. On the other hand, several raised concerns about the complexity of the framework and the volume of outcomes and indicators included. Capturing both sides of the debate, this key informant commented:

**“Positives are... [that the framework] recognises the diversity of homeless experiences... seeks to measure prevention activity... and isn’t just focused on point of crisis... The flipside of the coin to that is that perhaps you’re trying to measure an awful lot of stuff that**

**won’t all have necessarily a direct, tangible impact on homelessness.”**

(Academic sector key informant)

The disjuncture between the ambition of the Outcomes Framework and existing data infrastructure in Wales was highlighted by a number of key informants: “it really, once again, unearthed how poor the Welsh data is, to enable us to measure progress against some of these areas” (Academic sector key informant).

In line with existing commentary,<sup>139</sup> key gaps in the housing and homelessness data infrastructure were identified, including the lack of a Housing Survey equivalent to the English Housing Survey (which provides crucial data on the profile of households and dwellings and housing costs and affordability) and continued delays in bringing forward individual case-level data on the statutory homelessness system.<sup>140</sup>

**“[we can’t] look at movement between authorities... measure repeat homelessness in a useful and meaningful way.... look at outcomes on wider public domains through linking that data... even very basic things like**

**understanding the routes through which people came to become homeless, the immediate triggers.”**

(Academic sector key informant)

**“It’s just not seen as vital. It’s ridiculous... we can’t [say] the contribution the private-rented sector’s making to homelessness, just as one example, which is like a massive, simple question that we should be able to answer”**

(Statutory sector key informant)

Improving data on homelessness is, however, a key focus for Welsh Government.<sup>141</sup> Indeed, both the white paper on Ending homelessness and the more recently published white paper on the pathway to adequate housing, highlight ambitions for improved data.

132 Ending Homelessness National Advisory Board (2023) *Annual Report to Welsh Ministers 2022-23*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2023-08/ending-homelessness-national-advisory-board-annual-report-to-welsh-ministers-2022-2023.pdf>

133 There are five task and finish groups covering the following themes: the homeless workforce; the outcomes framework; rapid rehousing; health and homelessness; and equality, diversity and inclusion.

134 Ending Homelessness National Advisory Board (2023) *Annual Report to Welsh Ministers 2022-23*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2023-08/ending-homelessness-national-advisory-board-annual-report-to-welsh-ministers-2022-2023.pdf> P.19.

135 Homeless Action Group (2020) *The framework of policies, approaches and plans needed to end homelessness in Wales (What ending homelessness in Wales looks like): Report from the Homelessness Action Group for the Welsh Government*. Online: Welsh Government. [https://www.gov.wales/sites/default/files/publications/2020-03/homelessness-action-group-report-march-2020\\_0.pdf](https://www.gov.wales/sites/default/files/publications/2020-03/homelessness-action-group-report-march-2020_0.pdf) P.13.

136 Welsh Government (2024) *Ending Homelessness Outcomes Framework: Consultation summary of responses*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/consultations/2024-02/homelessness-summary-responses.pdf>; *Welsh Government (2024) Ending Homelessness Outcomes Framework*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-01/ending-homelessness-outcomes-framework.pdf>

137 Welsh Government (2024) *Ending Homelessness Outcomes Framework: Baseline Report*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-07/ending-homelessness-outcomes-framework-baseline-report.pdf>

138 Welsh Government (2021) *Ending Homelessness in Wales: A High Level Action Plan 2021-2026*. Online: Welsh Government. <https://www.gov.wales/ending-homelessness-wales-high-level-action-plan-2021-2026>. P.26.

139 Bibbings, J. (2024) *Everything we don’t know about housing in Wales*. Online: Senedd Research. <https://research.senedd.wales/research-articles/everything-we-don-t-know-about-housing-in-wales/>

140 5th July 2024 Decision Report: <https://www.gov.wales/decision-reports-2024>

141 See, for example: Welsh Government (2024) *Ending Homelessness Outcomes Framework: Baseline Report*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-07/ending-homelessness-outcomes-framework-baseline-report.pdf>; Welsh Government (2024) *White Paper On Securing A Path Towards Adequate Housing, Including Fair Rents And Affordability*, Cardiff: Welsh Government, <https://www.gov.wales/white-paper-securing-path-towards-adequate-housing-including-fair-rents-and-affordability>; Welsh Government (2023) *Consultation on the White Paper on Ending Homelessness in Wales*. Welsh Government: Online. [https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper\\_0\\_0.pdf](https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper_0_0.pdf);



### 3.3 The extension of priority need

Expanding the groups owed the 'main rehousing duty' under homelessness legislation via reforms to the priority need test has been on the Welsh policy agenda for some time, having been recommended by the Homelessness Action Group<sup>142</sup> and subject to an independent review published in 2020.<sup>143</sup> The independent review found a wide degree of support for abolishing the test altogether,<sup>144</sup> and this direction of travel was catalysed by the 'no-one left out' emergency response to the Covid-19 pandemic. Ministerial statements and guidance in Spring 2020 made clear that people sleeping rough were to be treated as 'vulnerable' and therefore in priority need during public health emergency.<sup>145</sup> As Wales emerged from the pandemic in November 2021, the then Minister committed to "no going back"<sup>146</sup> to previous ways of working on homelessness. At around the same time, our 2021 survey of Welsh LAs confirmed ongoing support for the abolition of the test, conditional on appropriate resourcing.<sup>147</sup>

In Summer 2022, Welsh Government consulted on the proposal to make the COVID-19 related temporary measures permanent, and subsequently amended the Housing (Wales) Act 2014 to treat people who are street homeless as in priority need,<sup>148</sup> a change which came into effect on 24th

October 2022 accompanied by statutory guidance.<sup>149</sup>

Key informants tended to be emphatic that this change had both been the right thing to do, as a matter of principle, and had positively impacted on those affected by the change:

**"The principle of should they be included? Of course they.... should."**

(Housing sector key informant)

**"[it] has had a really positive impact... working in the sector and talking to people on the streets, they always used to say, 'I'm not in priority need. I don't have any hope of getting temporary accommodation. So, what other choice do I have to sleep on the street...' Being able to say now, 'Well, actually there is a new priority need category**

**and you're entitled to this support', is a fantastic decision"**

(Voluntary sector key informant)

LAs too were clear that the COVID-induced shift and its subsequent codification had improved responses to rough sleeping:

**"this solidifies our Covid ways of working... [and] has enhanced our ability to effectively assist people sleeping rough – no change to how we deal with rough sleepers in comparison to the Covid period but significant change to prior to Covid."**

(LA, North East Wales)

**"Covid was the primary change to how we assertively supported rough sleepers. A homeless cell meeting was established which highlighted a positive approach to supporting rough sleepers together with the introduction of the health outreach team. We have continued with this multi-agency support forum and hold meetings on a fortnightly basis to identify those sleeping rough."**

(LA, South Wales)

The change also appears to have had positive impacts beyond those experiencing or at immediate risk of rough sleeping as some areas are "working [in a] near enough PN [priority need] blind" way (LA, North East Wales). While key informants were keen to emphasise that the priority need test is still deployed in some areas, the transition away from its use beyond just those sleeping rough is already underway:

**"Very few [LAs] use that test in the way they did pre-pandemic... The data doesn't suggest that they've gone back to priority need as a key tool. They remain committed to helping the people in front of them in the best way that they can... [but] the priority need test is used, and it is used by some local authorities more than others and that's a worry."**

(Statutory sector key informant)

The extension of priority need has led to a range of challenges. The balance of key informant opinion was that the move was so important as to require the navigation of these wider issues: "If that creates other challenges further down the line, the first point of principle [remains that] they should be included anyway" (Housing sector key informant). They were nevertheless clear that it has been challenging for LAs: "it's obviously increased the demand on services" (Statutory sector key informant).

LA survey respondents emphasised the very substantial pressure they perceived the widening of statutory duties to have added to services already under strain. All (14 of 14) agreed that 'This change has exacerbated housing pressures in our area', elaborating in their own words that the change had "led to huge increases in the costs of provision and

142 Homelessness Action Group (2020) *The Framework of Policies, Approaches and Plans Needed to End Homelessness in Wales (What ending homelessness in Wales looks like): Report from the Homelessness Action Group for the Welsh Government*. Online: Welsh Government. [https://gov.wales/sites/default/files/publications/2020-03/homelessness-action-group-report-march-2020\\_0.pdf](https://gov.wales/sites/default/files/publications/2020-03/homelessness-action-group-report-march-2020_0.pdf). p. 40.

143 Mackie, P., Gray, T., Hughes, C., Madoc-Jones, I., Moustari, V., Pawson, H., Spyropoulos, N., Stirling, T., Taylor, H. & Watts, B. (2020). *Review of Priority Need in Wales*. Cardiff: Welsh Government.

144 Mackie, P., Gray, T., Hughes, C., Madoc-Jones, I., Moustari, V., Pawson, H., Spyropoulos, N., Stirling, T., Taylor, H. & Watts, B. (2020). *Review of Priority Need in Wales*. Cardiff: Welsh Government. P.164.

145 Welsh Government (2020) *Guidance for Local Authorities in Supporting People Sleeping Rough – Covid-19 Outbreak*. Online: Welsh Government. [https://gov.wales/sites/default/files/publications/2020-04/guidance-for-local-authorities-in-supporting-people-sleeping-rough-covid-19\\_0.pdf](https://gov.wales/sites/default/files/publications/2020-04/guidance-for-local-authorities-in-supporting-people-sleeping-rough-covid-19_0.pdf)

146 Senedd Record of Proceedings. Statement by the Minister for Climate Change and Housing. 30th November 2021. <https://record.assembly.wales/Plenary/12499#A68724>

147 Fitzpatrick, S., Pawson, H., Bramley, G., Young, G., Watts, B. & Wood, J. (2021) *The Homelessness Monitor: Wales 2021*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/wales/the-homelessness-monitor-wales-2021/>

148 The Homelessness (Priority Need and Intentionality) (Wales) Regulations 2022, SI 2022/1069

149 Welsh Government (2022) Addendum – Homelessness (Priority Need and Intentionality) (Wales) Regulations 2022. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2022-10/code-of-guidance-addendum.pdf>



further stresses on housing capacity” (LA, Mid and West Wales), “increase[d]... the volume of people presenting, which results in less time with each customer” (LA, Mid and West Wales), “exacerbated and increased demand on a very overstretched service” (LA, South Wales), and “placed a higher demand on accessing affordable suitable permanent housing” (LA, Valleys).

LAs highlighted particular challenges arising in managing presentations from people with complex needs:

**“[it] has led to more and more repeat applications which means more assessments need to take place. These individuals tend to be very complex with very few other services wanting to assist with the pressures we are facing.”**

(LA, Mid and West Wales)

**“This has shifted our focus from meaningful prevention work and intensive support for our most complex cases to day-to-day management of B&Bs.”**

(LA, North East Wales)

**“We’re getting a lot of repeat presentations where there has been a failure in temporary accommodation numerous times.”**

(Statutory sector key informant)

A number of local authorities also cast doubt on the legitimacy of need among some of those assisted via the extension of the priority need test and questioning their prioritisation for accommodation, reporting that they are “unable to verify” claims that people are street homeless (LA, Valleys) and highlighting that the legislation “has put the burden on the local authority to disprove that someone is sleeping rough... [so] the bar for offering interim accommodation is very low” (LA, North East Wales):

**“Pre-covid we had 11 rough sleepers in [name of authority]... We now have almost 200 single applicants sitting in B&B with no realistic options for move on. I know that we would not have 200 rough sleepers if the duty ended tomorrow as the majority would have alternative (though unstable) accommodation.”**

(LA, North East Wales)

**“70% of those in B&B/ Hotels currently would not previously [have] been placed however less than 5% had actually slept rough.”**

(LA, South Wales)

LA Respondents across Wales felt the change had introduced a perverse behavioural incentive for the single people benefiting from these expanded entitlements, undermining their sense of responsibility to resolve their own housing need or encouraging them to ‘game the system’:

**“applicants [are] exploiting the criteria... We have had a lot of cases where someone has falsely claimed to be ‘street homeless’, when investigating this its proven not the be the case.”**

(LA, South Wales)

**“we are seeing more people claiming to be sleeping rough, where there is no reason to believe they may be PN for this reason and are more likely to be sofa surfing or living with relatives. This appears to be seen as the easiest way to gain social housing more quickly.”**

(LA, Valleys)

**“People are... not as proactive in sourcing accommodation as they have Temporary Accommodation as an option.”**

(LA, Mid and West Wales)

It is important to note, as several LA respondents emphasised, that Welsh Government was clear in its guidance that “there is no need for an applicant to evidence that they are or have been sleeping rough, just whether they are ‘street homeless’ at the precise time that they present” with street homelessness defined as not having a legal entitlement or express or implied licence to occupy accommodation,<sup>150</sup> indicating that the intention was to draw this additional priority category more broadly than some LAs seeking to verify claims of rough sleeping appear to be doing (see chapter 4). It is not clear why these concerns apply only to those newly entitled to support.

### 3.4 Rapid rehousing

The 2021 Action Plan included a commitment that all local authorities would draft 5-year Rapid Rehousing Transition Plans (RRTP) by June 2022 and have final plans in place by September that same year.<sup>151</sup> Rapid rehousing approaches focus on accommodating those facing homelessness into settled housing as quickly as possible, providing them with the support they need to sustain that housing. A key aim of the approach is to avoid long, damaging and expensive stays in temporary accommodation. Guidance on how to develop RRTPs<sup>152</sup> – drawing on experiences in Scotland, where RRTPs were introduced in 2018<sup>153</sup> – was developed, and LAs permitted to use up to 2% and no more than £100,000 of their Housing Support Grant (HSG) allocation to fund these efforts from 2021-24.

150 Welsh Government (2022) *Addendum – Homelessness (Priority Need and Intentionality) (Wales) Regulations 2022*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2022-10/code-of-guidance-addendum.pdf>

151 Welsh Government (2021) *Ending Homelessness in Wales: A High Level Action Plan 2021-2026*. Online: Welsh Government. <https://www.gov.wales/ending-homelessness-wales-high-level-action-plan-2021-2026>. P.12.

152 Welsh Government (2021) *Rapid Rehousing Transition Plans: Guidance for Local Authorities and Partners Developing a Rapid Rehousing Transition Plan 2022 to 2027*. Cardiff: Welsh Government. <https://www.gov.wales/rapid-rehousing-transition-plans-guidance-local-authorities-and-partners>

153 Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H., McMordie, L & Young, G. (2024) *The Homelessness Monitor: Scotland 2021*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2024/>

By Summer 2023, 4 out of 22 local authorities were still yet to submit a first draft of their RRTP to Welsh Government and the EHNAB called for “urgent action”<sup>154</sup> to address barriers and support progress. A Rapid Rehousing Task and Finish Group was established by the EHNAB to support implementation and in August 2023 the Group identified key barriers to progress, including: housing supply challenges, a lack of clarity about how progress would be monitored, and a lack of awareness and knowledge about rapid rehousing in local government and among partners.<sup>155</sup>

Of the 16 LAs who responded to our survey, 13 considered themselves to have a ‘well developed’ RRTP in place, with 3 considering their Plans still ‘in development’. Revealingly, one LA whose RRTP is still in development explained that this work had been “*paused due to the acceleration of placements into hotels*” and the need to “*prioritise move-on*” (LA, South Wales). Another highlighted “*limited capacity within Housing Strategy activities*” as causing a delay (LA, North East Wales).

That RRTPs remaining ‘in development’ two years into the transition period is perhaps disappointing, and indeed several KIs made the point that RRTPs were still very much “*works in progress*” (Statutory sector key informant), or more damning, “*definitely stalled*” (Voluntary sector key informant). Indeed, five LA survey respondents reported that RRTPs had had no impact yet, but is noteworthy that a majority (10) reported that their RRTP has already enhanced responses to homelessness in their area.

For some, this progress had been about taking “*small step[s]... [to] build the foundations*” for the longer term implementation of the plan (LA, North East Wales). Several others described RRTPs as having brought “*real focus*” (LA, North East Wales) to the issue of homelessness within the LA including at

senior levels, including by “*highlight[ing] that if we don’t put in place the solutions, the cost to the authority could be massive*” (LA, Mid and West Wales). But in around half of LAs, tangible changes had been made. Two LAs were clear that the RRTP had prompted increased access to settled housing for those in TA, either via changes to allocations policies and/or via increased use of the PRS:

**“Our Plan has enabled changes to be made to the Allocations policy which now permits banding changes based on persons who are homeless, increasing their chances of being housed faster.”**

(LA, Mid and West Wales)

**“It has had some impact [via] increas[ed] accesses to PRS through our [name of scheme, and we’re]... undertaking review of Common Housing Register.”**

(LA, Valleys)

Several LAs also mentioned improvements in partnership working, either within or beyond the LA:

**“It has brought some departments together to work on long-term solutions.”**

(LA, Mid and West Wales)

**“[Our RRTP has enabled us to] work closer with Environmental Health and private property owners to bring empty properties back into use.”**

(LA, Valleys)

Three LAs explained that their RRTP had prompted changes in the profile of TA used, a perhaps counterintuitive finding given the emphasis on bypassing and minimising TA use that is central to the rapid rehousing agenda. Specific impacts included investment in specialist supported accommodation, as well as in larger self-contained TA properties, including via the Transitional Accommodation Capital Funding Programme introduced in 2022/23 to increase the supply of “*good quality longer term accommodation*” for those in TA.<sup>156</sup>

**“we have increased the number of self-contained properties we have which we use as temporary accommodation in order to try and work towards the ethos of rapid re-housing.”**

(LA, Mid and West Wales)

**“development of wet house style supported accommodation, reconfiguration of**

**refuge accommodation, development of dual diagnosis supported accommodation to meet the needs of those with more complex needs.”**

(LA, Valleys)

LAs highlighted a range of barriers inhibiting progress on RRTP development and implementation, with three particularly prominent. First, and most strongly emphasised, were challenges around the supply and availability of suitable and affordable accommodation, and in particular one bed-accommodation:

**“there simply isn’t enough affordable housing to accommodate people, therefore they are spending too long in temporary accommodation or they have to take a property that may not be the best solution for them.”**

(LA, South Wales)

**“the cohort of homelessness is 1 bed general needs housing heavy (approx. 75% of the homeless accommodation cohort) yet**

154 Ending Homelessness National Advisory Board (2023) *Annual Report to Welsh Ministers 2022-23*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2023-08/ending-homelessness-national-advisory-board-annual-report-to-welsh-ministers-2022-2023.pdf> P.6.

155 Ending Homelessness National Advisory Board (2023) *Annual Report to Welsh Ministers 2022-23*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2023-08/ending-homelessness-national-advisory-board-annual-report-to-welsh-ministers-2022-2023.pdf> P.9-10.

156 A total of £89m was made available for 2022-23, followed by a further £120m in 2023/24 in the form of grant funding to local authorities and RSLs. Letter from Julie James AS/MS, Minister for Climate Change to John Griffiths MS Chair Local Government and Housing Committee Welsh Parliament (2022) *Follow-up information after homelessness evidence session*. Online: Welsh Parliament. <https://business.senedd.wales/documents/s133492/Letter%20from%20the%20Minister%20for%20Climate%20Change%20-%2026%20January%202023.pdf>; Welsh Government (2024) Transitional Accommodation Capital Funding Programme Subsidy reference SC11036 - to encourage the provision of longer term accommodation for those in temporary accommodation and initial accommodation for resettlement. Online: Welsh Government. <https://www.gov.wales/transitional-accommodation-capital-funding-programme-subsidy-scheme-html#140733>



**the supply of 1 bed general needs social housing is only about 5% of the overall housing stock across our social housing providers.”**

(LA, North East Wales)

Second, LAs saw a lack of understanding and buy in from other relevant partners, including housing associations, as a key barrier:

**“every service and partner accepts that homelessness is bad. However there are so many challenges for public services... its clear RRTP is a priority for us but is not a priority for all services, as we are all working on radical change programmes, seeking efficiencies and improvements at a time of austerity and unprecedented demand.”**

(LA, North East Wales)

**“[there is a] lack of understanding of organisations/teams/ depts who do not think homelessness is their problem.”**

(LA, South Wales)

Third, the acute pressures LAs are under to respond to homelessness – the “sheer scale” of need as one LA put it (LA, Valleys) – combined with the limited resources at their disposal was seen as a barrier to progressing RRTPs. According to LAs these pressures either meant that transformational work had

been deprioritised, or that it had been pursued but at the cost of frontline services:

**“Services... are under immense strain... limited work on transformational change is possible as funding is increasingly focussed on the front line.”**

(LA, North East Wales)

**“It has... taken a large amount of resources purely for administration that could have been better spent on the prevention and relief of homelessness.”**

(LA, South Wales)

**“we had said to Welsh government, as local authorities... let us deal with the crisis first, then we’ll deal with rapid rehousing. We were told, no, you’ve got to get on with it. I think the timing of that probably wasn’t right... we were still dealing with the fallout of COVID.”**

(Statutory sector key informant)

Some key informants were of the view that despite these challenges, LAs were ‘bought in’ to the rapid rehousing agenda:

**“It’s a direction of travel that people are philosophically very comfortable with, but**

**the whole policy and delivery environment is just very challenging.”**

(Statutory sector key informant)

**“We are signed up to [the principles of Rapid Rehousing], I just don’t think that that’s going to happen rapidly. It will happen, but probably not in my working lifetime that it’ll be as rapid as they want it to be, but we are committed to it.”**

(Statutory sector key informant)

Others, however, questioned both LA understandings of rapid rehousing and their buy-in to it, highlighting that much of the content of RRTPs is reflective of pre-existing strategies rather than a “deeper understanding” (Voluntary sector key informant) of the fundamental reorientation that rapid rehousing requires, and emphasised the cultural and political barriers they see as inhibiting progress on RRTPs:

**“at local government level, the argument was never won in relation to a change in mindset on homelessness.... It is really striking how really microlevel the community-based kickback to things like rapid re-housing is. [There are] really old-fashioned and quite sticky practise[s] around seeing a deserving**

**and undeserving homeless population... [that are] going to be... hard... to shift... about waiting for people to need supported housing and then having as much of it as possible and having a funding stream that goes up every year to provide it. That stands directly in opposition to the Rapid Re-housing agenda.”**

(Voluntary sector key informant)

**“another issue... is about cultural awareness about what housing-led means, and I still come across really traditional mindsets about... this traditional staircase through the system.”**

(Statutory sector key informant)

Several informants thus endorsed calls made by the EHNAB to redouble<sup>157</sup> efforts to restate, educate and persuade local authorities, local political leaders and other partners about the rationale for a rapid rehousing approach, as well as practical guidance on exactly how to pursue it:

**“there is something... around educating the sector... chang[ing] people’s understanding of what’s possible... that we need to be a bit more focused on I think.”**

(Statutory sector key informant)

157 Ending Homelessness National Advisory Board (2023) *Annual Report to Welsh Ministers 2022-23*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2023-08/ending-homelessness-national-advisory-board-annual-report-to-welsh-ministers-2022-2023.pdf>



**“the ambition is absolutely right. It’s about the phasing and the practical delivery of the scale of reform in a system that is under extraordinary pressure... more time and attention would be welcome on what we are prioritising, and the practical steps that can help people with that process of turning the ship.”**

(Housing sector key informant)

### 3.5 Housing First

Housing First, an internationally recognised, housing-led response to homelessness among those with complex needs, has been a focus of Welsh homelessness policy since at least the 2019 Action Plan.<sup>158</sup> The 2021 Plan committed to continuing its expansion including via investment of £1.9m in 2021/22,<sup>159</sup> although Housing First is now funded – along with other homelessness-related services – via the HSG. The most recent data available shows that in 2022, Housing First projects operated in 17 LAs across Wales, with 332 people accommodated between 2018 and 2022<sup>160</sup> and 91% of

Housing First tenancies having been sustained 2018.<sup>161</sup> The 2024 Ending Homelessness Outcomes Framework includes key Housing First related indicators, though these cover only sustainment of Housing First tenancies and the numbers of those tenancies ending for particular reasons, not whether the level of Housing First is increasing and sufficient to meet demand.<sup>162</sup>

Almost all (14 of 16) LAs survey respondents reporting Housing First schemes operating in their area. One of the two who do not have such provision explained that this is “*due to lack of resources*” (LA, Mid and West Wales). In half (7 of 14) of LAs with Housing First, the level of provision was deemed insufficient to meet demand. Two barriers to scaling up Housing First provision were identified, most prominently a lack of access to suitable housing, and particularly one-bed properties:

**“Housing First can only work if suitable housing is available.”**

(LA, Valleys)

**“We have the support capacity to meet the needs of the Housing First cohort, but not the supply of housing... 1 bed need. As a result we are**

**Table 3.1: Partnerships that enhance local authorities’ ability to effectively prevent and/or alleviate homelessness**

	Yes – partnerships in place significantly enhance ability in this area	Yes – partnerships in place and somewhat enhance ability in this area	No – partnerships in place make little or no difference in this area	No – partnerships are weak/not in place	Don’t know
Health	3	9	2	2	
Social Services	3	11	1	1	
Criminal Justice	4	8	4		
Housing associations	8	6	1		
Schools and education services	1	4	5	4	2

Source: Authors’ survey

**offering intensive support to people... but not to the true fidelity of Housing First Principles as people are unsuitably housed.”**

(LA, North East Wales)

For another area, the challenge was not only about the overall availability of appropriate housing, but its location, and in particular the risks of creating Housing First tenancies “*in areas that are not addressing levels of ASB etc*” (LA, Valleys). The second barrier identified was sufficient support capacity:

**“[we need] additional staffing capacity to allow the required support.”**

(LA, North East Wales)

**“Whilst the project is badged as Housing First it is felt it is not operating to its**

**full potential. All support provision will be reviewed and re-tendered during 24/25 to ensure we have the best provision to meet our demands.”**

(LA, Mid and West Wales)

As these quotes demonstrate, challenges accessing stock and resourcing intensive support both jeopardised programme fidelity.

### 3.6 Partnerships

Given how central partnerships are to the RRTP agenda,<sup>163</sup> we used the LA survey as an opportunity to audit the strength of current partnerships with health, social services, criminal justice, housing associations and schools/education services, to better understand how they enhance responses to homelessness. The details are presented in table 3.1.

Partnership arrangements with housing associations appeared strongest with 8 LAs

158 Welsh Government (2021) *Rapid Rehousing Transition Plans: Guidance for Local Authorities and Partners Developing a Rapid Rehousing Transition Plan 2022 to 2027*. Cardiff: Welsh Government. <https://www.gov.wales/rapid-rehousing-transition-plans-guidance-local-authorities-and-partners>; Welsh Government (2021) *Ending Homelessness in Wales: A High Level Action Plan 2021-2026*. Online: Welsh Government. <https://www.gov.wales/ending-homelessness-wales-high-level-action-plan-2021-2026>; Welsh Government (2024) *Ending Homelessness Outcomes Framework*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-01/ending-homelessness-outcomes-framework.pdf>

159 Welsh Government (2021) *Ending Homelessness in Wales: A High Level Action Plan 2021-2026*. Online: Welsh Government. <https://www.gov.wales/ending-homelessness-wales-high-level-action-plan-2021-2026>. P.13.

160 Housing First Network Wales (2023) *Housing First Wales Tracker February 2018 – September 2022*. Online: Cymorth Cymru. <https://www.cymorthcymru.org.uk/wp-content/uploads/2023/10/HF-Wales-Tracker-Sep-2022.pdf>

161 Welsh Government (2024) *Ending Homelessness Outcomes Framework: Baseline Report*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-07/ending-homelessness-outcomes-framework-baseline-report.pdf>

162 Welsh Government (2024) *Ending Homelessness Outcomes Framework*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2024-01/ending-homelessness-outcomes-framework.pdf>

163 <https://www.gov.wales/rapid-rehousing-guidance-html#103823>

describing these as ‘significantly enhancing’ their ability to effectively prevent and/or alleviate homelessness and a further 6 saying they ‘somewhat enhance’ those abilities. LAs described “*excellent relationships*” (LA, North East Wales) with housing associations and “*work[ing] closely*” (LA, South Wales) through e.g., common housing registers. But a range of challenges were identified with respect to these relationships. Housing associations were reported to vary substantially in their willingness to accommodate particular groups, with some still wedded to “*principles of tenancy readiness*” (LA, North East Wales) and others more inclusive:

**“there are some social landlords that are taking lots of nominations, not asking too many questions, and not cherry-picking.”**

(Statutory sector key informant)

**“we’re really heavily reliant on our own stock rather than the main RSLs [Registered Social Landlords]... They still like to cherry pick, unfortunately, and that’s challenging... they’re not really keen to join in on Housing First either... you’ve got some quite old-school... RSL partners.”**

(Statutory sector key informant)

Key informants also recognised that housing associations “*need reassurance*” (Statutory sector key informant) around a range of concerns that can inhibit effective partnerships: “*They’re concerned about risk, about unmet support needs, about community cohesion, and all of those things*” (Voluntary sector key informant):

**“in order to support somebody to make a success of their home, often that requires a level of support... but... [housing associations] are saying... that often... that support... just isn’t there... they are having to manage people’s support needs in a way that they do not feel qualified for, [and] are concerned about the impact that is having on people... [it] is both unfair to that person and unfair to the wider community.”**

(Housing sector key informant)

A strong majority of LAs also identified partnerships with social services, criminal justice and health as in place, though in most instances these were described as only ‘somewhat enhancing’ homelessness responses.

The strength of relationships with criminal justice partners appears to vary substantially across Wales, with one LA describing their Prisoner Pathway as “*less than effective*” (LA, South Wales) and another describing their relationship with probation and the Ministry of Justice as “*excellent*” (LA, North East Wales). A significant challenge arises from relevant legislative powers being reserved to the UK Government, meaning that it can be difficult to translate Welsh Government ambitions to prevent homelessness among those leaving prison into practice:

**“there’s a lot of work that’s going on within Welsh Government policy looking at that resettlement... [and] they can legislate in**

**ending homelessness and accommodation but... Welsh Government don’t have the legislative levers to actually effect any change... We can write as good as policy as we want... around how we hope to accommodate people leaving prisons... but actually getting HMPPS to sign up to that and to do that, it’s very difficult.”**

(Criminal justice sector key informant)

Strengthening provision and partnerships in this area has been a focus in Welsh Government homelessness policy, with the 2021 Action Plan committing to developing and implementing a new strategy with HM Prison and Probation Service (HMPPS) and the Welsh Local Government Association, supported by £762,977 for the ‘accommodating those leaving prison programme.’<sup>164</sup> Proposals aimed at improving support to prison leavers at risk of homelessness are also included in the Ending Homelessness White Paper.<sup>165</sup> A key change in UK policy came in 2021 when HMPPS introduced a new Community Accommodation Service type of accommodation which offers temporary accommodation and support for prison leavers for up to 84 nights, called ‘Community Accommodation Service 3 (or CAS3) accommodation’. Key informants emphasised the uneven spread of CAS3 accommodation across Wales, and its complete absence in some areas, including those with high demand. As discussed in chapter 4, finding suitable accommodation for prison leavers is a major and growing concern for LAs.

In relation to partnerships with social services, LA respondents noted different experiences too. One reported “*close links*” (LA, South Wales) with both children and adult services, while others described positive work as “*dependent on key colleagues and not established processes*” (LA, North East Wales). Another described the onus squarely being “*on housing to sort out the issues rather than social services helping us prevent homelessness*” (LA, North East Wales).

Similarly on health, some LAs reported specific partnership arrangements, for instance on hospital discharge, that “*work extremely well*” (LA, South Wales), while others highlighted “*pockets of positive practice*” that rely on specific relationships, rather than embedded practice (LA, North East Wales). Two North East Wales LAs highlighted the acute challenges engaging with mental health services effectively:

**“Health, particularly mental health remains a very difficult area to get buy-in from the health board leaving complex cases to go to crisis and no early intervention to maintain mental health which leads to homelessness and leaves homeless staff alone to deal with complex situations.”**

(LA, North East Wales)

Partnerships appear to be substantially weaker with schools and education services, with over half of responding LAs (9 or 16) describing partnerships as weak, absent or making little difference. This is despite youth homelessness being a strong focus in Wales since at least 2018, when the then First Minister Carwyn

164 Welsh Government (2021) *Ending Homelessness in Wales: A High Level Action Plan 2021-2026*. Online: Welsh Government. <https://www.gov.wales/ending-homelessness-wales-high-level-action-plan-2021-2026>. P.21.

165 Welsh Government (2023) *Consultation on the White Paper on Ending Homelessness in Wales*. Online: Welsh Government. [https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper\\_0\\_0.pdf](https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper_0_0.pdf);



Jones made a commitment to end youth homelessness within ten years,<sup>166</sup> and a 2021 data linkage project showing a clear relationship between school absenteeism and homelessness.<sup>167</sup> The 2022 Youth Engagement and Progression Framework<sup>168</sup> explicitly makes the connection between young people's exclusion from education, employment and training and homelessness risk, and took forward efforts to adapt systems to identify early risk factors, including through £3.7 million funding per annum via the Youth Support Grant, which funds the posts for youth homelessness co-ordinators in each local authority. One LA respondent noted that they have some reach into schools via their co-ordinator, but that *"this service is a significant step removed from front line homelessness service delivery, and something we need to strengthen"* (LA, North East Wales).

A key development in this arena has been the development and piloting of Upstream Cymru by Llamau and Cardiff University.<sup>169</sup> Upstream draws on the positively evaluated Australian Geelong Project, which uses a universal screening survey to identify pupils at risk of homelessness and target them for support. It has been deployed across seven schools in

Wales to identify those at risk of disengaging from school, having low wellbeing and lacking support from a trusted adult, and is subject to an ongoing independent evaluation.<sup>170</sup> The White Paper on Ending Homelessness in Wales also includes proposals to place duties on education services to identify, act, refer and co-operate where students face (risks of) homelessness.<sup>171</sup>

### 3.7 Funding and the workforce

Unlike its GB counterparts, the Welsh Government has protected funding for homelessness support by maintaining the ring-fence on Supporting People funding.<sup>172</sup> The Homelessness Support Grant<sup>173</sup> was, however, frozen from 2021-2024, prompting a campaign for its uplift led by Cymorth Cymru. The campaign focused on the impact of the freeze on the support workforce, highlighting issues around low pay and insecure contracts,<sup>174</sup> and that many frontline workers were struggling to pay for essentials during the cost of living crisis.<sup>175</sup> In addition, in evidence to the Senedd Local Government and Housing Committee, Cymorth Cymru highlighted that

three quarters of its members were running at a deficit, over half using reserves to subsidise services, over three quarters at risk of needing to reduce service capacity, and 40% likely to hand back existing contracts if HSG remained frozen in 2024/25.<sup>176</sup>

Ultimately, the Grant was increased by £13 million compared to the 2023/24 budget, a move welcomed by the sector<sup>177</sup> despite falling short of the 10% uplift (equivalent to £16 million) that stakeholders estimated was required.<sup>178</sup> Almost all (13 of 16) of LA survey respondents reported that this uplift would enable them to maintain homelessness services at current levels as it will cover cost increases, including ensuring that sector wages meet the real living wage. It was not deemed sufficient to enable increased capacity in services at a time when this is seen to be urgently required:

**"[we now have the] much needed funding to.... stabilise service delivery.... but [this] doesn't allow room for growth in service capacity at a time when demand is through the roof... Current levels of housing related support are insufficient for current and projected demand."**

(LA, North East Wales)

**"With inflation, with the pressures that are on staff [and] on both commissioning and contracting organisations, £13 million doesn't go very far... we can't pretend [it] allows us to do everything that our policy ambitions cover, which is very significant."**

(Statutory sector key informant)

Wider challenges with the HSG were also raised, including the impact of single year settlements on staffing, commissioning and service development. Some key informants raised concerns about whether the uplift would be passed on to commissioned services and relieve wage pressures.

Key informants also expressed ambivalence about the wider funding landscape on homelessness. While the continued ring-fencing of the HSG, and uplifts in this and the social housing grant (see chapter 2) were welcomed, the wider picture was deemed to be *"pretty bleak"* (Statutory sector key informant):

**"looking at single-year settlement isn't very helpful, you've got to look at the pressures that services have been under over the last five, ten years, and what they look like in the five-to-ten years"**

166 Welsh Government (2018) New projects to prevent youth homelessness announced by First Minister

167 Welsh Government (2021) *Absence from school amongst children living in homeless households*. Online: Welsh Government. <https://www.gov.wales/absence-school-amongst-children-living-homeless-households-html>

168 Welsh Government (2022) *Youth Engagement and Progression Framework: Overview*. Online: Welsh Government. <https://www.gov.wales/youth-engagement-and-progression-framework-overview>.

169 <https://www.llamau.org.uk/upstream-cymru>

170 Llamau (2024) *A Wales Without Homelessness Begins Upstream*. Online: Llamau. <https://www.llamau.org.uk/News/a-wales-without-homelessness-begins-upstream>

171 Welsh Government (2023) *Consultation on the White Paper on Ending Homelessness in Wales*. Online: Welsh Government. [https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper\\_0\\_0.pdf](https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper_0_0.pdf);

172 Watts, B., Bramley, G., Fitzpatrick, S., McMordie, L., Pawson, H., and Young, G. (2022) *The homelessness monitor: Great Britain 2022*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/about/the-homelessness-monitor-great-britain-2022/> P.90.

173 Created in 2019 by combining three funding streams (Supporting People, Homelessness Prevention Grant and Rent Smart Wales Enforcement) to enable LAs to commission services focused on prevention and tenancy sustainment.

174 A survey of homelessness and housing support providers by Cymorth Cymru found that 41% were being paid below the minimum wage for April 2024 (£11.44 per hour), and 67% were below the Real Living Wage (£12.00 per hour). Cymorth Cymru (2024) *Welsh Government funding shortfall pushing homelessness workers into poverty*. Online: Cymorth Cymru. <https://www.cymorthcymru.org.uk/welsh-government-funding-shortfall-pushing-homelessness-workers-into-poverty/>

175 Cymorth Cymru (2022) *Struggles from the Frontline: The impact of the cost of living crisis on frontline homelessness and housing support workers in Wales*. Online: Cymorth Cymru. <https://www.cymorthcymru.org.uk/wp-content/uploads/2023/05/Struggles-from-the-Frontline-Eng.pdf>

176 Local Government and Housing Committee (2024) *Agenda Document for Local Government and Housing Committee, 25/01/2024 09:00*. Online: Welsh Parliament Local Government and Housing Committee. <https://business.senedd.wales/documents/g13652/Public%20reports%20pack%20Thursday%2025-Jan-2024%2009.00%20Local%20Government%20and%20Housing%20Committee.pdf?T=10>

177 Cymorth Cymru (2024) *Housing Support Grant to receive £13 million uplift*. Online: Cymorth Cymru. <https://www.cymorthcymru.org.uk/housing-support-grant-to-receive-13-million-uplift/>

178 Cymorth Cymru (2024) *Welsh Government funding shortfall pushing homelessness workers into poverty*. Online: Cymorth Cymru. <https://www.cymorthcymru.org.uk/welsh-government-funding-shortfall-pushing-homelessness-workers-into-poverty/>



**to come. I don't see anything fundamentally improving in terms of the level of resources that are available for homelessness services, Housing Options services... Some of the grant-funding stuff that's been available from Welsh Government has been welcome but has been at the margins."**

(Statutory sector key informant)

As this discussion highlights, there have been mounting concerns about the homelessness sector workforce in Wales. A majority of LA survey respondents (8 of 16) disagreed with the statement 'We are able to recruit and/or retain staff with the skills to effectively respond and meet our statutory duties in relation to homelessness in our area', while 6 agreed with it and 2 were neutral. Explanations for these challenges included high workloads, the challenging nature of the work and insufficient funding to offer realistic salaries:

**"Limited Council funding means... recruitment... is a challenge and as a result officers have high caseloads. This then impacts upon officers resilience and quality of work... Nobody wants to work in homelessness and not deliver the best services possible but with limited time and growing caseloads, this is a challenge... client needs, often unmet by other support services beyond housing related support..."**

**result in challenging behaviours... which officers understandably find upsetting. We have recruited some amazing staff in recent years, but due to the pace and scale of workload... a few have left as they realised the job wasn't for them."**

(LA, North East Wales)

**"The mismatch between demand and supply is really affecting staff morale and health, leading to burnout or persons leaving their roles for posts that are seen as equally paid but less stressful."**

(LA, Mid and West Wales)

Several respondents argued that these issues need addressing "before increasing the homelessness responsibilities on local authorities" (LA, Mid and West Wales) through legislative reform to avoid "more and more staff... leav[ing] as they feel they are not being listened to" (LA, Valleys).

Concerns were even more acute in relation to commissioned services. Nine LA survey respondents (of 16) disagreed with the statement that 'Organisations we commission to deliver homelessness-related services in our area are able to recruit and/or retain staff with skills to effectively respond to homelessness in our area', four of whom disagreed strongly (3 agree with the proposition and 4 were neutral). Issues around pay and the stressful nature of the work were again highlighted, but an additional theme emerged here concerning the importance of status and recognition:

**"[We need] better recognition of the importance of their role to play within the homelessness agenda and better pay conditions."**

(LA, Mid and West Wales)

**"[What would help is] the sector being recognised as a profession, salary to reflect the complexity of the role. Staff feeling valued by government. Staff having their views heard and acted on by government."**

(LA, South Wales)

Key informants echoed LA's concerns emphasising the "tremendous... pressure" (Statutory sector key informant) on frontline staff, especially during the pandemic, and that while these pressures may have eased somewhat, staff remain "overstretched" (Voluntary sector key informant) and "knackered" (Welfare rights sector key informant), with "burnout... frustration and dissatisfaction" rife (Statutory sector key informant). These challenges were recognised to impact directly on the quality and outcomes of services:

**"building up a trusting relationship with their support worker is really, really important. If their support worker changes every few weeks because**

**they're being paid such a poor wage and are going elsewhere to work for better wage and less stress, then that's going to deliver really poor outcomes for the person using the service."**

(Voluntary sector key informant)

In this context, the workforce focused Task and Finish Group of the EHNAB was praised as "shining a spotlight" (Statutory sector key informant) on these challenges and as having "come up with practical changes" (Housing sector key informant) as detailed in the EHNAB's 2023 Annual Report. These recommendations cover actions to increase the support available to staff, to review and benchmark sector pay, to boost staff skills including through a new accreditation framework, and to improve commissioning practices to support these wider objectives.<sup>179</sup>

### **3.8 The Expert Review Panel and White Paper**

The White Paper on Ending Homelessness in Wales<sup>180</sup> represents the latest stage in a long-term policy agenda in Wales to reform homelessness policy in favour of a focus on prevention and housing-led responses to homelessness. As part of her commitment to committing to examining required legislative reform, the then-Minister established the ERP in March 2022 to conduct a comprehensive review of legislation relating to homelessness, "rooted in the principles of early prevention, No One Left Out, and rapid rehousing", to provide the foundation for ending homelessness in Wales.

179 Ending Homelessness National Advisory Board (2023) *Annual Report to Welsh Ministers 2022-23*. Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2023-08/ending-homelessness-national-advisory-board-annual-report-to-welsh-ministers-2022-2023.pdf>

180 Welsh Government (2023) *Consultation on the White Paper on Ending Homelessness in Wales*. Online: Welsh Government. [https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper\\_0\\_0.pdf](https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper_0_0.pdf)

The Panel - made up of 11 members from across the third sector, local authorities, homelessness services, housing associations and academia – met over the course of a year and carried out extensive stakeholder engagement, including with 300 people with experience of homelessness and wide-ranging professionals,<sup>181</sup> in order to produce a detailed package of proposed legislative reforms in September 2023. In response to these recommendations, the Welsh Government on World Homelessness Day 2023, launched a White Paper on Ending Homelessness. Work is now underway to implement the proposals through a draft Bill planned to be presented for parliamentary scrutiny in 2025.<sup>182</sup>

More than 70 proposals are included in the White Paper organised around five themes: 1) reforming homelessness legislation; 2) duties on wider public services to prevent homelessness; 3) preventing homelessness for groups disproportionately affected; 4) access to accommodation; and 5) implementation. Key proposals are summarised in box 3.1.

The majority of LA survey respondents (9 of 16) saw the overall package of reforms as somewhat helpful in addressing homelessness. Three considered them unhelpful and two thought they would make little difference, though it should also be noted that there was evidence of LAs misunderstanding the nature of some of the proposals (see below). The balance of key informant opinion was more strongly supportive. A number saw the proposals as *“transformational”* (Statutory sector key informant) and *“historic”* (Voluntary sector key informant) if implemented effectively, emphasising the capacity of the reforms to *“leverage housing and homelessness up the priority list of the Welsh Government”* (Statutory sector key informant) and move beyond the prioritisation of some groups in the provision of statutory support:

**“if implemented in its entirety... it has transformational capability... [to] lift the historic deserving/undeserving [distinction] from our homelessness system and... replace it with something which is about trying to prevent as the go-to way of conceiving our response to homelessness... that is far more dignified and far less pejorative than we’ve had.”**

(Voluntary sector key informant)

Other key informants were *“broadly supportive”* (Criminal justice sector key informant), but their endorsement was conditional on the resolution of serious concerns about the implementation, resourcing and timing:

181 Crisis (2023) *Expert panel calls for ground-breaking changes to law to help end homelessness in Wales*. Crisis: online. <https://www.crisis.org.uk/about-us/media-centre/expert-panel-calls-for-ground-breaking-changes-to-law-to-help-end-homelessness-in-wales/>

182 Welsh Government (2024) *Consultation Analysis for the White Paper on Ending Homelessness in Wales*. [https://www.gov.wales/sites/default/files/consultations/2024-04/analysis-for-the-white-paper-on-ending-homelessness-in-wales\\_1.pdf](https://www.gov.wales/sites/default/files/consultations/2024-04/analysis-for-the-white-paper-on-ending-homelessness-in-wales_1.pdf)

### Box 3.1: Summary of key recommendations made in the Ending Homelessness in Wales White Paper

#### 1. reforming homelessness legislation

- extend the definition of ‘threatened with homelessness’ to households at risk within six months up from the current 56 days;
- introduce a statutory duty to develop a Personal Housing Plan (PHP) which includes the applicant’s views, specifies steps the LA will take to secure accommodation, and introduces of a new right to request a review of the ‘reasonable steps’ in PHPs;
- abolish the priority need test thereby expending the groups owed the full rehousing duty;
- remove the intentionality test;
- expand the groups who are exempt from the local connection test, including to care-experienced people not accommodated under social services duties, prison leavers, and people at risk of or experiencing domestic abuse; clarify guidance on the special circumstances that provide exemption from the local connection test;
- introduce a new statutory duty to provide support to those accommodated by the local authority to retain their accommodation;
- limit the circumstances in which the unreasonable failure to cooperate test can be used.

#### 2) duties on wider public services to prevent homelessness

- introduce a duty to identify those at risk of homelessness and, where appropriate, refer to the LA;
- introduce a duty to act within the remit of the specified public body to sustain tenancies and mitigate the risk of homelessness;
- expand the current duty to co-operate;
- introduce a case-coordination approach for those at risk of homelessness with multiple complex support needs who have interactions with several public services.

#### 3) preventing homelessness for groups disproportionately affected, including groups at risk when leaving institutions such as hospitals and prisons and children’s social services

- introduce a legal requirement for all Welsh LAs to hold an accessible housing register;
- bring homelessness legislation in line with the Domestic Abuse Act 2021, by widening the definition of domestic abuse to include coercive and controlling behaviour;
- strengthen corporate parenting responsibilities so that 16- and 17-year-olds are not accommodated in unsupported temporary accommodation, nor the homelessness system used as a route out of social care or youth justice services.

- strengthening systems to help identify and plan for prison leavers who are at risk of homelessness upon release;
- introduce case co-ordination for complex cases;
- introduce a new duty to, where appropriate, offer support to retain accommodation to help prevent repeat homelessness.

#### 4) access to accommodation

- a set of proposals around improving suitability of temporary accommodation;
- require the use of Common Housing Registers and common allocations policies across all LAs;
- allow local authorities to require Registered Social Landlords (RSLs) to rehouse homeless households (except in specified circumstances), modelled on Section 5 of the Housing (Scotland) Act 2001; enable local authorities to remove people who are not in housing need from the waiting list for social housing and temporary powers to further enhance the priority of people experiencing homelessness during times of crisis;
- better enable people to be "homeless at home" (where feasibly and safe) in order to help alleviate pressures on temporary accommodation;
- enable the housing duty to be discharged through additional means, provided that housing arrangements are secure for 12 months and certain checks and balances are met.

#### 5) implementation

- a range of proposals focused on strategy, planning and monitoring of the new duties, and improvements to data collection.

**"[we] broadly welcome all of the main proposals... but [this support is] fairly immediately caveated with the issue of but how are we going to implement it? The key issues of the availability of resources and the background of increasing housing supply, especially social housing supply, are absolutely critical to delivering."**

(Statutory sector key informant)

The proposals to introduce new duties on wider public services to identify and act on homelessness risk within their own functions, refer to LAs and co-operate with LAs in responding to homelessness were viewed as the most exciting and potentially impactful elements of the White Paper by a number of key informants:

**"There being actual legal duties on other public services, like health... that's what a lot of people are really excited about... those are the missing pieces, which will make such a massive impact. So often, we see the burden of homelessness being placed just on housing and homelessness services when actually we know that a holistic, multi-agency approach would**

**help us to prevent or end homelessness."**

(Voluntary sector key informant)

LAs also viewed these proposals as potentially the most helpful:

**"If implemented fully and in legislation the duty for other services to assist will be beneficial."**

(LA, Mid and West Wales).

LAs raised questions regarding "how this will work in practice" (LA, Valleys) and highlighted the risk that these proposals may ultimately amount to "just... a duty to refer" (LA, North East Wales), increasing demand on LAs but bringing no additional assistance to the table. Key informants were clear that appropriate guidance, training and "accountability mechanisms" (Housing sector key informant) would be needed for these proposals to achieve their potential, something requiring intensive work across different public institutions.

Several key informants and LA survey respondents also welcomed the extension of the prevention duty to apply to households at risk of homelessness within six months, rather than the current 56 days. As well as eliciting positive endorsement from some, no key informants or LAs raised concerns about this aspect of the proposals.



Proposed changes to the key 'tests' determining access to statutory assistance for homeless households, by contrast, were mixed, with many warmly welcoming them as progressive and others considering them controversial. Key informants tended to welcome proposals to abolish the priority need criterion and intentionality test as moves towards a more trauma-informed approach and a way of preventing people "slipping through the gaps" (Voluntary sector key informant):<sup>183</sup>

**"intentionality... is, possibly the least trauma-informed element of homelessness legislation. We heard so many stories from people who were caught out by that, and they definitely shouldn't have... priority need as well... let's just go that one step further and give people that right to a roof over their head if they're homeless. It just seems really basic."**

(Voluntary sector key informant)

Key informants also tended to welcome proposals to amend local connection rules, thereby enabling a wider group of people to seek rehousing in communities of their choice:

**"We have seen plenty of times when we know people want to be in particular communities, and local connection tests can**

**sometimes be a barrier to that."**

(Voluntary sector key informant)

While strongly endorsing moving forward with proposed reforms, key informants acknowledged that stretched LAs are concerned about their potential impacts.

The removal of the intentionality test elicited the most concern from LAs, who saw the change as likely to have "unintended consequences" (LA, Mid and West Wales) of "increased demand on services" (LA, Valleys) because they felt it "takes away accountability" (LA, South Wales), "sending the wrong message that people don't have consequences when they make their circumstance worse" (LA, Mid and West Wales). One key informant reflected on the strong resistance this proposal had elicited among LAs:

**"the presence of the test is an important part of their discourse with clients. Some would say it's a threat, and others would say it's a red line [or] a persuasive tool... that test, whether it's meant to or not, forms part of the ways local authorities engage and manage their client group. Its loss brings a very significant... fear that they will lose control... that we will see an increase in behaviour that is not acceptable for staff and that**

**we might see an increase in non-payment of rent if people know that... there is always a safety net available."**

(Statutory sector key informant)

The proposal to introduce a 'deliberate manipulation' test at the allocation stage of the homelessness process received minimal comment and thus did not appear to reassure LAs regarding the impact of the removal of the intentionality test.

Amendments to local connection rules also elicited concerns among LAs on the basis that they would increase demand on homelessness and wider public services:

**"There is a risk that must be acknowledged that the homeless offer in Wales is so positive and out of sync with the England offer, that this attracts homelessness and inflates demand."**

(LA, North East Wales)

**"Removal of Local connection – potential impact of demand on the area, impact on health and social care."**

(LA, South Wales)

As this last quote illustrates, misunderstandings of the proposed changes was common. At least four survey respondents noted concerns about the 'removal' or 'abolition' of these rules, whereas the proposed changes are to expand the groups and circumstances in which applicants are exempt from them.

The proposed abolition of the priority need criterion elicited concern from two LA survey respondents, on the basis that it will reduce

the prioritisation given to those who are most vulnerable:

**"if everyone is a priority, then no one is. The most vulnerable are going to be fighting for the same accommodation as capable people. If there is one unit of housing, landlords will pick the working person above someone with mental health or substance misuse."**

(LA, North East Wales)

**"Removing priority need – dilutes support provided to those most in need"**

(LA, South Wales)

It is notable that this proposal garnered less attention than those relating to intentionality and local connection, given that the priority need test has been the major rationing device determining access to housing assistance historically. This may indicate that most LAs agree with the ERP, key informants and Welsh Government on the benefits of and justification for expanding legal entitlements to rehousing beyond 'priority need' groups; that LAs have accepted that this change will be introduced and are thus not prioritising resistance to it; or that they deem the most significant impact to be over, given the extension of the priority need criterion to people sleeping rough.

An area of concern to several LAs was the proposal to introduce greater responsibilities on housing associations to assist in the rehousing of homeless households. This is perhaps surprising, given that a plurality of LA survey respondents were of the view that housing association lets to homeless households were 'not high enough' and indeed in light of previous research in which LAs called for less flexibility to be given to

183 See also: Expert Review Panel (2023) *Ending Homelessness In Wales: A Legislative Review*. London: Crisis. <https://www.crisis.org.uk/media/uqgbuwpp/ending-homelessness-in-wales-a-legislative-review.pdf>; *The Public Services Ombudsman for Wales (2021) Homelessness Reviewed: an open door to positive change*. Online: The Public Services Ombudsman for Wales. <https://www.ombudsman.wales/app/uploads/2021/10/Homelessness-Reviewed-an-open-door-to-positive-change.pdf>

housing associations in determining who they house to ensure they allocate to their “fair share” of homeless households.<sup>184</sup> Despite intending to better resource LAs to meet their rehousing duties, these White Paper proposals did not elicit any positive comments from respondents to our LA survey and were in fact feared by some to tip the balance on allocations in favour of homeless households in a way that risks generating more homelessness (as other groups struggle to access social housing) and incentivising homelessness applications as ‘the only route into social housing’:

**“Getting the balance right of allocation to homeless households and those in other forms of urgent housing need. Therefore the White Paper could inadvertently increase homelessness.”**

(LA, South Wales)

**“Through providing greater priority in the allocations framework for those who are homeless this will only fuel the route into social housing being through homelessness and will therefore increase demand on LA resources and costs.”**

(LA, Valleys)

These perspectives appear to either not take account of – or not be reassured by – elements of the proposals specifically designed to ensure balance in social housing allocations and that others in urgent housing need are able to access the tenure, including that LAs would have the power but not the obligation to require housing associations to accommodate those owed the main duty and that assigning additional preference in allocations to homeless households is identified in the White Paper as a short-term, rather than routine and long-term, measure.<sup>185</sup> As outlined earlier, it is possible that the nature of these proposals have been misunderstood.

Less surprising are concerns raised by housing sector key informants in relation to these proposals, with one such respondent emphasising the risk of providers being forced to accommodate households:

**“[there is a] real risk of undermining our commitment to the right home for the right person with the right support. It’s housing associations who by and large know their communities, who know their homes, who know what they are going to be able to provide... We’d much prefer to see something that better reflected that this needs to be a person-centred partnership**

**decision rather than local authorities just saying, ‘You have to take [this person],’”**  
(Housing Association key informant)

Another emphasised that it is essential such changes go alongside provision of adequate support to tenants who need it:

**“we have to have access to the support services to help people keep that roof over their heads. Otherwise, the issues that a person can inadvertently create in a community, and for a community, can do lots to damage our reputation, our credibility with people; and can suck resources from other people to intensively support others.”**

(Housing sector key informant)

When asked about the enablers of, and barriers to, effective implementation of the White Paper, five key themes emerged. First and most strongly, key informants and LA survey respondents saw increases in funding as essential, particularly given the challenging fiscal context and recent budget (see chapter 2):

**“it’s funding, isn’t it? We’ve just seen an incredibly tough budget go through in the Senedd... Most local authorities in Wales are operating within a deficit. Most third-sector organisations in Wales are**

**operating within a deficit as well! I think that’s the barrier to everything at the moment... the money.”**

(Criminal justice sector key informant)

A number of LAs emphasised the importance of funding enabling increased capacity within LA homelessness services, something not currently possible via the HSG:

**“More financial resources for statutory homelessness services. Increases in HSG do not allow us to fund more staff for statutory duty posts. Caseloads are already at an unprecedented high and staff are leaving the sector due to the pressures. Changes to legislation will only place greater pressures on LA’s. Hence, greater flexibility in grant funding is needed.”**

(LA, Valleys)

Second, more access to suitable housing was identified as an important enabler by several (LA, South Wales) LAs:

**“We would need more resources - both in terms of officers and housing options/availability.”**

(LA, South Wales)

184 Woolley, B. (2023) *Allocations: Understanding more, in the context of homelessness in Wales*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/consultations/2023-10/allocations-understanding-more-context-homelessness.pdf>

185 See p. 44 in Welsh Government (2023) *Consultation on the White Paper on Ending Homelessness in Wales*. Online: Welsh Government. [https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper\\_0\\_0\\_0.pdf](https://www.gov.wales/sites/default/files/consultations/2023-10/ending-homelessness-white-paper_0_0_0.pdf)

**“There needs to be more available suitable accommodation.”**

(LA, South Wales)

And the perceived need for a “a dramatic increase in the supply of social rented housing” (Statutory sector key informant) was often strongly emphasised by key informants:

**“Unless the Government also helps to make it easier to build sufficient homes, then, you can have the greatest legislation you want. You can even maybe triple the Housing Support Grant budget, but if there are not enough homes for people to live in then...”**

(Housing sector key informant)

Third, the importance of appropriately timing implementation of the proposals so as not to overburden, overwhelm and in the words of one LA “bankrupt local authorities” (LA, North East Wales) was emphasised (and is acknowledged explicitly within the White Paper):

**“[Welsh] Government [need to be] ready to pause or reconsider aspects until the housing supply and support options are in place to allow for the extension of duties to be implemented in the best possible - and fairest - way.”**

(LA, Mid and West Wales)

**“I struggle with the timing of the White Paper. Given the pressures in the system, it seemed to cause more angst and uncertainty and concern. Whereas if it had come in at a different time, there perhaps would have been more of a welcome or an ease in terms of local authorities.”**

(Voluntary sector key informant)

Fourth, and as noted above, securing the buy-in of wider public services was seen as a crucial enabler and a formidable challenge:

**“it will entirely depend on the buy-in from these other public bodies and the way in which it’s then weaved into their everyday, and we’re a long way from making that happen, and will require somebody to drive that, probably a First Minister level drive, to make that really happen.”**

(Academic sector key informant)

Fifth and finally, several key informants emphasised the need for a change of culture within local authorities to effectively implement the White Paper reform package and this ‘battle of ideas’ is clear in the contrasts between the testimony of some key informants and LA survey respondents:

**“unless the abolition of priority need comes along with a clarity of vision about a priority blind homelessness system where all that matters is whether you’re at risk of experiencing homelessness – we are blind to your household type... to whether or not we think you’ve caused it yourself - unless it comes along with that, you will probably still see a second tier of type of temporary accommodation for people... we’ll just see the outcomes will be slightly less worse than they used to be, but it won’t be a housing-led system. It won’t be based on equity.”**

(Voluntary sector key informant)

**“The majority of the proposals put the responsibility back on the local authority. There is no responsibility on the individual. No consequence for not paying rent or for ASB, no incentive to engage with support or services as the local authority will have the duty to sort it all out... The reforms will be**

**perceived as a shortcut to social housing and /or financial support rather than the emergency service that it should be... it will just mean a greater burden on the local authority.”**

(LA, North East Wales)



# 4. Rough sleeping and statutory homelessness

## Key points

Estimated levels of rough sleeping rose by 86% in the three years to July 2024. A key driver of these escalations has been the unlawful failure of some LAs to accommodate some homeless households in the context of acute pressures on temporary accommodation, alongside the winding down of emergency responses to the COVID-19 pandemic. Prison leavers and those with No Recourse to Public Funds are seen to be at particular risk of sleeping rough.

Having peaked in 2019/20, the flow of homeless households subject to local authority prevention or relief duties fell back slightly in 2020/21 and has subsequently remained fairly level, standing at 12,939 in 2023/24. There is currently a lack of statutory data available on the profile of households facing homelessness in Wales or its triggers. Our LA survey indicates that demand over the last year has increased among people with complex needs, single adults and those leaving prison.

Since 2018/19, the proportion of prevention and relief actions judged successful has declined, from 68% to 58% of prevention duty outcomes and from 41% to 26% of relief outcomes. These trends are seen to be driven by LA capacity being diverted from prevention and relief efforts to crisis management and by a very challenging structural and housing market context, limiting LAs ability to prevent evictions from the PRS and secure appropriate and affordable alternative housing.

Driven by the more inclusive response to homelessness prompted by the pandemic and a challenging housing market context,

temporary accommodation placements grew by 189% in the three years to March 2024, to 6,444. Placements in B&B accommodation rose fivefold (452%) to 2,730 and the number of families in B&B hotels increased more than tenfold to 408. These pressures have led some LAs to routinely fail to accommodate those owed a duty, fuelling rough sleeping. These pressures are straining staff capacity and wellbeing, as well as LA budgets.

## 4.1 Introduction

This chapter analyses recent changes in the scale and nature of rough sleeping and statutory homelessness in Wales drawing on two main sources: our LA survey undertaken in May-June 2024 and homelessness statistics published by Welsh Government, including local authority estimates of rough sleeping. The latest available data at the time of writing relates to financial year 2023/24. Where possible, analyses span the COVID-19 pandemic, though this is constrained by the fact that several of the relevant Welsh Government series were initiated only in August 2020. Scope for analysing certain key issues such as immediate causes of homelessness is also limited, as relevant long-standing monitoring series were dropped during the pandemic and have yet to be re-established.

Following this introduction, the chapter is structured in five main parts. Section 4.2 analyses the changing scale of rough sleeping since the start of the pandemic. Section 4.3 analyses trends in statutory homelessness demand and local authority actions to assist applicants. Section 4.4 explores changes in the profile and causes of homelessness, before section 4.5 moves on to consider the outcomes of LA attempts to prevent, relieve

and resolve statutory homelessness. Section 4.6 covers the scale, nature and drivers of temporary accommodation use in Wales.

## 4.2 Rough sleeping

For three years prior to the pandemic, rough sleeping in Wales was measured via nightly snapshot counts undertaken by LAs following a prior intelligence gathering exercise.<sup>186</sup> In November 2017, 2018 and 2019, this exercise enumerated 188, 158 and 176 rough sleepers across the whole of Wales, with numbers heavily concentrated in Cardiff, Swansea and Wrexham (accounting for 55%-67% of the total). Alongside the snapshot count, it was estimated that people sleeping rough for at least one night during a two-week period in October 2017, 2018 and 2019 totalled 348, 343 and 405, respectively, suggesting that nightly counts enumerated only around half those sleeping rough at some point in preceding weeks.

In 2020, these annual exercises were shelved in favour of month-end estimates submitted to the Welsh Government by LAs, with the decision made to not resume the annual exercise in August 2024.<sup>187</sup> Concerns have been raised about the lack of guidance given to LAs regarding how to conduct these estimates,<sup>188</sup> but there was a strong consensus about key informants that monthly reporting is far superior to previous annual exercises because it captures “*seasonal fluctuations*” (Voluntary sector key informant) and “*enables local authorities to have a much better understanding and build relationships, or at the very least, knowledge of the people within their area for whom rough sleeping is affecting*” (Voluntary sector key informant):

**“the monthly returns... [are] far more accurate than a**

**rough sleeper count on a one night... [which] you could broadly use... as a change over time measure, but... [was] so dependent on things like weather... [and] the number of outreach workers that you’re able to get out there counting... We now have... ongoing routine collection of data and knowledge about who is sleeping rough in your area... a... much better position.”**

(Academic sector key informant)

Returns suggest that since this exercise began in August 2020, the estimated national total has been on a generally upward trajectory (see Figure 4.1), likely reflecting the unwinding of emergency supports put in place at the start of the pandemic. By late 2023, national totals appeared to be back in the region of pre-2020 levels (see above), although the numbers are not directly comparable. The most recent figures presented in figure 4.1 show that in the three years to July 2024 estimated levels of rough sleeping rose by 86%.

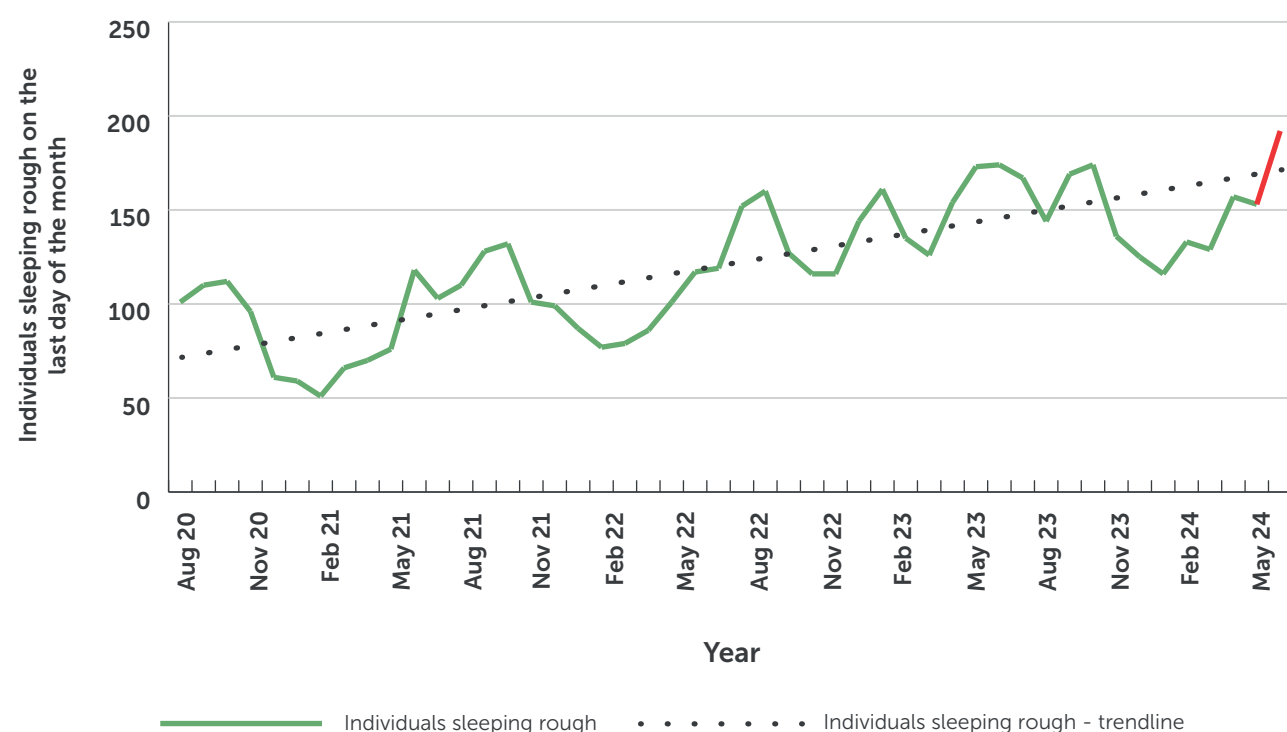
Our LA survey gives an additional lens on trends in rough sleeping, with respondents evenly split on whether demand from people sleeping rough has increased or remained steady in the last year (see table 4.1 below). This suggests variable trends across different areas, but may also indicate (in line with figure 4.1) that levels of rough sleeping in Wales were beginning to stabilise. This perspective is further supported by the fact that when asked

186 Welsh Government (2020) *National Rough Sleeper Count, November 2019* <https://www.gov.wales/sites/default/files/statistics-and-research/2020-02/national-rough-sleeper-count-november-2019-814.pdf>

187 Welsh Government (2024) *Proposals to stop the annual national rough sleeper count: summary of responses*. Online: Welsh Government. <https://www.gov.wales/proposals-stop-annual-national-rough-sleeper-count-summary-responses>

188 Crisis (2024) *Response to Welsh Government proposals to stop the national annual rough sleeper count in Wales*. <https://www.crisis.org.uk/media/dnrhktgi/crisis-response-rough-sleeping-data-proposals-may-2024.pdf>

Figure 4.1: Monthly rough sleeping estimates 2020-24



Source: Welsh Government – StatsWales

about expected changes in demand from people sleeping rough over the coming year, the majority of LAs (10 out of 16) anticipated that it would remain steady, with only three anticipating increased demand (see table 4.3). One KI saw the extension of priority need to people sleeping rough as a driver of this apparent leveling out, albeit with implications for TA use (see section 4.6):

**“because we have a priority need system in Wales where being a rough sleeper is priority need, we have seen some reductions in rough sleeping, but... that is transferring into... increase in overall use of temporary accommodation.”**

(Voluntary sector key informant)

Key informant interview data and LA survey responses provide some insights into the drivers of rough sleeping over recent years. The central factor appears to have been the acute pressure on temporary accommodation in Wales, discussed further in section 4.6 below:

**“[As a result of difficulties procuring TA, we’ve seen an] increase in individuals sofa surfing and... a slight increase or reported individuals sleeping rough for short periods of time or sleeping in their vehicles.”**

(LA, Mid and West Wales)

Key informants explained that some LAs in Wales openly operate unlawful waiting lists for TA, given insufficient suitable stock to meet demand, something also documented

in a 2023 inquiry by the Senedd’s Local Government and Housing Committee,<sup>189</sup> leaving applicants entitled to accommodation with no alternative but to sleep rough. Key informants report numbers on these “waiting lists” being “stubbornly high” (Statutory sector key informant) and people being on them for “too long” (Housing sector key informant). Particular problems securing access to TA were identified in relation to prison leavers, leaving them at particular risk of rough sleeping according to this LA respondent:

**“Early release from prisons has contributed to the number of prison leavers presenting along with increases to the rough sleeping figures as we are not able to accommodate upon short or no notice... It is difficult to find accommodation which is suitable for this group... and many have no completed risk assessments.”**

(LA, Mid and West Wales)

One key informant identified this group as especially likely to be on a waiting list for a particular supported accommodation scheme, in the absence of availability of appropriate community-based options (see chapter 3):

**“[Prison leavers] tend to go on a waiting list for one particular form of temporary accommodation... we**

**have to wait until one of them becomes vacant... I know waiting lists are... non-compliant with the legislation. We’ve raised this [in] every arena we can. We don’t hold that back.”**

(Statutory sector key informant)

The poor quality of some TA was also seen as a driver of rough sleeping by one key informant, who described “people choosing to be on the streets because... the temporary accommodation didn’t suit their needs and might make them actually more vulnerable” (Voluntary sector key informant). In line with LA testimony in chapter 3 highlighting scepticism about the legitimacy of need among those approaching statutory services and claiming to be street homeless, this participant reported “people having to prove they were sleeping rough or... sleeping rough for a period of time before they would be considered as being in priority need” (Voluntary sector key informant), something guidance makes clear should not be required.<sup>190</sup>

Risk of rough sleeping was also identified as especially high for those with No Recourse to Public Funds:

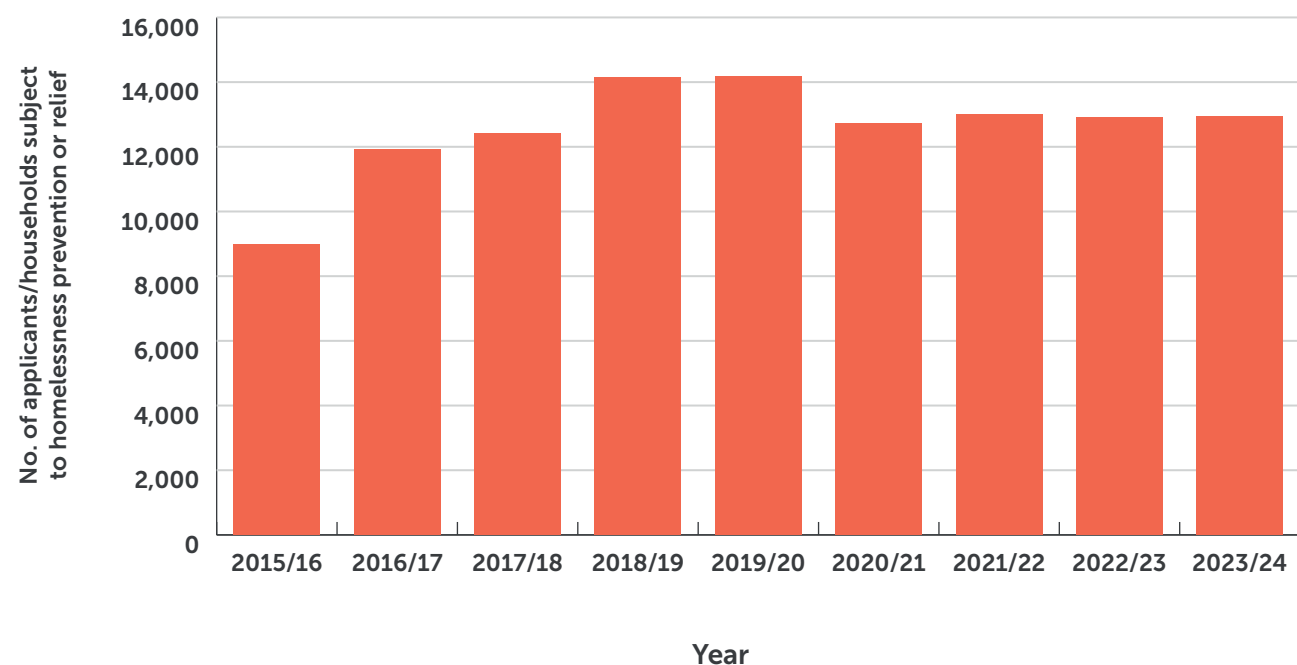
**“people with no recourse, they are a really big worry to us... Welsh Government has very few options in that space... That is a real concern... [as] there’s an acknowledgement that if you**

189 Welsh Parliament Local Government and Housing Committee (2023) *Homelessness*. Online: Welsh Parliament. <https://senedd.wales/media/zs0jkb4g/cr-ld15717-e.pdf>

190 Welsh Government (2022) *Addendum – Homelessness (Priority need and Intentionality) (Wales) Regulations 2022*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/publications/2022-10/code-of-guidance-addendum.pdf>



Figure 4.2: Households subject to homelessness prevention or relief, 2015/16-2023/24



Source: Welsh Government – StatsWales

**can't do something about people with no recourse, you probably can't end street homelessness."**

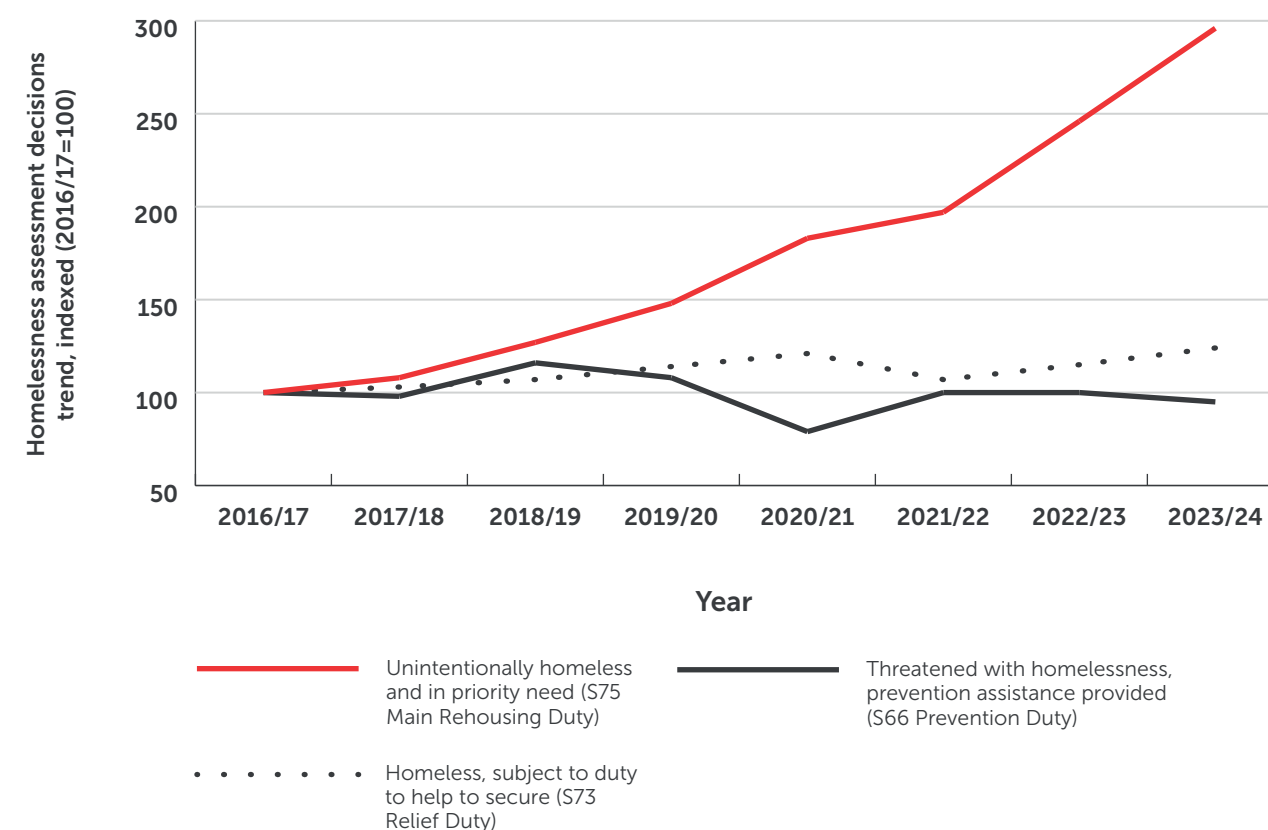
(Statutory sector key informant)

Despite the emphasis here on the limits imposed by the devolution settlement, recent work in Scotland has highlighted the range of actions devolved governments and other social actors can plan in addressing homelessness among those with NRPF or other restricted eligibility for statutory supports.<sup>191</sup>

### 4.3 Statutory homelessness demand

The number of households owed the prevention or relief duty under the Housing (Wales) Act 2014 is a key measure of homelessness demand in Wales. A central aim of the landmark Act was to reduce the numbers owed the Main Rehousing Duty by relieving or preventing their homelessness at an earlier stage.<sup>192</sup> Previous editions of the monitor provide a full account of the history and content of these reforms<sup>193</sup> and a flow chart representing routes through assessment processes under the Housing (Wales) Act 2014 is provided in appendix A.

Figure 4.3: Households subject to local authority homelessness duties, 2016/17-2023/24, indexed (2017/18=100)



Source: Welsh Government – StatsWales

As shown in Figure 4.2, after a marked rise in the late 2010s, the number of households owed prevention or relief duties fell back during the height of the pandemic and has remained steady for the four years to March 2024. During 2023/24, 12,939 households subject to prevention or relief duties approach Welsh LAs. As shown in figure 4.3, this stability masks some changes in the number of households owed prevention and relief duties over time, in particular a dip in those owed the prevention duty in the pandemic year 2020/21 – a result of evictions moratoria – compensated partially by a linked increase in those owed the relief duty.

There has, however, been a substantial rise in households judged homeless and in priority need; and, therefore, subject to the full local authority rehousing duty (see figures 4.3 and 4.4). This upward trend has now been maintained for seven years, with annual

increases averaging 17% over the period – 20% in 2023/24. These trends reflect increasing struggles on the part of local authorities to effectively prevent and relieve homelessness, meaning that a growing number are flowing through to the point at which a Main Rehousing Duty is triggered (see section 4.5).

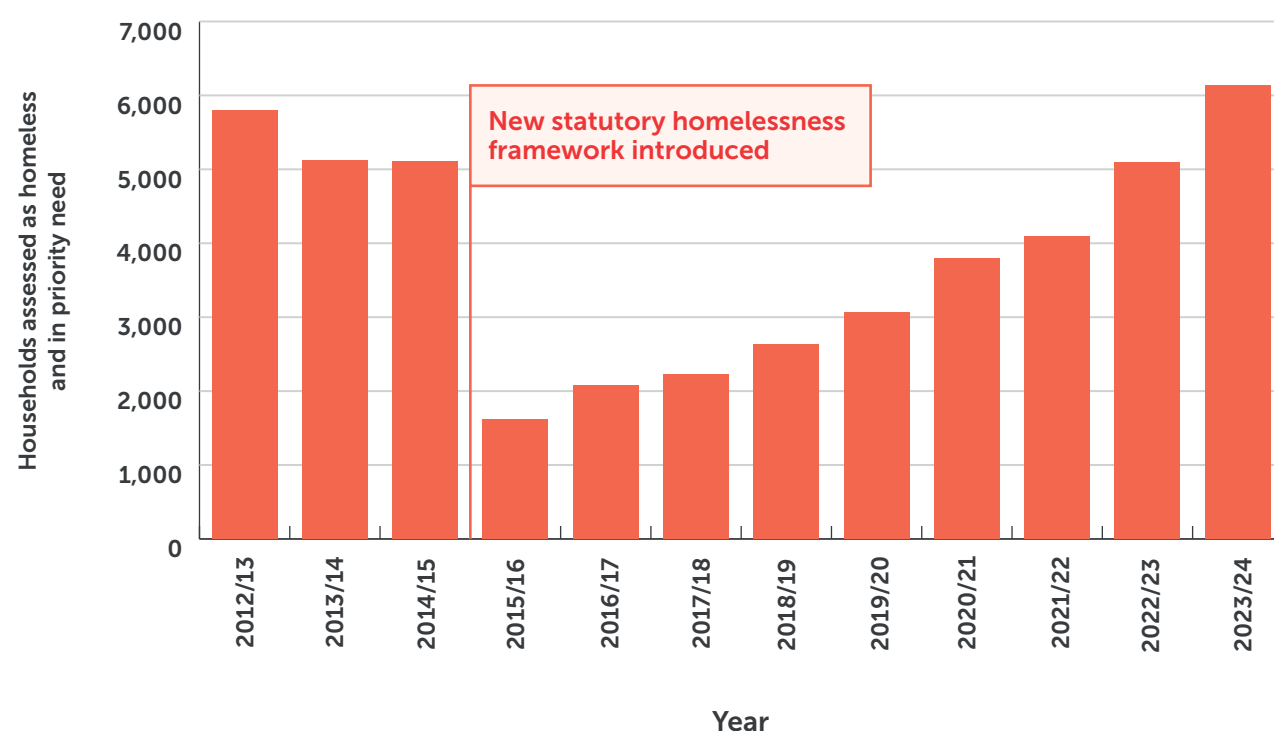
Figure 4.4 presents the post-2016/17 trend of households owed the Main Rehousing Duty, contextualised by roughly equivalent data from the final three years of the pre-2015 statutory homelessness framework. This shows that the number of households owed the Main Duty has now reached levels exceeding those seen prior to introduction of prevention and relief duties under the 2014 Act, standing at 6,135 households in 2023/24, up from a low of 1,611 in 2015/16 and compared to the 5,107 households owed the duty prior to the introduction of the new legal framework.

191 Watts-Cobbe, B., McMordie, L., Bramley, G., Sims, R., Young, G., Rayment, M. (2024) *Destitution by Design: righting the wrongs of UK immigration policy in Scotland*. Online: Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/destitution-by-design-righting-the-wrongs-of-uk-immigration-polic>

192 Welsh Government (2016) *Homelessness in Wales, 2015-16*; Cardiff: Welsh Government. <https://www.gov.wales/sites/default/files/statistics-and-research/2019-04/homelessness-2015-16.pdf>

193 See <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/>

Figure 4.4: Households assessed as unintentionally homeless and in priority need (owed the Main Rehousing Duty)



Sources: Welsh Government – StatsWales and Homelessness Monitor Wales 2017.

Our LA survey gives an additional lens through which to understand changes in homelessness demand that cuts through some of the complexities of the legal framework. Asked how the overall number of households seeking assistance had changed over the past financial year (2023/2024) as compared to the previous financial year (2022/23), almost half of LAs (7 of 16) reported increased footfall (five reporting slight rather than significant increases). Six LAs report stable numbers, while three reported a slight reduction.

Reflecting on these broad trends in homelessness demand, several key informants acknowledged that overall presentations had “plateaued” (Academic sector key informant) in recent years. Despite this, stakeholders were concerned about levels of homelessness, describing “unprecedented and unrelenting” pressures (Statutory sector key informant). This apparent paradox reflects two main factors foreshadowed in the statistical analysis below: first, that presentations have stabilised

at historically relatively high levels, just below the peak seen in 2018/19 to 2019/20 and, second, that challenges maintaining ‘flow’ through the statutory homelessness system mean that the numbers in TA are exceptionally high (see section 4.6) below:

**“there’s not [been] an increase in applications, but there’s a gradually increasing number of people in temporary accommodation, because we’re not moving as many people on. So, I think that’s been one of the big trends.”**

(Academic sector key informant)

## 4.4 Changes in the profile and causes of statutory homelessness

Welsh Government statistics that provided a detailed breakdown of homelessness decisions by household type were discontinued during the pandemic.<sup>194</sup> As it stands, the only such data available differentiates single person households from others.<sup>195</sup> In 2023/24, single person households accounted for some 63% of all applications in 2023/24,<sup>196</sup> virtually identical to the 62% recorded in 2016/17. Our LA survey offers some insights, however, into the profile of those approaching LAs for assistance.

Asked about changes in the incidence of homelessness among particular groups (see table 4.1), increases in demand from those with complex support needs were widely reported (by 12 of 15 responding LAs), a theme also strongly emphasised by key informants. This perceived trend is likely to be linked to the extension of the priority need category to people sleeping rough, but with wider pressures on public services, concomitant failures to intervene upstream were also highlighted:

**“our stakeholders... are seeing... higher support needs, and more multiple support needs... more behaviour that they perceive to be challenging, and in some cases, unacceptable.”**

**There’s a real concern... around the impact of that for staff working in the housing sector particularly and local authorities.”**

(Statutory sector key informant)

**“there has been an increase in the complexity of support needs... there’s a number of things that are contributing to that... the pressures on public services and maybe people not getting the sort of help... they need from other parts of the system. Mental health services comes up quite a lot... People’s support needs intensify and they end up potentially becoming homeless when that was avoidable.”**

(Voluntary sector key informant)

194 Stats Wales website <https://statswales.gov.wales/Catalogue/Housing/Homelessness/Statutory-Homelessness-Prevention-and-Relief/households-found-to-be-eligible-for-assistance-unintentionally-homeless-and-in-priority-need-during-the-year-categories-of-priority-need-by-type-of-household-section-75->

195 Stats Wales website <https://statswales.gov.wales/Catalogue/Housing/Homelessness/householdsforwhichassistancehasbeenprovided-by-outcome-householdtype>

196 That is, as a proportion of [‘applicants owed the Prevention Duty + applicants owed the Relief Duty + ineligible applicants + applicants deemed not homeless or threatened with homelessness] – Prevention Duty cases referred for Relief Duty].



**Table 4.1: Perceived recent change in incidence of homelessness involving different groups (no. of LAs)**

	Increase	Decrease	Fairly steady	Don't know
Families with children	7	3	4	
Households in work	6		5	4
People sleeping rough	7		7	1
People with complex support needs	12	1	2	
Repeat presentations (within 12 months)	5	2	6	3
Single people aged 25+	9	1	4	
Sofa surfers	6	1	8	1
Young single people	3	2	8	1

Source: Authors' survey

A majority of responding LAs also reported increases in demand from single people aged over 25 (9 of 15 respondents in each case), with key informants emphasising two factors contributing to this: first, factors related to the legal safety net and, in particular, the combination of the perceived ineffectiveness of the post-2015 prevention-focus in the case of single people with complex needs and the recent extension of duties to many in this group via reforms to the priority need category:

**“for some years now... our current legislation, whilst it has a really strong prevention focus, hasn't worked for particular groups... entrenched, embedded street homelessness, single people, and single people with complex needs remain and are probably a growing challenge to the sector.”**

(Statutory sector key informant)

**“We're now in a position where we routinely accommodate single people in a way that we didn't before. So I guess that's a part of the profile change that has really carried on since COVID.”**

(Academic sector key informant)

Some LAs emphasised that they have seen “more and more repeat applications” (LA, Mid and West Wales) as a result of the extension of priority need.

Second, the impact of welfare reforms on single people in the context of a shortage of one-bed properties was emphasised, with the role of the shared accommodation rate and bedroom tax highlighted in particular:

**“[it's] now decades since we've had the bedroom tax [and] we haven't actually increased... the number of one-beds available... Discussions around the**

**impact of the bedroom tax, outside the housing sector, has gone away a bit... Either we need to be pushing to get rid of the bedroom tax... or... we need more one beds for those young people, or single people broadly, to be moving into.”**

(Welfare rights sector key informant)

The final groups of concern that emerge from table 4.1 are (as reported above) people sleeping rough and families with children, with half of responding LAs (7 of 14) recording an increase in demand from this latter group in the last year. Relevant here are cost of living crisis-related drivers fuelling homelessness risk among working households:

**“we're dealing with a cohort of people that has expanded to much more commonly include those who are in employment... and unable to meet their housing costs or maintain their housing situation.”**

(Statutory sector key informant)

**“there's a group of people who may previously not have engaged with homelessness services, who might have been pushed into that position because of the cost of living crisis, because of landlords selling up.”**

(Voluntary sector key informant)

As discussed in chapter 3, the Welsh Government does not now routinely collect data on the triggers precipitating statutory homelessness presentations,<sup>197</sup> something acknowledged by key informants as a woeful limitation in a country so focused on homelessness prevention. Since 2023, data recording the previous housing circumstances of persons placed into temporary accommodation by local authorities has been collected,<sup>198</sup> and shows that of the 15,183 persons placed into TA in the ten months to January 2024, some 5% were rehoused 'off the street', while another 7% were previously sofa surfing and 8% were prison leavers. The largest groups were the 38% formerly occupying 'other unsuitable accommodation' and, problematically accounting for 41%, applicants originating from 'other' circumstances.

Our LA survey asked specifically about changes in incidence of homelessness arising from particular immediate causes, and the results are displayed in table 4.2. Homelessness arising from most of the immediate causes identified in Table 2 was perceived to have remained fairly steady during 2023/24. A striking exception to this pattern involved prison release, reportedly a growing cause of homelessness in 11 of the 16 authorities. This was seen to be the result of

197 Stats Wales website <https://statswales.gov.wales/Catalogue/Housing/Homelessness/Statutory-Homelessness-Prevention-and-Relief/households-found-to-be-eligible-unintentionally-homeless-and-in-priority-need-during-the-year-main-reason-for-loss-of-last-settled-home-by-type-of-household-section-75->

198 Stats Wales website <https://statswales.gov.wales/Catalogue/Housing/Homelessness/homelessness-accommodation-provision-and-rough-sleeping/placedintotemporaryaccommodation-by-homelessnessreason-period>

**Table 4.2: Perceived recent change in incidence of homelessness arising from different immediate causes (no. of LAs)**

	Increase	Decrease	Fairly steady	Don't know	Not relevant in my area
People being asked to leave the family home	7	1	8		
People evicted from private rented sector	6	4	6		
People evicted from social rented sector	1	5	9		
Prison leavers	11	1	4		
Repossessed home owners	4	3	8	1	
Survivors of domestic abuse	6	1	8	1	
Victims of other forms of (non-domestic) abuse e.g. racial harassment	4		11	1	
People experiencing non-violent relationship breakdown	4	2	10		
Young people leaving local authority care	1	1	12	2	
Ukrainian refugees	3	1	10	2	
Afghan refugees	3	2	7	3	1
Other migrants with NRPF or other restricted eligibility for statutory support	2	1	8	3	1

Source: Authors' survey

early release practices introduced to manage pressure in the prison estate:<sup>199</sup>

**“Early release from prisons has contributed to the number of prison leavers.”**

(LA, Mid and West Wales)

**“Changes in Probation/ Prison services such as the Early release scheme and recall, have contributed to an increase.”**

(LA, South Wales)

Concerns in this area were reinforced by key informants, who emphasised a range of issues around homelessness following prison release, exacerbated but not ultimately caused by early release. These included a lack of planning and resources around resettlement support from overstretched probation and third sector organisations, as well as particular challenges associated with remand and short-sentences and how these impact social security entitlements. These factors come together to drive homelessness as well as a “revolving door” (Criminal justice sector key informant) back into prison.

Responses to this question indicate a decline in homelessness precipitated by eviction from social housing (seen to have reduced in five LAs, remained steady in nine and increased

<sup>199</sup> The End of Custody Supervised Licence allows certain prisoners to be released before their Conditional Release Date. It was introduced by the former Government in October 2023. In July 2024 the new Labour Government announced alternative plans to address pressures in the criminal justice system, including via temporary measures allowing early release: <https://www.gov.uk/government/news/lord-chancellor-sets-out-immediate-action-to-defuse-ticking-prison-time-bomb>

in only one). Some attributed this to practice changes initiated during the pandemic, but this does not explain why social rental evictions had declined further in importance in 2023/24:

**“The social housing sector has made a commitment to not evict people from accommodation since the COVID 19 pandemic, these figures are therefore low.”**

(LA, Mid and West Wales)

Key informants suggested that this trend was catalysed rather than entirely prompted by the pandemic:

**“One thing that [Housing Associations] have been pretty good at upholding is the no-evictions into homelessness... the good practice that started to come into train before the pandemic, and then was sustained post-pandemic, that’s quite well embedded now... on the whole, they’re very good at sustainment... tolerating rent arrears... and putting those support approaches in place.”**

(Statutory sector key informant)

While this trend was seen in positive terms from a homelessness prevention perspective, there was some frustration from housing sector stakeholders that social landlords were increasingly needing to pick up the pieces of failing public services and an inadequate social security system:

**“it’s multiple crises, layer upon layer, and certainly since the pandemic... [housing associations] are seeing a much higher rate of their tenants who have health problems or... they’re just not able to work... the cost of living crisis layered on top of that has essentially taken all of the resilience that people may have built up over time... and housing associations are having to do more and more... [and] essentially become the last safety net for their tenants where the welfare system effectively has failed them.”**

(Housing sector key informant)

Survey responses were mixed regarding trends in homelessness triggered by eviction from the private rented sector, with six LAs reporting an increase in such demand, the same number reporting stability and four reporting a decrease. In explaining their responses, several LAs were of the view that landlord disinvestment following the implementation of the RHA in 2022 (see chapter 3) had led to an increase in homelessness, with this trend continuing, though at a lower level, in 2023/24.

**“The reduction in notice being given by the private rented sector is mainly due to the implementation of the Renting Homes Act 2016, many private landlords were leaving the sector**



**prior to this implementation because they were aware of the implementation date hence why 22/23 figures were higher [than those in 2023/24]."**

(LA, Mid and West Wales)

Several key informants were of the view that homelessness triggered by exiting the PRS was increasing, emphasising the growing divide between household incomes and rent levels driven by cost of living pressures and LHA rates:

**"We continue to see large numbers of families, people on low incomes, just because rents have outstripped incomes.... That growing gap between incomes and rent prices seems to be... a growing trigger [of homelessness]."**

(Voluntary sector key informant)

Wider cost of living pressures, combined with a lack of one bedroom housing stock for under-55s, was also highlighted as a particular challenge for non-family households:

**"Drivers for much of the levels of homelessness is poverty, cost of living crisis, tensions at home and relationship breakdowns, where single people are most heavily impacted... single people and childless couples under 55 who are least well served through the local housing supply across PRS**

**and social housing."**

(LA, North East Wales)

While survey responses did not reveal particular concern about increases in demand from Afghan and Ukrainian refugees, a broader range of migration related factors were seen as important. Key among these were Home Office efforts to accelerate decision making on asylum claims to 'clear the backlog', thereby increasing demand from those granted refugee status:

**"changes in Home Office decision making around asylum decisions has had a pretty significant... impact... The sudden change in decision-making... has meant there's a lot more refugees needing to be accommodated temporarily and permanently... It's a small subgroup of the population but it's worth noting."**

(Academic sector key informant)

**"We have also seen an increase in Refugee cases due to the backlog from the Home Office now being processed. Many of this cohort present with complex PTSD."**

(LA, South Wales)

Participants noted that the 28-day notice period from Home Office accommodation (extended to 56 days after fieldwork was conducted for this report) was insufficient to find alternative appropriate accommodation in the context of a "severe shortage of rented properties" (Voluntary sector key informant). Changes in asylum dispersal policy mean that

**Table 4.3: Expected change in incidence of homelessness during next 12 months (no. of LAs)**

	Will increase	Will decrease	Remain fairly steady	Don't know	Not relevant in my area
People sleeping rough	3		10	2	1
Sofa surfers	4		11	1	
Families with children	2		12	2	
People being asked to leave the family home	3		10	2	
People evicted from private rented sector	6	4	5	1	
People evicted from social rented sector	1	2	12	1	
Prison leavers	10	1		5	
Repossessed home owners	6		8	2	
Survivors of domestic abuse	1		10	3	
Victims of other forms of (non-domestic) abuse e.g. racial harassment			13	2	1
People experiencing non-violent relationship breakdown	1		13	2	
Young people leaving local authority care	2	1	11	2	
Ukrainian refugees	6	4	3	3	
Afghan refugees	4	2	4	6	
Other migrants with NRPF or other restricted eligibility for statutory support	3	1	6	5	1

Source: Authors' survey

these pressures are now impacting across Wales, with the scale of impact "depending on the housing markets in... local authority areas" (Statutory sector key informant) according to key informants, but with some areas "really feeling the challenge" (Statutory sector key informant) and lacking the "capabilities, the expertise, the resources" to adequately respond (Voluntary sector key informant). Concerns were also raised about growing demand from those with NRPF, including (but not limited to) those whose asylum claim is rejected.

LA survey respondents were asked about their expectations of homelessness demand involving different groups over the next year. Most expected relative stability across the majority of groups listed in table 4.3. Once again, a dramatic exception to this concerned

prison leavers, with 10 of the 16 respondents anticipated an increase in demand from this group in 2024/25. This was a grave concern for LAs in the context of wider pressures on TA and the particular challenges of accommodating this group:

**"the early release scheme... will means many prison leavers will be hitting homeless services much sooner and this will be at great cost to the Council... [It] is obviously a significant concern that Prison Services can be full and initiate such a**

**response, with seemingly no consideration to those public services delivering homeless support [that] are similarly full or near breaking point.”**

(LA, North East Wales)

**“Prison leavers could increase due to changes in release plans for those serving custodial sentences... This will place additional pressures on TA and some could end up rough sleeping.”**

(LA, Valleys)

Views were once again split regarding trends in the PRS with broadly the same proportion of LAs expecting an increase, fall and stability in demand from those evicted from the tenure, as captured in these three contrasting open text responses:

**“The exodus of private landlords from the market continues.”**

(LA, Mid and West Wales)

**“We anticipate that the Private Rented Sector will stabilise over the next twelve months. Those landlords turned off by what they perceive to be ‘pro tenant – anti landlord’ RHA legislation will have left the market or are in process of doing so and this will leave us with those landlords committed to the**

**PRS market.”**

(LA, North East Wales)

**“Protection to contract holders in the RHA should result in a reduction of households losing their accommodation.”**

(LA, South Wales)

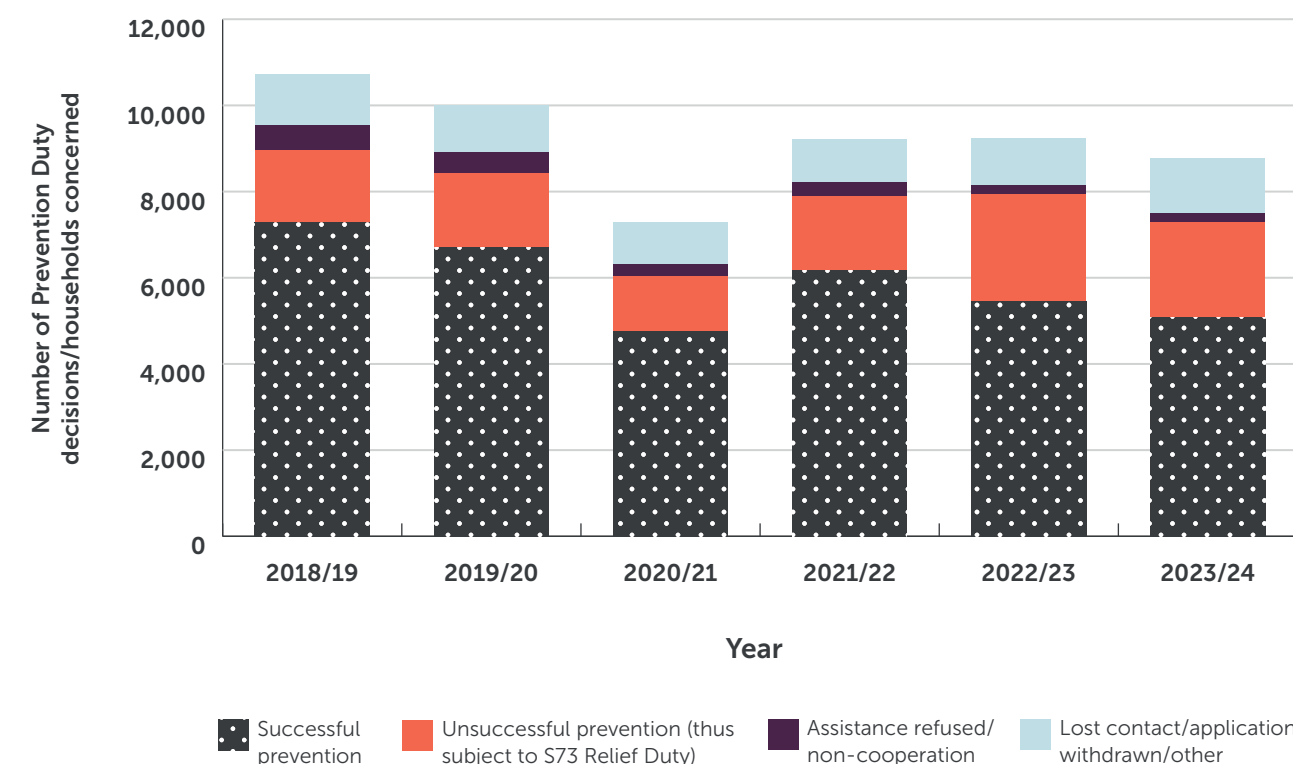
This could reflect the impact of different housing market contexts, or uncertainty about future trends in the face of countervailing forces. Affordability pressures facing tenants in the context of the cost of living pressures and inadequate LHA rates were also highlighted.

Responses also suggest some level of concern about increases in demand from Ukrainian refugees, with six LAs expecting an increase. In two areas this reflected an expectation of hosting arrangements coming to an end after multiple extensions. Open text responses indicated wider concern that asylum system-related pressures would continue to drive homelessness pressures over the coming year. The same proportion of respondents (6) anticipated increases in homelessness as a result of repossessions of home owners, though here a majority expected stability in this regard (8) and any increase in this trigger would be from a very low base.

#### 4.5 Application outcomes

This section considers the outcomes of applications for housing assistance to Welsh LAs. We focus on the outcomes of prevention, relief, and main rehousing duties in turn, but at the outset it is instructive to note that 5,391 households seeking local authority housing assistance related to homelessness were judged ineligible or ‘not homeless or threatened with homelessness’ in 2023/24, including 432 households classed in the former category (e.g. with regard to immigration/citizenship status). Having remained largely stable over the previous five

Figure 4.5: S66 Prevention Duty outcomes, 2018/19-2023/24



Source: Welsh Government

years, this combined cohort increased from 17% of total applications<sup>200</sup> in 2022/23 to 21% in 2023/24.

#### 4.6 Prevention and relief duties

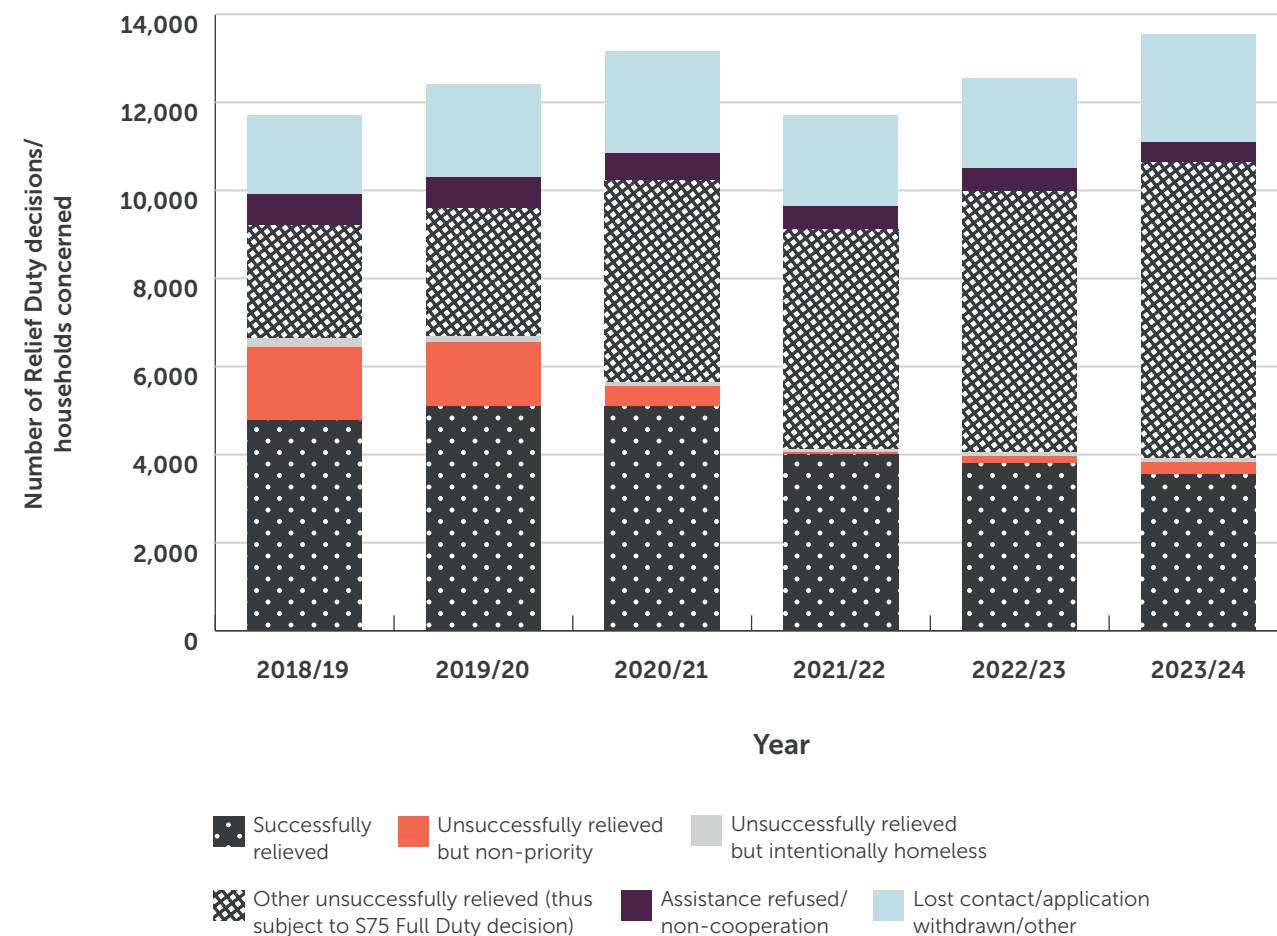
According to local authority monitoring, most prevention actions are successful in averting homelessness – see Figure 4.5. In 2023/24, 58% (5,079) of the 8,772 households ‘threatened with homelessness’ were assisted in this way. At the same time, the proportion of all prevention actions judged ‘successful’, however, has been on a downward trajectory, falling from 68% in 2018/19. Relatedly, the proportion of unsuccessful prevention actions giving rise to the Relief Duty rose from 16% to 25% over the period.

If an applicant is judged homeless at the point of application, or if prevention efforts have failed, the LA has a duty to relieve the household’s homelessness. This might involve securing (or helping them secure) a private or social tenancy, or some other acceptable form of tenure – e.g. moving in with friends or relatives. Unfortunately, Welsh Government statistics do not record any such breakdown.

However, statutory data does show that the number and proportion of Relief Duty actions recorded as ‘successful’ has fallen significantly in recent years, dropping from 41% to 26% in the five years to 2023/24 (see figure 4.6). Conversely, the number and proportion of Relief Duty outcomes where lack of success triggered the Main Housing Duty referral more than doubled from 22% to 49% over the same period.

200 Calculated as total Prevention Duty decisions plus total Relief Duty decisions, plus ineligible decisions plus ‘not homeless’ decisions, minus Prevention Duty cases leading to Relief Duty referral (see Figure 6).

Figure 4.6: S73 Relief Duty outcomes, 2018/19-2022/23



Source: Welsh Government

Perhaps more positively, there has been a sharp decline in the number of households subject to unsuccessful Relief Duty intervention but not owed the Main Rehousing Duty because they are judged non-priority or intentionally homeless. Such outcomes fell by 81% between 2018/19 and 2023/24 from 1,860 to 366 (see figure 4.6), clearly driven by practice and, latterly, legal changes made following the onset of the pandemic. There were only 90 households subject to unsuccessful relief action but subsequently judged 'non priority' in 2023/24, 5% of the number in that category in 2018/19.

Key informants were crystal clear about the drivers of these declining rates of effective prevention and relief activity, with two

key factors emphasised. First, LAs were consistently described as in "crisis mode" (Statutory sector key informant), focused on responding to homelessness that has already occurred and managing temporary accommodation:

**"the acute end of homelessness, people who are already homeless, is so overwhelming for local authority colleagues that it is increasingly difficult for them to have the capacity to engage as much as they**

**would like to do in the prevention area... They would much rather be putting their efforts into prevention... but... the pressures... in terms of the temporary accommodation... are immense"**

(Voluntary sector key informant)

The challenging financial context was emphasised here as inhibiting LAs from being able to manage this crisis response and invest in preventative approaches at the same time:

**"We're in a very challenging financial context overall, so there has not been an increase in staffing resources, revenue resources, to allow the development of new service capacity, to switch to preventative services while maintaining the crisis side."**

(Statutory sector key informant)

Second, the structural context for prevention was seen to be enormously challenging, due to difficulties accessing suitable housing for those in need:

**"If you talk to any local authority, their struggle is temporary accommodation. We haven't got enough for the people that we're expected to accommodate, and the challenge is growing because we can't move people on... That's their**

**challenge. Relatively few talk about what they're doing around prevention, to reduce those inflows, partly because of the structural challenges that are causing homelessness."**

(Academic sector key informant)

**"their options around prevention are a lot more limited than they were... It's not a question of... not doing it because they don't want to... It's... that those resources... their own staffing and the supply of suitable housing [don't allow it]"**

(Housing sector key informant)

In particular, effective preventative interventions for those facing eviction from the private rented sector were seen to have become especially challenging in recent years:

**"local authorities... at least for a time... were seeing very significant levels of no-fault evictions, and they couldn't persuade landlords to do anything different."**

(Statutory sector key informant)

**"Whereas, maybe in the past, there might have been some dispute that could have been resolved between landlords and tenants... or a better ability to find alternative**



**accommodation, maybe a few years ago, that's just not the case now."**

(Voluntary sector key informant)

One participant argued that LAs have not been able to exit 'crisis mode' since the emergency response to the pandemic:

**"we went into crisis response with COVID, and the emphasis was get everyone somewhere safe. That's our priority. Just get people a roof over their heads... I don't know that we've moved out of that yet... local authorities don't have the time to look at prevention in any particularly creative or innovative ways."**

(Statutory sector key informant)

These perspectives underline the findings of the Senedd's 2023 Local Government and Housing Committee inquiry into homelessness which found 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."<sup>201</sup> Witnesses contributing to the inquiry identified a need for improvements in prevention efforts, including in relation to implementing a multi-agency response, and greater use (where appropriate) of family mediation.

While the general tenor of key informant responses was that prevention activity in Wales was far from reaching its potential, some were eager to emphasise the positive

(though not complete) transformations achieved since the introduction of prevention duties, and there were also indications that the current crisis is fuelling more and better prevention work in areas with access to resources to enable this:

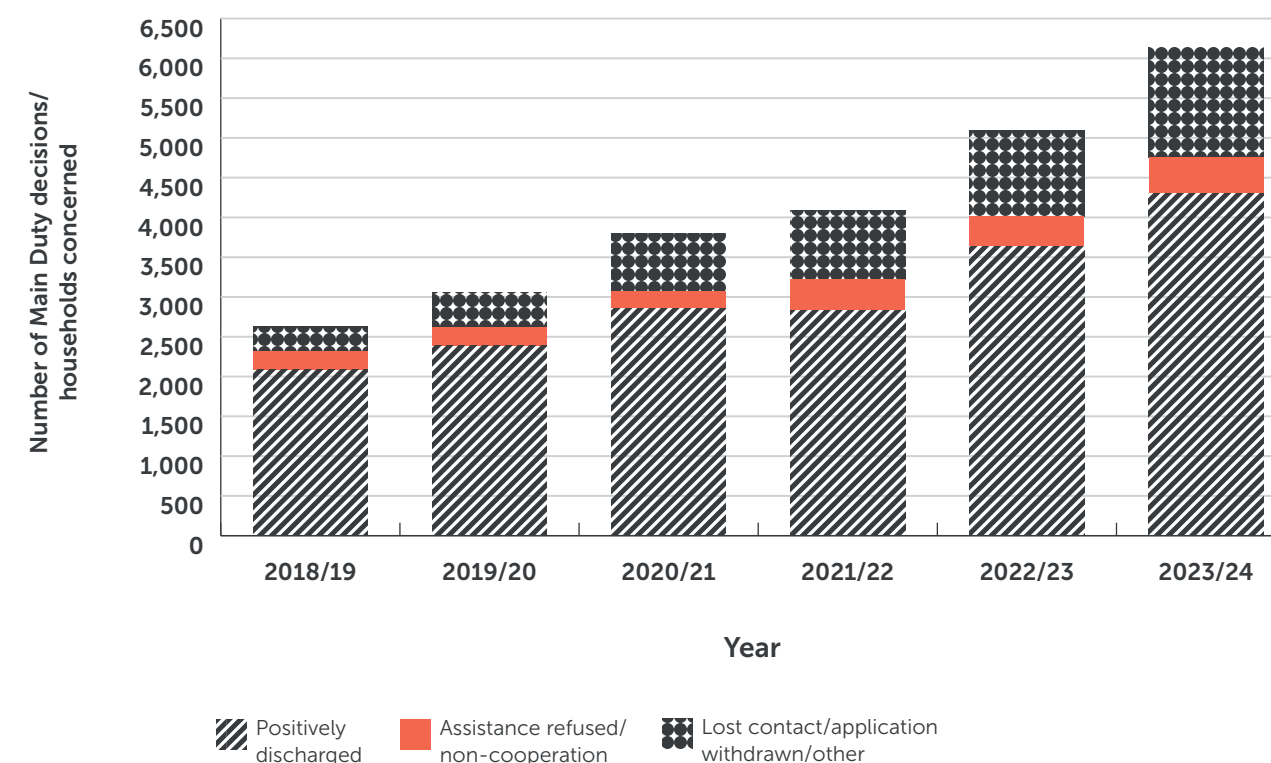
**"thinking back to 2014 and the Prevention Duties... there definitely has been an improvement... since then... there definitely have been improvements... [but] there is not universal acceptance or understanding of... a deeper preventative agenda."**

(Voluntary sector key informant)

**"there are a few authorities doing really the sort of stuff that I would have expected them to be doing ten years ago when the legislation came in, and it feels that now they're getting to grips with it because of the pressures... specialist workers... for people experiencing domestic abuse, working with prisons and people leaving prison, explicitly to prevent them ending up homeless... It is what the legislation intended authorities to do in the first place. So... there**

201 Welsh Parliament Local Government and Housing Committee (2023) *Homelessness*. Online: Welsh Parliament. <https://senedd.wales/media/zs0jkb4g/cr-ld15717-e.pdf> (Page 38). See also: The Public Services Ombudsman for Wales (2021) *Homelessness Reviewed: an open door to positive change*. Online: The Public Services Ombudsman for Wales. <https://www.ombudsman.wales/app/uploads/2021/10/Homelessness-Reviewed-an-open-door-to-positive-change.pdf>

Figure 4.7: S75 Main Rehousing Duty outcomes, 2018/19-2022/23



Source: Welsh Government

**is some movement there and that's partly because of funding becoming available under Shared Prosperity in some areas."**

(Academic sector key informant)

## 4.7 Main Rehousing Duty actions

We have already seen that the number of households owed the main rehousing duty has expanded rapidly. For most households subject to this duty, the outcome is 'positive discharge', a synonym for secure rehousing. As shown in Figure 4.7, however, between a fifth and a third of cases do not end in this way.

A significant proportion of Main Rehousing Duty cases (22% in 2023/24) are closed due to a loss of contact, where the household has actively withdrawn their application, or where the case was closed for 'other' reasons. As shown above, such outcomes also account for appreciable proportions of cases in the Prevention Duty and Relief Duty cohorts, overall totalling 18% of outcomes across the three (relief, prevention and main duty) cohorts in 2023/24.<sup>202</sup>

While official statistics do not enable a breakdown of the tenure destination associated with positive discharges of the main rehousing duty, our LA survey offers some insight into recent trends in the availability of, or access to, settled accommodation for homeless households. The data reveals a stark contrast between perceived trends in access to social and private rented housing in the last year (see table 4.6).

202 This likely includes a degree of double counting.

Table 4.4: Have there been changes in the availability of, or access to, the following kinds of settled accommodation for those experiencing homelessness over the past year? (no. of LAs)

	Increased	Decreased	Stable	Don't know
Local authority	5	1	4	5
HA	8		7	1
PRS	1	11	3	1

Source: Authors' survey

Most LAs (11 of 16) report that access to the private rented sector has deteriorated, highlighting now familiar themes around the impact of a longer term decline in the availability of such accommodation and linked affordability issues:

**“PRS has been incredibly unstable this last twelve months with fewer properties available year on year for the last six years now... [Because there's] more competition for PRS... those on benefits (which is a high proportion of the homeless cohort) are priced out.”**

(LA, North East Wales)

**“Like many other areas the PRS is becoming a non-existent and unaffordable housing option [here].”**

(LA, Valleys)

By contrast, half of LAs report an increase in the availability or access to Housing Association properties, with none reporting a decrease. Around a third of respondents (5 of 16) report an increase in the availability of, or access to, local authority housing, with

only one reporting a decrease. The expanded availability of social housing was attributed to two drivers: some areas highlighted the role of new build, acquisition and buy-back policies:

**“Both the Council and Social Housing providers have a programme of new builds.”**

(LA, South Wales)

**“we have increased our stock through the TACP [Transitional Accommodation Capital Funding Programme] grant, buying back council properties and our More Homes programme.”**

(LA, South Wales)

While others highlighted 'emergency' allocations policies under which homeless households had secured increased priority:

**“The emergency policy gives the highest priority to those [who are] homeless or threatened with homelessness.”**

(LA, Mid and West Wales)

**“We have had a 50% Homeless Direct Lets process in place since the summer of 2020 – this was part of our covid response and has been sustained since then... We have seen an increase in the last twelve months of families experiencing homelessness and as a result have been able to increase the take up of social housing for this cohort.”**

(LA, North East Wales)

One did highlight the availability of smaller social housing units as a limiting factor on such trends, albeit not for over 55-year-olds for whom “there is lots of supply of older persons / sheltered housing” (LA, North East Wales).

Key informants and LA survey respondents highlighted particular challenges accommodating some groups. Reflecting findings reported elsewhere in this report, the main (and overlapping) groups highlighted were prison leavers, those with complex needs and single people:

**“Single homeless households [we] just don't have the supply of homes for single homeless households, given the welfare system.”**

(Voluntary sector key informant)

**“[Prison leavers] as a group, they're very difficult to accommodate... also a lot of other people with complex and co-occurring needs... they are also incredibly difficult to accommodate.”**

(Statutory sector key informant)

Often, LA respondents placed emphasis on insufficient access to supported accommodation as a key barrier, especially in the Valleys:

**“[We need] more provision for people with complex housing needs. More housing options which are managed and cater for individuals who need a level of support to sustain their tenancy.”**

(LA, Valleys)

**“There is a lack of Affordable housing, supported housing [and] Joined up working (in particular around individuals with complex needs)”**

(LA, Valleys)

As mentioned above, while Welsh Government's homelessness statistics no longer offer a detailed breakdown of decisions and outcomes by household type,<sup>203</sup> data which allow for disaggregation of decisions and outcomes between single person households and others is available (see figure 4.8).<sup>204</sup>

203 Stats Wales website <https://statswales.gov.wales/Catalogue/Housing/Homelessness/Statutory-Homelessness-Prevention-and-Relief/households-found-to-be-eligible-for-assistance-unintentionally-homeless-and-in-priority-need-during-the-year-categories-of-priority-need-by-type-of-household-section-75->

204 Stats Wales website <https://statswales.gov.wales/Catalogue/Housing/Homelessness/householdsforwhichassistanceshasbeenprovided-by-outcome-householdtype>

This data shows that single people are over-represented (compared to two adult households and households with children) in the following categories:

- Being classed as non-priority or intentionally homeless
- Subject to unsuccessful relief action but intentionally homeless
- Failing to benefit from Relief Duty or Full Duty assistance due to non-cooperation or loss of contact.

The relative disadvantage of single people shown here likely reflects the coming together of a number of factors discussed throughout this report, including: the continued de-prioritisation of single people in the statutory safety net via the priority need criterion; the higher prevalence of multiple and complex needs among single people; the disproportionate impact of welfare reforms including the Bedroom Tax and LHA caps on single people; and high competition for an inadequate supply of one bedroom properties.

## 4.8 Temporary accommodation placements

After a period of relative stability in the late 2010s, recent years have seen a sharp increase in the use of temporary accommodation. Over the four years to March 2024, total placements had increased 189%, from 2,232 to 6,444. Perhaps of most concern is the escalation of B&B hotel placements to 2,730 from only 495 on 31 March 2020 – a fourfold (or 452%) increase. Over the period since 2017, B&B placements have increased tenfold, now accounting for not far short of half of all TA placements (42%), by far the most relied upon form of TA in Wales – see figure 4.9.

The number of people (rather than households) in TA rose from 3,577 in August 2020 to 11,721 at the end of February 2024 – see figure 4.10. However, with the numbers gradually declining over succeeding months, it

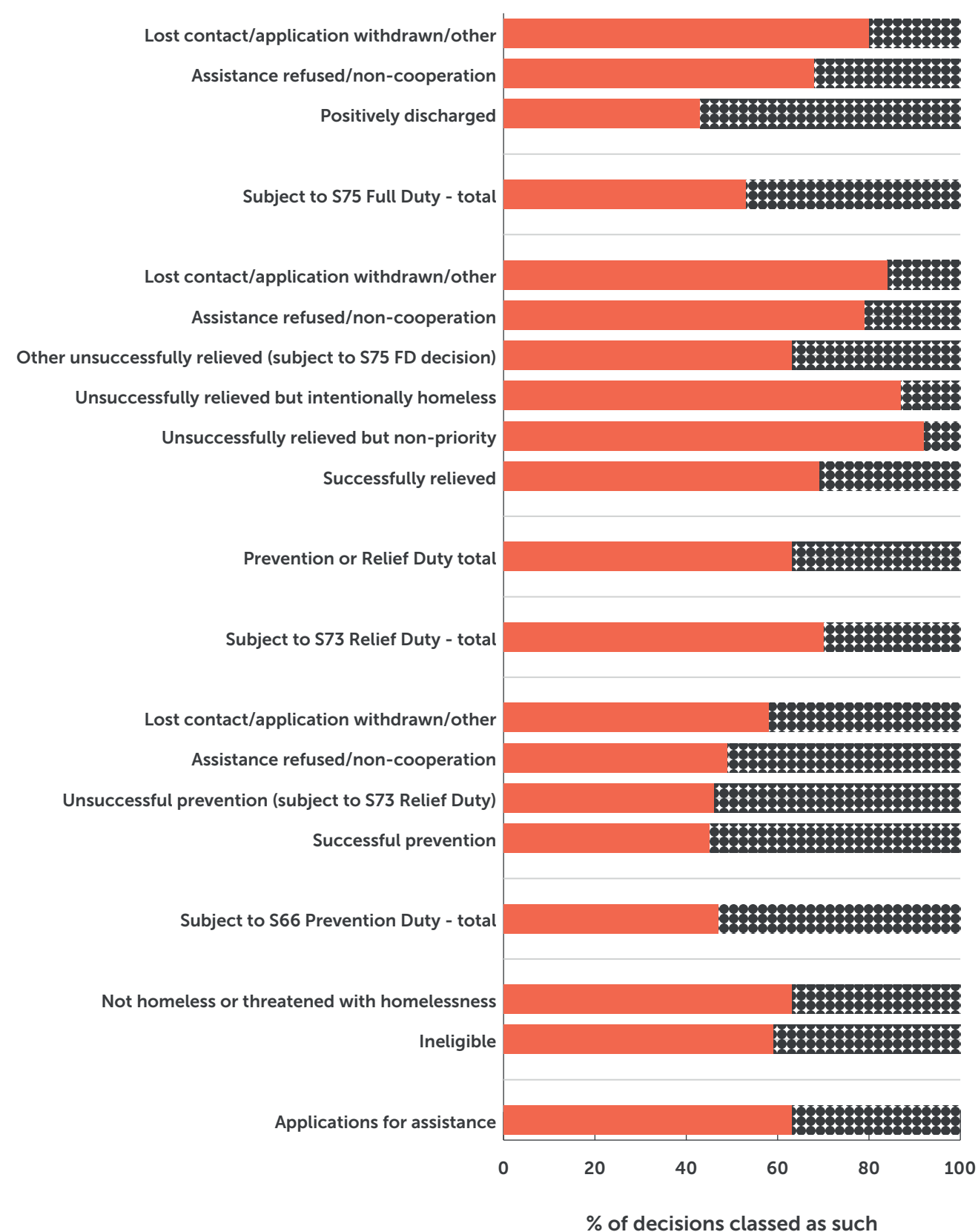
appears that early 2024 may represent a peak in reliance on TA in Wales.

A particular concern in relation to TA has been the growing number of households with children affected. By 31 March 2024, across all forms of TA, 1,755 families were in TA, double the 849 in TA four years earlier. Despite these rapid increases, families represent a declining share of the households in TA, down from 37% on 31 March 2020 to 27% on 31 March 2024, likely reflecting the expansion of priority need and particular difficulties faced securing settled rehousing for single people.

The TA buildup reflects the fact that local authorities have been unable to rehouse TA residents into permanent housing at a rate equal to the volume of new TA placements. The inflow into TA has escalated substantially over the last four years, rising from around 1,000 in August 2020 to 1,800 by August 2023 – although falling back in late 2023 and in the year to 31 March 2024, 17,856 people were placed into TA, whereas only 8,229 were ‘moved into suitable long-term accommodation’.<sup>205</sup>

Key informants and LA survey respondents highlighted two main (and overlapping) sets of drivers of this increased TA pressure. First, and overwhelmingly the most prominent, was the COVID-19 pandemic and the emergency ‘No One Left Out’ response to rough sleeping that it prompted, and the inability of local authorities – in light of the broader housing market context (see chapter 2) – to ensure adequate flow through TA to keep overall numbers steady (let alone reduce them). Key informants saw this shift, and its continuation post-pandemic via the extension of priority need, as “*very welcome*” (Statutory sector key informant) and “*the right thing to do*” (Housing sector key informant), as well as recognising that it had fuelled TA use. One participant described these changes as “*shifting from one problem to a new problem, albeit [that it] might be a slightly better problem to have*” (Voluntary sector key informant). Another’s commentary captures a widely recognised sentiment:

Figure 4.8: Local authority homelessness casework outcomes, 2023/24: household type breakdown



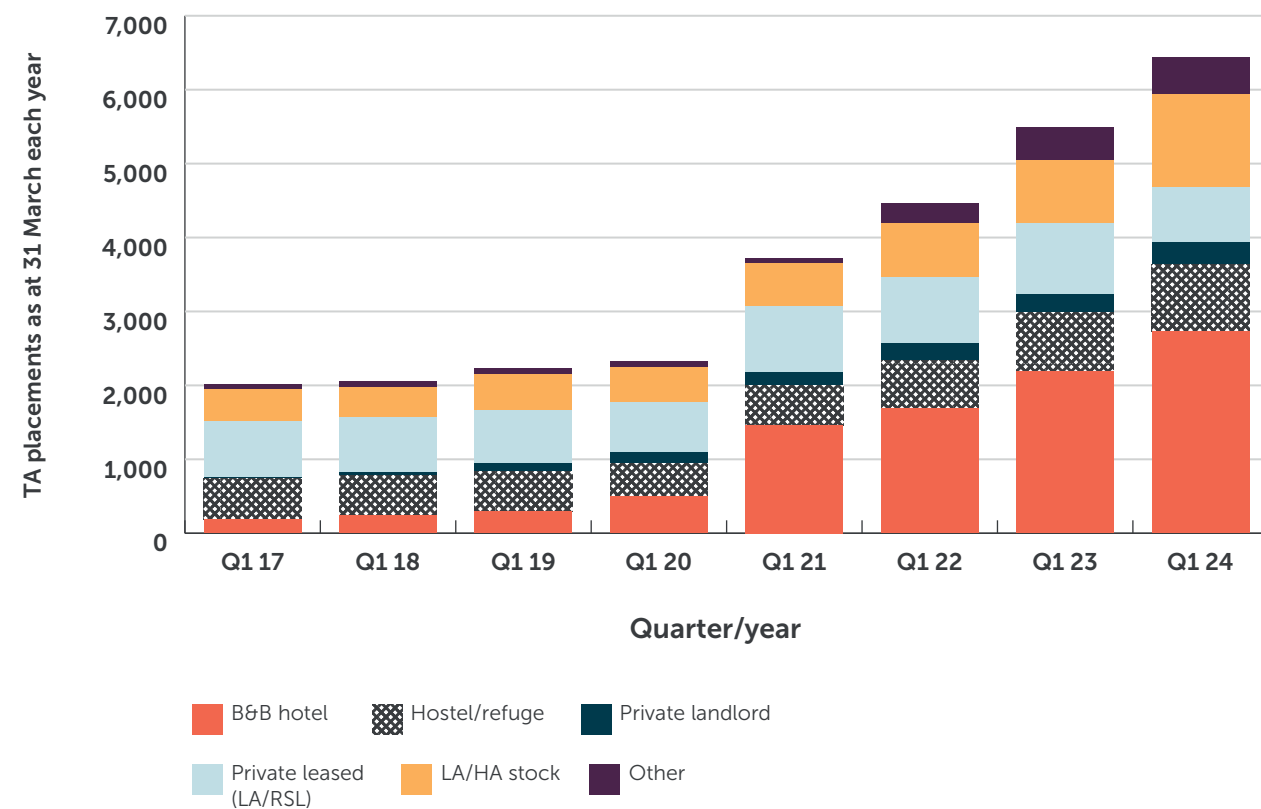
Source: Welsh Government

Single person households Other

205 In addition, there may well have been significant numbers of people abandoning TA or having bookings ended other than involving moves into ‘suitable long-term accommodation’.



Figure 4.9: Temporary accommodation placements at 31 March, 2017-2024 (households)



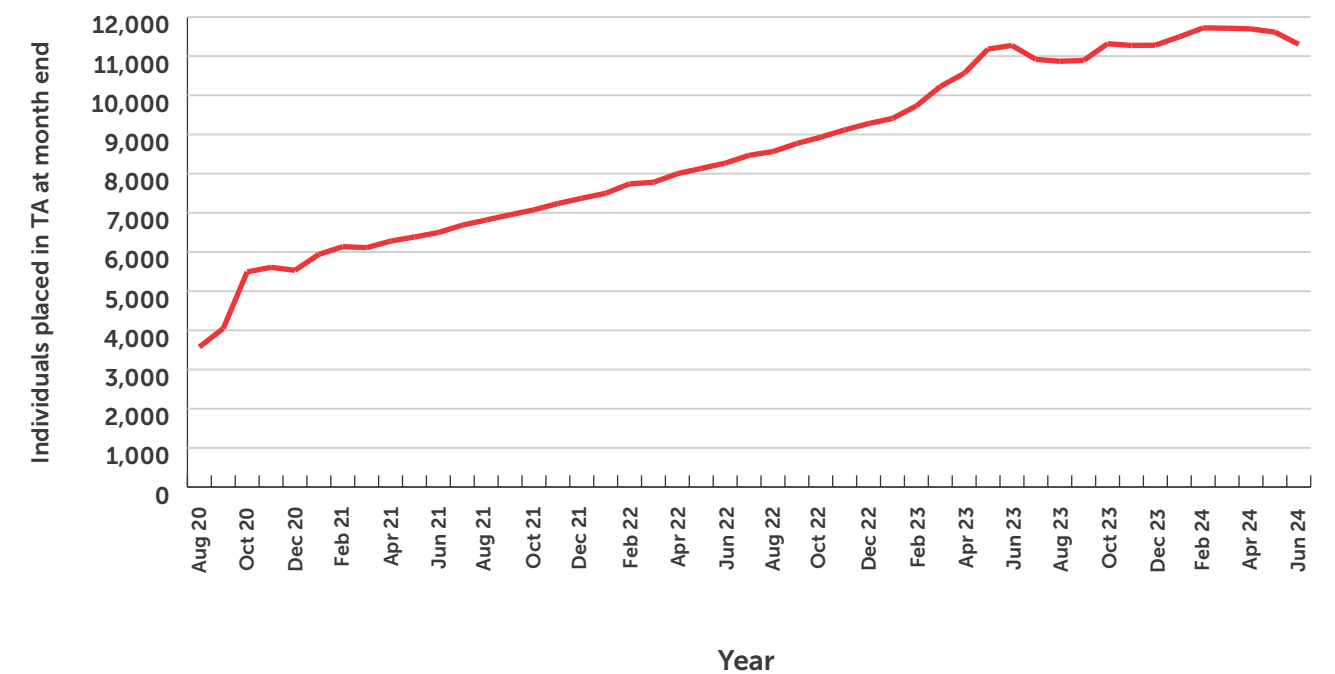
Sources: Welsh Government – StatsWales

**“efforts during the first couple of years of the pandemic were fantastic... the way that people removed the bureaucracy, took down the barriers, and all worked together to try and get people in and safe was remarkable... It was the right thing to do for infection control purposes at the time, and we were really, really pleased when the Minister said that she did not want to go back to how things were before the**

**pandemic... but... we didn’t end homelessness... We put a bunch of people in temporary accommodation - lots of which wasn’t appropriate. I think it’s important to recognise that... it is really, really challenging for [LAs], and the scarcity of temporary accommodation, never mind settled accommodation, is really challenging, but it was absolutely the right thing to do to add that extra priority need category.”**

(Voluntary sector key informant)

Figure 4.10: Homeless individuals in temporary accommodation at month end, 2020-2024



Sources: Welsh Government – StatsWales

LA survey respondents were also clear that the pandemic response and maintenance of a more inclusive approach had fuelled the surge in TA use, but their comments lacked the emphasis on these changes being positive. On the contrary, LAs tended to emphasise how enormously overstretched they are and their scepticism regarding the legitimacy of need among some in TA as a result of the priority need extension (see also chapter 3):

**“[Now] the burden [is] on the local authority to disprove that someone is sleeping rough... the bar for offering interim accommodation is very low. We now have almost 200 single applicants sitting in B&B with no realistic options for move on... we would not have**

**200 rough sleepers if the duty ended tomorrow as the majority would have alternative (though unstable) accommodation.”**

(LA, North East Wales)

**“During covid we had the ‘everyone in’ policy and we didn’t return to looking at priority and non-priority decisions post covid. We have a well-established Outreach Team who assist rough sleepers so already have pathways in place for referrals to the service, but the legislation changes**

**have exacerbated and increased demand on a very overstretched service.”**

(LA, South Wales)

Second, in the broader context of a challenging housing market and as picked up throughout this report, LA respondents highlighted increasingly restricted availability and affordability of private rental dwellings as key to challenges effectively addressing TA pressures:

**“Pre and during covid the PRS market in terms of being able to secure and discharge into affordable PRS was a viable alternative to social housing. A lot of landlords worked with our PRS team to house their tenants, and this has vastly reduced in the last few years. Landlords have sold or are selling in a buoyant housing market or have massively increased their rental amounts.”**

(LA, South Wales)

### Impacts of high temporary accommodation use

Key informants and LA survey respondents identified a slew of negative impacts associated with this surge in TA use. Perhaps most alarming is the acknowledgement that a number of LAs *routinely* fail to accommodate those owed a duty because they have no capacity and operate unlawful waiting lists to manage this demand:

**“We have seen cases of... effectively illegal, waitlists being operated for temporary accommodation by local authorities, simply because they don’t have the temporary accommodation and so are operating their own priority banding within it. If you are presenting as imminently homeless, you are probably going to have to wait for support at the moment.”**

(Voluntary sector key informant)

**“we’ve raised the lack of compliance before, and unfortunately we are going to be non-compliant for a long time... I lose a lot of sleep over that.”**

(Statutory sector key informant)

As noted above, this practice is seen to be driving rough sleeping in some areas, with prison leavers at particular risk. One participant commented that such lists operate in the majority Welsh LAs and several emphasised that LAs are not doing this lightly, but due to lack of perceived alternatives:

**“we had some clients who were advised, ‘Here’s your tent. Go and camp right in the town centre so that you’re very visible, and that will help you to make sure that you’re not forgotten or overlooked in the queue to get into TA.”**

(Statutory sector key informant)

The positive role of legal advice and advocacy in addressing this issue was noted by several participants, albeit alongside frustration at the lack of regulatory intervention or other more systemic resolutions.

Historically high levels of reliance on TA were also seen to have impacted on the quality of stock used and on management challenges within it. We have already seen above that B&B accommodation is now the dominant form of TA provision in Wales and the number of families in B&B accommodation has increased from 33 to 408 over the last four years – more than a tenfold increase. This situation was described as “grim” (Housing sector key informant), with those impacted facing lack of access to cooking and laundry facilities, and bathrooms of their own. Once again, participants emphasised that it reflects LAs having no other options:

**“There are people who are in accommodation that we previously would never have allowed them to stay in for longer than six weeks... that is not because of the will of our sector. It’s because they have, literally, nowhere else to put them.”**

(Statutory sector key informant)

**“There isn’t enough temporary accommodation, they’re using loads of hotels... poor-quality hotels in poor-quality neighbourhoods... we’ve got a couple of other**

**services where people are sharing bathrooms. We don’t want to provide that type of accommodation, but the local authority would not be willing, at the moment, to support us closing that service... they don’t have better alternatives for people... local authorities are at breaking point, trying to meet their statutory duties. That’s how it feels.”**

(Housing sector key informant)

Quality issues were not limited to B&B accommodation, with some participants highlighting disrepair issues in self-contained TA and several mentioning the controversial temporary use of a former retail unit in Cardiff as dormitory-style temporary accommodation.<sup>206</sup>

There were also acute concerns that the increasing complexity of need among those accommodated in TA and a lack of appropriate supported housing was coming together to maximise the challenge of managing TA, especially congregate provision and driving eviction, placement failures, rough sleeping and repeat applications:

**“The No One Left Out approach is very challenging for local authorities. We’re getting a lot of repeat presentations where there has been a failure in**

206 Senedd Written Question, WQ90902 (e) Tabled on 30 January 2024. Online: Welsh Parliament <https://record.senedd.wales/WrittenQuestion/90902>; O’Neill, R. (2024) ‘Welsh Government defends use of ‘inhumane’ Toys R Us building for homeless people’. 31 January 2024. <https://www.walesonline.co.uk/news/wales-news/welsh-government-defends-use-inhumane-28542689>; Hill, J. (2023) *People on housing waiting list in Cardiff sleeping in old Toys R Us building*. 30 December 2023. *Wales Online*. <https://www.walesonline.co.uk/news/wales-news/people-housing-waiting-list-cardiff-28366632>

**temporary accommodation numerous times... like how often do we keep trying to accommodate somebody if it's clearly not working?"**

(Statutory sector key informant)

**"there are a group of people who are at the more complex... end of the spectrum for whom the temporary accommodation options are not sufficient... where because of their trauma and mental health conditions, lots of things, they're reacting to certain situations and being evicted... they've been thrown out of every temporary accommodation option, so there is... nowhere else that we can place them... temporary accommodation is so scarce that people are simply being placed wherever there is a space, and that not being ideal for a lot of people."**

(Voluntary sector key informant)

In addition to these concerns about quality and suitability, there is also evidence indicating increases in households' length of stay in TA. The number of households having remained in B&Bs for more than six weeks rose from 18 on 31 March 2020 to 180 four years later. Data for seven local authorities covered by recently published research<sup>207</sup> showed that average durations of stay across all forms of TA for those housed as such on 31 March 2023 ranged from 65 days in Denbighshire to 262 days in Cardiff:

**"There are more people seeking homes, so inevitably, we're working with more and more cases every year of people who are having extended stays."**

(Voluntary sector key informant)

**"The lack of move on accommodation contributes to pressures in TA with people staying for long periods of time and thus placing additional capacity requirements at any given time."**

(LA, Valleys)

TA pressures were such that at least four LAs reported using out of area TA placements, a course of action that posed operational challenges and risked tensions with 'receiving areas':

**"Availability over summer months [is problematic] ... If [there's] no availability [we]**

**have to go out of county or use Travelodge which is difficult with bookings and managing cases."**

(LA, Mid and West Wales)

**"Placing people out of county in hotels presents operational challenges for the workforce with extra distance to travel to provide support, but also creates tensions with neighbouring Counties."**

(LA, North East Wales)

While the impacts of high TA use highlighted so far have focused on those affecting households facing homelessness, participants also raised concerns about negative impacts on LAs and their workforce. Finding accommodation and managing TA were described as "stressful" (LA, South Wales) and time intensive for staff. Participants also emphasised the extreme pressure on council budgets associated with current TA use at a time where these budgets are already under "immense pressure" (Housing sector key informant):

**"the demand for homeless accommodation far outstrips our supply of new and better forms of temp[orary] accom[modation]... The world of homelessness and cost of living crisis is moving at far greater pace alongside legislative reforms, than we are able to transform our homelessness delivery model. This exposes the Council to massive financial risk, which**

**is not supported adequately by [Welsh Government], through the Revenue Support Grant or the No-one Left Out Grant."**

(LA, North East Wales)

As noted in section 4.4 above, these extreme pressures were in the view of some key informants leading to "innovative practice" on the part of some LAs in terms of prevention and rapid rehousing on "spend to save" grounds (Statutory sector key informant), but the weight of LA opinion was that the negative impacts of the TA crisis were far outweighing any positive side effects, as is underlined by the continuing decline in effective prevention actions detailed earlier in this chapter.

### **Procuring temporary accommodation**

In the context described above, LAs' ability to effectively procure new TA supply has become exceptionally important but ever more challenging. LA survey respondents report significant challenges securing TA for households in need of it (see table 4.4), though there were significant variations in the level of challenge faced for different groups.

The fewest challenges appear to be faced procuring TA for families with children. Nevertheless, this was considered 'somewhat challenging' by six authorities (of 16), and 'very challenging' by four. More severe challenges arise in securing TA for single people, with nine LAs describing single people aged 25+ and young single people aged 16-24 'very challenging' to secure TA for.

Households including someone with a disability and prison leavers were more challenging to accommodate still, with 11 of 16 respondents describing this as 'very challenging'. In the case of prison leavers, LAs emphasised the coming together of early release pressures, the onerous requirements in terms of the accommodation options permissible given licence conditions, especially for high-risk offenders and the

207 Woolley, B. (2023) *Allocations: Understanding more, in the context of homelessness in Wales*. Online: Welsh Government. <https://www.gov.wales/sites/default/files/consultations/2023-10/allocations-understanding-more-context-homelessness.pdf>



**Table 4.5: Ease of securing temporary accommodation for different groups (no. of LAs)**

	Very challenging	Somewhat challenging	Slightly challenging	Not at all challenging
Single people aged 25+	9	5	1	1
Young single people (aged 16-24)	9	4	2	
Families with children	4	6	5	1
People with complex support needs	15			
Households including a person with a disability	11	4	1	
Prison leavers	11	3	2	

Source: Authors' survey

reticence of landlords to accommodate this group. In the case of households including someone with a disability, key challenges included a lack of appropriate vacant stock, especially in cases where a fully accessible property is required.

By far the greatest challenges appear to be procuring TA for those with complex support needs, with all responding LAs describing this as 'very challenging'. The level of challenge in part reflects the constellation of factors at play, including a lack of appropriate stock, limited support options, and relevant funding regimes:

**“Lack of availability, lack of funding, lack of appropriate staff to manage this type of accommodation. HSG Funding formula... Lack of appropriate providers.”**

(LA, Mid and West Wales)

**“The increase in number of complex needs requiring high level supported accommodation. The cost and limited numbers of such accommodation.”**

(LA, South Wales)

Cutting across the challenges affecting particular groups was a more general concern about the TA funding regime. In particular, while PRS leasing schemes were seen to offer, relatively speaking, a better value-for-money and better quality form of TA, competition for PRS accommodation, high rents, and restrictions on the financial offer that can be made to landlords under leasing schemes, were seen to be leading to a decline in this form of TA and greater reliance on less appropriate and more expensive forms of TA, namely B&B accommodation:<sup>208</sup>

**“The supply of accommodation across the board is really challenging... This is due to the restricted supply alongside the financial frameworks that drive how rents can be charged. This restricts recruitment of landlords onto leasing schemes as the rates offered are significantly lower than market rents.”**

(LA, Valleys)

In light of these pressures, it's important to note that the White Paper on Ending Homelessness in Wales includes a range of proposals that hold potential and/or explicitly aim to reduce TA use, including various measures to strengthen prevention activity in Wales and strengthen housing associations' role in accommodating homeless households (see chapter 2). How these pressures play out over the coming period will in substantial part depend on how these proposals are taken forward and the effectiveness of their implementation.

<sup>208</sup> For a review of the framework and consideration of value for money concerns in relation to TA in England, see <https://www.homelessnessimpact.org/publication/temporary-accommodation-value-for-money-england>

# 5. Core homelessness estimates and projections

## Key points

In 2022, overall core homelessness in Wales is estimated to have stood at 12,250 households. This overall figure is made up of 6,550 people sofa surfing, 2,600 in unsuitable temporary accommodation, 2,270 in hostels etc., 600 in unconventional accommodation and 250 rough sleeping. These numbers have risen sharply since 2019 driven mainly by responses to the COVID-19 pandemic followed by the cost of living crisis.

Rates of core homelessness in Wales are lower than in England (0.9% compared to 1.01%), although they have risen more sharply in Wales than in either England or Scotland (where rates are lowest at 0.62%). Wales now has relatively more households in unsuitable TA than the other two countries, and more in all categories of core homelessness than Scotland, with the exception of rough sleeping.

Assuming a continuation of current policies (i.e. not including proposed policy changes that have yet to be passed into law, see chapter 3, section 3.8), increases in core homelessness will persist in the short to medium term (to 2031), and rise faster in the longer term (2031-41). With no change to current policies, we could see a 24% rise in homelessness by 2041. However, several important policy developments are in progress or under consideration in Wales, which are likely to alter this trajectory.

Of the policy scenarios we were able to model, the most effective for reducing core homelessness are increasing the share of social lettings allocated to homeless (including core homeless) households, raising LHA rates,

and making changes to UC and other benefits to reduce destitution.

In the longer term, other scenarios are also modelled to significantly reduce core homelessness, including increased targeted new social housing supply, successful balancing up of the Welsh economy, and increased provision of Housing First accompanied by appropriate rehabilitation provision and a reduction of traditional hostel accommodation.

A comprehensive and appropriately sequenced programme of policy change is shown to be capable of reducing core homelessness in Wales by half against our baseline scenario by 2041. This scenario would see core homeless rates 22% below the level of 2019. Furthermore, unsuitable TA would be down by 83%, hostels by 54%, rough sleeping would be reduced by 45%, and sofa surfing down by 39%. There would also be some reductions in wider measures of statutory homelessness (16%) and in total temporary accommodation (18%), despite the significant widening of eligibility for homelessness support associated with the ending of priority need.

## 5.1 Introduction

Having analysed rough sleeping and statutory homelessness trends in chapter 4, we now move on to examine homelessness from a different angle. This chapter presents estimates of the level, composition and geography of 'core homelessness' in Wales in 2022-23 (see section 5.2). In section 5.3, we present the updated results of a forecasting

Table 5.1: Core homelessness categories and definitions

Category	Description
Rough Sleeping	Sleeping in the open e.g. in streets, parks, carparks, doorways
Unconventional Accommodation	Sleeping in places/spaces not intended as normal residential accommodation, e.g. cars, vans, lorries, caravans/motor home, tents, boats, sheds, garages, industrial/commercial premises
Hostels etc.	Communal emergency and temporary accommodation primarily targeted at homeless people including hostels, refuges, shelters and special COVID-19 provision
Unsuitable Temporary Accommodation	Homeless households placed in temporary accommodation of certain types, viz Bed and Breakfast, Private Non-self-contained Licensed/Nightly Let, and Out of Area Placements
Sofa Surfing	Individuals or family groups staying temporarily (expecting or wanting to move) with another household, excluding nondependent children of host household and students, who are also overcrowded on the bedroom standard <sup>209</sup>

model<sup>210</sup> used to examine likely trends in core homelessness in the shorter- and longer term. In section 5.4, we consider the impacts of a range of different policy and practice scenarios on projected trends in core homelessness.

## The concept of core homelessness

The core homelessness concept was introduced in research undertaken with Crisis in 2017.<sup>211</sup> The development of the concept derives from a search for a robust measurement framework that overcomes limitations in traditional approaches to homelessness calibration used in the UK and, in particular, the reliance on statutory

homelessness statistics - which track only those people seeking and eligible for LA homelessness assistance, and counts or estimates of rough sleeping. While both approaches are informative and important, they are also subject to shortcomings that limit their value for analytical purposes – including cross-country comparison (even within the UK),<sup>212</sup> trend over time analysis and as a basis for projections on the possible future scale of homelessness. The components of core homelessness and their definitions as applied in this study are shown in table 5.1 below, with a full account of the background to and development of the

209 As in the more recent Monitors for England and Scotland, we have included an additional allowance for households reporting having people staying with them temporarily who would otherwise have been homeless, based on recent data from the English Housing Survey.

210 Bramley, G. (2017) *Homelessness Projections: Core homelessness in Great Britain. Summary Report*. London: Crisis. [https://www.crisis.org.uk/media/237582/crisis\\_homelessness\\_projections\\_2017.pdf](https://www.crisis.org.uk/media/237582/crisis_homelessness_projections_2017.pdf)

211 Bramley, G. (2019) *Housing supply requirements across Great Britain for low-income households and homeless people: Research for Crisis and the National Housing Federation; Main Technical Report*. Edinburgh: Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/housing-supply-requirements-across-great-britain-for-low-income-h>

212 Office for National Statistics (2019) *UK Homelessness: 2005 to 2018. Assessment of the comparability and coherence of existing UK government data sources on homelessness*. Online: ONS. UK homelessness - Office for National Statistics (ons.gov.uk)

concept provided in the 2021 Homelessness Monitor for England.<sup>213</sup>

There is a substantial but far from complete overlap between core homelessness and statutory homelessness. We estimate that, in the UK in 2022, 57% of statutory homeless households were also core homeless, while around 41% of core homeless households were also statutory homeless.<sup>214</sup> Those treated as statutory homeless and core homeless would include people staying in the least appropriate forms of TA, including hostels and unsuitable TA (see table 5.1). Statutory homeless households in self-contained temporary accommodation and some who are 'homeless at home' (e.g. with family) pending rehousing would *not* be counted as core homeless. Examples of core homeless households who are *not* counted in measures of statutory homelessness would include some rough sleepers and hostel residents who have not applied to the local authority, as well as many sofa surfers.

## 5.2 Core homelessness estimates, trends and distribution

In this section we present evidence on the level of core homelessness in Wales on a typical day in the financial year 2022/23 ('2022' for short). The estimates of core homelessness in the base period (2022) draw on eight data sources overall. Most components triangulate two or more data sources, helping to address variations in statistical robustness in terms of coverage, definitions used and sample sizes applying to any single measure. The methods, sources and assumptions used to estimate numbers

in each category of core homelessness are summarised in Table 5.2. More details on the datasets and weightings given to each component are provided in a separately published technical note with further background in the 2021 Technical Report.<sup>215</sup>

Figure 5.1 shows estimated levels of and trends in core homelessness over the decade to 2022 (our base year) overall and by component from 2012 to 2022. In 2022, we estimate that overall core homelessness in Wales stood at 12,330 households with sofa surfing the largest component of this at around 6,500 households, followed by hostels, shelters and refuges (2,270). Unsuitable temporary accommodation (mainly B&B) numbers were also very high in that year (2,600 households). The smallest estimated components were rough sleeping (360) and unconventional accommodation (600).

The picture of change in Wales was rather dramatic after 2019, with rapid and significant growth in the use of unsuitable temporary accommodation, with B&B hotel accommodation a large part of this. This is primarily due to the impact of and response to the COVID-19 pandemic and its aftermath, followed then by the cost of living crisis and high migration numbers, and forms of part of a wider substantial rise in overall TA use documented in chapter 4. After some fall between 2012 and 2018, our estimates suggest that sofa surfing has also risen significantly, after a dip associated with the No One Left Out pandemic response. Pandemic response measures also saw a sharp immediate drop in rough sleeping in 2020, although these have apparently risen somewhat since then, although to a level still lower than in the 2018-19 period.

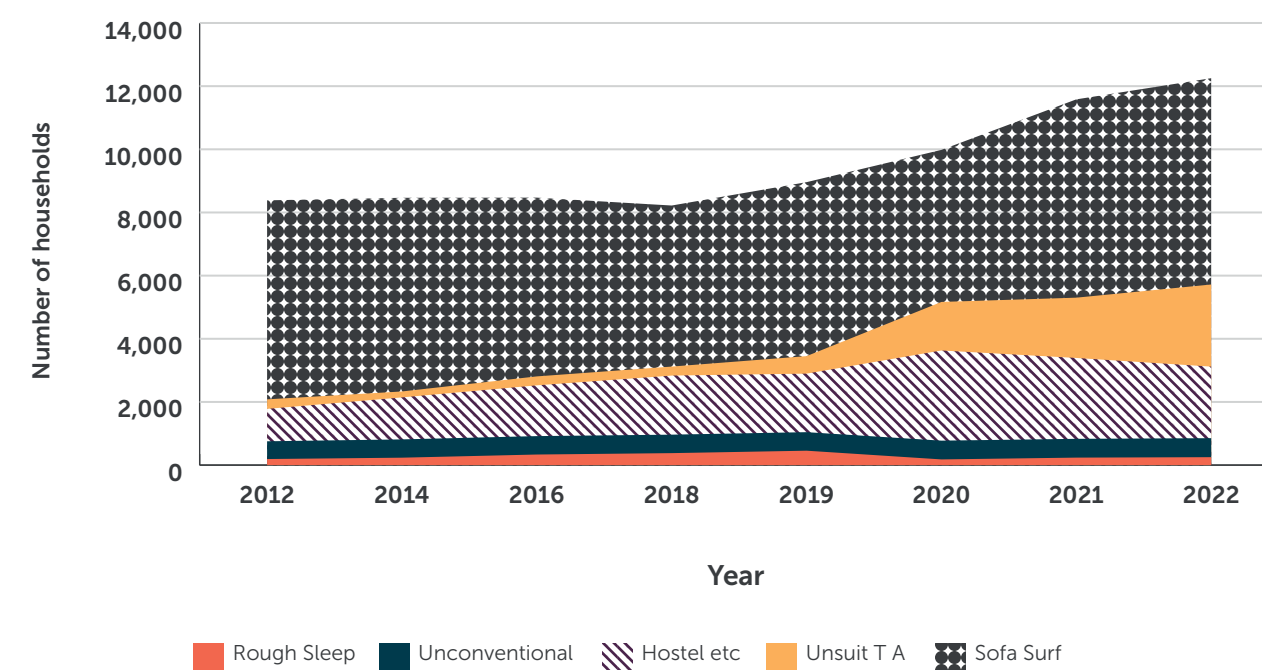
**Table 5.2: Summary of sources and assumptions for baseline snapshot estimates for Wales**

Category of Core Homelessness	Central Estimate
Rough Sleeping	Larger of {Count estimate or (0.35 x Count/estimate + 0.65x Family Resources Survey-Destitution in the UK 2022 survey composite model prediction)} <sup>1</sup>
Unconventional Accommodation	Public Voice Survey predictive formula <sup>2</sup>
Hostels etc. (incl shelters, refuges)	Higher of LA return or Department for Work and Pensions Freedom of Information request (DWP Freedom of Information Request) on Housing Benefit cases in short term, emergency or transitional accommodation
Unsuitable Temporary Accommodation	Higher of LA return or DWP Freedom of Information Request
Sofa Surfing	Average Labour Force Survey estimates + 20% adjustment for temporary residents <sup>3</sup> at Wales level, with local distribution based on 55% of predictive model for overall core homeless, based on Family Resources Survey and Destitution in the UK 2022 survey. <sup>4</sup>

Notes

1. For three local authorities the count estimate was adjusted to a more realistic level comparable with other similar authorities.
2. This formula for unconventional accommodation is mainly driven by other elements of core homelessness.
3. Figures for sofa surfing reflect equivalent assumptions made in core homelessness estimates in England, where the survey data from English Household Survey is most informative, and reflect a relatively wide margin of uncertainty about this number due to limited data sources.
4. The adjustment of sofa surfer numbers for 'temporary residents' is based on analysis of the Survey of English Housing 2017-19 data where a new question is asked about people having stayed temporarily with main households who would otherwise have been homeless (there is no equivalent data in Wales); this group are not covered in conventional household surveys which omit temporary residents.

**Figure 5.1: Core homeless household numbers by component, Wales 2012-22 (snapshot estimate at point in time)**



Source: authors' estimates based on sources in Table 5.2, col.1.

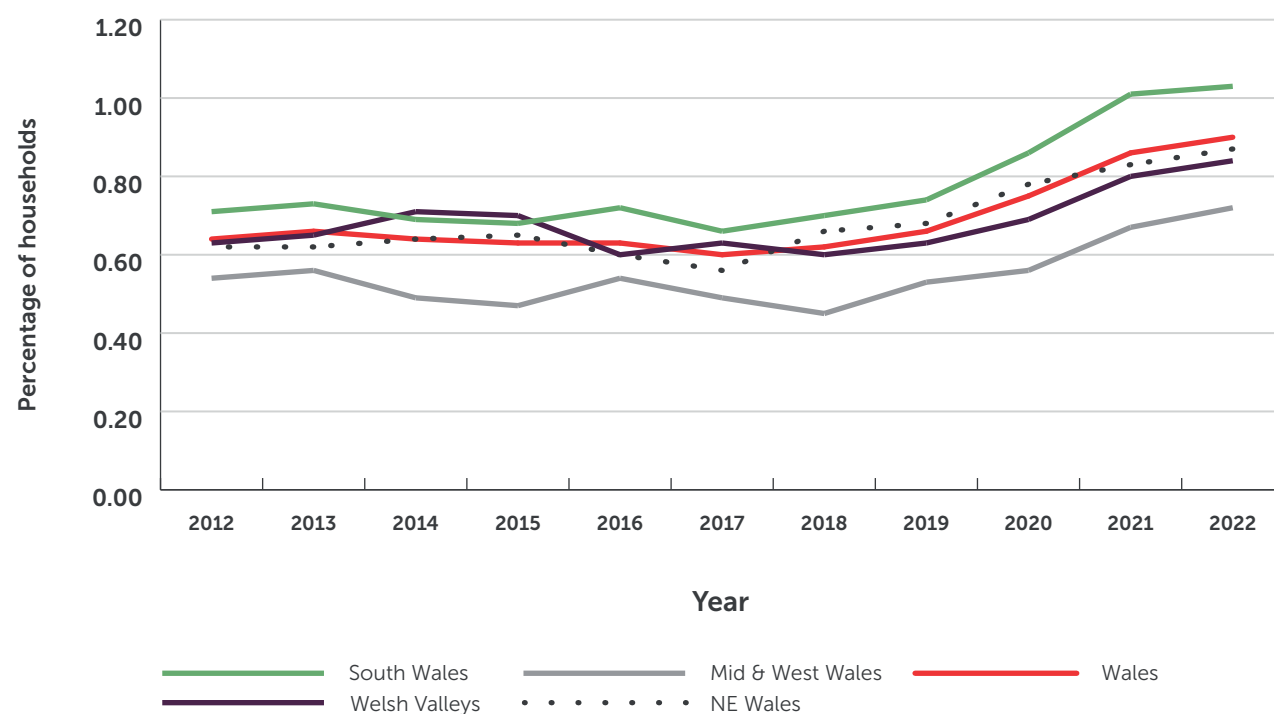
213 Fitzpatrick, S., Watts, B., Pawson, H., Bramley, G. Wood, J., Stephens, M. & Blenkinsopp, J. (2021) *The Homelessness Monitor: England 2021*. London: Crisis; See also Technical Report, Bramley, G. (2021b) *Research on Core Homelessness and Homeless Projections: Technical Report on New Baseline Estimates and Scenario Projections for Scotland and Wales*. Edinburgh: Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/destitution-in-the-uk-2023-technical-report>

214 This is based on the Destitution in the UK Survey (DUKS) conducted with users of crisis services (broadly defined) and is on a point in time (snapshot) basis in autumn 2022.

215 Bramley, G. (2021) *Research on Core Homelessness and Homeless Projections: Technical Report on New Baseline Estimates and Scenario Projections for Scotland and Wales*. Edinburgh: Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/research-on-core-homelessness-and-homeless-projections-technical->



**Figure 5.2: Core homelessness rates per 100 households by regions of Wales, 2012-2022 (snapshot estimate at each point in time)**



An analysis of core homelessness rates by Welsh region over the baseline period 2012-2022 is shown in figure 5.2.<sup>216</sup> After a period of some modest fluctuations around a flat trend, from 2018 onwards core homelessness has risen substantially in all four regions. South Wales is the most populous region containing the capital and two other significant cities and their hinterlands, and this generally has the highest rates of core homelessness relative to household population. The numbers here showed modest fluctuation with no very strong trend until 2017, but since then numbers have risen increasingly ahead of the other regions, particularly in 2021.

The Welsh Valleys are former mining and heavy industry areas of South Wales, and

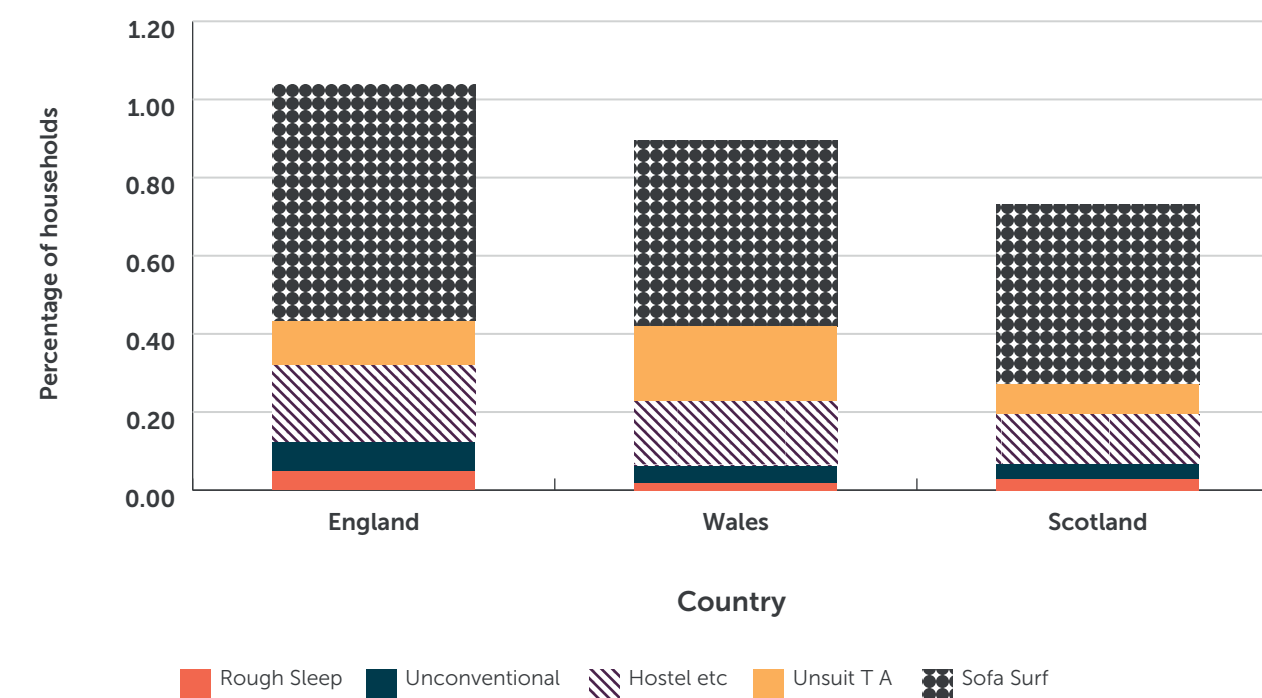
generally record the highest levels of poverty and deprivation in the nation. Core homelessness appeared to rise somewhat above the level of South Wales in 2014-15 but subsequently fell back again, and more recently has tracked upwards but at slightly below the overall Wales rate. North East Wales, which includes the town of Wrexham and towns along the North Wales coast closer to Merseyside, has seen a similar incidence of core homelessness to the Welsh average and very similar trends.

Finally, Mid and West Wales<sup>217</sup> is a predominantly rural and coastal region characterised by low population density, a substantial presence of Welsh speaking communities, and local economies in which

<sup>216</sup> While it is possible to break the analysis down to LA level, margins of error given small sample sizes for some of the components mean we have more confidence reporting findings at the regional level. The regions are as follows: *South Wales*: Cardiff, Bridgend, Monmouthshire, Neath Port Talbot, Newport, Swansea, Vale of Glamorgan; *Welsh Valleys*: Blaenau Gwent, Caerphilly, Merthyr Tydfil, Rhondda Cynon Taff, Torfaen; *Mid-West Wales*: Carmarthenshire, Ceredigion, Gwynedd, Isle of Anglesey, Pembrokeshire, Powys; *North East Wales*: Conwy, Denbighshire, Flintshire, Wrexham.

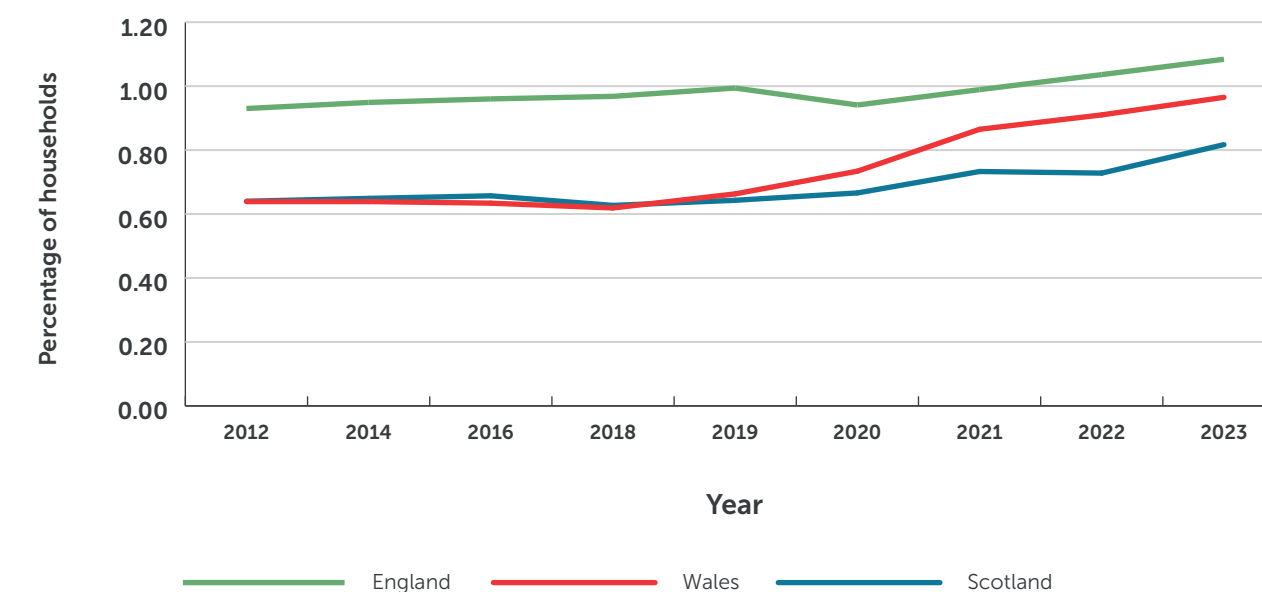
<sup>217</sup> This broad housing market area includes the parts of North West Wales (Gwynedd, Anglesey) as well as that of South West Wales (Pembrokeshire) which are most associated with pressures from second homes and holiday lets including AirBnB.

**Figure 5.3: Comparison of core homelessness rates per 100 households by component between three countries of Great Britain, 2022**



Sources: As Table 5.1, Fitzpatrick et al (2023) and Watts et al (2023), but updated for Wales based on this new set of estimates.

**Figure 5.4: Core homelessness overall rates per 100 households in the three countries of Great Britain 2012-23**



Sources: as for Figure 5.3. Note: England and Scotland figures for 2023 are from earlier published projections (estimates date from spring 2023), but with partial adjustment of 2022 and 2023 figures to reflect more recent economic data worked through the projection model, while Wales figures for 2023 are from new baseline projections.

tourism (including second/holiday homes issues) and agriculture play a significant role. Core homelessness rates are significantly lower in this region and, while showing no trend up to 2019, have since risen in parallel with the national trend but at a lower level.

Our core homelessness analysis is undertaken across the three GB nations, and as such we are able to compare rates of core homelessness (per 100 households) across Wales, England and Scotland, as shown in Figure 5.3. England has markedly higher core homelessness than the other GB countries, at 1.01%, with rates in Wales standing somewhat below that at 0.90%, and rates in Scotland substantially lower at 0.62%. This reflects the different housing market supply-demand situation in the GB countries, but also the different policy and legal responses to homelessness that have developed since devolution. While in previous analyses<sup>218</sup> the breakdown of core homelessness into its component parts has been similar across the three countries, Wales appears to now have substantially higher levels of Unsuitable TA than both England and Scotland, while also having significantly higher sofa surfing than Scotland. Wales, however, appears to have a lower rate of rough sleeping than both the other countries.

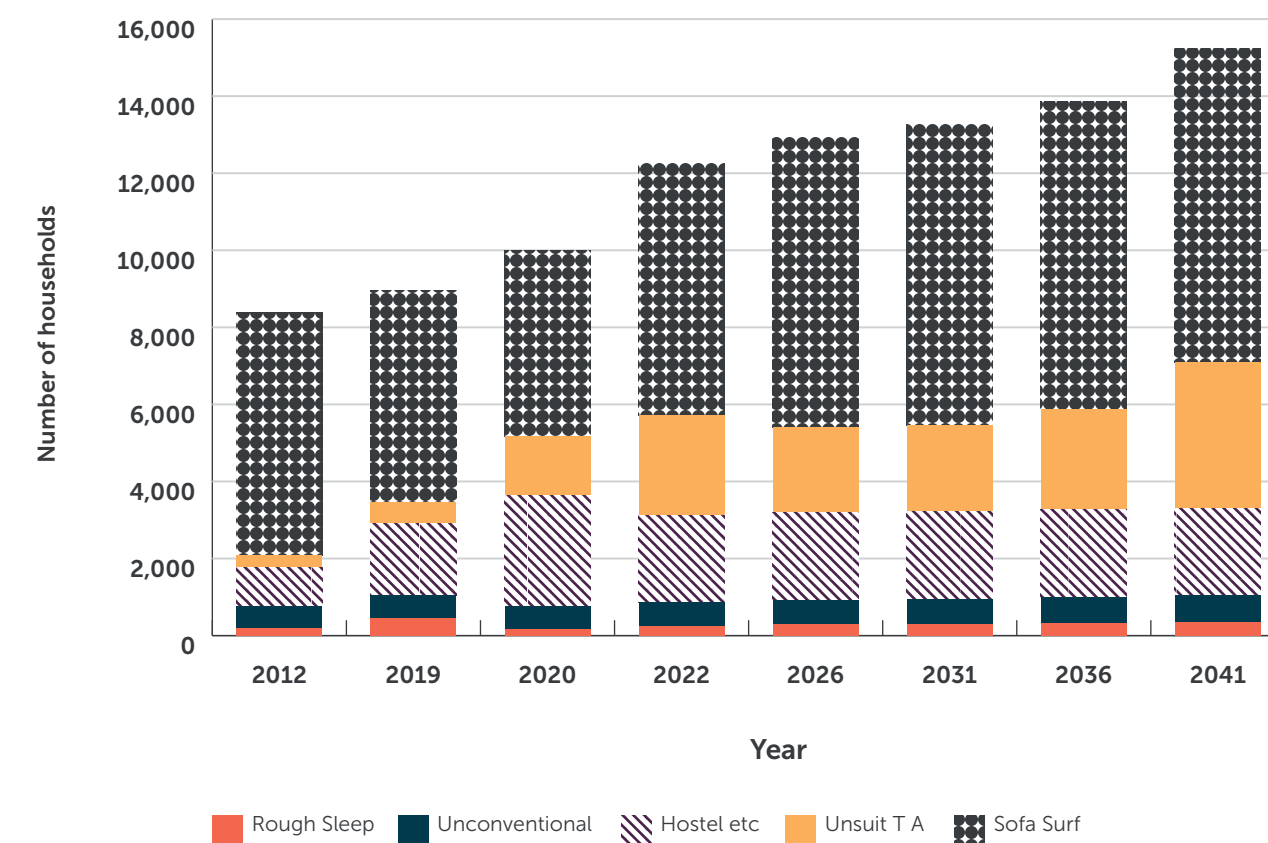
Figure 5.4 looks at the inter-country comparison of rates of core homelessness

over time. Wales consistently shows rates of core homelessness somewhat higher than Scotland but well below England, reflecting a similar experience of a less pressured housing market than England, but a less favourable position than Scotland in relation to social housing stock and lettings and, at least arguably, the legal protection for single homeless people. All three countries showed increases in the last 3-4 years, although the dip during the pandemic was mainly focused on England. The most striking conclusion from this chart is that Wales seems to be showing the strongest increase recently, and thus to be converging on the higher level shown for England throughout the preceding period.<sup>219</sup>

### 5.3 Introduction to projections of core homelessness

A key aim underpinning the development of core homelessness measures has been an ambition to enhance our capacity to project numbers into the future and model the impact of different policy measures and their implementation, under different contextual conditions. This research builds on an existing modelling framework which has been used in a number of other research studies.<sup>220</sup> More information on this model is available in an earlier Technical Report,<sup>221</sup> and the technical note to this report.<sup>222</sup> The model predicts levels of housing need and key homelessness

Figure 5.5: Core homeless household numbers projected by category under baseline scenario, Wales 2012-2041



Source: Output of forecasting model.

numbers for sub-regional areas in England, Wales and Scotland with a major focus on time horizons of 2026, 2031 and 2041.

Previous estimates and projections<sup>223</sup> took account of the disruptions and special measures prompted by the COVID-19 pandemic, but more attention focuses now on the economic and demographic challenges associated with the cost of living crisis, housing market conditions and trends in migration. As in previous Monitors, we consider a number of variant policy scenarios (11 this year) against a baseline projection, running the projection model forward over 19 years with each policy in place. These are all listed in in table 5.3 in section 5.5 below.

### 5.4 The baseline projections

Our baseline projections reflect a 'business as usual' scenario involving neutral/cautious economic assumptions and current central demographic projections for the UK, while only incorporating homelessness-related policy changes where implementation has commenced substantively. Figure 5.5 shows the impact of the baseline scenario on core homelessness in Wales and paints a picture of a moderation of the rate of increase following the sharp rise up to 2022, with a modest rate of growth in absolute numbers up to the year 2036, and then a faster rate of increase between 2036 and 2041. Within that overall picture, there is forecast to be a modest rise in rough sleeping and unconventional

218 Watts, B., Bramley, G., Fitzpatrick, S., McMordie, L., Pawson, H., and Young, G. (2022) *The homelessness monitor: Great Britain 2022*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/about/the-homelessness-monitor-great-britain-2022/>. P.74.

219 This statement should be qualified by the observation that the comparator data and estimates for England and Scotland for the last 1-2 years in this chart are projections published in 2023 based on data inputs which were only updated to mid-2022; including more recent data would increase the rates shown for England

220 See in particular Bramley, G. & Watkins, D. (2016) 'Housebuilding, demographic change and affordability as outcomes of local planning decisions: exploring interactions using a sub-regional model of housing markets in England', *Progress in Planning*, 104, pp.1-35; Bramley, G. with Leishman, C., Cosgrove, P. and Watkins, D. (2016) *What Would Make a Difference? Modelling policy scenarios for tackling poverty in the UK*. Edinburgh: Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/what-would-make-a-difference-modelling-policy-scenarios-for-tackl>; and Bramley, G. (2019) *Housing Supply Requirements across Great Britain for low-income households and homeless people. Research Report for Crisis and the National Housing Federation. Main Technical Report*. Edinburgh: Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/housing-supply-requirements-across-great-britain-for-low-income-h>.

221 See Bramley, G., (2021) *Research on Core Homelessness and Homeless Projections. Technical Report on New Baseline Estimates and Scenario Projections for Scotland and Wales*. Edinburgh: Heriot-Watt University. <https://researchportal.hw.ac.uk/en/publications/research-on-core-homelessness-and-homeless-projections-technical--2>

222 Bramley, G. (2025) *Core Homeless Estimates and Projections for Wales as reported in the Homelessness Monitor Wales 2025: Technical Note*. Edinburgh: Heriot Watt University. <https://doi.org/10.17861/D9V8-8W03>

223 See previous monitor reports available at: <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/>

accommodation, a static number in hostels, an initial dip followed by a later accelerating increase in unsuitable TA, and a moderate longer term rise in sofa surfing. Factors lying behind these changes include the relatively poor performance of the Welsh economy, population and migration pressures, rising real rents, rising poverty and continuance of current welfare benefit policies and uprating processes.

## 5.5 Impacts of different policy scenarios

In this section we forecast core homelessness outcomes over the next twenty years, by systematically testing the impact of eleven different policy changes on the baseline scenario.<sup>224</sup> While the main emphasis is on the impact of these scenarios on core homelessness as a whole, we also consider impacts on the five components of core homelessness separately, while briefly commenting on the impacts on wider statutory homeless applications and total TA numbers. The scenarios tested are presented in table 5.3.

Some of these scenarios reflect current policy agendas in Wales and/or across UK (see chapter 3), including proposals being actively developed (e.g. Rapid Rehousing) or implemented on a limited scale (Housing First). Another example is the scenario involving the complete abolition of the priority need criterion, beyond its recent

extension to rough sleepers, a move now part of the policy direction in Wales (see chapter 3). We estimate the impact of that change phased in over six years,<sup>225</sup> based on the evidence of our modelling of homeless and related flows and stocks across Scotland and Wales. Others modelled scenarios are more hypothetical, including those focused on welfare enhancements, albeit reflecting recommendations of major charities including the Joseph Rowntree Foundation and the Trussell Trust.<sup>226</sup>

There are some constraints on our ability to model scenarios we might ideally wish to. These include data-related constraints on the ability of the model to provide forecasts of the impacts of particular measures, including for example those which might be used to limit future evictions of the kind used in models for England and Scotland.<sup>227</sup> Other potential future policies have not yet been clearly enough specified to model in full, including intended changes relating to prevention duties on other public bodies, and further private rental reform. There are significant current debates about possible changes to welfare benefits, with a particular focus on the two-child limit and Benefit Cap. We offer a separate estimate of the potential impact of changes in this area, based on analysis of the relevant government survey, but have not yet integrated these scenarios into the overall projections model.

224 Some of these changes, while representing substantive changes from the pre-COVID-19 period, could be said to be prefigured or announced in the recent Welsh Government (2021) *Planning Guidance* document and associated funding announcements, discussed elsewhere; the purpose of the modelling is to attempt to show what the impacts would be likely to be following full implementation.

225 The choice of a six-year period reflects a compromise between the somewhat longer period over which the test was phased out in Scotland (almost ten years) and the fact that the phasing out is arguably less onerous in Scotland in Wales in the context of already introduced priority-need blind prevention and relief duties and the already implemented extension of priority need to rough sleepers (see chapter 3).

226 See for example: Joseph Rowntree Foundation (2024) *A protected minimum floor in Universal Credit*. York: Joseph Rowntree Foundation. <https://www.jrf.org.uk/social-security/a-protected-minimum-floor-in-universal-credit>; and Trussell Trust (2024) *The Cost of Hunger and Hardship*. London: Trussell Trust. <https://www.trussell.org.uk/news-and-research/publications/report/the-cost-of-hunger-and-hardship>

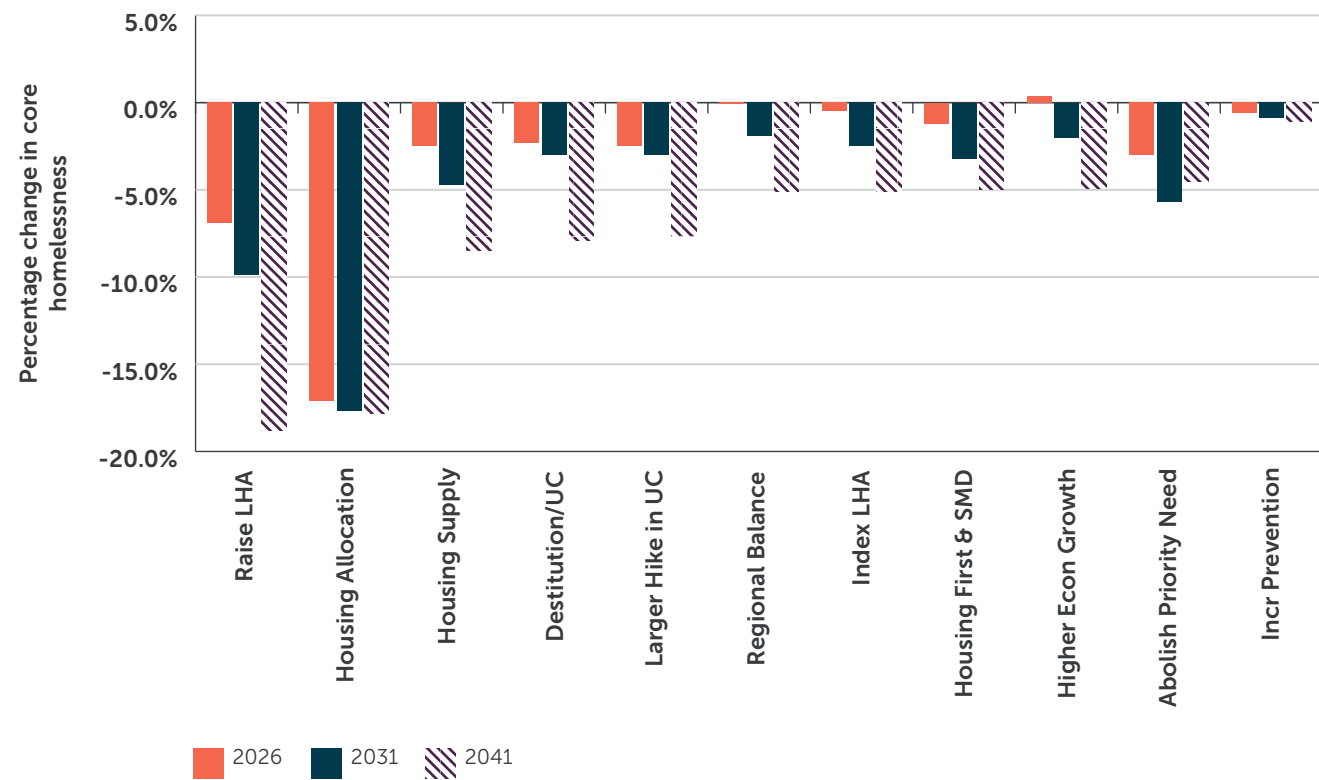
227 Watts, B., Bramley, G., Pawson, H., Young, G., Fitzpatrick, S. & McMordie, L. (2022) *The Homelessness Monitor: England 2022*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/england/the-homelessness-monitor-england-2022/>; Watts, B., Bramley, G., Fitzpatrick, S., Pawson, H., McMordie, L. & Young, G. (2024) *The Homelessness Monitor: Scotland 2021*. London: Crisis. <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/homelessness-monitor/scotland/the-homelessness-monitor-scotland-2024/>

**Table 5.3: Policy scenarios tested through projections model for Wales over period 2022-41**

Shorthand Name	Description
Baseline	This 'business as usual' scenario entails neutral/cautious economic assumptions and current central demographic projections for the UK, only incorporating homelessness-related policy changes where implementation has commenced substantively.
Index LHA	Following the updating of the Local Housing Allowance rates to 30th percentile levels of private rents as at autumn 2023, this scenario replaces the baseline (fix in nominal terms with uprating at five-year intervals) with an assumption of CPI uprating annually.
Raise LHA	Raise Local Housing Allowance to median level in all local authority areas and maintain relative level in real terms through indexing (contrast with alternatives of 30th percentile with CPI indexing, or only rebasing every five years).
Prevention best practice	More extensive and effective prevention: raising proportion of applicants engaged with prevention towards the maximum, for example using PRS options and financial advice/assistance, but based on the current legislative framework. Note that given limited data and evidence, this scenario does not model proposed new legal prevention duties on other public bodies.
Housing Allocation	Increase the share of all net social lettings to homeless households by 60% relative to base period, and directly allocating up to 20% of net social lettings to core homeless households (additional to those already being housed).
Abolish Priority need distinction	Abolish the priority need criterion over a six-year period (2024-2030). The evidence base for the modelled impact lies in the different levels of key homeless numbers in Wales vs Scotland (where priority need was abolished from 2012), while allowing for other variables in the predictive models. We assume that half of the difference is attributable to priority need. The abolition in respect of rough sleeping is assumed to have occurred in the base period (i.e. 2020-23).
UC & destitution measures	Restore £20 per week enhancement to UC personal allowance, end five-week wait for first UC payment, curb debt deductions from benefits, reduce Personal Independence Payment failed applications/reviews, improve Local Welfare Support (these measures particularly target destitution-inducing features of the current social security system).
Housing First & SMD reduction	Scale up Housing First provision, with associated increase in rehabilitation services for addictions and offending, leading to progressive reduction in hostel etc. accommodation and crime rates. The option exemplified is equivalent to roughly double the current level of performance in Scotland pro rata population (c.1300 new Housing First tenancies per annum to 2031, tapering down thereafter).
Housing Supply	Increase in new social (and overall) rented housing supply above the current commitments, i.e. by approx. 64% (up to 3,700 social completions per annum), with new supply targeted on need (based on formula) and in part on providing hostel replacement (i.e. supply suitable for former hostel residents).
Larger hike in UC rates	This is similar to the 'UC & destitution' scenario but with a 3 times larger increase in UC personal allowances (£60 pw).
Regional balance	Raising economic growth rates in GB sub-regions beyond London & South East to largely eliminate growth gap (includes specific enhancements to GVA growth and net domestic in-migration for Wales).
Higher economic growth	A concerted achievement of higher economic growth across UK, accompanied by a modestly higher level of net in-migration (effectively +0.5% pa GVA growth for Wales, c.1% for UK).



**Figure 5.6: Scale of impacts of selected policy scenarios on core homelessness at three time points (% difference from baseline in snapshot number of core homeless households)**



Source: Author's simulations using forecasting model.

The scale of change that we model in relation to particular policies is a matter of judgement. In some cases, this is intended to represent a judgement of the maximum likely feasible scale (this is the case in relation to the Housing Allocations, Housing First, Levelling Up, and Economic Growth scenarios) or the logical limit of any such change (for instance in the case of the LHA scenarios, the limit would be eliminating all gaps between rent levels and LHA rates). In other cases, the specific magnitude reflects a reasonable – though inevitably arbitrary, to some degree – judgement on what might be possible and desirable (this is the case in relation to the 60% increase in housing supply and the ‘large hike’ in UC rates).

### Impacts over time

Figure 5.6 shows the impacts of the eleven policy scenarios at three points in time – the shorter term (2026), medium term (2031) and longer term (2041). Policies are ranked from left to right in terms of the size of their impact in the long term.

The policy which comes top in terms of long-term impact is raising the LHA (to median rent level) and maintaining that position through indexing to rents in future years. This is consistent with previous analyses using this model. It is interesting to note, however, that the scale of impact grows from a relatively modest level in the short term. This underlines that the strength of impact we observe over the longer-term is driven by indexing LHA rates with rents over time, as well as at the starting point. The intermediate LHA option of

indexing it at its present level but only to CPI, not rents, has a smaller impact, particularly initially.

The housing allocations scenario is almost as important as raising and indexing LHA in the longer term but has by far the largest impacts in the shorter and medium term. This scenario has two elements: firstly, the proportion of all social rented lettings to new tenants going to homeless households in this scenario increases significantly, from its base year level of 43% to a substantially higher level, 63%, a proportional increase of 47%. Despite recent increases, there is scope for further contribution, particularly from the housing association sector (see chapter 2). The second and key element involves direct allocations to core homeless households, additional to whatever has been the case previously, up to 20% of net available lettings. Having the first element in place makes the second more acceptable to social landlords and others who might be concerned that one group of homeless households (i.e. those experiencing core homelessness) might be prioritised over another (i.e. those who are statutorily but not core homeless, see section 5.1 above). While giving greater priority to the two groups of homeless households over other groups in need, it should be emphasized that a substantial share would still be available to non-homeless households.

While the housing allocations scenario stands out as having a large impact on all time horizons, including the short term, the impact of most of the remaining policies builds up over time, with greater regional balance and economic growth both tending to bring larger impacts only in the longer term, while housing supply, welfare benefit measures and Housing First scenarios would bring significant impacts in the medium- as well as longer term. That many policy scenarios are projected to have relatively limited impact in the short term reflects that they would typically take some time to implement and because of the time lags which are built into our simulation model, particularly for more indirect effects (e.g. on reducing homelessness by increasing incomes).

The Housing First impact increases most in the middle period, because that is how we have phased it, in order to catch up with the backlog of need, although it continues to have some additional impact later. Also, the indicated severe and multiple disadvantage (SMD) population in need in Wales is proportionately less than in Scotland, which reduces the scope for Housing First to reduce core homelessness. This policy operates mainly via a longer term reduction in hostel numbers and crime rates.

The prevention option is intended to involve local authorities increasing the share of prevention cases and the range of types of prevention support offered up to the level exemplified by better performing authorities. Given limitations in the current data, the impacts of enhanced prevention activity are very likely understated in this projections model. Furthermore, it is important to note that these projections are limited to current legal constraints for prevention. It does not, therefore, model the impacts of proposals to introduce new prevention duties on wider public bodies, proposals for a new duty to help people retain accommodation, nor proposals to extend the prevention duty to those at risk of homelessness in the next six months.

The welfare benefit related measures are modelled to have similar impacts, reducing core homelessness by 8% in the long run, with about one-third of that size of impact in the medium term. Some exploratory work – using the Family Resources Survey – on the currently topical issue of the two-child limit suggests, that changes in this and related policies (e.g. total Benefit Cap) might reduce core homelessness by around 10% in the medium term.

The housing supply option (around a 60% increase in social rent completions, targeted on need, with a specific link to hostel reduction) gives a similar order of impact (9% in long run, 5% in medium term). This option could be scaled up further, given resources and political will, with potential for greater impacts.

The terminology of ‘levelling up’ has just been removed from the name of the relevant UK government department following the election of a new Labour administration in July 2024, but the concept of trying to improve the relative and absolute economic performance of lagging regions remains on the policy agenda for both UK and devolved administrations. We model this regional balance scenario primarily by raising the economic growth rates disproportionately more for the lagging (sub-)regions while also raising the overall average growth rate and altering some parameters relating to migration and particular growth areas. The results indicate that this would have quite substantial beneficial impacts on core homelessness outcomes in Wales of around 13% in the longer run but only about one-third of that in the medium term. This is slightly better than the outcome from overall higher national economic growth, suggesting that these scenarios overlap heavily but that, for Wales as an economically lagging nation, regional development policy may be more important than overall growth. In addition, higher growth has the potential to be a mixed blessing, for example, because of its associated pressures on house prices, rents and migration.

The phased abolition of priority need would have a net effect of reducing core homelessness, particularly in the medium term, with the third largest impact at 2031 (-5.7%), but less in the longer term. Its largest impact would be on the largest element of core homelessness, sofa surfing, which it would reduce by 14% in the long run, but this would be somewhat offset by an increase (holding other policies equal) in unsuitable temporary accommodation. Of considerable significance for the management and cost of homelessness services, is that (again) *holding the wider policy context* equal this measure would increase total homeless applications and total temporary accommodation. These increases would be quite weighty in the long run (25% and 47% respectively) if other elements of the policy package discussed above were not also implemented, but are not inevitable. With all of the policy measures in place, both of these numbers would still be lower in the long run, by 16% and 18% respectively. Additional policy measures,

including proposals in train to strengthen prevention activity and reduce TA use (see chapter 3, section 3.8) could potentially reduce these impacts.

### Impacts on core homelessness components

Table 5.4 presents a summary of the impacts of each of our eleven policy scenarios on the five components of core homelessness on our longest time horizon (i.e. in 2041). The numbers are the differences in percentage terms from the baseline scenario.

The results suggest that levels of rough sleeping are particularly sensitive to housing allocations (including direct allocation to core homeless people), in proportional terms, while showing more modest responses to almost all of the other policy scenarios tested, with Housing First, changes to UC, higher economic growth, and regional balance having slightly more positive impacts than the others.

The category of unconventional accommodation is, by contrast, quite difficult to shift via the policy scenarios modelled. This is the sector about which we have least information, and the model used to predict it is accordingly not very informative, although it does suggest an association with other forms of core homelessness.

The hostels, etc. category is, in our modelling system, supply/policy determined. Therefore, the only strategies which directly impact on it are the Housing First and social housing supply scenarios, both of which would have the potential to progressively reduce numbers. The assumption in the latter case is that a modest proportion of the additional supply would be geared to meet the needs of typical hostel users, in terms of type, size and location. As noted above, the social housing supply scenario is one that could be ramped up further, with potentially greater impact on the scale of this component of core homelessness (up to a ceiling, related to the assumed minimum scale of the hostel sector to be retained).

**Table 5.4: Impact of eleven policy scenarios individually on the five elements of core homelessness at 2041 time horizon (percentage change)**

Scenario	Rough Sleeping	Unconventional	Hostels etc	Unsuitable Temp Acc	Sofa Surfing
Index LHA	-0.7%	-0.7%	0.0%	-19.9%	-0.2%
Raise LHA to median	-2.2%	-2.0%	0.0%	-74.2%	-0.5%
Incr Prevention	-0.7%	-0.1%	0.0%	-4.3%	0.0%
Housing Allocation	-30.7%	-2.5%	0.0%	-28.2%	-18.7%
Abolish Priority Need	0.2%	-0.8%	0.0%	13.0%	-14.4%
Destitution/UC	-4.6%	-0.8%	0.0%	-16.9%	-6.6%
Housing First & SMD	-7.4%	-0.6%	-22.1%	-6.7%	0.2%
Housing Supply	2.6%	0.5%	-31.5%	-23.1%	3.3%
Larger Hike in UC	-8.3%	-0.9%	0.0%	-14.2%	-7.3%
Regional Balance	-5.8%	-0.5%	0.0%	1.3%	-9.9%
Higher Econ Growth	-8.3%	-0.9%	0.0%	-14.2%	-7.3%

Source: Author’s simulations using forecasting model.

Unsuitable temporary accommodation (UTA) is influenced substantially by the widest range of policy measures. The modelling framework reflects the reality that these numbers are driven by the existing level of and changes in homelessness applications to the local authority, total TA, and UTA itself in the preceding period. Experience with modelling this component of core homelessness in England suggests that this can be the most sensitive element to imbalances of supply and demand, and this particularly reflects the experience in London. The modelling for Wales also suggests quite sizeable proportional impacts in this sector, although the absolute numbers in this category of core homelessness have been (until recently) lower. Raising and appropriately indexing the LHA to eliminate the gaps between market rents and the amount subsidisable through HB/UC would reduce UTA by up to 74% in the longer term. Greater social rented housing allocations to homeless households with significant direct allocations to core homeless people would also help to reduce these numbers substantially (by 28%), and this would be complemented by raising social housing supply (23%). Destitution-reducing welfare measures mainly involving UC could also

reduce these numbers significantly (17%), as could higher economic growth (by 14%). More vigorous prevention activity would see some reductions but (as above) the current data and models probably underestimate the potential here. An important proviso to note here is that with such large impacts across a wide range of policies, the degree of overlap is likely to be very high (see below). Our modelling also suggests that, holding all else equal, the abolishing priority need scenario would increase UTA by 14%, albeit that this would be more than compensated for my reductions in other elements of core homelessness (namely sofa surfing, see below).

Finally, we consider impacts on sofa surfing, the largest category of core homelessness. The model indicates that the policy with the biggest impact here would be increased housing allocations to homeless households, including direct allocations to core homeless households (19% reduction). Abolishing the priority need criterion is also modelled to have a significant impact (a 14% reduction) albeit partially offset by the projected increase in unsuitable temporary accommodation noted above. There would also be significant benefits in terms of sofa surfing from certain

UK reserved policy options, including the destitution-oriented UC/benefit changes (7-9%), more effective regional economic rebalancing policies, and higher economic growth (9-10% each).<sup>228</sup>

While our modelling focuses on levels of core homelessness, it also enables some comment on the impacts of key scenarios on levels of statutory homelessness and TA. In this regard, the likely impacts of the abolition of priority need are of course particularly important. Our model suggests that pursued in isolation this scenario could lead to increases in applications and total TA of around 25% by 2031, while by 2041 total TA could be up by 47% (assuming no other policy/practice developments). This is to be expected, as a much wider group of households would potentially access temporary accommodation and main rehousing duties, and many of these would not be core homeless, including many family and some non-family concealed 'potential households'<sup>229</sup> and private renters. Such changes would of course have significant implications for the cost of homelessness services. That being said, our model also shows that the full package of all suggested policies, including the abolition of priority need, would see application and TA numbers also reduced, despite the effect of this widening of eligibility for statutory support. For example, higher housing supply, Housing First, welfare changes and higher economic growth would reduce total TA substantially even in the context of an expanded legal safety net.

### Sequential layering of policies

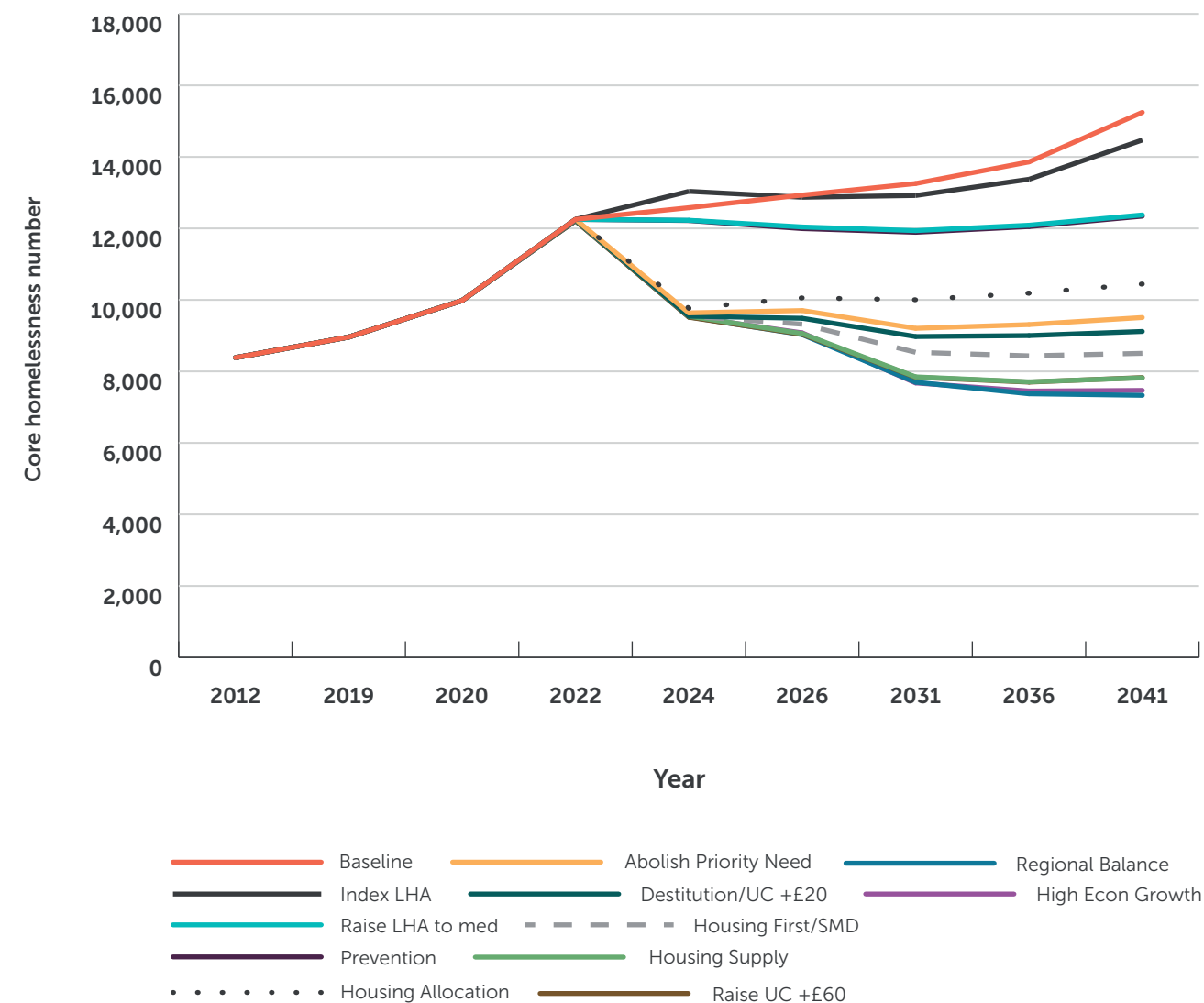
So far, we have considered the impact of various policy scenarios in isolation. However, it is equally important to consider what can be achieved by implementing combinations of policy options, or indeed (if core homelessness were given a very high priority) all feasible and effective policies. The analysis

presented above gives some initial guide to 'what works', but that is not necessarily the same as what the effect would be of adding that policy to others already in place. Sometimes, adding a fresh policy approach may work in a synergistic way to increase the impact so that it is greater than the sum of its parts. However, more commonly, the more policies you pursue, the less they may appear to achieve, relative to what might have been expected from looking at them in isolation. That may be because the different policies are to varying degrees helping the same people, and the pool of those remaining 'at risk' may get smaller the more policies are in place.

It follows that, in this 'stacking up' approach, the order in which policies are pursued does matter. In modelling 'stacked impacts', our proposed approach would involve prioritising measures that can be implemented immediately and have swift impacts, followed by more directly housing-related policies, prioritising the simpler or more easily implemented before the more complex. Policies further back in the sequence would then be ones which would take longer to impact, be more complex to implement, involve a wider range of sectors, and cost the most. Following those principles, we have created a sequence of nine scenarios building on our baseline, and run the model with each element added in turn. The results are shown in Figure 5.7, where numbers represent the numerical difference in core homeless households at each point in time compared with the baseline.

This analysis makes clear that it is possible to reduce core homelessness in Wales by substantial margins, both against the projected baseline scenario and against the levels estimated in our baseline year (2022). While some policies take time to build up progressively, others (notably the housing allocations scenario) can be implemented

**Figure 5.7: Change in total core homelessness relative to baseline for Wales with the sequential addition of eleven policy scenarios to reduce core homelessness in the period to 2041**



Source: Author's simulations using forecasting model.

228 Table 5.4 suggests that increased housing supply could have a small net positive effect on sofa surfing. More details are available in the accompanying Technical Note and relate to the model capturing wider implications for relative wealth versus poverty in a housing market area and other households beyond those facing core homelessness benefitting from a greater overall supply of social homes.

229 Concealed potential households are single adults, couples or family groups who live with another household.



almost immediately.<sup>230</sup> Implementing all the policies tested here would see a 30% reduction in the short term (2026), 42% in the medium term (2031) and 51% in the and in the longer term (2041). Furthermore, the 2041 number as a percentage of households in Wales would be down by 22% relative to the rate in 2019.

Moving forward with all of the measures tested above collectively appears from the modelling to be capable of reducing core homelessness by one-half over the coming period, compared with what it would have been without any change in policies. While this scenario would see core homeless numbers overall 51% below the baseline prediction, unsuitable TA would be down by 83%, hostels would be down by 54%, rough sleeping would be reduced by 45%, and sofa surfing down by 39%. There would also be noticeable reductions in wider measures of statutory homelessness, of the order of 16% in homeless applications and 18% in overall temporary accommodation, even after allowing for the offsetting increases in these numbers resulting from the abolition of priority need.

The sequential analysis further underlines that some of the tested policies have a bigger impact than others. The biggest wins in the longer term would come from (a) raising the LHA and indexing it effectively, and (b) increases in social housing allocations to homeless households, with increased direct access for core homeless households. Additional benefits would be realised in Wales from (c) abolishing priority need; (d) increased social housing supply with appropriate targeting; (e) the scaling up of Housing First; (f) successful rebalancing of the economies of the different countries and regions of the UK including Wales and (g) fixing the destitution-inducing features of UC. It is worth emphasizing that four of these six measures,

including one of the most impactful (housing allocations), are essentially devolved policy matters, while the Welsh Government can also contribute to regional economic development and balance.

Several policies which appeared from Figure 5.7 to be beneficial do not emerge as giving much additional benefit in the context of this sequential analysis. This applies in particular to the prevention better practice option, which seems to overlap almost completely with the LHA options. As noted above, however, data problems associated with modelling prevention mean we are unlikely to be capturing the full potential benefit of improved practice and legal reforms in this area, a wide variety of which are being pursued via the Ending Homelessness in Wales White Paper (see chapter 3) and which are likely to realise additional gains in reducing core homelessness. Raising the UC personal allowance also seems to add little to the reduction in core homelessness given the other measures (including the destitution-related package). However, exploratory modelling on survey data suggests some benefit measures including removing the two-child limit could significantly reduce core homelessness (see above). Finally, higher economic growth seems to add little benefit in this context beyond what better regional balance would bring, partly because of its impact on house prices and rents.

Further detail on the sources and methods used to estimate recent and base period core homelessness numbers is available in our [technical report](#).

## 6. Conclusion

Welsh local authorities are experiencing very serious homelessness pressures, which are most acutely visible in relation to temporary accommodation. The number of households in temporary accommodation now stands at almost three-times the level seen in March 2020, at the onset of the COVID-19 pandemic. High temporary accommodation use is concerning for a range of reasons, not least that local authorities are having to rely on problematic and controversial strategies to manage it.

Especially problematic is the very high reliance on B&B accommodation, which overtook private sector leasing as the dominant form of temporary accommodation in 2021, and now accounts for 42% of placements in Wales. There has been a tenfold increase in the number of families accommodated in B&B accommodation over the last four years and our core homelessness analysis has revealed that Wales now relies on unsuitable temporary accommodation to a far greater degree than England or Scotland. Such accommodation is not only unsuitable for those living in it, but expensive and hard to manage: temporary accommodation costs are now reported to be a serious financial risk for LAs. These pressures are also leading to increased lengths of stay in temporary accommodation and greater reliance on out of area placements that wrench households away from existing support networks and can create tensions with 'receiving' authorities.

Even more alarming is widespread acknowledgement from local authorities and key sector stakeholders that a number of Welsh LAs are routinely failing to accommodate single people owed a temporary accommodation duty, and operating unlawful waiting lists to manage demand. This has the effect of fuelling rough

sleeping numbers which have increased substantially since their low point following the initial pandemic response.

This challenging temporary accommodation situation has been driven by a range of factors. Of key relevance are the homelessness impacts of the COVID-19 pandemic and the No One Left Out response it prompted. The shifts in practice induced by the pandemic were inclusive of households previously excluded from key aspects of protection under homelessness law, and were in substantial part adopted as the 'business as usual' response by the extension of priority need to people sleeping rough in 2022. This has undoubtedly over time brought significant numbers of single people into temporary accommodation in ways that continue to challenge local authorities, but have also no doubt prevented greater increases in rough sleeping in Wales.

Another key driver of these pressures has been a decline – widely perceived by sector stakeholders and backed up by available data – in the availability of and access to private rented housing for households facing homelessness. High demand for diminishing private rental vacancies has seen rents rise to levels that are often prohibitive for those on low income or in receipt of benefits.

This problematic housing context is implicated in the declining effectiveness of the landmark prevention and relief duties introduced in 2015 in effectively resolving homelessness, fuelling sector stakeholders strong support for proposals to further strength homelessness prevention laid out in the Ending Homelessness Together White Paper. Stuck in crisis mode managing temporary accommodation pressures, local authority housing teams have become progressively

<sup>230</sup> 2024 is a transitional year, and policy changes cannot generally be expected to feed through by then. There is an anomaly in the current model affecting the indexing of LHA whereby this is shown as having a perverse effect in that year, reflecting an inconsistency in the way the LHA gap has been modelled in the preceding year (to be resolved in the next revision and update of the model).

less able to proactively prevent or relieve homelessness early using the tools available under current legislation, with difficulties accessing the private rented sector and negotiating with private landlords heavily implicated in these trends. While access to the social rented sector – and particularly housing association stock – has improved, this has not yet been sufficient to compensate for wider challenges, nor consistent across the country. Levels of new housing supply are far from sufficient to address these pressures with additional concerns apparent that the nature of Wales' housing stock does not match need, in particular for one bedroom properties.

These challenges are confronting both households at risk of homelessness and local authorities in the context of an ongoing cost of living crisis and after more than a decade of welfare reforms that have reduced the resources available to those on low on incomes and driven up destitution and child poverty. At the same time, the resources local authorities have to respond to these manifold pressures are extremely limited in the face of higher costs and shrinking budgets affecting the public sector.

Wider changes in the public sector are increasing homelessness demand more directly, including early prison release measures. These emerged as a major concern for local authorities as they are increasing demand from a group that appear to be especially hard to accommodate appropriately at a time when authorities are ill-equipped to respond to this added pressure. Migration-related challenges also emerge as a key theme in this edition of the monitor, with homelessness demand fuelled by accelerated Home Office decision making on asylum claims and the short notice period (now extended from 28 to 56 days) given to those receiving a decision.

These mounting homelessness pressures have occurred despite the high political profile of homelessness in Wales and the ongoing pursuit of policies explicitly intended to end homelessness and drive down reliance on temporary accommodation. Key to this agenda has been the requirement for local authorities to develop and implement Rapid

Rehousing Transition Plans. These plans remain in development in several areas, now more than two years after they were intended to be in place. But our local authority survey indicates that elsewhere these Plans are beginning to have positive impacts, improving access to settled (including social) housing for homeless households, in promoting partnership work, and (perhaps counterintuitively) in improving the provision of available TA.

The challenging fiscal, socio-economic and housing market context described above is clearly inhibiting more rapid and effective implementation of Rapid Rehousing Transition Plans. Local authorities stressed that acute pressures on staff capacity and resources limits their ability to pursue transformational practice and policy change. But in addition to issues of resources, there also appear to be substantial ideological and cultural barriers to progress. Our data makes clear that there remain tensions – sometimes outright antipathy – between the national policy agenda on homelessness in Wales and the attitudes of some local authority staff, including in relation to rapid rehousing where enduring buy-in to reliance on supported housing staircase models of rehousing persist.

This theme of a disjuncture between national policy direction and some local authority perspectives emerged in relation to several other areas, including the extension of priority need to people sleeping rough. Many survey respondents foregrounded concerns about the perverse incentives that they viewed as introduced by this change. From this perspective, people may present as sleeping rough in order to gain access to temporary and, ultimately, settled housing, and this acts to undermining their sense of personal responsibility to address their own housing needs. Why concerns about the behavioural impacts of legal entitlements to rehousing are focused on those recently enfranchised by the extension of priority need but not family and other households who have long benefited from these entitlements was not made clear, but the resistance of some local authority staff to this expansion of legal entitlements was very apparent. Key informants from across the homelessness and other sectors, by contrast

tended to be resolute that the extension of priority need was a necessary and positive step to avoid many single people having no option but to sleep rough.

This issue once again arose in our consideration of ambitious proposals for further reform on homelessness laid out in the Ending Homelessness in Wales White Paper. The proposals include a focus on reducing, removing or changing tests which currently ration access to rehousing duties (including local connection and intentionality), introducing new duties on wider public bodies to contribute to homelessness prevention efforts, and better preventing homelessness for groups known to be at disproportionate risk. There are also proposals to improve access to settled accommodation, specifically by strengthen local authorities' hands in asking housing associations to accommodate those owed the main rehousing duty. These reforms both build upon and tread new ground in legal rights-based responses to homelessness across the UK, and received strong endorsement from key informants across the statutory and third sectors. Furthermore, the majority of local authorities welcomed the overall package – if appropriately resourced – as likely to be helpful in addressing homelessness. Nevertheless, there was considerable concern among LAs about proposed reforms to intentionality and local connections tests, on the basis that these would increase demand that local authorities feel ill-equipped to handle without further support and resources, but also perceptions that these could further diminish personal responsibility. In some cases, and in particular in relation to local connection, these concerns appeared to sometimes reflect a misunderstanding of the proposals. Funding, greater access to settled suitable (especially one bedroom) housing, and a phased implementation period, were all emphasised as key to enabling implementation of the proposed reforms. At the same time, however, working with local authorities to build buy-in to the more inclusive approach – and leaving behind a focus on distinguishing more or less deserving households to prioritise access to rehousing assistance – also appears to be necessary.

The recent history of homelessness trends and policy development in Wales is therefore of pressures mounting in the context of continued efforts to drive forward more preventative, inclusive and housing-led responses. While much of the policy agenda being pursued focuses directly on reducing temporary accommodation pressures and enhancing local authorities' capacity to effectively respond to homelessness, there is no doubt that the reform agenda is ramping up (in the form of the forthcoming Housing Bill taking forward White Paper proposals) at a time when LAs feel acutely ill-resourced to implement new approaches and take on further responsibilities. Indeed, these fears appear to be eclipsing any major focus from local authorities on the ways in which the proposals seek to share responsibility for homelessness among a wider set of stakeholders. Taking these reforms forward must therefore foreground and prioritise addressing these concerns head on with a commitment to a step change in resourcing and support for delivery, as well as effectively communicating the ways in which the proposed package seek to spread responsibility for homelessness beyond LA housing teams.

The results of our core homelessness projections show that holding current policy approaches steady, core homelessness in Wales will continue to rise over the next two decades. However, our modelling of the impacts of 11 policy scenarios suggests that such rises are far from inevitable. Some policies revealed as particularly impactful in reducing levels of core homelessness lie in the hands of the UK Government, most importantly raising and appropriately indexing Local Housing Allowance rates and addressing destitution-generating features of Universal Credit and the wider social security safety net that. It remains to be seen, after some tentative moves in this direction in the Autumn Budget (e.g. on Local Housing Allowance), the extent to which the new UK Labour Government will seek to address these homelessness-fuelling features of the welfare system.

However, a number of the policy scenarios modelled to be effective lie in the hands of Welsh actors, and indeed, in some cases are already being pursued. This is the case in general terms for scenarios involving allocating an increased proportion of new social lettings to homeless households, increasing new social housing supply (with a focus on building units suitable for current hostel residents i.e. one bed properties), and scaling up Housing First provision. While we have not been able to model the impacts of proposed reforms to LA and wider public sector homelessness prevention duties, strengthening prevention within current legal constraints is also modelled to reduce core homelessness to some degree and the radical reform package can reasonably be expected – if effectively implemented – to achieve much further reductions. Efforts to rebalance the Welsh economy also emerge as having the potential to reduce core homelessness over time.

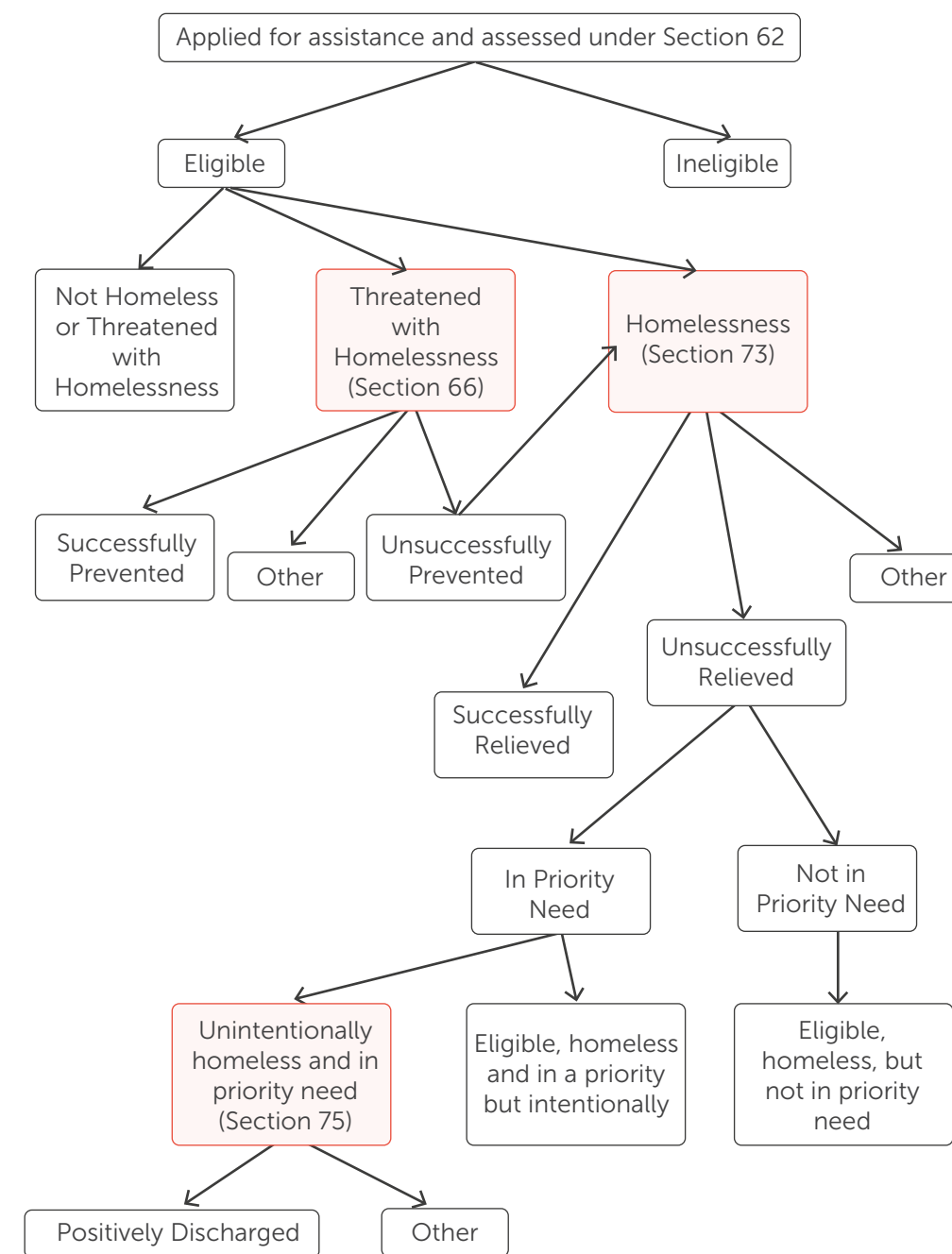
In reality, such policy reforms would not be pursued in isolation, and our analysis of the impacts of moving ahead with all proposed scenarios in a logical order indicates that core homelessness in Wales could be reduced against baseline 51% by 2041, with very significant reductions modelled as possible over the shorter time horizons of 2026 and 2031.

Crucially, these projections make clear that widening the statutory homelessness safety net by abolishing the priority need test need not increase statutory homelessness or temporary accommodation. While doing so would bring more people into the statutory safety net who are not currently served and therefore certainly risks fuelling further increases in the use of unsuitable temporary accommodation, this is not inevitable. Pursued in the context of a package of reforms – it is possible for Wales to expand the legal safety net to single homeless people, while avoiding the escalations in temporary accommodation seen as a result of that move in Scotland. The policies that enable this include raising and appropriately indexing Local Housing Allowance, increasing social

housing allocations to homeless households, and homelessness prevention. And it is worth emphasising that the gains from homelessness prevention focused reforms being pursued in Wales are likely underestimated in our modelling, given data limitations and other uncertainties.

The next Wales-focused edition of the homelessness monitor will provide an opportunity to review how the ambitious policy agenda on homelessness in Wales is playing out, and the extent to which the barriers identified here are effectively addressed. It will also enable a reflection on the impact of significant changes in political leadership in Wales, including changes in leadership of the housing portfolio, and the tumultuous changes in First Minister that have dominated Welsh politics in 2024, as well as an early indication of the direction of housing policy following a newly formed Welsh Government after the upcoming election in 2026. Finally, it will also offer an opportunity to consider the impact of any change of policy direction on the part of the new UK Government on homelessness in Wales, in particularly in relation to social security policy and Home Office responses to migrants and asylum seekers.

## Appendix A: Homelessness assessment processes under the Housing (Wales) Act 2014



Source: Welsh Government



# Appendix 2: Local authority survey 2024

The questionnaire used here drew on predecessor surveys undertaken by the UK Homelessness Monitor research team in England and Scotland as well as in Wales since 2014. Following on from our 2021 research, the 2024 survey is the third to be undertaken in the Homelessness Monitor Wales series.

The survey was undertaken in the period May-June 2024. Local authority contacts were sent an email introducing the research and inviting online participation. After intense follow-up work, 16 of the 22 authorities (73%) submitted a response. Four of the six non-responders (all asterisked below) were largely rural councils: Ceredigion, Denbighshire, Gwynedd and Monmouthshire. The other two were areas containing substantial towns: Neath-Port Talbot and Wrexham. Importantly, all three larger urban authorities – Cardiff, Newport and Swansea – participated.

This appendix summarises in tabular form the key quantitative survey results. All survey findings, including the qualitative data generated by the extensive use of open text responses within the survey, are contained in the main body of this report.

**Table 1: Has the overall number of households seeking assistance from your Housing Options/homelessness services changed over the past financial year (April 2023-March 2024) as compared to the previous financial year (2022/23)?**

	Yes - significantly increased	Yes - slightly increased	No - remained reasonably steady	Yes - slightly reduced	Yes – but significant variation over the course of the year	Total
Mid & West Wales		1	1	2		4
NE Wales	1				1	2
South Wales		4	1			5
Valleys	1		3	1		5
Wales	2	5	5	3	1	16

**Table 2: Perceived recent change in incidence of homelessness involving different groups (no. of LAs)**

	Increase	Decrease	Fairly steady	Don't know
Families with children	7	3	4	
Households in work	6		5	4
People sleeping rough	7		7	1
People with complex support needs	12	1	2	
Repeat presentations (within 12 months)	5	2	6	3
Single people aged 25+	9	1	4	
Sofa surfers	6	1	8	1
Young single people	3	2	8	1

**Table 3: Perceived recent change in incidence of homelessness arising from different immediate causes (no. of LAs)**

	Increase	Decrease	Fairly steady	Don't know	Not relevant in my area
People being asked to leave the family home	7	1	8		
People evicted from private rented sector	6	4	6		
People evicted from social rented sector	1	5	9		
Prison leavers	11	1	4		
Repossessed home owners	4	3	8	1	
Survivors of domestic abuse	6	1	8	1	
Victims of other forms of (non-domestic) abuse e.g. racial harassment	4		11	1	
People experiencing non-violent relationship breakdown	4	2	10		
Young people leaving local authority care	1	1	12	2	
Ukrainian refugees	3	1	10	2	
Afghan refugees	3	2	7	3	1
Other migrants with NRPF or other restricted eligibility for statutory support	2	1	8	3	1

**Table 4: Expected change in incidence of homelessness during next 12 months (no. of LAs)**

	Will increase	Will decrease	Remain fairly steady	Don't know	Not relevant in my area
People sleeping rough	3		10	2	1
Sofa surfers	4		11	1	
Families with children	2		12	2	
People being asked to leave the family home	3		10	2	
People evicted from private rented sector	6	4	5	1	
People evicted from social rented sector	1	2	12	1	
Prison leavers	10	1		5	
Repossessed home owners	6		8	2	
Survivors of domestic abuse	1		10	3	
Victims of other forms of (non-domestic) abuse e.g. racial harassment			13	2	1
People experiencing non-violent relationship breakdown	1		13	2	
Young people leaving local authority care	2	1	11	2	
Ukrainian refugees	6	4	3	3	
Afghan refugees	4	2	4	6	
Other migrants with NRPF or other restricted eligibility for statutory support	3	1	6	5	1

**Table 5: Ease of securing temporary accommodation for different groups (no. of LAs)**

	Not at all challenging	Slightly challenging	Somewhat challenging	Very challenging
Single people aged 25+	1	1	5	9
Young single people (aged 16-24)		2	4	9
Families with children	1	5	6	4
People with complex support needs				15
Households including a person with a disability		1	4	11
Prison leavers		2	3	11

**Table 6: Does your local authority area have a Rapid Rehousing Transition Plan?**

	Yes – we have a well developed RRTP	Yes – we have an RRTP in development	Total
Mid & West Wales	4		4
NE Wales	2		2
South Wales	3	2	5
Valleys	4	1	5
Wales	13	3	16

**Table 7: What, if any, impact has having an RRTP had, or do you expect it to have, on responses to homelessness in your area?**

	It has enhanced responses to homelessness	It has weakened responses to homelessness	No impact yet	Total
Mid & West Wales	3		1	4
NE Wales	2			2
South Wales	3		2	5
Valleys	2	1	2	5
Wales	10	1	5	16

**Table 8: Existence of effective partnerships that enhance local authorities' ability to effectively prevent and/or alleviate homelessness**

	Yes – partnerships in place significantly enhance ability in this area	Yes – partnerships in place and somewhat enhance ability in this area	No – partnerships in place make little or no difference in this area	No – partnerships are weak/not in place	Don't know
Health	3 (12)	9	2	2	
Social Services	3 (14)	11	1	1	
Criminal Justice	4 (12)	8	4		
Housing associations	8 (14)	6	1		
Schools and education services	1	4	5	4	2

**Table 9: Is there Housing First provision in your local authority area?**

	Yes	No	Total
Mid & West Wales	3	1	4
NE Wales	2		2
South Wales	4	1	5
Valleys	5		5
<b>Wales</b>	<b>14</b>	<b>2</b>	<b>16</b>

**Table 10: Is provision of Housing First in your area at a sufficient scale to meet relevant need?**

	Yes	No	Don't know	NA	Total
Mid & West Wales	1	2		1	4
NE Wales	1	1			2
South Wales	2	1	1	1	5
Valleys	3	2			5
<b>Wales</b>	<b>7</b>	<b>6</b>	<b>1</b>	<b>2</b>	<b>16</b>

**Table 11: To what extent to you agree with the statement: 'There is an appropriate mix of housing options to meet the needs of different households in my area'**

	Agree	Neither agree or disagree	Disagree	Strongly disagree	Total
Mid & West Wales		1	1	2	4
NE Wales				2	2
South Wales			4	1	5
Valleys	1	1	2	1	5
<b>Wales</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>16</b>

**Table 12: To what extent to you agree with the statement: 'The level of local authority housing allocations to homeless households is making it difficult to house others in housing need in my area'**

	Strongly agree	Agree	Neither agree or disagree	Disagree	N/A	Total
Mid & West Wales	2		1	1		4
NE Wales		1			1	2
South Wales	2		1	1	1	5
Valleys		2		1	2	5
<b>Wales</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>16</b>

**Table 13: To what extent to you agree with the statement: 'The level of local authority housing allocations to homeless households in my area is not high enough'**

	Agree	Neither agree or disagree	Disagree	Strongly disagree	N/A	Total
Mid & West Wales		1	3			4
NE Wales	1				1	2
South Wales			2	2	1	5
Valleys		1	2		2	5
<b>Wales</b>	<b>1</b>	<b>2</b>	<b>7</b>	<b>2</b>	<b>4</b>	<b>16</b>

**Table 14: To what extent to you agree with the statement: 'The level of housing association allocations to homeless households is making it difficult to house others in housing need in my area'**

	Strongly agree	Agree	Neither agree or disagree	Disagree	Total
Mid & West Wales	1	1	1	1	4
NE Wales	1	1			2
South Wales	2	1	1	1	5
Valleys		1	3	1	5
<b>Wales</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>16</b>



**Table 15: To what extent to you agree with the statement: 'The level of housing association allocations to homeless households in my area is not high enough'**

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	Don't know	Total
Mid & West Wales	1	1	1	1			4
NE Wales	1	1					2
South Wales		1	1	2	1		5
Valleys		1	2	1		1	5
Wales	2	4	4	4	1	1	16

**Table 16: Have there been changes in the availability of, or access to, the following kinds of settled accommodation for those experiencing homelessness over the past year? (no. of LAs)**

	Increased	Decreased	Stable	Don't know
Local authority	5	1	4	5
HA	8		7	1
PRS	1	11	3	1

**Table 17: How challenging, if at all, has the freeze on Local Housing Allowance rates been in the context of your local authority's efforts to prevent or alleviate homelessness in the financial year 2023/24?**

	Very challenging	Somewhat challenging	Slightly challenging	Total
Mid & West Wales	4			4
NE Wales	2			2
South Wales	2	3		5
Valleys	4		1	5
Wales	12	3	1	16

**Table 18: What difference, if any, will the increase in Local Housing Allowance rates to the 30th percentile of market rents make to your local authority's ability to prevent or alleviate homelessness in 2024/25?**

	It will significantly enhance our ability	It will somewhat enhance our ability	It will make little difference	Don't know	Total
Mid & West Wales		3		1	4
NE Wales		1	1		2
South Wales	1	3		1	5
Valleys		3	2		5
Wales	1	10	3	2	16

**Table 19: In March 2024, Welsh Government announced a £13m increase in the Housing Support Grant for 2024/25. What will be the likely impact of this uplift in your area?**

	This extra funding...			Don't know	Total
	... will enable us to increase levels of support in our area	...will enable us to maintain current levels of support in our area	... is insufficient to enable us to maintain current levels of support in our area		
Mid & West Wales		3	1		4
NE Wales		2			2
South Wales		4		1	5
Valleys	1	4			5
Wales	1	13	1	1	16

**Table 20: How important, if at all, is the Discretionary Assistance Fund in preventing or alleviating homelessness in your local area?**

	Very important	Somewhat important	Total
Mid & West Wales	4		4
NE Wales	1	1	2
South Wales	4	1	5
Valleys	2	3	5
Wales	11	5	16

**Table 21: How effective do you think Discretionary Housing Payments are in preventing homelessness amongst those claiming Housing Benefit (including Universal Credit housing payments)?**

	Very important	Somewhat important	Total
Mid & West Wales	3	1	4
NE Wales	1	1	2
South Wales	4	1	5
Valleys	4	1	5
<b>Wales</b>	<b>12</b>	<b>4</b>	<b>16</b>

**Table 22: To what extent do you agree or disagree with the following statement: 'We are able to recruit and/or retain staff with the skills to effectively respond and meet our statutory duties in relation to homelessness in our area?'**

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	Total
Mid & West Wales		1	1	1	1	4
NE Wales		1		1		2
South Wales		2	1	2		5
Valleys	1	1		3		5
<b>Wales</b>	<b>1</b>	<b>5</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>16</b>

**Table 23: To what extent do you agree or disagree with the following statement: 'Organisations we commission to deliver homelessness-related services in our area are able to recruit and/or retain staff with skills to effectively respond to homelessness in our area?'**

	Agree	Neither agree or disagree	Disagree	Strongly disagree	Total
Mid & West Wales		1	2	1	4
NE Wales	1		1		2
South Wales	1	1	2	1	5
Valleys	1	2		2	5
<b>Wales</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>16</b>

Key provisions of the Renting Homes Act 2016 that strengthen tenant protections came into force in December 2022. Keeping this mind, to what extent do you agree or disagree with the following statements about the impacts of these provisions in your area?

**Table 24: 'Fewer households become homeless as a result of 'no fault' eviction provisions'**

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	Don't know	Total
Mid & West Wales		1	1	1		1	4
NE Wales			2				2
South Wales	1	1		3			5
Valleys			1	3	1		5
<b>Wales</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>16</b>

**Table 25: 'More households are becoming homeless because landlords are leaving the private rental market because of these provisions'**

	Strongly agree	Agree	Neither agree or disagree	Disagree	Total
Mid & West Wales	2	1	1		4
NE Wales	1	1			2
South Wales	2	2		1	5
Valleys	1	4			5
<b>Wales</b>	<b>6</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>16</b>

**Table 26: In October 2022, people sleeping rough in Wales were added to the list of groups to be considered in 'priority need'. To what extent do you agree or disagree with the following statements about the impacts of this change in your area?**

	This change...		
	...had little effect because it merely codified our previous practice	... has enhanced our ability to effectively assist people sleeping rough	... has exacerbated housing pressures in our area
Strongly agree	4		7
Agree	5	2	7
Neither agree or disagree	2	7	
Disagree	5	4	
Strongly disagree		1	
Total	16	14	14

**Table 27: If implemented effectively and appropriately resourced, how helpful, if at all, would the overall package of reforms proposed in the October 2023 Ending Homelessness in Wales White Paper be in helping to address homelessness in your Local Authority area?**

	Somewhat helpful	Will make little or no difference	Would be unhelpful	Don't know	Total
Mid & West Wales	4				4
NE Wales			1	1	2
South Wales	1	1	2	1	5
Valleys	4	1			5
Wales	9	2	3	2	16

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