#HousingMattersWales

Housing Matters

Safeguarding the future of homelessness and housing-related support services in Wales

Community Housing Cymru

cymorth cymru
connect • strengthen • influence

Cymorth i Ferched Cymru
Welsh Women's Aid
Rhoi Merched a Phlant yn Gyntaf
Putting Women & Children First

Rough Sleepers Cymru
ending the need to sleep rough in Wales
rhoi terfyn ar gysgu allan yng Nghymru

Shelter Cymru

tai pawb
promoting equality in housing
hybu cydraddoldeb ym maes tai

END YOUTH HOMELESSNESS CYMRU
FOUNDING MEMBERS

erosh

Chartered Institute of Housing Cymru

Introduction

Over the next few months Welsh Government Ministers will be making a crucial decision about the future funding of homelessness and housing-related support services in Wales.

We are a coalition of national organisations which are committed to ending homelessness and ensuring that people can live safely and independently in their own homes. Over the past few months we have been discussing the Welsh Government's plans and considering the opportunities and threats to the provision of sustainable services and the lives of the people we represent.

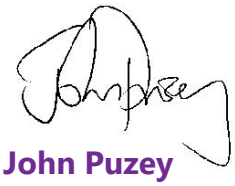
We recognise the pressures on the Welsh Government and the challenges that Ministers are facing. In light of this, we are not simply defending the status quo. We have challenged our members and each other to develop a constructive solution which helps to meet Ministers' aims - but will also safeguard the future of homelessness and housing-related support services in Wales. We also believe that our proposal can facilitate a more strategic approach to ending homelessness and supporting people to live independent, fulfilled lives.

We hope that Assembly Members of all parties can support this proposal.

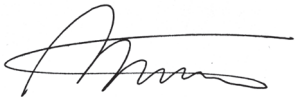
Katie Dalton
Cymorth Cymru
Director

Stuart Ropke
Chief Executive
Community Housing Cymru

Eleri Butler
Chief Executive
Welsh Women's Aid



John Puzey
Director
Shelter Cymru



Antony Kendall
Chair
Rough Sleepers Cymru

Alicja Zalesinska
Director
Tai Pawb

Richard Sheahan
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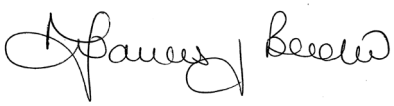
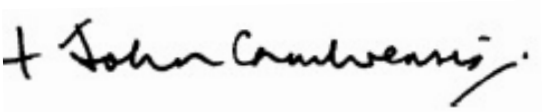
EROSH South Wales Network

Matt Dicks
Director
CIH Cymru



Frances Beecher
Chair
End Youth Homelessness Cymru



The Most Reverend John D E Davies Archbishop of Wales
Chair
Housing Justice Cymru

Context

Although the Housing (Wales) Act 2014 has improved the focus on prevention in Wales, challenges such as public spending restrictions and welfare reform have contributed to an increase in homelessness here and across the UK.

- Welsh Government statistics showed a **58% increase** in the number of people being assessed as homeless by local authorities between 2015/16 and 2016/17.
- The Welsh Government and local authority rough sleepers count in 2017 showed a **33% increase** in the number of people sleeping rough over a single night compared to 2016 and a **10% increase** in the number of people sleeping rough over a two week period.

The Housing (Wales) Act 2014 has prevented homelessness for thousands of people since it came into force, but there are still many people who are at risk of homelessness or experiencing homelessness in Wales. Structural issues such as limited affordable housing, welfare reform and a lack of secure, well paid employment all contribute to this, as well as individual crises such as the loss of social security or employment, mental and physical health problems, domestic abuse and relationship breakdown. Adverse childhood experiences are extremely common among people using homelessness services, which can negatively affect people's interaction with housing, health and welfare systems.

However, homelessness and housing-related support services are often the safety net that help people back onto their feet and support them to live healthy, independent lives in their communities. These interventions can also help to break the cycle of adverse childhood experiences and secure a better future for people in Wales. It is absolutely essential that we do not risk the future of these services at a time when we should be focused on using the levers we have in Wales to prevent and alleviate homelessness.

How are homelessness and housing-related support services currently funded?

The vast majority of funding for homelessness and housing-related support services in Wales is provided by the Welsh Government's Supporting People Programme. This budget is ring-fenced and currently stands at £124million. The Supporting People Programme aims to alleviate or prevent homelessness and help vulnerable people to live as independently as possible. Services are commissioned by local authorities and delivered by a range of charities and housing organisations across Wales. These include homeless hostels, domestic abuse refuges, other types of supported accommodation schemes, and tenancy support delivered to people in their own homes. The Programme supports approximately 60,000 each year, including vulnerable young people and care leavers, older people, people experiencing or at risk of homelessness, people fleeing domestic abuse, people with mental health problems, people with learning disabilities and people with substance misuse problems.

The Homelessness Prevention Grant provides funding to local authorities for the delivery of services to prevent and relieve homelessness in line with statutory duties under the Housing (Wales) Act 2014. A sum of £6million has been included in the Revenue Support Grant in 2018/19 to deliver these aims, building on the transitional grant funding awarded for three years during the implementation of the Act. An additional £2.8 million of Homelessness Prevention Grant funding is included in the Funding Flexibilities Pathfinder schemes during 2018/19.

What changes are being considered by Welsh Government?

The Supporting People Programme has been a ring-fenced grant for a number of years, meaning that local authorities have had to spend their allocation on homelessness and housing-related support services in line with the grant's terms and conditions.

On 1 October 2017 the Welsh Government and Plaid Cymru announced a two-year budget deal that would protect Supporting People funding at £124million in 2018/19 and 2019/20. However, three weeks later the Welsh Government revealed that it was considering substantial changes to the funding system.

Funding flexibility 2018/19: On 24 October 2017 the Welsh Government wrote to local authority chief executives to outline their plans to create seven 'Full Flexibility Pathfinder' local authorities. The letter stated that these 'Pathfinders' would be given 100% spending flexibility across five different grant programmes during 2018/19: Supporting People, Flying Start, Families First, Communities First Legacy and Communities for Work Plus. This has since been increased to ten grants, which are listed in the diagram below. The remaining 15 local authorities have been given 15% spending flexibility across the original five grants.

Proposed EIPS Grant 2019/20: On 24 October 2017 the Welsh Government also published its detailed draft budget for the next two years. The budget line for the Supporting People Programme in 2019/20 had been reduced to £0 and the funding had been moved to a new budget line called Early Intervention: Prevention and Support (EIPS). We were told that Ministers are considering merging the grants below into a single grant for 2019/20. This would remove the existing ring-fence around Supporting People funding.

The proposed Early Intervention: Prevention and Support (EIPS) Grant:

What are the concerns about the proposed Early Intervention: Prevention and Support grant?

Risk of diluting the focus on homelessness: The services included in the proposed EIPS grant vary greatly, with homelessness and housing-related support services being listed alongside a range of non-housing services focused on early years and families, including the provision of health visitors and childcare. The resulting guidance and outcomes framework is likely to be diluted significantly in order to cover this broad range of services – and therefore risks becoming meaningless. With the recent increase in homelessness and rough sleeping, it is essential that we retain a clear focus on tackling homelessness and providing housing solutions for vulnerable people who need support. The expertise in the homelessness and housing-related support sector needs to be concentrated on this aim, not distracted by uncertainty.

> **"I have experienced countless examples of community opposition to supported accommodation schemes, including people marching through the streets and protesting at planning meetings. Politicians need to understand the importance of the ring-fence in protecting these services."**
>
> Landlord & support provider

Opposition to Supporting People services in Wales: Unfortunately, most support providers, landlords and commissioners have experience of community opposition to Supporting People projects. In some cases, large numbers of local people have complained about, protested against or opposed planning for supported accommodation schemes for people with mental health problems, young people, care leavers, people fleeing domestic abuse and other vulnerable or marginalised groups of people.

Risks of funding being spent elsewhere: The ring-fence around Supporting People funding currently guarantees that it is spent on homelessness and housing-related support services. Merging it into the proposed EIPS grant will remove this ring-fence and mean that the funding could be spent on the non-housing services within this grant. It would put these often unpopular schemes in direct competition for funding with more popular services such as early years, health visitors and childcare. We fear that budget pressures and community opposition to Supporting People schemes will lead to a reduction in spending on these services in the medium to long term.

> **"We need to have more concrete assurances about the future funding of supported accommodation - otherwise our lenders won't invest and we will not be able to provide the housing stock."**
>
> Housing association

Less certainty for landlords and lenders: If the ring-fence is removed from Supporting People funding, then landlords and their lenders will have no confidence or certainty that funding will continue to be available for this purpose. As a result, they could choose to reduce or end their investment in supported accommodation schemes. A reduction in properties available for supported accommodation could lead to vulnerable people having nowhere to live and could result in people becoming or remaining homeless.

Existing partnerships: One of the arguments in favour of the EIPS grant is that different grant schemes need to work better together. However, many Supporting People commissioners, landlords and providers already work well with commissioners and providers of other grants and funding streams. Many Supporting People schemes have attracted funding from programmes within the proposed EIPS, illustrating that merging the grants is unnecessary to achieve this aim. Importantly, some schemes have also attracted funding from those outside of the proposed EIPS (e.g. health, social services, police) which could be at risk if there is less certainty about the future of Supporting People funding.

Evidence from England: The removal of the ring-fence from Supporting People funding in England has had a devastating impact on many homelessness and housing-related support services. A report from the National Audit Office in 2014 highlighted average spending reductions on housing-related support services in England of 45% between 2010/11 and 2014/15. A number of sources have also reported cuts of up to 80% in some local authority areas. Homeless Link identified specific cuts for rough sleepers, people with mental health problems, prison leavers and disabled people.

Between 2010-14 England lost 17% of specialist refuges and a third of all referrals to refuges were turned away, normally due to a lack of available space. Reports in November 2017 suggest council spending on domestic violence refuges across 33 local authorities in one region of England has fallen by up to 75% since 2010.

Although the circumstances were different in England, these statistics highlight the very real risk of removing the ring-fence from SP funding. A number of people working in homelessness and housing organisations in England have expressed shock and surprise that the Welsh Government is considering removing the ring-fence in Wales and have strongly advised against it.

"A number of policy decisions have led to rise in homelessness in England since 2010, but taking ringfence off Supporting People had biggest impact in my opinion on rough sleeping. Baffling why Welsh Govt not learnt lessons from that."

Homelessness charity staff member, England

Additional consideration: Devolution of housing costs in short term supported accommodation

In October 2017 the UK Government announced its plans to devolve the funding for housing costs in short-term supported accommodation (currently paid via housing benefit) to the Welsh Government in April 2020.

This follows two years of UK Government policy changes, which have made landlords and lenders very nervous about future investment in these schemes. The plan to move this funding out of the social security system maintains a sense of uncertainty and the sector is looking for concrete assurances that the funding will be ring-fenced for supported accommodation. This context means that the removal of the Supporting People ring-fence carries an even greater risk to the future of these schemes.

Supported accommodation relies on both housing costs and support costs in order to be viable. The uncertainty surrounding these two funding streams (particularly for social landlords and their lenders) could halt the development and re-development of supported accommodation for vulnerable people in Wales. It is essential that funding for both housing costs and support costs are ring-fenced to give landlords and lenders confidence to invest in the future.

"The devolution of housing costs in short term supported accommodation is a game changer. We need more certainty about the future funding of the housing costs and Supporting People costs or we may be forced to walk away"

Housing association

Our proposal: A Homelessness and Housing-Related Support Grant

A widely discussed alternative solution is to split the proposed EIPS grant into two distinct grants, with one focused on homelessness and housing.

This would facilitate the creation of a new Homelessness and Housing Related Support Grant, which would include:

- The Supporting People Programme
- Funding for short-term supported accommodation - devolved to the Welsh Government in 2020 for the housing costs in short-term supported accommodation
- Homelessness Prevention Grant - the element which is allocated to local authorities (not the Homelessness Prevention Grant that funds third sector services which should continue to be awarded separately by Welsh Government).
- Rent Smart Wales Enforcement

> **"It does not make sense to merge homelessness and SP funding with non-housing grants. This alternative solution has support from many people working in local authority homelessness and SP teams. "**
>
> Local authority staff member

Our proposed Homelessness and Housing-Related Support Grant:

Supporting People Programme	→	Homelessness and housing-related support grant
Funding for short-term supported accommodation	→	
Homelessness Prevention Grant	→	
Rent Smart Wales Enforcement	→	

Childcare and Play	→	Early intervention: Prevention and Support Grant
Communities First Legacy	→	
Communities for Work Plus	→	
Flying Start	→	
Families First	→	
Promoting Positive Engagement for Young People at Risk of Offending	→	
St David's Day Fund	→	

What are the benefits of this approach?

It has very strong support from across the sector: This alternative solution has very strong support from people working for third sector support providers, housing associations and local authority housing, homelessness and Supporting People teams.

It protects the future of homelessness and housing-related support services in Wales: We believe that this alternative solution would offer the necessary protection to homelessness and housing-related support services in Wales. It would avoid putting housing services for sometimes 'unpopular' groups in direct competition for funding with more politically attractive services such as early years and childcare.

It helps to achieve the Welsh Government's aims: This proposal supports the grant alignment process by bringing together four different housing related grants. Overall, it helps to significantly reduce the number of funding streams managed by the Welsh Government by merging eleven grants into two.

It would enable more strategic and innovative service delivery: Bringing together the funding for supported accommodation, tenancy support and homelessness services into a single grant and governance structure would facilitate a more joined-up, strategic and innovative approach to the delivery of these services in Wales. With the need to explore new and developing approaches such as Housing First, this could enable us to make the most out of the resources available while maintaining a clear focus on homelessness and housing.

It would give lenders and landlords more assurances: Ring-fencing funding for housing-related support services gives lenders and landlords greater assurances that it will continue to be available for supported accommodation schemes. This will increase confidence and the likelihood of continued investment in the buildings required for these schemes.

> **"There was a time when we would have only campaigned for the status quo - i.e. SP ringfenced on its own. But the sector understands that the Welsh Government wants to reduce the number of grants it manages - so we have tried to offer up a constructive alternative that helps them do this - but doesn't put services for vulnerable people at risk."**
> 3rd sector support provider

> **"We urge AMs to back this proposal, which will safeguard survivors and the future of refuges, and contribute to Government's commitment to sustainably fund domestic and sexual violence specialist services."**
> VAWDASV service provider

It provides a solution to deal with the devolution of housing costs in short-term supported accommodation: This funding will be devolved in April 2020 and we need to have a funding distribution model in place as soon as possible. Landlords, commissioners and providers have all urged the Welsh Government to utilise existing structures where possible and have stressed the importance of keeping funding for housing costs and support costs together within a ring-fenced fund.

It could utilise and build on existing commissioning and governance structures: Another benefit is that this proposed HHRS grant could operate using existing commissioning and governance structures. Local authorities already have Supporting People commissioning and monitoring teams, which could be strengthened to include the functions related to the Homelessness Prevention Grant and housing costs in short-term supported accommodation. The Supporting People regional and national governance structures (Regional Collaborative Committees and Supporting People National Advisory Board) could also be strengthened and expanded to take on new responsibilities for the other grants.

What next?

Ministers are due to make a decision about whether to merge the ten grants and create a new EIPS grant in the autumn. We believe that this is a huge risk to the future of homelessness and housing-related support services in Wales.

Tackling homelessness shouldn't be party political, which is why we are asking Ministers and Assembly Members across all political parties to support our proposed Homelessness and Housing Related Support Grant.

Please get in touch if you have any questions or would like to discuss this further.