

Ending homelessness: a high level action plan 2021 to 2026

Do the actions in the Action Plan reflect the most effective high level steps that will enable the Welsh Government and its partners to end homelessness in Wales?

The Bevan Foundation believes that the actions set out in the Action Plan broadly represent the correct steps that need to be taken for the Welsh Government and its partners to end homelessness in Wales. However, we believe that it could be strengthened.

The Welsh Government's Action Plan sets out how it will increase the supply, availability and accessibility of housing. We are concerned that the Welsh Government will not succeed in meeting these objectives, however, and end homelessness in Wales given that the Action Plan makes no reference to a fourth important factor, housing affordability.

There is a severe lack of homes available to rent at affordable levels for low income households in Wales. This has a significant impact on households. Some households are forced to move outside their communities in search of properties they can afford to rent. Some households are pushed into precarious, low quality housing, whilst others are forced to rent at levels that they struggle to afford, putting them at greater risk of poverty and falling into arrears on their rent. All of these factors can place a household at a heightened risk of homelessness.

The scale of this problem is demonstrated by the findings of research conducted by the Bevan Foundation over the summer of 2021. Over the summer the Bevan Foundation collected data on properties that were listed for rent in the private rental sector in ten local authority areas across Wales. We found that only 4.8% of properties that were advertised had rents set at LHA levels or below.

It's not just in the PRS where affordability is a challenge. Research published by the Joseph Rowntree Foundation has highlighted that 40,000 social renters in Wales have been pulled into poverty over recent years due to above inflation rent rises. If the Welsh Government does not make specific proposals to ensure homes are affordable to rent, we are concerned that even if the Welsh Government did meet its plans to boost supply such as by constructing 20,000 new social homes, it will not achieve its goal of ending homelessness.

Issues around affordability could not only undermine how effective the Welsh Government's actions are in ending homelessness, but, they could also undermine its ability to deliver some of the actions themselves. This is particularly true in relation to the Welsh Government's Leasing Scheme.

The Leasing Scheme forms part of the Welsh Government's proposals to increase the availability and accessibility of homes in the PRS. Recent research undertaken by the Bevan Foundation raises questions, about whether the Leasing Scheme can increase the supply of housing at scale.

The Action Plan sets out that the aim of the Welsh Government's Leasing Scheme is to:

“strengthen links between local authorities and private sector landlords providing pathways for homeless households into housing and offering financial stability and support for landlords who are able to make housing available to households nominated by the local authority.”

Our research has found however, that local authorities find it very difficult to establish links with private sector landlords when there is a large gap between the Local Housing Allowance (LHA) and market rent. In such circumstances landlords can make far more money renting their property out at market rents, meaning that there is very little incentive for landlords to work with local authorities even if they are able to offer some support. Given that the any landlord wishing to take part in the Leasing Scheme will have to limit their rent at LHA rates there are concerns that the Leasing Scheme will face similar challenges in boosting partnership working.

There is a further potential limitation to the Leasing Scheme. It is our understanding that the current Welsh Government Leasing Scheme will not include HMOs. Given that single people under 35 are typically only entitled to claim support to rent in shared accommodation, and are a group particularly at risk of homelessness, this would be a major limitation on the effectiveness of the scheme in preventing homelessness.

It is therefore vital that the Welsh Government reflects on these limitations and considers what other tools it has at its disposal to increase the availability of housing.

It is not just affordability that acts as a barrier for households seeking to rent in the PRS in Wales from finding a suitable home. Many landlords have requirements that prospective tenant must meet if they are to rent their property. Our research has found examples of landlords requiring significant deposits and rent in advance, adverts seeking “professional tenants” or requirements for prospective tenants undergoing a credit check and providing guarantors. Many of these requirements prevent low income households from finding accommodation, placing them at greater risk of homelessness. We believe that the Welsh Government should explore whether there are opportunities to outlaw such practices as it develops its proposed green paper in the new year.

A final action set out in the Welsh Government’s Action Plan that we believe that there is scope for strengthening based on our research is the Tenancy Hardship Grant. Our concerns with regards to the Hardship Grant are twofold. First, we have heard concerns from partners that take up of the Grant is being curtailed by strict eligibility criteria. We believe that the Welsh Government should review these criteria as it puts its action plan into practice to maximise its effectiveness.

Second, social housing tenants who are not in receipt of benefits are not entitled to any support to manage arrears they have built up over the course of the pandemic. Such tenants are not eligible to receive any support through Discretionary Housing Payments (DHPs) as they don’t claim benefits, whilst the Tenancy Hardship Grant is only available to tenants living in the PRS. We believe that this creates an unfair anomaly and places extra pressure on households who have had to manage above inflation rent rises without any state support. In implementing its Action Plan we believe that the Tenancy Hardship Grant should be expanded so that all tenants who are not eligible for support through DHPs are entitled for support.

Does the Action Plan align with other relevant areas of policy and practice?

Whilst the Bevan Foundation recognises that the Welsh Government is making great strides in its policy development, there are still some areas that could see improvement.

One area where the Action Plan could be better aligned is with regards to DHPs. While we welcome the Welsh Government's decision to top up local authorities' DHP pots, we are concerned that the Action Plan makes no reference towards the usage of DHPs, and how the Welsh Government can ensure that local authorities are maximising their allocations. The latest data released by the DWP shows that only one local authority spent their maximum DHP allocation in 2020 to 2021, whilst four local authorities underspent their allocation.

Given that DHPs are a major tool for local authorities to use in their efforts to tackle housing insecurity and homelessness, the Welsh Government should detail what they can do to maximise expenditure, ensure consistency in their usage across Wales, and guide local authorities on the best ways to utilise DHPs. There are examples of good practice within local government in Wales that the Welsh Government could draw on. Torfaen, for example, have consistently looked for innovative ways to maximise its DHP spend and to support low income households to reduce their risk of homelessness.

A second area where we believe the Action Plan could align better with other areas of policy and practice is in relation to Rent Smart Wales. Despite the prominent role Rent Smart Wales play in the PRS in Wales, they are not mentioned once in the Action Plan. We feel that their proximity to and statutory relationship with both tenants and landlords make them a valuable organisation, and we would be interested in how the Welsh Government can work with them to achieve wider policy aims. For example, Rent Smart Wales could collect data on rent levels across Wales to ensure the LHA rates are an accurate reflection of the private rental market in Wales. This could reduce the number of households whose rent is not fully covered by Housing Benefit or the housing element of Universal Credit, reducing their risk of falling into arrears.

There is also only very limited discussion in the Action Plan regarding the role that the Department for Work and Pensions plays in homelessness policy in Wales. The welfare system can play an important role in both alleviating and exacerbating homelessness in Wales. For example, a household whose rent is not fully covered by Housing Benefit or the housing element of Universal Credit are at a heightened risk of falling into arrears on their rent and housing insecurity than a households whose rent is fully covered. We believe that to fully achieve its goals the Welsh Government's Action Plan must set out more broadly how it will interact with DWP policy, as it does in its discussions on DHP. Failure to do so risks seeing the Action Plan sit apart from a key driver of homelessness, undermining its effectiveness.

We have developed a number of key actions and milestones. Do you feel these are the right ones?

While the action plan has key targets and milestones in several areas, the document lacks similar detail in other aspects of the plan. For example, the Leasing Scheme in particular has contradictory milestones in the document. On page 11 it states it will be rolled out in the winter of 2021, whilst on page 13 it is classified as a medium-term goal, suggesting it will be 1-2 years before roll out. There is also no clear target on how many homes will be included in this scheme. The action plan must clarify the timeline of the scheme.

Throughout the action plan, there is a broad lack of targets and milestones for many of the projects, thus it is difficult to see the scale of each action developed. While we acknowledge that this is a high-level action plan, it still remains vital to provide a clear and detailed roadmap.

Do you think there are any key areas for action not captured by the high level actions? If so, what would they be?

The overall themes detailed throughout the Action Plan broadly cover the main areas relating to tackling homelessness. However, there are some elements that should be included to strengthen the plan.

First, as we have set out in response to question two, there is a lack of attention given in the Action Plan to housing affordability. The failure to do so risks undermining the effectiveness of the Action Plan in ending homelessness.

Linked to this concern, we also believe that the Action Plan does not address or consider wider impacts of poverty. Notably, there is a lack of reference in the document towards supporting people on the lowest incomes. While we note the actions already taken by the Welsh Government as laid out in the Action Plan, further action should be explored and developed to help people struggling with poverty and acute housing insecurity.

Finally, in order to create the best policy, a broad evidence base is required, however, in the case of the PRS, there is a lack of usable data on the sector and landlords. We suggest that one key area should be the development of a PRS survey that can ensure policy can adapt to changes in the sector. Rent Smart Wales is positioned well to achieve this, as they have frequent correspondence with all landlords in Wales. As such, the structures are already in place for Rent Smart Wales to achieve this.