

Wales' Housing Crisis: Discretionary Housing Payments and the Welsh Housing Market

SEFYDLIAD
bevan
FOUNDATION

June 2023



About the Bevan Foundation

The Bevan Foundation is Wales' most influential think tank. We create insights, ideas and impact that help to end poverty, inequality and injustice. We are independent, informed, inspiring and inclusive in everything we do.

As an independent, registered charity, the Bevan Foundation relies on the generosity of individuals and organisations for its work, as well as charitable trusts and foundations. You can find out more about how you can support us and get involved here:

<https://www.bevanfoundation.org/support-us/organisations/>

Acknowledgements

This document forms part of a broader project of work developed in collaboration between the Bevan Foundation and the National Lottery Community Fund. The Bevan Foundation would like to thank the National Lottery Community Fund for their ongoing support.

How you can help

Hundreds of people and organisations across Wales enable the Bevan Foundation to speak out against poverty, inequality and injustice. We would not exist without their support.

Find out more at <https://www.bevanfoundation.org/support-us/individuals/> or email info@bevanfoundation.org to find out what you can do

Cover photo: Stock image from Shutterstock

Copyright Bevan Foundation
Bevan Foundation, 145a High Street, Merthyr Tydfil CF47 8DP
info@bevanfoundation.org www.bevanfoundation.org

Registered charity no. 1104191 Company registered in Wales no. 4175018



Contents

Summary.....	1
1. Introduction.....	4
1.1 DHPs in context.....	4
1.2 What we did.....	6
2. Discretionary Housing Payments in Wales.....	7
2.1 What are Discretionary Housing Payments?.....	7
2.2 Local authority allocations and expenditure.....	8
Allocation value.....	8
Local authority expenditure.....	9
2.3 Payments and awards.....	12
3. Uses of Discretionary Housing Payments.....	13
3.1 Help with ongoing rent.....	14
3.2 The cost of moving.....	15
3.3 Rent Arrears.....	16
3.4 Administration.....	16
3.5 Conclusions.....	17
4. People's experiences of DHPs.....	18
4.1 The challenges facing low income renters.....	18
4.2 Awareness of DHPs.....	19
4.3 The application process.....	20
4.4 Conclusions.....	21
5. Conclusion and recommendations.....	22
5.1 Discretionary Housing Payments are playing a key role preventing and solving homelessness.....	22
5.2 The administration of Discretionary Housing Payments should be streamlined.....	22
5.3 Reducing the impact of the Bedroom Tax.....	23
5.4 Reducing the impact of LHA.....	23
5.5 Increasing the availability of affordable housing.....	24
References.....	25

Summary

Wales is in the midst of a housing crisis. With thousands of households across the nation struggling to keep a roof over their heads, this report sets out to explore the effectiveness of one of the primary tools at the disposal of local authorities as they deal with the crisis, Discretionary Housing Payments (DHPs).

Our work has found evidence of a homelessness system under immense stress and that DHPs are a policy solution that are becoming increasingly ineffective. Despite this, we have also uncovered that DHPs still provide a vital lifeline to thousands of low-income renters across Wales, and that they offer significant value for money for the Welsh Government and Welsh local authorities, compared to other short-term policy interventions. Among our key findings are:

- In 2021/22 Welsh local authorities spent £11.6 million on DHPs, 134 per cent of the amount allocated to them by DWP.
- Nearly 70 per cent of all DHP spending in Wales is spent to support households with ongoing rent costs, with 60 per cent of all DHP spending going to mitigate the impact of the Bedroom Tax, LHA reform and the benefit cap.
- Cuts to DHP spending and increasing rents are placing additional strains on DHPs and the homelessness system more generally, leading to concerns that people who are in need of a DHP will not be able to receive support.
- DHPs do provide a vital lifeline to low-income renters and offer value for money for the Welsh Government and local authorities compared to other options such as placing people in temporary accommodation.
- There are improvements that could be made to the current DHP system to improve awareness and administration.
- In the medium to long term there is a need to invest in alternative solutions to reduce reliance on DHPs and reduce the number of renters needing to access discretionary forms of support.

We have identified five areas within which action should be taken to address the issues outlined in our report:

Discretionary Housing Payments are playing a key role preventing and solving homelessness.

- For the next five years, the Welsh Government should increase its investment in the Discretionary Homelessness Prevention Fund so that local authorities have the required funds to top up DHPs to the maximum allowable under DWP rules.
- The Welsh Government allocate discretionary funding to prevent homelessness at the start of the financial year, ensuring that local authorities have greater certainty when planning their DHP spending.
- In tandem with this, the Welsh Government should expand its affordable housing plans to include making better use of the housing stock.

The administration of Discretionary Housing Payments should be streamlined.

- The Welsh Government and Welsh local authorities should work together to promote greater awareness of DHPs.

- Local authorities should simplify the application process, including ensuring that they have a digital and paper-based application form available.
- Local authorities should ensure that applicants who are rejected are referred to an appropriate advisory to support them with a request for a review of the decision and to seek other assistance.

Reducing the impact of the Bedroom Tax

- The UK Government should review the Removal of the Spare Bedroom Subsidy. This should include the bedroom entitlements of people hardest hit by the policy, namely:
 - non-resident parents;
 - disabled people that are not currently provided with an additional allowance;
 - people that are within two years of being entitled to the bedrooms they occupy.
- The Welsh Government and local authorities should develop action plans to halve the number of people affected by the bedroom tax by 2028, aiming to significantly reduce the use of DHPs to cover bedroom tax shortfalls by this date.

Reducing the impact of LHA

- The UK Government should uplift LHA to at least the 30th percentile of rents annually and commit to undertake a review of LHA rates to determine at what percentile LHA rates should be set at to provide low-income renters with enough assistance to cover their rent.
- The UK Government should scrap the shared accommodation LHA rate with single tenants under 35 being entitled to the one-bedroom LHA rate.
- The Welsh Government should mandate all landlords in Wales to share how much they charge for rent on an annual basis.
- Welsh local authorities should use existing mechanisms to ask the UK Government to review Welsh Broad Rental Market Areas (BRMAs).
- The Welsh Government should focus on the needs of low-income tenants when developing its models on rent controls, set out in its recently published Green Paper on securing a path towards Adequate Housing.
- The Welsh Government should significantly increase investment in construction of new social homes.
- The Welsh Government should explore, and support means of increasing social housing stock quickly, including purchasing empty homes and making greater use of modular housing.

Increasing the availability of affordable housing

- The Welsh Government meets its commitment to build 20,000 social homes.
- The Welsh Government supports local authorities and social landlords to increase the supply of social housing by ensuring that they are able to increase stock through acquisitions of existing housing including empty properties.
- The Welsh Government implements effective controls on second homes and short-term holiday lets.

- The Welsh Government takes steps to actively manage the cost, supply and quality of the private rental sector through regulation and incentives.

1. Introduction

Wales is in the midst of a housing crisis. Thousands of households across the nation are struggling to keep a roof over their heads. In just twelve months the number of people living in temporary accommodation in Wales has increased by a quarter,¹ with thousands more seeking support through the homelessness system,² and even greater numbers facing financial hardship as they struggle to cover the rent.³ With few signs that the grip of the broader cost of living crisis is easing, it is likely that Welsh homelessness services will come under increasing pressures as more people are pushed into accessing homelessness support.

Over recent months, the Bevan Foundation has conducted extensive research exploring the pressures felt by low-income renters in Wales. Our findings have highlighted that the reforms made to the Local Housing Allowance (LHA) have played a vital role in the emergence of the current housing crisis.⁴ In February 2023 just 1.2 per cent of properties on the market in Wales were covered in full by LHA rates.⁵

The pressures on households are translating into rapidly rising homelessness. The number of people in priority need are twice that of five years ago while the number of people in temporary accommodation is at an all-time high.

Given these concerns, we wanted to explore the effectiveness of one of the primary tools at the disposal of local authorities as they deal with these increasing pressures, Discretionary Housing Payments (DHPs). Our work has found evidence of a system under immense stress and that DHPs as a policy solution are struggling. This report sets out our findings and our recommendations for change.

1.1 DHPs in context

To understand how DHPs work in Wales it is important that we place them in their broader context.

Homelessness has increased markedly over the last few years. The number of people who were assessed to be unintentionally homeless and in priority need doubled between 2016/17 and 2021/22, to reach 4,086 in the year to March 2022. While figures are not available after March 2022, the increase in the number of people living in temporary accommodation since then – up by a quarter over the past twelve months⁶ – suggests that homelessness is continuing its upward trend. Every local authority we spoke with shared concerns about the rapid increases they had seen in the number of people requesting support through their homelessness services. These pressures are placing extra demands on DHPs.

Much of the increase in homelessness is said to be driven by people leaving the private rented sector (PRS). The Office for National Statistics reports that private rental prices in Wales increased by 4.8 per cent in the 12 months to April 2023, the highest annual percentage change since records began in January 2010.⁷ Rent rises are having an impact on tenants across the income spectrum, but their effects are particularly acute for low-income tenants. Local authorities are therefore facing increasing numbers of people seeking help with their housing circumstances and a greater expenditure requirement. As one local authority stated,

'We haven't seen this scale of people coming out of the PRS into homelessness like this before.'

Another local authority provided us with a vivid illustration of the vicious circle created by this process. Over recent months the local authority has been forced to resort to using hotels to accommodate homeless families, having not done so for years. We heard that there has been a 426 per cent increase in demand for temporary accommodation, and a 191 per cent increase in section 21 eviction notices since the previous year, in that area.

DHPs are one of the tools that local authorities are trying to use to manage homelessness. Although DHPs are not devolved, they have come to play a significant role in housing in Wales. They have helped to mitigate the impact of UK policies on welfare reform on people in Wales, notably the 'removal of the spare bedroom subsidy' (Bedroom Tax), the reduction in the LHA rate to the 30th percentile of rents and its subsequent freezing, and the benefit cap. Wales was hard hit by these changes because of the nature of its social housing stock and its ageing population.

The introduction of the Bedroom Tax has put significant pressure on households all over Wales. By reducing the help available with a household's rent if it is deemed to have spare bedroom, it often penalises people for changes in their household circumstances that are beyond their control, such as a child going to university. When it was introduced, more than 40,000 households in Wales lost their entitlement to help with their full rent. The latest data shows that in September 2022, there were still more than 30,000 households (30,810) affected by the loss of the spare bedroom subsidy in Wales.⁸ This is equivalent to around one in seven (15 per cent) of all households in social housing that receive Housing Benefit or the housing element of Universal Credit.⁹

In terms of freezing LHA, the increase in private rents has resulted in a growing gap between rents and benefits and a striking shortage of new properties available to rent at or below LHA rates. In September 2022, there were 38,991 private renter households in Wales who receive Universal Credit, who did not have their rent covered in full by LHA, equivalent to 70 per cent of all private renters that receive housing support through Universal Credit. This challenge is compounded by the fact that there were just 32 properties that were advertised on the formal rental market in Wales at LHA rates during the first two weeks of February.

While Wales has, to date, not been hit as hard by the benefit cap as other parts of the UK, nevertheless there were 3,116 households affected by the benefit cap in August 2022.¹⁰ The benefit cap is applied to the rental portion of a household's benefit entitlement, resulting in a shortfall.

The UK Government increased the amount of money allocated to DHPs at the time of these reforms to enable local authorities to help people affected by the changes. But whereas help with rent through Universal Credit or Housing Benefit is rights-based and administered by the Department for Work and Pensions (DWP), DHPs are discretionary and administered by local authorities.

The amount allocated to DHPs has varied since then, with recent years seeing the UK Government beginning to unwind this discretionary support. Between 2021/22 and 2022/23, Wales' DHP allocation was cut by £2.2 million. This translates into 4,700 fewer DHP payments of £460, this being the payment of the median local authority, in 2022/23 compared with the previous year.

There is an important policy issue here. The help with housing costs that households can receive, including the help they can get from DHPs, is determined by the UK Government. Yet responsibility for housing, and in particular social housing and homelessness, is devolved and therefore rests with the Welsh Government. A change in policy by the UK Government, including a cut to the DHP allocation, can change the demand for devolved services and associated expenditure. Such UK policy changes, often announced without prior discussion, thus have real consequences for devolved housing policy and services, as well as, of course, the households affected by them.

Unprecedented levels of homelessness coupled with a reduction in UK Government expenditure on discretionary support are the context of our analysis of the DHP system.

1.2 What we did

The findings set out in this report draw on a number of sources.

First, we have examined data published by the Department for Work and Pensions (DWP) on DHP allocations and spending. Among the data we analysed was how local authorities spent their DHP allocations and the reasons for doing so. We have also examined a variety of other data such as the number of households affected by the removal of the Spare Bedroom Subsidy (Bedroom Tax) and the number of households whose rent is not covered in full by LHA.

In addition, we have engaged with stakeholders and people with experience of the DHP system and housing insecurity. In total we have spoken with officers at eight local authorities from all over Wales, including rural and urban authorities. Local authority cabinet members with responsibility for housing joined us for three of these conversations, with a further conversation arranged with one cabinet member where we did not speak to the relevant officers at their authority. We also arranged a conversation with the Welsh Local Government Association to get a broader view of the experiences of local authorities as a whole. The other stakeholders we engaged with included third sector organisations, including Shelter Cymru, Tai Pawb, Stonewall, the Welsh Refugee Council, and TAC. We engaged with social landlords via an online event and one to one discussions.

Finally, we have spoken with people with experience of housing insecurity at two discussion sessions. The first was with nine young people at GISDA's LGBTQ+ youth club in Caernarfon and the second was at a foodbank in Blaenau Gwent, where we spoke with eight people. The findings from these discussions are not representative but they do provide a valuable insight into some of the challenges facing Welsh renters.

2. Discretionary Housing Payments in Wales

Discretionary Housing Payments are a modest but important source of financial support for households who need help with their housing costs. This section provides an overview of what DHPs are, how they are spent and variations across Wales.

2.1 What are Discretionary Housing Payments?

DHPs provide financial support to low-income households which need further financial assistance with housing costs. They are intended to offer short-term support to households and are administered by local authorities operating within rules set by the UK Government.

To qualify for a DHP, a household must demonstrate a housing need that they are unable to meet from their income and be in receipt of either Housing Benefit or the housing element of Universal Credit. Owner occupiers are not eligible for DHPs. DHPs can be used to cover a variety of costs including shortfalls between social security payments and rent paid, deposits for accommodation, payment of rent arrears and removal costs.

Award of DHP by the local authority is discretionary, within the Department for Work and Pensions' (DWP) guidance¹¹ and legal decisions.¹² Among the factors that a local authority can take into account when deciding whether to award a DHP are: housing needs that are not covered by the social security system (e.g. the removal of the Spare Bedroom Subsidy (Bedroom Tax), impact of the Benefit Cap or a gap between the level of LHA and rent paid, whether a household faces any extra costs due to being disabled or in poor health, or whether a household is at risk of homelessness.

Local authorities receive an annual allocation from the DWP to use as DHPs. The allocation is based on a mix of historic allocations adjusted for estimated housing pressures and whether the authority has underspent in the previous year. In 2023/24 a total of £6,459,231 was allocated to Welsh local authorities, unchanged on the previous year.¹³ The allocation in 2022/23 was based on a flat cut on 2021/22 levels across all local authorities, except for eight rural local authorities in Wales and England which had access to a ring-fenced additional allocation of £1.5m. Three of these local authorities are in Wales: Ceredigion, Gwynedd and Powys.¹⁴

Each local authority is permitted to spend up to 2.5 times their annual allocation from the UK Government. Hence, a local authority that has a DHP allocation of £100,000 from the UK Government would be entitled to spend £250,000 in a given year. In 2021/22 the Welsh Government provided additional funding to local authorities to increase their DHP expenditure by £4.1m. However, in 2022/23 it took a slightly different approach, allocating an initial £6m for 'discretionary homelessness prevention' measures, which could include increasing expenditure on DHPs or other measures.¹⁵ This was topped up by a further £1.4m later in the year, meaning that local authorities received a total of £7.4m.¹⁶

A household or someone acting on the household's behalf must apply to a local authority for a DHP. If the household is successful, the money will then be paid by the local authority at the same time that their Housing Benefit is paid (clearly distinguishing between the two) or near the date that Universal Credit is paid. A local authority can decide to make a DHP payment into a different bank account (e.g. directly to a landlord) if

it feels it appropriate. Local authorities have discretion over how payments are made, with some authorities providing one-off payments whilst others provide a series of payments, or a mixture of the two.

There are some restrictions on the use of DHPs. For example, DHPs cannot be used to cover the service charges that are not eligible for Housing Benefit or the housing element of Universal Credit, nor can they be used for buying furniture or paying Council Tax. They can also not be used to cover increases in rental costs due to rent arrears, shortfalls due to sanctions in benefits or benefit suspensions, or shortfalls caused by an overpayment of housing benefits or UC.

The Wales discretionary homelessness prevention fund can be used for additional purposes. Including paying off rent arrears which are not eligible for DHPs, providing rent guarantees, paying for fixtures or fittings which are not eligible via the Discretionary Assistance Fund and repairs in certain circumstances.

2.2 Local authority allocations and expenditure

Each year, local authorities receive their DHP allocation and report their DHP expenditure to DWP. Any unspent DHP allocation must be returned to the DWP at the end of the year. This section looks at their allocation and expenditure.

Allocation value

The total value of DHP allocations to Wales for the 2023/24 financial year is £6,459,231, unchanged from the 2022/23¹⁷ and down on 2021/22.¹⁸ Local authorities in Wales therefore saw their DHP allocations reduced significantly at a time when an increasing number of households were facing financial hardship as a result of the cost of living crisis.

The impact of the cut to DHP allocations is clear when looking at the position in each local authority in more detail. The DWP applied a blanket deduction of 29.12 per cent on previous allocations to all local authorities bar the eight most rural (three of which are in Wales).¹⁹ As a result of these cuts Cardiff Council saw its DHP allocation reduce from £1,102,679 to £781,533, with Monmouthshire seeing its DHP allocation being cut to a mere £119,074. Table 1 shows the change in funding from financial year 2021/22 to 2022/23 for all local authorities in Wales.

Table 1 DHP allocation financial year 2021/22 - 2022/23

Local Authority	Government Contribution Original Allocation 2021/22	Government Contribution Original Allocation 2022/23	Change in Contribution 2021/22 – 2022/23
Blaenau Gwent	£197,769	£140,170	-£57,599
Bridgend	£364,457	£258,312	-£106,145
Caerphilly	£478,692	£339,277	-£139,415
Cardiff	£1,102,679	£781,533	-£321,146
Carmarthenshire	£378,584	£268,324	-£110,260
Ceredigion*	£311,457	£275,132	-£36,325
Conwy	£248,795	£176,335	-£72,460

Denbighshire	£241,471	£171,145	-£70,326
Flintshire	£289,753	£205,365	-£84,388
Gwynedd*	£722,585	£650,017	-£72,568
Isle of Anglesey	£173,554	£123,008	-£50,546
Merthyr Tydfil	£203,454	£144,200	-£59,254
Monmouthshire	£168,004	£119,074	-£48,930
Neath Port Talbot	£411,143	£291,401	-£119,742
Newport	£536,674	£380,372	-£156,302
Pembrokeshire	£279,632	£198,191	-£81,441
Powys*	£587,155	£527,613	-£59,542
Rhondda Cynon Taf	£570,064	£404,038	-£166,026
Swansea	£558,279	£395,685	-£162,594
The Vale of Glamorgan	£273,776	£194,041	-£79,735
Torfaen	£267,970	£189,926	-£78,044
Wrexham	£318,970	£226,072	-£92,898
Wales	£8,684,917	£6,459,231	-£2,225,686

Local Authorities marked with * are the rural authorities that receive funding from a ringfenced pot of £1.5 million

Source: Use of Discretionary Housing Payments Financial Year 2021 to 2022:

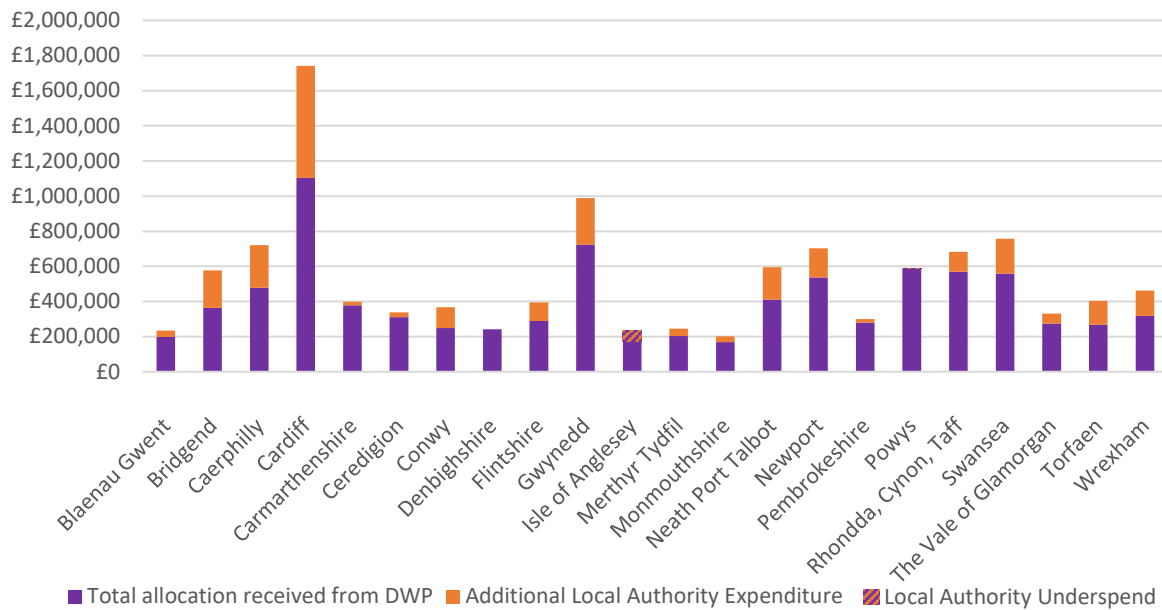
<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2021-to-2022>

Local authority expenditure

Local authority expenditure does not need to adhere to its allocation. It is under no obligation to spend its allocation in full, while it also has the discretion to top up its expenditure to up to 2.5 times its allocation. In 2021/22 (the last full year for which data is currently available) Welsh local authorities spent £11.6 million on DHPs, 134 per cent of their collective DWP allocation. Chart 1 breaks this down further and looks at the position in each local authority, showing the expenditure in 2021/22 as a proportion of their DHP allocations.²⁰²¹

As with allocations, total expenditure varied greatly across Wales. Unsurprisingly, given Cardiff's much larger DWP allocation, it spent considerably more than any other local authority, a total of £1.7 million. The average expenditure on DHPs for the other 21 local authorities was £459,000, compared with an average allocation for those 21 local authorities of £361,000.

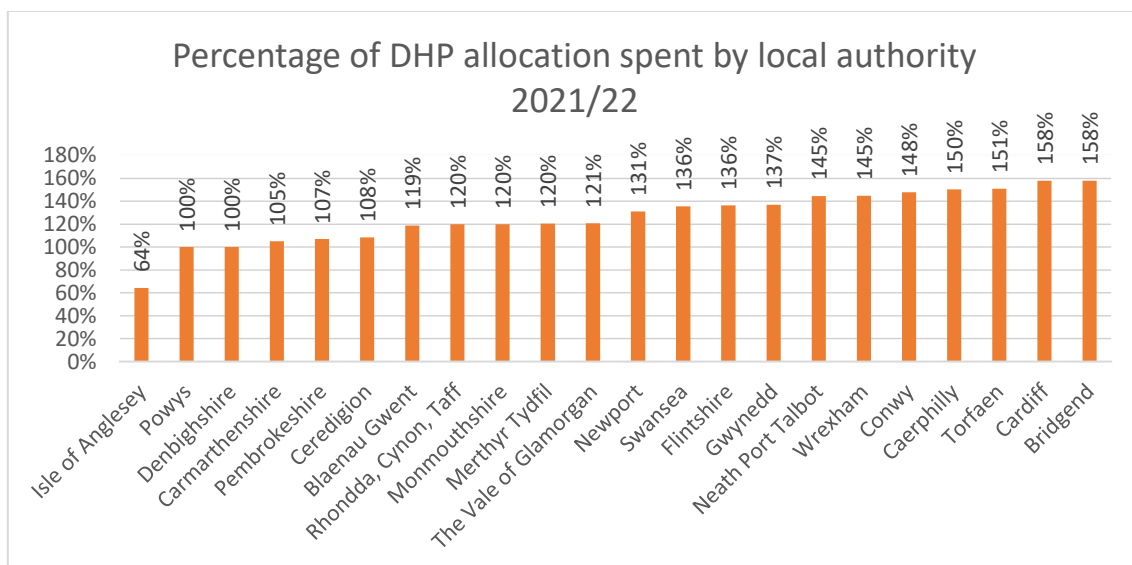
Chart 1: Local authority DHP cash expenditure compared with DWP allocation, 2021/22



Source: Use of Discretionary Housing Payments Financial Year 2021 to 2022.

Welsh local authorities have mostly utilised their DHP allocation in full. In 2021/22 every local authority bar one spent at least 100 per cent of their allocation (Chart 2). Nineteen out of 22 local authorities spent more than their allocation. Bridgend and Cardiff councils spent 158 per cent of their DWP allocation, with Torfaen and Caerphilly spending 151 per cent and 150 per cent of their allocation respectively. Powys and Denbighshire spent 100% of their allocation, while Anglesey spent 64 per cent of its allocation that year. However, it is worth noting that no council spent up to the maximum permitted of 250 per cent.

Chart 2 – DHP expenditure as proportion of DWP allocation by local authority 2021/22



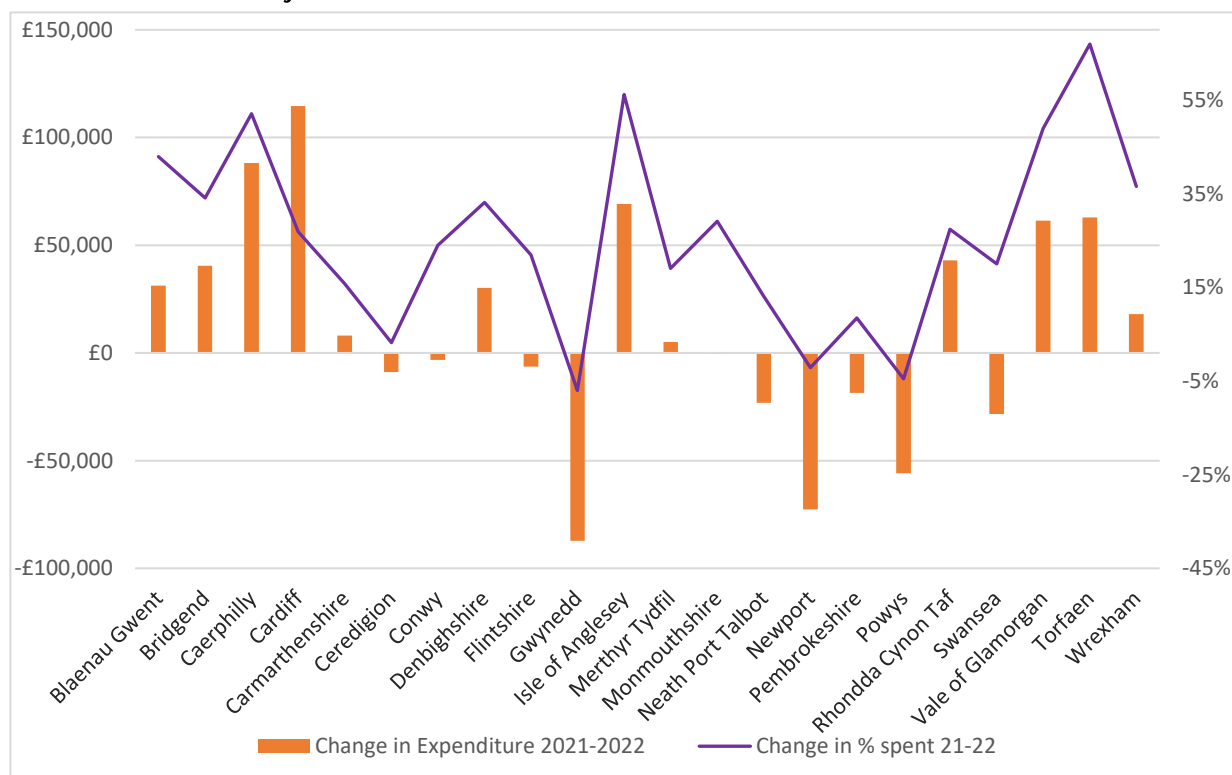
Source: Use of Discretionary Housing Payments Financial Year 2021 to 2022.

When comparing the position in Wales with the position in England, Welsh local authorities have been far more willing to top up DHP allocations. In 2021/22, the majority of local authorities in Wales spent between 115 per cent and 145 per cent of their DHP allocation. By contrast in England most local authorities spent between 95 per cent and 105 per cent.

In the first half of 2022/23, increased pressure on housing and the cut to the DHP allocation was clearly taking its toll. Halfway through the year, Welsh local authorities had already spent 70 per cent of their DHP allocation.²² Every local authority except Gwynedd, Newport and Powys had spent a higher proportion of their DHP allocation than at the same point in 2021/22. The largest change in spending was in Torfaen, which had spent 149 per cent of its allocated funding in the first half of 2022/23 – a 67 percentage point increase compared with 2021/22. Of the three that had spent a lower proportion, two were rural authorities that had seen a smaller cut to their funding.

Despite local authorities spending a higher proportion of their DHP allocation during the first six months of 2022/23 than 2021/22, the total spending by Welsh local authorities only increased marginally. Across Wales, local authorities had spent £267,000 more on DHPs in the first half of 2022/23 than in 2021/22. Indeed, ten Welsh local authorities had spent less in cash terms in the first half of 2022/23 compared with the first half of 2021/22. The picture in each local authority is set out in Chart 3 below.

Chart 3: Change in DHP spending in cash and percentage terms between the first six months of financial years 2021/22 and 2022/23



Source: Use of Discretionary Housing Payments Financial Year 2021 to 2022 and Use of Discretionary Housing Payments April 2022 to September 2022:

<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-april-to-september-2022>

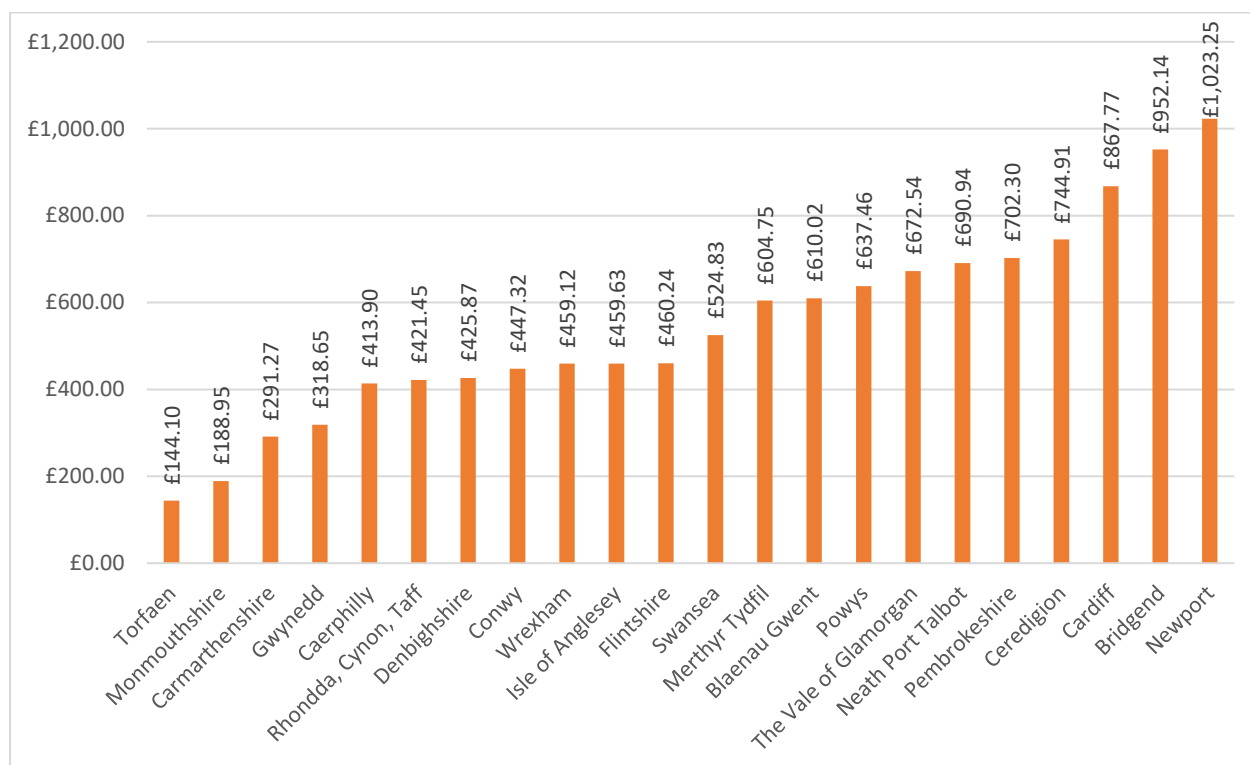
Note: Anglesey's increase is due to there being no data logged for the first half of 2021/22, whereas it is recorded for 2022/23

2.3 Payments and awards

There are striking differences in the number and value of DHP awards made by local authorities. The local authority that made the fewest payments was Anglesey with 243. At the other end of the scale, Gwynedd made 3,105 payments.

There are also differences in the value of payments. There is nearly a £1,000 difference in the value of the average award made by the local authority with the highest value payments and the local authority with the lowest value payments. In Newport, the average value of a DHP award in 2021/22 was £1,023. By contrast, in Torfaen the average award was £144. Even allowing these outliers the range in the value of DHP award is vast, as can be seen in the chart below.

Chart 4 – Average cash expenditure per DHP award by local authority, 2021/22.



Source: Use of Discretionary Housing Payments Financial Year 2021 to 2022

The reasons for the variation are unclear, and probably reflect different approaches to DHP awards. For example, in October 2021, Torfaen Council decided to top up its DHP allocations to households that regularly receive DHPs by £4 per week.²³ This meant that 900 households in the local authority received a weekly payment of £15. Such variation is inevitable in a discretionary system, and there is not necessarily one approach that works best.

3 Uses of Discretionary Housing Payments

Local authorities have considerable scope in how they use their DHP allocations. The guidance from DWP makes clear that 'housing costs' are not defined, while the list of exclusions is limited to awards that would undermine benefit sanctions, Council Tax, service charges, and rent increases resulting from arrears.

There is data published periodically on the reasons for DHP awards, although inconsistencies in recording limits its usefulness in comparing different authorities. It is, however, useful in painting a picture at an all Wales level. Given the recording limitations, we have rounded all data in tables and charts below to the nearest £1,000.

Table 2 shows total DHP expenditure in Wales for 2021/22 and for the first six months of 2022/23. In both periods, the largest proportion of total DHP expenditure was on help with ongoing rental costs, which accounted for nearly £8m in 2021/22, 69 per cent of all expenditure. In the first half of 2022/23, the proportion had fallen to 59 per cent. The other significant use of DHP is for costs related to moving accommodation, which account for around 15 per cent of DHP expenditure, some £1.7 million, in 2021/22.

Table 2: Total DHP expenditure in Wales by logged reason.

Reason for award	2021/22		April – Sept 2022	
	Expenditure (to the nearest thousand)	Percentage of total DHP expenditure	Expenditure	Percentage of total DHP expenditure
To help with on-going rental costs for any reason	£7,988,000	68.6	£2,637,000	58.7
To help with short term rental costs while the claimant seeks employment	£1,286,000	11	£462,000	10.3
To help with short term rental costs while the claimant secures and moves to alternative accommodation	£963,000	8.3	£467,000	10.4
To help secure and move to alternative accommodation (e.g. rent deposit)	£776,000	6.7	£287,000	6.4
To help with on-going rental costs for disabled person in adapted accommodation	£285,000	2.4	£98,000	2.2
To help with on-going rental costs for a foster carer	£12,000	0.1	£5,000	0.1
Unallocated Expenditure	£339,000	2.9	£540,000	12

Source: Use of Discretionary Housing Payments Financial Year 2021 to 2022 and Use of Discretionary Housing Payments April 2022 to September 2022

This section explores in more detail the three main categories of DHP expenditure, drawing on the experiences of local authorities administering the awards. It demonstrates that DHPs are a vital tool in helping people with their housing costs and so, help to prevent homelessness. However, as pressures in housing mount, the limitations of DHPs are also clear.

3.1 Help with ongoing rent

The majority (68.6 per cent) of spending on DHPs in Wales in 2021/22 was recorded under the category of 'to help with on-going rental costs for any other reason'. Of the nearly £8 million that was spent in 2021/22 on this help, more than half (£4.2 million) was spent on supporting people affected by the bedroom tax. A further £2.1 million was spent on supporting people with a shortfall between LHA and rent and £560,000 was spent on households affected by the benefit cap. In total, nearly 60 per cent of DHP spending in that year was on offsetting the effects of changes in wider social security system. These figures are likely to be an underestimate because of inconsistencies with the way that local authorities report data.

The continuing need for additional payments to mitigate the impact of the Bedroom Tax, LHA rates and benefit cap, ten years after their introduction, bring the wisdom of those measures, even in purely fiscal terms, into question. In 2014 it was estimated that the bedroom tax would reduce Housing Benefit expenditure in Wales by £30 million a year.²⁴ It is unclear the extent to which this saving has been realised, but with the UK Government off-setting the loss of the spare room subsidy with DHPs of £4 million a year, at least £1 in every £8 of the anticipated savings is being re-allocated to managing the impact of the reforms. As one local authority officer said:

'If you have to provide a subsidy to a Westminster enforced policy to make it workable then it fundamentally doesn't work'.

Given this shortfall between benefits and rents, DHPs have been a lifeline for thousands of Welsh households who would otherwise have been unable to afford to remain in their homes. A message we heard over and over again was that using DHPs to cover shortfalls in rent has proved to be vital to sustaining hundreds if not thousands of tenancies. Without DHPs to cover rent shortfalls, significant numbers of households would be pushed into homelessness.

Indeed, compared with the cost of placing a homeless household in temporary accommodation, this use of DHPs offers considerable value for money for the Welsh Government and Welsh local authorities. Temporary accommodation is not only far from ideal for households, but also usually very expensive. One local authority told us that it can cost upwards of £300 a night to provide emergency temporary accommodation for a homeless family in a hotel. On this basis, a week's temporary accommodation would cost £2,100, twice the average expenditure of the local authority with the largest typical DHP payment at £1,023 in Newport. Many households stay much longer than a week in temporary accommodation.

Yet despite the benefits, there are significant concerns about the sustainability of using DHPs to meet rent shortfalls in the medium- to longer-term, in particular given the current pressures on housing.

First, the discretionary nature of DHPs and the fact that local authorities must operate within an allocation which varies from year to year means that DHPs are not well suited to providing recurring support. There is no guarantee that a household that is awarded one DHP payment will be awarded another if there are budget changes year to year. As a result, there is widespread concern among Welsh local authorities that recurring DHPs leave recipients exposed to significant hardship if DWP cuts their DHP allocation significantly in future years. Given the cut to the DHP allocation for 2022/23 these concerns are well founded.

Second, there are concerns that the limited allocation and the cap on total expenditure at 2.5 times the allocation mean that DHPs are unable to cope with any upsurge in demand. This inflexibility similarly exposes the risks of relying on DHPs as a long-term solution to housing need. The risk is well illustrated by local authorities' increased spending during financial year 2022/23 despite a smaller DHP allocation.

As a result, some local authorities are concerned that their DHP allocation could run out later in the financial year, or that households that had relied on DHPs over a number of years to cover a rent shortfall would see the amount of support they receive reduce or perhaps removed entirely. As one local authority officer said,

'What happens if the pot gets cut again? How are we meant to choose who does and doesn't get support – do we just give less to the large amount of people receiving it?'

Third, using DHPs to cover rent shortfalls does not, as of itself, address the underlying factors that lead people to need help with their housing costs in the first place. Covering the gap between LHA and rents or the cost of spare bedrooms might help people to remain in their home in the short term. But if market rents do not fall, or if there is no increase in the availability of one-bedroom social housing for them to move to, or if incomes do not rise, then the demand for DHPs will continue unabated. One local authority officer told us;

'I think the system is flawed. People's incomes don't suddenly change in six months...'

3.2 The cost of moving.

DHPs can be used to help people with the costs of moving into a new home. Help with 'short term rental costs while the claimant secures and moves to alternative accommodation' accounted for 8.3 per cent of expenditure in 2021/22 and 6.7 per cent (£776,000) on DHPs to 'help secure and move to alternative accommodation (e.g. rent deposit)'.²⁵

Using DHPs to enable people to move into a more affordable home is arguably a more sustainable use of the funding than meeting rent shortfalls. This was a view shared by all stakeholders, who quoted examples of using DHPs to move a household affected by the bedroom tax to a smaller property.

Local authorities were aware that using DHPs in this way accounted for a relatively small proportion of their DHP expenditure, and several noted concerns that their expenditure in this area could be reduced further. The primary reason for this is the scarcity of alternative, affordable accommodation into which people could be moved.

3.3 Rent Arrears

A further way that DHPs are used by some local authorities is to cover rent arrears. Expenditure on rent arrears is not recorded as a separate category, but several of the local authorities we spoke with mentioned that they did so. There appear to be two main reasons for using DHPs to clear arrears.

Zero rent arrears are sometimes a prerequisite for accessing social housing, i.e. social landlords will not accept tenants who owe them rent. Local authorities argued that clearing historic arrears in these circumstances is an effective use of DHPs if the payment enables a household to move into an affordable home, e.g. a property that will see their rent covered in full by benefits. They said that if rent is covered in full, the risk of the household falling into rent arrears in future was reduced, resulting in a long-term saving for the authority either in terms of homelessness services or from DHPs.

We also heard from local authorities that said paying off rent arrears can help to maintain good relationships with private sector landlords. With such an acute shortage of properties available at or near LHA rates, local authorities are eager to work with any landlords that might be willing to rent their properties at LHA levels. They argued that the money spent on covering arrears can be modest compared to the potential long-term savings that can be achieved, be this through preventing a tenant from being evicted or in securing permanent accommodation for households via the homelessness system.

Local authorities have developed a range of approaches to administering DHPs in such circumstances. One local authority told us that they enter an agreement with any claimant who wishes to access DHPs to pay off rent arrears. The local authority will award a DHP that pays off 50 per cent of arrears, with the claimant being expected to clear the balance over a period of time. Other authorities used DHPs to pay off rent arrears in full, with one telling us that this was the primary way they used their DHP allocation.

Despite the benefits of paying off arrears, some concerns were raised about the efficiency of using DHPs in this way. For example, a number of people questioned whether social landlords should require historic rent arrears to be cleared before a tenant could rent their property. They queried why, if a tenant has fallen into rent arrears because of the bedroom tax, it is appropriate to restrict the tenant's ability to move into a smaller social housing property where they will not accumulate any further arrears. Moving money around between public and third sector institutions in this way is also inefficient, adding costs and taking up staff time.

3.4 Administration

Local authorities face challenges managing a variable and discretionary system. Every local authority officer revealed that they found it extremely challenging to plan how they would allocate their DHP pot over 12 months.

As well as uncertainty about the DHP allocation, authorities have to manage additional funding from the discretionary homelessness prevention scheme, both initially and offers of further funding at various points over the year. Whilst local authorities were highly complementary of the additional support made available to them through the Welsh Government's discretionary homelessness prevention scheme, the uncertainty makes it difficult for authorities to plan how best to meet demand and manage expenditure. We heard from one local authority that had turned down additional Welsh Government

funding in 2022/23 because the offer came too late in the financial year for the authority to effectively distribute the payments.

Local authorities have also had to manage changes in the purpose of additional Welsh Government funding. In 2020/21 it provided funding specifically to top up DHP allocations, but in subsequent years its discretionary homelessness prevention funding has been able to be used for wider purposes, including, but not limited to, topping up DHPs.

How local authority teams are configured has had a great impact on how discretionary homelessness prevention funding has been accessed internally. Whilst one local authority was extremely complimentary about how their housing and homelessness team had worked together, an officer at another was more frustrated;

‘... for the first year Welsh Gov gave extra support directly to DHP teams, this year they’ve put it in the general homelessness prevention pot – this has created an extra layer of admin having to ask for the money from the housing team and transferring it...’

As well as uncertainty about funding, local authorities have to manage varying levels of demand over the year. We heard concerns about funding running out in the last few months of the financial year: this challenge is particularly acute at present given that their services were already under significant strain.

To improve the effectiveness of DHPs in preventing homelessness, local authorities need much greater certainty about their allocations by both the UK and Welsh Governments at the outset of a financial year. This would provide an opportunity to take a more strategic approach to DHPs and to consider whether there are opportunities to develop more consistent approaches with other local authorities across Wales.

3.5 Conclusions

The data on expenditure and the experiences of local authorities make clear that DHPs can help to prevent homelessness as well as supporting people along routes out of homelessness into permanent accommodation.

However, it is also clear that the short-term financial support offered through DHPs does not solve any of the systemic issues that are causing people to be in housing need. Very aptly, one local authority officer described DHPs as ‘a non-sticking sticking plaster.’

Addressing the housing crisis therefore requires change in approach, in which action is taken to increase the supply of truly affordable homes with DHPs playing a modest role to meet temporary needs.

4 People's experiences of DHPs

Despite the limitations of DHPs, they provide a lifeline for many households. Ensuring that people can easily and fairly access DHPs is therefore vital to enable people to get the support they need. Throughout our research we came across concerns that this is not always the case.

4.1 The challenges facing low income renters

Life is incredibly difficult for low-income renters across Wales. The impact of the UK Government's welfare reform programme and surging living costs have left many without enough money to cover their rent, let alone other essentials such as food or energy. The Bevan Foundation's most recent *Snapshot of Poverty* found that 17 per cent of private renters in Wales either sometimes, often or always struggled with the costs of essentials, with the same being true for a staggering 36 per cent of social renters.²⁶ As one renter in Blaenau Gwent told us, *'I just can't afford to live.'*

Many of the renters we spoke with had personal experiences of housing precarity, with some currently facing uncertainty about where they would be able to call home in just a few weeks. We heard from one tenant that had been issued with an eviction notice but who had not been able to find another property. They have been offered temporary accommodation by the local authority, but they were desperate to avoid having to move into such accommodation.

Another person we spoke with has had to move back in with her parents with her child because she could not afford to rent a home and pay for childcare. She revealed that she was on the social housing waiting list, but that it was unclear when she might be able to move into a property. Given this uncertainty, she was worried about her child starting school in the next year or two and then being forced to move school if the only property she could afford to rent was in another catchment area. Her experiences are far from unique, as one local authority officer told us:

'there are generations of people who will never know their own front door and that, to me, is a travesty.'

One young person we spoke with had already had extensive experience of the homelessness system. They told us how they had been moved from one temporary accommodation setting to another over again. They spoke of packing all their belongings into a taxi and not knowing where they were going, and of choosing to sleep on a bench in a village centre to access a café's Wi-Fi because the accommodation they had been placed in by the local authority felt unsafe and had no internet access.

Even where people have been able to find accommodation, the quality is often poor. This was something we heard from a number of tenants. Their experiences were neatly captured by one tenant:

'It was pretty stressful and a bit depressing, I think because we had to look at the bottom end of the market, they felt they didn't need to meet basic standards. There seemed a discrepancy between the language people like Shelter would use to describe what the minimum standards should be and what our experience was...'

Unsurprisingly, these experiences are having an impact on renter's health and wellbeing. A staggering 60 per cent of private renters and 57 per cent of social renters reported in the Bevan Foundation's last *Snapshot* survey that their mental health had been negatively affected by their financial position.²⁷ The same was true for 48 per cent of social renters and 36 per cent of private renters when it came to physical health.²⁸ As one renter told us in Blaenau Gwent:

'It's like they're just waiting for me to die.'

Given the levels of hardship faced by low-income renters in Wales, it is clearly imperative that we use all levers possible to provide the necessary support. Understanding people's experiences of accessing DHPs is therefore vital if we are to make the system as effective as possible.

4.2 Awareness of DHPs

General awareness of DHPs is low. The renters that we spoke with over the course of our research can be divided into one of two groups, those that are in receipt of DHPs and those who are not in receipt of DHPs.

Not one of the renters that the Bevan Foundation spoke with who were not in receipt of a DHP had heard of the payments. This was true even in cases where the experiences people shared with us suggested that they may well have been eligible for a DHP and would have benefited from a payment.

The example of one person we met illustrates this clearly. A private renter in Blaenau Gwent revealed to us that she had received an eviction notice from her landlord who was eager to sell the property she rents. At present she is paying £450 per calendar month in rent and is in receipt of Employment Support Allowance (ESA), Housing Benefit and Personal Independence Payment (PIP). She told us that she is struggling to find an affordable property to move to and even if she were able to find a property, she was worried about how she would afford a move.

'I just don't have the money put behind and I can hardly move everything by myself.'

Of the renters that told us that they had received at least one DHP, everyone said that they had been made aware of the support available through an organisation or an individual that was already providing them with some form of support (e.g. Citizens' Advice or a member of staff at a social landlord). Not only had they been made aware of the support they were eligible for by a partner organisation, but they all told us that the partner organisation had supported them to fill in the application form. We did not come across one person who had independently applied for a DHP. Indeed, one person told us that they would not have been able to submit an application without support, saying that the application used

'language I couldn't understand for the life of me.'

While these responses cannot be taken as being representative of Wales as a whole, the conversations we held with local authority officers give further reason to believe that awareness of the support that can be provided through DHPs is limited. A number of local authorities said that the majority of the DHP applications they receive are submitted by

people who had previously applied. This is especially true where local authorities use DHPs to cover rent shortfalls.

The lack of awareness of DHPs creates challenges for renters all over Wales. As the story above demonstrates, there is a risk that renters are missing out on support that could make a real difference to them, increasing their risk of homelessness, and causing extra stress and anxiety at an already difficult time. Local authorities are aware of these risks and several noted varying strategies for expanding awareness of DHPs among specific demographic groups. For example, one rural local authority told us that they had run an awareness raising campaign for DHPs among rural, elderly populations.

However, local authorities were all too aware that increasing awareness of DHPs could increase demand for which they do not have a budget.

4.3 The application process

The application process can be a barrier, preventing some tenants from getting the support they require. Across Wales we heard that the DHP application process can be lengthy and a stressful experience. Given the discretionary nature of DHPs, applicants are required to give detailed descriptions of their financial circumstances and why they need assistance. The impact of this is twofold.

The requirement to share such detailed information can discourage some renters from applying. This can be both as a result of not wanting to share personal information, or because the sheer volume of information required is so overwhelming that it discourages people from applying.

There are fears that the application process disadvantages renters who apply independently for DHPs. It was generally felt by all stakeholders that making a compelling application for support was crucial to maximise the chances of success. Renters who are able to submit an application with the support of an advisor who regularly submits DHP applications were felt to be in a stronger position than individuals who may have come across DHPs online and submitted an application independently.

One of the renters we spoke with provided us with an insight about the value of support.

‘I didn’t find [the application] too bad, but I was walked through it – I probably wouldn’t have bothered if I’d had to do it myself.’

It is important to note that applicants can only request a review of any rejection, rather than having a right of appeal. It is not clear if rejected applicants are referred to support agencies if their application for a DHP is rejected because it has not been completed correctly.

We found significant differences in application process between Welsh local authorities. Some local authorities require all DHP applications to be submitted by paper with no digital application option, whereas others have adopted digital application systems to complement their paper applications. We heard from one social landlord that operated in two local authority areas: one that still required all applications to be submitted by paper, the other accepted digital applications. They reported that the workload of applying for a DHP in the paper-based authority was far more onerous than in the authority that accepted digital applications, putting extra pressure on their resources, taking up time that could otherwise have been used to support tenants.

We also identified some specific accessibility issues that affected particular groups of people during our research. Transgender people applying for DHPs can struggle with the application process as they may not have access to financial support generally. We heard that applications can be stressful and traumatic as some applicants may be forced to use their deadname or assigned gender at birth for the application process. There is a body of evidence to demonstrate that transgender people are discouraged from applying for financial support for this reason, meaning that DHP application forms can create an additional barrier for an already marginalised group that is more at risk of homelessness than the general population.²⁹

Another group that may find accessing DHPs difficult are people with poor literacy skills. We heard concerns that the long and complicated process of applying for support can be especially difficult for people to engage with, discouraging some renters from getting the support they need.

Addressing the challenges around the application process for DHPs could boost take up and access to support for the people that need it most.

4.4 Conclusions

Many low income renters across Wales are currently facing incredible hardship and insecure, precarious and low-quality housing. It is clear that DHPs have a role to play in alleviating this pressure, at least in the short term. Addressing the challenges outlined by the renters we spoke to around awareness and access is therefore vital if we are to ensure that as many people as possible benefit from the support DHPs are able to provide.

5. Conclusion and recommendations

Wales is in the midst of a housing crisis. With 10,000 people living in temporary accommodation, and thousands more struggling to afford their housing costs, it is vital that every possible lever is engaged to ease the crisis. This report has shown that while the current system of DHPs has some strengths, it also has some weaknesses which should be addressed.

This final section sets out our conclusions and recommendations.

5.1 Discretionary Housing Payments are playing a key role in preventing and solving homelessness.

DHPs play a vital role in reducing homelessness in Wales. In particular, by covering some of the shortfall between rent and social security payments they help to prevent thousands of households becoming homeless. Given the severe housing pressures in Wales, there is a strong case for the UK Government to increase expenditure on DHPs. However, in the absence of such a decision, the Welsh Government and local authorities need to top up DHP allocations to the maximum permitted over the near term to prevent further increases in homelessness.

The Welsh Government's discretionary homelessness prevention fund has provided a lifeline to thousands of Welsh households. Topping up the 2023/24 DHP allocation to the maximum would require just £2.4m additional funding via the discretionary homelessness prevention fund. This is an investment worth making as it would not only benefit the affected households, but would also save public money, reducing the need for local authorities to spend large sums on temporary accommodation. Crucially, it would provide a breathing space while there is investment in solving the underlying shortage of affordable homes.

We therefore recommend that:

- For the next five years, the Welsh Government should increase its investment in the Discretionary Homelessness Prevention Fund so that local authorities can top up DHPs to the maximum allowable under DWP rules.
- The Welsh Government should allocate discretionary funding to prevent homelessness at the start of the financial year, ensuring that local authorities have greater certainty when planning their homelessness duties and DHP spending.
- In tandem with this, the Welsh Government should expand its affordable housing plans to include making better use of the housing stock (see later).

5.2 The administration of Discretionary Housing Payments should be streamlined

This report has highlighted very low awareness amongst people who may be eligible for DHPs as well as variations in how people apply. Some of the application processes are not user-friendly. **We therefore recommend that:**

- The Welsh Government and Welsh local authorities should work together to promote greater awareness of DHPs.

- Local authorities should simplify the application process, including ensuring that they have a digital and paper-based application form available.
- Local authorities should ensure that applicants who are rejected are referred to an appropriate advisor to support them with a request for a review of the decision and to seek other assistance.

5.3 Reducing the impact of the Bedroom Tax

DHPs are mitigating the impacts of various welfare reforms, with more than 70 per cent of DHP expenditure in Wales going on help with rents. This approach is not sustainable in the medium term, both in expenditure terms and because it builds insecurity into the housing of large numbers of households which rely on discretionary support to keep a roof over their head.

One way to solve the problems caused by the Bedroom Tax would be for the UK Government to remove the bedroom entitlement entirely or to reduce the rate at which help is withdrawn if a claimant has a spare bedroom. However, there is no indication that any UK Government would be willing to do so given the political climate, the UK's economic position and the acute shortage of housing. Unfair though it may be, the bedroom tax is likely to be here to stay.

After ten years, and at a time of severe financial pressure for households and a continuing shortage of housing, it may therefore be time for the Welsh Government and local authorities to solve the problems caused by the bedroom tax. To date, DHPs have masked the trade-offs required but local authorities are already hinting that they need to somehow balance the needs of people affected by the Bedroom Tax against those of people who are homeless.

We therefore recommend that:

- The UK Government should review the Removal of the Spare Bedroom Subsidy. This should prioritise the bedroom entitlements of people hardest hit by the policy namely:
 - non-resident parents;
 - disabled people that are not currently provided with an additional allowance;
 - people that are within two years of being entitled to the bedrooms they occupy.
- The Welsh Government and local authorities should develop action plans to halve the number of people affected by the bedroom tax by 2028, aiming to significantly reduce the use of DHPs to cover bedroom tax shortfalls by this date.

5.4 Reducing the impact of LHA

As with the Bedroom Tax, the reforms introduced by the UK Government to LHA has undoubtedly placed extra demands on DHP and local authorities' housing and homelessness teams. Using DHPs alongside other Welsh Government schemes, such as the Welsh Government's Leasing Scheme, to cover any rent shortfalls or to increase supply within the private rental sector in the short to medium term is an effective use of public money. The investment in DHPs makes financial sense, reducing pressure on homelessness services, and reduces the stress faced by tenants.

At the same time, using DHPs to top up private renters' benefits into the long term is not desirable nor sustainable. It remains to be seen if the Welsh Government will introduce rent controls, and even if they do, if the measures will close the gap between LHA and rents.

The Bevan Foundation's recent publication *Wales' Housing Crisis: making the LHA work for Wales* contains a number of recommendations about how the LHA could be reformed to work better for people in Wales.³⁰ Among the most important of these recommendations were:

- The UK Government should uplift LHA to at least the 30th percentile of rents each year, and commit to undertake a review of LHA rates to determine at what percentile LHA rates should be set to provide low-income renters with enough assistance to cover their rent.
- The UK Government should scrap the shared accommodation LHA rate with single tenants under 35 being entitled to the one-bedroom LHA rate.
- The Welsh Government should mandate all landlords in Wales to share how much they charge for rent on an annual basis.
- Welsh local authorities should use existing mechanisms to ask the UK Government to review Welsh BRMAs.

Enacting these reforms would ease the pressure on renters, reducing demand for DHPs and leave fewer people at risk of homelessness. As of themselves however, they would not address all the challenges faced in the private rental sector. Our work therefore contained some additional solutions that we believed could provide a more sustainable answer to the challenges presented by the LHA. **We recommend that:**

- The Welsh Government should focus on the needs of low-income tenants when developing its models on rent controls, set out in its recently published Green Paper on securing a path towards Adequate Housing.
- The Welsh Government should significantly increase investment in construction of new social homes.
- The Welsh Government should explore, and support means of increasing social housing stock quickly, including purchasing empty homes and making greater use of modular housing.

5.5 Increasing the availability of affordable housing

Underpinning many of the issues outlined in this report is the shortage of good quality, secure, affordable housing. Addressing this shortage is vital if we are to reduce our reliance on DHPs in the medium to long term. **We therefore recommend that:**

- The Welsh Government meets its commitment to build 20,000 social homes.
- The Welsh Government supports local authorities and social landlords to increase the supply of social housing by ensuring that they are able to increase stock through acquisitions of existing housing including empty properties.
- The Welsh Government implements effective controls on second homes and short-term holiday lets.
- The Welsh Government takes steps to actively manage the cost, supply and quality of the private rental sector through regulation and incentives.

References

- ¹ Welsh Government, Homelessness accommodation provision and rough sleeping: September 2022: <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-september-2022>
- ² Stats Wales, Households eligible for homelessness assistance and in priority need by Area and Measure (Section 75), <https://statswales.gov.wales/Catalogue/Housing/Homelessness/householdseligibleforhomelessnessassistanceandinpriorityneed-by-area-measure-section77> and Stats Wales, Households for which assistance has been provided by outcome and household type, <https://statswales.gov.wales/Catalogue/Housing/Homelessness/householdsforwhichassistancehasbeenprovided-by-outcome-householdtype>
- ³ The Bevan Foundation (2023a), *A Snapshot of Poverty in Winter 2023*. Read more here: <https://www.bevanfoundation.org/resources/a-snapshot-of-poverty-in-winter-2023/>
- ⁴ The Bevan Foundation (2022a), Wales' Housing Crisis: An update on the private rental market in Wales. Read more here: <https://www.bevanfoundation.org/resources/wales-housing-crisis-an-update-on-the-private-rental-market-in-wales/>
- The Bevan Foundation (2022b), Wales' Housing Crisis: Making the LHA work for Wales. Read more here: <https://www.bevanfoundation.org/resources/wales-housing-crisis-making-the-lha-work-for-wales/>
- ⁵ The Bevan Foundation (2023b), Wales' Housing Crisis: Local Housing Allowance and the private rental market in Wales, Winter 2023. Read more here: <https://www.bevanfoundation.org/resources/housing-winter-2023/>
- ⁶ <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-september-2022>
- ⁷ Office for National Statistics, Index of Private Housing Rental Prices, UK: January 2023, <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/indexofprivatehousingrentalprices/january2023>
- ⁸ DWP data accessed via StatXplore.
- ⁹ Ibid.
- ¹⁰ The Bevan Foundation (2022b)
- ¹¹ UK Government, Discretionary Housing Payments Guidance Manual, May 2022. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1080049/discretionary-housing-payments-guide.pdf
- ¹² Local authorities also have a legal responsibility to consider additional costs related with disability and how these additional costs affect household income when disability-related benefits are counted into household income.
- ¹³ UK Government, S1/2023 Discretionary Housing Payment government contribution for English and Welsh local authorities for financial years ending March 2024 and March 2025 <https://www.gov.uk/government/publications/housing-benefit-subsidy-circulars-2023/s12023-discretionary-housing-payment-government-contribution-for-english-and-welsh-local-authorities-for-financial-years-ending-march-2024-and-march>
- ¹⁴ UK Government, S1/2022: Discretionary Housing Payment government contribution for English and Welsh local authorities for financial year ending March 2023 <https://www.gov.uk/government/publications/housing-benefit-subsidy-circulars-2022/s12022-discretionary-housing-payment-government-contribution-for-english-and-welsh-local-authorities-for-financial-year-ending-march-2023>
- ¹⁵ Email from Welsh Government to Bevan Foundation, June 2023.
- ¹⁶ Ibid.
- ¹⁷ UK Government, S1/2023
- ¹⁸ UK Government, Use of Discretionary Housing Payments: Financial year 2021 to 2022, <https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2021-to-2022>
- ¹⁹ Use of Discretionary Housing Payments Financial Year 2021 to 2022: Use of Discretionary Housing Payments April 2022 to September 2022.

²⁰ Use of Discretionary Housing Payments Financial Year 2021 to 2022, gov.uk:
<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-financial-year-2021-to-2022>

²¹ Use of Discretionary Housing Payments April 2022 to September 2022, gov.uk:
<https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-april-to-september-2022>

²² UK Government, Use of Discretionary Housing Payments: analysis of mid-year returns from local authorities, April to September 2022, <https://www.gov.uk/government/statistics/use-of-discretionary-housing-payments-april-to-september-2022/use-of-discretionary-housing-payments-analysis-of-mid-year-returns-from-local-authorities-april-to-september-2022>

²³ The Bevan Foundation (2021), Welcome for cash help for Torfaen households hit by the Universal Credit cut. Read more here: <https://www.bevanfoundation.org/news/2021/10/welcome-for-cash-help-for-torfaen-households-hit-by-the-universal-credit-cut/>

²⁴ House of Commons Welsh Affairs Committee, The impact of changes to housing benefit in Wales: Government Response to the Committee's Second Report of Session 2013-14 (January 2014). <https://publications.parliament.uk/pa/cm201314/cmselect/cmwelaf/1012/1012.pdf>

²⁵ Use of Discretionary Housing Payments Financial Year 2021 to 2022.

²⁶ The Bevan Foundation (2023a)

²⁷ Ibid.

²⁸ Ibid.

²⁹ Shelter Cymru (2023), Read more: <https://sheltercymru.org.uk/wp-content/uploads/2023/03/Homelessness-among-trans-people-in-Wales.pdf>

³⁰ The Bevan Foundation (2022b)