



Response to the Finance Committee call for information on the Welsh Government draft budget proposals for 2016/17

5th January 2016

Shelter Cymru

Shelter Cymru works for the prevention of homelessness and the improvement of housing conditions. Our vision is that everyone in Wales should have a decent home. We believe that a home is a fundamental right and essential to the health and well-being of people and communities.

Vision

Everyone in Wales should have a decent and affordable home: it is the foundation for the health and well-being of people and communities.

Mission

Shelter Cymru's mission is to improve people's lives through our advice and support services and through training, education and information work. Through our policy, research, campaigning and lobbying, we will help overcome the barriers that stand in the way of people in Wales having a decent affordable home.

Values

- Be independent and not compromised in any aspect of our work with people in housing need.
- Work as equals with people in housing need, respect their needs, and help them to take control of their lives.

- Constructively challenge to ensure people are properly assisted and to improve good practice.

Introduction

Shelter Cymru welcomes the opportunity to respond to this call for information. There are a number of very welcome aspects of the 2016/17 draft budget, including the protection of the Supporting People budget and the increase to Social Housing Grant. The Welsh Government clearly understands the importance of support for vulnerable people, as well as the importance of supporting the social housing sector and helping it to grow in order to ease the impact of the housing crisis.

We do however have serious concerns about the proposed cut to homelessness prevention, and the impact that this may have on implementation of Part 2 of the Housing (Wales) Act 2014.

Homelessness prevention

Part 2 of the Housing (Wales) Act introduced an ambitious new approach to preventing homelessness that has attracted worldwide attention. The Welsh Government has led the way by placing duties on local authorities to provide prevention services to anyone who presents within 56 days of homelessness.

This has considerably expanded the number of households that can potentially be helped, as well as the depth and complexity of work that authorities must carry out.

Local authorities and other services such as ours have had to undertake significant culture change in order to adjust to this new way of working. Our [report](#)¹ on the first six months of the new legislation gives us an early picture of services largely rising to the challenge and managing to successfully prevent homelessness in the majority of cases.

There is, however, much more that needs to be done. The new Act champions a person-centred approach, going against the grain of three decades of process-driven services that were focused on administering tests designed specifically to ration the scarce social housing resource.

We are less than a year into the journey towards this new way of working. It came as a surprise, therefore, to learn that the Welsh Government is intending to cut the homelessness prevention budget for 2016/17 by £524,000, or 8.4 per cent.

We understand that this cut is due to a 'non-recurrent transfer' – a one-off allocation that isn't meant to be repeated in subsequent years. However we urge the Welsh Government not to reduce transitional funding at this early stage.

¹ <http://sheltercymru.org.uk/a-brand-new-start-homelessness-and-the-housing-wales-act/>

Local authorities still need support to implement the Act. Our concern is that other effective and long-standing homelessness services will have to suffer cuts too, so that local authorities have sufficient ongoing transitional support.

After a number of years of standstill grants, third sector organisations funded to prevent homelessness had grants cut this year and are being told to prepare for further reductions from April 2016. Clearly, although the reduction in the homelessness prevention budget is described as a 'non-recurrent transfer' it is effectively a cut to prevention services.

Maintaining the transitional funding for local authorities is vital but if, at the same time, third sector services are eroded it will simply mean more homeless households presenting as emergency cases to those authorities.

Research by Citizens Advice shows that every £1 spent on housing advice saves the state £2.34². In the last year Shelter Cymru has helped more people than ever before, preventing homelessness in a record 93 per cent of the cases where it was faced. Our role in implementing the Welsh Government's homelessness agenda is clear, but it needs to be sufficiently resourced.

The homelessness budget is very small compared to others, but the difference it makes to frontline services and to people's lives is immense. It makes little sense to protect Supporting People while cutting other funding that achieves the same aims and often funds the same services.

If prevention funding is cut from April, this will inevitably affect the ability of local authorities and other services to deliver on the Welsh Government's ambitious vision. This comes at a time when there is increasing international interest in the Welsh model.

Last month the Department for Communities and Local Government announced what they described as a 'radical package of measures' to tackle homelessness in England, including protecting local authorities' prevention funds, increasing central government funding for homelessness programmes – and, significantly, a review of legislation to examine how to prevent more people from becoming homeless in the first place.

The UK Government's legislation review will bring academics, campaigners and policymakers to Wales to examine the impacts of the Act so far. It would be a great shame for Wales' international reputation if these impacts were compromised by a budget cut.

For more information please contact Jennie Bibbings, Campaigns Manager

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² Citizens Advice (July 2010) Towards a business case for Legal Aid: paper to the Legal Aid Research Centre's eighth international research conference