



## Response to National Assembly call for information on the Welsh Government draft budget proposals for 2019-20

4<sup>th</sup> September 2018

### **Our 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. We would like to emphasise the fundamental role that affordable housing plays in ensuring the wellbeing of individuals and communities. Wales has made good progress in this area in recent years but we believe more can be achieved.

## Housing investment

Providing enough affordable rented homes in Wales is the biggest issue facing this and the next generation of people who cannot buy. If we cannot provide enough homes at a rent people can afford then many of the other progressive ambitions we have in Wales of improved health and wellbeing, a growing economy and prosperity and social cohesion, are fatally undermined.

We strongly support the ambition of the WG to provide 20,000 new affordable homes by 2021, but we all know we need more and that those homes need to be truly affordable.

We look forward to the outcome of the affordable housing review in terms of how more homes can be provided and what types of rent regimes might provide security and certainty for current and future tenants, but fundamentally it is our view that more public investment is required to meet current and future need.

Wales spends 2.2% of its budget<sup>1</sup> on housing related capital and revenue compared to 3.6% in Scotland and 3.7% in Northern Ireland. Only England is lower at 1.4%. This suggests that we are not prioritising housing, at least in budgetary terms, to the same degree as other UK nations.

But in our view simply increasing funding by 1 or 2% may not be enough anyway. We believe that the level of increased investment should be calculated from the perspective of current and projected housing need for rented accommodation and by assessing rent levels set to median income levels of social housing tenants.

We believe this will require, over time, a quantum increase in the overall social housing grant budget and an increase in the current 58% grant funding formulae. This is likely to be a significant increase in funding which will need to be phased over a number of years to address the backlog of housing need as well as future demand.

In order for this increased investment to be fully effective it will need to be done alongside:

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<sup>1</sup> In 2015/16, the latest data available: <https://www.ukhousingreview.org.uk/ukhr18/tables-figures/pdf/18-056.pdf>

- Skills development
- Ensuring land is made available and affordable
- Ensuring planning is sensitive local social housing provision
- The phasing out of homelessness legislation priority need groups

The rewards for this investment will be enormous helping to regenerate local economies, developing new local supply chains improving health and well being and reducing health and absenteeism costs, reducing carbon emissions, to name just a few.

### **Homelessness prevention funding**

We congratulate the Welsh Government on its progressive approach to preventing homelessness both through the new legislative framework and by increasing the homelessness prevention budget by £10 million in the current financial year and a further £10 million in the next.

We support the 'Housing Matters' campaign that the Homelessness Prevention Grant that funds third sector services should not be merge into other grant streams or placed in local authority control but should continue to be awarded separately by the Welsh Government. This is essential if independent all Wales services, such as Shelter Cymru, are able to continue to advise and represent people in housing need without fear or favour and to be able to constructively challenge, where necessary, local authority decisions and practices.

For more information please contact Jennie Bibbings, Campaigns Manager

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