

The homelessness monitor: Wales 2015

Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Steve Wilcox and Beth Watts, Institute for Social Policy, Housing, Environment and Real Estate (I-SPHERE), Heriot-Watt University; Centre for Housing Policy, University of York; City Futures Research Centre, University of New South Wales

August 2015



The homelessness monitor

The homelessness monitor is a longitudinal study that provides an independent analysis of the impact on homelessness of recent economic and policy developments across the UK. The key areas of interest are the homelessness consequences of the post-2007 economic recession, and the subsequent recovery, as well as welfare reform and cuts. Separate reports are produced for each UK nation.

This year's Wales report monitors the impact on homelessness of the slow pace of economic recovery and the effects of welfare and housing reform and analyses key trends from the baseline account of homelessness established in 2012 up until 2015. It also highlights emerging trends and forecasts some of the likely changes, identifying the developments likely to have the most significant impacts on homelessness in Wales.

The homelessness monitor: Wales 2015

Suzanne Fitzpatrick, Hal Pawson, Glen Bramley, Steve Wilcox and Beth Watts,
Institute for Social Policy, Housing, Environment and Real Estate (I-SPHERE), Heriot-Watt
University; Centre for Housing Policy, University of York; City Futures Research Centre,
University of New South Wales

August 2015

About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

About the authors

Professor Suzanne Fitzpatrick, Professor Glen Bramley and Dr Beth Watts are all based at the Institute for Social Policy, Housing, Environment and Real Estate (I-SPHERE), Heriot-Watt University. Professor Hal Pawson is based at the City Futures Research Centre, University of New South Wales. Steve Wilcox is an Associate (and former Professor) at the Centre for Housing Policy, University of York.

Acknowledgements

This report was commissioned and funded by Crisis and the Joseph Rowntree Foundation (JRF), and our thanks to Dr Lígia Teixeira and Matthew Downie at Crisis, and Brian Robson, at JRF, for all of their support with this work. We would also like to record our thanks to Dr Peter Mackie (Cardiff University) for his generous support of this study, and to Citizens Advice for assisting us to secure relevant data. In addition, we are extremely grateful to all of the key informants from homelessness service providers and local authorities across Wales who very generously found time in their busy schedules to help us with this study.

Disclaimer: All views and any errors contained in this report are the responsibility of the authors. The views expressed should not be assumed to be those of Crisis or of any of the key informants who assisted with this work.

Crisis head office

66 Commercial Street
London E1 6LT
Tel: 0300 636 1967
Fax: 0300 636 2012
www.crisis.org.uk
© Crisis 2015
ISBN 978-1-78519-014-8

Crisis UK (trading as Crisis). Registered Charity Numbers:
E&W1082947, SC040094. Company Number: 4024938

Contents

Figures and tables	iv
Acronyms	v
Foreword	vi
Executive Summary	vii
1. Introduction	1
1.1 Introduction	1
1.2 Definition of homelessness	1
1.3 Research methods	1
1.4 Causation and homelessness	2
1.5 Structure of report	2
2. Economic factors that may impact on homelessness in Wales	3
2.1 Introduction	3
2.2 The economic context	3
2.3 The housing market context	6
2.4 The homelessness implications of the economic and housing market context	10
2.7 Key points	14
3. Coalition and Welsh Government policies potentially impacting on homelessness in Wales	17
3.1 Introduction	17
3.2 Homelessness policies in Wales	17
3.3 Housing policies in Wales	30
3.4 Welfare reforms	33
3.5 Key Points	47
4. Homelessness trends in Wales	49
4.1 Introduction	49
4.2 Rough sleeping	49
4.3 Single homelessness	51
4.4 Statutory homelessness	52
4.5 Hidden Homelessness	59
4.6 Key points	67
5. Conclusions and future monitoring	69
Appendix 1 Topic guide for key informant interviews: Round 2 (2014/15) voluntary sector	74
Appendix 2 Topic guide for key informant interviews: Round 2 (2014/15) local authorities	76
Bibliography	79

Figures and tables

Chapter 2

- Figure 2.1 Established but slow recovery of overall UK economy with eight quarters of growth
- Figure 2.2 Changes in real gross value since 2007
- Figure 2.3 Workplace employment in Wales in 2013
- Figure 2.4 Housing market affordability in Wales
- Figure 2.5 Rapid growth of private rented sector
- Figure 2.6 Brief and limited increase in Welsh homeless acceptances post 2009
- Figure 2.7 Social lettings levels recover, but lettings to homeless households fall
- Figure 2.8 Mortgage arrears and repossessions, UK 1982-2014
- Figure 2.9 Mortgage possession claims, England and Wales 2000-2014
- Figure 2.10 Landlord possession claims leading to court orders, Wales 2000-2014

Chapter 3

- Figure 3.1 Investment in new affordable housing

Chapter 4

- Figure 4.1 Citizens Advice Wales caseload trends, 2009/10-2011/12
- Figure 4.2 Indicators of homeless offenders and people at risk of destitution by local authority in Wales
- Figure 4.3 Statutory homelessness trends in Wales
- Figure 4.4 Homelessness acceptances in 2009/10 and 2014/15: breakdown by immediate reason for homelessness
- Figure 4.5 Homelessness acceptances: % change in cases arising from specific causes 2009/10- 2014/15
- Figure 4.6 Relative incidence of ex-offenders among statutorily homeless cohort, 2009/10 and 2014/15
- Figure 4.7 Homelessness acceptances in 2009/10 and 2014/15: breakdown by priority need category (categories aggregated)
- Figure 4.8 Homelessness acceptances in 2009/10 and 2014/15: % change in cases classed in each priority need category, 2009/10-2014/15
- Figure 4.9 Homelessness temporary accommodation placements, 2004/05-2014/15
- Figure 4.10 Concealed potential households in Wales 1997-2014
- Figure 4.11 Concealed potential households in Wales and UK by type, 1997 and 2014
- Figure 4.12 Individuals in potential concealed households by tenure by category and age, UK and Wales 2014
- Figure 4.13 Household representative rates by age (20-34) in Wales and UK, 1992-2014
- Figure 4.14 Sharing households in Wales and UK by tenure, number sharing, region and household type, 2014
- Figure 4.15 Overcrowding by tenure in Wales and UK, 2009 and 2012

Acronyms

ASB	Anti-Social Behaviour
AST	Assured Shorthold Tenancy
CAB	Citizens Advice Bureau
CIH	Chartered Institute for Housing
CML	Council of Mortgage Lenders
CPI	Consumer Price Index
DAF	Discretionary Assistance Fund
DCLG	Department for Communities and Local Government
DEL	Departmental Expenditure Limit
DHP	Discretionary Housing Payments
DLA	Disability Living Allowance
DWP	Department for Work and Pensions
EAP	Emergency Assistance Payments
EHS	English Housing Survey
ESA	Employment and Support Allowance
FSA	Financial Services Authority
GDP	Gross Domestic Product
GVA	Gross Value Added
HB	Housing Benefit
HMO	House in Multiple Occupation
IAP	Individual Assistance Payments
IB	Incapacity Benefit
ILO	International Labour Organisation
JSA	Jobseeker's Allowance
LA	Local Authority
LFS	Labour Force Survey
LHA	Local Housing Allowance
OASys	Offender Assessment System
OBR	Office for Budget Responsibility
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
PRS	Private Rented Sector
RCCs	Regional Collaborative Committees
RPI	Retail Prices Index
RSL	Registered Social Landlord
RTB	Right to Buy
SAR	Shared Accommodation Rate
SMD	Severe and Multiple Disadvantage
SMI	Support for Mortgage Interest
SP	Supporting People
SPNAB	Supporting People National Advisory Board
SPPG	Supporting People Programme Grant
SRS	Social Rented Sector
UC	Universal Credit
WLGA	Welsh Local Government Association

Foreword

It's a critical time for homelessness policy in Wales. The recently enacted Housing (Wales) Act 2014 ushered in major changes that could transform the way local authorities tackle homelessness. At the same time, Wales faces significant challenges that could easily undermine any progress achieved.

The Homelessness Monitor: Wales 2015 is the first report to examine these changes in detail. Commissioned by Crisis and the Joseph Rowntree Foundation, the Monitor series provides an independent, authoritative picture of homelessness within and across each of the countries of the UK, tracking the impact of major policy and economic developments on homelessness.

Homelessness can be a devastating experience, and we know from previous research that unless people get the help they need at an early stage, their lives can quickly spiral out of control, leaving them vulnerable to mental and physical health problems, violent crime and problems with drugs and alcohol.

We also know that the longer someone is homeless, the harder, and more expensive it becomes to help them. That's why the Housing (Wales) Act 2014 is such an important step forwards. By placing a stronger legal emphasis on prevention and relief, it means Welsh councils now have a duty to offer real support to anyone at risk of or facing homelessness.

The Welsh Government is the first UK administration to take such an approach, and experiences there will yield valuable lessons for the wider UK. In England in particular, councils have much weaker legal duties, meaning people are often turned away from help at a time when homelessness could be prevented.

There are still possible weaknesses in the new Welsh model. For example, the lack of an independent housing inspectorate in Wales may mean implementation of the new duties is less consistent across the country than might otherwise be the case.

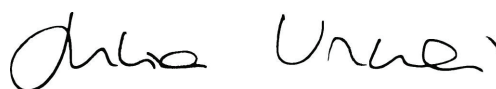
Furthermore, as this report warns, welfare reforms and reductions introduced by the UK Government risk undermining any progress achieved. The so-called 'bedroom tax' has already hit Wales particularly hard, while further reforms - including cuts and caps to benefits and the rolling out of direct payments under Universal Credit - are set to have a major impact in the coming years.

The research also warns that the Renting Homes (Wales) Bill currently before the Assembly could significantly weaken the security of Welsh renters. If passed, the Bill will remove the six month suspension of 'no fault' evictions in the private rented sector, leaving Welsh renters with the most insecure tenancies in the UK.

We'll continue to monitor the impact of these changes, particularly their effect on homelessness trends, not just to inform policy and practice in Wales, but to make sure lessons are learned for the UK as a whole.



Jon Sparkes
Chief Executive, Crisis



Julia Unwin
Chief Executive, Joseph Rowntree Foundation

Executive Summary

Key points

The Homelessness Monitor series is a five-year study that provides an independent analysis of the homelessness impacts of recent economic and policy developments in Wales and elsewhere in the UK.¹ This update report provides an account of how homelessness stands in Wales in 2015, or as close to 2015 as data availability allows.

Key points to emerge from the 2015 update report for Wales are as follows:

- The Housing (Wales) Act 2014 ushers in significant changes to the homelessness legislation in Wales, which sees a far stronger emphasis placed on prevention and relief duties owed to *all* eligible homeless households/households threatened with homelessness, regardless of priority need. While it is too early to assess the practical impact of these new duties, in principle they appeared to command a high degree of support in both the statutory and voluntary sectors in Wales, albeit some stakeholders regret compromises made in the passage of the Act through the Welsh Assembly.
- Recent attempts to enumerate rough sleeping in Wales indicate a rate lower than England, although the methodologies employed allow for only very broad estimation. The more severe or complex deprivations sometimes associated with rough sleeping and single homelessness, including destitution and offending behaviours, appear to be concentrated in the following areas: Cardiff, Swansea, Newport and the former mining 'Valleys' authorities (Merthyr Tydfil, Bridgend, Blaenau Gwent).
- A downward trend in homelessness 'acceptances' has been evident in Wales since 2011/12. By 2014/15, the total had fallen back to a level 8% below that of the previous nadir in 2009/10. Similarly, the last year has seen an 11% drop in total homelessness assessment decisions by Welsh local authorities, with the 2014/15 figure thus reduced almost to the 2009/10 low. Our key informant interviewees generally saw the recent decline in recorded statutory homelessness numbers as attributable to local authorities 'gearing up' for the new prevention-focused statutory regime. Thus, falling 'headline homelessness' numbers reflect administrative changes rather than a 'real' contraction in underlying homelessness demand.
- Despite their recent decline, recorded statutory homelessness acceptances in Wales remain 70% higher than in England, pro rata to population.
- The profile of statutorily homeless households in Wales changed markedly between 2009/10 and 2014/15, with an expansion in the number of acceptances accounted for by ex-offenders (up 14%), those fleeing domestic violence (up 19%), and those vulnerable because of mental illness or learning disabilities (up 24%). Over the same period, family households contracted by 13%, and there was a very sharp drop in the numbers declared vulnerable on grounds of youth (down 50%). The (controversial) removal of the 'automatic' priority need for ex-prisoners by the 2014 Act is expected to bring about a drastic reduction in the numbers in that category in the coming years.

¹ Parallel Homelessness Monitors are being published for Scotland, England and Northern Ireland. All of the UK Homelessness Monitor reports are available from www.crisis.org.uk/policy-and-research.php

- There have also been significant shifts in the immediate causes of statutory homelessness with ‘family/friend evictions’ in 2014/15 down by 35% as compared with 2009/10, whereas homelessness due to loss of a rental tenancy was up by 20%. This latter trend is in keeping with developments in England where there has been a massive recent increase in statutory homelessness attributable to the loss of a private tenancy. Mortgage arrears as a cause of statutory homelessness remains at a very modest level in Wales (2% of all acceptances).
- While 2013/14 saw a rise in the availability of social sector lettings in Wales, there has been a marked decline in the proportion of those lettings allocated to homeless households – reduced to 18% of all lettings to new tenants, as compared with the recent norm of around a quarter. Whilst this pattern may partly reflect recent declines in the level of statutory homelessness acceptances in Wales, the numbers rehoused in social housing have also fallen as a proportion of total homelessness acceptances (to 61% from 70% a year earlier), suggesting a ‘real’ pattern of lowered priority. Though the reasons for this trend remain uncertain, it has been suggested that the introduction of financial capability assessments by some social landlords may be making it more difficult for homeless households to access housing association properties.
- The Renting Homes (Wales) Bill currently before the Welsh Assembly seeks to simplify landlord and tenant contractual relations in Wales, but as they stand, these proposals would significantly weaken the already flimsy security of tenure enjoyed by private rented sector tenants in Wales, with removal of the six month moratorium on ‘no fault’ evictions.
- The Housing Act (Wales) 2014 has introduced a number of measures that give Wales a more distinctive set of housing policies. In particular the Act enabled the refinancing of the council housing sector and provided powers for the licensing and regulation of private landlords and their agents.
- The Welsh Government would appear to be on track to meeting its own target of providing 10,000 additional ‘affordable’ dwellings over its four year term; but that falls short of the higher, independently assessed, level of the numbers required (15,000).
- There has been a decline in new household formation in Wales, particularly since 2010 in the 20-34 age group. This probably reflects both recessionary impacts and welfare benefit changes.
- The UK Coalition Government welfare reforms are estimated this year to have extracted £19 billion pounds from the pockets of low income households across Great Britain. While on average losses equate to an average of £470 a year for every working age adult across Great Britain, in fifty areas the losses average £600 or more for each adult, and five of the twenty five most disadvantaged areas are in Wales (Merthyr Tydfil £720, Blaenau Gwent £700, Neath Port Talbot £700, Rhondda Cynon Taff £670, Caerphilly £640).
- Lower Local Housing Allowance rates have slowed the growth in the numbers of Housing Benefit claimants able to access the (expanding) private rented sector in Wales, and increased average ‘shortfalls’ between Local Housing Allowance awards and landlord rents. There has been a more marked impact on young single people only eligible for the much lower Shared Accommodation Rate allowances, and the number of under-25s in the sector fell by 21% between December 2011 and November 2014.

- The ‘Bedroom Tax’ has a disproportionate impact in Wales, with one fifth of Welsh social sector tenants having had their Housing Benefit reduced as a result of this measure, as compared to 15% in England. Social landlords in Wales have a very limited supply of smaller dwellings to facilitate any significant level of transfers by impacted tenants. The ‘Bedroom Tax’ has clearly resulted in increased household debts and hardship, and a significant increase in the numbers of households now relying on food banks to get by. Its impacts have been greatly eased by the extensive use of Discretionary Housing Payment budgets to assist affected households, as well as by the utilisation of additional Welsh Government funding.
- The rolling out of direct payments to tenants under Universal Credit is a major anxiety with regard to its potential to drive up rent arrears and ultimately homelessness. A further round of significant welfare reforms and cuts were announced in the 2015 Summer Budget, which will have particular implications for young single people and larger families, and more generally for the ability of low income households to access the private rented sector.
- Looking to the future, we might expect that the overall flow of households recorded as homeless or threatened with homelessness will increase in Wales in the short-term, as a result of the enhanced incentives for single people in housing crisis to seek local authority help. Over time, however, if the new prevention and relief activities are as effective as their advocates hope, the numbers accepted as owed the full duty to be secured accommodation may reduce, although this will also depend on the impact of wider forces, most notably welfare reform.

Definition and methods

A wide definition of homelessness is adopted in this Homelessness Monitor series to enable a comprehensive analysis taking account of: people sleeping rough; single homeless people living in hostels, shelters and temporary supported accommodation; statutorily homeless households; and those aspects of potential ‘hidden homelessness’ amenable to statistical analysis using large-scale surveys, namely ‘concealed’,² ‘sharing’³ and ‘overcrowded’⁴ households. Three main methods are employed in the study: reviews of relevant literature, legal and policy documents; interviews with a sample of key informants from the statutory and voluntary sectors across Wales (12 such interviews were conducted in 2014/15); and detailed analysis of published and unpublished statistics, drawn from both administrative and survey-based sources.

The economic and policy context for homelessness in Wales

There are significant economic challenges in Wales that shape the context for homelessness. While the UK economy has now returned to pre-credit crunch levels, the Welsh economic downturn was more severe, and recovery lags behind England and Scotland.

The Welsh labour market is characterised by slightly higher levels of economic

2 ‘Concealed households’ are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity.

3 ‘Sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. This is the standard Government and ONS definition of sharing households which is applied in the Census and in household surveys. In practice, the distinction between ‘sharing’ households and ‘concealed’ households is a very fluid one.

4 ‘Overcrowding’ is defined here according to the most widely used official standard - the ‘bedroom standard’. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members.

inactivity and unemployment than the rest of the UK. In the quarter to February 2015 the (International Labour Organisation) unemployment rate in Wales was 6.2%, compared to 5.5% for the UK as a whole, while overall economic inactivity was 25.5%, compared to 22.1% for the UK as a whole.⁵ Wales is also characterised by low levels of pay and household incomes, compared to the rest of the UK. Indeed, median full time earnings in Wales in 2014 were 8% lower than for the UK as a whole, and lower than in Scotland and all of the regions of England except (by a very small margin) for the North East and Yorkshire & Humberside.⁶

Wales is more dependent than the UK as a whole on public sector employment, with one obvious consequence that the Welsh economy is disproportionately disadvantaged by public expenditure cuts. The Welsh Government has found its overall budget squeezed by the UK-wide austerity measures, with the recently re-elected UK government committed to further significant curtailment of national public spending.

Moreover, it is widely accepted outside as well as within Wales, that the overall ‘Barnett formula’ based devolution funding arrangements do not result in a favourable outcome for the Welsh Government, especially as compared with Scotland and Northern Ireland. Within that context, there has tended to be a lower effective priority given to housing investment by Welsh Governments in the post-devolution period than elsewhere in the UK, though the gap with England has narrowed in recent years as state-funded housing investment there has been cut sharply. The Welsh Government appears to be on track to meeting its own target of providing 10,000 additional

‘affordable’ dwellings over its current four year term, but that falls considerably short of the higher, independently assessed, level of the numbers required (15,000).

The Welsh Government has also been very active in using the National Assembly’s newly expanded devolved authority to amend the operation of housing and other legislation within Wales. It has already used these powers to provide a new basis for regulating housing associations, and to amend the operation of the Right to Buy.⁷ Last year also saw the introduction of the Housing (Wales) Act 2014, which established a new regime of licensing and regulation for private landlords and letting agents, and laid the basis for a fundamental reform of the financial arrangements for council housing. The latter brought to an end the requirement to transfer annual ‘surpluses’ to HM Treasury (following on from the similar change made in England in 2012). While it will be some time before councils will be in a position to effectively exercise their greater freedoms to plan and finance future expenditure and investment programmes, these changes were warmly welcomed in the local government sector in Wales where there was said to be “*an appetite to build again*”.

Particularly relevant from the perspective of the Monitor, the 2014 Act ushered in significant changes to the homelessness legislation in Wales, which sees a far stronger emphasis placed on local authorities undertaking prevention and relief interventions with *all* eligible households which are threatened with homelessness or actually homeless.⁸ The new statutory framework gives councils strengthened duties to “*take reasonable steps*” to “*help to prevent homelessness*” and “*to help to secure*

⁵ Office for National Statistics (2015) *Labour Market Statistics Datasets, April 2015*. London: ONS.

⁶ Office for National Statistics (2014) *Annual Survey of Hours and Earnings, 2014 Results*. London: ONS.

⁷ Welsh Government (2011) *The Housing (Wales) Measure 2011*. Cardiff: Welsh Government. <http://wales.gov.uk/topics/housingandcommunity/housing/publications/measure2011/?lang=en>

⁸ Mackie, P. (2015) ‘Homelessness prevention and the Welsh legal duty: lessons for international policies’, *Housing Studies*, 30(1): 40-59.

accommodation” for those already homeless, which explicitly precede access to what hitherto would have been called the main statutory safety net. While these prevention and relief duties are subject to the availability of resources in the local area, they apply irrespective of priority need, intentionality or local connection⁹. They therefore significantly extend the entitlement of many single homeless applicants previously entitled only to advice and assistance. The full ‘duty to secure accommodation’ effectively replicates the existing statutory system, wherein all of the usual statutory tests, including priority need, apply in assessing entitlement to settled housing (which may now include suitable private tenancies as well as social housing). Importantly, however, applicants who “*unreasonably fail to cooperate*” with relief assistance may not progress to the full duty to be secured accommodation. Essentially, the Housing (Wales) Act 2014 introduces a homelessness safety net that is both wider (meaningful assistance to all) but also somewhat shallower (no guaranteed access to social housing) than that which has existed since 1977. It is also intended to usher in a more flexible, more problem-solving approach on the part of local authorities, tailored to needs of individuals, rather than the more ‘mechanistic’ rationing mind-set said to be associated with the traditional statutory system.

With the new legislation just coming into force at the time of writing, it is too early to assess its practical impact, but the principles underpinning it appeared to command a

high degree of support in both the statutory and voluntary sectors in Wales (albeit that some stakeholders regret compromises made in the passage of the Act through the Welsh Assembly). The Welsh Government is the first of the UK administrations to really take on the challenge of revisiting the statutory homelessness framework in light of the ‘prevention turn’ in policy and practice.¹⁰ As such, experiences there may well yield valuable lessons for the three other jurisdictions.

The Renting Homes (Wales) Bill, concerned with simplifying and clarifying contractual relationships between landlords and tenants, also has important implications for homelessness. Based on the Law Commission’s 2006 Renting Homes report¹¹ one of its more controversial elements is the proposed abolition of the six month ‘moratorium’ on no fault evictions for private sector tenants.¹² As Shelter Cymru have argued, this would mean that Welsh private tenants would have amongst the most insecure tenancies in the developed world.¹³ While the Welsh Government and others have argued that maximising landlord flexibility might make them more inclined to accommodate ‘high risk’ households, such a move seems likely to make the private rented sector ‘offer’ even less attractive to poorer households and families with children – groups whom we know place a particularly high value on security of tenure.¹⁴

The downward pressure exerted by the Renting Homes Bill on the homelessness ‘offer’ is evident in the 2014 Act, with

⁹ Albeit that only those whom a local authority has reason to believe may be in priority need are entitled to interim accommodation while their homelessness is ‘relieved’.

¹⁰ Mackie, P. (2015) ‘Homelessness prevention and the Welsh legal duty: lessons for international policies’, *Housing Studies*, 30(1): 40-59. See also the English survey results

¹¹ The Law Commission Wales (2013) Renting Homes in Wales. http://lawcommission.justice.gov.uk/docs/lc337_renting_homes_in_wales_english-language-version.pdf

¹² As elsewhere in the UK, private landlords in Wales cannot at present seek possession within the first six months of an assured shorthold tenancy simply on the basis that the contractual period for the tenancy has expired. Instead, within this initial six months, should they wish to evict a tenant, they must establish ‘grounds’ for doing so, typically rent arrears or another form of tenancy breach.

¹³ Day, L. (2015) ‘Eviction rise risk’ with Welsh government’s rent plan’, BBC Wales Eye on Wales, 7th February: www.bbc.co.uk/news/uk-wales-31171212

¹⁴ Fitzpatrick, S. & Pawson, H. (2013) ‘Ending security of tenure for social renters: transitioning to ‘ambulance service’ social housing?’, *Housing Studies*, 29(5): 597-615.

the minimum tenancy length required to discharge the full statutory duty reduced to six months on the basis that this provides more security than will be enjoyed by other private tenants, should this Bill be passed. As the Renting Homes Bill was still making its way through the Welsh Assembly at the time of writing, it remains to be seen whether the Welsh Government will in the end pursue a path so far at odds with the position elsewhere in the UK, particularly Scotland where it seems likely that tenure security will be increased for private tenants.¹⁵

Another potentially worrying development to emerge in this year's Welsh Monitor is an apparent weakening in homeless people's access to social housing. Despite a rise in the availability of social sector lettings in Wales in 2013/14 (possibly a delayed emergence of the post-downturn rise in social sector lettings more clearly seen post-1990), there has been a marked decline in the proportion of those lettings made to homeless households to around 18% (the recent norm has been around a quarter of all lettings).¹⁶ Whilst this pattern may to some extent reflect recent declines in the level of statutory homelessness acceptances (see below), the number rehoused in social housing has also fallen as a proportion of total acceptances (to 61% from 70% a year earlier), suggesting a 'real' pattern of lowered priority. The reasons for this trend are uncertain, but there are indications that it may be a welfare reform-related development, with more stringent financial capability assessments undertaken by some social landlords ruling out access for homeless households particularly impacted by benefit cuts.

Parts of Wales have been disproportionately

affected by the UK Government's welfare reforms. It has been estimated that in overall terms the programme of welfare reforms will *this year* extract some £19 billion pounds a year from the pockets of low income households (and from the economy).¹⁷ While on average losses equate to an average of £470 a year for every working age adult across Great Britain, in fifty areas the losses average £600 or more for each adult, and five of the twenty five most disadvantaged areas are in Wales (Merthyr Tydfil £720, Blaenau Gwent £700, Neath Port Talbot £700, Rhondda Cynon Taff £670, Caerphilly £640).

Limits on the eligible rents for households in the social rented sector - officially designated as the 'Spare Room Subsidy' limits, but more widely referred to as the 'Bedroom Tax' - have hit Wales particularly hard, and social landlords have a very limited supply of smaller dwellings to facilitate any significant level of 'trading down' transfers by impacted tenants. The numbers of transfers and mutual exchanges in the social sector in Wales did increase by just over 1,000 in 2013/14, but even if the whole of that increase could be attributed to the 'Bedroom Tax' then this would be equivalent to just 3% of those impacted by the measure. Indicative of the greater mismatch in Wales between social housing stock and households' deemed requirements than elsewhere in Great Britain, is the higher proportion of social sector tenants that have had their Housing Benefit reduced because of the 'Bedroom Tax' - a fifth in Wales, compared to just 15% for England as a whole.¹⁸

The 'Bedroom Tax' has clearly resulted in increased household debts and hardship in Wales, and a significant increase in the

¹⁵ Scottish Government (2014) 'More security for tenants', *Scottish Government Press Release*, 6th October: <http://news.scotland.gov.uk/News/More-security-for-tenants-10dc.aspx>

¹⁶ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

¹⁷ Beatty, C. & Fothergill, S. (2013) *Hitting the poorest places hardest: The local and regional impact of welfare reform*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

¹⁸ Auditor General for Wales (2015) *Managing the Impact of Welfare Reform Changes On Social Housing Tenants in Wales*. Cardiff: Welsh Audit Office.

numbers of households reliant on food banks to get by. A survey by the Welsh Audit Office found that a half of the responding social sector tenants saw their debt rise either as a result of the 'Bedroom Tax' or the benefit cap. It also found that the use of food banks in Wales has increased, and almost a half of all the referrals of social sector tenants to the 35 food banks in Wales were based around issues of incomes or benefits.¹⁹ Similarly a Great Britain survey by the Trussell Trust found that three fifths of all food banks cited the 'Bedroom Tax' as a significant factor driving demand for their services.²⁰ While rent arrears as a result of the 'Bedroom Tax' can only grow gradually given that the 'Bedroom Tax' is based on a percentage of the rent, in time it can clearly be expected to have an impact on levels of social sector evictions. Indeed it is likely to have been a factor underlying the rising number of social landlord possession actions in Wales in 2013.²¹

The impacts of the 'Bedroom Tax' would have been all the greater were it not for the extensive use of Discretionary Housing Payment budgets, as well as additional funding provided by the Welsh Government, to assist those affected. Data for the first half of 2014/15 show that Welsh councils had already committed almost two thirds of their Discretionary Housing Payment budget allocations for the year, and nearly 70% of the provisions made on the basis of 'Bedroom Tax' cases.²²

Welfare cuts of course affected private tenants at least as much as social tenants during the term of the 2010-2015 UK Coalition Government. Lower LHA rates have

slowed down the growth in the numbers of Housing Benefit claimants able to access the expanding private rented sector in Wales, and increased average levels of 'shortfalls' between Local Housing Allowance awards and landlord rents. There has been a more marked impact on young single people only eligible for the much lower Shared Accommodation Rate allowances, and the numbers of those under 25 in the sector in Wales fell by 21% between December 2011 and November 2014.

Trends in homelessness in Wales **Rough sleeping and single homelessness**

Rough sleeping is monitored in Wales only on an occasional basis. National rough sleeper counts were co-ordinated by the Welsh Government in 2007 and 2008, and again in 2014. The earlier counts enumerated 138 and 124 rough sleepers, respectively. In both years the largest single concentration was in Cardiff where 26 rough sleepers were enumerated on each occasion. Albeit using a methodology slightly different from the earlier exercises, the one-night count in November 2014 enumerated 83 rough sleepers across Wales.²³ Once more, Cardiff stood out as the greatest concentration, with 26 people again enumerated. The next largest numbers were recorded in Bridgend (11), Merthyr Tydfil (8) and Newport (8).

The approximately comparable scale of rough sleeping across England was 2,744, as also recorded in November 2014.²⁴ Since the overall population of Wales is equivalent to some 6% of that in England, whereas the number of enumerated rough sleepers was only 3% of the England total, we can say that

¹⁹ Ibid.

²⁰ The Trussell Trust (2015) 'Foodbank use tops one million for first time says Trussell Trust', *The Trussell Trust Press Release*, 22nd April: <http://www.trusselltrust.org/resources/documents/Press/Trussell-Trust-foodbank-use-tops-one-million.pdf>

²¹ Ministry of Justice mortgage and landlord possession statistics.

²² DWP (2015) *Use of Discretionary Housing Payments GB: Analysis of Mid-Year Returns from Local Authorities April-September 2014*. London: DWP.

²³ Welsh Government (unpublished, 2015) *National Rough Sleeping Count, Wales, November 2014*. Cardiff: Welsh Government.

²⁴ p42 in DCLG (2015) *Rough Sleeping Statistics England, Autumn 2014*. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/407030/Rough_Sleeping_Statistics_England_-_Autumn_2014.pdf

the recorded rate of rough sleeping in Wales in 2014 was around half that in England.

However, partly in recognition of the well-recognised limitations of street counts, the Welsh Government's November 2014 rough sleeper enumeration also used a complementary approach which involved, over a two week time-slot, participating organisations logging all rough sleeper enquiries to estimate the number of those affected at some point during (or throughout) the period. The Welsh Government considers that, by comparison with a street count, this 'census' approach provides a better, albeit still imperfect, understanding of the incidence of the rough sleeping.²⁵ According to the two week 'census' method, rough sleepers across Wales totalled 244 in November 2014 – around three times the number enumerated by the one-night count. Moreover, two local authority areas – Wrexham (40) and Caerphilly (37) – recorded numbers equal to or higher than Cardiff.

'Complex needs' such as poor mental and physical health, and involvement in drug and alcohol misuse or offending behaviours, tend to be associated with rough sleepers and other particularly vulnerable groups within the single homeless population.²⁶ The recent *Hard Edges* report utilised a range of secondary administrative datasets to develop a profile of Severe and Multiple Disadvantage in England, looking at the overlapping problems of homelessness, substance misuse and offending.²⁷ Although several of the main administrative datasets used in this study did not cover Wales, one of them did – the Offender Assessment System. It is possible to derive from this a measure of the number of people involved in offending and also having experienced homelessness

or relatively severe housing problems, in a typical recent year. Analysis of this dataset indicates that the cities in Wales have the highest incidence of homeless offenders, but interestingly Swansea has a higher percentage rate than Cardiff. The next group of cases with higher rates are former mining 'Valleys' authorities (Merthyr Tydfil, Bridgend, Blaenau Gwent). In terms of absolute numbers, Cardiff and Swansea stand out. The overall total of homeless offenders in Wales, many of whom also have substance misuse issues, is 5,698 in a typical recent year. In another ongoing study, indicators of severe poverty and risk of destitution are being examined across the UK.²⁸ Various proxy measures feed into a combined index of risk of destitution, including census indicators associated with severe poverty, benefit sanctions and flows off benefits, and recent migrants and asylum seekers. In this instance, the highest rates in Wales are in the Valleys authorities, and then in Cardiff and Newport. The national total is of the order of 25,000 at risk of destitution, with over 4,000 in Cardiff and 2,000 in Swansea and in Rhonda-Cynon-Taff. This indicator captures the severe end of poverty, including some of the effects of current policies on welfare system changes and administration (including sanctions) and immigration (including asylum). Many of the people affected will also be experiencing or at risk of homelessness.

Statutory homelessness

A downward trend in homelessness 'acceptances' has been evident in Wales since 2011/12. By 2014/15, the total had fallen back to a level 8% under that of the previous low in 2009/10. In the last year, there has also been a drop of 11% in the total number of homelessness decisions by local authorities, bringing it down almost to the

²⁵ Welsh Government (unpublished, 2015) *National Rough Sleeping Count, Wales, November 2014*. Cardiff: Welsh Government.

²⁶ Bramley, G., Fitzpatrick, S. with Edwards, J., Ford, D., Johnsen, S., Sosenko, F. & Watkins, D. (2015) *Hard Edges. Mapping Severe and Multiple Disadvantage: England*. London: LankellyChase Foundation.

²⁷ Ibid.

²⁸ Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, F. & Watts, B. (2015) *Destitution in the UK: An Interim Report*. York: JRF.

2009/10 nadir.

The recent pattern of statutory homelessness acceptances and decisions in Wales exhibits strong similarities with those recorded for England. Both sets of figures show initially rising post-2010 trends, subsequently reversed (although levels of statutory homelessness are now increasing again in England). As regards England, it has been established conclusively that the reversal of the post-2010 upward trend resulted from changing administrative practice on the part of local authorities – both in terms of more assertive ‘prevention’ interventions and (latterly) associated with the disincentive effects associated with adoption of Localism Act powers to discharge statutory rehousing duty via an offer of accommodation in the private rented sector.²⁹ In Wales, our key informant interviewees similarly saw the falling level of statutory homelessness over the past few years as attributable to local authorities ‘gearing up’ for the new prevention-focused statutory regime. Thus, falling published numbers reflect administrative changes rather than a ‘real’ contraction in underlying homelessness demand.

In any event, while the recent Welsh trend in recorded acceptances has been downward, the rate of homelessness on this measure (3.9 per thousand households) remains more than 70% higher than that in England (2.3 per thousand).

The profile of statutorily homeless households in Wales changed markedly between 2009/10 and 2014/15, with an expansion in the number of acceptances accounted for by ex-offenders (up 14%), those fleeing domestic violence (up 19%), and those vulnerable

because of mental illness or learning disabilities (up 24%). Over the same period, statutorily homeless family households contracted by 13%, and there was a sharp drop in the numbers declared vulnerable on grounds of youth (down 50%). This striking reduction in levels of statutory homelessness amongst young people in Wales over the past few years is intriguing. While it was attributed in part to improved social services responses as a result of the Southwark judgement,³⁰ some of our key informants also suggested that the ‘Bedroom Tax’ may be a factor in discouraging young people’s ejection from the family home. The (controversial) removal of the ‘automatic’ priority need for ex-prisoners via the Housing (Wales) Act 2014 is expected to bring about a drastic reduction in the numbers in that category in the coming years.

There have also been significant shifts in the immediate causes of statutory homelessness with, for example, family/friend evictions in 2014/15 down by 35% as compared with 2009/10 (reflecting in part the declining levels of statutory homelessness amongst young people noted above), whereas homelessness due to loss of a rental tenancy was up by 20%. The latter seems consistent with analysis of the English statutory homelessness data³¹ which has shown a rapid increase in the scale of homelessness resulting from the termination of private sector tenancies.³² While in Wales this trend may in large part be accounted for by the significant expansion of the private rented sector – it has more than doubled in size over the past decade – it also coincides with the impacts of Local Housing Allowance cuts which may be reducing the resilience of low income households to maintain private rented sector tenancies.

²⁹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*; London: Crisis. www.crisis.org.uk/research.php?fullitem=430

³⁰ R (on the application of G) v London Borough of Southwark [2009] UKHL 26.

³¹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*; London: Crisis. www.crisis.org.uk/research.php?fullitem=430

³² It should be noted that the statistical monitoring frameworks used in England and Wales differ in this respect; under the Welsh classification of immediate reasons for homelessness there is no differentiation between the loss of social and private tenancies.

The very small fraction of statutory homelessness cases in Wales resulting from mortgage repossessions fell back even further in the five years to 2014/15 – from 3% of all cases to only 2% (reflecting experience elsewhere in the UK). This timeslot has, of course, coincided with a prolonged period of unusually low interest rates. When rates rise in future this is likely to trigger increased mortgage repossessions, but whether this will feed into significantly higher levels of statutory homelessness amongst this group remains to be seen.

Hidden homelessness

People may be in a similar housing situation to those who apply to local authorities as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with a local authority or applying to other homelessness agencies. Such people are often referred to as ‘hidden homeless’. A number of large-scale/household surveys enable us to measure some particular categories of potential hidden homelessness: *concealed households*;³³ households who are *sharing accommodation*;³⁴ and *overcrowded households*.³⁵ Not everyone living in these situations will be homeless, but these phenomena are indicative of the kinds of housing pressures that may be associated with hidden homelessness.

The number of concealed households appears fairly static in Wales, with a certain decline in 2010 followed by an increase in 2012-14. In 2014 there were an estimated 134,000 households containing at least one concealed single household, involving

165,000 individuals. In Wales this is particularly associated with non-dependent children living with parents. This is in addition to approximately 10,000 concealed lone parent/couple families containing 33,000 individuals.

There has been a decline in new household formation in Wales, particularly since 2010 in the 20-34 age group. In this respect Wales is catching up with trends in England which started earlier, because of affordability and access problems, with the more recent decline in Wales probably reflecting recession and welfare benefit changes as well.

After a long-term decline, there has been a slight increase in the number of sharing households in the last four years in Wales. The decline, and then subsequent rise, of this indicator has tracked trends in UK but at a slightly lower level. In 2014 there were about 14,500 households sharing in Wales (1.1%), with relatively high levels in social renting.

Overcrowding affected around 36,000 households (3.6%) in Wales in 2012. It appears to be much more common in social renting, and in the major cities and some former mining areas. Cardiff stands out as having by far the highest rates of overcrowding, and other authorities with above-average scores are the other two large cities of Newport and Swansea, one former mining/Valleys authority (Merthyr Tydfil) and one rural authority (Ceredigion).

Conclusion and future monitoring

Looking to the future, we might expect that the overall flow of households recorded as

33 ‘Concealed households’ are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity.

34 ‘Sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. This is the standard Government and ONS definition of sharing households which is applied in the Census and in household surveys. In practice, the distinction between ‘sharing’ households and ‘concealed’ households is a very fluid one.

35 ‘Overcrowding’ is defined here according to the most widely used official standard – the ‘bedroom standard’. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members.

homeless or threatened with homelessness in Wales will increase in the short-term as a result of the enhanced incentives for single people in housing crisis to seek local authority help, given the prospect of now receiving at least some form of meaningful assistance. Over time, however, if the new prevention and relief activities are as effective as their advocates hope, the numbers accepted as owed the full duty to be secured accommodation may reduce, although this will also depend on the impact of wider forces, most notably welfare reform. In any event, monitoring the impact of this significantly reformed statutory framework in Wales will be a major theme in forthcoming editions of this Monitor series.

Future homelessness trends will also be influenced by the economic climate and, especially, the housing market context in Wales. In this regard, the wider housing policy developments set in train by the Welsh Government which seek to shape the supply and regulation of social, affordable and private rented housing in Wales will be at least as important to the prospects for successfully tackling homelessness as the homelessness-specific provisions in the Housing (Wales) Act 2014.

At the same time, the ongoing impacts of welfare reform, particularly the rolling out of direct payments under Universal Credit, may have deleterious effects which overwhelm any progressive measures open to the Welsh Government. A further round of detailed welfare reforms and cuts were announced in the 2015 Summer Budget,³⁶ and will take effect in the coming years, adding to the impacts on low income households from the continuation of the welfare cuts and reforms discussed above. These proposals were made too late to include in our main analysis for this report, and will be the subject of more

detailed consideration in future editions of the Welsh Monitor. However these are major reforms, that have particular implications for young single people³⁷ and larger families, and more generally for the ability of low income households to access the private rented sector.

It will therefore be at least as important to monitor the homelessness impacts of welfare changes under the new (majority) Conservative Government in Westminster as it has been to reflect on these impacts over the past five years of the UK Coalition Government and its associated austerity and other reform programmes.

³⁶ HM Treasury (2015) *Summer Budget 2015, July 2015, HC 264*. London: HM Treasury.

³⁷ Leishman, C. & Young, G. (2015) *Lifeline not Lifestyle: An Economic Analysis of the Impacts of Cutting Housing Benefit for Young People*. www.eyh.org.uk/index.php?id=181

1. Introduction

1.1 Introduction

This study aims to provide an independent analysis of the homelessness impacts of recent economic and policy developments in Wales. It considers both the consequences of the post-2007 economic and housing market recession, and the subsequent recovery, and also the impact of the welfare reforms implemented by the Conservative-Liberal Democrat Coalition Government 2010-2015, as well as the effect of relevant Welsh Government policies.

This ‘update’ report provides an account of how homelessness stands in Wales in 2015 (or as close to 2015 as data availability allows), and analyses key trends in the period running up to 2015. It focuses in particular on what has changed since we published the ‘baseline’ Homelessness Monitor for Wales in 2013. Readers who would like a fuller account of the recent history of homelessness in Wales should consult with this previous report.³⁸ Parallel Homelessness Monitors have been published for other parts of the UK.³⁹

1.2 Definition of homelessness

A wide definition of homelessness is adopted in this study, and we consider the impacts of relevant policy and economic changes on all of the following homeless groups:

- People sleeping rough
- Single homeless people living in hostels, shelters and temporary supported accommodation
- Statutorily homeless households – that is, households who seek housing assistance

from local authorities on grounds of being currently or imminently without accommodation

- ‘Hidden homeless’ households – that is, people who may be considered homeless but whose situation is not ‘visible’ either on the streets or in official statistics. Classic examples would include households living in severely overcrowded conditions, squatters, people ‘sofa-surfing’ around friends’ or relatives’ houses, those involuntarily sharing with other households on a long-term basis, and people sleeping rough in hidden locations. By its very nature, it is difficult to assess the scale and trends in hidden homelessness, but some particular elements of potential hidden homelessness are amenable to statistical analysis and it is these elements that are focused upon in this study. This includes ‘overcrowded’ households, and also ‘concealed’ households and ‘sharing’ households.

1.3 Research methods

Three main methods are employed in this longitudinal study.

First, relevant literature, research and policy documents are reviewed.

Second, we undertake in-depth interviews with a sample of key informants from across the statutory, voluntary and academic sectors in Wales, including those working directly with homeless families, single people and young people. Twelve key informants participated in these interviews in 2014/15.

Third, and finally, we undertake statistical

³⁸ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2013) *The Homelessness Monitor: Wales 2012*. London: Crisis.

³⁹ See www.crisis.org.uk/pages/homelessnessmonitor.html

analysis on a) relevant economic and social trends in Wales, particularly post-2007; and b) the scale, nature and trends in homelessness amongst the four subgroups noted above.

1.4 Causation and homelessness

All of the Homelessness Monitors are underpinned by a conceptual framework on the causation of homelessness that has been used to inform our interpretation of the likely impacts of economic and policy change.⁴⁰

Theoretical, historical and international perspectives indicate that the causation of homelessness is complex, with no single ‘trigger’ that is either ‘necessary’ or ‘sufficient’ for it to occur. Individual, interpersonal and structural factors all play a role – and interact with each other – and the balance of causes differs over time, across countries, and between demographic groups.

With respect to the main structural factors, international comparative research, and the experience of previous UK recessions, suggests that housing market trends and policies have the most direct impact on levels of homelessness, with the influence of labour market change more likely to be lagged and diffuse, and strongly mediated by welfare arrangements and other contextual factors.

The individual vulnerabilities, support needs and ‘risk taking’ behaviours implicated in some people’s homelessness are themselves often, though not always, rooted in the pressures associated with poverty and other forms of structural disadvantage. At the same time, the ‘anchor’ social relationships which can act as a primary ‘buffer’ to homelessness, can be put under considerable strain by stressful financial circumstances. Thus, deteriorating economic

conditions in Wales could also be expected to generate more ‘individual’ and ‘interpersonal’ vulnerabilities to homelessness over time.

That said, most key informants consulted for the various Homelessness Monitors we have conducted since 2011 have maintained that policy factors – and in particular welfare and housing reform – have a far more profound impact on homelessness trends than the economic context in and of itself. This remains the case in this current Welsh Monitor.

1.5 Structure of report

Chapter 2 reviews the current economic context and the implications of housing market developments for homelessness in Wales. Chapter 3 shifts focus to the impacts of policy developments under both the 2010-2015 UK Coalition Government, especially its welfare reform agenda, and the Welsh Government, particularly its housing, homelessness and related policies. Chapter 4 provides a fully updated analysis of the available statistical data on the current scale of and recent trends in homelessness in Wales, focusing on the four subgroups noted above. All of these chapters are informed by the insights derived from our qualitative interviews with key informants conducted in 2014/15. In Chapter 5 we summarise the main findings of this 2015 update report.

⁴⁰ For a more detailed account of this conceptual framework please consult with Chapter 2 in the first Homelessness Monitor for Wales: Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. and Watts, B. (2013) *The Homelessness Monitor: Wales 2012*. London: Crisis.

2. Economic factors that may impact on homelessness in Wales

2.1 Introduction

This chapter reviews recent economic developments in Wales and analyses their potential impact on homelessness. In Chapter 4 we assess whether the anticipated economic impacts identified in this chapter, and the potential policy impacts highlighted in the next chapter are evident in statistical trends on homelessness.

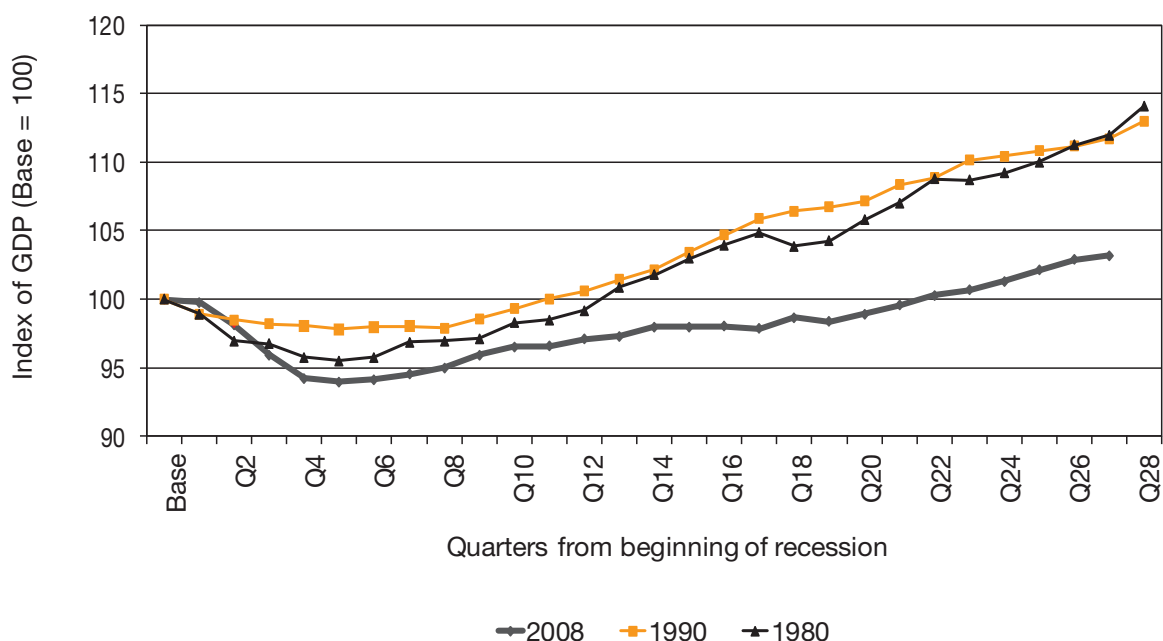
2.2 The economic context

The post-credit crunch downturn in the UK economy has been much deeper and more prolonged than other recent recessions (see Figure 2.1), and although the UK has now experienced two years of economic growth,

and in the process seen Gross Domestic Product (GDP) recover to above 2007 levels, there are still considerable doubts hanging over the future prospects for levels of economic growth, not just in Wales and the UK, but also in Europe and the rest of the world.

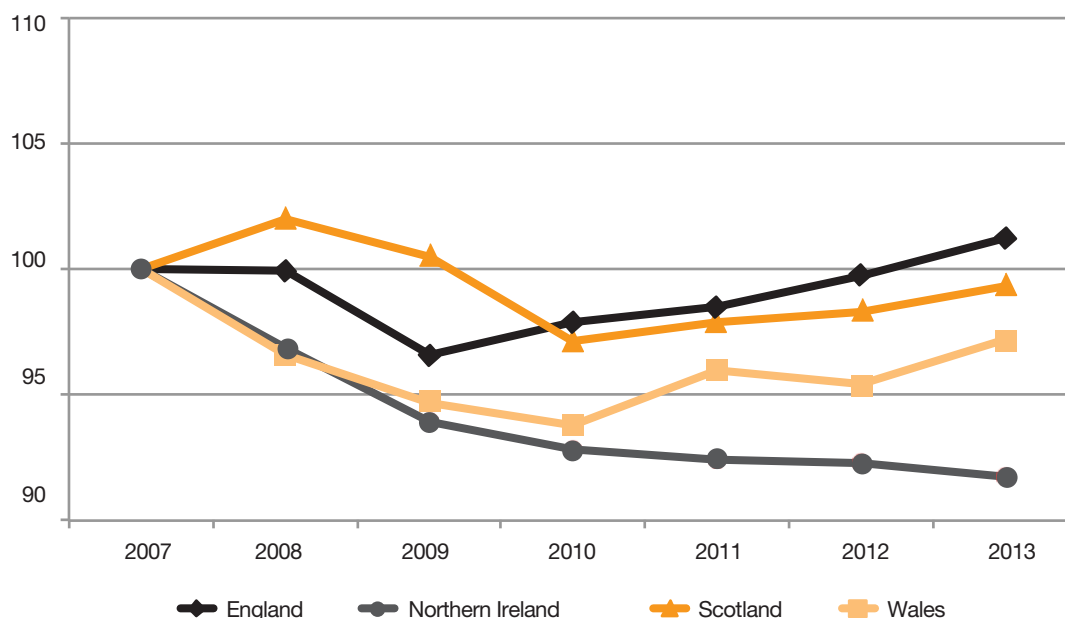
While it can be argued that the Coalition policies that sharply reduced levels of public spending initially delayed the return to economic growth, and as a result delayed meeting targets for reducing levels of government borrowing and debt, the UK economy is now performing relatively well compared to the rest of Europe. A particular feature of this downturn is that

Figure 2.1 Established but slow recovery of overall UK economy with eight quarters of growth



Source : Computed from ONS Quarterly GDP data (ABMI)

Figure 2.2 Changes in Real Gross Value since 2007



Source : Workplace based GVA converted to 2013 values using GDP deflator – Economy, ONS website

unemployment levels have not risen as much as in previous downturns, but this has been balanced by greater downward pressures on levels of earnings. In real terms (adjusted for Retail Prices Index (RPI)) average full time earnings in Wales in 2014 were no more than those in 1998, and 10.6% lower than in 2007.⁴¹ Moreover a recent OECD report has shown that all the growth in employment in the UK since 2007 has been in ‘non-standard’ jobs – part time, temporary or self-employed.⁴²

The latest forecast by the Office for Budget Responsibility (OBR) was for GDP growth of 2.3% to 2.4% over the 5 years to 2019/20.⁴³ However, initial figures for the first quarter of 2015 already suggest that the OBR estimates

might prove to be rather optimistic.

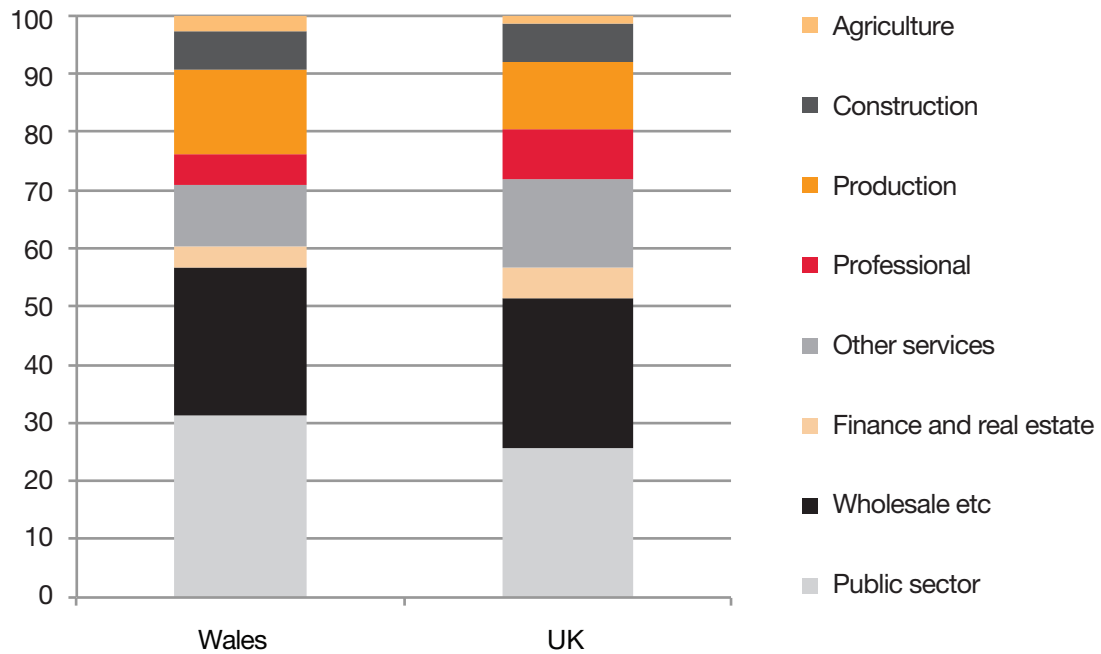
Figures for the Welsh economy are currently only available up to 2013, and are for work place based gross value added (GVA), rather than the wider and more inclusive concept of gross domestic product (GDP). However, on that measure the figures show that over the six years to 2013 the Welsh economy shrank more substantially than in England and Scotland, and by 2013 was still some 3% lower in real terms than in 2007.

It must also be recognised that the cuts in public spending are ongoing, and the negative impact on economic growth and public sector employment has not yet been fully felt. Nonetheless OBR forecast UK

⁴¹ Office for National Statistics Earnings and RPI Statistics. Calculations by authors.

⁴² OECD (2015) *In it all together: Why less inequality benefits all*. Paris: OECD.

⁴³ Office for Budget Responsibility (2015) *Economic and fiscal outlook, March 2015*. London: The Stationary Office.

Figure 2.3 Workplace employment in Wales in 2013

Source : Workplace employment in Wales, 2001 to 2013, Statistics for Wales Statistical Bulletin

unemployment to fall back to 5.3% (on the ILO measure) in 2015, and to remain stable at that level in the years ahead. This is in line with the average over the decade ahead of the credit crunch.

However, the rising trend in unemployment has affected some groups disproportionately, most notably young people. Between 2004 and late 2011, UK unemployment for those aged 18-24 nearly doubled, with the unemployment rate for that age group rising to 18% in the quarter to February 2011.⁴⁴ Four years later the proportion had fallen to 14.3%, but this remained way above the levels in the pre-credit crunch years, and more than two and a half times higher than the unemployment rate for all working age people. As newer entrants to the labour market, young people will also inevitably be

disproportionately represented among the post 2007 rise in 'non standard' forms of employment.

The impact of the post-credit crunch downturn in Wales must clearly be set in the context of the specific characteristics of the Welsh economy and labour market. The most notable features of the Welsh economy, compared to the UK as a whole, are that it has a larger proportion of employment in public sector services and administration, and a lower proportion of employment in the finance and business sectors. It also has a rather larger proportion of employment in the production and agricultural sectors, as shown in Figure 2.3.

One of the obvious consequences of that employment structure is that the Welsh

economy is disproportionately disadvantaged by the public expenditure cuts now in train. While the distribution of those cuts between services is subject to decisions by the Welsh Government, their overall expenditure plans and policies are fixed by the budgetary framework and financial settlements provided by the UK Westminster government.

The Welsh labour market is also characterised by slightly higher levels of economic inactivity and unemployment than the rest of the UK. In the quarter to February 2015 the (ILO) unemployment rate in Wales was 6.2%, compared to 5.5% for the UK as a whole, while overall economic inactivity was 25.5%, compared to 22.1% for the UK as a whole.⁴⁵

Wales is further characterised by low levels of pay, and household incomes, compared to the rest of the UK. Indeed, median full time earnings in Wales in 2014 were 8% lower than for the UK as a whole, and lower than in Scotland and all of the regions of England except (by a very small margin) for the North East and Yorkshire & Humberside.⁴⁶ Gross disposable household incomes per head in 2012 were 12.9% lower than for the UK as a whole, and again lower than in all parts of the UK other than Northern Ireland, and the North East and Yorkshire & Humber regions of England.⁴⁷

2.3 The housing market context

Housing affordability improved in the early 1990s but began to deteriorate from 1997 onwards, and more sharply after 2004. Much of the improvement in affordability was based on the substantial reduction in interest rates after 1990, linked to the long period of low inflation resulting both from government

policy and favourable international economic conditions.

As Figure 2.4 shows, the combination of prolonged economic growth, and low interest rates, led to a sharp rise in house prices relative to earnings after 1997; but the impact on mortgage costs relative to earnings was far less pronounced. While other factors, such as the growth in investment in the private rented sector (PRS), also played some part in the rise in house prices, that impact was also softened for home buyers by the lower post 1990 levels of interest rates.⁴⁸ Nonetheless, affordability for first time buyers, measured in terms of average mortgage costs as a proportion of average full time earnings, had by 2007 risen very close to the same level as in 1990; at the peak of the last housing market ‘boom’.

Subsequently, affordability eased as both house prices and average mortgage rates for first time buyers fell in the post-crunch years. While house prices have begun to recover since 2009, the impact on affordability has been offset by a further slight decline in interest rates, and modest increases in incomes (at least in cash terms).

Figure 2.4 is based on ONS ‘mix adjusted’ house prices,⁴⁹ rather than simple average prices. However the ONS mix adjustment only serves to smooth any changes in the mix of dwellings sold over a three year period, and thus does not fully reflect the change in the mix of dwellings purchased in recent years compared to those purchased in 2007. When prices are compared on the basis of a consistent (stock based) size based mix of dwellings, house prices in Wales in 2013 can be seen to be 4.4% lower than in 2007.⁵⁰

45 Office for National Statistics (2015) *Labour Market Statistics Datasets, April 2015*. London: ONS.

46 Office for National Statistics (2014) *Annual Survey of Hours and Earnings, 2014 Results*. London: ONS.

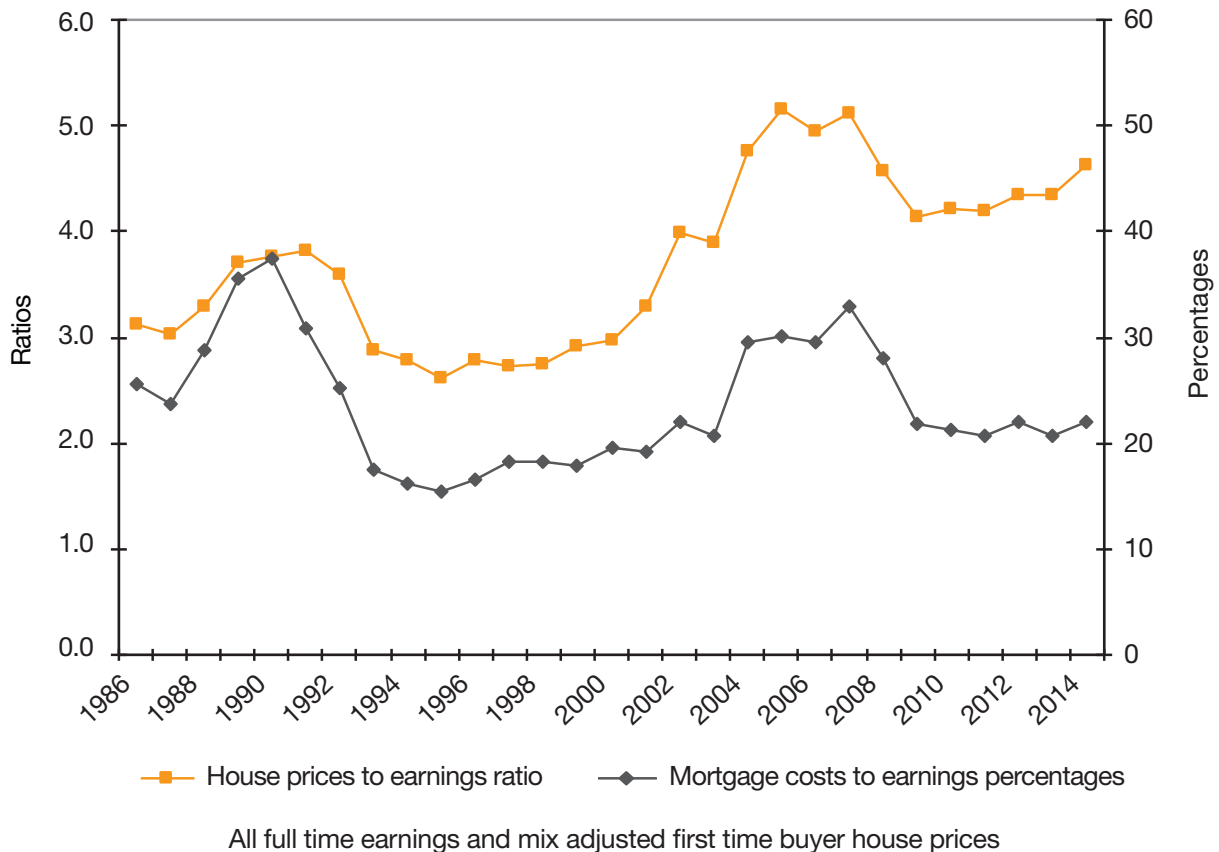
47 Office for National Statistics (2014) *Regional Gross Disposable Household Income 2012*. London: ONS.

48 Wilcox, S. & Williams, P. (2009) ‘The Emerging New Order’, in *UK Housing Review 2009/2010*. Coventry: CIH.

49 ‘Mix-adjusted’ house price trend analysis controls for variations in the characteristics of houses sold in each period.

50 Wilcox, S., Perry, J. & Williams P. (2015) *UK Housing Review, 2015*. Coventry: CIH.

Figure 2.4 Housing market affordability in Wales



However, while housing affordability has improved since 2007, access to home ownership has become more problematic for would be first time buyers in this period, as the reduced flow of mortgage funds and regulatory pressures have drastically reduced the availability of mortgage products allowing purchase with low or no deposit.⁵¹ Pre 2007 it had been the norm for nearly three decades for more than a half of all first time buyer mortgages to have a loan to value ratio of 90% or over, and for about a third to have a loan to value ratio of 95% or over. The sharp reduction in the availability of low deposit mortgages post 2007 has in effect created

a 'wealth barrier' to homeownership for aspiring first time buyers – estimated by the Council of Mortgage Lenders (CML) to be excluding some 100,000 potential purchasers each year in the UK.⁵²

Partly as a result of the governments Help to Buy policies there was some marginal easing in the availability of low deposit mortgages for first time buyers since 2009, but Financial Services Authority (FSA) data on low deposit mortgages for all home buyers show that even by the fourth quarter of 2014, low deposit mortgages were still at only less than a third of the level in 2007, as a proportion

51 Pawson, H. & Wilcox, S. (2011) *UK Housing Review Briefing Paper*. Coventry: CIH.

52 Council of Mortgage Lenders (2013) 'Helping the bank of mum and dad', *CML News and Views*, 5th June: www.cml.org.uk/news/533/

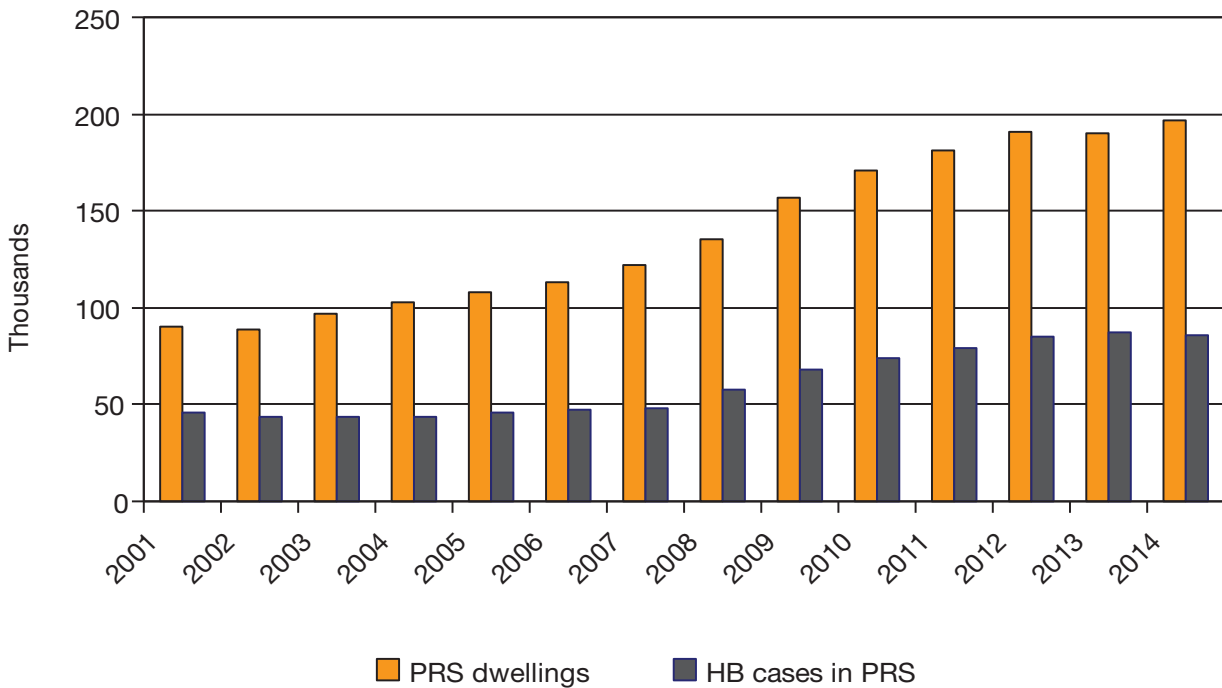
of all mortgage advances.⁵³ Moreover, this constraint for would be first time buyers looks set to be locked in by a future tighter regulatory framework for mortgage lenders that will extend beyond the current dislocation of the market. In effect, this is equivalent to a reversion to the constraints on mortgage availability in the years before the deregulation of the mortgage markets in the early 1980s.

A further important difference in the housing market in this downturn is the far more significant role of the private rented sector (PRS). The sector has more than doubled in size over the last decade (to 14% of all dwellings),⁵⁴ and now fulfills an important and active role in providing accommodation for households at all income levels. The

improved supply of private rented dwellings has brought a welcome flexibility to the wider housing market, and has also provided an alternative source of accommodation for households unable to secure housing in either the social rented or home owner sectors (albeit that the PRS may not be their preferred tenure). The important changes to regulation of the PRS in Wales consequent on the Housing (Wales) Act 2014, and the Renting Homes Bill are discussed in the next chapter.

Although it is clear that the PRS now plays a much more important part in the housing market, our understanding of the sector is hampered by the lack of timely and robust data. There is no transaction data on lettings in the PRS, equivalent to the Land Registry

Figure 2.5 Rapid growth of private rented sector



Source: Data for Wales (estimated HB figure for 2008). UKHR for stock data; DWP website for HB data.

53 FSA (2015) *Mortgage Lending & Administration Return Statistics, March 2015* www.fsa.gov.uk/library/other_publications/statistics/future
 54 See Table 17 in: Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

data for house sales, and no robust long-term data series on PRS rents. The Welsh Government has now begun to publish annual data on market rent levels by region and local authority area, but this only dates from 2013.⁵⁵ In addition the Rent Service does publish the figures for Local Housing Allowances (LHAs) for each 'Broad Rental Market Area' in Wales.

We do have data on the numbers of low income private renters in receipt of Housing Benefit (HB), and those numbers have grown rapidly in recent years, and particularly since 2006. By 2014, there were over 85,000 HB claimants resident in the sector in Wales, accounting for over 40% of all private tenants.

While robust up-to-date time series data on private rents are not available, the latest Welsh Government data shows that average private rents in Wales ranged from £422 per month for a one bedroom dwelling, up to £768 per month for a four bedroom dwelling.⁵⁶ The possible impact of the LHA reforms on PRS supply and rent levels is discussed in Chapter 3.

One important factor in the growth of the PRS is the competitive advantage that investors have by virtue of access to interest only mortgages, which involve far lower monthly costs than the repayment mortgages that are now virtually obligatory for home buyers. The result is that investors can more than cover their mortgage interest costs with a typical rent, while in contrast a potential buyer would need to incur repayment mortgage costs in excess of a typical rent.⁵⁷

In the longer-term, prospects for improved housing market affordability – and

accessibility – continue to look problematic. Latest household projections suggest that housing demand will continue to grow strongly over the medium and longer term: in the 25 years from 2011, household growth in Wales is projected to average almost 8,000 per annum.⁵⁸ On that basis a revival of construction activity to pre-credit crunch levels – of some 9,000 dwellings per annum – would be sufficient for house building to match the projected levels of new demand, although more would be needed to catch up with the shortfall of supply in the immediate post credit crunch years.

Inevitably, there is a particular degree of uncertainty around the impact of migration levels on household projections, but this is much less of an issue in Wales than in England. A further uncertainty relates to changing average household sizes and 'headship rates' (further discussed in Chapter 4). If household numbers grow more rapidly than suggested by the current projections, house building rates will need to increase to above pre-credit crunch levels in order to keep pace. Though the balance between house building and household formation levels are well recognized as an important factor in terms of pressures on house prices, in the immediate future house price rises are likely to be limited by both modest levels of economic growth and continuing constraints on the availability of low deposit mortgages. While demand for investment in private rented housing is likely to continue, given the competitive advantages that buy to let investors enjoy relative to first time buyers,⁵⁹ the upward pressures this places on house prices is likely, at least to some extent, to be offset by the eventual impact of a return to somewhat higher interest rates.

⁵⁵ Welsh Government (2013) Local Housing Allowance Rates applicable from April 2013. Cardiff: Welsh Government. See also 2014 and 2015 releases.

⁵⁶ Welsh Government (2015) *Private Sector Rents for Wales, 2014*. Cardiff: Welsh Government.

⁵⁷ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

⁵⁸ Wilcox, S. & Perry, J. (2014) *UK Housing Review 2014*. Coventry: CIH.

⁵⁹ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review*. Coventry: CIH.

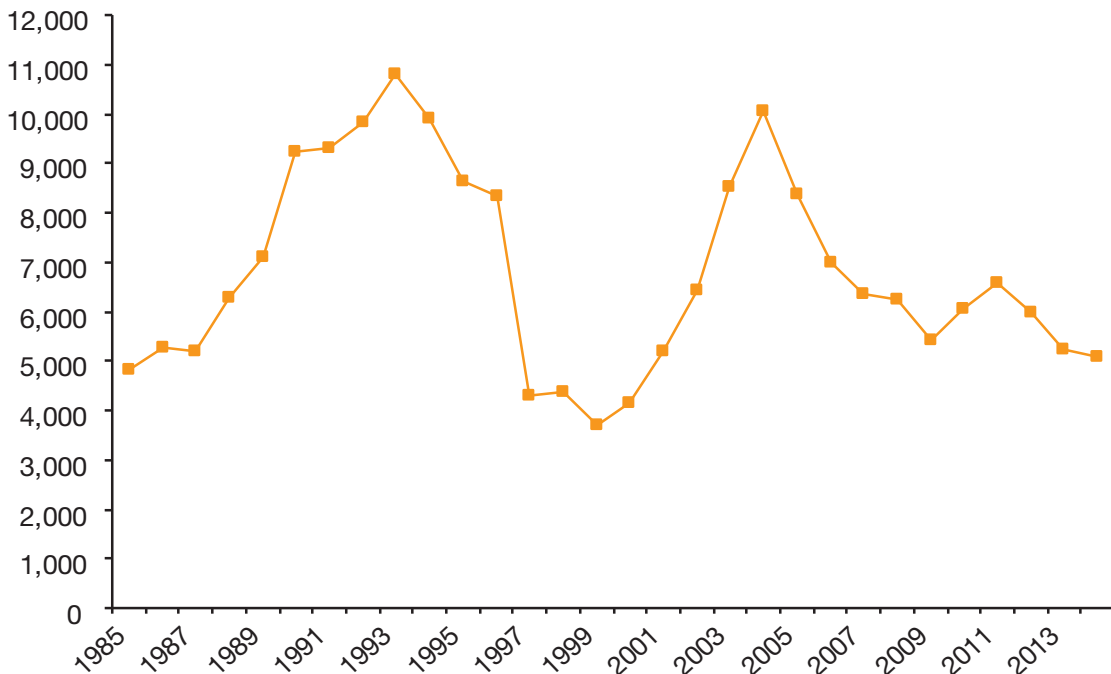
2.4 The homelessness implications of the economic and housing market context

Housing market conditions tend to have a more direct impact on homelessness than labour market conditions⁶⁰ and the last major housing market recession, in the early 1990s, actually *reduced* statutory homelessness because of the consequent easing in housing affordability. By 1997 statutory homelessness had fallen by some 60% on its 1993 peak⁶¹ – see Figure 2.6. In contrast, as discussed in more detail in Chapter 4, the reduction in homelessness acceptances recorded in the 2004/09 period is attributable to changes in policy and administrative procedures – not

to a decline in underlying housing need. This is also likely to be the explanation for the most recent downturn in both homelessness presentations and acceptances, after just the brief upturn witnessed post 2009/10.

Crucially, post-1990 saw a substantial rise in the availability of social sector lettings, with local authority lettings to new tenants rising by 37% in the period 1990-1998.⁶² This came about partly as a result of Government action to increase investment in new social sector housing as part of its response to the housing market collapse, and partly because increased private sector affordability also enables more social sector tenants to move out to buy, thus increasing the availability of

Figure 2.6 Brief and limited increase in Welsh homeless acceptances post 2009

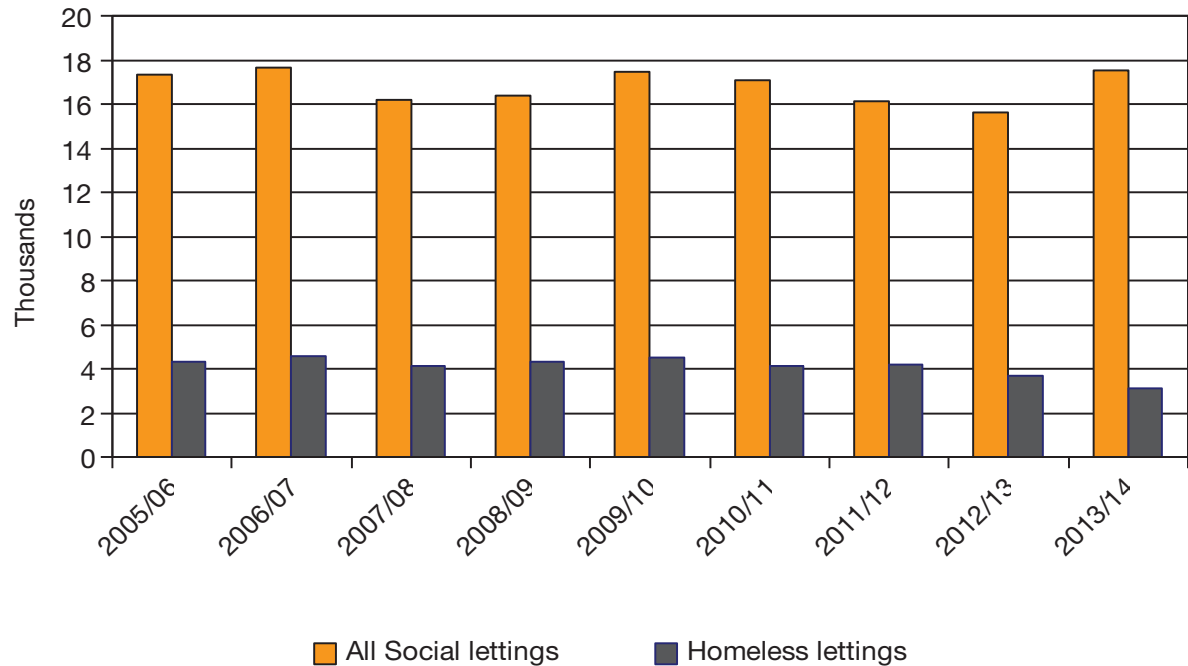


Source: Stats Wales – Seasonally adjusted priority need unintentionally homeless acceptances

60 Stephens, M., Fitzpatrick, S., Elsinga, M., Steen, G.V. & Chzhen, Y. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

61 See Table 90 in: Pawson, H. & Wilcox, S. (2012) *UK Housing Review 2011/12*. Coventry: CIH.

62 Wilcox, S. (2000) *Housing Finance Review 2000/01*. Coventry & London: CIH & CML.

Figure 2.7 Social lettings levels recover, but lettings to homeless households fall

Source: Stats Wales. Lettings figures are for new tenants only and exclude transfers and exchanges.

‘relet’ properties in the social sector.

However, there was not a similar pattern in the availability of social sector lettings post 2007, at least until 2013/14. Stimulus investment approved for 2008/09 and 2009/10 contributed to a minor upturn in social housing availability in the period to 2010/11, but subsequently investment levels fell back towards pre-credit crunch levels. (For a further discussion of investment in the supply of new affordable housing see below.) In addition, constraints of the deeper and longer economic downturn, and the limitations on the availability of mortgage finance, did not facilitate voluntary moves out of the sector that would lead to a substantial rise in the levels of available social sector relets. Moreover, mainly due to the long-term effect of the right to buy, levels of council

relets have been much lower than they were at the time of the early 1990s recession (even after taking account of the impact of stock transfers).

There has, however been a sharp rise in levels of lettings to new tenants in the social rented sector in 2013/14. Only a small part of that rise was a result of a rise in levels of social landlord court orders for possession (see further below). A further factor could be claimants moving from the social to the private rented sector in response to the introduction of the ‘Housing Benefit size criteria’, more generally known as the ‘Bedroom Tax’, in the social rented sector (see Chapter 3). Beyond that, the increased numbers of lettings could also be a response to the eventual economic recovery, and the easing of affordability in the owner occupied

sector linked to a slight improvement in the ability to access low deposit mortgages partly as a result of the government Help-to-Buy policies. If so, this would be a delayed emergence of the post downturn rise in social sector lettings more clearly seen post 1990.

Whatever the balance of factors involved in the rise in the availability of social sector lettings in 2013/14, there is also a clear marked decline in the numbers of those lettings made available to homeless households in the year. Over the preceding eight years about a quarter of all lettings to new tenants were made to homeless households. In 2013/14 the proportion fell to just 18%, with the numbers rehoused also falling as a proportion of homeless acceptances (to 61% from 70% a year earlier). The reasons for this trend are not altogether clear, but the suggestion has been made that more restrictive ‘affordability’ checks being imposed by certain social landlords may be restricting the access of some homeless people – particularly younger households affected by welfare cuts – to social housing:

“...housing associations doing a financial capability assessment and saying that that young person isn’t in a position to afford this tenancy when really where else are they going to go, you know? So we have seen in Wales recently a percentage of, not just in youth homelessness, but the properties let through housing associations going to people who are homeless decreasing.” (Local government representative)

At the UK level, both mortgage arrears and repossessions rose sharply after 2007. However, as shown in Figure 2.8, these increases were far less marked than those triggered by the early 1990s recession. Also, potential claims for possession issued to the courts actually started to increase after 2003 (Figure 2.9), as rising affordability ratios left more recent buyers exposed to

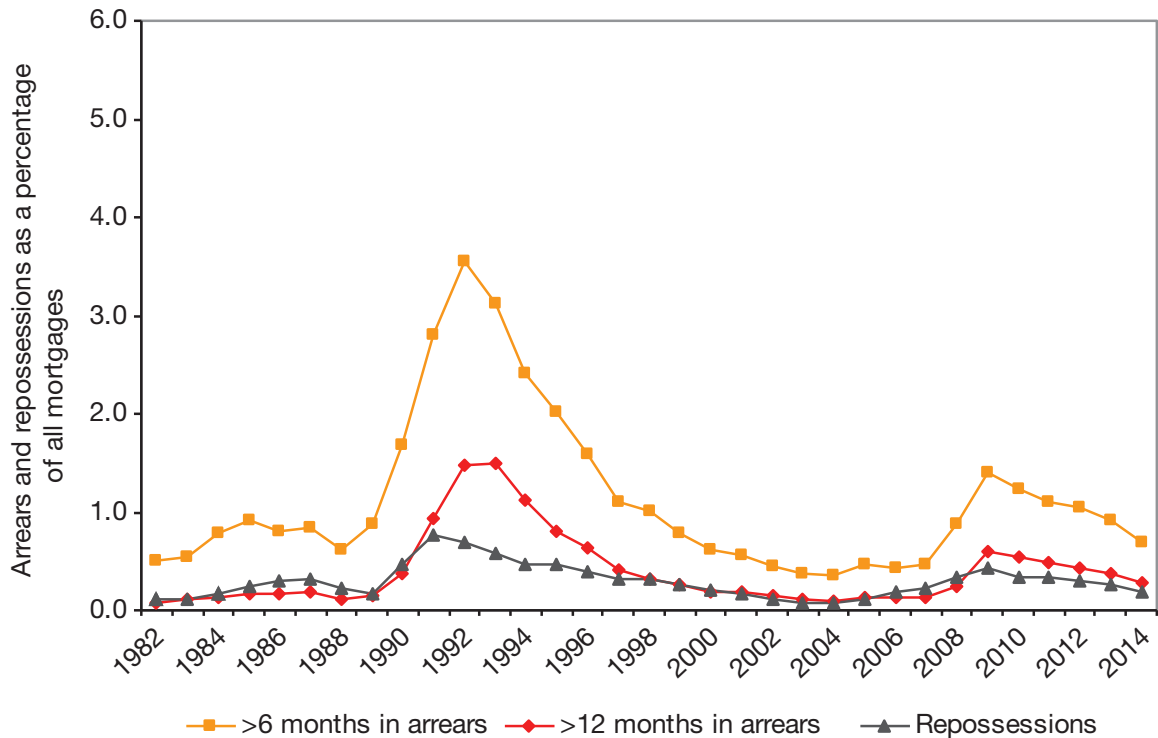
unmanageable changes of circumstances, while there were no effective market or regulatory pressures on lenders to exercise ‘forbearance’. However, the arrears numbers rose more sharply in response to the credit crunch and recession in the immediate post 2007 years.

In practice, however, the combination of low interest rates and lender forbearance has held down the proportion of high arrears cases resulting in repossession. Lenders have been strongly encouraged by the Government to exercise forbearance, and this has been reinforced by court protocols and the availability of advice to people with mortgage debt problems on court premises. As a result both arrears and possessions have steadily fallen back every year since 2009.

Nonetheless, there continue to be concerns that levels of arrears and possessions could rise when interest rates start to rise. There are also doubts about the future of the Support for Mortgage Interest (SMI) scheme. The provisions enabling SMI claims to be made without having to wait for nine months after the initial welfare benefit claim are only temporary, and with the new government seeking a further £12 billion in welfare cuts the whole future of the SMI scheme must be in doubt. It is already the case that as Universal Credit is rolled out so SMI will cease to be available to households working less than 16 hours a week; instead they will simply be entitled to a higher rate of income disregard, entirely unrelated to the level of their mortgage liabilities.

At the same time, it is important to bear in mind that mortgage arrears account for only a very small proportion (2%) of statutory homelessness acceptances in Wales; a proportion that has actually declined in recent years (see Chapter 4). As has been reported in other parts of the UK, local authority (LA) officers in Wales comment that most such households affected by mortgage repossession ‘find another solution’, either

Figure 2.8 Mortgage arrears and repossessions in the UK



Source: Council of Mortgage Lenders Statistics

in the PRS or with family and friends, rather than go to the council.⁶³

In contrast, there has been a rapid rise in both the number and proportion of statutory homelessness cases in Wales attributable to 'loss of rented housing' (again see Chapter 4). While in the main this mirrors the growth of the private rented sector, it is also likely to reflect the combined impact of welfare cuts and pressurised PRS markets in some parts of Wales.

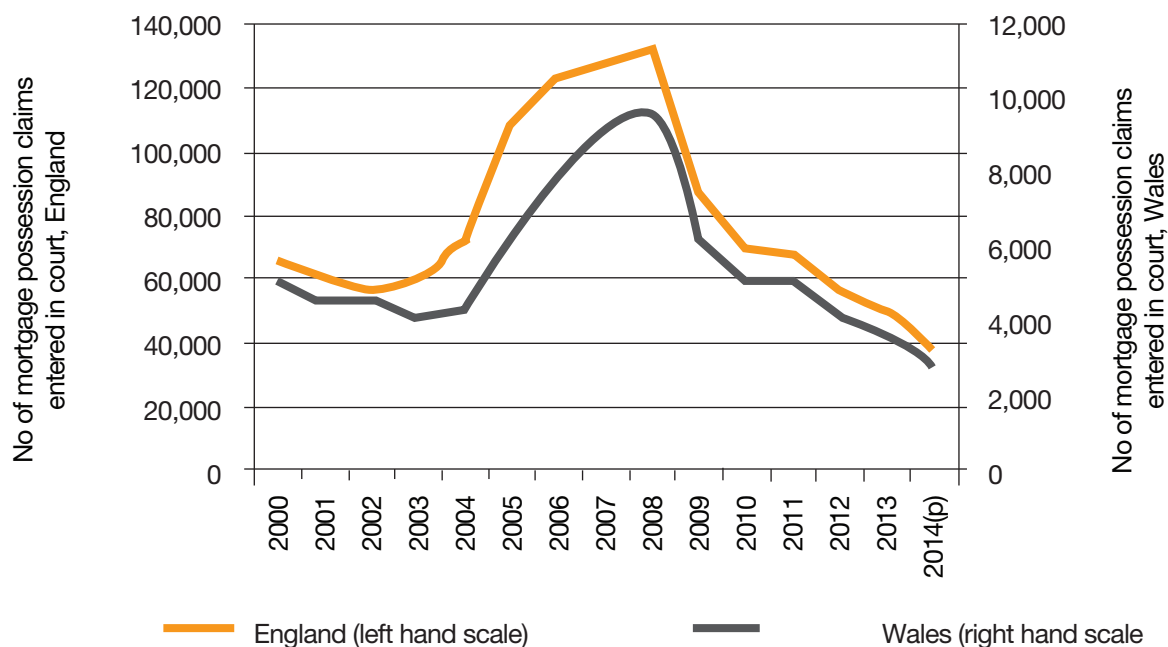
The drivers and dynamics for possession actions by social and private landlords are

quite distinct from those relating to the mortgage market, and there is no clear indication that they are strongly linked to economic or housing market pressures. Indeed, levels of court orders obtained by both private and social landlords fell in England and Wales during the years of the post 1990 recession, and social landlord court orders declined substantially in the period from 2002.

In contrast, there has been a rise in levels of private landlord court orders since 1994; but over the two and a bit decades from 1990 to 2014, the total level of private landlord orders

63 Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) *The Homelessness Monitor: England 2015*. London: Crisis. www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2015_WEB.pdf

Figure 2.9 Mortgage possession claims, England and Wales 2000-2014



Source: Ministry of Justice statistics. Note: 2014 figure is provisional

(including accelerated orders in respect of Assured Shorthold Tenancies) have risen less rapidly than the growth in the size of the sector. Moreover while there have been some year on year fluctuations in levels of private landlord orders, despite further rapid growth in the sector the numbers of actions were no greater in 2014 than they were seven years earlier (see Figure 2.10). Thus in 2014 there were 5 private landlord orders for every 1,000 tenancies, compared to 6 orders for every 1,000 tenancies in 2004.

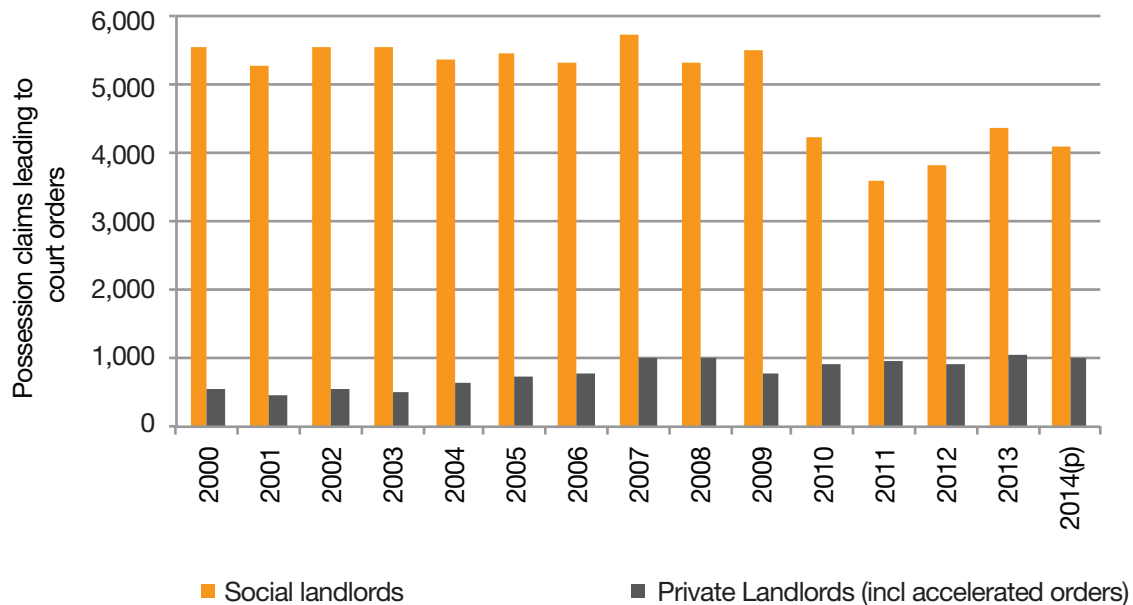
While 2013 did see a marked rise in levels of social landlord court orders, they were still some way below the levels of the decade prior to 2010, and in 2014 they began to fall again. Levels of social sector rent arrears also

fell between 2009/10 and 2012/13, before a marked rise in 2013/14 took them back to 2009/10 levels. Altogether a third of all social sector tenants (73,173) were in arrears at the end of the year; 2% had arrears of more than 13 weeks.⁶⁴ The role of welfare reforms in the rise of social sector rent arrears is discussed in the following section.

2.7 Key points

- While the UK economy has now returned to pre-credit crunch levels, the Welsh economic downturn was more severe, and recovery lags behind England and Scotland. However, average full time

Figure 2.10 Landlord possession claims leading to court orders, Wales 2000-2014



Source: Ministry of Justice mortgage and landlord possession statistics

earnings remain 10.6% lower in real terms than in 2007, and all jobs growth since then has been in part time, temporary or self-employment.

- House prices have recovered to 2007 levels, but due to lower interest rates and modest cash increases in earnings affordability has eased. However, despite the Help to Buy scheme access to low deposit mortgages remains problematic.
- The private rented sector has doubled in size over the last decade (to 14% of all dwellings), and two fifths (over 40%) of all tenants are in receipt of HB.
- While 2013/14 saw a rise in the availability of social sector lettings in Wales, there has been a marked decline in the proportion of those lettings allocated to homeless households – reduced to 18% of all lettings to new tenants, as compared with

the recent norm of around a quarter.

- Whilst this pattern may partly reflect recent declines in the level of statutory homelessness acceptances in Wales, the numbers rehoused in social housing have also fallen as a proportion of total homelessness acceptances (to 61% in 2013/14 from 70% a year earlier), indicating a ‘real’ pattern of lowered priority.
- There has been a marked rise in the proportion of homeless acceptances attributed to the ‘loss of rented housing’ which, largely, parallels the overall growth of the private rented sector.
- Levels of mortgage arrears and repossessions have declined steadily since 2009, and are only a minor factor in homeless acceptance levels (2% of all acceptances). There are, however,

concerns about the future impact of higher interest rates, and uncertainty over the future of the Support for Mortgage Interest scheme.

- Social sector rent arrears rose sharply in 2013/14. Altogether a third of all social sector tenants (73,173) were in arrears at the end of the year; 2% had arrears of more than 13 weeks. Social landlord court actions also rose in 2013, but eased back a little in 2014.

3. Coalition and Welsh Government policies potentially impacting on homelessness in Wales

3.1 Introduction

Chapter 2 considered the homelessness implications of the post-2007 economic downturn and subsequent recovery, this chapter now turns to review policy developments that might be expected to affect homeless groups and those vulnerable to homelessness. It covers both areas of policy devolved to the Welsh Government and National Assembly for Wales (homelessness, housing and related policies) and areas of policy reserved to Westminster and therefore the responsibility of the UK Government (welfare reform).

3.2 Homelessness policies in Wales

In the first Homelessness Monitor for Wales we reviewed the history of homelessness policies in Wales across our four key subgroups.⁶⁵ Here we analyse the most significant recent developments in homelessness policies which relate to: major changes to the statutory homelessness system in Wales ushered in by the Housing (Wales) Act 2014; the inter-relationship with changes in tenancy law heralded by the Renting Homes (Wales) Bill currently making its way through the Welsh Assembly; developments in Supporting People (SP) funding and 'Section 180' homelessness grants; and specific policy developments with respect to rough sleepers and homeless (ex-) prisoners.

Statutory homelessness and the Housing (Wales) Act 2014

As discussed in detail in the first Homelessness Monitor for Wales, the Welsh Government commissioned the 'Mackie' review of the homelessness legislation, completed in 2012. The review proposals set out to address what were viewed as two key weaknesses in the existing legislation. First, that a growing emphasis on preventative ('housing options') interventions sat uncomfortably alongside the statutory system, leading to concerns about both unlawful 'gatekeeping' and inconsistency in practice across Wales. Second, that very often no 'meaningful assistance' was made available to non-statutory homeless people, especially single homeless men.⁶⁶ Overall, the statutory system was viewed as suffering from:

"...rigidity and inflexibility. Households that are in priority need and unintentionally homeless will typically spend time in temporary accommodation before finally receiving settled social rented housing. There is very limited scope for solutions to be tailored to the needs and abilities of the individual households."⁶⁷

The Mackie review proposed a 'housing solutions' model of change that would see the primary focus of LA duties switch to more flexible preventative interventions which would *precede* the assessment of

⁶⁵ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The Homelessness Monitor: Wales 2012*. London: Crisis.

⁶⁶ Mackie, P. (2014) The Welsh Homelessness Legislation Review: Delivering Universal Access to Appropriate Assistance? *Contemporary Wales*, 27(1): 1-20; Mackie, P. (2015) 'Homelessness prevention and the Welsh legal duty: lessons for international policies', *Housing Studies*, 30(1): 40-59.

⁶⁷ p8 in Mackie, P. (2014) The Welsh Homelessness Legislation Review: Delivering Universal Access to Appropriate Assistance? *Contemporary Wales*, 27(1): 1-20.

entitlements under the existing statutory homelessness system.⁶⁸ This proposed new approach would entail a duty on LAs “to take all reasonable steps to achieve a suitable housing solution for all households which are homeless or threatened with homelessness.” Under these proposals, the definition of threatened with homelessness would be extended from 28 to 56 days, and the new preventative duty would be owed to all eligible households who were homeless or threatened with homelessness, without regard to priority need, intentionality or local connection. Moreover, the LA would have a duty to provide interim accommodation if the household concerned had ‘nowhere safe to stay’ during the investigation of potential housing solutions – in effect extending the current interim accommodation duty beyond the priority need groups in these cases. The Mackie team also recommended that further flexibility be injected into the system by allowing LAs to discharge the main homelessness duty via the offer of a fixed-term private tenancy for a minimum period of 12 months, without the need for applicant consent (bringing Wales broadly into line with England with respect to ‘compulsory’ discharge of duty into the PRS).

The Mackie team’s recommendations were incorporated almost wholesale into the Welsh Housing White Paper published in May 2012,⁶⁹ alongside a commitment to remove the ‘intentionality’ test for households with children by 2019. Responses to the Housing White Paper, a summary of which was published in October 2012,⁷⁰ were generally supportive of the principles behind the homelessness proposals, in particular the increased focus on prevention. However, the

Welsh Local Government Association (WLGA) and some LAs raised objections with respect to the resource implications of the ‘housing solutions’ model, particularly the emergency duty to provide interim accommodation to all homeless households regardless of priority need.⁷¹

The first ever Housing (Wales) Bill was then introduced into the National Assembly for Wales in November 2013, and the Housing (Wales) Act 2014 received Royal Assent in September 2014, with the key homelessness provisions coming into force in April 2015. Some of the main planks of the Mackie/ White Paper proposals remain intact, and in particular the strengthened duties on LAs to “take reasonable steps” to “help to prevent homelessness” (Section 66) or to “help to secure accommodation” for those already homeless (Section 73) (with these new duties generally referred to as the ‘prevention’ and ‘relief’ duties respectively). Moreover, the extension of the threatened with homelessness period to which the prevention duties attach has been extended, as recommended, to 56 days. While the relief and prevention duties are subject to the availability of resources in the local area, they apply irrespective of priority need, intentionality or local connection (albeit that only those whom a local authority has reason to believe may be in priority need are entitled to interim accommodation while their homelessness is ‘relieved’). The 2014 Act therefore significantly extends the entitlement of many single homeless applicants, who were previously entitled to only advice and assistance.

In order to discharge these prevention

68 Mackie, P., Fitzpatrick, S., Stirling, T., Johnsen, S. & Hoffman, S. (2012) *Options for an Improved Homelessness Legislative Framework in Wales*. Cardiff: Welsh Government.

69 Welsh Government (2012) *Homes for Wales. A White Paper for Better Lives and Communities*. Cardiff: Welsh Government. <http://wales.gov.uk/docs/desh/consultation/120521whitepaperen.pdf>

70 Welsh Government (2012) *Homes for Wales. A White Paper for Better Lives and Communities. Summary of Responses*. Cardiff: Welsh Government.

71 Ibid.

72 Mackie, P. (2015) ‘Homelessness prevention and the Welsh legal duty: lessons for international policies’, *Housing Studies*, 30(1): 40-59.

nd relief duties, LAs have to ensure that applicants have suitable accommodation that is likely to be available for at least six months. There is also a duty to assess whether any support is needed by the applicant and their family in order to retain accommodation and to make referrals to relevant agencies. LAs ought to have in place a minimum set of “reasonable steps” interventions, or may find themselves open to legal challenge by applicants. This should ensure some basic threshold of prevention and relief activity across Wales.⁷²

While the prevention duty is open-ended, discharged only by prescribed means,⁷³ the time period for relief interventions is guillotined at 56 days. After this, for those with priority need status, a (Section 75) ‘full statutory duty’ to secure suitable accommodation arises (LAs can also bring forward discharge of the Section 75 duty before the 56 days has elapsed if it is clear that the relief measures are unlikely to succeed). Importantly, however, applicants who “unreasonably fail to cooperate” with the relief assistance may not progress to the full duty to be secured accommodation.

This duty to secure accommodation effectively replicates the existing statutory system, wherein all of the usual statutory tests, including priority need and local connection, apply in assessing entitlement to settled accommodation (which may now include suitable PRS as well as social housing). The Minister has the power to amend or remove priority need categories entirely via secondary legislation. There is no timetable for using these powers but they are almost certainly likely to be the subject of intense lobbying in the years to come. The intentionality test also remains, but LAs will be able to decide whether to ‘opt in’ to

applying the test to none, some or all of the priority need groups, publishing their decision by July 2015.⁷⁴ In addition, the intention is that from 2019 LAs will have a duty to provide accommodation for intentionally homeless families and 16 and 17 years olds unless they have previously been found to be intentionally homeless in the past five years. LAs will also be expected to coordinate a plan of action and support to prevent such families becoming homeless again.⁷⁵

There are a number of departures from the Mackie recommendations and/or the White Paper. First, in the light of fierce opposition from WLGA and some LAs, the (priority need blind) ‘somewhere safe to stay’ duty was abandoned. Instead LAs will continue to be under a duty to provide interim accommodation only to those whom they have reason to believe may be in priority need. According to some key informants, this change was prompted in large part by concerns about incentivising homeless households in England to apply for assistance in Welsh LAs. Second, LAs will be able to compulsorily discharge the Section 75 ‘full statutory duty’ via suitable accommodation in the PRS so long as the tenancy has a minimum six months duration. This reduction from 12 to six months in the minimum tenancy length required to discharge duty places Wales out of line with England (where a qualifying private sector offer must be for a 12 month minimum period), but must be viewed in the light of significant changes in tenancy law being brought about by the Renting Homes (Wales) Bill (see below). Third, the Mackie recommendation to establish some sort of homelessness regulator/ independent inspectorate in order to monitor the implementation of the new legislation has not been acted upon.

⁷³ These include: the applicant becoming homeless, suitable accommodation becoming available for six months, or an offer being refused.

⁷⁴ At the time of writing it seemed that almost all LAs had elected to retain the power to apply intentionality to all or most priority need groups.

⁷⁵ Though these provisions have not as yet been brought into force.

A draft Code of Guidance was issued for consultation, with the final version published on the day the legislation came into force.⁷⁶ It seems to have been largely well received,⁷⁷ and the sections on the ‘duty to help to prevent homelessness’ (Chapter 12) and ‘the duty to help to secure accommodation for homeless applicants’ (Chapter 13) are admirably detailed. That said, some of our key informants felt that it was an overly long and ‘bulky’ document, and there was an acknowledgement that a ‘streamlined’ version might appear in due course. The new Act will doubtless be subject to interpretation and challenge, and possibly revision, and the Code will need updating in consequence. The WLGA has also published two toolkits – one focused on homelessness prevention, and the other on the development of PRS access schemes and shared housing – to help LAs prepare for their new legislative duties.⁷⁸ There has been an extensive and apparently well received training programme for frontline staff funded by the Welsh Government and jointly delivered with Shelter Cymru and WLGA, and a series of ‘partnership events’ across Wales with a wide range of stakeholders. Shelter Cymru are developing protocol arrangements with individual LAs to work together to prevent homelessness and obviate the need for legal challenge where possible. So it is clear that a great deal of work has been done on the ground to prepare LAs for the practical implementation of the new legislation.

The main homelessness provisions came into force almost exactly at the time of writing so it is far too early to say how the new framework will bed down in practice, but initial indications are that it enjoys a great deal of goodwill. This generally positive

response to the legislative changes seem to reflect a consensus amongst both statutory and voluntary sectors in Wales that supports a broadening of the scope of the statutory duties of LAs, especially towards single homeless people, together with a lesser stress on allocation of social housing as the main intervention, which resonates with the Mackie and White Paper proposals. Certainly, the prioritizing of prevention and bringing it within the main statutory framework seemed to command overwhelming support.⁷⁹

There was a sense that the Act will make a “*real difference*” by most key informants we interviewed, albeit that some in the voluntary sector took the view that the compromises made in its passage through the Assembly means that it has “...*fallen short. It’s a palliative approach, not a rights-based approach*”. Some interviewees coming from this angle commented on how “*aggressive*” and “*powerful*” WLGA had been in the negotiations over the Bill, and lamented their winning of “*fundamental battles*” on, for example, the proposed somewhere safe to stay duty. However, even amongst those who were disappointed that the Act had not gone further, there still seemed to be a feeling that it was a worthwhile and important measure, if somewhat “*watered down*” down from what they would ideally like to have seen implemented:

“I definitely think that it is a fundamental change... it’s baby steps in a general direction which is very much rights based. I still remain optimistic about it. I think that the Welsh Government values are that they approve of the Scottish model and they want an end to homelessness in Wales, but... it’s the art of the possible,

⁷⁶ Welsh Government (2015) *Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness*. Cardiff: Welsh Government. <http://gov.wales/topics/housing-and-regeneration/services-and-support/managing-social-housing/allocate/?lang=en>

⁷⁷ Welsh Government (2015) *Consultation – Summary of Responses. Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness*. Cardiff: Welsh Government. <http://gov.wales/docs/desh/consultation/150501-code-of-guidance-to-la-consultation-summary-of-responses-en.pdf>

⁷⁸ See www.wlga.gov.uk/homelessness-prevention-toolkits/

⁷⁹ Mackie, P. (2014) ‘The Welsh Homelessness Legislation Review: Delivering Universal Access to Appropriate Assistance?’ *Contemporary Wales*, 27(1): 1-20

isn't it? It's very, very difficult economic times to be making reforms like this. I do think it'll be the start of a new way of working and the prevention duty, it's going to need tweaking over the years to come." (Voluntary sector representative)

From the LA perspective, the Act seemed generally welcomed. For some, the new framework was seen to formalise and extend what they were already doing, whereas for others more of a culture change is required. Either way, it was viewed positively as a "step in the right direction":

"I think a lot of authorities have sort of lost track of that prevention duty in the original '96 Act and were just focusing their prevention activities on the priority need homelessness cases rather than, actually somebody has come in, they're homeless, or threatened with homelessness, what can we do to keep them there? ...what the [2014 Act] has done for us now, is actually, it's not good enough just to accept people as homeless because the duty now is not to rehouse people, the duty is first and foremost to prevent that homelessness in the first place." (LA homelessness officer)

"Yes, the main difference, it's the legislation regarding prevention duty. Now, that's going to have a big impact. Now [we've] always tried to do that anyway... So, I think the legislation is going to reinforce that for the whole of Wales.... the idea that because it's going to be priority need neutral, that element of it, so the idea that we should be helping everyone who's threatened with homeless is a positive thing." (LA homelessness officer)

"There was a recognition that the current statutory duty, which revolves around actual homelessness leads to unintended consequences. It means the focus is very much on the process of assessing rather than actually trying to sort the problem out. So I think there was recognition that

if you put a statutory duty at the front end then that would drive behaviour and that makes sense in terms of individual's experiences and local authority resources. I think the general feeling is... it is...a good bit of legislation, that it is deliverable, it's stretching [LAs], and it puts the focus in the right place. It will require authorities to go through huge cultural change but I think that's seen as long overdue in some ways. I think authorities were already on that road before the legislation, so it gives some impetus to the direction of travel." (Local government representative)

Bringing the prevention duty centrally into the legal framework was felt to be helpful from the LA perspective in two key respects. First, LAs will have to justify the 'reasonable steps' they have taken in the face of potential legal challenge, which will help to protect resources in a context of severe budget constraints. Second, applicants will, for the first time, be compelled to engage with prevention activities. So a higher threshold of responsibility on both sides was viewed positively.

Concerns and challenges focused, as one might expect, on the resourcing of the new duties. While additional resources have been made available (£5.6 million for 2014/15), some of which has been spent on extra "staff on the ground", there is concern about whether this is sufficient given "how much extra work there is going to be from the end of April onwards..." (Voluntary sector representative). The scale of the culture change required was also a source of anxiety:

"Well, once you tackle the issue of where the resources are coming from, I think it's also the mind-set of individuals working on the ground, you know you've got to get people thinking about getting away from the homelessness legislation. You know a lot of homelessness officers and prevention officers may still be focused on the issues of homelessness and priority need,

intentionality and local connection... You know it doesn't matter why they're here, they're here because they're homeless not because they've come here from...X or wherever. So I think sort of change in staff perceptions, making sure that we're up to speed as much as anything with legislation." (LA homelessness officer)

Other concerns, expressed from both the statutory and voluntary sector perspectives, focused on the precise meaning of 'best use of resources' and potential challenges on 'reasonable steps':

"Yes, I mean it's all reasonable steps and the chance is going to be how do we satisfy that we've covered every reasonable step because they go to Shelter or CAB or a solicitor and say, 'Well I've been to the local authority, they've done this, this and this' and the first thing they say is, 'Well, perhaps we can challenge the authority because we don't think they've done all the reasonable steps yet'". (LA homelessness officer)

We also heard about LA housing options services being under increased pressure in some areas:

"...we are seeing that a lot of housing option teams are under a huge amount of pressure at the moment and they've got a lot of casework and a lot of them have had redundancies as well, and so the housing options officers who are left are having to take on even more cases to compensate for the losses, so I think you get less attention paid to each case overall...I wouldn't like to have to be a housing options officer at the moment because they've got such a lot of work to do and so little resources to do it." (Voluntary sector representative)

Some expressed concern that the requisite level of support services was not yet in place everywhere:

"...there is going to be much more demand for like family mediation and prevention services, ASB prevention services as well, that's another big one... I think that there is certain parts of the puzzle aren't in place yet. The penny hasn't quite dropped yet about how the demand on the support services is going to change over the next couple of weeks." (Voluntary sector representative)

The retention of the intentionality test was regretted by some voluntary sector organisations and other commentators,⁸⁰ but was strongly supported by the LAs we interviewed:

"As long as it's used appropriately it is actually a tool to prevent bad behaviour of tenants. You know intentionality is about the reckless and the feckless. My personal preference would have been that keep it and if you're going to change anything with intentionality you change perhaps what the outcome of that duty would be. So for example, it might be that you wouldn't necessarily have access to council housing or social housing for example, but you could then discharge to the private sector. So in a sort of roundabout way it's sort of come about anyway..." (LA homelessness officer)

As is captured in this quotation, the intentionality test was primarily designed to ensure that the homelessness legislation was not manipulated as a 'fast track' to social housing.⁸¹ This means that the introduction of compulsory discharge of duty into the

⁸⁰ Davies J. (2014) 'The Housing (Wales) Bill – a view from a former Housing Minister', *Click on Wales*, June 25th: www.clickonwales.org/2014/06/the-housing-wales-bill-a-view-from-a-former-housing-minister/

⁸¹ Fitzpatrick, S. & Pleace, N. (2012) 'The Statutory Homelessness System in England: A Fair and Effective Rights-Based Model?' *Housing Studies*, 27(2): 232-251.

PRS does appear to weaken the case for its retention. Some voluntary sector key informants made a similar point about the retention of priority need. That said, some other interviewees were hopeful that, if the new preventative focus in the statutory framework worked as well as it was intended to, both intentionality and priority need may 'wither on the vine' as they become less relevant in a context which is less focused on rationing social housing.

Three particular areas of contention were rough sleepers, prisoners and the definition of vulnerability, and we review these specific areas below. A more general potential weakness in the new framework is that, given that many single people will not qualify for settled housing in the final full duty stage of the process, this may weaken the incentive for LAs to prioritise preventative and relief for this group (though the potential for legal challenge should help to counter this):

"The group that I don't think it will help... are the groups that have multiple support needs... So, the legislation's going to make a big impact but we're still going to be left with a sizeable group of people who come straight through the homelessness prevention and relief stages because there are not enough appropriate support services for them, such as personal budgets and housing first. They will end up at the final stage and will not be in priority need and will remain homeless. They're going to be that usual, very vulnerable group..." (Academic commentator)

There were some notes of caution sounded about discharge of duty into PRS from the voluntary sector side. While it was

acknowledged that the PRS is often where, for example, young people want to live because it can offer central locations, in some areas in Wales there is said to be a dearth of private rented as well as social rented housing. This means that the "*private rented sector isn't the panacea people think it will be*". There were also specific concerns regarding the lack of security of tenure in the PRS discussed in the next section.

The 2014 Act strengthens the duty on Registered Social Landlords (RSLs) to cooperate with LAs in relation to homelessness, and LAs have a duty to promote cooperation between the housing and social services authority with respect to homelessness prevention and the provision of accommodation and support. Some, however, felt that these strengthened partnership obligations did not go far enough.⁸² Each Welsh LA must adopt a homelessness strategy by 2018, to be renewed every four years. Some responses to the draft Code of Guidance called for more flexibility for LAs in developing their local homelessness strategies, with WLGA proposing that, instead of the production of 22 homelessness strategies, it would represent a better use of resources, and "*be more strategic and in line with SP [Supporting People] commissioning*", if six homelessness strategies were developed across Wales.⁸³ This also seems in keeping with the drive towards more regional cooperation in Wales, and the likelihood of local authority mergers. While at the time of writing there still seemed to be uncertainty around local government reorganisation in Wales, following the recommendations of the Williams report,⁸⁴ there was a general sense that this would not impact too much on homelessness as all the

⁸² City Of Cardiff Council (2014) *Homelessness in Cardiff and preparing for changes required by the Housing Act. Community & Adult Services Scrutiny Committee*, 1st October 2014. http://formerly.cardiff.gov.uk/objview.asp?object_id=29266

⁸³ WLGA (2015) *WLGA Response: Code of Guidance for Local Authorities - Allocation of Accommodation and Homelessness*. www.wlga.gov.uk/social-services-consultation-responses/wlga-response-code-of-guidance-for-local-authorities-allocation-of-accommodation-and-homelessness

⁸⁴ Commission on Public Service Governance and Delivery (2014) *Summary Report, January 2014*. <http://gov.wales/docs/dpsp/publications/psgd/140120-psgd-summary-report-en.pdf>

duties would be retained. The encouragement towards sub-regional working on, for example, the homelessness prevention toolkit, is also going with the grain of a smaller number of larger LAs which seems likely to be where Wales is headed.

While a higher level of consistency in the service received by homeless people across Wales is one hoped for outcome of the new universal preventative model, two quite distinct dimensions to ‘consistency’ are helpfully highlighted in this quotation:

“I think making the prevention work blind to those three factors [priority need, intentionality and local connection] will mean that everyone should get a similar level of service dependant on the resources that are available within that area. You know X LA, for example, haven’t got shared access to hostels and the accommodation that we’ve got. Some authorities haven’t got social housing, or haven’t got their own retained stock for example. So straightaway you’ve got differences in the resources that are available, so you’re not exactly going to have the same outcome but the same approach should be used.” (LA homelessness officer)

Relevant here is funding that Shelter Cymru have received from the Oak Foundation to conduct a four year programme of research into homelessness prevention among vulnerable groups. This should complement the major longitudinal evaluation that the Welsh Government plans to commission on the outcomes of the new legislation.

Renting Homes (Wales) Bill

The Renting Homes (Wales) Bill, while it has important implications for homelessness,

is concerned much more broadly with simplifying and clarifying contractual relationships between landlords and tenants. It is based on recommendations from the Law Commission’s 2006 Renting Homes report.⁸⁵ At the time the Law Commission reported, the Welsh Government supported its recommendations but lacked the primary legislative powers required to implement them.⁸⁶ Since then, it has acquired the necessary legislative competence and has consequently brought this Bill forward in February 2015, which is expected to receive Royal Assent in early 2016.

With a limited number of exceptions, the Bill replaces all current residential tenancies and licences in both the private and social rented sectors with just two types of ‘occupation contract’:

- Secure contract – modeled on the current secure tenancy issued by LAs.
- Standard contract – modeled on the current assured shorthold tenancy, used mainly in the private rented sector. A standard contract will be either ‘periodic’, typically running from week to week or month to month, or ‘fixed term’, running for a pre-agreed set period, usually a number of months or years.

Social landlords would be required to use the secure contract where they would currently issue a secure or assured tenancy, but will also be able to use the standard contract for short-term renting, such as for introductory and demoted tenancies. Private landlords, on the other hand, will normally be expected to issue standard contracts, but will be able to offer secure contracts if they so wish.

The Welsh Government believes that

⁸⁵ The Law Commission Wales (2013) *Renting Homes in Wales*. http://lawcommission.justice.gov.uk/docs/lc337_renting_homes_in_wales_english-language-version.pdf

⁸⁶ Welsh Housing Quarterly (2013) ‘Minister launches Renting Homes white paper’, *Welsh Housing Quarterly*, Issue 91. http://www.whq.org.uk/main/articleDetail.php?ART_id=1218

these proposals present a more “coherent, transparent, equitable and flexible legislative framework than that which currently exists”.⁸⁷ Given that the new arrangements would apply in both the social and private sector rental spheres, they believe that they will improve the efficiency of the housing system by creating “a level playing field” for different types of landlords, and “a fairer deal for tenants, who will have comparable rights and responsibilities, irrespective of who they rent their home from.”⁸⁸

Simplifying the law so that both landlords and tenants understand better their rights and responsibilities is clearly a laudable aim, and many aspects of the Bill have been received positively.⁸⁹ There are two key areas of contention. First, some housing associations are unhappy at the prospect of losing the ability to seek mandatory repossession on grounds of two month’s rent arrears (‘Ground 8’). Second, and even more controversially, there is a proposal to drop the six month moratorium on ‘no fault’ evictions for private sector tenants. As elsewhere in the UK, private landlords in Wales cannot at present seek possession within the first six months of an assured shorthold tenancy (AST) simply on the basis that the contractual period for the tenancy has expired. Instead, within this initial six months, should they wish to evict a tenant, they must establish ‘grounds’ for doing so, typically rent arrears or another form of tenancy breach. The reasoning behind removing this initial ‘moratorium’, during which tenants have security of tenure subject to fulfilling their contractual obligations, was summarised by one voluntary sector representative as follows:

“It was the Law Commission’s view that the moratorium was one of these things

that unhelpfully held up and unhelpfully caused problems. The whole Renting Homes thing is about smoothing tenancy law and getting rid of some of the weird anomalies that get in the way, like the restrictions on joint tenancies and things like that, making it easier for people to move between different landlords and things and standardising, so they felt that the six month moratorium just got in the way a bit, a kind of a relic of an older Act, and also that it didn’t represent much security in itself anyway so may as well just get rid of it.”

Moreover, it has been argued that removing the moratorium will weaken the current incentive for landlords to avoid renting to ‘high risk’ tenants. As one statutory sector key informant explained, “*Removing this block [the moratorium] will encourage landlords to rent to those they’re not doing at the moment... it should therefore allow tenants with a poor tenancy history to rebuild their record*”.

However, there is no getting away from the fact that this is a measure which significantly alters the power balance between landlord and tenant in favour of the former. While the Welsh Government has rather optimistically claimed that “...there is nothing to suggest removing the moratorium will cause landlords to alter their letting practices overall”,⁹⁰ it is difficult to believe that many landlords will not take the opportunity to minimise their risks by ensuring that they have access to the no fault eviction power from as early as possible in the properties they let.

At the same time, the Welsh Government remains committed to security of tenure in

⁸⁷ Ibid.

⁸⁸ Ibid.

⁸⁹ See <http://senedd.assembly.wales/mgConsultationDisplay.aspx?ID=168>

⁹⁰ p6 in Welsh Government (2015) *Homes for Wales Bulletin - Renting Homes (Wales) Bill Special Edition*. <http://gov.wales/docs/dsjlg/legislation/150209-homes-for-wales-bulletin-en.pdf>

the social rented sector,⁹¹ having explicitly rejected the fixed-term tenancy model being brought in under the Localism Act 2011 in England.⁹² Ironically, then, it seems likely that legislative proposals apparently intended to ‘equalize the offer’ between social and private sector tenants, may in fact be more likely to culminate in more polarised tenure security positions than elsewhere in the UK, or indeed most parts of the developed world. The director of Shelter Cymru has publicly commented that the removal of the six month moratorium is an “*extraordinary proposal*” meaning that Wales will have “*the most insecure form of private tenure in the whole of Western Europe*”.⁹³

Echoing points made by the Law Commission and the Welsh Government,⁹⁴ some of those we interviewed this year argued that these changes give both landlord and tenants greater flexibility, and that landlords generally want to keep their tenants for as long as possible:

“...it’s not business sense for the landlord to evict... unless there’s reason to evict, which you’ve got anyway... it doesn’t make sense for any landlord to end the tenancy. You know much as you wouldn’t be happy about saying well actually I don’t want my month’s salary next month, this is exactly the same as a private landlord, the rent is their months’ salary.” (LA homelessness officer)

However, the importance of ‘de jure’ (in law) as well as ‘de facto’ (in practice) tenure security in underpinning power relationships between landlord and tenant are

reflected in these published comments by a representative of Citizens Advice Cymru:⁹⁵

“Our concern is that it removes what little security there is at the moment in the private rented sector... That’s not to say that landlords will start evicting people immediately, it’s that they could do if they wanted to.”

There can certainly be little doubt that the proposals in the Renting Homes Bill have ‘diluted’ the PRS ‘offer’ to statutory homeless households, as they provided the justification for the reduction from 12 to six months in the minimum tenancy duration required to discharge the Section 75 (main homelessness) duty, on basis that this is more security than other new private sector tenants will receive if the legislation is passed. As one academic commentator remarked:

“Probably one of my bigger outstanding worries is that now we’ve got discharge into the private rented sector and whilst we’re strengthening the private rented sector in some ways we’re diluting it and diluting probably the most important thing for this group, which is some sort of security.”

However, with the Renting Homes proposals unlikely to be implemented before 2017, there was said to be ‘all still to play for’, with a significant lobby arguing for greater security in the PRS:

“...it’s possible that there might be either something in terms of longer fixed terms,

91 Ibid.

92 Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) *The Homelessness Monitor: England 2015*. London: Crisis. www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2015_WEB.pdf

93 Day, L. (2015) ‘Eviction rise risk’ with Welsh government’s rent plan’, *BBC Wales Eye on Wales*, 7th February: www.bbc.co.uk/news/uk-wales-31171212

94 paragraph 88 in Welsh Government (2015) *Renting Homes (Wales) Bill: Explanatory Memorandum*. [www.assembly.wales/laid%20documents/pri-ld10098-em%20-%20renting%20homes%20\(wales\)%20bill%20-%20explanatory%20memorandum/pri-ld10098-em-e.pdf](http://www.assembly.wales/laid%20documents/pri-ld10098-em%20-%20renting%20homes%20(wales)%20bill%20-%20explanatory%20memorandum/pri-ld10098-em-e.pdf)

95 Day, L. (2015) ‘Eviction rise risk’ with Welsh government’s rent plan’, *BBC Wales Eye on Wales*, 7th February: www.bbc.co.uk/news/uk-wales-31171212. See also: Fitzpatrick, S. & Pawson, H. (2013) ‘Ending security of tenure for social renters: transitioning to ‘ambulance service’ social housing?’, *Housing Studies*, 29(5): 597-615.

or else maybe retaining the moratorium, which is perhaps the less satisfactory solution, but we'll take it. If the only other option is monthly periodic tenancies from the outset... [Welsh Government] might lose their bottle about the moratorium and decide to keep it overall because there is potential for quite a lot of negative publicity." (Voluntary sector representative)

These Renting Homes proposals must be considered alongside provisions in the Housing (Wales) Act 2014, expected to come into force in autumn 2015, which will require all PRS landlords to be registered and licenced as 'fit and proper'. Licences will last for five year periods, and all licence holders will be required to comply with a Code of Practice setting out letting and management standards. There appeared to be a cautious welcome for these proposals amongst those we interviewed, but concerns were voiced about effective enforcement, without which this increased regulation risks (a) having little impact, or even (b) being counterproductive, by driving good landlords out of market and making room for unscrupulous landlords. While there was some scepticism about how effective landlord licensing will be with respect to professionalism in the sector and housing quality, it was seen as a positive that, in terms of the Housing (Wales) Act 2014, LAs will be required to inspect PRS properties before discharging both the reasonable steps and main homelessness duties.

Supporting People Funding and Section 180 Homelessness Grants

As was reported in the first Welsh Homelessness Monitor published in 2013, the distribution of Supporting People (SP) monies was, at that time, a considerable area of anxiety. As in Scotland and England, SP funding is devolved to LAs in Wales. Unlike in Scotland and England,⁹⁶ these funds remain ring-fenced within LA Revenue Support Grant.⁹⁷ A needs-based redistribution of SP funds between Welsh LAs has been taking place since 2012.⁹⁸ In response to voluntary sector concerns following the devolution of SP funds to LAs, the Welsh Government set up six multi-sectoral 'Regional Collaborative Committees' (RCCs) which advise LAs.⁹⁹ While RCCs do not have executive powers or finance, they are responsible for submitting a Regional Commissioning Plan for SP services to the Welsh Government, which helps to inform the allocation of grant to LAs. The RCCs also submit an annual report to a Supporting People National Advisory Board (SPNAB) which advises the Minister on the Supporting People Programme as a whole.¹⁰⁰

In the interviews conducted for this year's Monitor there seemed to be less anxiety surrounding the distribution of SP funding, and all parties seemed content to see it remain ring-fenced. A concern voiced in the last Welsh Monitor that 'unpopular' groups would lose out after the transition of SP funding to LAs does not appear to have materialised. While there has been a reduction in the national SP allocation of 7% in Wales,¹⁰¹ this is not on the same scale as

⁹⁶ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis. www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2012_WEB.pdf; Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor Scotland 2012*. London: Crisis. www.crisis.org.uk/data/files/publications/HomelessnessMonitor_Scotland_2012_complete.pdf

⁹⁷ Welsh Government (2012) *Supporting People Programme Grant (SPPG) Guidance*. Cardiff: Welsh Government. <http://new.wales.gov.uk/topics/housingandcommunity/housing/supportingpeople/publications/sppgguide/?lang=en>

⁹⁸ This redistribution will take place over a 5 year period with a Ministerial undertaking that no LA would lose any more than 5% in any one year.

⁹⁹ Welsh Government (2013) *Regional Collaborative Committees*. Cardiff: Welsh Government. <http://new.wales.gov.uk/topics/housingandcommunity/housing/supportingpeople/rcc/?skip=1&lang=en>

¹⁰⁰ Welsh Government (2013) *Supporting People Bulletin and Update*. Cardiff: Welsh Government. <http://wales.gov.uk/docs/desh/publications/130319spbulletin7en.pdf>

¹⁰¹ The budget for 2015/16 has been set at £124.4m with a reduction of £9.9m from 2014/15, this equates to a 7.4% reduction.

the cuts that other public sector budgets have suffered, nor the SP cuts suffered in England,¹⁰² and were felt to have been ‘manageable’ thus far.

“The budget has been more or less retained at a national level. It has been protected very well by the Minister but I think there’s a feeling that we could face significant cuts going forward. So we’re in a static, if not declining budget [situation].”
(Local government representative)

“...there are cuts on the horizon but... a lot of the organisations have done internal reviews and managed to cut costs in order to keep the service operating at the same level. But at some point, we say well it’s down to the bone and further cuts are now going to start to impact on their services.”
(LA homelessness officer)

At a policy level, there has been an attempt to focus relevant elements of the SP budget more closely on homelessness prevention, including via Ministerial statements and letters to LAs.¹⁰³ However, some voluntary sector service providers complained that, instead of making strategic cuts in SP funded services where necessary, LAs have tended to “*salami slice*”, either because they lack the expertise to cut strategically, or because strategic cuts would be “*too politically sensitive*”.

There also seemed to be ongoing disquiet around the functioning of the RCCs, and their ‘variability’ in ‘overseeing’ of the disbursement of SP funding. A review of the first year of operation of these structures has been published.¹⁰⁴ This review recommended

the retention of the SPNAB and RCCs, at least until final decisions have been made on local Government reorganisation in Wales, but makes a series of recommendations about their functioning.¹⁰⁵ Some of those we spoke to felt that the RCCs provided a helpful additional level of accountability – local scrutiny that the Welsh Government couldn’t offer. On the other hand, an alternative and much more critical view remained that:

“... it’s sucking money out of the budget to keep these RCCs going.... There are ... endless attempts to try and make them work, but I think for all sorts of different reasons all the players are saying this really isn’t working and the solution of the providers is to say what we want is bodies that have teeth and have budgets. What local government is saying is RCCs should become scrutiny bodies that challenge authorities and advise them, but don’t have responsibility for them. There’s this sort of fudge really where there’s a proposal on the table at the moment for a memorandum of understanding to try and clarify the role of the RCCs, but I’m not sure it will do that.”
(Local government representative)

The Welsh Government’s Section 180 Homelessness Grant Programme, another key source of funding for non-statutory services, has also been reduced at national level (by 10% between 2013/14 and 2014/15), and subject to an independent review of its effectiveness in “*meeting its objectives in preventing homelessness*”.¹⁰⁶ In the past, this grant programme was said by several of our interviewees to have been used in a very ad-hoc/informal way, including

¹⁰² Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) The Homelessness Monitor: England 2015. London: Crisis. http://www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2015_WEB.pdf

¹⁰³ New SP guidance will echo this theme, with a draft expected to be completed by December 2015.

¹⁰⁴ Marrin, K., Hudson, H., Miller, N., Smith, M. & Bibbings, J. (2014) Independent Review of the Supporting People Programme Transition Year: Final Report. Cardiff: Welsh Government. <http://gov.wales/statistics-and-research/independent-review-supporting-people-transition-year/?lang=en>

¹⁰⁵ Ibid.

¹⁰⁶ Welsh Government (2014) *Homelessness Grants Under s.180: A Review Commissioned by the Welsh Government*. Cardiff: Welsh Government. <http://gov.wales/docs/desh/publications/140911-review-of-homelessness-grants-en.pdf>

for research, but also for services that, whatever their other merits, were not primarily homelessness-focused. The review was therefore generally welcomed and felt to have been necessary, although there was a sense that maybe it didn't go quite far enough:

“I'm aware of grumblings around the fact that the review didn't really achieve what it was intended to achieve, which was, which of these programmes are helping us meet our objectives under the new legislation and which aren't? i.e. the prevention objectives, the early intervention stuff.... it was intended to say basically, 'Well, cull this, don't cull that.' My understanding was that it hadn't achieved that but... it may reflect methodology; the methodology didn't enable them to make that kind of - or equally it reflects the fact that the projects are inevitably doing something good.” (Academic commentator)

Rough Sleepers

It was reported in the first Welsh Homelessness Monitor that there had been little by way of national policy development on rough sleepers in Wales, and certainly no equivalent of the English and Scottish Rough Sleepers Initiatives, albeit specific local projects had been introduced.¹⁰⁷

The Mackie Review team recommended that 'verified' rough sleepers be added to the list of households considered to be in priority need – a proposal that became especially relevant in the light of the post-White Paper dropping of the 'somewhere safe to stay' provision from the new legislative framework (see above). While this proposal appears to have been given serious consideration at one point, it was not included in the 2014 Act. Instead a 'Rough Sleepers Task and Finish Group' was established to advise the Minister on a long-term strategic approach

to rough sleeping. Amongst other things, this Group was tasked with: developing a case for including rough sleepers as a priority need category and advising on the costs involved; advising on a national approach to monitoring rough sleeping; and proposing a strategic approach to preventing and reducing rough sleeping, taking account of resource constraints.

However, the idea of including rough sleepers as a priority need group was said by some of those we spoke to have been “kicked into the long grass”, or slightly more kindly, to have been “parked basically because of a lack of evidence because our rough sleeper data is so woefully inadequate”. The Rough Sleepers Group therefore appears to have focused on producing an estimate of numbers, the results of which are discussed in Chapter 4.

Prisoners

It was reported in the first Welsh Monitor that particular controversy surrounded the 'automatic' priority need status for prisoners who became homeless after being released from custody.¹⁰⁸ The 2014 Act removes automatic priority need from prisoners and instead applies a vulnerability test, a move that was favoured by some of our interviewees, but considered a “backward step” by others.

A cross-sector Working Group has been established by the Minister to propose a 'National Pathway for Homelessness Services to People in the Secure Estate' to ensure that appropriate accommodation is available for homeless former prisoners on their release from prison. The idea is to have an individually-tailored approach which is more effective than the rather perfunctory assistance that prisoners often seemed to have received from LAs, despite having priority need status.

¹⁰⁷ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The Homelessness Monitor: Wales 2012*. London: Crisis.

¹⁰⁸ Ibid.

However, the whole question of homeless ex-prisoners clearly remains an area of acute controversy in Wales with much of the comment received on the draft Code of Guidance, for example, relating to clarification on the respective responsibilities of criminal justice and housing sectors. Shelter Cymru have recently published a report on best practice in preventing homelessness amongst ex-prisoners.¹⁰⁹ The Welsh Government will also fund a specific evaluation of the 'National Pathway' for homeless prisoners.¹¹⁰ This is therefore an area of very intensive activity in Wales at present, the results of which are likely to be of interest elsewhere in the UK.

Vulnerability

A major focus of attention during the passage of the Housing (Wales) Bill related to the nature of the vulnerability criterion applied to prisoners, rough sleepers and other relevant groups. What is known as the 'Pereira test'¹¹¹ is now contained on the face of the legislation in Wales. This specifies that a person is 'vulnerable' for the purposes of assessing priority need if they would be 'less able to fend for' themselves if they were to become street homeless than would 'an ordinary homeless person who becomes street homeless'. While this was viewed by some interviewees as a welcome attempt to bring some clarity to the vulnerability test, others were concerned by what they considered the high threshold that it sets.¹¹² On the other hand, the formulation was presented by the Welsh Government as a compromise between the extremely high test set in some

recent case law,¹¹³ and the preferred position of some in the voluntary sector ('less able to fend for themselves than an ordinary person'). The latter position would apparently have been considered by some key actors on the LA side as an attempt to reintroduce automatic priority need for ex-prisoners "by the back door".

Interestingly, a very recent Supreme Court judgment has now significantly altered the Pereira test, and settled on a definition of vulnerability much closer to the voluntary sector preferred position.¹¹⁴ In and of itself, this new case law will not alter the legislative position now adopted in Wales,¹¹⁵ though the Welsh Government has apparently satisfied itself that the position in Wales is little different to that which now pertains in England, given that the 'ordinary homeless person' (as opposed to the 'ordinary street homeless person') is very similar to 'an ordinary person'.

3.3 Housing policies in Wales

Housing policy in Wales has not to date been as distinctively different to English policy as has been the case in Scotland. Under the initial devolution arrangements from 1999, the range of powers available to Wales were far more limited than those available to Scotland, as it continued to be tied to primary legislation laid down by the Westminster Parliament, and had to seek specific derogation to gain additional powers beyond the scope of the regulatory powers available through existing legislation.

109 Shelter Cymru (2015) *Settled: Good Practice in Homelessness Prevention Among Prison Leavers*. Cardiff: Shelter Cymru and the Oak Foundation.

110 Peter Mackie and Ian Thomas are undertaking a review of the outcomes of the priority need status of homeless prison leavers in Scotland through the Administrative Data Research Centre – the intention is to inform developments in Wales and across the UK. This analysis is only possible in Scotland due to the lack of individual-level data in England and Wales.

111 R. v Camden LBC, ex p Pereira (1998) 31 HLR 317, CA.

112 Davies J. (2014) 'The Housing (Wales) Bill – a view from a former Housing Minister', *Click on Wales*, June 25th: <http://www.clickonwales.org/2014/06/the-housing-wales-bill-a-view-from-a-former-housing-minister/>

113 Johnson v Solihull MBC [2013] All ER (D) 71 (Jun)

114 Peaker, G. (2015) 'Vulnerability – a fresh start', *Nearly Legal blog*, 13th May: <http://nearlylegal.co.uk/blog/2015/05/vulnerability-a-fresh-start/>

115 www.cih.org/news-article/display/vpathDCR/templatedata/cih/news-article/data/Wales/pereiratest

However, the UK Government has more recently devolved much wider powers to the Welsh Government, providing it with much greater scope to amend the operation of housing and other legislation within Wales. It has already used those powers to provide a new basis for regulating housing associations, and to amend the operation of the right to buy (RTB),¹¹⁶ and last year saw the introduction of the Housing (Wales) Act 2014, which included important new provisions in respect of homelessness (see above).

The new Act also laid the basis for a fundamental reform of the financial arrangements for the council housing sector, which this April brought to an end the requirement to transfer annual ‘surpluses’ to HM Treasury (following on from the similar change made in England in 2012). However in order to do that councils had to take on an additional debt (of the order of £1 billion), and it will be a little while before they will be in a position to effectively exercise the greater freedoms they now have to plan and finance future expenditure and investment programmes. These changes were very much welcomed in the local government sector in Wales:

“Just a little chink of good news though is that from April, local authorities will be out of the HRA [Housing Revenue Account] system in Wales, which is a great cause for celebration and there is an appetite to build again. There’s a real interest in council housing coming back on to the agenda. That’s not going to happen overnight, but it means that slowly but surely we’ll see an additional source of social housing coming through in Wales which is good.” (Local government representative)

The Welsh government has also introduced a policy framework that should, over time, bring

some consistency to levels of social sector rents both within and between the council and housing association sectors, while leaving individual landlords in full control over the details of their rent setting policies.

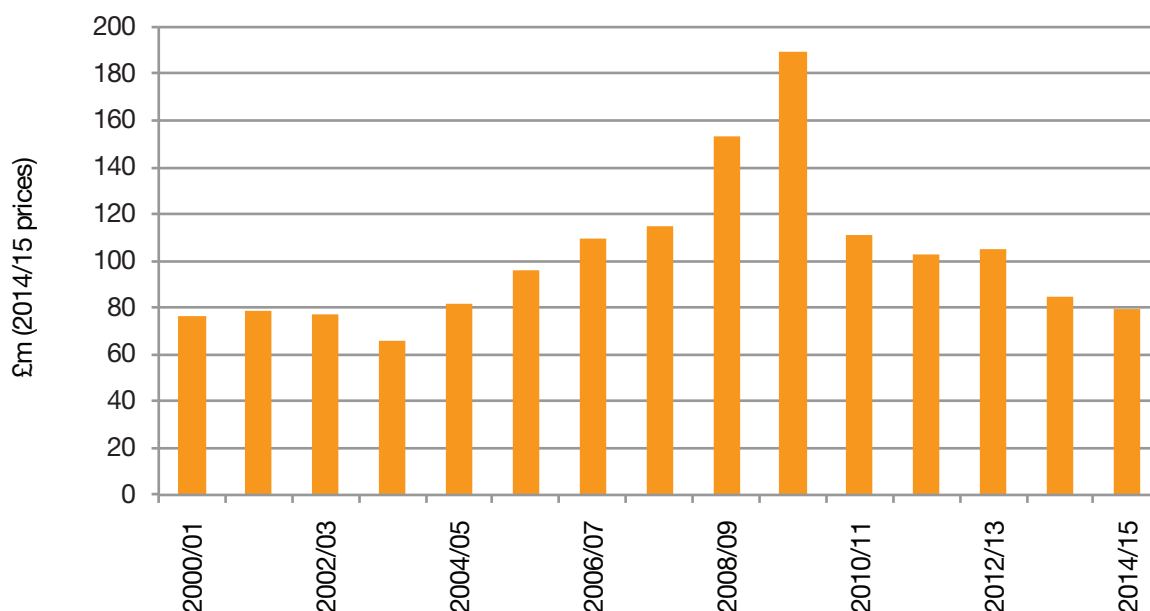
The new Act has also led to a flurry of consultations before a number of the new powers are exercised. These include consultations on the licensing and regulation of private landlords and lettings agents, and on the application of council tax to second homes and empty dwellings. As discussed in the previous section there are also proposals to simplify the legal rules governing private sector tenancies. However, unlike in Scotland, there are no plans to provide any greater degree of security of tenure for private tenants; indeed as discussed above the Welsh plans involve some weakening of the current provisions. The Welsh Government also now proposes to further reduce levels of RTB discounts, and then to move on to abolish RTB altogether.

While the Welsh Government is now making use of its far wider housing powers, those additional powers have come into play at the same time as the Welsh Government has found its overall budget squeezed by the UK government’s austerity measures.

The overall Departmental Expenditure Limit (DEL) budget for the Welsh Government has been cut by 8.3% in real terms since 2010/11.¹¹⁷ Under the terms of the 2014 Autumn Statement overall UK public spending is set to fall further in real terms in the years to 2019/20, and following the results of the UK general election there is a government manifesto commitment to further curtail UK public spending over that period. Inevitably those wider UK expenditure plans will have implications for Welsh government budgets.

¹¹⁶ Welsh Government (2011) *The Housing (Wales) Measure 2011*. Cardiff: Welsh Government. <http://wales.gov.uk/topics/housingandcommunity/housing/publications/measure2011/?lang=en>

¹¹⁷ Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

Figure 3.1 Investment in new affordable housing

Source: UK Housing Review Table 76

Within those constraints the Welsh government did substantially increase investment levels in new affordable housing in 2008/09 and 2009/10, but since then investment has fallen back to levels similar to the relatively low level of provision a decade earlier (see Figure 3.1).

Provision for investment to increase the supply and choice of housing (i.e. the social housing grant) is also now set to fall to just over £72 million in 2015/16, although if the practice of recent years is continued there may well be additional supplementary financial allocations made during the course of the year. It should be noted that since 2013/14 the Welsh government has been providing an additional form of revenue grant, of some £4 million a year, to finance

the additional provision of some 1,000 new affordable dwellings by 2016.

Altogether the new supply of 'affordable housing' was just over 2,400 dwellings in 2013/14, up from just over 2,000 the previous year, and at broadly the same level achieved in the three preceding years.¹¹⁸ But within that wider total just 1,166 were new social rent dwellings provided by Welsh RSLs, very similar to the level achieved in 2011/12 and 2012/13. The year also saw 460 intermediate rent dwellings provided by RSLs in Wales; this is rather more than in 2012/13, but less than in 2011/12. Over those three years the supply of intermediate rent dwellings accounted for about a quarter of all new RSL supply. However these dwellings are targeted at 'intermediate income' households, unlike in England where intermediate rent has

now almost entirely replaced the supply of new social rent dwellings and provides for the same 'general needs' households as social rent. An increase in the supply of overall affordable homes is also planned for in 2014/15 and 2015/16 with almost 6,000 additional affordable dwellings projected to be completed during those two years.

On the wider supply figures the Welsh Government would appear to be on course to meet its own target of developing some 10,000 new social and affordable homes during the four year term of the current Welsh Government. However, that target should be seen in the context of independent estimates that some 5,000 additional 'non market' homes are required each year.¹¹⁹ That said, this latter figure is now somewhat dated (from 2010), and as with all projections, may be subject to revision in light of changing demographic and other contextual factors.

It is widely accepted, outside as well as within Wales, that the Welsh Government does not get a favourable deal out of the overall 'Barnett formula' based devolution funding arrangements, especially compared to Scotland and Northern Ireland. Nonetheless, it is also the case over the decade following the 1999 devolution settlement housing expenditure in Wales formed a lower proportion of total government expenditure than in England, reflecting a lower effective priority given to housing investment by the then Welsh Government. However, in more recent years the Coalition Government in England cut housing investment far more sharply, and there is now only a limited difference between the two countries in the

proportions of their government budgets devoted to housing expenditure.¹²⁰

3.4 Welfare reforms

The raft of Coalition Government welfare reform measures likely to impact on homelessness have now all been operating for some time, albeit they are still set to be reinforced by further cutbacks in the coming years, consequent both on measures already announced by the Coalition Government, and the further measures announced by the new Conservative Government in the 2015 Summer Budget. Initial impacts from these welfare reform policies are now clearly apparent, albeit in most cases it remains too early to comprehensively assess their impact. A detailed description of this reform programme is provided in previous Monitors,¹²¹ and in the discussion below we focus on the most recent developments in Wales.

It has been estimated that in overall terms the programme of welfare reforms will this year take some £19 billion pounds a year out of the pockets of low income households (and the economy) in Great Britain.¹²² Within that, the individual welfare reforms vary significantly in their spatial impact, but taken together there is also a clear pattern in terms of those regions and localities where the overall impacts of the government welfare reforms and cutbacks will be greatest.¹²³ While losses equate to an average of £470 a year for every working age adult across Great Britain, in fifty areas the losses average £600 or more for each adult, and five of the twenty five most disadvantaged areas are in Wales

¹¹⁹ Holmans, A. & Monk, S. (2010) *Housing Demand and Need in Wales 2006 to 2026*. Cardiff, Welsh Assembly Government.

¹²⁰ Wilcox, S. & Pawson, H. (2012) *UK Housing Review 2011/2012*. Coventry: CIH; Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

¹²¹ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis; Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis.

¹²² Beatty, C. & Fothergill, S. (2013) *Hitting the poorest places hardest: The local and regional impact of welfare reform*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

¹²³ Ibid.

(Merthyr Tydfil £720, Blaenau Gwent £700, Neath Port Talbot £700, Rhondda Cynon Taff £670, Caerphilly £640).

More generally, a recent study has shown that the overall package of Coalition Government tax and welfare reforms were fiscally broadly neutral, with the savings from the welfare cuts effectively used to pay for tax reductions. It also showed that all those in the lowest half of the income distribution were net losers from those tax and benefit changes, while all those in the top half of the income distribution (except the top 5%) made net gains. The biggest losers were those in the lowest three income deciles, where the impact of the benefit cuts far outweighed the gains from tax and state pension provisions.¹²⁴

It is in this wider context that we focus on the most recent developments that have a direct relevance for homelessness and the housing market for low income households.

Local Housing Allowance

Changes to the Local Housing Allowance (LHA) regime for private tenants led the way in the welfare reform agenda, and have been applicable to all new claimants since April 2011, and to all existing claimants for a period of between almost two to three years, dependent on their circumstances. The key initial changes were to set LHA rates based on thirtieth percentile market levels, rather than market medians, and to set maximum caps that further reduced LHA rates in inner London. Since April 2013 those LHA rates have been uprated by the lower of either inflation (CPI) or changes in market rents. These reforms are of particular significance in the context of homelessness policies that are placing more emphasis on households securing accommodation in the private rented sector (PRS).

Administrative data on LHA claims is now available for the period to November 2014. Nationally, this shows that the number of LHA claimants continued to rise after March 2011 through to the beginning of 2014, but at a much slower rate than in the four years prior to the LHA reforms. However, more recently numbers have begun to fall. In Wales as a whole the numbers of private tenants in receipt of Housing Benefit rose from 79,130 in March 2011 to 86,260 in May 2014, before falling back to 84,810 by February 2015. That represents a 7.2% net increase over the three years to February 2015.

While the working through of the lower LHA rate regime, and the further downward drift of LHA rates through CPI uprating will have contributed to the decline in LHA claimant numbers since May 2014, this period also saw a fall in the overall Jobseekers Allowance (JSA) claimant count. The net decline in Housing Benefit claimants over the year was proportionately far greater in the PRS, than in the social rented sector. However other factors, such as the age profile of tenants in the two sectors, may have contributed to the greater rate of decline in the PRS, as well as the impact of the LHA reforms.

There has also been a substantial decline in the numbers of younger single households in receipt of Housing Benefit, following the extension of the Shared Accommodation Rate (SAR) to single people aged 25 to 34. Between December 2011 and February 2015, 25-34 year olds in receipt of Housing Benefit in the PRS in Wales fell by 1,060 (16%). However, it is also notable that throughout that whole period those under 25 in receipt of Housing Benefit fell rather more sharply – in total by 860 (22%). Overall, the numbers of single people aged under 35 in receipt of Housing Benefit fell by 18% between December 2011 and February 2015.

124 De Agostini, P. Hills, J. & Sutherland, S. (2014) *Were we really all in it together? The distributional effects of the UK Coalition government's tax-benefit policy changes*, CASE Working Paper 10. London: London School of Economics and Political Science.

Given that overall LHA claimant numbers were still higher at the end of this period, this reduction in the numbers of young single Housing Benefit claimants might be taken as a consequence of the combined effect of the SAR being extended to a broader age range and its being set to the lower 30th percentile market level (it was in any event already much lower than one bedroom rates). It is certainly consistent with the reports from agencies about difficulties in securing accommodation in the PRS for younger single people and research showing the very limited availability of private rented accommodation with rents within reach of the new SAR rates.¹²⁵

The published Housing Benefit data shows that the average payments made to private tenants have declined since the new LHA regime was introduced. A number of factors have contributed to this, including the LHA caps in inner London, and the rise in the numbers of working claimants who receive partial, rather than ‘full’ Housing Benefit. However, one of the main findings of the DWP evaluation of the new LHA regime was that for existing claimants, only 11% of the reduction was attributable to landlord rent reductions, with the bulk of the reduced entitlement having to be met by the claimants. For almost half this involved cutting back on other expenditures on household ‘essentials’, and nearly a third borrowed money from family or friends.¹²⁶

It should also be recognized that while the LHA reforms are now fully operational, there will be a further time lag before the long-term market responses to those reforms by claimants and landlords will be seen. Those responses will also be changing over time

as the CPI limits on uprating LHA look set to depress LHA rates relative to movements in market rents. More immediately, following a decision announced in the 2013 Budget, in 2014/15 and 2015/16 they will be uprated by just 1%. While the need to curb rent inflation was one of the original justifications for the LHA restrictions, only 10% of respondents to our online survey of English LAs believed that this aspiration had been achieved in their area, and two thirds of London-based respondents expressed strong disagreement.¹²⁷

The Benefit Cap

The overall cap on welfare benefits was introduced in four local authorities in April 2013, and was rolled out on a phased basis, so that since the end of September 2013 it has been operated across the whole of the country. The cap – set at £350 per week for single people, and £500 for all other households – applies to out-of-work households below pensionable age, with a number of exemptions for households with disabilities.

The limits impact particularly on larger families, and households in higher rent areas. The impact assessment estimated that some 58,000 households would have their benefits reduced as a result of the benefit cap, of which some 1,500 were expected to be in Wales. While the (median) average estimated benefit reduction was £62 per week, for a third of all cases the estimated reduction was greater than £100 per week.¹²⁸

In practice, the benefit cap has, since its full implementation, impacted on only about one half of the numbers of households estimated

¹²⁵ Sanders, B. & Teixeira, L. (2012) *No room available: study of the availability of shared accommodation*. London: Crisis.

¹²⁶ Beatty, C., Cole, I., Powell, R., Kemp, P., Brewer, M., Emmerson, C., Hood, A. & Joyce, R. (2014) *Monitoring the impact of changes to the Local Housing Allowance system of Housing Benefit: Final Reports*. London: DWP.

¹²⁷ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) *The Homelessness Monitor: England 2015*. London: Crisis. www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2015_WEB.pdf

¹²⁸ DWP (2012) *Benefit Cap (Housing Benefit) Regulations 2012: Impact Assessment for the Benefit Cap*. www.gov.uk/government/uploads/system/uploads/attachment_data/file/220178/benefit-cap-wr2011-ia.pdf

in the impact assessments.¹²⁹ Changes of circumstances have seen continuous monthly flows of households into and out of the benefit cap. In February 2015, 706 households in Wales were subject to the cap, while a further 1,020 households had been subject to the cap at some point, but were no longer capped in February 2015. Amongst those who ceased to be impacted in Great Britain as a whole, the reason for almost two fifths was that they were in work and had an open Working Tax Credit claim. However, it is not clear how far the benefit cap, in itself, has contributed towards the move of impacted households into work, as changes in circumstances and moves in and out of often insecure and low paid employment is an established pattern for many low income households.¹³⁰ Our key informants concurred that the benefit cap was a small-scale issue in Wales, though could have major implications for the limited number of families affected.

The 'Bedroom Tax'

Limits on the eligible rents for households in the social rented sector were also introduced in April 2013, based on the number of bedrooms the household are deemed to require by size criteria essentially derived from the social survey 'bedroom standard' measure established in the 1960s. Officially these limits have been designated as the 'Spare Room Subsidy' limits, but they have been more widely referred to as the 'Bedroom Tax'.

To put the 'Bedroom Tax' in context, it should be recognised that 73% of all households in Great Britain occupy dwellings with more bedrooms than specified by the bedroom standard. Within that overall picture, a

far higher proportion of home owners occupy dwellings above the bedroom standard (85%) than do social sector tenants (43%). Numerically all social sector tenants occupying dwellings above the bedroom standard account for just 11% of all households in Great Britain occupying dwellings above the standard, while working age social sector tenants in receipt of Housing Benefit account for less than 3% of all households above the standard. In other words, to the extent that this is a policy measure designed to reduce levels of under-occupation relative to the bedroom standard it is only operating in one tiny corner of the housing market.¹³¹

DWP estimated that the 'Bedroom Tax' would impact on some 660,000 households across Great Britain as a whole, of which 40,000 would be in Wales. It is also notable that almost two thirds of the claimant households estimated to be affected involved a disabled claimant or partner.¹³² That estimate did not, however, include households with a disabled child.

As with the overall benefit cap, the actual numbers of households impacted by the size criteria have proved to be some way below the levels estimated in the impact assessments, with no evidence that any more than a very small part of the difference could be attributed to households moving or otherwise changing their circumstances so as to avoid the impact. Similarly, while some landlords have selectively redefined the number of bedrooms in some of their stock, the evidence shows that this has been only on a very small scale.¹³³ The May

¹²⁹ DWP (2014) *Benefit Cap: GB households capped to August 2014*. www.gov.uk/government/uploads/system/uploads/attachment_data/file/370587/benefit-cap-statistics-to-aug-2014.pdf

¹³⁰ Green, A., Elias, P., Hogarth, T., Holmans, A., McKnight, A. & Owen, D. (1997) *Housing, Family and Working Lives*. Warwick: Institute for Employment Research, University of Warwick; Hills, J., Smithies, R. & McKnight, A. (2006) *Tracking Income: How Working Families' Incomes Vary Through The Year*. London: Centre for the Analysis of Social Exclusion, London School of Economics.

¹³¹ Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

¹³² DWP (2012) *Housing Benefit Size Criteria for People Renting in the Social Rented Sector: Equality Impact Assessment*. Updated June 2012. www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf

¹³³ Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thompson, E., Whitehead, C. & Williams, P. (2014) *Evaluation of Removal of Spare Room Subsidy: Interim Report*. London: DWP.

2013 figures showed just under 560,000 households subject to the size criteria limits (adjusting for initial under reporting), of which some 35,700 were in Wales, while overall social renting case numbers for May 2013 and the previous months offering no support for the impact assessment suggestion that a substantial number of Housing Benefit claimants receiving modest levels of 'partial' benefit would be 'floated off' as a result of the size criteria deductions.

By February 2015 the numbers of tenants subject to the reductions in Wales had fallen by 14% to some 30,840. As with the monthly benefit cap figures, it must be recognized that this is a net reduction in the numbers of tenants impacted, with household changes in circumstances leading to some tenants becoming newly subject to the size criteria limits each month (i.e. when a child ceases to be a dependant), at the same time as other households cease to be subject to the limits.

DWP data for Great Britain as a whole shows that of the 195,000 households ceasing to be subject to the size criteria over the period to December 2013, almost 90,000 ceased to claim Housing Benefit altogether, while nearly 62,000 had an increase in their bedroom entitlement. Just 18,740 moved into smaller accommodation within the social rented sector, while 3,600 moved into the private rented sector.¹³⁴

A number of reports have now provided evidence on the impact of the size criteria limits during the first six months of their operation, and some of the issues this has raised.¹³⁵ These confirmed that the majority of impacted tenants did not consider themselves to be 'over accommodated'. This is not surprising given that, as seen

above, the 'bedroom standard' on which the size criteria is based is out of touch with contemporary social values and practice.

The tightness of the size criteria inevitably resulted in a host of concerns about the circumstances in which additional bedrooms were needed, whether for disability or other medical reasons, or for carers of children of separated or divorced parents in circumstances wider than those recognized by the criteria.

A related issue is that the criteria assumes that any bedroom can be shared by two children, regardless of how small it might be, or the age of the children. This is in contrast to the statutory overcrowding criteria which clearly specify minimum space standards for rooms to be seen to be available either for single use or for sharing by children of different ages (albeit that the statutory criteria also takes living rooms into account as well as bedrooms). Indeed a number of first tier tribunal appeals have referred to the statutory criteria to hold that some rooms are too small to be considered as bedrooms.

A broader concern about the application of the size criteria is that in many areas there is a shortage of smaller social sector dwellings available for 'downsizing' transfers. The numbers of transfers and mutual exchanges in the social sector in Wales did increase by just over a 1,000 in 2013/14, but even if the whole of that increase could be attributed to the 'Bedroom Tax' then this would be equivalent to just 3% of those impacted by the 'Bedroom Tax'. The constraint on the availability of smaller dwellings is particularly apparent in Wales, where there is a greater structural mismatch between the size of dwellings within the stocks of

¹³⁴ DWP (2014) *Removal of the Spare Room Subsidy: Analysis of changes in numbers subject to a reduction in Housing Benefit award*. London: DWP.

¹³⁵ Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim Report*. London: DWP; Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF; Ipsos MORI (2014) *Impact of welfare reforms on housing associations: Early effects and responses by landlords and tenants*. www.ipsos-mori.com/Assets/Docs/Publications/sri-ipsos-mori-nhf-report-impact-of-welfare-reforms-on-housing-associations-2014.pdf.

social landlords, and the size of dwellings households are deemed to require under the 'Bedroom Tax' criteria.

One bedroom dwellings comprise less than a fifth of the total social sector stock in Wales, and the mismatch is greater in some areas, and for some individual social landlords. In some of those areas, 'under-occupation' as defined by the size criteria has been an established practice supported by social landlords as a means of balancing the supply and demand for their larger dwellings.

In this context, some landlords have calculated that it would take them between five and thirteen years to provide smaller sized accommodation for all those households affected.¹³⁶

A further indication of the greater mismatch in Wales between social housing stock and households deemed requirements is evidenced by the higher proportion of social sector tenants in Wales that have had their Housing Benefit reduced because of the 'Bedroom Tax' – a fifth in Wales, compared to just 15% for England as a whole.¹³⁷

A (Great Britain wide) landlord survey undertaken for DWP found that, after five months, only two fifths of the impacted tenants were making rent payments in full, two fifths were making good some part of the size criteria deductions, and one fifth were not making any payment to cover the shortfall.¹³⁸ Almost three fifths of the impacted tenants were either reducing spending on household essentials, or running up debts, while one in four had borrowed money, mainly

from family or friends, to help manage the shortfall. It must also be recognized that for about one in ten¹³⁹ of the impacted tenants, their capacity to meet the shortfall was the result of successful claims for Discretionary Housing Payments. These payments are discussed in the following section.

A survey by the Welsh Audit Office found that a half of the responding social sector tenants saw their debt rise either as a result of the 'Bedroom Tax' or the benefit cap. It also found that the use of food banks in Wales has increased, and almost a half of all the referrals of social sector tenants to the 35 food banks in Wales were based around issues of incomes or benefits.¹⁴⁰ Similarly a Great Britain survey by the Trussell Trust found that three fifths of all food banks cited the 'Bedroom Tax' as a significant factor driving demand for their services.¹⁴¹

While rent arrears as a result of the 'Bedroom Tax' can only grow gradually given that the 'Bedroom Tax' is based only on a percentage of the rent, nonetheless in time it can clearly be expected to have an impact on levels of social sector evictions. Indeed it is likely to have been a factor in the rise in the level of social landlord possession actions in Wales in 2013 (see Figure 2.10 above). That the impact on rent arrears in Wales has not been greater is in part down to the provision of Discretionary Housing Payments, discussed in the following section.

Discretionary Housing Payments

Limited budgets for Discretionary Housing Payments (DHPs) have been made available to local authorities to assist in cases

¹³⁶ National Federation of ALMOs (2013) *Welfare Reform Survey Summary of Responses October 2013*. Coventry: National Federation of ALMOs.

¹³⁷ Auditor General for Wales (2015) *Managing the Impact of Welfare Reform Changes On Social Housing Tenants in Wales*. Cardiff: Welsh Audit Office.

¹³⁸ Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim Report*. London: DWP.

¹³⁹ Ibid.

¹⁴⁰ Auditor General for Wales (2015) *Managing the Impact of Welfare Reform Changes On Social Housing Tenants in Wales*. Cardiff: Welsh Audit Office.

¹⁴¹ The Trussell Trust (2015) 'Foodbank use tops one million for first time says Trussell Trust', *The Trussell Trust Press Release*, 22nd April: www.trusselltrust.org/resources/documents/Press/Trussell-Trust-foodbank-use-tops-one-million.pdf

where they recognise the household's requirements for additional bedrooms, but as is inevitably the case with such discretionary provisions, they are difficult to administer, their application is patchy, and in the past budgets have often been underspent.¹⁴² Early indications of their use for 'Bedroom Tax' cases suggested that during the first six months they were only being made available for some one in ten of the tenants affected by the limits,¹⁴³ but the expenditure data suggests that numbers of DHP awards increased substantially in the second half of the financial year.

Indeed, data for 2013/14 showed that in Wales the total DHP expenditure slightly exceeded the overall (£6.3 million) DWP budget allocations for Welsh authorities, with fifteen authorities spending above the level of their DWP allocation, and five spending within the level of the DWP allocations.¹⁴⁴ The higher levels of expenditure in the fifteen areas were made possible by the additional support provided by the Welsh Government. The Welsh Government made an additional £1.3 million available to supplement the DWP budget provisions, of which just under £1 million was allocated, and £798,000 was spent. One reason the Welsh Government provisions were not fully utilised is that they were only made available quite late in the year.¹⁴⁵

The DWP analysis also showed that while provision for 'Bedroom Tax' cases amounted to only just over a third of total DWP budget provision, outturn expenditure on 'Bedroom Tax' cases was equivalent to just over a half of the DWP provision. In effect authorities

made use of their discretion within the total DWP budget provisions to give a higher priority to 'Bedroom Tax' cases, and a lower priority to LHA and benefit cap cases. In Wales 'Bedroom Tax' cases accounted for two thirds of all DHP cases during the year, while LHA cases accounted for one eighth, and benefit cap cases were just 2% of all cases.

Data for 2014/15 shows that Welsh councils as a whole continued to overspend against their DWP budget allocations for the year, despite the absence of any further Welsh Government support for their DHP expenditure in that year. Total Welsh spend amounted to 104% of the DWP allocation, despite eight authorities slightly underspending against their allocations. DWP data for England and Wales also showed a continuing high priority being given to 'Bedroom Tax' cases, with spending exceeding allocations by almost 30%, with funding being switched from allocations notionally provided for either LHA or benefit cap cases.¹⁴⁶

This is a further indication of the pressures resulting from the 'Bedroom Tax' policy. Concerns have also been expressed about some councils taking DLA awards into account when making the income assessments for DHP eligibility, and as a result denying DHPs to some of the disabled households living in specifically adapted accommodation.¹⁴⁷ More generally the case has been made that such households should be exempted from the 'Bedroom Tax' provisions, rather than have to rely on discretionary assistance.¹⁴⁸

142 Merrick, N. (2012) 'Councils underspend payments for struggling households by £8 million', *Guardian Professional*, 25th June: www.theguardian.com/housing-network/2012/jun/25/discretionary-housing-payments-underspend

143 Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thompson, E., Whitehead, C. & Williams, P. (2014) *Evaluation of Removal of Spare Room Subsidy: Interim Report*. London: DWP.

144 DWP (2014) *Use of Discretionary Housing Payments: Analysis of annual financial and monitoring returns from local authorities*. London: DWP.

145 Welsh Government (2014) *Evaluation of Additional Discretionary Housing Payments Funding Provided by the Welsh Government to Local Authorities for 2013/14*. Cardiff: Welsh Government.

146 DWP (2015) *Use of Discretionary Housing Payments GB: Analysis of End of Year Returns from Local Authorities April 2014 – March 2015*. London: DWP.

147 Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

148 Wales and West Housing (2014) 'Who pays? The impact of the removal of the spare room subsidy on disabled residents living in adapted properties in Wales', *Wales and West Housing*, 6th February: www.wwha.co.uk/About-Us/News/Pages/Public-money-set-to-be-wasted.aspx

Looking ahead, there have also been concerns that the DWP budgeted provision for DHPs will not be maintained going forward – and indeed the total DWP budgeted provision for 2015/16 has already been cut by some 25%, albeit that the notional element within that for ‘Bedroom Tax’ cases has not in itself been cut. Nor are there any current Welsh Government plans to provide additional financial support for DHPs beyond the one off provisions they made in 2013/14 (but see below on the DHP announcements made in the July 2015 budget). This was a cause of very considerable concern from a homelessness perspective:

“We’ve a lot of people among our client base who are basically being kept in place solely by the DHP.” (Voluntary sector representative)

“... DHP is sort of masking any problems I think with the ‘Bedroom Tax’, so at the moment tenants are quite happy. They’re not seeing the impact of welfare reform because they’re getting their 75 per cent or 86 per cent of their rent covered and then the remainder is covered by DHP so they’re still getting their full rent covered by Housing Benefit, it may be out of two pots but they’re still getting their Housing Benefit covered. At some point, that DHP pot is going to be reduced or the Housing benefit officers are going to say we can’t carry on sustaining it because you know you’ve been in this situation now for one year, two years, three years, at some point that DHP pot, that DHP claim will end. Then I think we’re going to see rent arrears rising when people find they’re having to find £10, £20 a week out of their benefit and other income which is the basic Jobseeker’s...” (LA homelessness officer)

On a more positive note, and within those financial constraints, twenty Welsh councils have now agreed to adopt a common framework for the assessment and provision of DHPs.¹⁴⁹

Universal Credit

The Universal Credit (UC) regime is intended to combine several existing benefits, including Housing Benefit, and to radically simplify the structure of welfare benefits in the UK. The new regime is now operational in a small number of pathfinder areas, but the overall timetable for rolling out the new regime has now been deferred from original plans, not least due to difficulties in developing the IT system for a still complex scheme, where the detailed regulations and operational requirements for the scheme were not finalised until quite recently. Poor management and lack of cost controls in the development of the new regime have been severely criticised in two reports from the National Audit Office.¹⁵⁰

At the end of July 2013, the UC regime was being introduced for some new claimants in four areas in England, and by the end of September 2014 it was operational in some 50 Jobcentres in England, Scotland and Wales, with the roll-out across the rest of the country planned to take place at some time during the course of the following eighteen months. However, it will be mid-2016, at the earliest, before the scheme is planned to begin being applied to existing claimants. It must also be noted that all the DWP statements about the roll out programme relate only to single claimants, and it is not clear how soon the roll out will follow for ‘more complex’ household types.

¹⁴⁹ Welfare Reform Club. (2015) ‘New framework to help tenants pay their rent to be introduced in Wales’, *Welfare Reform Club*, no date: <http://welfare-reformclub.net/138-2/welfare-reform-club-news/>

¹⁵⁰ National Audit Office (2013) *Universal Credit: early progress*. www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf; National Audit Office (2014) *Universal Credit: progress update*. www.nao.org.uk/wp-content/uploads/2014/11/Universal-Credit-progress-update.pdf

The prospect of single monthly payments to one bank account – and move away from direct payment of rent to social landlords – is a key homelessness concern associated with the move towards UC, and raises particular anxiety amongst organisations working with vulnerable groups and those with complex needs, such as alcohol or drug problems, who may struggle to budget on a monthly basis. It has also been a focus of concern amongst domestic violence organisations, as financial abuse is often a key means by which violent men maintain control over their partners

For supported accommodation providers, there had been significant anxieties about ambiguities around the definition and treatment of ‘exempt accommodation’, including hostels, refuges and related provision. Those concerns have been substantially eased, however, by an agreement to exempt ‘specified’ supported accommodation from both direct payments and the benefit cap.¹⁵¹ However, this exemption will not extend to other forms of accommodation that may be used for homeless or vulnerable groups, such as private lets, flatshare schemes, supported lodgings, etc., nor will it cover temporary accommodation.

Concerns have been reinforced by the experiences of the social landlords involved in the DWP direct payment demonstration projects. After twelve months in operation, average rent payment rates across the projects were estimated to be 6.6% lower than would have been the case without direct payments. Thirty per cent of all tenants reported that they were behind with their rents due.¹⁵² While rates of underpayment

declined over the course of the operation of the projects, under payments were also erratic and difficult to predict (and therefore manage), reflecting the complexities and challenges of unforeseen circumstances on low income households’ budgets. Similar concerns have been raised by a Welsh Task and Finish Group, that have also noted the anomaly that direct payments to landlords will continue to be made to landlords in Scotland and Northern Ireland, but not in England and Wales.¹⁵³ Our key informants certainly expressed strong reservations about the potential homelessness implications of UC:

“... there was a pilot in Bron Afon... in South Wales which was fairly hair raising in terms of debt levels... they were given a very clear message from DWP not to publicise the outcome of it, but I think they were so shocked by the outcomes that they felt they had to share the information. So I think that’s fairly hair raising really and tenants who never had any history of rent arrears went into rent arrears for the first time. So it was exacerbating those where there was already an issue, but also bringing a whole new group into rent arrears and they took a proportion of tenants out of the pilot because they saw it was very damaging...” (Local government representative)

The scope for much greater problems with UC-prompted social sector rent arrears than those associated thus far with the ‘Bedroom Tax’ was emphasised:

“...I think the danger of Universal Credit is people will not pay... with the ‘Bedroom Tax’ they’ll... not pay the under occupation then we’ll ...have to make do with the 75

¹⁵¹ Sitra & Homeless Link (2014) *Changes to Supported Accommodation contained in the “The Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014”*. <http://www.homeless.org.uk/sites/default/files/site-attachments/Specified%20accommodation%20briefing.pdf>

¹⁵² Hickman, P., Reeve, K., Wilson, I., Green, S., Dayson, C. & Kemp, P. (2014) *Direct Payment Demonstration Project: 12 month stage reports*. London: DWP.

¹⁵³ A Welsh Government Task and Finish Group (2015) *Direct Payments of Housing Benefit in the Social Rented Sector and Sustainable Tenancies*. Cardiff: Welsh Government.

per cent or the 86 per cent. With Universal Credit they'll either pay it or they won't, and we could end up where people are just not paying anything even though they get the benefit to cover it.... They're not going to say, 'Well, you know, I've got £100 so I'll pay 75 per cent of it, so here's £75 and I'm keeping the rest', they just won't bother paying any of it I don't think." (LA homelessness officer)

While the UC regime (as currently formulated) will not, in itself, involve any further reduction in benefit levels, it will still involve gainers and losers relative to the current regimes, albeit that existing claimants will be provided with transitional protection. Neither however, will the UC regime mitigate other ongoing benefit reductions, such as the real terms increases in levels of non-dependant deductions.

Though the reforms are intended to promote transparency and work incentives, the impact of the reforms on incentives will be mixed. On the one hand, the removal of the confusing overlap of tax credit and Housing Benefit tapers, which can leave some households with only some five pence for every additional £1 of earnings, is itself welcome, but a consequence of the reform is that eligibility for UC will extend much further up the income scale than under the current Housing Benefit regime.¹⁵⁴ The failure to include Council Tax benefit within Universal Credits also detracts from the simplification and incentive objectives for the scheme.

Benefit conditionality and sanctions

The impact of benefit conditionality and

associated sanctioning of income-related Jobseeker's Allowance (JSA) and Incapacity Benefit (IB)/Employment and Support Allowance (ESA) remains a concern in Wales and elsewhere in Great Britain. Trends in sanctioning in Wales have broadly tracked those in Great Britain as a whole, with the number of adverse sanctions decisions as a percentage of the claimant count doubling from 2.1 per cent in April 2000 to 4.9% in December 2013.¹⁵⁵ Wales continued to see a rise in the sanctioning rate in the year to December 2013 (up by 1.9 per cent in Wales, compared to 1.5% in Great Britain as a whole).¹⁵⁶ The most recent data, which covers the whole of Great Britain, appears to show a stabilisation of sanction referral rates at historically high levels of 6.5-7% (5.5% after review, reconsiderations and appeals) of claimants per month in 2014, after a surge during 2012 and 2013 and a peak of over 7% during 2013.¹⁵⁷ Welsh Government analysis identifies the most common reason for an adverse JSA sanction decision being failure to participate in the Work Programme without 'good reason'; not actively seeking employment; and, failure to attend or participate in an Adviser interview without 'good reason'. This analysis also identifies male claimants and young people as at greater risk of being sanctioned.¹⁵⁸

Though affecting smaller numbers of people, ESA sanction referral rates (across the whole of Great Britain) appear to have also stabilised at a historical high of just under 1% of claimants per month (0.5%-0.75% after reviews, reconsiderations and appeals). Wales-specific data suggests that the number of adverse ESA sanction decisions

¹⁵⁴ Wilcox, S. & Pawson, H. (2013) *UK Housing Review 2013 Briefing Paper*. Coventry: CIH.

¹⁵⁵ Welsh Government (2014) *Analysing the impact of the UK Government's welfare reforms in Wales: The impact of benefit sanctions*. <http://gov.wales/docs/dsjlg/report/141118-wr-impact-of-benefit-sanctions-env2.pdf>

¹⁵⁶ Ibid.

¹⁵⁷ Watts, B., Fitzpatrick, S., Bramley, G. & Watkins, D. (2014) *Welfare conditionality and sanctions in the UK*. York: JRF; Webster, D. (2014) *Briefing: The DWP's JSA/ESA Sanctions Statistics Release*, 18 February 2015. www.welfareconditionality.ac.uk/2015/03/sanction-statistics-the-trends-and-latest-information/

¹⁵⁸ Welsh Government (2014) *Analysing the impact of the UK Government's welfare reforms in Wales: The impact of benefit sanctions*. <http://gov.wales/docs/dsjlg/report/141118-wr-impact-of-benefit-sanctions-env2.pdf>

has increased from 1,814 in 2009, to a peak of 3,359 in 2013, falling slightly to 3,242 in 2014.¹⁵⁹

Echoing widespread concern across Great Britain,¹⁶⁰ key commentators in Wales raised anxieties about the application and negative impact of benefit sanctions. In November 2014 the Welsh Minister for Communities and Tackling Poverty expressed particular fears about the impact of sanctions on ESA claimants in Wales, and queried their implementation given the high rate of successful appeals.¹⁶¹ More recently, the Archbishop of Wales has emphasised the potential deleterious impacts of sanctions may be “*even worse in Wales*” than elsewhere in Britain due to relatively higher levels of poverty in the country.¹⁶²

There is evidence of particularly negative impacts of sanctions on certain groups, including young people, single parents, children, disabled people and those with physical and mental health problems.¹⁶³ There are also some indications that sanctions impact disproportionately on those experiencing homelessness, as highlighted in a recent Crisis funded scoping report

reviewing the impacts of benefit conditionality on this group.¹⁶⁴ This link between sanctions and homelessness was a theme echoed by several key informants who participated in this study, who highlighted the “*acute financial problems*” (Manager, voluntary sector homelessness organisation) linked to sanctioning that increasingly exacerbate the risk of homelessness. Several key informants reported seeing an increasing proportion of clients who had no income whatsoever, largely (though not exclusively) attributed to the increasing application of benefit sanctions.

Single and youth homelessness service providers emphasised the difficulties their often chaotic client groups face in meeting their obligations with Jobcentre Plus and/or under the Work Programme under the now “*more rigid and inflexible regime*” (Voluntary sector service provider). Those with mental health issues, borderline learning disabilities and poor literacy were identified as particularly struggling. There were said to be significant knock on effects on the amount of staff time taken up helping clients appeal sanction decisions, and – echoing wider research¹⁶⁵ – on the capacity of those

-
- 159 Calculated from data given in a DWP response to Freedom of Information request 2014-5070 https://www.google.co.uk/url?sa=t&trct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0CCiQFJAA&url=https%3A%2F%2Fwww.gov.uk%2Fgovernment%2Fuploads%2Fsystem%2Fuploads%2Fattachment_data%2Ffile%2F419918%2F5070-2014.pdf&ei=cGdMVaXABifXUYPygOgJ&usq=AFQJCNNG1w0E9Sn64Shyu7tGBF5dgg6ndZNw&sig2=03c0kTB9gT82Say-ipVv2Q&bvm=bv.92765956.d.d24
- 160 Church Action on Poverty (2015) *Time to Rethink Benefit Sanctions*, <http://www.church-poverty.org.uk/rethinksanctions/report>; House of Commons Work and Pensions Select Committee (2015) *Benefit sanctions policy beyond the Oakley Review: Fifth Report of Session 2014–15*. London: The Stationery Office Limited; Miscampbell, G. (2014). *Smarter sanctions: Sorting out the system*. London: Policy Exchange; Watts, B., Fitzpatrick, S., Bramley, G. & Watkins, D. (2014) *Welfare conditionality and sanctions in the UK*. York: JRF; Church Action on Poverty (2015) *Time to Rethink Benefit Sanctions*. www.church-poverty.org.uk/rethinksanctions/report; Beatty, C., Foden, M., McCarthy, L. & Reeve, K. (2015) *Benefit sanctions and homelessness: a scoping report*. London: Crisis.
- 161 BBC News (2014) ‘Welfare benefit sanctions rise ‘concern’ in Wales’, *BBC News*, 26th November: www.bbc.co.uk/news/uk-wales-politics-30202477
- 162 Church Action on Poverty (2015) ‘Churches call for urgent review of benefit sanctions’, *Church Action on Poverty Press Release*, 2 March: <http://www.churchinwales.org.uk/news/2015/03/churches-call-for-urgent-review-of-benefit-sanctions/>. See also JRF (2013) *Monitoring Poverty and Social Exclusion In Wales 2013*. York: JRF.
- 163 Adams, L. (2014) ‘Benefits sanctions double against women, disabled and lone parents’, *BBC News*, 17th July: www.bbc.co.uk/news/uk-scotland-28331544; Church Action on Poverty (2015) *Time to Rethink Benefit Sanctions*, www.church-poverty.org.uk/rethinksanctions/report; Watts, B., Fitzpatrick, S., Bramley, G. & Watkins, D. (2014) *Welfare conditionality and sanctions in the UK*. York: JRF. Beatty, C., Foden, M., McCarthy, L. & Reeve, K. (2015) *Benefit sanctions and homelessness: a scoping report*. London: Crisis.
- 164 Beatty, C., Foden, M., McCarthy, L. & Reeve, K. (2015) *Benefit sanctions and homelessness: a scoping report*. London: Crisis. See also Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. www.homeless.org.uk/sites/default/files/site-attachments/A%20High%20Cost%20to%20Pay%20Sept%202013.pdf; Crisis, St Mungo’s, & Homeless Link. (2012) *The programme’s not working: Experiences of homeless people on the Work Programme*. London: Crisis, St Mungo’s & Homeless Link; Homeless Link (2014) *Support for Single Homeless People in England: Annual Review 2014*. London: Homeless Link.
- 165 Beatty, C., Foden, M., McCarthy, L. & Reeve, K. (2015) *Benefit sanctions and homelessness: a scoping report*. London: Crisis.

in hostel-type accommodation to pay service charges, putting them at risk of eviction:

“...we are getting more clients who, because of sanctions, are not getting any money, whether it’s their fault or not, the hostel is evicting them ... Often young or young people and the chaotic ones really.” (LA representative, South Wales)

As in England,¹⁶⁶ several potentially positive developments are however noteworthy. First, reflecting apparent stabilisation in national trend data (see above), some homelessness service providers cautiously identified a slight easing of sanctioning practises after a “*period of particular harshness*” (Service manager, youth homelessness organisation). In some local areas, good working relationships with Jobcentre Plus/Work Programme staff seem to be enabling homelessness service provider to better advocate for their clients. For instance, concerns raised in the previous Welsh Monitor¹⁶⁷ that mandation to the Work Programme meant some clients missed out on more appropriate opportunities for training and education appear to have abated a little as homelessness services have negotiated somewhat more flexible arrangements¹⁶⁸ with providers. It should be noted, however, that providers continue to comment on the poor outcomes experienced by those client who do participate in the Work Programme.¹⁶⁹

Second, at the UK level, following the

independent Oakley review, there has been recognition of the difficulties faced by some vulnerable claimants in negotiating work-related requirements and conditionality.¹⁷⁰

The Government are implementing a number of Oakley’s recommendations,¹⁷¹ and this may in part underpin the apparent stabilisation of sanctioning rates (at historically high levels) reported above, as well as key informants’ tentative identification of a slight easing of sanctioning practice on the ground. Nevertheless, given the limited focus of the Oakley review on communication practices, there have been a number of calls for a comprehensive independent review of the sanctions regime¹⁷² given growing evidence of links between benefit sanctions and severe hardship and destitution.¹⁷³

Third, since July 2014, Jobcentre Plus advisors have been able to indefinitely exempt homeless claimants from work-related conditionality requirements if they are in a ‘domestic emergency’, provided they can show that they are taking reasonable action to find accommodation.¹⁷⁴ It is not as yet clear how extensively these ‘easement’ provisions are understood or deployed by Jobcentre Plus advisers in practice in Wales, or indeed elsewhere in Great Britain.

The Crisis-funded study of benefit sanctions and homelessness, currently being undertaken by Sheffield Hallam University, should provide us with a firmer evidence base

¹⁶⁶ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) *The Homelessness Monitor: England 2015*. London: Crisis. www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2015_WEB.pdf

¹⁶⁷ p56 in Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The Homelessness Monitor: Wales 2012*. London: Crisis.

¹⁶⁸ E.g. three monthly monitoring of claimants on alternative (non Work Programme) suitable employment and training programmes.

¹⁶⁹ See also McInnes, T., Aldridge, H., Bushe, S., Tinson, A. and Born, T. (2014) *Monitoring Poverty and Social Exclusion 2014*. York: JRF.

¹⁷⁰ Oakley, M. (2014) *Independent review of the operation of Jobseeker’s Allowance sanctions validated by the Jobseekers Act 2013*. London: Her Majesty’s Stationery Office.

¹⁷¹ DWP (2014) *Government’s response to the Independent review of the operation of Jobseeker’s Allowance sanctions validated by the Jobseekers Act 2013*. London: Her Majesty’s Stationery Office.

¹⁷² House of Commons Work and Pensions Select Committee (2015) *Benefit sanctions policy beyond the Oakley Review: Fifth Report of Session 2014–15*. London: The Stationery Office Limited; Church Action on Poverty (2015) ‘Churches call for urgent review of benefit sanctions’, *Church Action on Poverty Press Release*, 2 March: www.churchinwales.org.uk/news/2015/03/churches-call-for-urgent-review-of-benefit-sanctions/

¹⁷³ Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, F. & Watts, B. (2015) *Destitution in the UK: An Interim Report*. York: JRF.

¹⁷⁴ Spurr, H. (2014) ‘Government eases sanctions for homeless people’, *Inside Housing*, 8 July: www.insidehousing.co.uk/government-eases-sanctions-for-homeless-people/7004436.article

¹⁷⁵ Beatty, C., Foden, M., McCarthy, L. & Reeve, K. (2015) *Benefit sanctions and homelessness: a scoping report*. London: Crisis.

on these issues over the coming year.¹⁷⁵

The Discretionary Assistance Fund

In April 2013, the centralised Social Fund which provided Community Care Grants and Crisis Loans for benefit claimants facing exceptional needs and circumstances was abolished.¹⁷⁶ In England, LAs were provided with limited Central Government funding, to be used at their discretion to replace previous centralised provisions or otherwise support households where they deem it to be appropriate. English LAs have no formal duty to undertake those functions. In December 2013, it was announced that Local Welfare provisions would receive no further dedicated grant funding from 2015/16. However, a legal challenge of this decision resulted in the partial restoration of Central Government funding for LWA schemes.¹⁷⁷ In Scotland, LAs undertake these responsibilities in the context of a Scottish Welfare Fund established, with additional funds, by the Scottish Government.¹⁷⁸

In Wales, in contrast, it was decided to use devolved funding of £10 million a year for two years, to set up a centralised scheme for Wales as a whole, the Discretionary Assistance Fund (DAF), motivated in part by a desire to ensure uniformity and consistency of approach across the country.¹⁷⁹ Consequently, Welsh local

authorities have a somewhat lesser role in attempting to mitigate welfare reforms than is the case in England and Scotland. In March 2013, following uncertainty about the continuation of Central Government funding for the scheme (see above), the Minister for Communities and Tackling Poverty announced £8.38 million of Welsh Government funding for the DAF going forward.¹⁸⁰

The DAF is administered on behalf of Welsh Government by Northgate Public Services, supported by two 'lead Partners'¹⁸¹ and a network of around 300 'delivery partners', and offers grant payments or 'in kind' support (vouchers or goods), rather than repayable loans.¹⁸² To be eligible for the DAF, applicants must be entitled to and in receipt of income-related welfare benefits.¹⁸³ Emergency Assistance Payments (EAP) provide help in an emergency or when there is an immediate threat to an individual, or to their family's health or wellbeing, whereas Individual Assistance Payments (IAP) help someone to live independently in the community and prevent the need for institutional care.¹⁸⁴ Applications are assessed in line with Welsh Government published guidance.¹⁸⁵ During 2013/14, there were 40,780 applications to the DAF, two thirds of which were agreed and paid to vulnerable individuals, with EAP awards ranging from £5 to £100 and the maximum IAP award standing at £4,200.¹⁸⁶

¹⁷⁶ DWP (2011) *Local support to replace Community Care Grants and Crisis Loans for living expenses: A call for evidence*. London: DWP. www.dwp.gov.uk/docs/social-fund-localisation-call-for-evidence.pdf

¹⁷⁷ See www.cpag.org.uk/content/cpag-responds-local-welfare-decision

¹⁷⁸ Scottish Government (2012) 'Protecting Scotland's poorest', *Scottish Government Press Release*, 21st October: www.scotland.gov.uk/News/Releases/2013/03/scottish-welfare

¹⁷⁹ Blue Alumni Limited (2014) *Evaluation of the Discretionary Assistance Fund: Main Report*. Cardiff: Welsh Government.

¹⁸⁰ Welsh Government (2015) '£8.4m to give Wales' most vulnerable a helping hand', *Welsh Government press release*, 15 March: <http://gov.wales/newsroom/people-and-communities/2015/150317-discretionary-assistance-fund/?lang=en>

¹⁸¹ Family Fund Trading Limited and Wrexham County Borough Council

¹⁸² Welsh Government (2012) 'Welsh Social Fund Contract Awarded', *Welsh Government Press Release*, 15th November: <http://wales.gov.uk/newsroom/housingandcommunity/2012/6764429/?lang=en>

¹⁸³ Or if due to leave an institution/care home within 6 weeks, likely to be entitled to receive income related welfare benefits on leaving. See Welsh Government (2013) *The Discretionary Assistance Fund: Guidance for Decision Makers*. <http://www.moneymadeclearwales.org/media/discretionary%20assistance%20fund%20-%20guidance%20for%20decision%20makers%20v2%20eng.pdf>

¹⁸⁴ Blue Alumni Limited (2015) *Evaluation of the Discretionary Assistance Fund: Main Report*. Cardiff: Welsh Government.

¹⁸⁵ Welsh Government (2013) *The Discretionary Assistance Fund: Guidance for Decision Makers*. www.moneymadeclearwales.org/media/discretionary%20assistance%20fund%20-%20guidance%20for%20decision%20makers%20v2%20eng.pdf

¹⁸⁶ Blue Alumni Limited (2015) *Evaluation of the Discretionary Assistance Fund: Main Report*. Cardiff: Welsh Government.

The early operation of the Fund prompted some controversy, including with respect to perceived high levels of administration costs and underspend of allocated funds.¹⁸⁷ Key informants interviewed for the Monitor also articulated concerns regarding: delays accessing the fund; the efficiency of funding new (rather than cheaper, reconditioned) goods through approved contractors; the approved contractors' availability, performance and interaction with Fund recipients; and that certain items previously funded under the Social Fund are not supported by DAF (e.g. removal costs and rent in advance/deposits to secure PRS accommodation). On a more positive note, it was commented that access to the DAF is a "*much less... harrowing and difficult experience*" (Manager, voluntary sector homelessness organisation) than access to the DWP administered Social Fund, and that the contractor administering the Fund has been receptive to feed back on its early operation

Some of these issues were explicitly addressed in the Welsh Government commissioned evaluation of the DAF published in January 2015. The evaluation – which drew on qualitative interviews with those involved in the operation and administration of DAF and quantitative analysis of applications/outcomes – concluded that the DAF is having a positive impact on vulnerable people in Wales, and that funds are being distributed broadly according to need (i.e. are concentrated in areas with higher levels of deprivation). It also commended delivery partners for getting the fund up and running in a very short space of time and described the DAF

as it currently operates as "*a good base on which to build*".¹⁸⁸ Interestingly, and in contrast to concerns voiced in the England Homelessness Monitor,¹⁸⁹ the evaluation reported that the majority of delivery partners supported the approach of providing 'in kind' goods rather than cash.¹⁹⁰ Instead, echoing some of the points made by our key informants, concerns focused on the accessibility of providers of goods (e.g. for those with limited transport options), value for money of providing new rather than used goods, and the inability to use local suppliers. The evaluation proposed a series of improvements to the operation of the DAF, in particular: simplifying and providing more guidance on the application process; extending the range of goods and services included in awards; and introducing other delivery options for those with special needs.

The new government round of welfare cuts and reforms

A further round of detailed welfare reforms and cuts were announced in the 2015 Summer Budget,¹⁹¹ and will take effect in the coming years, adding to the impacts on low income households from the continuation of the welfare cuts and reforms discussed above. These proposals, many still just in outline form, were made too late to include in our main analysis for this report, and will be the subject of more detailed consideration in a future report.

However these are major reforms, that have particular implications for young single people and larger families, and more generally for the ability of low income households to access the private rented

¹⁸⁷ Black, P. (2015) 'Welfare – to devolve or not to devolve', Click on Wales, 20 February: <http://www.clickonwales.org/2015/02/welfare-to-devolve-or-not-to-devolve/>; McCarthy, J. (2013) 'Welfare scheme for Wales' poorest to be controlled by US multi-national', *Wales Online*, 31 March: www.walesonline.co.uk/news/wales-news/welfare-scheme-wales-poorest-controlled-2514134; Shipton, M. (2014) 'Controversy over underspend and administration costs: Row over £2.5m that has not gone to the vulnerable people intended to help', *Wales Online*, 25 February: www.walesonline.co.uk/news/wales-news/row-emergency-cash-fund-underspent-6741644;

¹⁸⁸ p49 in Blue Alumni Limited (2015) *Evaluation of the Discretionary Assistance Fund: Main Report*. Cardiff: Welsh Government.

¹⁸⁹ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) *The Homelessness Monitor: England 2015*. London: Crisis. www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2015_WEB.pdf

¹⁹⁰ p53 in Blue Alumni Limited (2015) *Evaluation of the Discretionary Assistance Fund: Main Report*. Cardiff: Welsh Government.

¹⁹¹ HM Treasury (2015) *Summer Budget 2015, July 2015, HC 264*. London: HM Treasury.

sector. The main elements of the cuts and reforms are outlined below:

- Young, single, out of work people (aged 18-21) will cease to be eligible for housing support in new claims for UC from April 2017, unless deemed to be 'vulnerable'. This is estimated to impact on 2,800 single people in Wales.
- UC allowances will be limited to support for two children for new claims after April 2017, and 'family element' also to be removed from tax credit and UC allowances for all new families after that date.
- The benefit cap for out of work claimants to be lowered to £13,400 a year for single people and £20,000 for all other households (£15,400 and £23,000 in London).
- Benefit rates (including LHA rates) to be frozen for four years from 2016/17.
- The taper rate in tax credits will be increased from 41 pence in the pound to 48 pence in the pound from April 2016, and will be applied from a much lower income threshold (£321 per month rather than £535 per month). The income thresholds for UC will also be reduced by cuts to the levels of the 'work allowance', to zero for childless households with housing costs (except for disabled claimants) and to £192 per month for families with children.
- Against all these changes the GB budget provision for DHPs will rise from £125 million this year to an average of £160 million over each of the next five years.

3.5 Key Points

- The Housing Act (Wales) 2014 ushers in significant changes to the homelessness legislation in Wales, which will see a far stronger emphasis placed on prevention and relief duties owed to *all* eligible homeless households/households threatened with homelessness, regardless of priority need. While it is too early to assess the practical impact of these new duties, in principle they appeared to command a high degree of support in both the statutory and voluntary sectors in Wales, albeit that some stakeholders regret compromises made in the passage of the Act through the Welsh Assembly.
- Controversy, though, has surrounded the removal of 'automatic' priority need status from prisoners. The Welsh Government is developing a 'National Pathway' for the resettlement of homeless ex-prisoners.
- The Renting Homes (Wales) Bill currently before the Welsh Assembly seeks to simplify landlord and tenant contractual relations in Wales, but as they stand, these proposals could significantly weaken the already flimsy security of tenure enjoyed by PRS tenants in Wales.
- Both the Supporting People and Homelessness Grant funding streams in Wales have suffered recent national-level budget reductions, albeit that these cuts have been relatively modest thus far. The intention is to re-orientate both of these funding streams towards more effectively supporting the homelessness prevention agenda.
- The Housing Act (Wales) 2014 has introduced a number of measures that give Wales a more distinctive set of housing policies. In particular the Act enabled the refinancing of the council housing sector, and provided powers for the licensing and regulation of private landlords and their agents.

- The Welsh Government would appear to be on way to meeting its own target of providing 10,000 additional ‘affordable’ dwellings over its four year term; but that falls short of the higher, independently assessed, level of the numbers required.
- The Coalition Government welfare reforms have been assessed to take £19 billion pounds out of the pockets of low income households in Great Britain. They also have a disproportionate impact in Wales, which has five of the twenty five areas in Great Britain that are most badly affected (Merthyr Tydfil, Blaenau Gwent, Neath Port Talbot, Rhondda Cynon Taff and Caerphilly).
- Lower LHA rates have slowed down the growth in the numbers of Housing Benefit claimants able to access the private rented sector, and increased average levels of ‘shortfalls’ between LHA awards and landlord rents. There has been a more marked impact on young single people only eligible for the much lower SAR allowances, and the numbers of those under 25 in the sector fell by 21% between December 2011 and November 2014.
- The ‘Bedroom Tax’ initially impacted on 35,700 social sector tenants in Wales, but by February 2015 the numbers impacted had fallen to 30,840. The ‘Bedroom Tax’ has a disproportionate impact in Wales, and social landlords have a very limited supply of smaller dwellings to facilitate any significant level of transfers by impacted tenants. The increase in transfer levels in 2013/14 equated to just 3% of the total numbers impacted by the ‘Bedroom Tax’.
- The ‘Bedroom Tax’ has clearly resulted in increased household debts and hardship, and a significant increase in the numbers of households now relying on food banks to get by. 2013 also saw a rise in levels of social sector landlord possession actions.
- The impact of the ‘Bedroom Tax’ in Wales was eased, to an extent, by the very full use of DWP DHP budgets, as well as utilising additional funding provided by the Welsh Government. ‘Bedroom Tax’ cases account for two thirds of all DHP payments in Wales in 2013/14. Data for 2014/15 shows that Welsh councils as a whole continued to overspend against their DWP budget allocations for the year, despite the absence of any further Welsh Government support for their DHP expenditure, and eight authorities slightly underspending against their allocations.
- As elsewhere in Great Britain, concerns were expressed about the hardship and even destitution brought about by the impact of benefit sanctions on homeless people and other vulnerable groups in Wales.
- While some difficulties with the scope and operation of the Discretionary Assistance Fund, which replaced the Social Fund in Wales, were identified by our key informants, its performance seems to have improved and it has recently been positively evaluated.
- A further round of major welfare reforms and cuts were announced in the 2015 Summer Budget, which will have particular implications for young single people and larger families, and more generally for the ability of low income households to access the PRS.

4. Homelessness trends in Wales

4.1 Introduction

Previous chapters have reviewed the likely implications of both the economic climate and policy change for homelessness. In this chapter we analyse recent trends in homelessness ‘demand’ in Wales.

The main focus of the statistical analysis is the change recorded in the post-2010 period, following the start of the major policy changes and welfare reforms initiated by the Coalition Government. However, we also include analyses spanning a longer time period to capture trajectories already established in advance of these changes.

The analysis is based, in the main, on published statistics. However, in interpreting these figures we also draw on key informant interviews undertaken by the research team in 2014 and 2015.

4.2 Rough sleeping

Rough sleeping is monitored in Wales only on an occasional basis. National rough sleeper counts involving local authorities were co-ordinated by the Welsh Government in 2007 and 2008, and again in 2014. The earlier counts enumerated 138 and 124 rough sleepers, respectively. In both years the largest single concentration was in Cardiff where 26 rough sleepers were enumerated on each occasion.

Albeit using methodology slightly different from the earlier exercises, a one-night count

in November 2014 enumerated 83 rough sleepers across Wales.¹⁹² Once more, Cardiff stood out as the greatest concentration, with 26 people again enumerated. The next largest numbers were recorded in Bridgend (11), Merthyr Tydfil (8) and Newport (8).

The approximately comparable scale of rough sleeping across England was 2,744, as also recorded in November 2014.¹⁹³ Since the overall population of Wales is equivalent to some 6% of that in England, whereas the number of enumerated rough sleepers was only 3% of the England total we can say that the recorded rate of rough sleeping in Wales in 2014 was around half that in England.

However, as acknowledged in the Welsh Government 2015 enumeration project report, rough sleeper counts of this kind provide “*only a very broad indication of the level of rough sleeping...*”.¹⁹⁴ The limitations of such approaches have been discussed more fully in an earlier report in this series.¹⁹⁵ Since they can never be exhaustive, such counts must always be treated as ‘minimum estimates’, and are probably most useful (if conducted on a consistent basis) as indicators of trends. Tri-angulating administrative data from a range of sources, the research team has recently estimated that the ‘real’ rough sleeping total for England in 2010/11 was between twice and four times the snapshot street count-based estimate.¹⁹⁶

Partly in recognition of the inherent limitations of street counts, the Welsh Government’s

¹⁹² Welsh Government (unpublished, 2015) *National Rough Sleeping Count, Wales, November 2014*. Cardiff: Welsh Government.

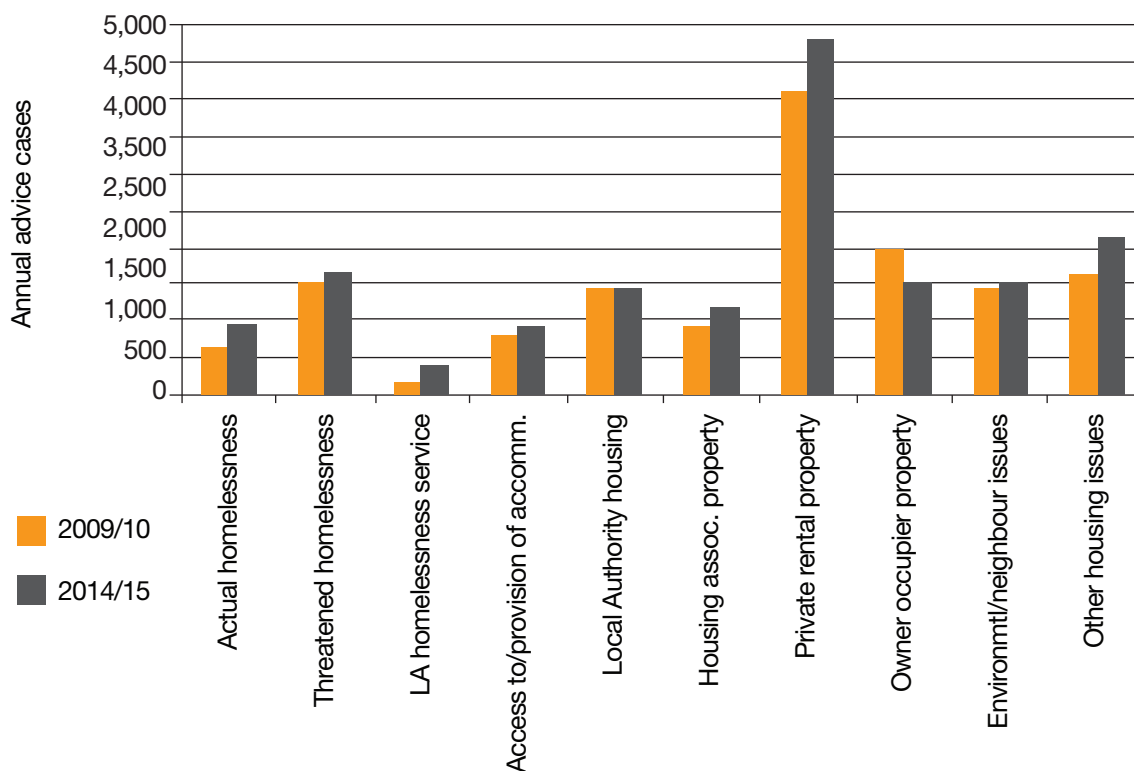
¹⁹³ DCLG (2015) *Rough Sleeping Statistics England, Autumn 2014*. www.gov.uk/government/uploads/system/uploads/attachment_data/file/407030/Rough_Sleeping_Statistics_England_-_Autumn_2014.pdf - see page 42

¹⁹⁴ Welsh Government (unpublished, 2015) *National Rough Sleeping Count, Wales, November 2014*. Cardiff: Welsh Government.

¹⁹⁵ Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis www.crisis.org.uk/data/files/publications/HomelessnessMonitor_England_2012_WEB.pdf

¹⁹⁶ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*. London: Crisis. www.crisis.org.uk/research.php?fullitem=430

Figure 4.1 Citizens Advice Wales caseload trends, 2009/10-2011/12



Source: Citizens Advice

November 2014 rough sleeper enumeration also used a complementary approach. Adapting a method developed in the 1980s,¹⁹⁷ this involved collaboration between local authorities and support agencies known as assisting homeless people in each locality. Over a two week time-slot participating organisations logged all rough sleeper enquiries to estimate the number of those affected at some point during (or throughout) the period. The Welsh Government considers that, by comparison with a street count, this ‘census’ approach “*provides a better understanding of the incidence of the rough sleeping*”. It is, nonetheless, acknowledged that resulting estimates are “*not conclusive*”

and “*could be considered subjective based on the perspective of the homeless person*”.¹⁹⁸

According to the two week ‘census’ method, rough sleepers across Wales totalled 244 in November 2014 – around three times the number enumerated by the 1-night count (see above). Relating the two numbers at local level may suggest that the problem is ‘more entrenched’ in those areas where the two figures are most similar – possibly suggesting a higher rate of repeat/ongoing rough sleeping involving certain individuals. In Cardiff, for example, the street count recorded 26 ‘point in time’ rough sleepers,

¹⁹⁷ Thomas, M. (1983) *The Homeless in Brent and Lewisham*. London: Greater London Council.

¹⁹⁸ Welsh Government (unpublished, 2015) *National Rough Sleeping Count, Wales, November 2014*. Cardiff: Welsh Government.

while the ‘census’ approach enumerated 37 people sleeping rough during the two week period. In Wrexham, by comparison, the snapshot total was five, while the ‘census’ recorded 40, perhaps suggesting a higher rate of short-duration rough sleeping. In any event, it is significant that according to the census-type method, two local authority areas – Wrexham (40), Caerphilly (37) – recorded numbers equal to or higher than Cardiff.

4.3 Single homelessness

Caseload data recorded by Citizens Advice Wales provides some insight into trends in underlying housing needs – including those contributing to single homelessness. Overall, housing-related advice sessions were up by 14% in 2014/15 as compared with 2009/10. As shown in Figure 4.1, most forms of housing-related advice were in greater demand by 2014/15. In particular, the ‘actual homelessness’ category grew by 50% over the period and the ‘threatened homelessness’ category by 7%.

‘Complex needs’ such as poor mental and physical health, and involvement in drug and alcohol misuse or offending behaviours, tend to be associated particularly with rough sleepers and other especially vulnerable groups in the single homeless population.¹⁹⁹ The availability of systematic data on homeless people with complex support needs is generally limited in Wales. However, we are able to pull out a couple of indicators from other recent studies which may shine some light on this issue. The recent *Hard Edges* report published by the Lankelly Chase Foundation utilised a range of secondary administrative datasets to develop a profile of Severe and Multiple Disadvantage (SMD) in England, looking at the overlapping problems

of homelessness, substance misuse and offending.²⁰⁰ Although several of the main administrative datasets used in this study did not cover Wales, one of them did – the Offender Assessment System (OASys). It is possible to derive from this a measure of the number of people who were involved in offending and also had homelessness or relatively severe housing problems, in a typical recent year. In another ongoing study, this time funded by the Joseph Rowntree Foundation, we are examining indicators of severe poverty and risk of destitution, across the UK;²⁰¹ again, homelessness is a common issue within this group. Various proxy measures feed into a combined index of risk of destitution, including census indicators associated with severe poverty, benefit sanctions and flows off benefits, and recent migrants and asylum seekers.

Figure 4.2 shows these two indicators, expressed as a percentage of the working age population, for the Welsh local authorities, ranked in descending order on the percentage homeless offender indicator. The cities have the highest incidence of homeless offenders, but interestingly Swansea has a higher percentage rate than Cardiff in this case. The next group of cases with higher rates are former mining ‘Valleys’ authorities (Merthyr Tydfil, Bridgend, Blaenau Gwent). In terms of absolute numbers, Cardiff and Swansea stand out. The overall total of homeless offenders, many of whom also have substance misuse issues, is 5,698 in a typical recent year.

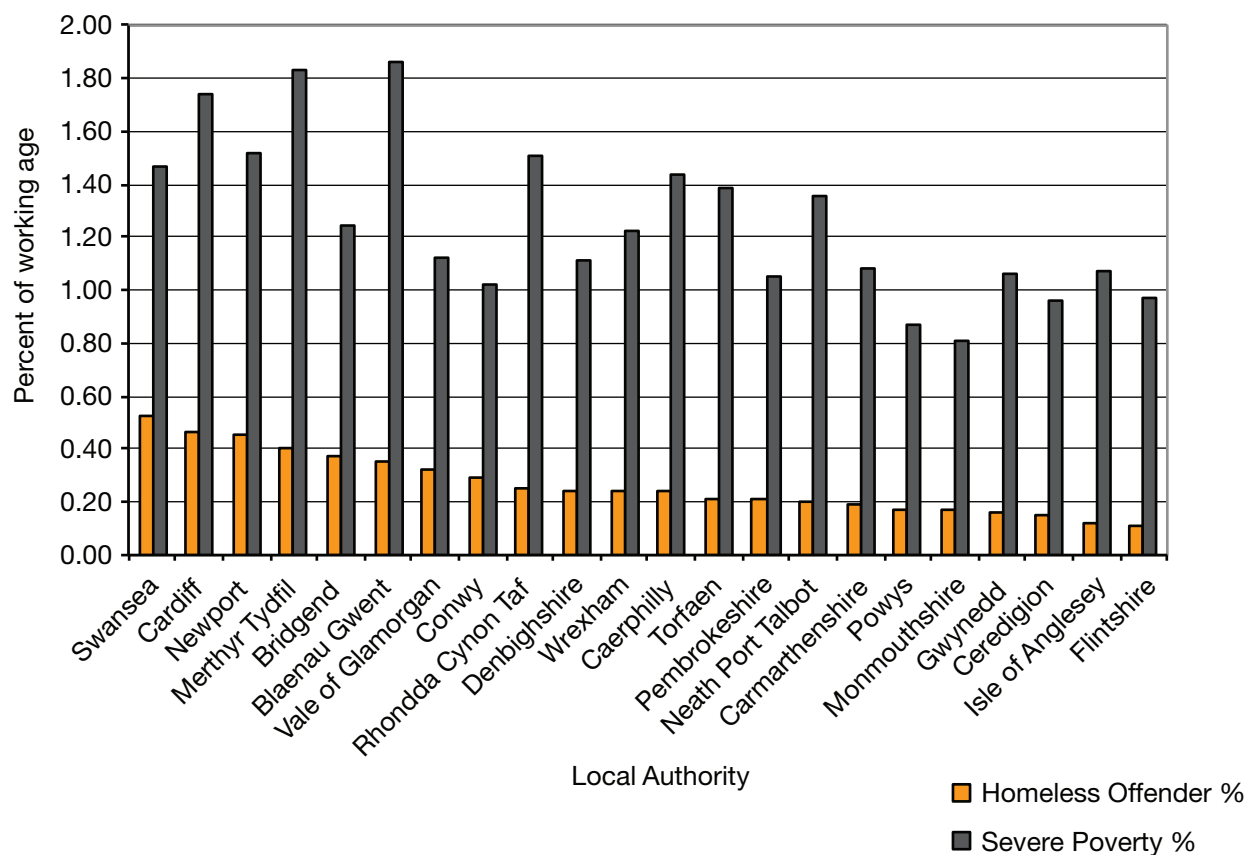
The risk of destitution indicator is wider in scope, and has a somewhat different pattern of prevalence, with the highest rates in the Valleys authorities, and then in Cardiff and Newport. The national total is of the order of 25,000, with over 4,000 in Cardiff and

¹⁹⁹ Bramley, G., Fitzpatrick, S. with Edwards, J., Ford, D., Johnsen, S., Sosenko, F. & Watkins, D. (2015) *Hard Edges. Mapping Severe and Multiple Disadvantage: England*. London: LankellyChase Foundation.

²⁰⁰ Ibid.

²⁰¹ Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, F. & Watts, B. (2015) *Destitution in the UK: An Interim Report*. York: JRF.

Figure 4.2 Indicators of homeless offenders and people at risk of destitution by local authority in Wales



Sources: Authors' analysis of NOMS Offender Assessment System data and composite indices based on Census, migration and asylum data, benefit sanctions and benefit flows.

2,000 in Swansea and in Rhonda-Cynon-Taff. This indicator captures the severe end of poverty, including some of the effects of current policies on welfare system changes and administration (including sanctions) and immigration (including asylum). Many of the people affected will also be experiencing or at risk of homelessness.

4.4 Statutory homelessness Trends over time

In terms of applications assessed by local authorities under the statutory framework, homelessness demand fell back somewhat in 2014/15.²⁰² As shown in Figure 4.3, the total number of formal LA decisions (sum of 'acceptances' plus 'not accepted') rose by 23% in the period from 2009/10-2013/14. In the last year, however, there was an annual reduction of 11% in this measure of demand.

²⁰² 2014/15 figures cited here are estimates based on the first three quarters of the year (April-December 2014). Annual estimates are simply derived on a pro rata basis – no allowance for seasonal factors has been included. Official Welsh Government full year statistics for 2014/15 were published on 24 June 2015 as this report was 'going to press'. Our estimates are very close to these new official statistics - for example, our figure for statutory homelessness acceptances was 5,107 - just 37 (0.7%) higher than the 'true figure'.

Thus the total number of decisions in 2014/15 fell almost to the 2009/10 level.

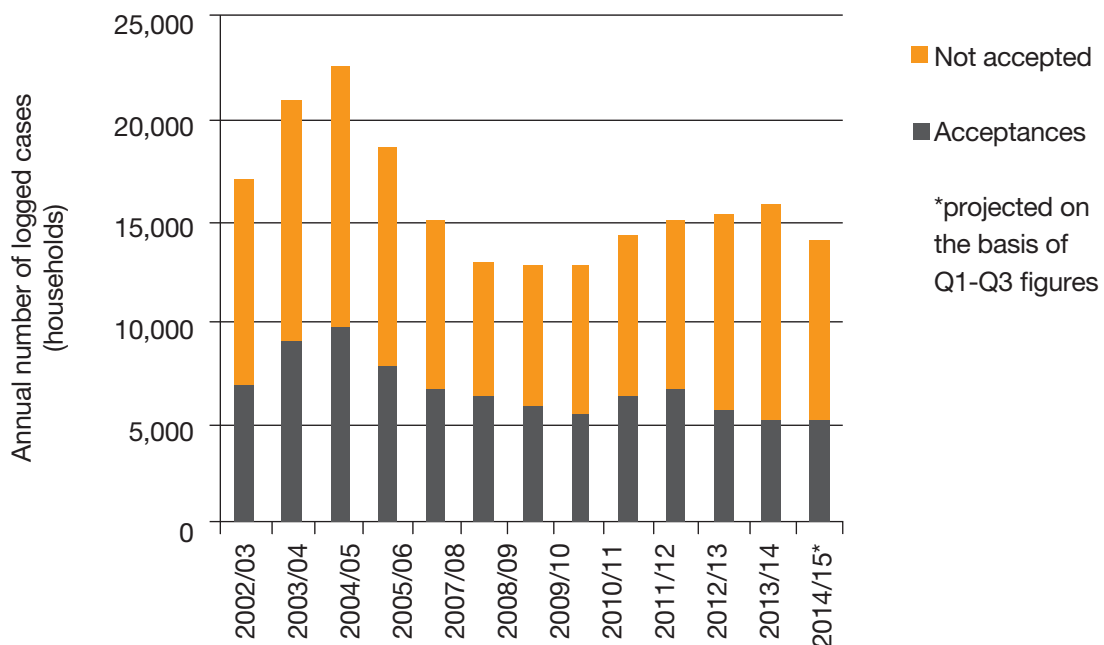
As revealed in the Welsh Government's quarterly statistics, the trend of declining assessment decisions began at the start of 2013/14 when these peaked at 4,180. By quarter 3 of 2014/15, the number had fallen to 3,400 – a reduction of 19% in less than two years.

A downward trend in 'acceptances' (households assessed by local authorities as unintentionally homeless and in priority need) has also been recently observed – see Figure 4.3. On this measure, 'homelessness demand' has been declining since 2011/12. By 2014/15 it had fallen back to a level 8% below that in 2009/10. One factor underlying

this recent decline in acceptances may be a somewhat more restrictive interpretation of the homelessness legislation as adopted by local authorities. In period 2012/13-2014/15 the proportion of decisions resulting in acceptance was 35% – down from the 43% recorded for the previous three year period.

However, the impact of pro-active prevention actions is likely to provide the main explanation for the wider statutory homelessness trends shown by Figure 4.3. Firstly, it is widely accepted that the sharp reduction in statutory assessment decisions seen in the period 2004/05-2007/08 resulted largely or entirely from such 'administrative changes', as officially promoted.²⁰³ Critically, where someone seeking to make a statutory homelessness application is

Figure 4.3 Statutory homelessness trends in Wales



Source: Welsh Government

203 Welsh Assembly Government (2004) *The Prevention of Homelessness - An advice note issued by the Welsh Assembly Government*; Cardiff: Welsh Assembly Government. <http://gov.wales/desh/publications/housing/preventhomeless/guidee?lang=en>

immediately assisted to retain their existing accommodation (or access alternative housing) this would normally be treated as ‘informal assistance’ outwith the scope of the statutory system – and thus uncounted within the statutory homelessness statistical returns.

Secondly, it seems likely that a renewed and redoubled commitment to pro-active prevention post-2010 will be the main explanatory factor underlying the downward trends in acceptances and total decisions seen since 2011/12 and 2013/14, respectively. Certainly our key informant interviewees generally saw the falling level of acceptances over the past few years as attributable to LAs ‘gearing up’ for the new prevention-focused statutory regime.

The overall patterns of statutory homelessness acceptances and decisions as shown in Figure 4.3 show strong similarities with those recorded for England. In common, the two sets of figures show initially rising post-2010 trends, subsequently reversed (though in England levels of statutory homelessness are now increasing again). As regards England it has been established conclusively that this has resulted from changing administrative practice on the part of local authorities – both in terms of more assertive ‘prevention’ interventions and (latterly) associated with the adoption of Localism Act powers to discharge statutory rehousing duty via an offer of accommodation in the private rented sector.²⁰⁴

Clearly, these ‘administrative changes’ may have compromised the value of the statutory homelessness statistics as a barometer of homelessness demand. It is therefore

welcome that the Welsh Government recognises the need for enhanced data collection to encompass local authority activity comprised by ‘prevention’ and ‘relief’ work, as well as more formal actions under the legislation.²⁰⁵ While a ‘prevention activity’ recording framework was previously trialled (from 2007/08),²⁰⁶ there were doubts about its reliability.²⁰⁷ It is therefore to be hoped that data collected via the newly reformed regime will, in time, present a fuller picture of local authority homelessness work and, in doing so, provide a more complete indication of the scale and pattern of homelessness demand in Wales.

Incorporating recording of ‘prevention activities’ within the framework is one element within the wider package of proposed reforms to enhance and streamline the statutory homelessness monitoring system, linked with the implementation of the Housing Act (Wales) 2014. Among the mooted innovations over and above prevention activity recording, it is envisaged that the new regime will extend the collection of detailed information beyond the ‘accepted as unintentionally homeless and in priority need’ cohort. Thus, it will collect ‘main reason for homelessness’ and ‘household type’ data with respect to those deemed ‘non-priority’ or intentionally homeless.

Before moving on to explore the official statistics in more detail, however, it is worth noting that while the recent Welsh trend in recorded acceptances has been downward, the rate of homelessness on this measure (3.9 per thousand households) remains more than 70% higher than that in England (2.3 per thousand).²⁰⁸

²⁰⁴ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*; London: Crisis.

²⁰⁵ Welsh Government (2015) *Consultation Document: Proposed changes to homelessness data collections*. Cardiff: Welsh Government. <http://gov.wales/docs/statistics/consultation/150304-proposed-changes-homelessness-data-collections-en.pdf>

²⁰⁶ See: Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The Homelessness Monitor: Wales 2012*. London: Crisis.

²⁰⁷ Mackie, P., Thomas, I. & Hodgson, K. (2012) *Impact Analysis of Existing Homelessness Legislation in Wales*. Cardiff: Welsh Government. <http://wales.gov.uk/docs/desh/publications/120131analysis/homelesslegen.pdf>

²⁰⁸ Putting this another way, whereas the total number of households in Wales (1,304,000 in 2011) is equivalent to only 6% of the comparable number in England (22,718,000 in 2014), the number of homelessness acceptances in Wales (estimated as 5,100 in 2014/15) equates to 10% of the latest English total (52,000 in 2013/14).

Homelessness causes

While, as currently configured, the ‘headline’ statutory homelessness statistics of limited value in indicating the changing level of homelessness demand (see above), the existing system remains potentially valuable in terms of shedding light on trends in homelessness causes. For example, as shown in Figure 4.4, the five year period to 2014/15 saw a marked reduction in the proportion of cases where the immediate reason for homelessness was a ‘family/friend eviction’. This refers to young people and others living with parents, relatives or friends and being asked to leave such accommodation.

More apparent in the way the statistics are presented in Figure 4.5 are the substantial contrasts between different homelessness causes in terms of their relative growth or decline over the period. Thus, while family/friend evictions in 2014/15 were down by 35% as compared with 2009/10, homelessness due to loss of a rental tenancy was up by 20%. The former was believed by many of our key informants to be linked to relevant welfare benefit changes (see below). The latter seems consistent with analysis of the English statutory homelessness data²⁰⁹ which has shown a rapid increase in the scale of homelessness resulting from the termination of private sector tenancies.²¹⁰ While this will in large part be accounted for by the significant expansion in the PRS in recent years in Wales (see Chapter 2), it also coincides with the impacts of LHA cuts which may be reducing the resilience of low income households to maintain PRS tenancies.

One other notable trend implicit in Figure 4.5 has been the rising incidence of homelessness resulting from institutional discharge in relation to ex-offenders.

Whereas the 2014/15 total number of statutorily homeless households was down 8% on the 2009/10 figure, cases where the cause was prison discharge rose by 12% over this period. As a proportion of all statutory homelessness cases, therefore, such instances grew from 13% to 17% of the total. These cases have involved ex-prisoners granted ‘automatic’ priority need status; a highly controversial policy now abandoned as discussed in the last chapter.

Finally, it is worth highlighting that the very small fraction of statutory homelessness cases resulting from mortgage repossessions fell back even further in the five years to 2014/15 – from 3% of all cases to only 2%. This timeslot has, of course, coincided with a prolonged period of unusually low interest rates. When rates rise in the future this is likely to trigger increased mortgage repossessions, but whether this will feed into significantly higher levels of statutory homelessness amongst this group remains to be seen (see Chapter 2).

The changing profile of homelessness

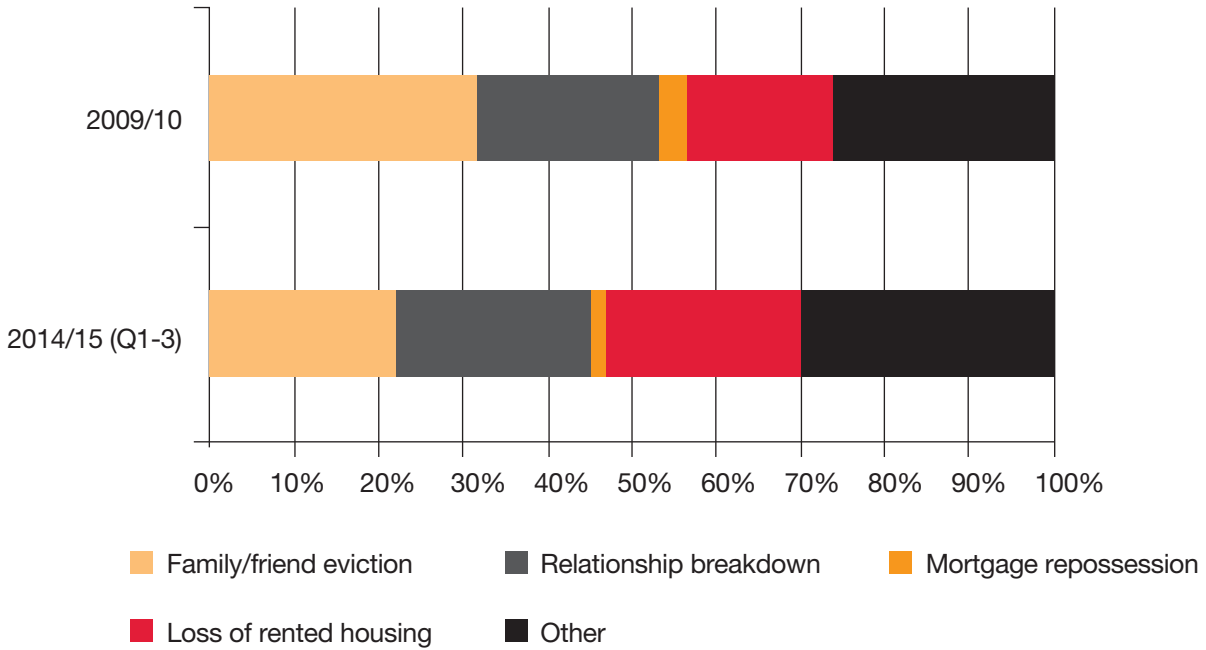
The statutory homelessness statistics are also of possible continuing analytical value in indicating changes in the profile of the caseload. As shown in Figure 4.7, there appears to have been a degree of change over the five years to 2014/15, with a marked expansion in the proportion of statutorily homeless households accounted for by ex-offenders and those fleeing domestic violence, whereas the proportion of cases involving households classed in priority need on account of containing a young person (16-17 year old, or care leaver aged 18-20) has declined.

In terms of actual numbers (rather than percentage share of total), family households

²⁰⁹ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*; London: Crisis.

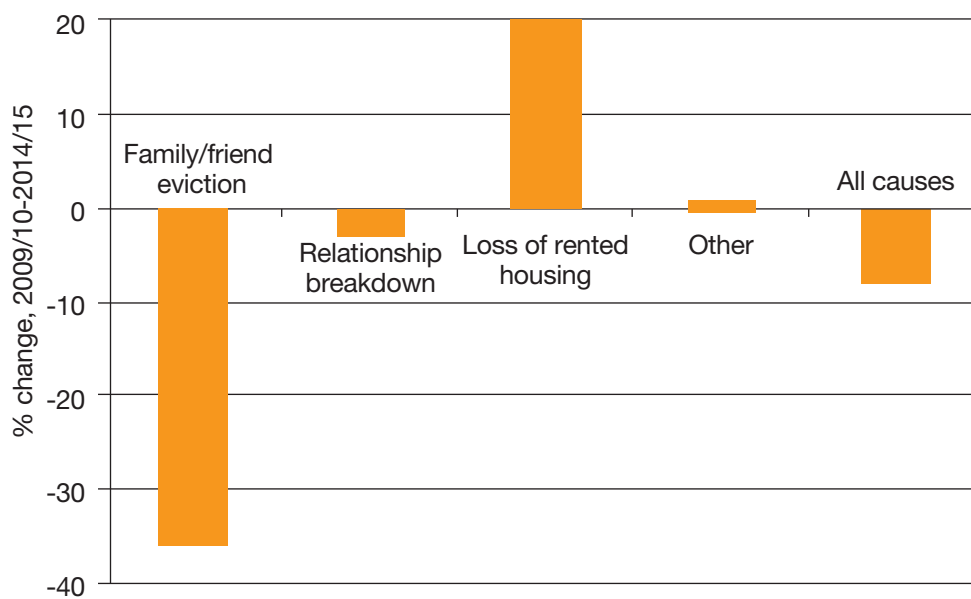
²¹⁰ It should be noted that the statistical monitoring frameworks used in England and Wales differ in this respect; under the Welsh classification of immediate reasons for homelessness there is no differentiation between the loss of social and private tenancies.

Figure 4.4 Homelessness acceptances in 2009/10 and 2014/15: breakdown by immediate reason for homelessness



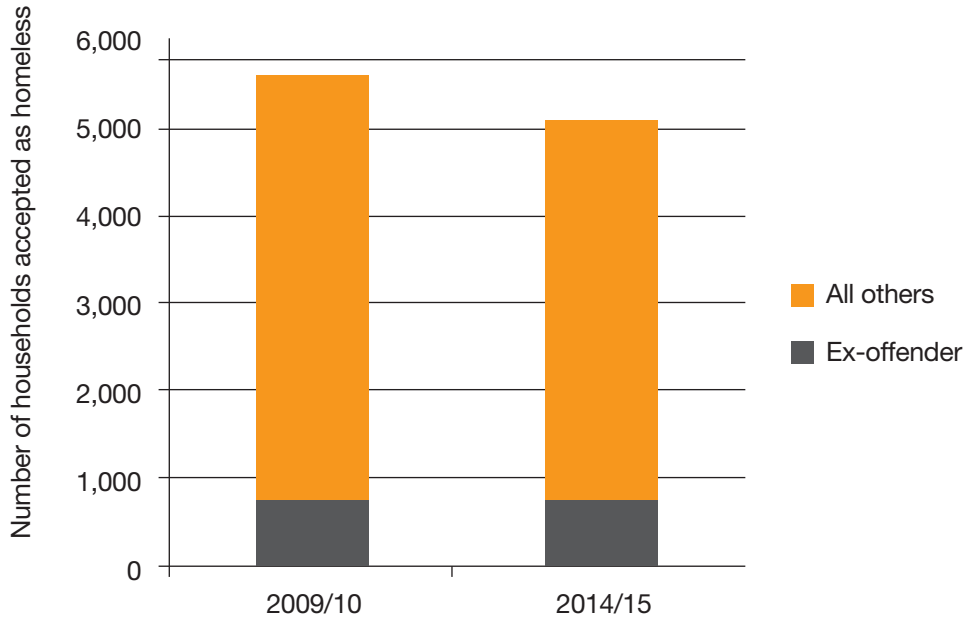
Source: Welsh Government

Figure 4.5 Homelessness acceptances: % change in cases arising from specific causes 2009/10- 2014/15



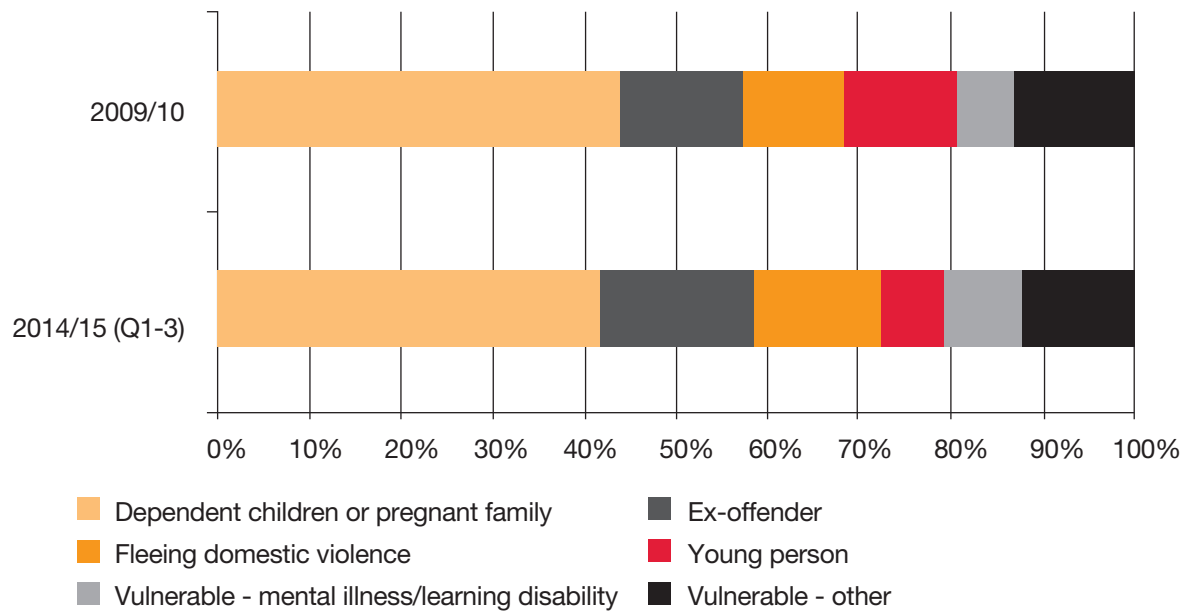
Source: Welsh Government. Note: 2014/15 figures projected on basis of Q1-Q3 statistics

Figure 4.6 Relative incidence of ex-offenders among statutorily homeless cohort, 2009/10 and 2014/15



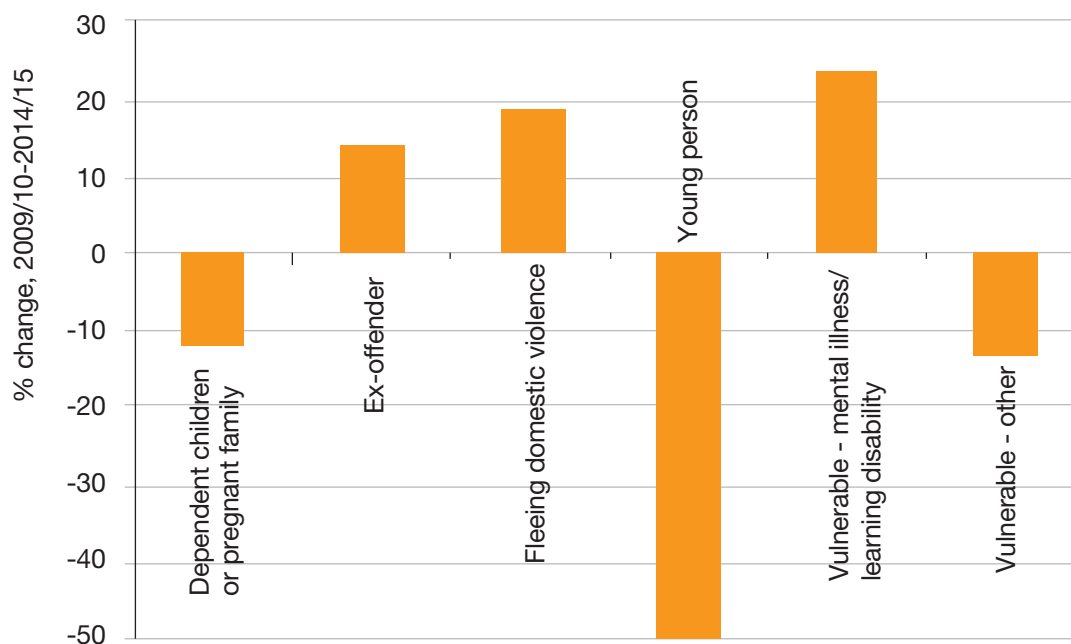
Source: Welsh Government. Note: 2014/15 figures projected on basis of Q1-Q3 statistics

Figure 4.7 Homelessness acceptances in 2009/10 and 2014/15: breakdown by priority need category (categories aggregated)



Source: Welsh Government. Notes: 1. 2014/15 figures projected on basis of Q1-Q3 statistics; 2. 'Vulnerable other' includes 'homeless in emergency'

Figure 4.8 Homelessness acceptances in 2009/10 and 2014/15:
 % change in cases classed in each priority need category, 2009/10-2014/15



Source: Welsh Government. Notes: 1. 2014/15 figures projected on basis of Q1-Q3 statistics;
 2. 'Vulnerable other' includes 'homeless in emergency'

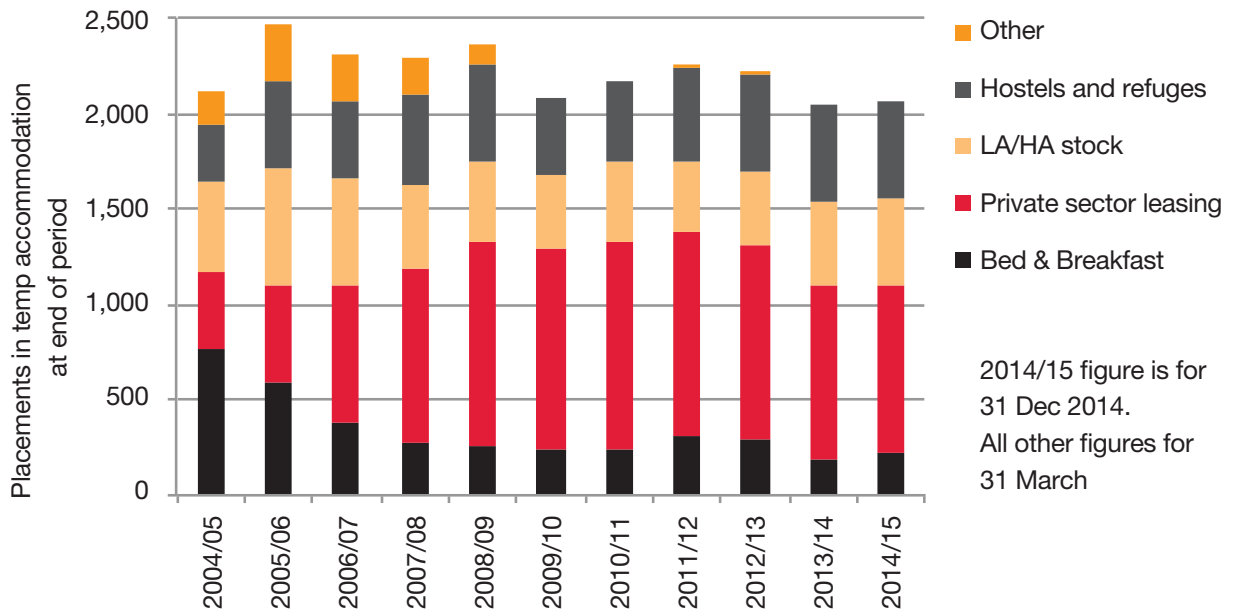
contracted by 13% over the period (see Figure 4.8). However, the number accepted due to fleeing domestic violence rose by 19%, while those vulnerable because of mental illness or learning disabilities grew by 24%. The ex-offender numbers rose by 14%, but the legal change whereby ex-offenders are newly subject to a 'vulnerability' test is expected to drastically reduce this number going forward.

Meanwhile, key informant testimony suggested that the sharp drop in the numbers declared vulnerable on grounds of youth (down 50%) may have resulted partly from improved social services responses as a result of the Southwark judgement.²¹¹ However, there was also some suggestion

that welfare reform may have provided something of a disincentive to the ejection of young people living with benefit dependent parents in social housing:

"... one of the things we have found in Wales is actually in terms of the number of 16 and 17 year olds being found homeless is actually reducing. Now whether that's... potentially to do with social care stepping up and doing more and so therefore they're not necessarily going down the homelessness route. But also I do think - and other practitioners will tell you this - that because of the 'Bedroom Tax' parents are often less quick in throwing young people out because if they do they will be short, do you see what I mean?" (Local government representative)

Figure 4.9 Homelessness temporary accommodation placements, 2004/05-2014/15



Source: Welsh Government

Use of temporary accommodation

As shown in Figure 4.9, temporary accommodation placements by Welsh local authorities have been fairly steady over the past decade. However, while the total number of placements at the end of 2014 was almost unchanged on that for 2009/10, there were increases for 'hostels and refuges' and for local authority/housing association self-contained properties, while Bed and Breakfast hotels and private sector leasing placements were down.

4.5 Hidden Homelessness

People may be in a similar housing situation to those who apply to LAs as homeless, that is, lacking their own secure, separate accommodation, without formally applying or registering with a LA or applying to other homelessness agencies. Such people are often referred to as 'hidden homeless' (see Chapter 2). A number of large-scale household surveys enable us to measure some particular categories of hidden homelessness: *concealed households*; households who are *sharing accommodation*; and *overcrowded households*. However, surveys covering Wales with appropriate questions consistently over time are less readily available than is the case for England and Scotland.

It is important to emphasise that not everyone living in the situations discussed in this

section will actually be homeless, but these phenomena are indicative of the kinds of housing pressures that may be associated with hidden homelessness.

Concealed households

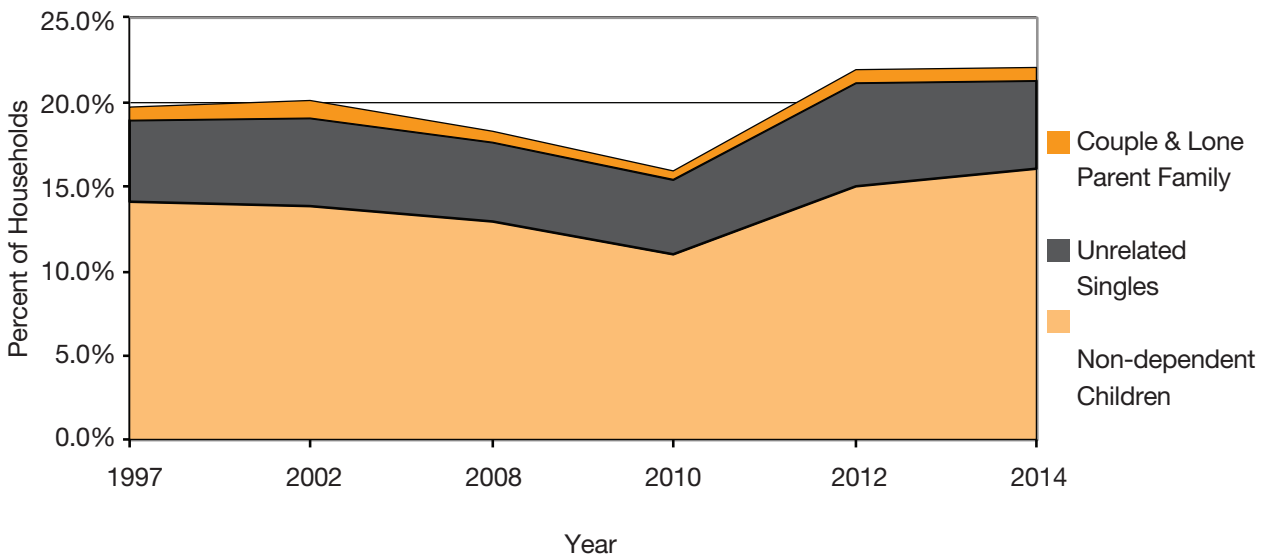
Concealed households are family units or single adults living within other households, who may be regarded as potential separate households that may wish to form given appropriate opportunity. Examples could include: a married or cohabiting couple living with the parents of one of the couple; a lone parent with child(ren) living with her parent(s); a young adult living with his/her parents or some other relative; a young adult living in a flat- or house-share with other unrelated adults; an adult living informally, and temporarily, in someone else’s home.

The Labour Force Survey (LFS) asks questions about the composition of the

household which enable the presence of ‘additional family units’ to be identified. This survey only approximates to the ideal definition of ‘concealed households’, as it does not necessarily distinguish those who would currently prefer to remain living with others from those who would really prefer to live separately. Moreover, it may not fully capture all concealed households reliably. For example, people staying temporarily and informally with others may not respond to individual surveys like LFS.

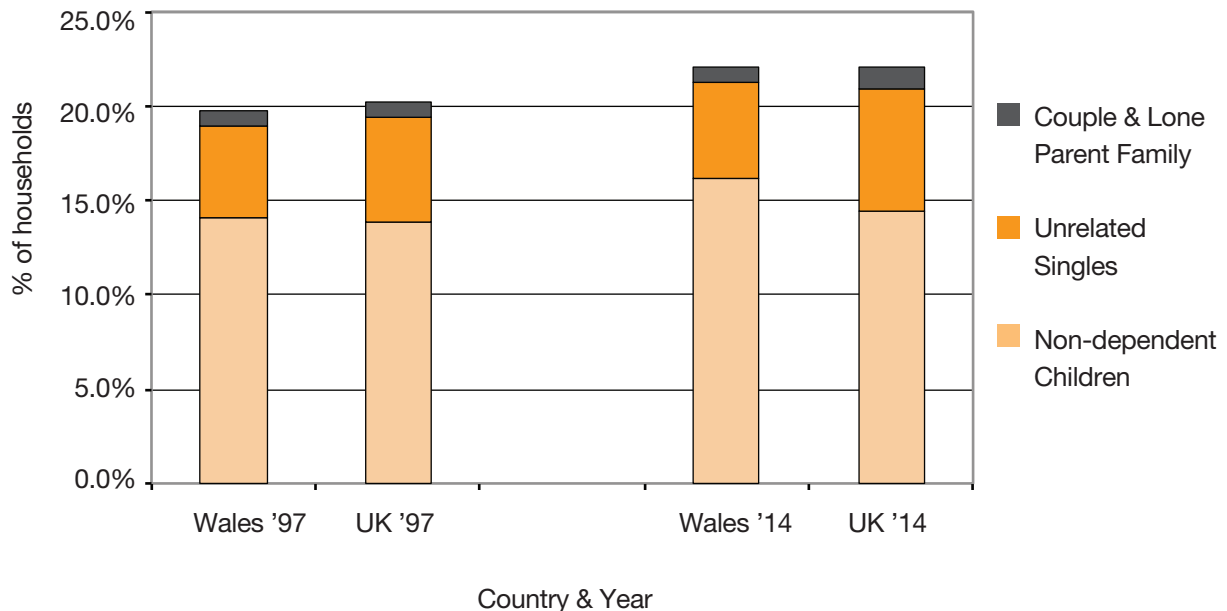
These caveats duly noted, in Wales in 2014 there were about 78,000 households (6.0%) which contained additional family units (Tables 4.10 and 4.11). Of these, 10,300 (0.8%) were cases of couples or lone parent families living with other households (‘concealed families’), while 67,200 (5.2%) were cases of one person units excluding non-dependent children of main householder (‘unrelated singles’).²¹²

Figure 4.10 Concealed potential households in Wales 1997-2014



Source: Labour Force Survey

²¹² It should be noted that this part of the analysis is broad brush, and includes groups such as students – we consider later some evidence on how people regard their present living arrangements.

Figure 4.11 Concealed potential households in Wales and UK by type, 1997 and 2014

Source: Labour Force Survey

In addition, the LFS indicated that a further 209,000 households in Wales contained non-dependent children who were not lone-parents or couples. This group should also be considered in a wider definition of potential concealed households.

The trends in these indicators over time are shown in Figure 4.10 as well as Figure 4.11. The incidence of potential concealed households has been relatively stable in Wales, with a slight decline from 1997 to 2008, a rather sharper decline to 2010 (mainly in the non-dependent children category), then a pronounced rise in 2012 and a slight further rise in 2014 (accounted for by the rise in the nondependent children category). The trends in Wales are quite similar to those in England and UK as a whole, except that Wales did not share in the general rise between 2002 and 2008.

There are 255,000 non-dependent children living in 209,000 households, 84,500 unrelated singles living in 67,000 households, and 32,600 individuals within 10,350 concealed couple or lone parent family units. This means that around 373,000 individuals in Wales are in one or other of these categories of potential concealed household. Even excluding singles and non-dependent children aged under 25, this figure would still reach 182,000.

The data in Figure 4.11 do indicate a statistically significant difference between Wales and the UK in 2014, in terms of the composition of concealed households (more nondependent children), although not in terms of the total incidence of any potential concealed households.

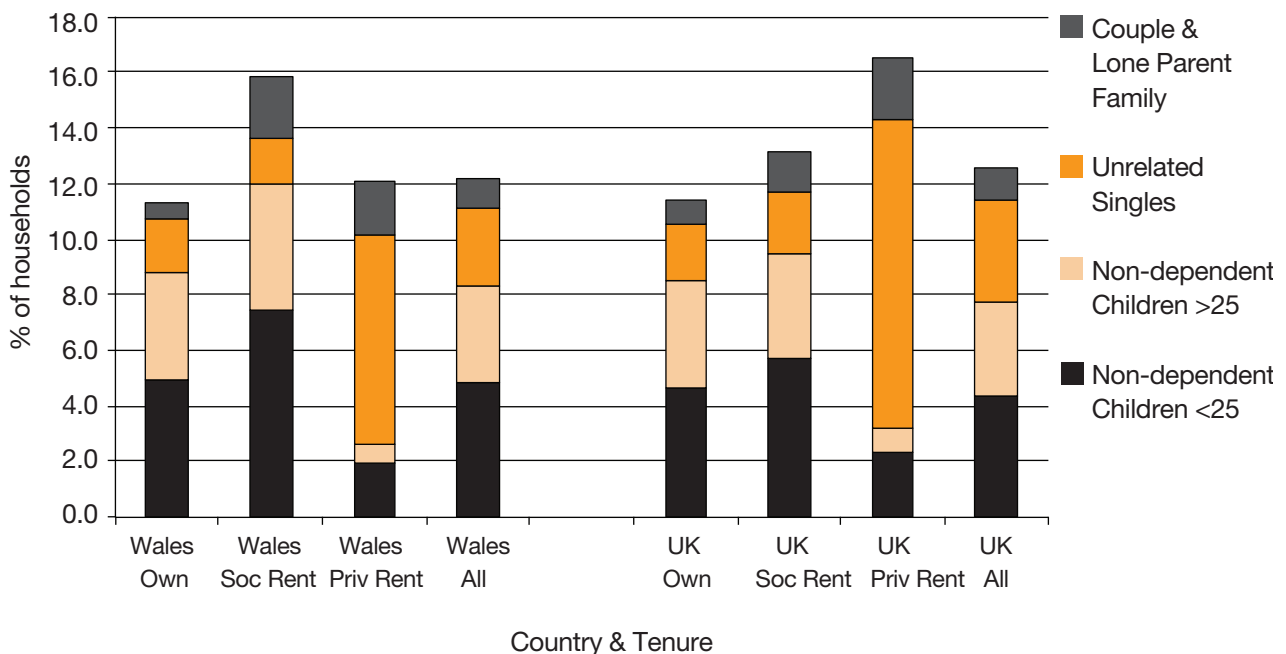
Data on England from the English Housing Survey (EHS) showed that additional family units were clearly more prevalent in more

deprived neighbourhoods. We would anticipate that were equivalent data available in Wales a similar pattern would be revealed.

As in the wider UK, but possibly to an even greater extent, these potential concealed households are more prevalent in private renting, as shown in Figure 4.12. This is in part because some students and young people living in flatshares will be recorded as additional family units. The presence of unrelated singles living with others is much lower in social renting and owner occupation. However, the prevalence of concealed families is higher in social renting, as well as private renting, while the largest group, nondependent children, have a high presence in both social renting and owner occupation. The growing tendency of older non-dependent children to linger in the parental home is more noticeable in the owner occupier sector.

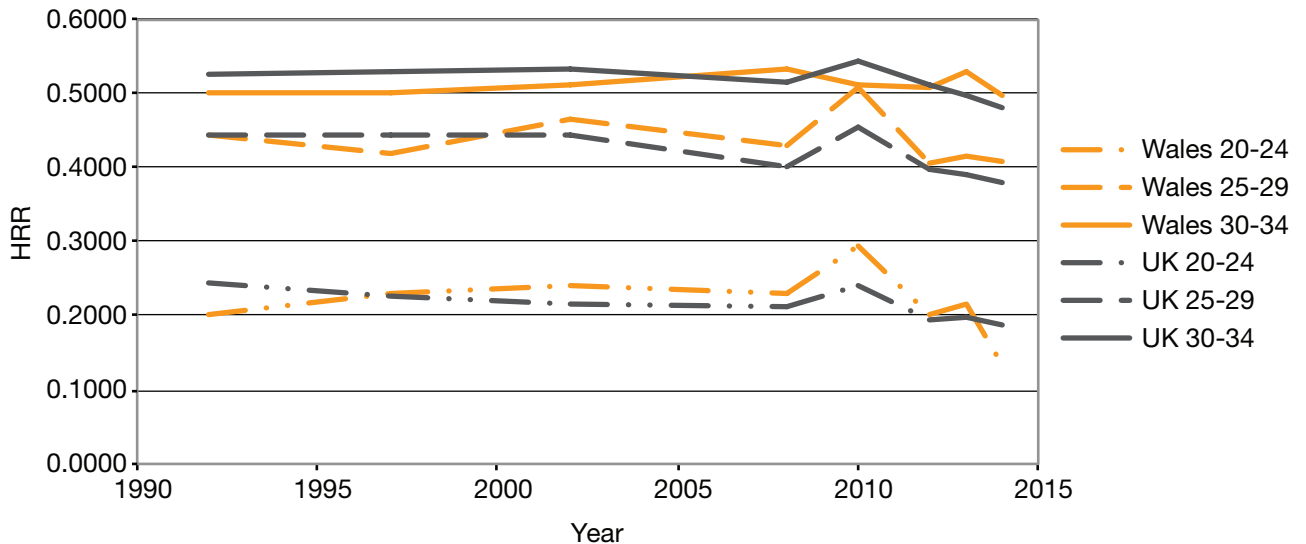
We have limited attitudinal data from surveys covering Wales concerning the intentions or preferences of these groups of potential concealed households. In England, over recent survey years the EHS has asked a question, where ‘extra singles’ are present in a household, as to why this person is living there. Overall, answers implying a preference on balance to stay account for between 50% and 55%, while answers implying a preference or intention to move, albeit constrained, or some uncertainty, account for 45-50% of cases. Similar proportions appear to apply to both nondependent children (50%) and to other single household members (45%), and to those over and under 25 within each category. If these proportions applied to Wales that would imply 134,000 households containing at least one concealed single household, involving 165,000 individuals. This would be in addition to approximately 10,000 concealed lone parent/

Figure 4.12 Individuals in potential concealed households by tenure by category and age, UK and Wales 2014 (percent of all individuals, all ages within each tenure)



Source: Labour Force Survey, Q4 2014

Figure 4.13 Household representative rates by age (20-34) in Wales and UK, 1992-2014



Source: Labour Force Survey

couple families containing 33,000 individuals.

Another indirect indicator of concealed households is (reduced) household formation. The propensity of individuals within given age groups to form ('head') separate households is a conventional way of measuring household formation. It is particularly interesting to look at the age groups between 20 and 34, as in Figure 4.13, as this is traditionally the main period when people leave the parental home and form new households (the increase in higher education participation has tended to affect the age groups below 25).

Over the last two decades in Wales, household headship for these age groups tended start at a lower rate but show more of an increase than for UK. In the UK (and more especially the south of England), headship rates tended to fall for the younger age groups, particularly between 2002 and 2008. This fall was also seen in Wales, particularly

for the 25-29 group after 2002, but not for the 30-34 group. Between 2008 and 2010 headship for these younger groups rose quite sharply in UK, before falling back to an even lower level by 2014. Wales saw a similar pattern, rising then falling back, although for the 30-34 group there was a dip in 2010, a rise to 2013, then a further dip. This may have been because of the 'cohort effect' of people who were 25-29 in the previous period and experiencing lower household headship carrying this forward into the next age group. Basically, Wales has shared in the general UK experience of fall in headship rates since 2010 and, at the end of the period (2014) headship rates for each group were rather similar in Wales to their values in UK as a whole.

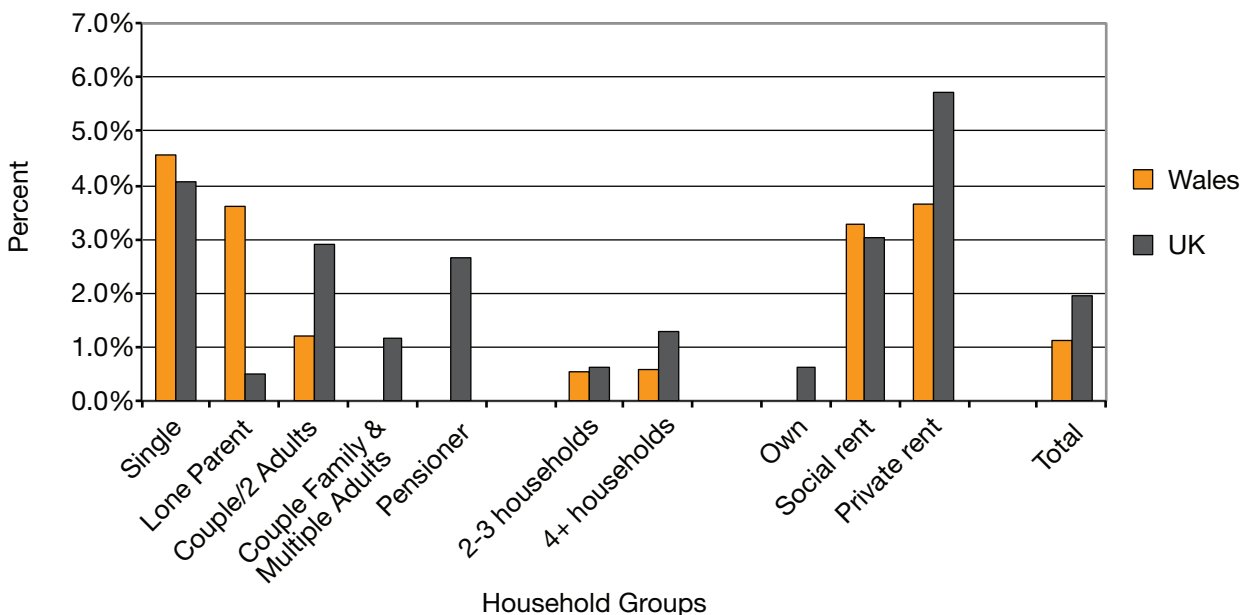
We interpret the main trends on concealed households in Wales in the same way as for the wider UK. Worsening housing affordability and more restricted access to social rented housing depressed household formation,

particularly for the 25-34 age group and in the period 2002-2008 especially. However, this effect was not as pronounced in Wales as in the south of England. How do we explain the ‘bounce’ upwards in 2010, despite the financial crisis and the recession? Our main hypothesis is that the very large rise in private rented sector lettings across the whole of the UK, including Wales, helped to enable more households to form (see Chapter 2). In addition, in 2010 there was some easing of the recession. However, in 2012 we had a further period of recession, cutbacks on LHA, and possibly a move to sell by some of the ‘involuntary landlords’ (owners who could not sell after 2007 and let temporarily). Bringing the story up to date, the continued squeeze on real incomes and living standards, accentuated by benefit cuts/freezes and by underemployment, job insecurity and part time working are apparently taking their toll on household formation by younger adults.

Households sharing accommodation

A ‘household’ is one person or a group of people who live at the same address and share either regular meals or a living room. It follows that ‘sharing households’ are those households who live together in the same dwelling but who do not share either a living room or regular meals together. Sharing reflects some of same characteristics as concealed households, namely an arrangement people make when there is not enough separate accommodation which they can afford or access. For example, some ‘flatsharers’ will be recorded as concealed households, and some will be recorded as sharing households, depending on the room sizes and descriptions. Traditionally, sharing was a major phenomenon, with many households sharing in different ways, as ‘lodgers’, living in bedsits or multi-occupied rooming houses. As shown below, this is less true today.

Figure 4.14 Sharing households in Wales and UK by tenure, number sharing, region and household type, 2014 (percent of households in each group).



Source: Labour Force Survey 2014; Quarter 4

Figure 4.14 provides a profile of sharing in Wales and UK in 2014. According to the LFS, 1.1% of households in Wales shared in that year (about 14,500 households), compared with 1.9% across the whole UK. So sharing is relatively rare now, and less common in Wales than in the UK (it is most prevalent in London). Sharing is more common for single person households (4.6%) but is still found amongst lone parent families (3.6%) and small families (1.2%). Across the UK, sharing is particularly concentrated in private renting (5.7%) and occurs rarely in the owner occupier sector (0.3%); in Wales, sharing is almost as common in social housing as it is in private renting (3.3% vs 3.7%), with no owner occupier cases in that particular wave of the survey. Over half of sharers share with one or two other households, but there are quite a few sharing households who share with a larger number of other households.

Sharing has seen a long-term decline, which may reflect improving housing availability but also probably changes in private renting and its regulation. Traditional multi-occupied houses (also known as HMOs) where people rented rooms have declined, as a result of HMO regulation, HB/LHA restrictions, general stock upgrading, and the new buy-to-let investment. The trajectory of sharing over time showed a pronounced decline in the 1990s and a slight further decline in the early-to-mid 2000s, followed by an apparent increase in the last four years. Wales tracked the UK decline at a lower level, falling from 2.2% in 1997 to just under 1.0% in 2010 before rising slightly to 1.2% in 2012 and 1.1% in 2014. This increase appears to evidence the impact of constrained access to housing following the 2007 credit crunch and the subsequent recession.

One reason to expect some further increase is the extension of the Shared Accommodation Rate (SAR) to 25-34 year olds (see Chapter 3). DWP have estimated that, as the result of this change to the age threshold, a further 62,500 people in the UK will become eligible for the SAR rather than the one bedroom property rate, roughly doubling the demand for shared accommodation if claimants do not access other housing options.²¹³ But for the reasons given above, coupled with the existing demand pressures on a limited supply of shared accommodation,²¹⁴ we would anticipate many of the additional people affected by the SAR to become 'concealed households' rather than sharing households. There is some evidence for this in the earlier section on concealed households, but it seems that in Wales this may have more often resulted in going back to live with parents rather than going to live in shared rented accommodation.

Overcrowding

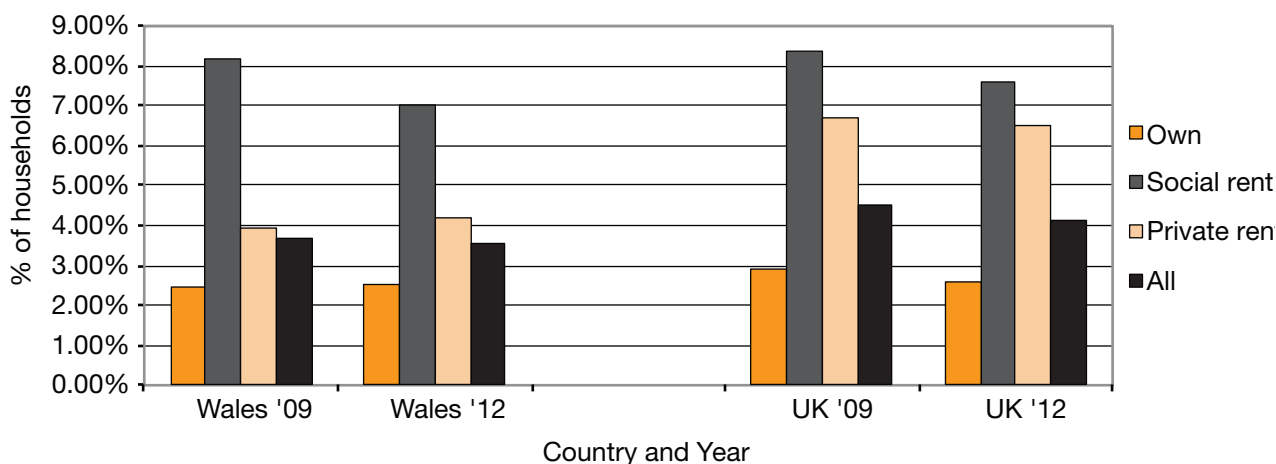
There is a general consensus that overcrowding is an important type of housing that needs to be addressed, and some would argue that it constitutes homelessness in its more extreme forms.²¹⁵ The most widely used official standard is the 'bedroom standard'. Essentially, this allocates one bedroom to each couple or lone parent, one to each pair of children under 10, one to each pair of children of the same sex over 10, with additional bedrooms for individual children over 10 of different sex and for additional adult household members. This measure is implemented in household surveys, including EHS, and while some would argue that it is overly conservative, when even this very basic threshold is not being met it is likely to be treated as a priority over achieving higher standards.

²¹³ Centre for Housing Policy, University of York (2011) *Unfair Shares: A Report on the Impact of Extending the Shared Accommodation Rate of Housing Benefit*. London: Crisis.

²¹⁴ Ibid.

²¹⁵ This is the position of FEANTSA (the European Federation of National Organisations Working with the Homeless), for example <http://www.feantsa.org/code/en/pg.asp?page=484>

Figure 4.15 Overcrowding by tenure in Wales and UK, 2009 and 2012



Source: Understanding Society, Waves 1 and 4.

Overcrowding has actually increased to quite a pronounced extent since 2003 in England, from 2.4% to 3.0% of all households, reversing previous declining trends. In Wales we do not have consistent trend data over time. The pilot for the new National Survey for Wales gives a figure of 2.0% of all households in 2011. This suggests a lower level of crowding than in England. This may reflect a lower level of pressure in the market and less minority ethnic and immigrant households.

Data from the longitudinal 'Understanding Society' survey (which now incorporates the British Household Panel Survey) indicates that, in Wales, to a greater extent than elsewhere in UK, crowding seems to be particularly prevalent in social renting.²¹⁶ Figure 4.15 shows the rates for 2009 and 2012, showing that the rates in Wales are lower than UK overall and in the private tenures, particularly private renting. They are almost as high as UK in the social rented sector, and it is therefore the social rented

sector which stands out in Wales. The Figure also shows a slight decline in overcrowding between these two dates. Since 2009 was the year when the recession was having its biggest impact, this is not surprising, and is consistent with the picture for other housing needs indicators.

The absolute number of overcrowded households, based on this survey, would be 36,400 in 2012. It should be noted that the way that overcrowding is measured in *Understanding Society* gives a somewhat higher absolute score than the way it is measured in English Housing Survey. This is also true of the 2011 Census, which provides measures of the occupancy rating, giving the proportion of households with 1 or 2+ rooms less than the standard. For Wales as a whole these scores are 4.1% and 1.1%, compared with 6.5% and 2.4% for England or 6.4% and 2.3% for UK as a whole. Within Wales, Cardiff stands out with scores of 8.1% and 2.4%. Other authorities with above-average scores are the other two large cities of Newport and

²¹⁶ Although we have not been able to exactly match the bedroom standard calculation in our analysis of the Understanding Society dataset.

Swansea, one former mining/Valleys authority (Merthyr Tydfil) and one rural authority (Ceredigion).

4.6 Key points

- Recent attempts to enumerate rough sleeping in Wales indicate a rate that is lower than that in England, but it is acknowledged that the methodologies employed allow for only very broad estimation.
- Analysis of administrative data suggests that the highest incidence of the more severe or complex deprivations that tend to be associated with single homelessness, including destitution and offending behaviours, are to be found in Cardiff, Swansea, Newport and the former mining 'Valleys' authorities (Merthyr Tydfil, Bridgend, Blaenau Gwent).
- Cases of actual homelessness dealt with by Citizens Advice Wales increased by 50% between 2009/10 and 2014/15, with cases of threatened homelessness rising by 7%.
- A downward trend in homelessness 'acceptances' has been evident in Wales since 2011/12. By 2014/15, the total had fallen back to a level 8% below that of the previous low in 2009/10. In the last year, there has also been a drop of 11% in the total number of homelessness decisions by LAs, bringing it down almost to the 2009/10 nadir.
- Our key informant interviewees generally saw the falling level of statutory homelessness over the past few years as attributable to LAs 'gearing up' for the new prevention-focused statutory regime. Thus, falling 'headline homelessness' numbers reflect administrative changes rather than a 'real' contraction in underlying homelessness demand.
- The profile of statutorily homeless households seems to be changing in Wales, with a marked expansion in the proportion of acceptances accounted for by ex-offenders and those who are vulnerable as a result of fleeing domestic violence, whereas the proportion of cases involving households classed in priority need on account of containing a vulnerable young person has declined. The removal of the 'automatic' priority need for ex-prisoners is expected to bring about a drastic reduction in the numbers in that category in the coming years.
- There have also been significant shifts in the immediate causes of statutory homelessness with, for example, family/friend evictions in 2014/15 down by 35% as compared with 2009/10, whereas homelessness due to loss of a rental tenancy was up by 20%. Mortgage arrears as a cause of statutory homelessness remains at a very modest level (2% of all acceptances).
- The number of concealed households was fairly static in Wales, with a certain decline in 2010 followed by an increase in 2012-14. In 2014 there are an estimated 134,000 households containing at least one concealed single household, involving 165,000 individuals. In Wales this is particularly associated with nondependent children living with parents. This is in addition to approximately 10,000 concealed lone parent/couple families containing 33,000 individuals.
- There has been a decline in new household formation, particularly since 2010 in the 20-34 age group. In this respect Wales is catching up with trends in England which started earlier, because of affordability and access problems, with the recent decline probably reflecting the recession and welfare benefit changes as well.

- After a long-term decline, there has been a slight increase in the number of sharing households in the last four years. The decline, and then subsequent rise, of this indicator has tracked trends in UK but at a slightly lower level. In 2014 there were about 14,500 households sharing in Wales (1.1%), with relatively high levels in social renting.
- Overcrowding affected around 36,000 households (3.6%) in Wales in 2012. It appears to be much more common in social renting, and in the major cities and some former mining areas.

5. Conclusions and future monitoring

It is a fascinating time to be monitoring policy development on homelessness in Wales. The move away from what has been described as the ‘all or nothing’ existing statutory framework, towards a universal entitlement to early intervention has been fairly commended as “*extremely progressive*”.²¹⁷ Essentially, the Housing (Wales) Act 2014 introduces a homelessness safety net both wider (meaningful assistance to all) but also somewhat shallower (no guaranteed access to social housing) than that which has existed since 1977. It is also intended to usher in a more flexible, problem-solving approach on the part of LAs, tailored to the needs of individuals, rather than the more ‘mechanistic’ rationing mind-set said to be associated with the traditional statutory system. This new model unambiguously resolves the uneasy relationship between preventative (‘housing options’) interventions and what was hitherto known as the ‘main statutory homelessness duty’. It is now an explicitly sequential process, wherein the whole question of ‘gatekeeping’ is obviated and LAs no longer risk legal challenge for robustly pursuing housing options approaches before accepting a formal homelessness application.

However, there are clearly a number of potential weaknesses inherent in the new Welsh model. For those households not in priority need, for example, the incentive for LAs to provide robust prevention and relief interventions may be weakened by their lack of entitlement to settled housing (although the prospect of LAs being legally challenged for taking insufficient ‘reasonable steps’ should help to counter this). Given that the

prevention and relief assistance provided will not result in all households finding a housing solution, those assessed as not in priority need or deemed intentionally homeless may still be left without accommodation at the end of the process. Moreover, the lack of an independent housing inspectorate in Wales may mean that implementation of the new duties is less consistent across the country than might otherwise be the case. While one can well understand the need to take account of what is feasible locally in determining the ‘reasonable steps’ to be taken in any particular homeless case, it remains to be seen how big a ‘get out’ clause the ‘best use of resources’ caveat will become.

The importance of revisiting the statutory homelessness framework in light of the ‘prevention turn’ in policy and practice in all parts of the UK is now evident, especially given the contention that the outcomes of flexible ‘housing options’ interventions can be better for at least some households than those of the traditional statutory route.²¹⁸ The Welsh Government is the first UK administrations to really take on that challenge and experiences there may yield valuable lessons for the other jurisdictions.

While it is premature to conclude that Wales has found ‘the answer’ to the conundrum of how to combine a rigorous preventative ‘filter’ with a strong statutory safety net for homeless people,²¹⁹ initial indications of cross-sector goodwill and support for the new model are promising. It certainly seems to offer potential lessons for England, where homeless single people are very often excluded from gaining access to any form

²¹⁷ Mackie, P. (2014) ‘Homelessness in the Housing (Wales) Bill’, *Click on Wales*, 24th June, www.clickonwales.org/2014/06/homelessness-in-the-housing-wales-bill/

²¹⁸ Mackie, P. (2015) ‘Homelessness prevention and the Welsh legal duty: lessons for international policies’, *Housing Studies*, 30(1): 40-59. See also the English survey results

²¹⁹ Wilcox, S. & Fitzpatrick, S. (2010) *The Impact of Devolution: Housing and Homelessness*. York: JRF.

material assistance, amid persistent concerns about unlawful gatekeeping.²²⁰ There may also be helpful pointers for Scotland, where there has been significant recent controversy over the interrelationship between the housing options approach introduced post 2010, and the very strong statutory safety net that now pertains post the abolition of the priority need criterion in 2012.²²¹ The general direction of the Welsh reforms also seem to ‘go with the grain’ of public policy developments, in the sense of fitting with the growing ‘responsibilisation’ ethos within welfare and housing policy, as homeless and potentially homeless applicants in priority need will be obliged to engage with the ‘reasonable steps’ assistance or jeopardise their access to the full statutory duty.²²² As Shelter Cymru have pointed out, this agenda carries risks, particularly for those applicants with experience of the previous statutory homelessness system, and it is imperative that the consequences of “unreasonably failing to engage” are made clear to them from an early stage.²²³

Especially in the context of the Welsh Government’s largely progressive policy moves in the realm of homelessness, the proposed loss of tenure security for PRS tenants, courtesy of the Renting Homes (Wales) Bill, seems on the face of it a very surprising development. While one might readily agree with the Law Commission and the Welsh Government that the six month moratorium on no fault evictions provides only a meagre level of tenure security for private tenants, that hardly

seems a convincing rationale for removing it altogether. As Shelter Cymru have argued, it will mean that Welsh private tenants will have amongst the most insecure tenancies in the developed world, should this legislation be brought into force. This seems likely to make the private sector offer even less attractive to poorer households and families with children – groups whom we know place a particularly high value on security of tenure.²²⁴

The downward pressure exerted by the Renting Homes Bill on the homelessness ‘offer’ is already evident in the 2014 Act, with the reduction in the minimum tenancy length required to discharge duty to six months on the basis that this provides more security than will be enjoyed by other private tenants. As the Renting Homes Bill was still making its way through the Welsh Assembly at the time of writing, it remains to be seen whether the Welsh Government will in the end pursue a path so at odds with the position in the rest of the UK, particularly Scotland where it seems likely that tenure security will actually be increased for private tenants.²²⁵

There are other very important policy developments on housing ongoing at the time of writing, with the Welsh Government deploying its expanded housing powers to provide a new basis for regulating RSLs, and to amend the operation of the RTB with a view to its eventual abolition. Private landlords and letting agents will be subject to a new regime of licensing and regulation, courtesy of the 2014 Act. The 2014 Act also laid the basis for a fundamental reform of

220 Dobie, S., Sanders, B., & Teixeira, L. (2014) *Turned Away: The treatment of single homeless people by local authority homelessness services in England*. London: Crisis; Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*; London: Crisis.

221 Scottish Housing Regulator (2014) *Housing Options in Scotland. A Thematic Inquiry*. Edinburgh: SHR. www.scottishhousingregulator.gov.uk/sites/default/files/publications/Housing%20Options%20Report%20-%20Web%20Version.pdf

222 Fitzpatrick, S., Watts, B. & Johnsen, S. (2014) *Conditionality Briefing: Social Housing – Welfare Conditionality study briefing papers*. York: University of York.

223 Shelter Cymru (2015) *Response to the Welsh Government Consultation on the Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness*. Cardiff: Shelter Cymru.

224 Fitzpatrick, S. & Pawson, H. (2013) ‘Ending security of tenure for social renters: transitioning to ‘ambulance service’ social housing?’, *Housing Studies*, 29(5): 597-615.

225 Scottish Government (2014) ‘More security for tenants’, *Scottish Government Press Release*, 6th October: <http://news.scotland.gov.uk/News/More-security-for-tenants-10dc.aspx>

the financial arrangements for the council housing sector, which in April 2015 brought to an end the requirement to transfer annual 'surpluses' to HM Treasury (following on from the similar change made in England in 2012). While it will be some time before councils are in a position to effectively exercise the greater freedoms they now have to establish housing investment programmes, there was said to be a strong "*appetite to build again*" amongst Welsh local authorities.

However, these additional powers have come into play at the same time as the Welsh Government has found its overall budget squeezed by the UK-wide austerity measures, with the recently re-elected UK government committed to further significantly curtailing national public spending. Moreover, it is widely accepted, outside as well as within Wales, that the overall 'Barnett formula' based devolution funding arrangements do not result in a favourable outcome for the Welsh Government, especially as compared with Scotland and Northern Ireland. Within that context, there has tended to be a lower effective priority given to housing investment by Welsh Governments in the post-devolution period than elsewhere in the UK, though the gap with England has narrowed in recent years as housing investment there has been cut sharply. The Welsh Government does appear to be on way to meeting its own target of providing 10,000 additional 'affordable' dwellings over its current four year term, but that falls considerably short of the higher, independently assessed, level of the numbers required (15,000).²²⁶

One potentially worrying development to emerge in this year's Welsh Monitor is an apparent weakening in homeless people's access to social housing in Wales. Despite a rise in the availability of social sector lettings in Wales in 2013/14, there has been a marked decline in the proportion of those lettings

made to homeless households to around 18% (the recent norm has been around a quarter of all lettings). Whilst this pattern may to some extent reflect recent declines in the level of statutory homelessness acceptances (see below), the numbers rehoused in social housing has also fallen as a proportion of total acceptances, suggesting a 'real' pattern of lowered priority. The reasons for this trend are uncertain, but there are indications that it may be a welfare reform-related development, with more stringent financial capability assessments undertaken by some social landlords ruling out access for homeless households particularly impacted by benefit cuts.

There are also significant wider economic challenges in Wales. While the UK economy has now returned to pre-credit crunch levels, the Welsh economic downturn was more severe, and recovery lags behind England and Scotland. Wales is characterised by lower levels of pay, and household incomes, compared to the rest of the UK. It has also been disproportionately affected by some aspects of the UK Government's welfare reforms, with five of the 25 areas in Great Britain most severely impacted in Wales (Merthyr Tydfil, Blaenau Gwent, Neath Port Talbot, Rhondda Cynon Taff and Caerphilly).

Limits on the eligible rents for households in the social rented sector - officially designated as the 'Spare Room Subsidy' limits, but more widely referred to as the 'Bedroom Tax' - have hit Wales particularly badly, and social landlords have a very limited supply of smaller dwellings to facilitate any significant level of transfers by impacted tenants. The increase in transfer levels in 2013/14 equated to just 3% of the total numbers impacted by the 'Bedroom Tax'. This measure has clearly resulted in increased household debts and hardship in Wales, and a significant increase in the numbers of households reliant on food

²²⁶ Holmans, A. & Monk, S. (2010) *Housing Demand and Need in Wales 2006 to 2026*. Cardiff: Welsh Assembly Government.

banks to get by. Its impacts would have been all the greater were it not for the extensive use of DHP budgets, as well as utilising additional funding provided by the Welsh Government.

In the context of all this policy flux, homelessness trends are difficult to interpret in Wales, not least because of the relative weakness of the available homelessness data (though hopefully the reformed monitoring regime will start to change this). The overall patterns of statutory homelessness acceptances and decisions in Wales in recent years show strong similarities with those recorded for England. Both sets of figures demonstrate initially rising post-2010 trends, subsequently reversed (though statutory homelessness is now increasing again in England). As regards England it has been established conclusively that this reversal of the post-2010 upward trajectory resulted from changing administrative practice on the part of LAs— both in terms of more assertive ‘prevention’ interventions and (latterly) associated with the disincentive effects of the adoption of Localism Act powers to discharge statutory rehousing duty via an offer of accommodation in the private rented sector.²²⁷ In Wales, our key informant interviewees similarly saw the falling level of statutory homelessness over the past few years as attributable to LAs ‘gearing up’ for the new prevention-focused statutory regime.

The increasing importance of loss of a tenancy as a cause of homelessness in Wales seems possibly to echo developments in England, albeit at a more modest pitch. On the other hand, the recent expansion in the proportion of homelessness acceptances accounted for by ex-offenders is a trend peculiar to Wales, and expected to be sharply reversed as a consequence of the (controversial) removal of the ‘automatic’ priority need for this group under the terms

of the 2014 Act. The sharp reduction in levels of statutory homelessness amongst young people in Wales over the past few years is intriguing. While partly attributed by our key informants to the positive effects of the Southwark judgement in terms of stronger social services interventions, some also claimed that the ‘Bedroom Tax’ may be a factor in discouraging young people’s ejection from the family home.

Looking to the future, we might expect, as was witnessed in Scotland in the early years of expansion of the priority need criteria, that the overall numbers recorded as homeless or threatened with homelessness in Wales will increase in the short-term, as a result of the enhanced incentives for single people facing a housing crisis to approach their LAs for help. Over time, however, if the new prevention and relief activities are as effective as their advocates hope, the numbers accepted as owed the full duty to be secured accommodation may reduce, although this will also depend on the impact of wider forces, most notably welfare reform. In any event, monitoring the success or otherwise of this significantly reformed statutory framework in Wales will be a major theme in future editions of this Monitor series.

Of course, the statutory homelessness framework in Wales and elsewhere in the UK does not exist in a vacuum, and future trends will also be influenced by the economic climate and, especially, the housing market context. In this regard, the wider housing policy developments reviewed above which seek to shape the supply and regulation of social, affordable and private rented housing will be at least as important to the prospects for successfully tackling homelessness in Wales as these targeted measures.

At the same time, the ongoing impacts of welfare reform, particularly the rolling out

²²⁷ Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2015) *The Homelessness Monitor: England 2015*; London: Crisis.

of direct payments under UC, may have deleterious effects which overwhelm any progressive measures open to the Welsh Government. A further round of detailed welfare reforms and cuts were announced in the 2015 Summer Budget,²²⁸ and will take effect in the coming years. These are major reforms, that have particular implications for young single people²²⁹ and larger families, and more generally for the ability of low income households to access the private rented sector. It will therefore be at least as important to monitor the homelessness impacts of welfare changes under the new (majority) Conservative Government in Westminster as it has been to reflect on these impacts over the past five years of the UK Coalition Government and its associated austerity and other reform programmes.

²²⁸ HM Treasury (2015) *Summer Budget 2015, July 2015, HC 264*. London: HM Treasury.

²²⁹ Leishman, C. & Young, G. (2015) *Lifeline not Lifestyle: An Economic Analysis of the Impacts of Cutting Housing Benefit for Young People*. www.eyh.org.uk/index.php?id=181

Appendix 1 Topic guide for key informant interviews: Round 2 (2014/15) voluntary sector

Introduction

- Explain nature and purpose of research
- Their job title/role; how long they have been in that position/organisation
- Nature of organisation – nature of service(s) provided; geographical coverage; homeless groups they work directly with (rough sleepers, single homeless, young homeless, homeless families, statutory homeless, hidden homeless etc.)

1. Impacts of recession/economic context

- Has there been an impact of the current recession/economic context on your client group/demand for your services.

Probe changes in:

- > nature, size, profile of client group
- > needs of clients
- > triggers for homelessness/crisis situation, etc.
- What are key contextual factors driving this change – rising/falling unemployment; increased conditionality in JSA/ESA; decline in social lets; affordability/deposit barriers to home ownership, etc.
- What is it about these changes that directly impacts on your client group?
- Overall, have these economic developments/contexts had a positive or negative impact on your client group?
- Have you monitored these impacts in any way? Any evidence you can share with us?
- How do you see these effects developing going forward?

2. Impacts of Coalition policies

- Are there any particular Coalition policies/proposals that are likely to impact significantly on your clients/service users and demand for your services?

Probe:

- > welfare reform;
- > LHA restrictions (30th percentile rule; SRR extension to 35; LHA caps);

- > cuts in HB for under-occupiers in SRS;
 - > uprating of HB non-dependent deductions;
 - > overall household benefit caps;
 - > Universal Credit, etc
- What impact will they have – positive or negative?
 - What is it about these policy changes that will directly impact on your client group/what is the process by which it will affect them?

Probe:

- > increase risks of homelessness;
- > make homelessness prevention more difficult;
 - > make resolving homelessness more difficult, etc.
- Which policies/impacts are you most concerned about and why?
- When do you think you will start to see these effects/timescale for impacts?
- Will you be monitoring these impacts in any way? When will you have data/evidence to share?

3. Impacts of Welsh Government policies

- Are there any particular Welsh Government policies/proposals that are likely to impact significantly on your clients/service users and demand for your services?

Probe:

- > new homelessness provisions in Housing (Wales) Act 2014; Renting Homes (Wales) Bill; changes to priority need for prisoners; Supporting People/Section 180 grant reforms; social housing reforms
- > Other public sector reforms?

4. Follow up

- Any other service provider we should speak to?
- Any data/evidence they can give us?
- OK to return to speak to them again this time next year?

Appendix 2 Topic guide for key informant interviews: Round 2 (2014/15) local authorities

Introduction - explain nature and purpose of research

Note respondent job title/role; duration in that position/organisation

1. Impacts of recent economic/housing market conditions

(a) Has there been an impact of the **weakening/strengthening of the job market and housing market conditions** on housing need/homelessness in your LA? – e.g. in terms of:

- > rising/falling unemployment leading to more rent/mortgage arrears feeding through to rising evictions/mortgage repossessions?
- > decline in social lets squeezing affordable housing supply?
- > affordability/deposit barriers to home ownership, etc?
- > A8 (or other) migration trends?

(b) Any specific effects on: (i) statutory homeless; (ii) rough sleepers; (iii) single homeless; (iv) hidden homelessness (sofa surfing, overcrowding etc.)

Probe:

- > on any changes in size, nature of client group (e.g. any evidence of ‘middle class homelessness’);
- > factors triggering homelessness (e.g. mortgage/rent arrears, end of short assured tenancies, family pressures, drug/alcohol problems)

(c) What **statistical measures** do you have for changing rates of housing need/homelessness demand in your local authority over the past 2-3 years? – e.g. new housing applications, housing advice caseload statistics. Can you share these with us?

(d) How do you see the impact of **economic and housing market conditions** affecting homelessness over the next year?

2. Impacts of Coalition Government welfare/Housing Benefit reform policies

(a) Are there any particular Coalition housing/Housing Benefit reform policies/proposals impacting significantly on housing need/homelessness or likely to do so in next 1-2 years?

Probe:

- > Welfare reform;

- > LHA restrictions (30th percentile rule; SRR extension to 35; LHA caps);
 - > cuts in HB for under-occupiers in SRS;
 - > uprating of HB non-dependent deductions;
 - > overall household benefit caps;
 - > Universal Credit, etc
 - > What impact will these changes have – positive or negative?
- (b) Can anything be said about the likely impacts on distinct homelessness groups – i.e. statutory homeless, rough sleepers, single homeless, hidden homeless?
- (c) Which policies/impacts are you most concerned about and why?
- (d) Do you think social landlords will be budgeting to accept higher arrears levels due to HB cuts or will they just evict more people as arrears rise?
- (e) Do you think that a continuing expansion of the private rented sector will help offset rising homelessness by providing more supply at affordable rents?
- (f) What is your authority's experience of whether landlords are accepting lower rents to conform to reduced HB ceilings?

3. Impacts of Welsh Government policies

- a) Are there any specific **Welsh Government policies/proposals** you believe are likely to impact significantly on housing need/homelessness?

Probe:

- > new homelessness provisions in Housing (Wales) Act 2014; Renting Homes (Wales) Bill; changes to priority need for prisoners; Supporting People/Section 180 grant reforms; social housing reforms
 - > Other public sector reforms.
- b) How will these factors impact here?

Probe:

- > increase risks of homelessness;
- > make homelessness prevention more difficult;
- > make resolving homelessness more difficult;

> increase statutory homelessness numbers/demands on social housing.

- c) Can anything be said about how these changes may affect distinct homelessness groups – i.e. statutory homeless, rough sleepers, single homeless
 - d) Which policies/impacts are you most concerned about and why?
 - e) When do you think you will start to see these effects/timescale for impacts? Do you think they will affect some groups more than others?
5. (If not already fully covered) If statutory homelessness numbers (or homelessness applications) have been rising in your authority, what are believed to be the main underlying drivers of this trend? What evidence is available to support this?
6. (If not already fully covered) If rough sleeper numbers have been rising in your authority, what are believed to be the main underlying drivers of this trend? What evidence is available to support this?
7. (If not already covered) Are there any local housing, planning or other policies which have impacted or may impact on homelessness demand?

4. Follow up

Any data/evidence/reports to be provided? OK to repeat interview in 2013?

Bibliography

A Welsh Government Task and Finish Group (2015) *Direct Payments of Housing Benefit in the Social Rented Sector and Sustainable Tenancies*. Cardiff: Welsh Government.

Adams, L. (2014) 'Benefits sanctions double against women, disabled and lone parents', *BBC News*, 17th July: www.bbc.co.uk/news/uk-scotland-28331544

Auditor General for Wales (2015) *Managing the Impact of Welfare Reform Changes On Social Housing Tenants in Wales*. Cardiff: Welsh Audit Office.

BBC News (2014) 'Welfare benefit sanctions rise 'concern' in Wales', *BBC News*, 26th November: www.bbc.co.uk/news/uk-wales-politics-30202477

Beatty, C. & Fothergill, S. (2013) *Hitting the Poorest Places Hardest: The Local and Regional Impact of Welfare Reform*. Sheffield: Centre for Regional Economic and Social Research, Sheffield Hallam University.

Beatty, C., Cole, I., Powell, R., Kemp, P., Brewer, M., Emmerson, C., Hood, A. & Joyce, R. (2014) *Monitoring the Impact of Changes to the Local Housing Allowance system of Housing Benefit: Final Reports*. London: DWP.

Beatty, C., Foden, M., McCarthy, L. & Reeve, K. (2015) *Benefit Sanctions and Homelessness: a Scoping Report*. London: Crisis.

Black, P. (2015) 'Welfare – to devolve or not to devolve', *Click on Wales*, 20 February: www.clickonwales.org/2015/02/welfare-to-devolve-or-not-to-devolve/

Blue Alumni Limited (2014) *Evaluation of the Discretionary Assistance Fund: Main Report*. Cardiff: Welsh Government.

Bramley, G., Fitzpatrick, S. with Edwards, J., Ford, D., Johnsen, S., Sosenko, F. & Watkins, D. (2015) *Hard Edges. Mapping Severe and Multiple Disadvantage: England*. London: LankellyChase Foundation.

Centre for Housing Policy, University of York (2011) *Unfair Shares: A Report on the Impact of Extending the Shared Accommodation Rate of Housing Benefit*. London: Crisis.

Church Action on Poverty (2015) 'Churches call for urgent review of benefit sanctions', *Church Action on Poverty Press Release*, 2 March: www.churchinwales.org.uk/news/2015/03/churches-call-for-urgent-review-of-benefit-sanctions/

Church Action on Poverty (2015) *Time to Rethink Benefit Sanctions*, www.church-poverty.org.uk/rethinksanctions/report

City Of Cardiff Council (2014) Homelessness in Cardiff and preparing for changes required by the Housing Act. Community & Adult Services Scrutiny Committee, 1st October 2014. http://formerly.cardiff.gov.uk/objview.asp?object_id=29266

Clarke, A., Hill, L., Marshall, B., Monk, S., Pereira, I., Thomson, E., Whitehead, C., & Williams, P. (2014) *Evaluation of Removal of the Spare Room Subsidy: Interim Report*. London: DWP.

Commission on Public Service Governance and Delivery (2014) Summary Report, January 2014. <http://gov.wales/docs/dpsp/publications/psgd/140120-psgd-summary-report-en.pdf>

Council of Mortgage Lenders (2013) 'Helping the bank of mum and dad', *CML News and Views*, 5th June: www.cml.org.uk/news/533/

Crisis, St Mungo's, & Homeless Link. (2012) *The Programme's not Working: Experiences of Homeless People on the Work Programme*. London: Crisis, St Mungo's & Homeless Link.

Davies J. (2014) 'The Housing (Wales) Bill – a view from a former Housing Minister', *Click on Wales*, June 25th: www.clickonwales.org/2014/06/the-housing-wales-bill-a-view-from-a-former-housing-minister/

Day, L. (2015) 'Eviction rise risk' with Welsh government's rent plan', *BBC Wales Eye on Wales*, 7th February: www.bbc.co.uk/news/uk-wales-31171212

DCLG (2015) *Rough Sleeping Statistics England, Autumn 2014*. www.gov.uk/government/uploads/system/uploads/attachment_data/file/407030/Rough_Sleeping_Statistics_England_-_Autumn_2014.pdf - see page 42

De Agostini, P. Hills, J. & Sutherland, S. (2014) *Were We Really All in it Together? The Distributional Effects of the UK Coalition Government's Tax-benefit Policy Changes, CASE Working Paper 10*. London: London School of Economics and Political Science.

Dobie, S., Sanders, B., & Teixeira, L. (2014) *Turned Away: The Treatment of Single Homeless People by Local Authority Homelessness Services in England*. London: Crisis.

DWP (2011) *Local Support to Replace Community Care Grants and Crisis Loans for living expenses: A call for evidence*. London: DWP. www.dwp.gov.uk/docs/social-fund-localisation-call-for-evidence.pdf

DWP (2012) *Benefit Cap (Housing Benefit) Regulations 2012: Impact Assessment for the Benefit Cap*. www.gov.uk/government/uploads/system/uploads/attachment_data/file/220178/benefit-cap-wr2011-ia.pdf

DWP (2012) *Housing Benefit Size Criteria for People Renting in the Social Rented Sector: Equality Impact Assessment. Updated June 2012*. www.gov.uk/government/uploads/system/uploads/attachment_data/file/220154/eia-social-sector-housing-under-occupation-wr2011.pdf

DWP (2014) *Benefit Cap: GB households capped to August 2014*. www.gov.uk/government/uploads/system/uploads/attachment_data/file/370587/benefit-cap-statistics-to-aug-2014.pdf

DWP (2014) *Government's response to the Independent review of the operation of Jobseeker's Allowance sanctions validated by the Jobseekers Act 2013*. London: Her Majesty's Stationery Office.

DWP (2014) *Removal of the Spare Room Subsidy: Analysis of changes in numbers subject to a reduction in Housing Benefit award*. London: DWP.

DWP (2014) *Use of Discretionary Housing Payments: Analysis of Annual Financial and Monitoring Returns from Local Authorities*. London: DWP.

DWP (2015) *Use of Discretionary Housing Payments GB: Analysis of Mid-Year Returns from Local Authorities April-September 2014*. London: DWP.

Fitzpatrick, S. & Pawson, H. (2013) 'Ending security of tenure for social renters: transitioning to 'ambulance service' social housing?', *Housing Studies*, 29(5): 597-615.

Fitzpatrick, S. & Pleace, N. (2012) 'The statutory homelessness system in England: A fair and effective rights-based model?' *Housing Studies*, 27(2): 232-251.

Fitzpatrick, S., Bramley, G., Blenkinsopp, J., Johnsen, S., Littlewood, M., Netto, G., Sosenko, F. & Watts, B. (2015) *Destitution in the UK: An Interim Report*. York: JRF.

Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2011) *The Homelessness Monitor: Tracking the Impacts of Policy and Economic Change in England 2011-2013*. London: Crisis.

Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor: England 2012*. London: Crisis.

Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2012) *The Homelessness Monitor Scotland 2012*. London: Crisis.

Fitzpatrick, S., Pawson, H., Bramley, G. & Wilcox, S. (2015) *The Homelessness Monitor: England 2015*. London: Crisis.

Fitzpatrick, S., Pawson, H., Bramley, G., Wilcox, S. & Watts, B. (2013) *The Homelessness Monitor: Wales 2012*. London: Crisis.

Fitzpatrick, S., Watts, B. & Johnsen, S. (2014) *Conditionality Briefing: Social Housing – Welfare Conditionality study briefing papers*. York: University of York.

FSA (2015) *Mortgage Lending & Administration Return Statistics, March 2015* http://www.fsa.gov.uk/library/other_publications/statistics/future

Green, A., Elias, P., Hogarth, T., Holmans, A., McKnight, A. & Owen, D. (1997) *Housing, Family and Working Lives*. Warwick: Institute for Employment Research, University of Warwick.

Hickman, P., Reeve, K., Wilson, I., Green, S., Dayson, C. & Kemp, P. (2014) *Direct Payment Demonstration Project: 12 month stage reports*. London: DWP.

Hills, J., Smithies, R. & McKnight, A. (2006) *Tracking Income: How Working Families' Incomes Vary Through The Year*. London: Centre for the Analysis of Social Exclusion, London School of Economics.

Holmans, A. & Monk, S. (2010) *Housing Demand and Need in Wales 2006 to 2026*. Cardiff: Welsh Assembly Government.

Homeless Link (2013) *A High Cost to Pay: The Impact of Benefit Sanctions on Homeless People*. www.homeless.org.uk/sites/default/files/site-attachments/A%20High%20Cost%20to%20Pay%20Sept%202013.pdf

Homeless Link (2014) *Support for Single Homeless People in England: Annual Review 2014*. London: Homeless Link.

House of Commons Work and Pensions Select Committee (2015) *Benefit Sanctions Policy beyond the Oakley Review: Fifth Report of Session 2014–15*. London: The Stationery Office Limited.

Ipsos MORI (2014) *Impact of Welfare Reforms on Housing Associations: Early Effects and Responses by Landlords and Tenants*. <https://www.ipsos-mori.com/Assets/Docs/Publications/sri-ipsos-mori-nhf-report-impact-of-welfare-reforms-on-housing-associations-2014.pdf>.

JRF (2013) *Monitoring Poverty and Social Exclusion In Wales 2013*. York: JRF.

Leishman, C. & Young, G. (2015) *Lifeline not Lifestyle: An Economic Analysis of the Impacts of Cutting Housing Benefit for Young People*. www.eyh.org.uk/index.php?id=181

Mackie, P. (2014) 'Homelessness in the Housing (Wales) Bill', *Click on Wales*, 24th June, www.clickonwales.org/2014/06/homelessness-in-the-housing-wales-bill/

Mackie, P. (2014) 'The Welsh Homelessness Legislation Review: Delivering Universal Access to Appropriate Assistance?' *Contemporary Wales*, 27(1): 1-20

Mackie, P. (2015) 'Homelessness prevention and the Welsh legal duty: lessons for international policies', *Housing Studies*, 30(1): 40-59.

Mackie, P., Fitzpatrick, S., Stirling, T., Johnsen, S. & Hoffman, S. (2012) *Options for an Improved Homelessness Legislative Framework in Wales*. Cardiff: Welsh Government.

Mackie, P., Thomas, I. & Hodgson, K. (2012) *Impact Analysis of Existing Homelessness Legislation in Wales*. Cardiff: Welsh Government. <http://wales.gov.uk/docs/desh/publications/120131analysishomelesslegen.pdf>

Marrin, K., Hudson, H., Miller, N., Smith, M. & Bibbings, J. (2014) *Independent Review of the Supporting People Programme Transition Year: Final Report*. Cardiff: Welsh Government. <http://gov.wales/statistics-and-research/independent-review-supporting-people-transition-year/?lang=en>

McCarthy, J. (2013) 'Welfare scheme for Wales' poorest to be controlled by US multi-national', *Wales Online*, 31 March: www.walesonline.co.uk/news/wales-news/welfare-scheme-wales-poorest-controlled-2514134

McInnes, T., Aldridge, H., Bushe, S., Tinson, A. and Born, T. (2014) *Monitoring Poverty and Social Exclusion 2014*. York: JRF.

Merrick, N. (2012) 'Councils underspend payments for struggling households by £8 million', *Guardian Professional*, 25th June: www.theguardian.com/housing-network/2012/jun/25/discretionary-housing-payments-underspend

Miscampbell, G. (2014). *Smarter Sanctions: Sorting out the System*. London: Policy Exchange.

National Audit Office (2013) *Universal Credit: Early Progress*. www.nao.org.uk/wp-content/uploads/2013/09/10132-001-Universal-credit.pdf

National Audit Office (2014) *Universal Credit: Progress Update*. www.nao.org.uk/wp-content/uploads/2014/11/Universal-Credit-progress-update.pdf

National Federation of ALMOs (2013) *Welfare Reform Survey Summary of Responses October 2013*. Coventry: National Federation of ALMOs.

Oakley, M. (2014) *Independent Review of the Operation of Jobseeker's Allowance Sanctions Validated by the Jobseekers Act 2013*. London: Her Majesty's Stationery Office.

OECD (2015) *In It All Together: Why Less Inequality Benefits All*. Paris: OECD.

Office for Budget Responsibility (2015) *Economic and Fiscal Outlook, March 2015*. London: The Stationary Office.

Office for National Statistics (2014) *Annual Survey of Hours and Earnings, 2014 Results*. London: ONS.

Office for National Statistics (2014) *Regional Gross Disposable Household Income 2012*. London: ONS.

Office for National Statistics (2015) *Labour Market Statistics Datasets, April 2015*. London: ONS.

Pawson, H. & Wilcox, S. (2011) *UK Housing Review Briefing Paper*. Coventry: CIH.

Pawson, H. & Wilcox, S. (2012) *UK Housing Review 2011/12*. Coventry: CIH.

Peaker, G. (2015) 'Vulnerability – a fresh start', *Nearly Legal blog*, 13th May: <http://nearlylegal.co.uk/blog/2015/05/vulnerability-a-fresh-start/>

Sanders, B. & Teixeira, L. (2012) *No Room Available: Study of the Availability of Shared Accommodation*. London: Crisis.

Scottish Government (2012) 'Protecting Scotland's poorest', *Scottish Government Press Release*, 21st October: www.scotland.gov.uk/News/Releases/2013/03/scottish-welfare

Scottish Government (2014) 'More security for tenants', *Scottish Government Press Release*,

6th October: <http://news.scotland.gov.uk/News/More-security-for-tenants-10dc.aspx>

Shelter Cymru (2015) *Response to the Welsh Government Consultation on the Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness*. Cardiff: Shelter Cymru.

Shelter Cymru (2015) *Settled: Good Practice in Homelessness Prevention Among Prison Leavers*. Cardiff: Shelter Cymru and the Oak Foundation.

Shipton, M. (2014) 'Controversy over underspend and administration costs: Row over £2.5m that has not gone to the vulnerable people intended to help', *Wales Online*, 25 February: www.walesonline.co.uk/news/wales-news/row-emergency-cash-fund-underspent-6741644

Sitra & Homeless Link (2014) *Changes to Supported Accommodation contained in the "The Housing Benefit and Universal Credit (Supported Accommodation) (Amendment) Regulations 2014"*. www.homeless.org.uk/sites/default/files/site-attachments/Specified%20accommodation%20briefing.pdf

Spurr, H. (2014) 'Government eases sanctions for homeless people', *Inside Housing*, 8 July: www.insidehousing.co.uk/government-eases-sanctions-for-homeless-people/7004436.article

Statistics for Wales (2015) *Social Housing Vacancies, Lettings and Rent Arrears, 2013-14*. Cardiff : Welsh Government.

Stephens, M., Fitzpatrick, S., Elsinga, M., Steen, G.V. & Chzhen, Y. (2010) *Study on Housing Exclusion: Welfare Policies, Labour Market and Housing Provision*. Brussels: European Commission.

The Law Commission Wales (2013) *Renting Homes in Wales*. http://lawcommission.justice.gov.uk/docs/lc337_renting_homes_in_wales_english-language-version.pdf

The Trussell Trust (2015) 'Foodbank use tops one million for first time says Trussell Trust', *The Trussell Trust Press Release*, 22nd April: www.trusselltrust.org/resources/documents/Press/Trussell-Trust-foodbank-use-tops-one-million.pdf

Thomas, M. (1983) *The Homeless in Brent and Lewisham*. London: Greater London Council

Wales and West Housing (2014) 'Who pays? The impact of the removal of the spare room subsidy on disabled residents living in adapted properties in Wales', *Wales and West Housing*, 6th February: www.wwha.co.uk/About-Us/News/Pages/Public-money-set-to-be-wasted.aspx

Watts, B., Fitzpatrick, S., Bramley, G. & Watkins, D. (2014) *Welfare Conditionality and Sanctions in the UK*. York: JRF.

Webster, D. (2014) *Briefing: The DWP's JSA/ESA Sanctions Statistics Release, 18 February 2015*: www.welfareconditionality.ac.uk/2015/03/sanction-statistics-the-trends-and-latest-information/

Welfare Reform Club. (2015) 'New framework to help tenants pay their rent to be introduced in

Wales', *Welfare Reform Club*, no date: <http://welfarereformclub.net/138-2/welfare-reform-club-news/>

Welsh Assembly Government (2004) *The Prevention of Homelessness - An advice note issued by the Welsh Assembly Government*; Cardiff: Welsh Assembly Government. <http://gov.wales/desh/publications/housing/preventhomeless/guidee?lang=en>

Welsh Government (2011) *The Housing (Wales) Measure 2011*. Cardiff: Welsh Government. <http://wales.gov.uk/topics/housingandcommunity/housing/publications/measure2011/?lang=en>

Welsh Government (2012) 'Welsh Social Fund Contract Awarded', *Welsh Government Press Release*, 15th November: <http://wales.gov.uk/newsroom/housingandcommunity/2012/6764429/?lang=en>

Welsh Government (2012) *Homes for Wales. A White Paper for Better Lives and Communities*. Cardiff: Welsh Government.

Welsh Government (2012) *Homes for Wales. A White Paper for Better Lives and Communities. Summary of Responses*. Cardiff: Welsh Government.

Welsh Government (2012) *Supporting People Programme Grant (SPPG) Guidance*. Cardiff: Welsh Government.

Welsh Government (2013) *Local Housing Allowance Rates applicable from April 2013*. Cardiff: Welsh Government.

Welsh Government (2013) *Regional Collaborative Committees*. Cardiff: Welsh Government. <http://new.wales.gov.uk/topics/housingandcommunity/housing/supportingpeople/rcc/?skip=1&lang=en>

Welsh Government (2013) *Supporting People Bulletin and Update*. Cardiff: Welsh Government. <http://wales.gov.uk/docs/desh/publications/130319spbulletin7en.pdf>

Welsh Government (2013) *The Discretionary Assistance Fund: Guidance for Decision Makers*. www.moneymadeclearwales.org/media/discretionary%20assistance%20fund%20-%20guidance%20for%20decision%20makers%20v2%20eng.pdf

Welsh Government (2014) *Affordable Housing Provision in Wales, 2013/13 Statistics for Wales*. Cardiff: Welsh Government.

Welsh Government (2014) *Analysing the Impact of the UK Government's Welfare Reforms in Wales: The impact of benefit sanctions*. <http://gov.wales/docs/dsjlg/report/141118-wr-impact-of-benefit-sanctions-env2.pdf>

Welsh Government (2014) *Evaluation of Additional Discretionary Housing Payments Funding Provided by the Welsh Government to Local Authorities for 2013/14*. Cardiff: Welsh Government.

Welsh Government (2014) *Homelessness Grants Under s.180: A Review Commissioned*

by the Welsh Government. Cardiff: Welsh Government. <http://gov.wales/docs/desh/publications/140911-review-of-homelessness-grants-en.pdf>

Welsh Government (2015) '£8.4m to give Wales' most vulnerable a helping hand', *Welsh Government press release, 15 March*: <http://gov.wales/newsroom/people-and-communities/2015/150317-discretionary-assistance-fund/?lang=en>

Welsh Government (2015) *Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness*. Cardiff: Welsh Government. <http://gov.wales/topics/housing-and-regeneration/services-and-support/managing-social-housing/allocate/?lang=en>

Welsh Government (2015) *Consultation – Summary of Responses. Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness*. Cardiff: Welsh Government. <http://gov.wales/docs/desh/consultation/150501-code-of-guidance-to-la-consultation-summary-of-responses-en.pdf>

Welsh Government (2015) *Consultation Document: Proposed changes to homelessness data collections*. Cardiff: Welsh Government. <http://gov.wales/docs/statistics/consultation/150304-proposed-changes-homelessness-data-collections-en.pdf>

Welsh Government (2015) *Homes for Wales Bulletin - Renting Homes (Wales) Bill Special Edition*. <http://gov.wales/docs/dsjlg/legislation/150209-homes-for-wales-bulletin-en.pdf>

Welsh Government (2015) *Private Sector Rents for Wales, 2014*. Cardiff: Welsh Government.

Welsh Government (2015) *Renting Homes (Wales) Bill: Explanatory Memorandum*. [www.assembly.wales/laid%20documents/pri-ld10098-em%20-%20renting%20homes%20\(wales\)%20bill%20-%20explanatory%20memorandum/pri-ld10098-em-e.pdf](http://www.assembly.wales/laid%20documents/pri-ld10098-em%20-%20renting%20homes%20(wales)%20bill%20-%20explanatory%20memorandum/pri-ld10098-em-e.pdf)

Welsh Government (unpublished, 2015) *National Rough Sleeping Count, Wales, November 2014*. Cardiff: Welsh Government.

Welsh Housing Quarterly (2013) 'Minister launches Renting Homes white paper', *Welsh Housing Quarterly*, Issue 91. www.whq.org.uk/main/articleDetail.php?ART_id=1218

Wilcox, S. & Fitzpatrick, S. (2010) *The Impact of Devolution: Housing and Homelessness*. York: JRF.

Wilcox, S. & Pawson, H. (2012) *UK Housing Review 2011/2012*. Coventry: CIH.

Wilcox, S. & Pawson, H. (2013) *UK Housing Review 2013 Briefing Paper*. Coventry: CIH.

Wilcox, S. & Perry, J. (2014) *UK Housing Review 2014*. Coventry: CIH.

Wilcox, S. & Williams, P. (2009) 'The emerging new order', in *UK Housing Review 2009/2010*. Coventry: CIH.

Wilcox, S. (2000) *Housing Finance Review 2000/01*. Coventry & London: CIH & CML.

Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

Wilcox, S., Perry, J. & Williams, P. (2015) *UK Housing Review 2015*. Coventry: CIH.

Wilcox, S. (2014) *Housing Benefit Size Criteria: Impacts for Social Sector Tenants and Options for Reform*. York: JRF.

WLGA (2015) *WLGA Response: Code of Guidance for Local Authorities - Allocation of Accommodation and Homelessness*. www.wlga.gov.uk/social-services-consultation-responses/wlga-response-code-of-guidance-for-local-authorities-allocation-of-accommodation-and-homelessness.

About Crisis

Crisis is the national charity for single homeless people. We are dedicated to ending homelessness by delivering life-changing services and campaigning for change.

Our innovative education, employment, housing and well-being services address individual needs and help homeless people to transform their lives. We measure our success and can demonstrate tangible results and value for money.

We are determined campaigners, working to prevent people from becoming homeless and advocating solutions informed by research and our direct experience.

We have ambitious plans for the future and are committed to help more people in more places across the UK. We know we won't end homelessness overnight or on our own. But we take a lead, collaborate with others and together make change happen.

Get in touch

Crisis head office
66 Commercial Street
London E1 6LT
Tel: 0300 636 1967
Fax: 0300 636 2012

www.crisis.org.uk

© Crisis 2015
ISBN 978-1-78519-014-8

Crisis UK (trading as Crisis). Registered Charity Numbers:
E&W1082947, SC040094. Company Number: 4024938

Homelessness ends here