



Llywodraeth Cymru
Welsh Government

MEETING, DOCUMENT

Cabinet paper: Ending homelessness in Wales white paper

Cabinet paper CAB(23-24)06

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Decision required

Cabinet is asked to agree the white paper on ending homelessness in Wales and to its publication on World Homelessness Day on 10 October 2023.

Summary

1. The white paper on ending homelessness in Wales sets out a range of proposals for changes to policy and the law to ensure homelessness in Wales is rare, brief and unrepeated.
2. Annex B outlines the key proposals within the White Paper on ending homelessness. It does not capture every individual proposal, instead grouping proposals to provide an overarching and accessible summary. Further detail on the proposals and the wider policy context and aims can be found in the white paper.
3. This paper outlines how the white paper has been developed, emphasising the importance of the extensive work undertaken with those with lived experience of homelessness. It also summarises the key content of the White Paper, but with a particular focus on cross-government implications. The paper concludes with a brief overview of work to assess the costs and benefits of the proposals.

Objective of the paper

4. To summarise the proposals within the white paper on ending homelessness in Wales and gain the agreement of Cabinet to publish the White Paper in

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October 2023.

Background

5. The Programme for Government and the Co-operation agreement contain a commitment to “reform housing law and implement the Homelessness Action Group’s recommendation to fundamentally reform homelessness services to focus on prevention and rapid rehousing”. The white paper on ending homelessness in Wales sets out a range of proposals for changes which form part of a long-term transformation process to deliver this commitment.

6. The proposals set out in the white paper are based on recommendations and advice provided to the Welsh Government by an **Independent Expert Review Panel**, convened by the Minister for Climate Change, to review existing legislation and to provide specific recommendations for reform. The panel has considered evidence from people with lived experience of homelessness and experts in homelessness practice, policy and research. The Expert Review Panel will publish their report at the beginning of October 2023.

7. In order to ensure compliance with the proposed legislative and Senedd timetable (introduction of the Bill is planned for February 2025), officials have worked closely with the panel to develop the white paper alongside the panel’s own report development.

8. Although the white paper is based heavily on the recommendations of the Expert Review Panel, it does not replicate them in detail, nor does it take forward every recommendation. In the few cases where a recommendation has not been taken forward it is because we have identified an alternative solution or legislative vehicle (e.g. the parallel work underway on adequate housing and fair rents) or because early cross-government engagement has indicated the recommendation is not viable at this time.

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Engagement

9. The white paper is grounded in the lived experience of homelessness. Funded by Welsh Government, Cymorth Cymru worked with over 300 people who have experienced homelessness, including those living in temporary accommodation, young people, care leavers, survivors of abuse and people in prison. Furthermore, to ensure the voices and experiences of people with protected characteristics informed this work, Tai Pawb were commissioned to undertake focussed engagement with asylum seekers, refugees, disabled people, Black, Asian and Minority Ethnic people, Gypsies, Roma and Travellers, older people and LGBTQ+ people.

10. We have also undertaken a range of stakeholder engagement with the third sector, local authorities and Registered Social Landlord (RSLs) and specialist stakeholder engagement on a range of subjects including violence against women, domestic abuse and sexual violence; health and social care; mental health and substance use; disability; the Criminal Justice System; and those working with ex-service personnel.

White paper proposals

11. The proposals within the white paper sustain the significant practice change achieved in response to the coronavirus pandemic and support the delivery of one or more of our key working principles:

- Homelessness should be rare, brief and unrepeated.
- Homelessness service delivery should be trauma informed and person-centred.
- Those who are homeless should be able to obtain long term housing quickly, increase their own self-sufficiency, and stay housed (Rapid Rehousing).

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- Preventing homelessness is the responsibility of the entire Welsh public service.

12. A summary of the proposed reforms is attached at annex B. Below we draw out key points to note and highlight impacts on wider Ministerial portfolios.

Earlier intervention

13. The white paper outlines a range of reforms including changes to core homelessness legislation that create a stronger emphasis on prevention of homelessness. Building on the cultural shift prompted by the Housing (Wales) Act 2014, the reforms aim to support earlier intervention with individuals at risk and better address the wide-ranging causes and consequences of homelessness. This includes a proposed amendment to the definition of “threatened with homelessness”; increasing the period of time in which a person can be deemed as threatened with homelessness from 56 days to 6 months or being in receipt of a possession notice. The proposals in the white paper seek to ensure a service that is tailored to individual needs.

Removing barriers

14. The white paper proposes changes to the homelessness system to remove the current “tests” which determine what duties are owed by a local authority under the current legislation. These tests relate to “priority need”, whether a person is “intentionality homeless” and if they have a “local connection” to the area in which they are making their application. These tests are not person centred and have led to vulnerable people being excluded from homelessness support and contributed to rough sleeping. We propose the “priority need” and “intentionality” tests are abolished, ensuring anyone who is at risk of or experiencing homelessness will receive assistance from the local authority. We propose (in line with significant feedback from local authorities) the “local

connection test”, used to ensure local resources are utilised for the local population, remains but with significant exceptions to the test, which better respond to the circumstances of certain groups particularly those with protected characteristics or in particular circumstances.

Wider responsibility

15. Although the proposals to the core homelessness legislation will significantly reform the current system, the proposals which offer the most significant benefits to those at risk of homelessness are those which relate to the wider public service; to identify homelessness, refer individuals to the local housing authority and to expand the duty to cooperate to other relevant bodies in order to prevent homelessness and to help individuals retain occupation contracts. These proposed duties will more effectively address homelessness experienced alongside multiple support needs.

16. With reference to the recent commitments made by the Welsh Government in relation to reducing workload and bureaucracy for school staff we will undertake further testing and workload impact assessment to assess the viability of inclusion of schools, pupil referral units, further education and higher education in the list of relevant bodies.

17. The white paper also sets out a desire to enhance co-operation with non-devolved public bodies and further engagement will be undertaken with UK government to explore how this is best achieved.

Targeted prevention

18. The white paper contains several proposals which seek to mitigate the disproportionate risk of homelessness faced by particular groups. These proposals are strongly based on our equality impact assessment and the

feedback of people with lived experience of homelessness, including those with protected characteristics:

- Children, young people and care experienced young people
- People with complex health needs, including mental ill health, substance misuse and those leaving hospital following a period of admittance
- Survivors of violence against women, domestic abuse and sexual violence
- Disabled people
- Ex-armed services personnel
- People leaving prison
- People with No Recourse to Public Funds

19. These proposals are set out in annex B and officials have been engaged with cross-government colleagues on their development, including ministerial bi-lateral discussions. The proposals seek to strengthen strategic leadership of homelessness at a regional level, draw together practice under the Housing (Wales) Act 2014 and the Social Services and Well-being (Wales) Act 2014, secure multi-disciplinary support to those with the most complex needs and ensure a person's accommodation forms part of care and treatment planning. They also aim to end the homelessness system being used as a route out of care and the youth justice system and to ensure no one is discharged from hospital to the streets. We propose significant reforms to how homelessness of those leaving prison can be better addressed.

Implementation and enforcement

20. The proposed reforms are broad and complex and are being introduced at an exceptionally challenging time for the Welsh public service. The cost-of-living crisis and the wider inflationary pressures on housing and related services have created a uniquely difficult landscape in which to deliver the scale and ambition set out in the white paper.

21. We recognise however, long term transformation is required to address the pressures in the housing system, and as part of this, legislative reform is required to support the move to a system focused on prevention and rapid rehousing. As we have set out, the proposed reforms form part of the wider strategy to end homelessness in Wales which will take some time to deliver. Unfortunately, given the pressures we face, the reforms may take longer to deliver than we would hope but it is important to begin their design and to plan future implementation.

22. In recognition of the very difficult landscape, the White Paper proposes a range of methods through which implementation of the reforms can be monitored and enforced without overburdening the workforce.

Impact

23. The reforms in the white paper offer the opportunity to contribute significantly to a fairer and more equal Wales. The 'no-one left out' approach taken in response to the pandemic has demonstrated the true scale of homelessness in Wales, with over 38,600 people supported with temporary accommodation since March 2020.

24. We have long recognised that homelessness cannot be prevented through housing alone and that all public services and the third sector have a role to play in ending it. By widening responsibility for preventing homelessness, we create an opportunity to prevent the wider disadvantage, trauma and disruption that homelessness can cause. In so doing, we have an opportunity to improve individual wellbeing and life chances, lower health risks and increase life expectancy. There are numerous cross-portfolio impacts arising from the white paper proposals which will be considered further as the work progresses but the reforms present an important opportunity to offer significant, long term benefits to vulnerable individuals in Wales and, over the longer term, to lessen the

burden on our public services and provide those working outside of the housing sector with workable solutions to respond to homelessness amongst their own service users.

Costs and benefits

25. An early working draft of a regulatory impact assessment will be published alongside the white paper and we are inviting specific consultation responses on the potential costs and benefits of the proposed reforms.

26. Whilst it is not yet possible to set out a full estimate of costs, it is clear significant investment will be required to implement these reforms but that this investment will result in longer term savings.

27. The most concentrated investment will be required from financial year 2025/2026 onwards (assuming Royal Assent end 2025).

The reforms increase the number of people able to access homelessness services and the proposed new duties to help a person retain an occupation contract and the expanded prevention activity aims to ensure local housing authorities and their partners remain engaged with those threatened with homelessness for longer. The proposed reforms will also generate costs relating to IT, data collection and case management systems, learning and development, increasing local housing authority capacity, opportunity costs related to both local housing authorities and the wider public service.

We anticipate additional costs for the relevant bodies outlined above and for local authorities; both to the statutory homelessness provision funded via the Revenue Support Grant and to the housing support services funded via the Housing Support Grant. Cabinet will wish to note ongoing engagement with the reducing bureaucracy work in relation to both grants.

28. The “no one left out” response has helped lay the groundwork for some of the most significant proposals in the white paper, including initial, considerable financial investment. For 2023/2024, £210 million will be provided through Welsh Government grants towards homelessness and housing support services. The proposals set out in the white paper build on the progress made through the pandemic and, alongside the commitment for 20,000 homes for rent in the social sector and other investment in more homes, will help sustain the changes we have made.

29. The reforms also provide an opportunity to generate significant savings for both local housing authorities and their public service partners over the longer term. The reforms will formalise the internationally recognised Rapid Rehousing approach and strengthen evidence-based practice, shown to be most effective in reducing core homelessness. This practice includes maximising prevention efforts, expanding the responsibility for homelessness to the wider public service, increasing social housing allocations to homeless households and providing tenancy support for those who are most vulnerable to repeat homelessness. Early and more effective prevention is expected to reduce the size of the statutory main duty caseloads, and it is assumed that prevention cases have a lower cost than **main duty cases**.

Budget and governance

30. The Welsh Government currently has no unallocated reserves and no funding beyond 2024-25 (the end of the current multi-year settlement). Both the short and medium term fiscal outlook provided by the UK government has indicated a period of significant fiscal tightening that will require efficiencies, with limited prospect of additional consequential being received. If this area of funding is to be prioritised, funding will need to be prioritised by the relevant minister(s) within future budget allocations during the next Spending Review period.

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31. On this basis, given the substantive costs that would be associated with proposals, ministers should consider the potential reputational risks associated with making any such commitments at this time that cannot be afforded, as it is likely that any additional financial implications arising from the proposals will need to be funded through wider reprioritisations within relevant MEGs.

32. Given the uncertain and likely challenging fiscal context, it would be prudent to retain flexibility for decision-making in any upcoming spending review process once the fiscal context becomes clearer. On this basis every funding commitment agreed into the next Spending Review period poses an opportunity cost and reduces this flexibility.

Communications and publication

33. An oral statement is scheduled for 10 October 2023 (World Homeless Day). This Cabinet paper may be published at any point thereafter.

Julie James MS
Minister for Climate Change
September 2023

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