

Agenda – Local Government and Housing Committee

Meeting Venue:

Committee Room 5, Tŷ Hywel

Meeting date: 20 November 2025

Meeting time: 09.30

For further information contact:

Catherine Hunt

Committee Clerk

0300 200 6565

SeneddHousing@senedd.wales

Hybrid

The Chair will call a lunch break at a suitable time during proceedings

Private pre-meeting

09.15 – 09.30

Public meeting

09.30 – 11.00

1 Introductions, apologies, substitutions and declarations of interest

09.30

2 Welsh Government Draft Budget 2026–27: Evidence session with the Cabinet Secretary for Housing and Local Government (Housing)

09.30 – 11.00

(Pages 1 – 79)

Jayne Bryant MS, Cabinet Secretary for Housing and Local Government, Welsh Government

Alyson Francis, Director – Housing and Regeneration, Welsh Government

Stuart Fitzgerald, Deputy Director – Homes and Places, Welsh Government

Jamie Powell, Deputy Director – Finance and Governance, Welsh Government



Attached Documents:

Research brief

Paper 1: Welsh Government Draft Budget 2026–27 – Written evidence from Welsh Government

3 Papers to note

11.00

3.1 Forward work programme

(Pages 80 – 83)

Attached Documents:

Paper 2: Letter from Public Health Wales in relation to the Committee’s Sixth Senedd Legacy Report – 6 November 2025

3.2 The Non–Domestic Rating (Chargeable Amounts) (Wales) Regulations 2025

(Pages 84 – 85)

Attached Documents:

Paper 3: Letter from the Cabinet Secretary for Finance and Welsh Language to the Chair of the Legislation, Justice and Constitution Committee – 7 November 2025

3.3 Intergovernmental relations and workings

(Page 86)

Attached Documents:

Paper 4: Letter from the Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs to the Chair of the Legislation, Justice and Constitution Committee in relation to the Independent Intergovernmental Relations (IGR) Secretariat’s annual reports – 11 November 2025

3.4 Welsh Government Draft Budget 2026–27

(Pages 87 – 88)

Attached Documents:

Paper 5: Letter from the Welsh Local Government Association to the Chair of

Finance Committee with additional information on the Welsh Government
Draft Budget 2026–27 – 12 November 2025

3.5 Welsh Government Draft Budget 2026–27

(Pages 89 – 92)

Attached Documents:

Paper 6: Welsh Government Draft Budget 2026–27 – Additional evidence
from the Welsh Local Government Association and Bridgend County Borough
Council

3.6 Homelessness and Social Housing Allocation (Wales) Bill

(Pages 93 – 95)

Attached Documents:

Paper 7: Letter from NAHT Cymru regarding the Homelessness and Social
Housing Allocation (Wales) Bill

4 Motion under Standing Order 17.42 (ix) to resolve to exclude the public from the remainder of this meeting

11.00

Private meeting

11.00 – 14.00

Break

11.00 – 11.10

5 Welsh Government Draft Budget 2026–27: Consideration of evidence

11.10 – 11.25

6 Homelessness and Social Housing Allocation (Wales) Bill: Stage 2 order of consideration

11.25 – 11.30

(Pages 96 – 99)

Attached Documents:

Paper 8: Homelessness and Social Housing Allocation (Wales) Bill: Stage 2
order of consideration

7 Building Safety (Wales) Bill: Consideration of draft report

11.30 – 14.00

(Pages 100 – 210)

Attached Documents:

Paper 9: Building Safety (Wales) Bill – Draft Report

Document is Restricted



Local Government and Housing Committee

Welsh Government Draft Budget Scrutiny 2026-27

20 November 2025

Background

The Draft Budget indicates the spending plans for 2026-27. This paper provides evidence to the Committee on the proposals within the Housing and Local Government MEG as outlined in the Draft Budget which was laid on 03 November 2025.

Local authorities are a key partner in the delivery of a wide range of services which people throughout Wales rely on and use every day. The investment made in the draft budget through the local government settlement supports these services.

Education is a critical service delivered by local authorities. The core funding provided through the local government settlement underpins the provision of education through nursery, primary and secondary schools. It also supports children and young people with additional learning needs (ALN) through mainstream provision and special schools, providing opportunities for all children and young people.

Social services, also delivered by local authorities across Wales, is vital to helping people of all ages, live safe and independent lives in their local communities.

Social care supports the NHS, ensuring people can be safely cared for at home and that they have the right support to recover from illness or injury after their hospital treatment ends.

Together, education and social services represent over 60% of budgeted revenue expenditure in 2025-26. Alongside this local authorities provide sport, leisure and culture services, recycling and waste collection and roads and highway maintenance to name just a few. We know it is a careful and difficult balance for local authorities to maintain and develop these services in an environment of increasing demand and constrained funding. We have given as much funding as possible in the current budget environment, by baselining additional funding from 2025-26 and uplifting the settlement for inflationary and pay pressures. In parallel we are exploring what other flexibility we can give local authorities in the process of setting their balanced budgets.

Welsh Government also continue to provide a range of funding to support the implementation of a number of local government reform programmes delivered by the Welsh Government to support transformation, improvement and legislation.

Housing & Regeneration draft Budget allocations reflect our continued drive to deliver more homes, particularly through social housing, which we know can reduce poverty, improve physical and mental health, drive economic growth – and crucially end homelessness.

Investment in the Social Housing Grant and Transitional Accommodation Capital Programme will deliver more homes supporting our work to end homelessness and ensure everyone in Wales has a decent, secure place to call home. We will also work to maximise investment in delivering more homes through recycling loan funding.

Alongside work to increase the number of homes for rent in the social sector we will invest to support people to own their own homes through a range of schemes including Help to Buy Wales and Homebuy.

We will also continue to invest for the long term in the regeneration of our towns and cities, in bringing empty homes and buildings back into productive use and in building our pipeline of land.

Investment in maintenance, improvement and decarbonisation of homes in Wales is being maintained. Whilst the prime focus of this investment remains on social homes, we are investing in Private Rented homes through Leasing

Scheme Wales and will extend our Green Homes scheme through the Development Bank for Wales next year.

Annex A provides a breakdown of the relevant Draft Budget figures for the Housing and Local Government Main Expenditure Group (MEG) by Action and Budget Expenditure Line (BEL). These figures are reflected in the table below.

Table 1: Overview of changes to the BEL tables

Summary	Revised Baseline £000	2026/27 Draft Budget £000	Change £000
Revenue	5,558,587	5,690,029	131,442
General Capital	1,191,280	1,215,106	23,826
FTC Allocation*	-	87,975	87,975
FTC Repayments*	-	(5,467)	(5,467)
Total DEL	6,749,867	6,987,643	237,776
AME	1,114,803	1,213,884	99,081
Total Budget	7,864,670	8,201,527	336,857

* Financial Transactions Capital (FTC) is removed from the revised baseline as a single year allocation.

The Revenue increase is 2.3% and the General Capital increase is 2%.

Contents

The Draft Budget indicates the spending plans for 2026-27. This paper provides evidence to the Committee on the proposals within the Housing and Local Government MEG as outlined in the Draft Budget which was laid on 03 November 2025..... 1

Annex A provides a breakdown of the relevant Draft Budget figures for the Housing and Local Government Main Expenditure Group (MEG) by Action and Budget Expenditure Line (BEL) 3

1. Allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL)	6
0982 - Social Housing Grants (SHG)	14
0984 - Housing Finance Grant.....	15
1181 - Housing Programme Revenue Fund	16
6410 - Land Release Fund	16
0987 - Market Housing and Other Schemes.....	17
0987 - Market Housing and Other Schemes - Repayment	17
0980 - Homebuy	18
4151 - Regeneration	18
4162 - Cardiff Harbour Authority.....	19
0840 - Local Govt General Revenue Funding	20
0875 - Non-Domestic Rates Relief	22
0860 - Police General Revenue Funding	22
0885 - Local Govt PFI Revenue Consequences	22
0887 - Transformation & Legislation	23
0940 – Non-Domestic Rates Collection Costs	23
1600 – Emergency Financial Assistance.....	24
1500 – Valuation Office Agency Services.....	24
1540 – Valuation Tribunal for Wales	25
1550 – Local Taxation Reform	26
1440 –Democracy and Boundary Commission Cymru.....	26
1462 – Expenditure to Promote Local Democracy	27

1463 – Election Policy.....	27
1571 – Improvement & Support	27
1675 – Local Govt General Capital Funding.....	28
7093 – Academi Wales	28
1574 – Community and Town Councils	29
1265 - Fire and Rescue Services.....	29
1697 - Fire and Rescue Service - Communication Systems	30
0981 – Market Housing - AME	32
0870 - Non-Domestic Rates Distributable Amount - AME.....	32
0865 - Bad Debt Provision - AME	32
1699 - Fire Service Pensions - AME.....	32
2. Changes to allocations since 2025/26.....	33
3. Alignment with Programme for Government Commitments... 	34
4. Preventative Spend within Budget Allocations	35
5. Strategic Integrated Impact Assessments	40
7. Local Government and compliance with statutory duties and/or Programme for Government priorities; Welsh language, inequalities and the nature and climate emergency	44
8. Capital Spending on Housing	45
9. Prioritisation of resources for the implementation of the Homelessness and Social Housing Allocation (Wales) Bill and the Building Safety (Wales) Bill	48
10. National Insurance Contributions Shortfall	49
11. Cost of Living Pressures and Energy Prices.....	50
12. Gypsy, Roma and Travellers	51
11. Annex A.....	52

1. Allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL)

1. This section will provide a breakdown of the allocations by Spending Programme Area, Action and Budget Expenditure Line (BEL) and indicates how these align with Programme for Government commitments.

Homelessness Prevention

1. Homelessness Support & Prevention

BEL	Resource Budget £'000	Capital Budget £'000
1120 - Homelessness Support & Prevention	223,862	-
Purpose of BEL		
<p>This Budget Expenditure Line (BEL) is preventative in nature. Failure to prevent homelessness has direct financial implications for Local Authorities, including the revenue costs associated with nearly 11,000 individuals currently housed in temporary accommodation. Homelessness also undermines wellbeing and drives costs across the public sector, including increased demand on health, mental health, and policing services. It negatively affects long-term outcomes—for example, children experiencing homelessness often struggle to achieve their educational potential.</p> <p>This BEL is a key contributor to the reform of homelessness services, with a focus on prevention and rapid rehousing, which is a priority in the Programme for Government.</p> <p>This BEL supports a range of homelessness prevention measures, with the majority of funding allocated to the Housing Support Grant (HSG), the primary funding mechanism to enable Local Authorities to prevent homelessness. It supports individuals with a variety of needs to live independently and sustain tenancies, thereby reducing pressure on other public services—particularly health and social care. For 2026–27, an additional £4.704m has been allocated to this BEL which will be used to uplift existing projects funded within the BEL.</p> <p>The vast majority of Housing Support Grant funding is used for staffing costs. Services are commissioned by Local Authorities, with a significant proportion</p>		

delivered by third sector organisations. Additional funding of £4.1m will support a pay uplift for staff delivering these critical services, taking the total Housing Support Grant budget to £208.4m in 2026-27.

The remaining additional funding within the BEL in 2026-27 will be used to provide a 2% inflationary uplift for other homelessness prevention projects, including Youth Innovation projects, the Housing First programme and advice services. It will also be used to fund the development of new guidance and training to support implementation of the new Homelessness and Social Housing Allocation (Wales) Bill.

The Regulatory Impact Assessment (RIA) for the Bill also acknowledges that preparatory work will be necessary within each Local Authority ahead of implementation. A further £2.3m will be used to support Local Authorities in meeting pre-implementation costs, which will be allocated via the Revenue Support Grant (RSG) through a specified grant mechanism (see Section 11a).

BEL funding will also continue to fund Leasing Scheme Wales in 2026–27 to “develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or at risk of homelessness”.

This revenue funding complements capital funding provided to the scheme as detailed in BEL 1182.

Independent Living

2a. Housing Policy

BEL	Resource Budget £'000	Capital Budget £'000
1100 - Housing Policy	1,380	-
Purpose of BEL		
<p>This BEL provides funding for a range of projects and activity to support the implementation of new legislation, research and evaluation of key policy priorities. These projects include second homes, leasehold reform and implementing the Renting Homes Act.</p> <p>The Housing Policy BEL is a package of funding designed specifically to support the following Programme for Government commitments: “<i>Rent Smart Wales landlords to respond quickly to complaints of racism and hate crime</i>”</p>		

and offer appropriate support”, “Legislate to enact the recommendations of the Law Commission in relation to leasehold reform” and “Develop further effective tax, planning and housing measures to ensure the interests of local people are protected.”

Additionally, this BEL will continue to support activity within the Second Homes and Affordability Pilot which is complementary to the Programme for Government commitment to *“Create a Welsh Language Communities Housing Plan”*.

2b. Rapid Response to Independent Living

BEL	Resource Budget £'000	Capital Budget £'000
1285 - Rapid Response to Independent Living	6,358	25,500
Purpose of BEL		
<p>Funding will support a broad range of activity by Care and Repair Agencies and Housing Associations via Physical Adaptation Grants (PAG) and by Local Authorities via the 'Enable' grant.</p> <p>Adaptations are an effective preventative investment to support independent living and improve the health and wellbeing of older people, disabled adults and children. They help to reduce hospital discharge times and pressures on hospital bed blocking, as well as helping to prevent falls, reduce reliance on care, avoid the need to move into residential care and significantly improve opportunities and quality of life and wellbeing for individuals, their families and carers.</p> <p>The Welsh Government manages several grant schemes to provide home adaptations under the Rapid Response Adaptations Programme (RRAP), in addition to providing unhyposcated capital to Local Authorities which can be used to provide Disabled Facilities Grants (DFG). The Enable grant helps Local Authorities to provide small and medium adaptations rapidly without having to engage a means test. Through the Care and Repair agencies, the Rapid Response Adaptations Programme targets the rapid provision of smaller adaptations, primarily to enable hospital discharge and reduce delayed transfers of care. The Physical Adaptations Grant for traditional housing associations enables Registered Social Landlords (RSLs) to arrange suitable small, medium and larger adaptations to the homes of their tenants whilst also reducing pressures on local authority Disabled Facilities Grants.</p>		

An inflationary uplift of 2% has been applied to the capital budget for 2026–27 to support service delivery and funding levels in real terms.

2c. Private Rented Sector

BEL	Resource Budget £'000	Capital Budget £'000
1182 - Private Rented Sector	-	3,570
Purpose of BEL		
<p>Leasing Scheme Wales aims to lease properties in the Private Rented Sector for use by Local Authorities to discharge their homelessness duties. The Scheme provides benefits for local authorities, tenants (who have access to longer term accommodation and the benefit of tenancy support akin to being a social tenant) and property owners. An intended consequence of the scheme is to also improve property standards within the Private Rented Sector.</p> <p>The Scheme directly contributes to the Programme for Government commitment to “develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or who are at risk of homelessness”. It also contributes towards the 20,000 social homes target.</p> <p>All 22 Welsh Local Authorities have now signed up to the scheme. Overall, the aspiration is to secure 1% of the Private Rental housing stock onto Leasing Scheme Wales by the end of Year 5 (2027), which would be over 2,000 properties.</p> <p>An inflationary uplift of 2% has been applied to the budget for 2026–27 to support continued service delivery</p>		

Homes & Places

3a. Warm Homes

BEL	Resource Budget £'000	Capital Budget £'000
0950 - Warm Homes	3,732	38,250
Purpose of BEL		
<p>The Warm Homes Programme has been the Welsh Government's main intervention in efforts to reduce fuel poverty since its launch in 2009/2010. Welsh Ministers published its statutory plan to tackle fuel poverty in March 2021, with the latest iteration of the Warm Homes Nest scheme launched in April 2024. By 2035, we aim to reduce the percentage of all Welsh households in fuel poverty to no more than 5%, down from an estimate of 25% in October 2024, and to ensure no households are in severe fuel poverty (estimated to be 5% in October 2024).</p> <p>The Warm Homes Programme sets out to achieve this by independently assessing the needs of each home before recommending short, medium, and longer-term steps to be taken to decarbonise the home and reduce the cost of bills for homeowners. The steps taken include installing cavity or external wall insulation, air source heat pumps and solar photovoltaics, and upgrading windows and doors for 1500-2000 homes per year.</p> <p>The Capital funding for this Programme has been increased by 2% in 2026-27 from £37.5m to £38.25m.</p> <p>This BEL contributes to the Programme for Government commitment to <i>"continue to improve existing homes, helping us tackle fuel poverty, create much needed jobs, training opportunities, and supply chains."</i></p>		

3b. Health & Housing

BEL	Resource Budget £'000	Capital Budget £'000
0986 - Health & Housing	-	61,710
Purpose of BEL		
<p>The Housing with Care Fund (HCF) funds projects to increase housing stock which meets the needs of people with care and support requirements, and to provide intermediate care settings in the community so that people who need care, support and rehabilitation can return to living independently or maintain</p>		

their existing independence. As a preventative programme, the Housing with Care Fund aims to reduce demand for long term residential care, and the costs associated with hospital admissions and expensive placements. The Housing with Care Fund's investments in housing and accommodation must be low carbon and contribute to tackling climate change.

The fund builds on the previous Integrated Care Fund (ICF) capital programme and continues to support the delivery of the Programme for Government commitments to "*support innovative housing development to meet care needs*" and to "*fund regional residential services for children with complex needs ensuring their needs are met as close to home as possible and in Wales wherever practicable*".

Furthermore, as a result of the main aim of the programme being to increase the existing stock of housing, these are tenanted social housing units which will count towards delivery of the *20,000 low carbon social homes for rent* target.

An inflationary uplift of 2% has been applied to the budget for 2026–27 to support delivery and funding levels in real terms.

Achieve Quality Housing

4a. Residential Decarbonisation & Quality

BEL	Resource Budget £'000	Capital Budget £'000
1065 - Residential Decarbonisation & Quality	1,680	96,900

Purpose of BEL

This BEL supports the Programme for Government commitment to "*decarbonise more homes through retrofit, delivering quality jobs, training and innovation using local supply chains*". It also delivers against two key statutory requirements: Climate Change (Wales) Regulations 2021 – delivery of reduction in greenhouse gas emissions from the housing sector; and Section 33A of the Housing Act 1996 – regarding the setting of housing standards (i.e. Welsh Housing Quality Standard).

This funding will improve the energy efficiency of homes to reduce their carbon emissions and improve their energy efficiency, making them cheaper to heat for households. Our strategy and investment prioritises social housing,

demonstrating best practice, developing supply chains and skills that will stimulate the market and inform the strategy for owner occupied home retrofit programmes.

The revenue funding supporting this capital programme includes funding for: staffing; running a net zero decarbonisation hub in Wales; and the team responsible for the regulation of Registered Social Landlords.

The £96.9m capital allocation includes £3.06m of Financial Transaction Capital which will support the continued funding of retrofit loans to owner occupiers who are ready to invest in energy efficiency and low carbon heat but lack the up-front capital.

4b. Major Repairs Allowance and Dowry Gap Funding

BEL	Resource Budget £'000	Capital Budget £'000
1061 - Major Repairs Allowance and Dowry Gap Funding	-	110,160

Purpose of BEL

The budget supports the Major Repairs Allowance capital grant, allocated to the 11 Local Authorities who have retained their council housing stock and forms part of their overall housing capital resources. The Major Repairs Allowance provides a financial contribution to programmes to ensure Authorities' housing stock maintains the Welsh Housing Quality Standard.

The budget also supports Dowry Gap funding, provided to 10 Large Scale Voluntary Transfer housing associations which were established to accept their Local Authority's council housing. The grant ensures promises made to tenants, including reaching and maintaining the Welsh Housing Quality Standard at the time of transfer are fulfilled.

An inflationary uplift of 2% has been applied to the budget for 2026–27 to support delivery and funding levels in real terms.

Building Safety

5. Building Safety

BEL Description	Resource Budget £'000	Capital Budget £'000
2255 – Building Safety	4,543	130,224
Purpose of BEL		
<p>The Welsh Building Safety Remediation Programme will address fire safety issues in medium and high-rise housing (residential buildings over 11 metres). Phase 1 of the Programme focused on intrusive survey work to identify the scale of fire safety issues present, and whether these were due to construction-related defects, inadequate maintenance or the actions of individual leaseholders. Phase 2 of the Programme is focused on remediation and addressing issues, such as non-compliant cladding, compartmentation, and the installation of suppression and evacuation alert systems.</p> <p>Addressing fire related building safety remains a key priority. With 459 buildings in our building safety remediation programme, we have an increasingly detailed understanding of the work to be undertaken and the profile of spend needed over the coming years. We continue to monitor progress and press for pace from all involved and will tailor our budget to match the programme of works.</p> <p>This BEL contributes to the Programme for Government commitment to <i>“reform the current system of building safety, including a second phase of the Welsh Building Safety Fund, so that people feel safe and secure in their homes”</i>.</p> <p>An inflationary uplift of 2% has been applied to the capital budget for 2026–27 to support delivery and funding levels in real terms.</p>		

Increase the Supply and Choice of Affordable Housing

6a. Social Housing Grants (SHG)

BEL Description	Resource Budget £'000	Capital Budget £'000
0982 - Social Housing Grants (SHG)	-	445,995
Purpose of BEL		
<p>Allocations made to this BEL contribute towards one of the First Minister's top priorities of delivering more homes and the key Programme for Government priority of delivering <i>20,000 additional low carbon homes for rent</i> in the social sector this Senedd term, as well as funding social homes that will be completed in the next Senedd term.</p> <p>To complement our well-established Social Housing Grant Programme, and to support focus on delivering more homes quickly to meet housing need, the Transitional Accommodation Capital Programme (TACP) was introduced in 2022.</p> <p>An inflationary increase of £8.22m of core capital to the funding for Social Housing Grant and Transitional Accommodation Capital Programme in 2026-27 will deliver more homes supporting our work to end homelessness and ensure everyone in Wales has a decent, secure place to call home.</p> <p>Along with the increase in core capital there has also been an allocation of £26.775m Financial Transaction Capital to support Registered Social Landlord (RSL) Development Loans. The loan funding is intended to remedy a current market failure due to the housing sector facing several difficult challenges including significant tender increases due to material cost rises and contractors pricing in higher risk, rising inflation and interest rates and higher bad debt and void rates.</p> <p>Investing in more homes provides families with the opportunity to thrive, improving health, wellbeing, quality of life and outcomes. Building new homes contributes to local economies, creating and supporting jobs, training opportunities and strengthening supply chains.</p> <p>This BEL contributes to preventing pressures on other services, investing in better quality housing can have wider impacts than improving the housing</p>		

stock alone. For all age groups, those living in social housing are more likely to have a limiting long-term illness, disability or infirmity than owner occupiers and those privately renting. Improvements in housing quality can alleviate these conditions and prevent the requirement for intervention from health and social services.

Therefore, investment in good quality housing has the potential to generate large economic returns as well as reducing our emissions and levels of fuel poverty. It has a direct impact on the health and well-being of occupants, which can in turn help to reduce pressures on other public services. Our drive to deliver More Homes will have a positive impact across the whole of Wales and its population.

Social Housing Grant:

- *Delivers high-quality, warm secure and energy-efficient homes for people who need them most, helping reduce fuel poverty.*
- *Supports the foundational economy, construction industry and supply chain in Wales, delivering training and employment opportunities, including jobs and apprenticeships*
- *Supports the transformational shift of homelessness services to a rapid rehousing approach, where those who experience homelessness are quickly supported back into suitable permanent homes.*
- *Supports older people and those with additional care requirements to avoid dependence on residential or long-term care, reducing the call on the NHS.*
- *Delivers good quality social housing which has a significant impact on people and communities, helping to achieve our long-term goal of ending homelessness, improving physical and mental health, ensuring those with complex needs receive the support they need.*

6b. Housing Finance Grant

BEL Description	Resource Budget £'000	Capital Budget £'000
0984 - Housing Finance Grant	5,287	-
Purpose of BEL		
This funding, set up pre 2017/18 represents the legal commitment made by the Welsh Government to assist with the repayment of a 30-year bond private placement which has allowed Registered Social Landlords to borrow around £120million of private finance to fund the development of additional affordable		

homes, costing £4.1m per annum. Phase 2 of the Housing Finance Grant was completed with an allocation of £9million per annum of Resource Budget from reserves for a 30-year period. It was extended to include Local Authorities from 2018-19 onwards, known as the Affordable Housing Grant.

The Housing Finance Grant budget remains at £13.1m and represents the contractual commitment to Registered Social Landlords to support the Social Housing Grant. The difference between the commitment and budget line will be offset by income forecasted from other sources across the MEG.

Housing Revenue Fund

7. Housing Programme Revenue Fund

BEL Description	Resource Budget £'000	Capital Budget £'000
1181 - Housing Programme Revenue Fund	1,122	-
Purpose of BEL		
This budget funds supporting costs for capital budgets such as research and evaluation. Legal advice and licencing costs. It also supports interventions such as Rural Housing Enablers, co-operative housing and work to deliver Welsh Government land and evaluations into the condition of the housing stock in Wales.		

Land Division

8. Land Division

BEL Description	Resource Budget £'000	Capital Budget £'000
6410 - Land Release Fund	-1,540	25,500
Purpose of BEL		
An operational budget of £25.5m capital is allocated to the Land and Buildings Development Fund (LBDF) and land assembly/development.		
The Land and Buildings Development Fund assists with derisking land and buildings to advance development. Specifically for buildings, it is able to meet the costs associated with "abnormal" items e.g. removal of asbestos, which can		

be the barrier to conversion and for land it assists with issues such as contamination.

The revenue budget of -£1,540 relates to the expected net position on sale of land.

This BEL supports the Programme for Government commitment “to support councils and social landlords to improve the supply of social and affordable housing”.

Increase the Supply and Choice of Market Housing

9a. Market Housing and Other Schemes

BEL Description	Resource Budget £'000	Capital Budget £'000
0987 - Market Housing and Other Schemes	-	83,630
0987 - Market Housing and Other Schemes - Repayment	-	-5,467
Purpose of BEL		
<p>By supporting people who would like to own their own home, but need financial assistance to do so, our market housing interventions have a key contribution to addressing housing needs in Wales, as well as providing a boost to the house building industry and associated supply chains.</p> <p>Allocations to this BEL will continue to support the Empty Homes Grant (£25.5m) with an additional £58.14m of Financial Transaction Capital allocated to support a one-year extension of the Help to Buy - Wales Scheme which demonstrates our ongoing support of people who aspire to own their own homes.</p> <p>The Empty Homes Grant was introduced in January 2023 as an additional incentive, alongside a package of other measures, to further reduce the number of empty properties and therefore increase housing supply.</p> <p>Help to Buy - Wales offers a shared equity loan, available on new-build homes to a maximum value of £300,000. This investment will support the delivery of Future Wales as the programme moves into the private ownership market,</p>		

helping to reduce pressure on private and social rented sectors. Help to Buy - Wales has delivered almost 15,000 new homes since 2014 and has more than 70 developers registered for the scheme.

The proportion of first-time buyers has increased in recent years - 85% of purchasers since April 2022 have been first time buyers.

9b. Homebuy

BEL Description	Resource Budget £'000	Capital Budget £'000
0980 - Homebuy	-	4,080
Purpose of BEL		
<p>Homebuy is a shared equity home ownership support scheme, which is available on existing homes. The scheme is popular in rural areas, where new build homes are not readily available.</p> <p>Homebuy forms part of a wider package to address the challenges facing communities with high levels of second homes in Wales and supports people who wish to own their own homes.</p> <p>The Programme for Government sets out clearly our commitment to address the issue of affordability in areas where there are high instances of second homes. Homebuy forms part of the package to address issues of affordability through targeting and tailoring existing housing programmes.</p>		

Regeneration

10a.Regeneration

BEL Description	Resource Budget £'000	Capital Budget £'000
4151 - Regeneration	-13,321	40,800
Purpose of BEL		
<p>Investment in our Transforming Towns programme supports our town and city centres. The programme actively encourages mixed use towns as places to live, work, visit and stay. One of the key elements of this 'place making' activity includes strong community involvement, well-being, enhancement of</p>		

existing spaces and maintaining their unique identity. Transforming Towns provides the Welsh Government's core regeneration investment in town centres. All investment decisions are informed by Placemaking Plans developed by Local Authorities and the local community.

Individual towns have benefitted by identifying the mix of interventions which best suits their specific characteristics, local strengths, culture and heritage.

Our investment in regeneration supports the following Programme for Government commitments:

- *Enable our town centres to become more agile economically by helping businesses to work co-operatively, increase their digital offer and support local supply chains, including local delivery services*
- *Develop masterplans for towns and high streets*
- *Empower communities to have a greater stake in local regeneration*
- *Create more community green space in town centres*
- *Repurpose public space for outdoor events, markets, street vendors, pop up parks and 'parklets'*
- *Support the development of a register of empty buildings and help small businesses move into vacant shops.*

An inflationary uplift of 2% has been applied to the Capital budget for 2026–27 to support delivery and funding levels in real terms.

The resource position is negative as planned expenditure is offset by expected income.

10b. Cardiff Harbour Authority

BEL Description	Resource Budget £'000	Capital Budget £'000
4162 - Cardiff Harbour Authority	5,400	-
Purpose of BEL		
Cardiff Council assumed the role of Cardiff Harbour Authority (CHA) on 1 April 2000. The functions and responsibilities of Cardiff Harbour Authority are detailed in an Agreement made between Welsh ministers and Cardiff Council under Section 165 of the Local Government Planning and Land Act 1980. The Section 165 Agreement obliges Welsh ministers to pay Cardiff County Council the amounts necessary to discharge its statutory functions. This budget		

provides the funding required by Cardiff Harbour Authority to discharge these obligations and any additional duties relating to the Cardiff Bay Barrage Act 1993. This funding, net of any income generated through operating the Cardiff Harbour Authority is ring fenced by Cardiff Council.

The functions and responsibilities of Cardiff Harbour Authority include:

- *Environmental & conservation management*
- *Groundwater monitoring & management*
- *Community & events liaison*
- *Barrage operation & maintenance, including emergency planning & security*
- *Harbour master duties & marine operations*
- *Byelaw enforcement*
- *Navigational safety security & emergency planning*
- *Operation of Cardiff Bay Water Activity Centre Cardiff Sailing Centre and Cardiff International White Water.*

Funding Support for Local Government

11a. Local Govt General Revenue Funding

BEL Description	Resource Budget £'000	Capital Budget £'000
0840 - Local Govt General Revenue Funding	5,267,744	
Purpose of BEL		
<p>Local authorities deliver a wide range of public services to everyone in their communities and to the most vulnerable in our society or those who are economically disadvantaged. These include significant services for children, through education and social services, and a wide range of services for adults who may be facing challenges in their everyday lives, through social services, housing support and other community services. Universal services such as highways and waste and public protection are important to all households while services such as planning, impact on both residents and businesses.</p> <p>The increase of £257.31m in revenue funding since the Final Budget 2025-26 for the local government settlement includes baseline transfers of £97.223m support the increase in national insurance contributions, £17.848m to support the 2025/26 teachers pay award, £4.019m for ALN co-ordinators to move to the upper pay spine and £14.9m to support the 2025-26 NJC pay award above the</p>		

general planning assumption. Uplifts in addition to those included in the revised baseline above, are an increase of £114.172m to support general and pay inflation and a transfer of £552k to recognise the increase in the levy that will be applied for firefighters pay. £8.6m has been included to give a floor with the aim of no authorities having an increase below 2.3%. In addition, there will be a specific grant of £2.3m to support the implementation of the Homelessness Bill. The inflationary increase supports local authorities to deliver key services, supporting government priorities as well as delivering to local needs.

The increased level of funding will support local authorities in meeting pay, inflation and service pressures but, given levels of pay inflation and increases in complex demands local authorities are likely to continue to make choices on service changes (including to seek to prevent demand) and reductions as well as further council tax increases.

The settlement formula distributes the total settlement available based on indicators of relative need, the main indicators used relate to population, deprivation and sparsity. There will be a different impact in each authority in terms of their own settlement uplift. In making local decisions to reflect local needs, local authorities will need to consider the impacts of their choices under the statutory requirements relating to local government including assessing impacts for different groups and in the context of the Wellbeing of Future Generations (Wales) Act.

Un-hypothecated revenue and capital funding for local authorities will support local authorities in both reactive and preventative services. Preventative services can be considered against definitions of primary, secondary or tertiary prevention and examples of all three can be found in local government services. In particular education and social services will include services intended to enable people to stay healthily in their own homes, to live independently and reach their fullest potential. Services which prevent flooding, support healthy lifestyles, provide access to employment, education and leisure are all in the widest sense preventative services. In addition, local authorities will have specific activities targeted towards prevention for example frailty services, reablement to prevent hospital admissions, community advice and support.

11b. Non-Domestic Rates Relief

BEL Description	Resource Budget £'000	Capital Budget £'000
0875 - Non-Domestic Rates Relief	18,804	-
Purpose of BEL		
<p>This budget has previously been used to provide grant funding to all 22 local authorities to provide the Retail Leisure and Hospitality Rates Relief (RLHRR) scheme to eligible businesses.</p> <p>Policy decisions on non-domestic rates for 2026-27 cannot be made until after the UK Government Autumn Budget when the implications of any consequential funding can be considered. Further updates on this BEL will be made before the Final Budget for 2026-27.</p>		

11c. Police General Revenue Funding

BEL Description	Resource Budget £'000	Capital Budget £'000
0860 - Police General Revenue Funding	112,331	
Purpose of BEL		
<p>This budget funds essential policing activity in communities through the annual police settlement. This funding contributes towards the total budgets available to Police and Crime Commissioners for the provisions of policing and community safety services in their areas, alongside Home Office funding and council tax precepts.</p>		

11d. Local Govt PFI Revenue Consequences

BEL Description	Resource Budget £'000	Capital Budget £'000
0885 - Local Govt PFI Revenue Consequences	2,100	-
Purpose of BEL		
<p>This funding provides a contribution to the annual costs of Private Finance Initiative schemes that were set up in the Welsh public sector and run over</p>		

20-30 years. The profile of agreed support is front loaded, so the total amount reduces each year but is committed over the life of the project.

11e. Transformation & Legislation

BEL Description	Resource Budget £'000	Capital Budget £'000
0887 - Transformation & Legislation	6,193	-
Purpose of BEL		
<p>This budget provides funding to support the implementation of a number of local government programmes. It includes funding for research in support of local government finance and local tax reform and work to support diversity in democracy and improving accountability, scrutiny and transparency.</p> <p>This BEL contributes to the following PfG commitments:</p> <ul style="list-style-type: none"> • <i>Reducing the administrative burden on local authorities.</i> • <i>Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services.</i> • <i>Expand our Access to Elected Office programme.</i> <p><i>It also supports actions to enable the delivery of the Local Government Chapter in the Anti-Racist Wales Action Plan.</i></p>		

11f. Non-Domestic Rates Collection Costs

BEL Description	Resource Budget £'000	Capital Budget £'000
0940 – Non-Domestic Rates Collection Costs	5,172	
Purpose of BEL		
<p>This is an accounting only budget (i.e., not cash payments) to pay for the administration of non-domestic rates in accordance with the Local Government Finance Act 1988.</p>		

11g. Emergency Financial Assistance

BEL Description	Resource Budget £'000	Capital Budget £'000
1600 – Emergency Financial Assistance	1	-
Purpose of BEL		
<p>Any emergency funding is provided through this BEL, previously it has been used to support Covid and Ukraine payments to local authorities. It is also used when the Emergency Financial Assistance Scheme is triggered, for example in extreme weather events. The budget is £1,000 as the need for the EFAS scheme is not predictable and any costs are managed in year.</p>		

Valuation Services

12a. Valuation Office Agency Services

BEL Description	Resource Budget £'000	Capital Budget £'000
1500 – Valuation Office Agency Services	17,340	-
Purpose of BEL		
<p>This budget provides annual funding for the statutory functions of the Valuation Office Agency (VOA), which forms part of HM Revenue & Customs (HMRC), for property valuation services in Wales. The organisation provides the valuations and property advice required for the effective running of council tax and non-domestic rates systems, and to support policy development and administration.</p> <p>In relation to local taxation, the VOA has a statutory duty to maintain accurate valuation lists of properties, providing and maintaining the base valuation data which is held on both council tax and non-domestic rating lists. These valuation lists underpin the collection of over £3 billion of local taxation a year in Wales.</p> <p>The VOA is also responsible for meeting the Welsh Government's local taxation reform requirements: this includes significant work to deliver a council tax revaluation in 2028, a non-domestic rates revaluation in 2026, alongside other local tax reforms.</p>		

This BEL contributes to the following PfG commitments:

- *Seek to reform council tax to ensure a fairer and more progressive system*
- *Explore and develop effective tax, planning and housing measures to ensure the interests of local people are protected*

12b. Valuation Tribunal for Wales

BEL Description	Resource Budget £'000	Capital Budget £'000
1540 – Valuation Tribunal for Wales	1,988	-
Purpose of BEL		
<p>This budget provides annual funding for the Valuation Tribunal for Wales (VTW), a Welsh Government Sponsored Body. It is independent of the Welsh Government and the Valuation Office Agency (VOA).</p> <p>The VTW provides a free service to the public, dealing with appeals concerning council tax, non-domestic rates and drainage rates. Appeals are heard and determined by unpaid volunteer members. A team of paid staff, led by the Chief Executive, provides the necessary support services.</p> <p>Funding is agreed via a formal framework agreement which is regularly reviewed to ensure the VTW remains fit for purpose and manages within its agreed budget. These reviews are complemented by regular monitoring meetings to ensure the VTW maintains effective control over its operations. VTW have recently expanded in order to prepare for their vital role in delivering reform programmes for both council tax and non-domestic rates.</p> <p>This BEL contributes to the PfG commitments; “<i>Seek to reform council tax to ensure a fairer and more progressive</i>”.</p>		

12c. Local Taxation Reform

BEL Description	Resource Budget £'000	Capital Budget £'000
1550 – Local Taxation Reform	4,896	-
Purpose of BEL		
<p>The main purpose of this funding is to support the Valuation Office Agency to carry out preparatory work ahead of council tax reforms, as part of the Programme for Government commitment to make council tax fairer. It also funds research and analysis to monitor and evaluate the local taxation system (including the commitment to explore Land Value Tax further), alongside maintaining software for managing the annual operation of the Council Tax Reduction Scheme.</p> <p>This BEL contributes to the following Programme for Government commitments:</p> <ul style="list-style-type: none"> • <i>Seek to reform council tax to ensure a fairer and more progressive</i> • <i>Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services</i> • <i>Explore and develop effective tax, planning and housing measures to ensure the interests of local people are protected</i> 		

Building Local Democracy

13a. Democracy and Boundary Commission Cymru

BEL Description	Resource Budget £'000	Capital Budget £'000
1440 –Democracy and Boundary Commission Cymru	1,773	-
Purpose of BEL		
<p>This BEL provides the funding for the Democracy and Boundary Commission Cymru which has statutory duties to undertake Senedd constituency reviews, and local electoral and community reviews. It also has the statutory functions to set the remuneration for local elected representatives and provide an Electoral Management Board to lead on the effective delivery of Welsh Devolved elections.</p>		

13b. Expenditure to Promote Local Democracy

BEL Description	Resource Budget £'000	Capital Budget £'000
1462 – Expenditure to Promote Local Democracy	67	-
Purpose of BEL		
This BEL provides funding for a range of research and organisational memberships which support and enable policy development in the local government portfolio.		

13c. Election Policy

BEL Description	Resource Budget £'000	Capital Budget £'000
1463 – Election Policy	3,468	-
Purpose of BEL		
This Budget supports the implementation of electoral reform, in particular the implementation of the Elections and Elected Bodies Act and work to promote democratic engagement. This year will also require funding for training to local government staff in advance of the Senedd elections in 2026.		
This BEL is the main contributor to the Programme for Government to “Reform local government elections to reduce the democratic deficit.”		

Local Government Improvement

14. Improvement & Support

BEL Description	Resource Budget £'000	Capital Budget £'000
1571 – Improvement & Support	2,847	-
Purpose of BEL		
Provides for support for improvement, resilience and digital transformation of county and county borough councils plus contract with Welsh Government Energy Service for decarbonisation - climate change and delivery of the decarbonisation capital budget.		

This BEL contributes to the PfG commitment to “*Strengthen the autonomy and effectiveness of local government to make them more successful in delivering” services.*”

Local Govt General Capital Funding

15. Local Govt General Capital Funding

BEL Description	Resource Budget £'000	Capital Budget £'000
1675 – Local Govt General Capital Funding	-	234,600
Purpose of BEL		
<p>This funding has decreased overall in 2026/27 by £0.4m as the one off £5m for decarbonisation in leisure centres was a 2025-26 investment only. However there has been 2% (£4.6m) inflationary increase in revised baseline funding to give total of £234.6m.</p> <p>This funding is split into three areas:</p> <ul style="list-style-type: none"> • £30.6m for local government low carbon heat grant run through WG Energy Service. • £115.2m general capital grant, used for match funding for other grant and small-scale capital project or capital maintenance. • £88.8m budget cover for supported borrowing (a revenue amount in the settlement which can be used to pay interest repayments on borrowing). 		

Academi Wales

16. Academi Wales

BEL Description	Resource Budget £'000	Capital Budget £'000
7093 – Academi Wales	1,357	-
Purpose of BEL		
<p>Academi Wales is the centre of excellence for public service leadership. It is an enabling function, contributing towards the capacity and capability of leaders across Welsh public services to respond to Programme for Government commitments or legislative requirements. Underpinning this is a focus on</p>		

leadership behaviours and values which underpin delivery. More than half of the budget (circa £830k) supports programme funded posts within the delivery team. The budget can be considered to be wholly committed to the range of leadership development programmes, including our summer and winter schools, leadership interventions and a range of masterclasses and programmes. A large number of which have a range of contractual arrangements and agreements in place to support delivery. In addition, in order to deliver on the Academi Wales published Three Year Strategy, part of our annual budget will be allocated to research and evaluation activities, to ensure ongoing innovation.

Supporting Collaboration and Reform

17. Community and Town Councils

BEL Description	Resource Budget £'000	Capital Budget £'000
1574 – Community and Town Councils	147	-
Purpose of BEL		
<p>This BEL provides support to the town and community council sector via core funding to its representative body One Voice Wales. It also supports a grant to the Society of Local Council Clerks for clerk development and training.</p> <p>This BEL contributes to “<i>Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services</i>”, a PfG commitment.</p>		

Fire and Rescue Services and Resilience

18a. Fire and Rescue Services

BEL Description	Resource Budget £'000	Capital Budget £'000
1265 - Fire and Rescue Services	3,119	1,020
Purpose of BEL		
<p>This BEL funds the salary and on-costs of the Welsh Government’s Chief Fire and Rescue Adviser and the Crown Premises Inspector (both of whom we are obliged to appoint and remunerate), and actuarial and legal advice on</p>		

firefighters' pensions from the Government Actuary's and Government Legal Departments, which again we are legally obliged to obtain. The BEL has been increased by £300K to support an enhanced inspection regime in 2026/27 to support FRS governance reform.

The revenue (£2.2 million) and capital (£1.02 million) elements of this BEL also fund the specialist crews and equipment for the Fire and Rescue Services' National Resilience frontline capabilities to respond to major disasters (building collapses, chemical, biological, radiological and nuclear incidents, serious flooding and terrorist attacks). The revenue element has been increased by £200k to maintain those capabilities at their current level.

18b. Fire and Rescue Service - Communication Systems

BEL Description	Resource Budget £'000	Capital Budget £'000
1697 - Fire and Rescue Service - Communication Systems	1,301	214
Purpose of BEL		
The majority of the funding is provided to the Home Office for Wales' contribution to the Emergency Services Network (ESN) which is the future communications platform for the emergency services. The Welsh Government is a Funding Sponsor Body which means the contribution to ESN is a long-term contractual commitment.		

18c. Community Fire Safety

BEL Description	Resource Budget £'000	Capital Budget £'000
1698 - Community Fire Safety	378	918
Purpose of BEL		
The revenue budget funds a range of Fire and Rescue Service interventions with children and young people, aimed at diverting them away from offending and other negative behaviours. The programmes use firefighters as role models and positive authority figures, and aim to build self-esteem, confidence, teamwork and respect for others. Participant numbers are typically around 500 per year for the most intensive programme ("Phoenix")		

for those at greatest risk of offending, with around 3,000 in the less intensive “Reflect” programme.

The capital element of the budget funds the provision of safety equipment free of charge to households that are at particular risk of fire in the home (e.g. because of old age, disability or mental health problems).

Ystadau Cymru

19. Ystadau Cymru

BEL Description	Resource Budget £'000	Capital Budget £'000
1576 - Ystadau Cymru	500	
Purpose of BEL		
<p>Ystadau Cymru (YC) is a Welsh Government-established partnership aimed at fostering excellence in collaborative asset management across public and third sector organizations in Wales. A large proportion of the YC budget funds the Asset Collaboration Programme Wales (ACPW3) grant scheme (revenue). This scheme supports innovative collaborative asset projects across Wales and in many cases, funds projects that are not supported elsewhere.</p> <p>In addition to the grant scheme, our core workstreams focus on building safety, sustainability, and community assets. Through close collaboration with partners, we offer support and guidance to empower the public sector in these areas.</p>		

AME

Spending that cannot reasonably be subject to firm multi-year limits, or that relates to certain non-cash transactions, is included in Annually Managed Expenditure (AME).

BEL Description	Resource Budget £'000	Capital Budget £'000
0981 – Market Housing - AME	16	-
0870 - Non-Domestic Rates Distributable Amount - AME	1,178,000	-
0865 - Bad Debt Provision - AME	227	-
1699 - Fire Service Pensions - AME	35,641	-
Total AME	1,213,884	

BEL 0981 - Market Housing

Budget relates to the fair value adjustments on the Help to Buy Wales Scheme's loan book. The forecasts are very volatile as they relate to Welsh Government's equity share from the scheme and are extremely sensitive to any movement in the House Price Index (HPI). The model is updated on an annual basis to reflect the latest HPI, RPI and discount factor (cost of capital) data. The current budget allocation represents the latest forecast.

BEL 0870 - Non-Domestic Rates Distributable Amount

Budget represents the expenditure funded by Non-Domestic Rates income in Wales.

BEL 0865 - Bad Debt Provision – AME

Budget reflects the movement in the bad debt provision.

BEL 1699 - Fire Service Pensions

The budget allocation is a grant to cover the shortfall between contributions to the Firefighters' Pension Scheme and pension benefits currently in payment. The current budget allocation reflects the latest forecast received from the three Fire and Rescue Services.

2. Changes to allocations since 2025/26

Summary	2025/26 Final Budget £000	Baseline Adjustmen ts £000**	Revised Baseline £000	2026/27 Draft Budget £000	Change £000	% Change
Revenue	5,483,188	75,399	5,558,587	5,690,029	131,442	2.3%
General Capital	1,196,280	(5,000)	1,191,280	1,215,106	23,826	2.0%
FTC* Allocation	86,250	(86,250)	-	87,975	87,975	
FTC Repayments*	(13,388)	13,388	-	(5,467)	(5,467)	
Total DEL	6,752,330	(2,463)	6,749,867	6,987,643	237,776	
AME	1,114,803	-	1,114,803	1,213,884	99,081	8.2%
Total Budget	7,867,133	(2,463)	7,864,670	8,201,527	336,857	

Changes by BEL are detailed in Annex A.

3. Alignment with Programme for Government Commitments

2. The Local Government and Housing MEG supports the delivery of a number of Programme for Government commitments. In accordance with Welsh Government budget management principles, allocations to support the delivery of these commitments have been targeted towards interventions that are affordable and offer value for money whilst also seeking to protect front line services that protect the most vulnerable in our society. Details of the allocations and the Programme for Government commitments they support are provided in the BEL analysis above and throughout this paper.

4. Preventative Spend within Budget Allocations

Local Government

3. Unhypothecated revenue and capital funding for local authorities will support local authorities in both reactive and preventative services. In particular education and social services will include services intended to enable people to stay healthily in their own homes, to live independently and reach their fullest potential.
4. Social care delivered by local authorities is a vital part of the health and social support available to people of all ages across Wales. Partnership work between Health Board and Local Authorities is key to boost preventative services and minimise hospital stays.
5. Education is another critical service delivered by local authorities; the core funding provided through the local government settlement underpins the provision of education through nursery, primary and secondary schools. It also supports those with additional needs through mainstream provision and special schools, giving opportunities for all children and young people to learn and develop to play a full part in society.
6. Services which prevent flooding, support healthy lifestyles, provide access to employment, education and leisure are all in the widest sense preventative services. In addition, local authorities will have specific activities targeted towards prevention for example [frailty services, reablement to prevent hospital admissions, community advice and support]. Funding provided through the revenue support grant is unhypothecated; it is for local authorities to determine priorities for its use. Providing this significant funding in this way means local authorities have the flexibility to plan, fund and deliver their services in the way that works best for their local populations.
7. Within the Transformation and support BEL, funding is provided to improve and support local authorities to respond to and prevent governance or other failures.

Fire

8. The community fire safety BEL focuses wholly on fire prevention, both by diverting children and young people away from fire-setting and other

offending behaviour, and by reducing the risks of fire in the home faced by vulnerable groups.

Housing

9. Within the housing sector there are numerous schemes targeted at prevention as set out above.
10. Investing in more homes provides families with the opportunity to thrive, improving health, wellbeing, quality of life and outcomes. Building new homes contributes to local economies, creating and supporting jobs, training opportunities and strengthening supply chains.
11. Investing in better quality housing can have wider impacts than improving the housing stock alone. For all age groups, those living in social housing are more likely to have a limiting long-term illness, disability or infirmity than owner occupiers and those privately renting. Improvements in housing quality can alleviate these conditions and prevent the requirement for intervention from health and social services, it can also improve educational outcomes for children and young people
12. Investment in good quality housing has the potential to generate large economic returns, through skills and supply chain development, as well as reducing our emissions and levels of fuel poverty. It has a direct impact on the health and well-being of occupants, which can in turn help to reduce pressures on other public services.
13. Our drive to deliver more homes will have a positive impact across the whole of Wales and its population.

Investment in Homelessness prevention and Housing Support

14. Early intervention is the most effective and cost-effective means of preventing homelessness. The failure to prevent homelessness has direct cost implications for Local Authorities including through the revenue costs associated with nearly 11,000 individuals currently housed in temporary accommodation. In fact, homelessness or the risk of homelessness undermines wellbeing, gives rise to costs across the public sector including increased costs for health, mental health and policing. It also

impacts on long term outcomes for example with children in such circumstances failing to achieve their educational potential.

15. The Housing Support Grant (HSG) is the primary funding source to support Local Authorities in the prevention of homelessness.
16. Housing Support Grant services are key to preventing homelessness and to supporting people to move on successfully from temporary accommodation. Over the last 12 months (August 2024 to July 2025) homelessness services have helped over 9,000 people out of temporary accommodation into suitable long-term accommodation. The last two years of data (August 2023 to July 2025) shows that over 17,800 people have been moved out of temporary accommodation into suitable long-term accommodation, ending their homelessness (Welsh Government data).
17. Previous research (in 2020) by Cymorth Cymru and Cardiff Metropolitan University into the social and financial impact of the Housing Support Grant estimated that the grant generates a gross annual saving to public services of £300.4m, or a net annual saving of £176.7m (when taking in to account the annual grant spend as at July 2019). This represents an estimated net saving to public services in Wales of £1.40 for every £1 of funding for Housing Support Grant. Every £1 of Housing Support Grant funding generates an estimated net saving of £5.20 for mental health services
18. Investment in prevention and support through the Housing Support Grant will have a positive impact on vulnerable individuals and households as well as on public services.
19. This increased investment in preventive services also supports our transformation agenda and provides a strong foundation and preventative focus ahead of homelessness legislative reform. Viewed alongside our investments to deliver more homes and improve standards, this underlines our commitment to, and progress towards, delivering housing adequacy.

Investment in Independent Living budgets

20. This investment will support Care & Repair services via revenue, alongside a £0.5 million inflationary uplift to the Rapid Response Adaptations Programme capital budgets to support Local Authority and Registered Social Landlord funded adaptations.
21. Adaptations are an effective preventative investment to support independent living and improve the health and wellbeing of older people, disabled adults and children. They help to reduce hospital discharge times and pressures on hospital bed blocking, as well as helping to prevent falls, reduce reliance on care, avoid the need to move into residential care and significantly improve opportunities and quality of life and wellbeing for individuals, their families and carers.
22. There have been significant increases in the number of adaptations needed across Wales over the past three years, exacerbated by a backlog caused by Covid-19. The number of complex cases has also risen, along with the costs of delivering these.
23. The most recent cleansed and analysed data we have available for housing adaptations in Wales (2020-21) indicates that the average cost was £117 for a small adaptation, £3,840 for a medium adaptation and £16,237 for a large adaptation. More than half of adaptations delivered in 2020-21 were funded by the Rapid Response Adaptations Programme (38%) or Local Authorities from their own budgets (20%). A smaller proportion of adaptations were funded by Disabled Facility Grants, Enable (15%) and the Integrated Care Fund (6%).
24. The Care and Repair Impact Report 2024 notes the past year has seen increased demand for services as a cost-of-living squeeze has impacted older people's wellbeing and ability to maintain homes. Demand for Care and Repair services has seen another year-on-year rise. This long-term trend is due to increased costs for construction labour and materials, reduced levels of disposable income amongst older people, and more complexity of need. The service delivered 19,023 Rapid Response Adaptations in 2023/24, supporting hospital discharges, and preventing admissions to hospital and residential care. 4,685 patients were supported with a quicker safe discharge home through their Hospital to a Healthier Home service, leading to an estimated 25,968 bed days saved.

25. Investment will help to deliver adaptations across Wales, alleviate Housing Association and Local Authority pressures of backlogs for complex cases and could potentially help broaden the remit of the Rapid Response Adaptations Programme, leading to better health outcomes for some of the most vulnerable in Wales.

5. Strategic Integrated Impact Assessments

26. An outline Strategic Integrated Impact Assessment was published alongside our Draft Budget on 3 November. A full SIIA will be concluded in January and published alongside the Final Budget. This will set out how our interventions have been targeted to address economic, climate and other impacts. Allocations have been made throughout this portfolio to address impacts that have been identified and with the principles of the Wellbeing of Future Generations Act in mind; these details are provided throughout this paper.
27. Our outline Strategic Integrated Impact Assessment (SIIA) of the 2026-27 Draft Budget outlines the evidence which was considered and informed our decisions. The Strategic Integrated Impact Assessment identifies key trends and considers the strategic and cumulative impacts of decisions across a range of areas, including giving due consideration to statutory requirements. This helps to reduce any disproportionate effect on any one specific group as well as identifying opportunities to maximise positive impacts to reduce inequalities across our society.
28. This document should not be read in isolation. It should be read in conjunction with the wider Draft Budget narrative and supporting documents, such as the Wales Economic and Fiscal Report (WEFR) and our updated distributional impact analysis. Following the publication of the draft Budget, we will also publish the summary of all ministerial evidence to Senedd scrutiny committees.

5. Welsh Government impact assessment and impact of inflation only increase in departmental spending for local government budgets

29. The WLGA have estimated pressures for 2026-27 of £560m from a combination of inflation, pay increases and increasing demand and complexity of need for services. We know that an inflation only budget will not meet the total of the pressures presented, and the local authorities will need, as they do every year, to assess their budget requirements and service delivery. Authorities will need to make local choices, after consultation with partners and local people in where to direct the funding available to them. This will need to balance demand management, preventative services and meeting immediate priorities. From past trends we anticipate that the proportion of funding spent on education and social care will continue to increase with other areas decreasing, whether through cuts to services or changes in delivery mechanisms.

30. In setting the draft budget we have taken action to support local authorities as much as possible in the budget situation we have this year. We have given a 2% inflationary uplift, and a 2.2% inflationary uplift for pay related costs following OBR forecasts. We have modelled the NDR distributable amount rather than assuming it is restated plus 2%, which increases the settlement by more than the rise in the revenue support grant element. We have included in the baseline the funding agreed in 2025-26 for teachers pay, NJC agreed pay and national insurance. This is before the inflationary factor is applied. We are also maintaining the one-off additions announced as part of the 25-26 budget, £30m to target delayed hospital discharges and provide more care and support in local communities through the Pathways of Care Transformation Grant, and £30m to boost childcare through Flying Start. We have also included a funding floor to ensure the minimum increase in funding is 2.3%. We are exploring ways of giving local authorities short term flexibility in setting their budgets through statutory overrides for example by giving options around minimum revenue provision charges.

6. Climate Change, Well-Being of Future Generations Act and Decarbonisation

31. The Wellbeing of Future Generations Act requires Local Authorities, alongside other public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other. Funding through the revenue support grant to the Local Authorities will support work to prevent persistent problems such as poverty, health inequalities and climate change.
 32. A key priority for the Fire and Rescue Service National Resilience capital BEL will be to continue to support the greening of operations in this area. The National Resilience capability includes a fleet of specialised vehicles, many of which are heavily polluting by modern standards, and nearing the end of their operational lives. These are being progressively withdrawn from service, and the grant will support further replacement of these vehicles with more efficient and greener new models. Where operational requirements preclude the use of hybrid or fully electric vehicles, replacements will be fuelled by biodiesel instead.
 33. Fire prevention can also mitigate the effects of climate change. A typical dwelling fire can emit over a ton of carbon dioxide (as well as other noxious gases and substances), and a large wildfire can emit an amount that is several orders of magnitude greater. Reducing the incidence of such fires therefore has benefits beyond reducing the damage to property and the environment that they cause directly.
 34. An inflationary uplift of £1.840m has been allocated in 2026–27 to support the Residential Decarbonisation and Quality programme. This investment supports a key Programme for Government commitment to decarbonise more homes through retrofit, delivering quality jobs, training and innovation using local supply chains. It also delivers against two key statutory requirements: Climate Change (Wales) Regulations 2021 – delivery of reduction in greenhouse gas emissions from the housing sector; and Section 33A of the Housing Act 1996 – regarding the setting of housing standards.
- *Capital funding will predominantly be used to support the social housing sector, through the Optimised Retrofit Programme (ORP). Our ambition is to ensure all social housing landlords participate in this scheme so that*

they can integrate the decarbonisation agenda within their planned maintenance programmes.

- *An additional allocation of £3.06m of Financial Transactions Capital has been allocated in 2026-27 to support the continuation of low interest loans to owner occupiers ready to invest in decarbonisation of their homes.*
 - *Our investment in Major Repairs Allowance and Dowry Gap Funding also supports the tackling of climate change and decarbonisation. The Welsh Government, together with social landlord delivery partners, have invested billions of pounds to significantly improve and maintain the quality of social homes across Wales over the last two decades following the introduction of the original Welsh Housing Quality Standard. By 2022, all social housing in Wales had met the challenging standard.*
 - *A new version of the Welsh Housing Quality Standard was launched in October 2023. This new standard keeps anti-poverty requirements at its heart, improving energy efficiency, with the aim of putting more money in tenant's pockets and supporting their comfort and well-being.*
35. Building on capital funding provided in previous years for the decarbonisation of heating of Local Authority buildings has been increased by inflation to £31m. This funding can be used in stand-alone projects or as part of wider capital programmes to reduce the carbon footprint of the local authority estate.

7. Local Government and compliance with statutory duties and/or Programme for Government priorities; Welsh language, inequalities and the nature and climate emergency

36. Through the transformation and legislation and improvement and support BELs we also continue to provide a range of funding to support the implementation of a number of local government reform programmes delivered by the Welsh Government. These include funding for workforce partnership arrangements, research in support of local government finance and local tax reform, diversity in democracy and improved accountability, scrutiny and transparency and support for improvement, resilience and digital transformation of county and county borough councils.

37. The settlement itself as un-hypothecated funding gives local authorities the flexibility to make the local choices that work best for their local communities within the budget envelope that they have. The inflationary uplift to the revenue support element gives a consistent increase in funding with other sectors funding by Government. The approach to the draft budget means that there will generally be a consistent uplift to specific grants to local authorities to support specific policy areas.

8. Capital Spending on Housing

38. This section will confirm how capital spending on housing in 2026-27 will be used across both the Social Housing Grant and Transitional Accommodation Capital Programme to support the delivery of homes in the next Senedd term.
39. Investing in more homes provides families with the opportunity to thrive, improving health, wellbeing, quality of life and outcomes. Building new homes contributes to local economies, creating and supporting jobs, training opportunities and strengthening supply chains.
40. Social Housing Grant BEL funding allocations have been increased by £8.22m from £411m to £419.22m in 2026-27. This is the key budget line for increasing the supply of affordable housing. While the current term of government prioritised delivering 20,000 low carbon homes for social rent, the target for the next term has yet to be confirmed.
41. Social Housing Grant is currently the main capital programme supporting the delivery of high-quality affordable housing in Wales by Local Authorities and Registered Social Landlords (RSLs).
42. The Transitional Accommodation Capital Programme (TACP) was established in response to the growing pressures on temporary accommodation where the numbers of people homeless are increasing due to the worsening cost of living crisis, as well as wider resettlement schemes. The programme provides grant funding to Local Authorities and Registered Social Landlords (RSLs) to bring forward good quality longer term accommodation at pace to support everyone in housing need.
43. The funding awarded in 2026-27 will be used across both the Social Housing Grant and Transitional Accommodation Capital Programme to support the delivery of additional affordable homes. homes in the next Senedd term.

9. Homelessness and Housing Support Grant

44. This section will provide a breakdown of the draft budget on homelessness, including the Housing Support Grant element of the Homelessness Support and Prevention BEL and how this is laying the foundations for the forthcoming legislative reform.
45. As previously outlined, this BEL is preventative in nature. Failure to prevent homelessness has direct financial implications for Local Authorities, including the revenue costs associated with nearly 11,000 individuals currently housed in temporary accommodation. Homelessness also undermines wellbeing and drives costs across the public sector, including increased demand on health, mental health, and policing services. It negatively affects long-term outcomes—for example, children experiencing homelessness often struggle to achieve their educational potential.
46. This BEL is a key contributor to the reform of homelessness services, with a focus on prevention and rapid rehousing, which is a priority in the Programme for Government.
47. This BEL supports a range of homelessness prevention measures, with the majority of funding allocated to the HSG, the primary funding mechanism to enable Local Authorities to prevent homelessness. It supports individuals with a variety of needs to live independently and sustain tenancies, thereby reducing pressure on other public services, particularly health and social care. For 2026–27, an additional £4.704m has been allocated to this BEL which will be used to uplift existing projects funded within the BEL.
48. The vast majority of Housing Support Grant funding is used for staffing costs. Services are commissioned by Local Authorities, with a significant proportion delivered by third sector organisations. Additional funding of £4.1m will support a 2% inflationary uplift for staff delivering these critical services, taking the total Housing Support Grant budget to £208.4m in 2026-27.
49. The remaining additional funding within the BEL in 2026-27 will be used to provide a 2% inflationary uplift for other homelessness prevention projects, including Youth Innovation projects, the Housing First programme and

advice services. It will also be used to fund the development of new guidance and training to support implementation of the new Homelessness and Social Housing Allocation (Wales) Bill.

50. The RIA for the Bill also acknowledges that preparatory work will be necessary within each Local Authority ahead of implementation. A further £2.3m will be used to support Local Authorities in meeting pre-implementation costs, which will be allocated via the RSG through a specified grant mechanism.

51. BEL funding will also continue to fund Leasing Scheme Wales in 2026–27 to “develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or at risk of homelessness”. This revenue funding complements capital funding provided to the scheme as detailed in BEL 1182.

10. Prioritisation of resources for the implementation of the Homelessness and Social Housing Allocation (Wales) Bill and the Building Safety (Wales) Bill

52. This section will explore how the allocations will support the implementation of the upcoming Building Safety Bill and the Homelessness and Social Housing Allocation (Wales) Bill.
53. As stated above, addressing building safety remains a priority for the government and we are continuing to invest in our building safety remediation programme. The Building Safety (Wales) Bill was introduced into the Senedd in July 2025. An important element of ongoing work is engaging with Local Authorities and others to understand the resource and workforce implications of the legislation. We are also exploring what can be done nationally to support implementation, for example, digital systems to enable the new regime. This work will continue into early 2026 and will inform future budget planning.
54. The RIA for the Building Safety (Wales) Bill acknowledges transition costs for Local Authorities and Fire and Rescue Authorities in their respective roles as building safety authorities and fire safety authorities. These transition costs include:
 - *familiarisation costs of £0.05m for building safety authorities and fire safety authorities; and*
 - *£0.44m for building safety authorities to establish registers of buildings*
55. The Regulatory Impact Assessment (RIA) for the Homelessness and Social Housing Allocation (Wales) Bill acknowledges that preparatory work will be necessary within each Local Authority ahead of implementation. The total estimated cost of this activity in 2026–27 is £2.5m. To support Local Authorities in meeting this cost, £2.3m will be allocated via the Revenue Support Grant (RSG) through a specified grant mechanism. The remaining £0.2m will be funded within the Homelessness Support and Prevention BEL to fund the development of training and guidance.

10. National Insurance Contributions Shortfall

56. We have passed on all the funding provided by the UK Government to meet the additional employer National Insurance contribution costs for the public sector in 2025-26 and we have provided an extra £36m from reserves to close the gap. This funding has been baselined in 2026-27.
- *All public sector employers received about 85% of the increased National Insurance costs.*
 - *We recognise this creates difficulties for the public sector, but we cannot afford to meet this UK bill in full when the UK Government has not provided the necessary funding to do so.*
 - *We believe the UK Government should treat public sector employers the same across the UK and fund the costs in full.*
57. For local authorities, a total of £97m has been baselined in the settlement. This has been distributed within on the same basis as the funding in 2025-26, based on those service IBAs that are majority staff costs. The funding shortfall is one of the pressures highlighted by the WLGA and, despite the additional funding added by Welsh Government to the UK Government funding there is still a shortfall of around 15%. Local authorities will need to consider this as part of their overall budget setting process.
58. For housing support, the Housing Support Grant budget was uplifted by £21m (or 11.5%) in the 2025-26 Final Budget to fund support services. The uplift also assists Local Authority commissioners to support the sector in meeting increased costs, including paying the Real Living Wage., and increases to employer National Insurance contributions (NICs).
59. This increased cost, which had the biggest impact when it was first introduced in April 2025, has therefore been 'baselined' into the 2026-27 Housing Support Grant budget.

11. Cost of Living Pressures and Energy Prices

60. Local authorities have not raised significant issues with us over increases in energy costs within their report to the Finance Subgroup. This will be captured within the general inflationary uplift to the revenue support grant within the local government settlement. The investment we are making through the local government decarbonisation grant continues to bring down energy costs through the use of various renewable energy sources. This is alongside the investment in energy efficient buildings from specific schemes such as community focused schools.
61. As outlined above, the Housing Support Grant was uplifted by £21m (or 11.5%) in the 2025-26 Final Budget. The uplift was intended to assist Local Authority commissioners to support the sector in meeting increased costs, including inflationary pressures and increased demand. The increased budget has been 'baselined' into the 2026-27 Housing Support Grant budget.
62. As energy costs remain stubbornly high, an estimated 25% of households in Wales are living in fuel poverty. Our Warm Homes Nest scheme continues to provide free energy efficiency measures to eligible households, including emergency support for people without heating and hot water. Energy efficiency improvements to social housing funded through the Major Repairs Allowance, Dowry Gap funding and Optimised Retrofit Programme are enabling tenants to affordably heat their homes.

12. Gypsy, Roma and Travellers

63. There are no allocations within the LGH MEG to support Gypsy, Roma and Travellers and there have been no specific transfers into the RSG in respect of these communities.
64. There are 14 actions within the Anti-racist Wales Action Plan which relate to housing, leadership and criminal justice for Gypsy, Roma and Traveller communities, these actions are supported by a revenue budget of £1.2m. This reflects planned expenditure on Gypsies, Roma and Traveller in 26-27, as part of a wider budget allocation of £1.6m within the Social Justice MEG, which includes targeted support for Gypsies, Roma and Traveller communities.
65. Also included within the Social Justice MEG, the Gypsy Traveller Sites has a capital budget of £3.44m for 2026-27 which is unchanged from the 2025-26 Final Budget (restated). The budget covers the development of new sites, site extensions and refurbishment projects at local authority owned sites across Wales. The Cabinet Secretary for Social Justice will be providing evidence to the Equality and Social Justice Committee in respect of these budgets.

11. Annex A

HOUSING & LOCAL GOVERNMENT RESOURCE BUDGET							
Action	BEL No.	BEL Description	2025/26 Final Budget £'000	Baseline Adjustments £000**	Revised Baseline £'000	2026/27 Draft Budget £'000	Change £,000
Homelessness Prevention	1120	Homelessness Support & Prevention	219,147	11	219,158	4,704	223,862
	Total Homelessness Prevention		219,147	11	219,158	4,704	223,862
Independent Living	1100	Housing Policy	1,368	12	1,380		1,380
	1285	Rapid Response to Independent Living	6,358	0	6,358		6,358
	Total Independent Living		7,726	12	7,738	0	7,738
Homes & Places	950	Warm Homes	3,731	1	3,732		3,732
	Total Homes & Places		3,731	1	3,732	0	3,732
Achieve Quality Housing	1065	Residential Decarbonisation & Quality	1,673	7	1,680		1,680
	Total Achieve Quality Housing		1,673	7	1,680	0	1,680
Building Safety	2255	Building Safety	4,500	43	4,543		4,543
	Total Building Safety		4,500	43	4,543	0	4,543
Increase the Supply and Choice of Affordable Housing	984	Housing Finance Grant	5,285	2	5,287		5,287
	Total Increase the Supply and Choice of Affordable Housing		5,285	2	5,287	0	5,287
Housing Revenue Funding	1181	Housing Programme Revenue Funding	1,100	22	1,122		1,122
	Total Housing Revenue Funding		1,100	22	1,122	0	1,122

Pack Page 71

Land Division	6410	Land Release Fund	(1,550)	10	(1,540)		(1,540)
	Total Land Division		(1,550)	10	(1,540)	0	(1,540)
Regeneration	4151	Regeneration	(13,329)	8	(13,321)		(13,321)
	4162	Cardiff Harbour Authority	5,400	0	5,400		5,400
	Total Regeneration		(7,929)	8	(7,921)	0	(7,921)
Funding Support for Local Government	840	Local Govt General Revenue Funding	5,008,134	133,990	5,142,124	125,620	5,267,744
	875	Non-Domestic Rates Relief	77,730	(59,295)	18,435	369	18,804
	860	Police General Revenue Funding	112,331	0	112,331		112,331
	885	Local Govt PFI Revenue Consequences	2,411	0	2,411	(311)	2,100
	887	Transformation & Legislation	6,032	40	6,072	121	6,193
	940	Non-Domestic Rates Collection Costs	5,172	0	5,172		5,172
	1600	Emergency Financial Assistance	1	0	1		1
	Total Funding Support for Local Government		5,211,811	74,735	5,286,546	125,799	5,412,345
Valuation Services	1500	Valuation Office Agency Services	17,000	0	17,000	340	17,340
	1540	Valuation Tribunal for Wales	1,925	24	1,949	39	1,988
	1550	Local Taxation-Reform	4,800	0	4,800	96	4,896
	Total Valuation Services		23,725	24	23,749	475	24,224
Building Local Democracy	1440	Democracy and Boundary Commission Cymru	1,507	229	1,736	37	1,773
	1462	Expenditure to Promote Local Democracy	66	0	66	1	67
	1463	Election Policy	3,400	0	3,400	68	3,468
	Total Building Local Democracy		4,973	229	5,202	106	5,308
Local Government Improvement	1571	Improvement & Support	2,791	0	2,791	56	2,847
	Total Local Government Improvement		2,791	0	2,791	56	2,847
Academi Wales	7093	Academi Wales	1,269	17	1,286	71	1,357
	Total Academi Wales		1,269	17	1,286	71	1,357
Supporting Collaboration and Reform	1574	Community and Town Councils	144	0	144	3	147
	Total Supporting Collaboration and Reform		144	0	144	3	147

Fire and Rescue Services and Resilience	1265	Fire and Rescue Service	2,646	278	2,924	195	3,119
	1697	Fire and Rescue Service - Communication Systems	1,275	0	1,275	26	1,301
	1698	Community Fire Safety	371	0	371	7	378
Total Fire and Rescue Services and Resilience			4,292	278	4,570	228	4,798
Ystadau Cymru	1576	Ystadau Cymru	500	0	500		500
Total Ystadau Cymru			500	0	500	0	500
HOUSING & LOCAL GOVERNMENT - TOTAL RESOURCE BUDGET			5,483,188	75,399	5,558,587	131,442	5,690,029

CAPITAL BUDGET							
Action	BEL No.	BEL Description	2025/26 Final Budget £'000	Baseline Adjustments £000**	Revised Baseline £'000	2026/27 Draft Budget £'000	Change £,000
Independent Living	1285	Rapid Response Adaption Programme	25,000		25,000	500	25,500
	1182	Private Rented Sector	3,500		3,500	70	3,570
Total Independent Living			28,500	0	28,500	570	29,070
Homes & Places	986	Health & Housing	60,500		60,500	1,210	61,710
	950	Warm Homes	37,500		37,500	750	38,250
Total Homes & Places			98,000	0	98,000	1,960	99,960
Achieve Quality Housing	1061	Major Repairs Allowance and Dowry Gap Funding	108,000		108,000	2,160	110,160
	1065	Residential Decarbonisation & Quality	95,000	(3,000)	92,000	4,900	96,900
Total Achieve Quality Housing			203,000	(3,000)	200,000	7,060	207,060
Increase the Supply and Choice of Affordable Housing	982	Social Housing Grants (SHG)	437,250	(26,250)	411,000	34,995	445,995
	989	Land for Housing - Repayment	(1,000)	1,000	0		0
Total Increase the Supply and Choice of Affordable Housing			436,250	(25,250)	411,000	34,995	445,995
Building Safety	2255	Building Safety	127,670		127,670	2,554	130,224
Total Building Safety			127,670	0	127,670	2,554	130,224
	987	Market Housing and Other Schemes	82,000	(57,000)	25,000	58,640	83,640

Pack Page 73

Increase the Supply and Choice of Market Housing	987	Market Housing and Other Schemes - Repayment	(3,260)	3,260	0	(5,467)	(5,467)
	980	Homebuy	4,000		4,000	80	4,080
Total Increase the Supply and Choice of Market Housing			82,740	(53,740)	29,000	53,253	82,253
Land Division	6410	Land Release Fund	25,000		25,000	500	25,500
	6410	Land Release Fund - Repayment	(9,128)	9,128	0		0
Total Land Division			15,872	9,128	25,000	500	25,500
Regeneration	4151	Regeneration	40,000		40,000	800	40,800
Total Regeneration			40,000	0	40,000	800	40,800
Local Government General Capital Funding	1675	Local Govt General Capital Funding	235,000	(5,000)	230,000	4,600	234,600
Total Local Government General Capital Funding			235,000	(5,000)	230,000	4,600	234,600
Fire and Rescue Services and Resilience	1265	Fire & Rescue Services	900		900	120	1,020
	1697	Fire and Rescue Service - Communication Systems	210		210	4	214
	1698	Community Fire Safety	1,000		1,000	(82)	918
Total Fire and Rescue Services and Resilience			2,110	0	2,110	42	2,152
HOUSING & LOCAL GOVERNMENT - TOTAL CAPITAL BUDGET			1,269,142	(77,862)	1,191,280	106,334	1,297,614

Pack Page 74

RESOURCE BUDGET - AME							
Action	BEL No.	BEL Description	2025/26 Final Budget £'000	Baseline Adjustments £000**	Revised Baseline £'000	2026/27 Draft Budget £'000	Change £,000
Increase the Supply and Choice of Market Housing	981	Market Housing - AME	(575)		(575)	591	16
Total Increase the Supply and Choice of Market Housing			(575)	0	(575)	591	16
Funding Support for Local Government	870	Non-Domestic Rates Distributable Amount - AME	1,078,000		1,078,000	100,000	1,178,000

	865	Bad Debt Provision - AME	227		227	0	227
	Total Funding Support for Local Government		1,078,227	0	1,078,227	100,000	1,178,227
Fire and Rescue Services and Resilience	1699	Fire Service Pensions - AME	37,151		37,151	(1,510)	35,641
	Total Fire and Rescue Services and Resilience		37,151	0	37,151	(1,510)	35,641
HOUSING & LOCAL GOVERNMENT - TOTAL RESOURCE AME BUDGET			1,114,803	0	1,114,803	99,081	1,213,884

Iechyd Cyhoeddus Cymru

Rhif 2 Capital Quarter, Stryd Tyndall,
Caerdydd CF10 4BZ

Public Health Wales

2 Capital Quarter, Tyndall Street,
Cardiff CF10 4BZ

Tracey Cooper

John Griffiths, MS
Chair, Local Government and Housing Committee
Welsh Senedd
Cardiff Bay, Cardiff CF99 1SN

Ref:TC.CS.061125.JG

6 November 2025

Dear John,

**Local Government and Housing Committee's
Sixth Senedd Legacy Report**

I am grateful for the opportunity to share with you our public health policy priorities to inform the development of the Local Government and Housing Committee's Sixth Senedd Legacy Report.

Public Health Wales is the national public health organisation for Wales. We exist to help all people in Wales live longer, healthier lives, and to make health part of every conversation about Wales' future.

We are highlighting five priority areas where we believe public health policy action can build a healthier, fairer and more prosperous Wales for the future, and support a strong sustainable health and care system.

By sharing these with you, we hope to support the work your Committee is doing to highlight the issues the Seventh Senedd, and your successor Committee may wish to consider.

1 Context

People in Wales are currently experiencing unfair and avoidable gaps in health and wellbeing. For example, women in the least deprived areas of Wales live 20 years more of their life in good health than those who live in the most deprived areas. In our most deprived communities, we also see three times as many avoidable deaths and 70% more child deaths. Without change, poor health in our most deprived communities will continue to result in increased demand for our public services.

Through a prevention-first approach to policy and by working together in partnership, we can overcome these challenges and build a healthier future for Wales. We know that every £1 invested in prevention returns £14 for society by creating healthier people, a stronger economy and lowered NHS costs.

Our five policy priorities

1. The best start in life builds lifelong health and wellbeing

The foundation for a life lived in good health is built in our early years. Policies need to promote the wellbeing of babies and young children and protect children from harm, for example from adverse childhood experiences (ACEs) and poverty, to give them the best chance to thrive through life.

- Consider children's wellbeing in all policy decisions.
- Deliver the Best Start in Life framework through cross-government leadership.
- Ensure comprehensive child health data to guide policy, target support, and track outcomes for babies and young children.
- Ensure every family can easily access Health Visitor support, and provide Flying Start based on need, not postcode.
- Embed trauma and adverse childhood experience-informed approaches from pre-pregnancy onwards.

2. Financial wellbeing drives better health and a prosperous economy

Secure and fairly rewarded work that pays a living wage is good for our health. Healthy communities mean a healthy workforce, and a healthy, productive workforce is good for a prosperous Welsh economy. Policies need to support people in Wales to find, stay in or return to healthy, safe and secure work.

- Ensure public bodies provide safe, secure jobs paying at least the Real Living Wage.
- Monitor progress on workplace equality, including gender, ethnicity, and disability pay gaps.
- Support people with health challenges to enter, stay in, or return to work.

- Link employment services with health support especially for those with long-term or mental health conditions so people get help when they need it.

3. Healthy lives start in our everyday places

When the places where we live, eat, shop, and play are healthy, it is easier for all of us to live healthier and happier lives.

National planning and other policies need to create and strengthen healthier places strategically, regionally and locally to support physical, mental and social health and wellbeing and reduce the appeal and availability of health harming products.

Healthy communities – characterised by healthy homes, sustainable transport, safe space for active travel, and green spaces – create additional benefits to the environment.

- Increase the availability of healthy and affordable homes, especially social housing.
- Raise standards in private rental housing.
- Reduce exposure and availability of tobacco and vapes by licensing retailers, and extend smoke-free zones.
- Make healthier food and drink the affordable, visible options in shops and restaurants, and restrict price promotions for less healthy food and drinks

4. Care tailored to local need builds health and resilience

Addressing the root causes of poor health—not just the consequences—means everyone in Wales can prosper and enjoy better health and wellbeing and our health system is resilient.

Policies need to address the needs of local people through earlier intervention and delivery of joined-up, effective care for the whole person when and where people need it.

- Increase the yearly share of the NHS budget spent on prevention and primary and community care instead of hospital treatment.
- Join up health and community care with public services and voluntary organisations to support the whole person.
- Invest in community health facilities, skilled staff, data and digital tools that link with health records to support early and preventative care.

5. A healthy planet protects our people now and in the future

The health of people and the planet are interconnected. Many actions that address climate change also support longer, healthier lives.

Policies need to focus on both preventing the health harms of climate change and tackling its root causes, especially for those most vulnerable and least able to adapt.

- Invest in safe walking and cycling routes, footpaths, and car-free town centres.

-
- Make public transport accessible and affordable, including free bus travel for young people.
 - Protect communities from the health harms of climate change by tackling flooding, improving food security, ensuring sufficient and quality water for private supply, and expanding access to green spaces and tree cover

At Public Health Wales we welcome the opportunity to engage further with the Committee to inform the development of its Legacy Report, and we look forward to ongoing, constructive engagement with your successor Committee. If you would like more detailed information in relation to the specific interventions to tackle these five areas then please do not hesitate to contact us. I have also attached the infographics for the summary and solutions for the priority areas for information.

Yours sincerely,



Tracey Cooper
Chief Executive, Public Health Wales

Copy: SeneddHousing@senedd.Wales

Webpage: <https://phw.nhs.wales/>
Email: phw.advocacy@wales.nhs.uk



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: SL-2065

Mike Hedges MS
Chair – Legislation, Justice and Constitution Committee
Senedd Cymru
Cardiff Bay
CF99 1SN
SeneddLJC@senedd.wales

7 November 2025

Dear Mike,

THE NON-DOMESTIC RATING (CHARGEABLE AMOUNTS) REGULATIONS 2025

I am writing to notify you of the potential need for the above Regulations. If a decision is made to proceed, it will be necessary to present the Regulations to the Committee with limited time available for scrutiny.

As part of non-domestic rating revaluations, consideration is given to the impact on ratepayers of changes in their liabilities. The Welsh Ministers have powers to introduce transitional relief by regulations under sections 58 and 143A(2)(b) of the Local Government Finance Act 1988. Any such regulations must follow the draft affirmative procedure and be in force prior to 1 January of the year of a revaluation. The next revaluation will take effect on 1 April 2026 and, as such, any regulations made under these powers must come into force by 31 December 2025 at the latest.

I am not yet in possession of the relevant details to inform a balanced decision on the provision of transitional relief. All of the necessary information will be available on 26 November, following the UK Government's Autumn Budget and the publication of the draft 2026 rating list. Following the Autumn Budget, I will make a policy decision as soon as possible, considering the financial position of the Welsh Government and the impact of the revaluation. Given the potential costs of any transitional relief, it would be irresponsible for me to do so before all of the relevant information is available.

Should I decide that transitional relief is appropriate, draft Regulations will be developed quickly, with the intention that they are debated on 16 December. This is necessary to meet the 31 December commencement deadline.

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Correspondence.Mark.Drakeford@gov.wales
Gohebiaeth.Mark.Drakeford@llyw.cymru

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

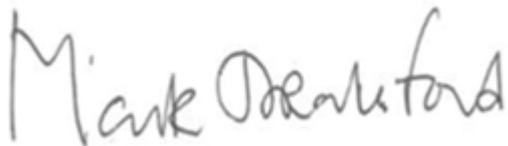
We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Unfortunately, the draft Regulations are not likely to be available to be laid until 9 December. I acknowledge that this provides a much compressed timetable for the consideration of the draft Regulations. As such, I am giving you notice of the potential time-scales and seeking the Committee's assistance in expediting the scrutiny of the draft Regulations, if needed.

I apologise to the Committee for this confluence of events, albeit that they are largely beyond the direct control of the Welsh Government. Against that background I hope the Committee will appreciate the circumstances which necessitate this compressed timetable for scrutiny and will be able to provide its views within a shortened timeframe.

This letter is copied to the Llywydd, Elin Jones MS, and the Chair of the Local Government and Housing Committee, John Griffiths MS, for their information.

Yours sincerely,

A handwritten signature in black ink that reads "Mark Drakeford". The signature is written in a cursive, slightly slanted style.

Mark Drakeford AS/MS

Ysgrifennydd y Cabinet dros Gyllid a'r Gymraeg
Cabinet Secretary for Finance and Welsh Language

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros
Newid Hinsawdd a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate
Change and Rural Affairs



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: HID-PO-575-25

Mike Hedges MS
Chair
Legislation, Justice and Constitution Committee
Senedd Cymru

11 November 2025

Dear Mike,

I am writing to inform you that the Independent Intergovernmental Relations (IGR) Secretariat has now published its annual reports covering the periods 2022–2023 and 2023–2024. These reports have been prepared using existing published information drawn from supporting documents; published Communiqués and quarterly transparency reporting on the [gov.uk web pages](#). As these are independent reports, we have reviewed them solely for factual accuracy. These reports can be accessed [here](#).

As previously notified, the Welsh Government previously published its own IGR Overview reports covering the same periods, in line with the [Inter-Institutional Relations Agreement](#) as laid before the Senedd on 18 November 2021. These reports can be accessed [here](#).

I have copied this letter to the Chairs of the following Senedd Committees: Children, Young People and Education; Climate Change, Environment, and Infrastructure; Culture, Communications, Welsh Language, Sport, and International Relations; Economy, Trade and Rural Affairs; Equality and Social Justice; Finance; Health and Social Care; and Local Government and Housing.

Yours sincerely,

Huw Irranca-Davies AS/MS

Y Dirprwy Brif Weinidog ac Ysgrifennydd y Cabinet dros Newid Hinsawdd
a Materion Gwledig
Deputy First Minister and Cabinet Secretary for Climate Change and Rural Affairs

Canolfan Cyswllt Cyntaf / First Point of Contact Centre:
0300 0604400

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Huw.Irranca-Davies@llyw.cymru
Correspondence.Huw.Irranca-Davies@gov.wales

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.



Agenda Item 3.4

Dr Chris Llewelyn

Prif Weithredwr / Chief Executive

Cymdeithas Llywodraeth Leol Cymru
Welsh Local Government Association

Un Rhodfa'r Gamlas

Heol Dumballs

Caerdydd

CF10 5BF

Ffôn: 029 2046 8600

One Canal Parade

Dumballs Road

Cardiff

CF10 5BF

Tel: 029 2046 8600

Ein Cyf / Our Ref: Leaders/Senedd

Dyddiad / Date: 12 November 2025

Gofynnwch am / Please ask for: Jon Rae

Peredur Owen Griffiths MS
Chair of Finance Committee
Senedd Cymru / Welsh Parliament
Bae Caerdydd,
Caerdydd,
CF99 1SN

By email

Dear Peredur,

Scrutiny of the Welsh Government Draft Budget 2026-27: Inflationary pressures

Thank you for your letter of 30 October about the evidence we have submitted to support your scrutiny of the Welsh Government Budget. You have raised three issues that require further clarification.

You correctly identify the cost pressures in the next financial year as £560m and we have said that this is 6.6% of budgeted expenditure¹. This captures the totality of local government inflation which can be broken down into 4 elements, pay inflation, non-pay inflation, commissioning and demand. Stripping out demand would leave £328m as a standstill pressure, which is approximately 4% of budgeted expenditure. The appendix to the evince paper, on pages 26 and 27, breaks down all inflationary

¹ A £560m pressure would require an increase of 9.2% of aggregate external finance (AEF) and an increase of £328m would require an increase of 5.4%.

elements in some detail.

Your second bullet is linked to the first in that CPI, the consumer price index, is not an adequate measure of local service inflation. It is a measure of household inflation for a basket of goods and services. That said, projections are used by councils for financial planning purposes, but a large proportion of our inflation is linked to pay which was settled at 3.2% for this year and we are awaiting the unions pay claim for 2026-27. Some inflationary assumptions, for example for commissioned social care can be quite high and we've seen figures as high as 10% used in previous years.

Your final question on alternative metrics has probably been addressed but just to reiterate, the OBR's forecast of CPI is probably as good a measure as any for non-pay inflation. The alternative inflationary metrics are the ones we have presented. They are the most appropriate for local services and are derived from the medium-terms financial plans of councils.

In summary local service inflation tends to be driven by specific demand and pay inflation that is much higher than forecast CPI. As we said in our recent letter to Senedd political group leaders, a rollover budget would be extremely challenging for local services, set against the backdrop of our own financial pressures.

Yours sincerely,



Councillor Andrew Morgan OBE
WLGA Leader

Good morning, Alison

Following the WLGA evidence session yesterday, Cllr Jane Gebbie has provided the following note on UASC funding shortfalls from her officers in Bridgend, as referred to in the session. This should give the Committee a sense of what the costs can be for a local authority. Once a UASC has status to remain, they are then eligible to access all entitlements until that point, the costs are lying with the local authority leading to projected shortfalls of around £130k.

The Committee should be aware that just recently we have also had correspondence from one local authority requesting a pause to the National Transfer Scheme. This is linked to funding shortfalls, which are becoming unmanageable especially in relation to care leavers. The Home Office has been made aware.

Jon

Jon Rae

Cyfarwyddwr Adnoddau, Cymdeithas Llywodraeth Leol Cymru

Director of Resources, Welsh Local Government Association

Social Services Improvement Board

1. Purpose of Report

- 1.1 The purpose of the report is to provide Social Services Improvement Board with information and developments relating to the local authorities responsibilities in respect of Unaccompanied Asylum Seeking Children (UASC) .

2. Background

- 2.1 The National Transfer Scheme for UASC first began operating in 2016. It was formed on the basis of a voluntary agreement between local authorities in England to ensure a fairer, more equitable distribution of UASC across local authorities. The legislation was amended in 2018 to extend the scheme to include local authorities in Scotland, Wales, and Northern Ireland. However, despite substantial reform the voluntary model did not sufficiently respond to the scale of intake into the asylum system.
- 2.2 On 23 November 2021, the UK Government took steps to ensure the National Transfer Scheme (NTS) worked more effectively to ensure all children are transferred promptly to local authorities to be cared for. The Minister for Safe and Legal Migration, Kevin Foster MP, wrote on behalf of the Secretary of State for the Home Department to all local authorities in the UK with children's services to signal the Government's intention to direct participation in the NTS.
- 2.3 From 15 February 2022, all local authorities with children's services in the UK have been directed to participate in the NTS, commonly referred to as a 'mandated NTS'. The duration of the mandatory period will be dictated by a range of factors including intake levels, ability to place children in local authority care in a timely manner, and the viability of a return to a voluntary NTS that works effectively.
- 2.4 UASC are referred to local authorities on a rota system and on receipt of the referral, the timescale of transfer to the local authority is no later than 10 working days following.
- 2.5 On receiving an UASC, the LA receives an allowance of £1001 per week for under 18's and £270 for over 18's. The Home Office has offered incentives to local authorities who have children placed into their area before their mandatory cycle. £15,000 for UASC being placed within two days and £6,000 should they be placed within five days. However, these incentives appear to have been reduced or are on hold currently whilst the Home Office undertake a review of the scheme.
- 2.6 Regardless of the incentives and the current financial support provided by the Home Office, the actual costs to caring for UASC far outweighs what is currently provided.
- 2.7 As referenced earlier, this is a mandatory scheme and the challenges faced by Bridgend are experienced in other local authorities.
- 2.9 It is important to note that whilst UASC go through the process of seeking asylum and subject to immigration control, they have no recourse to public funds therefore are not eligible to receive any public benefits. As the children are unaccompanied

once they transfer to the relevant local authority, they become care-experienced and the local authority has a duty to provide support in line with that legislation and guidance. This includes accommodation, education, training, health and financial support.

3. Current situation/ proposal

- 3.1 Bridgend currently has 28 UASC, 13 of which are currently under 18 and looked after, 15 are over 18 and are being supported as care leavers.
- 3.2 Of the 13 who are under the age of 18, 2 are placed with foster carers with the remaining 11 residing in internal supported living accommodation such as Dewis or Llamau, the others are residing in external supported accommodation.
- 3.3 Of the 15 over the age of 18 and supported as care leavers, 1 resides in supported living arrangements whilst the remaining 11 have received asylum status and are either living independently or have been provided with temporary accommodation via Housing whilst waiting for settled accommodation.
- 3.4 As noted earlier in the report, the funding provided by Home Office does not cover the full-costs caring for UASC. UASC are ineligible for any benefit allowances due to their immigration status leaving the local authority providing financial support including their accommodation until their status is confirmed.
- 3.5 The costs below (not including accommodation) demonstrate on average the range of financial support required:

Weekly Maintenance - £71.70. x 52 = £3,728.40

EMA - £40 x 40 = £1600

Monthly Bus Pass - £45.99 x 12 = £551.88

Interpreter (this varies in frequency) - £48 x 12 = £576

Clothing Allowance - £150

Misc (prayer mat etc) - £30

Total cost per year per child: – £6,636.28

- 3.6 The average annual accommodation cost for a UASC is £53,509. So in summary a UASC can cost in the region of £60k per annum. Funding received from the Home Office for under 18's is in the region of £52k, leaving a deficit of approximately £8k per annum per child.
- 3.7 For over 18's who are in supported accommodation, funding received is in the region of £14k leaving a deficit of approximately £46k per annum.
- 3.8 The table below shows the spend and grant funding received over the last 4 years;

	22/23 Actuals	23/24 Actuals	24/25 Actuals	25/26 Projected Spend
	£	£	£	£
Placement costs	106,954	581,391	677,365	733,769
Allowance (misc.) Costs	8,250	53,585	93,763	42,001
Total Spend	115,204	634,976	771,128	775,770
Grant Received	- 151,204	- 655,053	- 677,706	- 645,436
Grant Carried Forward	-	- 36,000	- 56,077	
(Surplus)/Shortfall	- 36,000	- 56,077	37,345	130,334

*22-23 and 23-24 Surplus grant received carried forward for use in 24-25

The expenditure in 2022-23 and 2023-24 was less than the grant received. This was carried forward and used to offset expenditure in 2024-25. The anticipated expenditure for 2025-26 is £130k more than the expected grant income. This shortfall will have to be funded from within directorate budgets.

NAHT Cymru commentary on the Homelessness and Social Housing Allocation (Wales) Bill

Introduction

NAHT is the UK's largest professional trade union for school leaders. We represent more than 38,000 head teachers, executive heads, ALNCos, deputy and assistant heads, vice principals and school business leaders.

Our members work across the early years, primary, special and secondary schools; independent schools; sixth form and FE colleges; outdoor education centres; pupil referral units, social services establishments and other educational settings.

In addition to the representation, advice and training that we provide for existing school leaders, we also support, develop and represent the school leaders of the future, through the middle leadership section of our association. We use our voice at the highest levels of government to influence policy for the benefit of leaders and learners everywhere.

Commentary

NAHT Cymru has welcomed earlier opportunities to respond formally to the consultation on the Bill and the briefing document which accompanied it late last year.

As we have previously made clear, our overriding concern is that schools exist to educate and develop young people. They are not designed to be the solution to all of the societal problems that young people, their families and communities face in life. Nor are schools equipped or funded to fulfil that role – that is the function of the other specialised local authority statutory services, whose duty it is to intervene in and remedy these wider issues.

So there is already a statutory process and long-established architecture in place of organisations which are long established and funded to address issues around homelessness. If there is a view within government that the process already in place is deemed to be insufficient, then we would argue that the correct response would be to review and strengthen the existing statutory arrangements, rather than spread responsibility around other agencies who are not equipped to provide the support services for families which are needed.

While school leaders and their staff are well attuned to picking up on issues young people may be facing, and well-positioned to help signpost young people and their families to where further relevant and appropriate help may be found, they are simply not funded or equipped to take the place of other better-placed statutory services.

NAHT is concerned that while there is as it stands a safeguard in the Bill to prevent responsibility for the “ask and act” duty in relation to homelessness from falling onto schools’ already overburdened shoulders, there is we understand a head of steam building as the legislation passes through the Senedd to remove that safeguard and impose that duty inappropriately on schools. To do so would simply pass the burden on addressing issues around homelessness from the already underfunded but relevant statutory support services – whose purpose and function it is to address the misery and disadvantage that homelessness and potential homelessness brings to families, onto ill-prepared schools who simply either aren’t best-placed - or more importantly are not sufficiently funded - to do so.

NAHT would therefore would not be able to support any moves to extend these legal duties around homelessness, given the existing roles of other dedicated agencies, and in the absence of any proposal for dedicated earmarked funding to schools attached to meet any undefined new responsibilities.

NAHT believes that there is a clear danger here that to put an “ask and act” responsibility on school leaders and their staff when they are quite clearly neither appropriately trained nor supported in this field. The result of this could be that school staff, however well-intentioned, could end up offering unhelpful, impractical or even illegal advice to pupils, their parents and families, which would have a deleterious effect which would be quite clearly the opposite effect of that intended by extending the legal duty around homelessness.

There is also concern around the unintended consequences of putting a further duty onto schools and their staff, beyond the already burdensome and stressful range of duties which already sit on school leaders and their staff which are already ramping up stress and pressure on school staff and driving many out of the profession as it stands. Extending the homelessness duties to schools would only exacerbate and already dire situation. In addition to which, there is only so much that any government can ask of its schools. There is a danger that schools are stretched so far that they break, and that schools are distracted or prevented from being able to deliver the core services on which pupils, families and communities rely.

We continue to welcome the proposal to conduct an impact assessment of the proposed legislation and would be grateful for your view on whether that assessment has in fact now been carried out and what its conclusions were regarding any possibility of extending duties around homelessness to schools.

Conclusion

As we have already made clear in our earlier responses to the consultation on the draft legislation, NAHT Cymru would not be able to accept the new burden of additional responsibility and duty put on school leaders when it is a) inappropriate b) there is no commensurate funding to schools on offer and c) other statutory social and welfare services are better placed to respond, if only they were funded properly.

It is our view, all of the above would argue for keeping the duty to address homelessness primarily where it currently sits, at local authority level.

We therefore remain strongly opposed to any proposal which may arise during the passage of the legislation to extend the “ask and act” duty on homelessness to schools who -as it stands – are rightly exempted from that duty and with very good reason, given their plethora of existing duties to children and families.

Laura Doel

National Secretary – NAHT Cymru