

Llamau Response to Welsh Parliament Finance Committee Consultation - Welsh Government's 2022-23 Draft Budget proposals

What, in your opinion, has been the impact of the Welsh Government's 2021-22 budget including funding related to COVID-19?

In the last budget, Welsh Government allocated an additional £40m for the Housing Support Grant, the primary funding stream used to prevent homelessness in Wales. It was a significant increase – the first in ten years - and was critical in meeting the increased demand for our refuge, supported accommodation and support services throughout the pandemic, which have enabled people to leave abusive relationships, overcome mental health problems and supported them to help build on their strengths and fulfil their aspirations.

Our services are transformational and maintaining inflationary increases in this budget line is crucial if, as a sector, we are to continue implementing the recommendations of the Homelessness Action Group and meet increased demand for our services. In addition, we would argue that the Housing Support Grant reduces pressure on a myriad of public services, from health and social services to criminal justice.

The increased funding also enabled us to give a cost of living pay increase to all Llamau staff. Given the predicted spike in inflation, exacerbated by rising costs such as energy prices and an increase in the National Living Wage, we need to see provision in the upcoming budget round to maintain this in the future, so that colleagues do not lose money in real terms. Whilst acknowledging the difficult funding decisions faced by ministers and the competing priorities during the post-pandemic rebuilding phase, the workforce of the support and care sector have worked tirelessly during the pandemic to protect the most vulnerable in our society. These are rewarding but stressful roles and at times during the last 18 months, we have had concerns around the well-being of staff who work in sometimes challenging environments. Recruitment is already proving an issue and retaining staff will become a problem if they are not properly rewarded.

How do you think Welsh Government priorities for 2022-23 should change to respond to COVID-19?

Llamau has seen a sharp increase in demand for our services in the last 18 months. Much of that is as a direct result of COVID-19 and a rise in domestic abuse, family/relationship breakdown and the stresses caused by the pandemic.

Domestic abuse is the major cause of homelessness in women and inextricably linked to both mental and physical health issues, low incomes and poverty. Reported incidents are rapidly on the rise with over 369,000 in England & Wales last year and an estimated 130,000 children living in households where there is high-risk domestic abuse. Llamau's range of specialist domestic abuse services saw huge surges in demand during lockdown, including Family Safety (73%) and Refuge (86%).

In addition, new research published by Public Health Wales and Bangor University <https://www.sciencedirect.com/science/article/pii/S2468266721002322> shows that deficits in child and family support created by COVID-19 must also be urgently addressed. Exposure to adverse childhood experiences or ACEs include suffering maltreatment, witnessing violence in the home or community, and living with family difficulties such as parental substance abuse is linked

to poorer health and wellbeing across the life course, influencing children's neurological, biological, and social development.

Llamau supports the research conclusion that investing in early support to families and young people with services, such as ours, that understand the needs of those affected by ACEs, can support those individuals go on to lead healthy and fulfilled lives. We aim to operate as a psychologically informed organisation and employ a Consultant Clinical Psychologist as part of our team. However, our statutory funding does not cover this initiative, despite it delivering a clear and quantifiable impact to the outcomes for the women and young people we support.

While there will understandably be a focus on prioritising 'catch-up' pressures felt in sectors such as health and education, this budget must acknowledge the impact of the pandemic on those at risk of homelessness and the need for early interventions to offer support before individuals reach crisis point. Distinct funding for the measures set out in the response below would go some way to addressing this need.

Approach to preventative spending and how is this represented in resource allocations (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early).

Research has shown that, in a sample of homeless people in Wales, 48% first became homeless before the age of 21, and of that same sample, 73% had been homeless more than once. For the Welsh Government to be successful in tackling all forms of homelessness, preventing homelessness for young people will be crucial. Focussed spending on preventative measures now will save significant resources in the future by easing demand on other public services. We would advocate clear budget lines on preventative spend for:

Mental Health Services

Covid-19 has hit the young people and women we support particularly hard. 90% already met the criteria for a diagnosable condition pre-pandemic, with an internal survey highlighting that mental health had worsened by a third (32%) following the first lockdown; increasing depressive symptoms and the risk of related issues, such as self-harm and substance use. While the extra resources for mental health services announced by Welsh Government in the last 12 months are welcomed, people are still falling through the gaps. We are particularly concerned about:

- A lack of intensive services for young people
- Young people (including those with developmental trauma) being transferred to adult services and as a result not receiving the high levels of support they require
- People being discharged with high needs but with no safety plan in place for follow up.

The current 'Together For Mental Health' Strategy finishes next year and these issues much be addressed with investment in young people now, so that they can lead productive lives and contribute fully to society in the future – in line with the goals set out in the Well-being of Future Generations Act.

Family Mediation Services

Llamau is one of the largest providers of award-winning family mediation services in Wales. Evaluation shows that as a preventative measure it can save significant future costs to the public purse.

- Mediation can prevent family relationship breakdown, saving over £16,000 per person per year in temporary accommodation and homelessness administration costs.
- EMPHASIS services can save the public purse £42,390 per person per year in reduced welfare, housing, health and Criminal Justice costs
- Supporting a young person to address anti-social behaviour can prevent family eviction, saving £342 per family per week in B&B costs

Early Identification of Risk of Homelessness in Education - Upstream Cymru

The Welsh Government recognises the need for 'targeted prevention' for those groups particularly vulnerable to homelessness and that early prevention is of particular importance to young people - with the Homelessness Action Plan stating that *'there real opportunities for early identification of risk factors... and the chance to put the structures and services in place to ensure a positive life trajectory'*.

End Youth Homelessness Cymru's Upstream Cymru project, currently being piloted in 6 schools from across 3 local authorities, is a school-based intervention, where pupils complete a survey that identifies risk of homelessness, particularly because of family relationship breakdown, and support is then offered to the young people and their families. The approach is modelled on the pioneering and inspirational Australian Geelong Project, which resulted in a 40% reduction in youth homelessness and a 20% reduction in the number of young people leaving school early.

Analysis of the first completed Upstream Cymru pupil survey has just been published: <https://www.endyouthhomelessness.cymru/resources> (scroll to bottom of webpage)

It provides important insights on the scale of homelessness risk amongst young people in the six pilot schools in Wales. Most notably, approximately 1 in 10 pupils were at high or immediate risk of youth homelessness and the majority showed no or low risk of school disengagement. Additionally, more than 1 in 10 pupils and their families were at high or immediate risk of family homelessness. Those behind the project are confident that the risks facing many of these young people and their families are not previously known to schools and services. Once a young person is identified as needing help - that may have otherwise gone undetected - intervention begins immediately.

It is precisely because of this that we believe that Upstream complements the Youth Engagement and Progression Framework, which focusses on those at risk of becoming NEET. We would welcome a specific allocation under the preventative spend heading to enable roll out of this programme across Wales.

How financially prepared is your organisation for the 2022-23 financial year, and how can the budget give you more certainty in planning and managing budgets given the ongoing volatility and uncertainty?

The main risk to our organisation remains Covid-19 and its impact on fundraising and additional costs, but we are mindful that other risks are still present. Our largest income stream remains the Housing Support Grant, however funding uncertainty also exists around the Welsh Government Innovation Funding (part of the Homelessness Prevention Grant) which has enabled Llamau to start new projects in response to demand for additional services. These services need to be embedded into the HSG pot.



Imagine a World Without Homelessness

Llamau's mitigation of these risks continue to be ensuring our own efficiency, keeping our costs as competitive as possible, demonstrating our value for money through the added value of the organisation, proving our outcomes are the best and continually trying to expand our funding base.

Inflationary increases as part of a multi-year settlement for the Housing Support Grant would give more certainty in planning and managing our budgetary processes. It would also allow us to address recruitment gaps and staff retention so that there is no threat in terms of service delivery.

Llamau

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