

## **HSHAWB 35 Cardiff Council**

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Senedd Cymru | Welsh Parliament

**Y Pwyllgor Llywodraeth Leol a Thai | Local Government and Housing Committee**

**Bil Digartrefedd a Dyrannu Tai Cymdeithasol (Cymru) | Homelessness and Social Housing Allocation (Wales) Bill**

Ymateb gan: Cyngor Caerdydd | Evidence from: Cardiff Council

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### **What are your views on the general principles of the Bill, and whether there is a need for legislation to deliver the stated policy intention?**

(We would be grateful if you could keep your answer to around 500 words).

In general, Cardiff Council agrees with the principles of the Bill; however, the Council has serious concerns that it may inadvertently increase demand for homelessness services and the need for temporary accommodation. Since the pandemic, Cardiff has already experienced significant increases in demand, with presentations to the service rising by almost 15% between 2019/20 and 2024/25 and the temporary accommodation estate expanding by 56% over the same period. The final two quarters of 2024/2025 marked the first period where sequential increases in demand began to subside, yet the temporary accommodation estate remains significantly inflated. There is a real risk of further increases if any aspect of the Bill unintentionally disrupts the delicate balance of entries and exits into temporary accommodation. As such, the Council's position on the Bill remains cautious until more affordable housing becomes available to improve supply.

Many of the principles and goals outlined in the Bill are already being implemented in Cardiff and are supported by the strategic priorities detailed in the recently updated Housing Support Programme Strategy. The Council believes that legislation is not required to achieve these policy objectives and has significant concerns that the legislation may hinder these goals by creating dependencies and preventing services from prioritising those with the greatest need.

Cardiff Council acknowledges that one of the primary objectives of the Bill is to reduce the number of individuals in temporary accommodation by enhancing prevention efforts. Whilst the Council supports this objective, the effectiveness of these prevention efforts is limited due to the ongoing shortage of affordable homes generally and the ongoing issues within the private rented sector. Homelessness services already assist people up to six months before they face homelessness. Despite these efforts, finding suitable accommodation to prevent homelessness remains challenging due to the difficult housing market.

The Council remains seriously concerned that the Bill may inadvertently increase the demand for homelessness services due to the removal of priority need. Additionally, it may diminish personal responsibility as a consequence of eliminating the unreasonable failure to cooperate provision and the intentionality provision. The combined effect of these changes will undermine the Bill's policy objective of reducing the number of individuals in temporary accommodation.

Wales consists of highly diverse communities, and the provisions in the Bill do not adequately address the variations among local authority areas, including differing demographics, communities, and housing needs. Currently, services have the flexibility to apply principles and objectives locally, catering to specific local requirements and demographics. Consequently, legislation is not necessary to achieve the stated policy goals, and due to the concerns mentioned above, we believe it may counteract the intended policy objectives.

**What are your views on the provisions set out in Part 1 of the Bill - Homelessness (sections 1 -34)? In particular, are the provisions workable and will they deliver the stated policy intention?**

(We would be grateful if you could keep your answer to around 500 words).

Cardiff Council strongly objects to the abolition of differences in entitlement related to priority need. While the delay in removing this test is appreciated, there remains significant concerns about a potential increase in demand arising due to this change. It is clear from the experience in Scotland, where the priority test was removed and as a result the demand for temporary accommodation tripled, that this change will result in a significant increase in demand on temporary accommodation.

Despite existing legislation on priority need, the supply is insufficient to meet demand. The current priority provisions serve as a crucial safety net for many vulnerable groups. Eliminating any form of prioritisation would hinder the ability to prioritise the most vulnerable individuals or households, as all cases would then be treated equally.

The unintended consequence of this is that it will also increase dependency and expectancy by providing temporary accommodation to all who present as homeless. Many people, with some support, can and should source and maintain their own accommodation. The Bill removes all requirement for individuals to take personal responsibility to find accommodation. It will draw more people into local authority provided temporary accommodation, resulting in a significant increase in demand for this and long delays in move on.

The Council believes there should be a balance between the duty of services to assist individuals and the individual's responsibility to meet their own housing needs, where they are able to do so.

The Council also do not agree with the abolition of differences in entitlement related to intentional homelessness. Again, whilst the delay in implementation is noted, removal of the test would mean that homelessness services would have no ability to address cases where evidence shows there has been a deliberate act or omission which has caused the homelessness, increasing demand on the service and resulting in a lack of consequence for an individual's actions.

Not applying intentionality decisions sends the wrong message to those who present as homeless and encourages poor behaviour in a minority of homeless applicants. Removing the intentionality test dilutes the message about personal responsibility and the introduction of the deliberate manipulation test will further confuse the matter.

Cardiff has seen cases where individuals have deliberately withheld their rent, despite having the means to pay, or have given up suitable private rented accommodation that meets their housing needs so that they can enter homeless services. In many instances, this is to secure social housing as opposed to remaining in the private rented sector.

For those who have made themselves intentionally homeless and are under the duty to help secure, current legislation allows us to ask these clients to leave

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Temporary Accommodation. The new provisions would mean that those found intentionally homeless would now be entitled to stay in Temporary Accommodation until suitable private rented accommodation is found, increasing the number of people in Temporary Accommodation. It will be very difficult for the local authority to source private rented sector accommodation for those who have given up a previous tenancy so these clients may end up spending prolonged periods of time in Temporary Accommodation.

Moreover, the proposed amendments to eliminate the 'unreasonable failure to cooperate' provision do not align with the Bill's overarching focus on applicants taking reasonable measures to address their housing situation. Removing the broader scope of this provision may undermine personal responsibility and accountability, potentially resulting in applicants being less motivated to manage their housing circumstances.

Maintaining the 'unreasonable failure to cooperate' test under Section 79(5) is particularly crucial when Personal Support and Accommodation Plans (PSAPs) are required at more frequent intervals.

**What are your views on the provisions set out in Part 2 of the Bill – Social Housing Allocation (sections 35 – 38)? In particular, are the provisions workable and will they deliver the stated policy intention?**

(We would be grateful if you could keep your answer to around 500 words).

Cardiff Council already operates a Common Housing List including an Accessible Housing Register with its partner Registered Social Landlords (RSLs) in the city. From managing a Common Housing List, good relationships exist with partner RSLs.

Cardiff Council welcomes the provision that Local Authorities should have discretion to continue to admit all applicants or not.

While the 'deliberate manipulation test' aims to prevent those deemed intentionally homeless from accessing social housing, it may cause confusion given the Bill's focus on removing the intentionality provision. Additionally, such individuals can be hard to rehouse in the private sector due to landlords' reluctance based on their past behaviour, potentially increasing temporary accommodation stays and reducing personal responsibility.

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Additionally, the Council is concerned regarding the inclusion of reasonable preference categories for care leavers and veterans. The provision in the Bill does not clearly define what constitutes a 'veteran' in terms of service time or dates, nor does it specify how long an individual can be classified as a 'care leaver,' potentially broadening access to a large group of people. The Council is concerned that this reasonable preference is not contingent on local connection, which would result in any veteran or care leaver being prioritised on Cardiff's social housing waiting list regardless of local ties. Cardiff already has 9875 households on the Waiting List for social housing, and considering the attraction of the capital city for many, this extra demand could become unmanageable and hinder our ability to prioritise local needs, including homeless families and individuals in temporary accommodation.

**What are your views on the provisions set out in Part 3 of the Bill - Social Housing Allocation (sections 39 - 43 and Schedule 1)? In particular, are the provisions workable and will they deliver the stated policy intention?**

(We would be grateful if you could keep your answer to around 500 words).

Cardiff Council does not have any major concerns with the provisions outlined in Part 3 of the Bill. However, the Council is concerned about the breadth of ministerial powers granted to "amend, modify, repeal, or revoke any enactment" or provisions within the Act. It is understood that including regulation-making powers is standard practice when introducing new legislation. However, there is concern that these particular powers relate to provisions that were removed from the Bill following feedback during the White Paper consultation- specifically in relation to local connection. This raises the risk that such provisions could be reintroduced through secondary legislation, without the same level of transparency, scrutiny, or clarity that would typically accompany primary legislation.

Cardiff Council appreciates the phased implementation approach, however there are still concerns that the proposed timeline may be too short and may not include sufficient resources necessary to achieve the intended outcomes.

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## **What are the potential barriers to the implementation of the Bill's provisions and how does the Bill take account of them?**

(We would be grateful if you could keep your answer to around 500 words).

The primary challenge to implementing the Bill's provisions is the shortage of affordable housing. The Bill will increase demand for housing by extending the full housing duty, including access to both temporary and permanent accommodation, to single people who do not have an additional vulnerability. Consequently, more affordable housing is necessary to accommodate the increased numbers entering temporary accommodation. Whilst Cardiff has an ambitious social housing new-build programme in place, it is recognised that even this cannot keep up with the scale and pace required to meet existing homelessness demand. Additionally, the costs involved in constructing new homes has increased significantly due to higher material and labour costs. Increasing the housing supply further to meet the demand the Bill will require a significant uplift in financial resources.

Due to this insufficient supply of social or affordable privately rented accommodation to move people on from Temporary Accommodation, the result of this will be that the length of time that people spend in Temporary Accommodation will become longer and therefore the revenue and capital costs associated with this will increase. Cardiff Council has already observed significant increases in the average journey length for those in temporary accommodation, with a 39% rise across all household types since the onset of the pandemic, and an 80% increase specifically for families.

While the Council supports the inclusion of 'Act and Act' in the Bill in principle, there are concerns that it may lead to increased service demand and place additional pressure on the Council's ability to move households out of temporary accommodation. To meet this potential demand, additional resources will be required for local authorities.

The housing workforce has been operating under sustained pressure for several years, and the introduction of this Bill could further intensify that demand. Beyond the need for additional resources, the retention of experienced staff in the housing sector must also be considered, particularly as they face yet another period of change and are expected to respond to a further uplift in demand.

With the removal of the priority need test, it is anticipated that more households will seek support. There is also concern that, as a city hosting a prison, Cardiff will be particularly affected by the introduction of the Act & Ask duty and the

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strengthened requirement to provide advice and assistance to individuals in custody. While these changes are broadly positive in terms of reducing homelessness among people leaving custody, the size and turnover of the population at HMP Cardiff is expected to place significant pressure on local services.

The increased footfall, combined with the requirement to complete Personalised Housing Plans (PSAPs) every eight weeks, will add considerable strain. Although PSAPs are a constructive development, applying them to all applicants owed a homelessness duty will be extremely time-consuming and may be less relevant once the Prevention Duty has ended. Unless the additional methods for discharging the Section 75 duty are expanded to include placements into Supported Accommodation, Cardiff Council could be required to complete over 2,000 PSAPs every two months. Meeting this level of demand will require substantial investment- both in staffing and other financial resources- to ensure services can respond effectively.

The success of the legislative reforms are also dependant on other key policy intervention, some of which are the responsibility of the UK rather than the Welsh Government. These include increasing Local Housing Allowance rates and a clearer response to those with No Recourse to Public Funds (NRPF).

### **How appropriate are the powers in the Bill for Welsh Ministers to make subordinate legislation, as set out in Chapter 5 of Part 1 of the Explanatory Memorandum)?**

(We would be grateful if you could keep your answer to around 500 words).

Cardiff Council is concerned about the extent of these powers, particularly as they relate to key elements of the legislation that have been scaled back—specifically, provisions regarding local connection and suitability standards in temporary accommodation. These areas remain significant concerns for the Council, and there is apprehension that granting Welsh Ministers the authority to make subordinate legislation could allow such changes to be introduced without the same level of scrutiny at a later stage.

### **Are there any unintended consequences likely to arise from the Bill?**

(We would be grateful if you could keep your answer to around 500 words).

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The Bill will result in a heightened demand for homelessness services. The removal of priority need and intentionality assessments will increase the number of individuals requiring Temporary Accommodation. In addition, the Bill does not address the fundamental issue of a shortage of affordable housing. There remains an inadequate supply of social or affordable privately rented housing to transition people out of Temporary Accommodation or to assist those at risk of homelessness.

The removal of priority need and intentionality tests (set to be introduced at a later stage) for service access will lead to a situation where applicants apply for help too late or ignore support offered, knowing they will be guaranteed housing when they present as homeless. This could therefore act against the main goals outlined in the Council's Rapid Rehousing plan which seeks to improve early intervention and increase engagement and outcomes for homeless prevention.

The Bill eliminates the requirement for individuals to take personal responsibility for finding accommodation. This change is likely to draw more people into local authority-provided temporary accommodation, leading to a significant increase in demand and prolonged delays in moving on. Cardiff Council advocates for a balanced approach that combines the duty of the Local Authority to assist individuals with the individual's responsibility to meet their own housing needs, where possible.

There are also concerns about whether the new homelessness and housing allocations system will be equitable for those needing homelessness assistance, existing social housing tenants, and those in housing need

The Council believes that certain provisions in the Bill will promote dependency, reduce personal responsibility, and create expectations from applicants that the Local Authority cannot fulfil. These provisions diverge from the approach that empowers and supports individuals in finding their own solutions, which is a key principle of the Housing (Wales) Act 2014.

An increased number of individuals in Temporary Accommodation will escalate costs associated with providing such accommodation. Consequently, fewer resources will be available for prevention services or services for individuals with complex needs, where more significant impact could be achieved.

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## **What are your views on the Welsh Government's assessment of the financial implications of the Bill, as set out in Part 2 of the Explanatory Memorandum?**

(We would be grateful if you could keep your answer to around 500 words).

Welsh Government's assessment of the financial implications of the Bill does not align with the consequences that will arise as a result of certain provisions within the Bill.

While additional funding for prevention services is appreciated, the core issue of a limited supply of affordable housing remains unaddressed. Effective prevention of homelessness is largely dependent on the availability of a consistent and adequate supply of affordable properties, especially within the private rental sector. Without this intervention, the number of individuals accessing temporary accommodation will rise in proportion to any increase in demand. Additionally, as previously observed, an increase in households entering temporary accommodation further extends the duration of their stay. This is due to the higher competition among households for a limited number of permanent homes, which consistently fall short of meeting demand requirements.

The introduction of the Bill is expected to generate a substantial increase in demand across homelessness services. This includes a rise in prevention work, the need for regular PSAP reviews, and a significant expansion in the use of temporary accommodation. Meeting this demand will require a major uplift in both revenue and capital funding.

Based on Cardiff Council's analysis, an estimated £18.9 million in additional revenue funding will be required. This would support the recruitment of additional staff across the homelessness service, including Review and Housing Officers, and cover the operational costs of managing approximately 1,236 units of temporary accommodation.

In addition, the Council estimates that £287 million in capital investment will be needed to expand the supply of both temporary and permanent accommodation. This is necessary to meet the increased demand resulting from the removal of priority need, the abolition of the unreasonable failure to cooperate and intentionality tests, and the extension of the full housing duty to a broader group of applicants.

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**Are there any other issues you would like to raise about the Bill and the Explanatory Memorandum or any related matters?**

(We would be grateful if you could keep your answer to around 500 words).