



Llywodraeth Cymru
Welsh Government

Ref: PO/JP/539/2025

Peredur Owen Griffiths MS
Chair
Finance Committee
Senedd Cymru
Cardiff
CF99 1SN

30 October 2025

Dear Peredur,

I am grateful to the Finance Committee for your consideration of the Homelessness and Social Housing Allocation (Wales) Bill and the conclusion that you are broadly content with the financial implications of the Bill, as set out in the Regulatory Impact Assessment, subject to the comments and recommendations in your report. Of course, should there be significant changes to the Regulatory Impact Assessment because of the recommendations made in your report, I would welcome further consideration of the Committee.

I have set out my response to your recommendations below.

Recommendation 1: The Committee recommends that the Cabinet Secretary conducts a sensitivity analysis in relation to the public sector cost of homelessness showing the potential range of costs, and that this information is included in an updated Regulatory Impact Assessment, after Stage 2.

Response: Accept

I note the concerns of the Committee that we have been unable to estimate the benefits of individual sections of the Bill and the range of uncertainty within our estimates. As you note, we have estimated the benefits of the Bill in its entirety, using switching analysis of a core scenario related to homelessness prevention and relief rates over time.

I am confident that we have exhausted available evidence sources for our estimates and maintained high standards of rigour within our evidential standards. Following publication of a draft Regulatory Impact Assessment to support our White Paper consultation, we made significant revisions to our estimates based on feedback from stakeholders.

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

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
CF99 1SN

Gohebiaeth.Jayne.Bryant@llyw.cymru
Correspondence.Jayne.Bryant@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.

Based on the data we have, I am of the strong view that the 3% growth rate estimate in the RIA represents the best estimate despite the data issues we have flagged. However, in light of your recommendation, I have instructed my officials to consider different growth rate assumptions and the impact these may have on the cost projections. I will include this information in the revised RIA at the end of Stage 2.

Recommendation 2: The Committee recommends that the Cabinet Secretary:

- **confirms what she considers to be the initial years of the implementation period in terms of the provision of Welsh Government funding to support local authorities, and**
- **provides assurances that the Welsh Government will continue to provide funding to support local authorities should funding deficits arise as a result of financial benefits not being realised at the pace identified in the Regulatory Impact Assessment.**

Response: Accept in principle

Implementation period

The RIA assumes a ten-year implementation period for the proposed reforms and takes account of costs and benefits across this period. Implementation will be phased and is likely to be grouped into four main stages.

Phase	Purpose	Timing
Pre-implementation period	Activity to prepare for transition between Housing (Wales) Act 2014 and the Homelessness and Social Housing Allocation (Wales) Act.	Following Royal Assent (approx. March 2026 and March 2027)
Phase 1	Prevention, support and allocations provisions brought into force.	2027-2028
Phase 2	Implementation of “ask and act.”	2028-2029
Phase 3	Abolition of the priority need and intentionality tests.	By or before 2030-2031

The phased approach will allow the prioritisation of provisions aimed at increasing prevention and flow out of the system (to relieve the pressure the system is currently experiencing) before enacting other reforms which may make new demands on the system, such as the changes proposed to the priority need and intentionality tests. I expect the wider financial benefits of the Bill to outweigh the costs by 2028-2029 but recognise that, as the Bill will not be fully implemented at this stage, specific, targeted investment for phase 3 will be required until full implementation is complete before or by 2030-2031.

Funding

Future funding will be a matter for future Governments. However, I accept in principle that a future Welsh Government should continue to provide funding to support local authorities should funding deficits arise as a result of financial benefits not being realised at the pace identified in the Regulatory Impact Assessment.

Recommendation 3: The Committee recommends that the Cabinet Secretary provides:

- a breakdown of the additional funding provided to local authorities in preparation for the Bill, to date, including the activities undertaken with this funding, and;
- further details about how, and when, additional funding to support implementation of the Bill will be distributed to local authorities to reflect their individual needs.

Response: Accept in principle

Work on this Bill is rooted in stakeholder engagement dating back almost a decade and was expedited, in part by the response of the Welsh Government to the Covid-19 pandemic and our 'no one left out' policy. This policy transformed our response to homelessness, almost overnight, and the Bill is a key lever in ensuring the transformation made at that time, is sustained. In the period since the pandemic, we have supported local authorities to sustain this practice through their statutory homelessness response, by providing additional grant funding towards temporary accommodation, increased prevention and strategic co-ordination. This funding supplemented local authority's funding awarded through the Local Government Revenue Support Grant settlement. From 2025/26, this grant funding, totalling £21.32m, was moved into the Revenue Support Grant (RSG) in recognition of it supporting the statutory homelessness response.

I recognise that local authorities will need to undertake pre-implementation activities to prepare for the new legislation and the RIA sets out an estimated cost of just over £2 million pounds for this within the next financial year. The Committee will note that the Cabinet Secretary for Finance and Welsh Language will set out the Welsh Government's detailed draft budget for 2026-27 on 3 November and I will be happy to update the Committee following that announcement.

Recommendation 4: The Committee recommends that the Cabinet Secretary provides details of restructuring activities already underway in some local authorities in preparation for the Bill's implementation, including the costs that have already been incurred, and confirms whether these costs are reflected in the Regulatory Impact Assessment.

Response: Accept in principle

Several local authorities have begun preparation for implementation of this Bill. We understand numerous authorities are now working to a six-month prevention period, including (but not limited to) Ynys Mon, Neath Port Talbot, Cyngor Gwynedd, Wrexham and Cardiff. Ynys Mon are also utilising an online system to make personal housing plans more accessible in preparation for the introduction of Prevention, Support and Accommodation Plans. Cyngor Gwynedd have integrated housing support and homelessness functions into a single role providing early, proactive support. We are aware of several authorities improving their multi agency partnership work and strengthening relationships with housing providers in readiness for the allocations provisions.

Whilst we encourage and commend the local authorities who are undertaking this work, we have not required them to do so and we do not, therefore, have any information on the costs of these changes and they are not included in the Regulatory Impact Assessment. We have estimated the full cost of implementation of the reforms and have not adjusted for any work already undertaken by particular authorities to deliver the legislation. We will continue to engage closely with local authorities and any resulting data will inform further revision of the RIA.

Recommendation 5: In relation to Common Housing Registers, the Committee recommends that the Cabinet Secretary works with local authorities to:

- **agree the standardised information to be included in all registers and identify any gaps in the information currently collected by existing registers, and**
- **confirm whether the requirement to maintain a Common Housing Register remains cost neutral for those local authorities currently operating registers.**

Response: Accept

The Bill will allow Welsh Ministers to introduce regulations specifically related to technical aspects of Common Housing Registers, including specifying the information they must hold. Such regulations will be developed with close engagement with local authorities to determine the types of information required to ensure effective prioritisation of applicants and the allocation of accommodation. This will ensure minimum standardised information requirements are established across all local authorities across Wales. Changes can be made over time in response to any gaps identified in the future.

The purpose of Common Housing Registers is to ensure a single accessible route for people to apply for social housing within an area. However, a single shared register also promotes efficiency and potential resource savings for local authorities and their housing partners. I do not believe this proposal will require additional costs for local authorities already operating Common Housing Registers.

My officials are in the process of finalising our pre-implementation workplan for financial year 2026-2027. It prioritises further stakeholder engagement on Part 2 of the Bill, including our commitment to Common Housing Registers. In light of your recommendation, we will seek to expedite this engagement and I will update the Committee further as this work progresses.

Recommendation 6: The Committee recommends that the Cabinet Secretary clarifies her approach to monitoring and reviewing the implementation of the Homelessness and Social Housing Allocation (Wales) Bill, including the proposed timescales.

Response: Accept

I was pleased to accept in principle, two recommendations from the Legislation, Justice and Constitution Committee and a recommendation from the Local Government and Housing Committee in relation to post implementation review. My officials are preparing amendments in relation to these recommendations, which I believe assist in clarifying our approach to monitoring and review of the legislation. As I outlined during my evidence session, we will consider the actual costs and benefits as part of the post-implementation review and our ongoing evaluation work.

I am grateful to the Finance Committee for your recommendations, and I hope you are assured of my commitment to robustly assess the costs of this Bill, alongside, its significant benefits. I trust this response helps to inform further scrutiny of the Bill as we approach the General Principles debate and I hope it is of assistance to the Committee on the points raised.

I am copying this letter to the Chair of the Local Government and Housing Committee and Chair of the Legislation, Justice and Constitution Committee.

I look forward to continuing to work with Committee Members as we proceed through the Senedd scrutiny process.

Yours sincerely,

A handwritten signature in black ink that reads "Jayne Bryant". The signature is written in a cursive, flowing style.

Jayne Bryant AS/MS

Ysgrifennydd y Cabinet dros Lywodraeth Leol a Thai
Cabinet Secretary for Housing and Local Government