

Senedd Local Government and Housing Committee Follow Up Inquiry on Social Housing Supply



The Bevan Foundation is Wales' most influential think-tank. We create insights, ideas and impact that help to end poverty and inequality. We are grateful for the opportunity to submit written evidence to the Local Government and Housing Committee's follow up inquiry into the supply of social housing. We provided evidence to the full inquiry and are pleased to see the Committee following this up by considering the progress which has been made on delivering more social homes during this Senedd term.

Over the past two years we have been working with Shelter Cymru and the Lloyds Bank Foundation, looking at how to reduce the use of temporary accommodation by providing more social homes – the only tenure which gives people the security and certainty needed to rebuild their lives after the trauma of homelessness. We have been considering the broad spectrum of policy directives which are at play, from the availability of land opportunities for development, the planning system, the use of existing buildings and the process for allocating social housing.

If you would like to find about more about our housing research, please visit our website at www.bevanfoundation.org/focus/housing

Our Senior Policy and Research Officer, Wendy Dearden, can also be contacted about this work by email at wendy.dearden@bevanfoundation.org

As requested, this written response provides a summary of the key points we would like to bring to the Committee's attention.

Work underway to meet the current 20,000 target and to ensure a pipeline post-2026

In our response to the full inquiry, we said that:

- a more tightly focused target, concentrating delivery on homes to be let at a social rent, is needed to address the blockages in our housing system.
- greater insight is needed into how many homes are being removed from the social housing stock as additional homes are only part of the story.

Our position on the focus of the target has not changed and we have conducted analysis of the delivery statistics to reveal the number of additional homes for social rent which have actually been created:

- By April 2026 **18,652 homes will have been delivered** towards the 20,000 homes target.
- **Only 15,726 of these (84%) will be provided at a social rent** – the rest being shared ownership or intermediate rent.

Whilst 15,726 more homes at social rent have been delivered, the true number of **additional** homes at social rent is smaller.

- The latest delivery numbers include 1,072 existing social homes which have been long term voids, brought back into use through TACP capital funding.
- They are also only part of the story with an estimated 651¹ social homes lost from the stock due to market sales during the period of the target – one for every 23 new social homes delivered.
- Based on these figures (15,726 minus 1,072 voids minus 651 sales) the number of **additional** social homes is likely to stand at around 14,003.
- This is the equivalent of one for every 7 of the 94,000 households currently waiting for a social home.²

The Bevan Foundation fully recognises the considerable challenges that have been faced in developing new homes during this Senedd term³, and is not aiming to detract from that. If anything, these challenges intensify the importance of greater insight and regulation of homes being lost from the existing stock.

Reflecting on the spirit of the original target setting, we do not agree with the Affordable Housing Taskforce recommendation⁴ that long term voids should be included in the delivery figures. While the use of TACP funding to bring this property back into use is understandable, these are not **additional** social homes. Greater transparency is also needed on the length of time a property has been empty, and the extent of the works required for it to be eligible for TACP funding.

The delivery target for the next Senedd term must be focused solely on the delivery of new social homes and action is needed to stop much needed social homes being lost from the stock.

Progress towards implementing the recommendations of the Affordable Housing Taskforce

It is difficult to comment from an outside position on the progress which has been made on implementing the taskforce's recommendations. The taskforce's report was published in May last year⁵ and an announcement was made by the Cabinet Secretary in June⁶ that an implementation group would be established. The Cabinet Secretary provided an update in Plenary in November⁷ saying that "good progress" is being made.

We believe that the implementation group should publish a progress report before the end of the Senedd term.

¹ 521 social homes sold during the first four years of the Senedd term plus a further 130 for 2025-26 based on the previous years.

² [Waiting for a home: An update on social housing waitlists in Wales - Shelter Cymru](#)

³ [Why is it harder than ever to develop social homes? - Bevan Foundation](#)

⁴ [Affordable Housing Taskforce: report and recommendations \[HTML\] | GOV.WALES](#)

⁵ [Affordable Housing Taskforce: report and recommendations \[HTML\] | GOV.WALES](#)

⁶ [Written Statement: Affordable Housing Taskforce Recommendations – Implementation \(26 June 2025\) | GOV.WALES](#)

⁷ <https://record.senedd.wales/Plenary/15436#A102587>

The extent to which work to increase supply is being undermined by other policy goals

Both the sale of social homes and existence of long-term voids in the social housing stock are fuelled, at least in part, by the aspirations of the Welsh Housing Quality Standard 2023, and in particular, the need to have a plan to bring the energy efficiency of all existing social homes up to EPC A.

For many social landlords, investing in their stock to reach the required standards will need to become their priority and new development rates are likely to fall as a result.

The Bevan Foundation is currently researching the challenges of tenure changes – that is, acquiring existing private sector dwellings at scale to boost the supply of social homes. These challenges include technical requirements such as the size of rooms, outdoor space or changes in floor levels which can make a property unsuitable for purchase. The potential future investment requirement for an acquisition to meet EPC A can also make it unviable.

TACP funding allows for a property to be sold after 10 years if it cannot meet the required standards. We have however heard from a number of landlords that this is not something which they would want to consider at scale. It introduces an unknown risk of sale and does not support long term business planning.

We believe that it is time to reconsider the WHQS standards and consider what is needed now to boost social housing delivery significantly. It is very hard to justify to a homeless family living in one hotel room that homes are not being brought into the social housing stock because, for example, a bedroom is a few centimetres too small.

This must be a priority area for the next Government, taking a pragmatic view on what needs to be achieved first. While decarbonisation of the housing stock in Wales must be taken forward, we believe that there are alternative approaches that could enable the greater delivery of new social housing alongside meeting decarbonisation goals across all tenures.

How the Welsh Government is developing its strategic role in relation to land

Again, we are commenting from the outside on the recent activities of Welsh Government in relation to land. We note the Cabinet Secretary's updates⁸ on land purchases at Cosmeston and Porthcawl and that she has met with health boards and other public bodies on the availability of land.

The Bevan Foundation's housing manifesto⁹ calls on the next Welsh Government to create a national development corporation to drive and deliver homes at scale, to include the strategic assembly of sites.

There are many challenges to delivering social homes at scale, from the supply of suitable land to the cost of construction and delays in the statutory consent process. Most developments are currently led by individual landlords and more could more be done at a pan-Wales level to reduce risk and boost the number of homes being delivered. With

⁸ <https://record.senedd.wales/Plenary/15436#A102587>

⁹ [Getting-people-out-of-temporary-accommodation-BF-L1224-15098.pdf](#)

pattern books being developed for social homes, now is the time for a decision about whether volume building of standardised homes is best led by a strategic body.

We are in the process of reflecting on lessons to be learnt from the national action take to radically boost supply post-WWII, as well as the work of Homes England as a housing and regeneration agency.

The availability of finance

As we commented in our response to the full inquiry:

- The development of affordable, subsidised homes needs subsidy,
- It is simply not practical, let alone ethical, to rely on social rent payments by some of the poorest people in Welsh society to fund the development of new homes.

Last year's consultation on the new social rent standard¹⁰ was a reminder of the ongoing tension between the need to keep rents affordable for tenants as well as raising the income which social landlords need to meet Welsh Government refurbishment and development aspirations. In the Bevan Foundation's response, we highlighted the lack of transparency around social housing rent payments being used for new housing development.

The cost of living crisis highlighted the pressures that the social housing sector can face when economic conditions don't allow for above inflation rent rises. The Bevan Foundation believes that there is therefore a strong case to review social housing financing in the round, particularly for new development, and to consider what other ways could there be to fund the sector.

We are also concerned about the fragility of a model for funding new homes which relies so heavily on the payment of rent through the UK social security system. A significant proportion of social housing tenants have been shielded from the impact of above inflation rent rises due to the fact that their rent, or a proportion of it, has been paid via Housing Benefit or the housing element of Universal Credit.

Given that powers over these benefits have been reserved to Westminster, a future UK Government could make significant changes to these benefits that would have a detrimental impact on the ability of Welsh social housing tenants to afford their rents, and on the financial position of social landlords.

In terms of affordability, JRF recently highlighted¹¹ that Welsh social rents are already much close to market levels when compared to England. TPAS Cymru have also reported¹² that only 42% of tenants now consider their rent to be affordable, a sharp decline from 78% in 2023.

Given these concerns, a comprehensive review of the financing of social housing is needed. While there has been progress in exploring innovative finance models, this is not taking place at scale. There are may also be opportunities to make better use of tax raising powers on property and land to provide additional revenue.

¹⁰ [A new rent and service charge standard for Wales | GOV.WALES](#)

¹¹ [Balancing act: a strategic approach to rent setting in Wales | Joseph Rowntree Foundation](#)

¹² [Tenant Voice on Rent and Affordability](#)