



CHC's Response

Welsh Government Draft Budget Proposals for 2019-20

About Us

Community Housing Cymru (CHC) is the representative body for housing associations and community mutuals in Wales, which are all not-for profit organisations. Our members provide over 158,000 homes and related housing services across Wales.

CHC launched its twenty-year 'Housing Horizons' vision for Welsh housing associations in November 2017. Our vision is a Wales where good housing is a basic right for all, and the vision's commitments include a pledge to build 75,000 new homes by 2036.

We embark on this vision from a solid foundation. In 2016/17, our members directly employed 8,731 people and spent nearly £2bn (directly and indirectly) in the economy, with 84% of this spend retained in Wales. Housing association built 2,207 new homes in 2016/17.

Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

CHC's objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

What, in your opinion, has been the impact of the Welsh Government's 2018-19 budget?

In the 2018-19 budget, following the successful *Let's Keep on Supporting People* campaign there was £124m dedicated to the Supporting People Programme (SP) in the final budget. Supporting People provides housing related support to around 60,000 people in Wales. The fund enables those



who have experienced abuse, are living with mental health conditions, or who have substance misuse problems to live independently with help from the support offered. It has been calculated that every £1 invested in Supporting People programmes saves £2.30 in areas such as housing, health, social care and community safety services.

We welcome the £50m of revenue funding announced by the Welsh Government for the Integrated Care Fund (ICF) fund¹. This is in addition to the £10m capital funding identified in the final budget and fund encourages health boards to work with partners such as local authorities, housing associations and the voluntary sector to support older people, those with learning disabilities, children with complex needs and carers.

The 2018-19 budget also brought significant investment in housing, with a 113% increase from the 2017/18 in the 'Increase the supply and choice of affordable housing' budget line. This has been hugely welcome and will be vital to housing associations in delivering the Welsh Government's 20,000 homes target. However, future projections for investment in housing are significantly lower over the rest of the Assembly term and we believe it is vital that current levels of investment are maintained to ensure housing associations can continue to deliver the current target and significant unmet need.

In 2017, Community Housing Cymru launched our vision of a Wales where good housing is a basic right for all in Wales, with an ambition for the housing association sector to build 75,000 homes by 2036. To deliver this vision, we called on Welsh Government to undertake a policy review of affordable housing in Wales and we are delighted that there is an Independent Review of Affordable Housing currently ongoing. This is clear recognition from Welsh Government of the need to deliver more affordable homes, and this recognition must lead to continued and further investment to support delivery.

***What expectations do you have of the 2019-20 draft budget proposals?
How financially prepared is your organisation for the 2019-20 financial year, and how robust is your ability to plan for future years?***

The indicative budget for 2019-20 removes budget line for the Supporting People Programme and the funding will be merged with nine other funding streams to form a new 'super grant' budget line called Early Intervention: Prevention and Support (EIPS). This would remove the existing ring-fence around Supporting People funding which protects the funding for invaluable preventative and support services.

¹ <https://gov.wales/newsroom/health-and-social-services/2018/fund/?lang=en>



We have the following concerns about the proposed Early Intervention: Prevention and Support (EIPS) grant:

- Risk of diluting the focus on homelessness

By merging housing related support with other non-housing related grant schemes there is less of an eagle eyed focus on homelessness. With the recent increase in homelessness and rough sleeping, it is essential that we retain a clear focus on tackling homelessness and providing housing solutions for vulnerable people who need support.

- Opposition to Supporting People services in Wales

Unfortunately, some providers, landlords and commissioners have experience of community opposition to Supporting People projects. We fear that budget pressures and community opposition to Supporting People schemes will lead to a reduction in spending on these services in the medium to long term.

- Risks of funding being spent elsewhere

Without a ring-fence around Supporting People funding, it would put these sometimes unpopular, but incredibly important schemes (such as those supporting drug addicts) in direct competition with more popular services, such as health visitors and childcare.

- Less certainty for landlords and lenders

If the ring-fence is removed, landlords and lenders will have less confidence that funding will continue to be available for their supported accommodation schemes. As a result, they could reduce their investment in supported accommodation which will lead to fewer properties available for those in need of supported accommodation.

- Evidence from England

A report from the National Audit Office in 2014 (when the Supporting People ring-fence was removed in England) highlighted average spending reductions on housing-related support services of 45% between 2010/11 and 2014/15. 17% of specialist refuges were lost and a third of all referrals were turned away, often citing lack of available space. Although the circumstances were different in England, these statistics highlight the very real risks of removing the ring-fence from Supporting People funding.



Community Housing Cymru have offered an alternative solution in our Housing Matters report², which proposes creating a Homelessness and Housing-Related Support Grant, which would combine several grants in this area, in addition to the EIPS grant. This is a fair compromise that allows Welsh Government to achieve its aims of fewer grant schemes to administer and therefore lower the bureaucratic cost while ensuring that housing related support is secure and ring-fenced.

Further to this, we believe it is vital that Welsh Government continues to invest in affordable housing and reflects the priority it has placed on housing in *Prosperity for All* but maintaining existing levels of funding in increasing the supply and choice of affordable homes. To do so would reflect the increased importance of housing to the Welsh Government and the reflect the track record of housing associations who have deliver more than 20,000 homes over the last ten years, working closely with Welsh Government.

The ongoing Independent Review of Affordable Housing is a huge opportunity to shape the way funding is delivered to housing associations as it consults on a huge raft of policy areas which shape the way affordable homes are built in Wales. The overall quantum of funding available is one of the key factors the Review must consider, and to ensure we can continue to deliver above and beyond the existing rates, certainty that a consistent quantum of funding will be available is vital.

The Committee would like to focus on a number of specific areas in the scrutiny of the budget; do you have any specific comments on any of the areas identified below?

- Approach to preventative spending and how is this represented in resource allocation (Preventative spending = spending which focuses on preventing problems and eases future demand on services by intervening early), particularly in relation to the financing of local health boards and health and social care services

Supporting People funding reduces the strain on other services, such as housing, health, social care and community safety services. If the aforementioned risks are realised and there is a real-term reduction in the proactive support services that Supporting People currently fund, it would lead to an increase in demand for reactive services such as hospital admissions or community safety interventions.

² http://www.cymorthcymru.org.uk/files/6815/2887/1468/ENG_-_Safeguarding_the_future_of_homelessness_and_housing-related_support_services_in_Wales.pdf



The ICF supports people to live independently and prevents delayed discharge from hospitals through enhanced rehabilitation and reablement schemes.

There are a number of examples³ of housing associations working with health boards to reduce bed blocking and stays in hospital. For example, patients who are otherwise ready for discharge, but are unable to go back to their homes while adaptations are being made are able to stay in an extra care facility in the interim. This provides a safe stepping stone back into independent life whilst also freeing up hospital resources for other patients.

- Welsh Government policies to promote economic growth, reduce poverty, gender inequality and mitigate welfare reform

Supporting People projects often support many people who are homeless or at risk of homelessness, some of which support people fleeing domestic abuse. These projects are a platform that enable people to reform their lives and allows them to live safely and independently. A focused, ring-fenced budget for these projects would give certainty that these poverty tackling services can continue.

A recent report⁴ from the National Audit Office evidenced the links between welfare reforms and the increase in homelessness since 2010 in England. We have seen a similar rise in Wales, despite the increased prevention measures introduced under the Housing (Wales) Act 2014. Supporting People funding projects and schemes support those that are homeless or at risk of homelessness. If funding to these services are lost, then there's a risk that homelessness will increase as the buffer is lost. Our Housing Matters proposal⁵, produced in conjunction with nine other housing organisations, proposes to strengthen Supporting People by merging with homelessness prevention funding, in order to support a holistic approach to preventing homelessness and supporting independence.

How the Future Generations Act is influencing policy making

Both the Homelessness and Housing-Related Support Grant and the ICF streams work directly towards achieving 4 of the 7 wellbeing goals of the Future Generations Act:

³ <http://chcymru.org.uk/comms/CHC-Cartref/2018/01/10/united-welsh-programme-transforms-life-of-brynmawr-man/>

⁴ <https://www.nao.org.uk/report/homelessness/>

⁵ [http://www.cymorthcymru.org.uk/files/6815/2887/1468/ENG -
Safeguarding the future of homelessness and housing-related support services in Wales.pdf](http://www.cymorthcymru.org.uk/files/6815/2887/1468/ENG_-_Safeguarding_the_future_of_homelessness_and_housing-related_support_services_in_Wales.pdf)



A prosperous Wales

Many of those who may be supported by the Homelessness and Housing-Related Support Grant are a distance from the job market. With support, these people can improve their life chances and with improved self-esteem, confidence and opportunities, are able to contribute towards the Welsh economy.

A healthier Wales

The ICF will fund schemes and projects that allow frail and older people, people with a learning disability, and children with complex needs due to disability or illness to live independently.

The homelessness and housing related support grant works with a range of people, including those with drug and alcohol issues, people seeking sanctuary after fleeing domestic abuse, and people with mental ill health.

A more equal Wales

Many of the people who may need housing related support will have had led disadvantaged lives. There is a link between childhood trauma and homelessness⁶. The Homelessness and Housing Related Support Grant will give people the best opportunity to fulfil their potential.

A Wales of cohesive communities

The support offered to the most disenfranchised people will encourage the development of safe, well connected communities. ICF often funds extra care schemes, which is a safe, secure community for older people to live.

A Globally Responsible Wales

A number of housing associations across Wales house refugees through resettlement programmes, providing support to aid their integration into Welsh communities in addition to homes. Continued funding allows these such programmes to continue their valuable work.

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https://chcymru.org.uk/uploads/events_attachments/ACE_presentation_for_CH_C.pdf