



Homes for all Cymru Cartrefi i Gymru Gyfan

Introduction

Homes for All Cymru (H4AC) brings together key housing organisations in Wales aiming to maximise the contribution housing makes to the health and well-being of communities. The following organisations comprise our membership:

Age Cymru
Care & Repair Cymru
Chartered Institute of Housing Cymru
Community Housing Cymru
Cymorth Cymru
Disability Wales
Gofal Cymru
RNIB Cymru
Shelter Cymru
Tai Pawb
TPAS Cymru
The Wallich
Welsh Refugee Council
Welsh Tenants Federation
Welsh Women's Aid

H4AC welcomes the opportunity to respond to the Finance Committee's consultation on the Welsh Government draft budget proposals for 2012-13.

Specific Questions

1. Looking at the indicative budget allocations for 2012-13, do you have any concerns from a strategic, overarching perspective?

H4AC recognises the difficult financial context in which the Welsh Government is having to make its budgetary decisions. From the perspective of Homes for all Cymru the key overarching objective needs to be prioritising funding for those areas of public expenditure which have a proven track record in one of two areas:

- Promoting economic activity/growth
- combating the human cost of a difficult economic climate to ensure when the economy recovers, the people of Wales are in a position to take the country forward, in particular investing in services that support people and also lead to longer term cost savings.

To this end, although we recognise that the WG have protected housing funding to an extent, we believe that with greater priority given to this budget heading we can deliver more on the overarching key objectives above.

In terms of the economy, there is a well-documented link between housing investment and economic growth: recent research¹ by Shelter England has demonstrated that every £1 of public investment in housing generates £3.51 of economic output. Targeted investment to rebuild Wales' economy needs to be directed at areas such as housing where there is a proven positive effect on economic growth.

In terms of the social impacts of the current economic climate, decent housing is fundamental to people's wellbeing and an absolute precondition for enabling people to live economically active lives. The Welsh Government has made some very welcome moves to invest in mitigating the impacts of, for example, Housing Benefit changes at the local level. We believe this approach could be taken further, however, with a wider vision for strategic investment in housing to cushion the impacts of economic policies driven by the UK Government.

2. Looking at the indicative budget allocations for 2012-13, do you have any concerns about any specific areas?

Linking back to our response to question 1, we suggest that greater priority needs to be given to funding the housing budget where it achieves outcomes against the two priorities above.

In terms of promoting economic activity/growth, the capital spend on housing needs to be increased to promote economic activity through providing employment and training opportunities as well as the additional economic benefits achieved through the related supply chain.

The indicative budget allocations for 2012-13 propose that capital investment to increase the supply and choice of housing will be cut by 12.5 per cent. Wales needs to achieve 14,000 new dwellings a year between 2006 and 2026 to meet housing need². At a time when affordability, due to a lack of supply, is the key issue constraining the Welsh housing market, cutting funding in this area is retrogressive. Without a step change in supply, we will never achieve the necessary buoyancy in housing markets to create better outcomes for tenants and homeowners. Making best use of the existing stock by, for example, bringing more of Wales' 26,000³ empty homes back into use, could be more cost-effective at meeting housing need than relying solely on new build.

In relation to combating the human costs of economic difficulties, we know that domestic abuse, drug and alcohol problems, mental ill-health, family breakdown and young people leaving home in an unplanned way and ultimately homelessness all increase when households are in difficult financial situations. Supporting People and Homelessness funding are central to both preventing situations reaching crisis points and responding to

¹ http://england.shelter.org.uk/_data/assets/pdf_file/0008/276668/Briefing_Housing_Investment_Part_1.pdf;

² Welsh Assembly Government (2010) Housing Need and Demand in Wales 2006 to 2026

³ CIH Cymru and Shelter Cymru (June 2009) Empty Properties: making the most of the existing stock

crisis when prevention services haven't been accessed or aren't able to help. Providers are already seeing a massive increase in demand in some areas of Wales and we anticipate that, with welfare reform changes having an impact too, we will see the increase in homelessness escalate over the budget period. The key way the WG can ensure vulnerable people are helped through the difficult times ahead is to fund services that respond effectively to this need. Although we are pleased to see the SP and Homelessness budgets protected to an extent, there needs to be a substantial increase in them if we are to meet demand.

3. What expectations do you have of the 2012-13 draft budget proposals? What spending commitments and priorities would you like to see in the 2012-13 draft budget proposals?

In the current economic climate we believe there needs to be a strong focus on preventative spending. The Supporting People programme has shown that it saves more in other areas of public spend than it costs, saving between £1.68 and £2 for every £1 spent⁴. Not only is it morally right to support our most vulnerable citizens through the difficult times ahead, it is cost-effective to do so.

In addition it costs more to combat homelessness once it has occurred than to invest in prevention. When a household is found to be in priority need, then the local authority is faced with considerable costs in terms of temporary accommodation and rehousing. Heriot-Watt research from 2007 found that the cost to the public purse of providing temporary accommodation and the re-housing afterwards amounts to £5,300 per case per year.⁵ With significant cuts to legal aid affecting advice services in Wales and with the likelihood that homelessness will grow, the need to invest in prevention is even more urgent. That means investment in independent housing advice, mortgage rescue, and other spend to save initiatives. Research by Citizens Advice⁶ has demonstrated that for every £1 of expenditure on housing advice, the state potentially saves £2.34.

Research has shown that housing investment can result in considerable health-related cost savings. For example, a recent report by Shelter Cymru and the BRE Trust⁷ estimated that the most serious health and safety hazards in the home cost the NHS in Wales £67 million a year in treatment costs alone. The report found that 20 per cent of homes with the most serious health hazards could be made acceptable for less than £520, and half for less than £1,600.

Furthermore, many of the outcomes achieved by the SP programme are felt in health and wellbeing and community safety, although the funding for the programme comes from housing. The WG budgets need to reflect this relationship and capitalise on the wider spend-to-save impacts of housing investment.

⁴ Supporting People Programme in Wales: Final Report (2010)

⁵ Demonstrating the Cost-Effectiveness of Preventing Homelessness July 2010
www.wmrhf.org.uk/.../2010.07.06%20Demonstrating%20the%20Cost-Effectiveness%20of%20Preventing%20Homelessness.doc

⁶ Citizens Advice (July 2010) Towards a business case for legal aid

⁷ BRE Trust and Shelter Cymru (2011) The Cost of Poor Housing in Wales

4. The new Welsh Government has not yet published a programme of government. However, the Welsh Government has emphasised that it is seeking to deliver an outcomes-based approach, with the First Minister declaring that “delivery will be the watchword of the next Welsh Labour government.”² What – if any – outcomes do you believe the Welsh Government should be trying to achieve with its 2012-13 draft budget?

Please see response to question 1 and 2 – the outcomes should be promoting economic growth and meeting the human cost of economic difficulties exacerbated by the welfare changes.

5. Can you suggest any elements that should be in the 2012-13 draft budget proposals to support more effective collaborative working?

As intimated in our response to question 3, many of the outcomes achieved by housing spend are felt in other areas. We would support funding programmes that brought housing and related funding streams together with other areas of public spend such as health. For example, the current s64 health funding was divided into separate categories such as older people, learning disabilities, mental health etc. By doing this the WG to an extent limits joint working and undermines the ability of organisations to meet a broader range of needs.

We would support the implementation of more funding programmes that support meeting the basic human needs of a broader range of individuals or bring together a range of specialist organisations to meet multiple needs: for example, programmes that bring together housing, homelessness, mental health and drug/alcohol services across statutory and third sector organisations. Also the Equality Act 2010 protects people across nine protected characteristics (Disability, Sex [gender], Gender Reassignment [gender identity of transgender], Pregnancy and Maternity, Race, Religion or Belief, Sexual Orientation, Age, and Marriage and Civil Partnership) in the recognition that individuals may experience multiple types of disadvantage which need to be addressed across sectors. Pooled resources would encourage much more effective joint working to produce shared outcomes.

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