



# Housing support for vulnerable people – Housing Support Grant inquiry

## Response to the Local Government and Housing Committee Report May 2025

In May 2025, the Local Government and Housing Committee submitted its report on housing support for vulnerable people.

The report includes three recommendations and eleven conclusions. This is the Welsh Government's response to those recommendations.

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## 1. Introduction

I would like to thank members of the Local Government and Housing Committee for their inquiry into housing support for vulnerable people and for the opportunity to give both written and oral evidence.

Since my attendance at the oral evidence session on 19 March and the subsequent publication of the Committee's report, Welsh Government has introduced the Homelessness and Social Housing Allocations (Wales) Bill (the Bill). The Bill, introduced on 19 May, responds directly to many of the report's findings. This includes placing a stronger emphasis on homelessness prevention and removing barriers which have historically served to exclude people from assistance. The Bill also widens responsibility for the identification and prevention of homelessness across the Welsh public service to help a potential homeless applicant access housing and homelessness support at an early stage. This significant shift in the way homelessness prevention will be managed in Wales is recognised in the Committee report, which emphasises that the responsibility for homelessness goes well beyond the responsibility of the local housing authority.

We will continue to work with partners to ensure the Bill delivers meaningful change for people who are homeless or at risk of homelessness. This includes ensuring that Rapid Rehousing continues to be embedded within the practice of local authorities and partners, and the Housing Support Grant continues to provide the vital housing support services needed to complement local authorities' statutory duties to prevent and alleviate homelessness.

I thank the Committee for their report and welcome the broad engagement undertaken to inform the report's findings. I have set out my response to the report's recommendations and conclusions below.

## 2. Response to the Recommendations and Conclusions

### Recommendation 1

The Committee recommends that the Welsh Government should take steps to ensure its work to implement rapid rehousing is more evidence-led. This should include reviewing and improving the evidence base on good practice models, identifying and filling gaps as needed and using this improved evidence base to set clear expectations on local authorities and social landlords for appropriate models of accommodation and support. There should be set timelines and milestones, backed up by funding, to steer this change.

**Response:** Accept in principle

The remit of Rapid Rehousing (RRH) goes beyond supported housing and housing-related support. It also focusses on the supply of general needs housing, of which a proportion will be used to meet the needs of homeless households.

The Ending Homelessness National Advisory Board (EHNAB) has established a RRH Task and Finish Group to review barriers to the implementation of RRH. This includes an in-depth analysis of three Local Authorities (LAs) to consider how data and intelligence from RRH plans and the Local Housing Market Assessment (LHMA) informs the delivery of housing supply and existing barriers restricting the development of appropriate housing to meet local need. Findings from the review will be considered by the EHNAB in the summer and a national summit is planned in the autumn to share evidence from the in-depth analysis with all LAs and key stakeholders to promote good practice.

**Financial implications:** None. The cost of the national summit will be met from existing budgets.

### Recommendation 2

The Committee recommends that the Welsh Government should take steps to ensure that housing support data is driving service improvements. This should include developing the outcomes data into a robust, accessible national evidence base that local authorities and providers can refer to in order to evaluate their services against others and identify good practice.

**Response:** Accept

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Welsh Government co-produced and implemented a new Housing Support Grant (HSG) Outcomes Framework from April 2023, to provide an operational tool to evidence the outcomes of individuals receiving support from HSG funded services.

Welsh Government will share a national summary of the HSG outcomes data later in 2025, based on data submitted relating to 2024-25.

**Financial implications:** None

### Recommendation 3

The Welsh Government should take a more assertive role in relation to joint working to ensure that evidence-based good practice is replicated everywhere it is needed across Wales. It should do this by ensuring that the right structures and grant funding are in place, including grant conditionality where necessary.

**Response:** Accept in principle

Tackling homelessness and preventing the risk of homelessness relies on a multi-agency response to deliver comprehensive and holistic support services. This principle is at the core of the Ending Homelessness Action Plan (EHAP) which includes RRH, mental health and substance misuse strategies, and is further strengthened through ongoing legislative reform as outlined below.

HSG Guidance, which LAs must comply with as part of their grant terms and conditions, actively promotes and supports joint working with key partners. HSG funding can be used flexibly to support collaboration with key partners such as health and social care, and other relevant grant funding sources such as the Children and Communities Grant and Housing with Care Fund. The HSG does not fund the statutory duty on LAs to prevent and relieve homelessness, nor does it fund statutory duties relating to health and social care. Instead, HSG funded services augment, complement and support statutory services. Local authorities and health boards receive distinct funding to support delivery of their housing, health and social care statutory duties.

Our ongoing legislative reform, being taken forward through the Homelessness and Social Housing Allocation (Wales) Bill (the Bill) seeks to strengthen the statutory framework for joint working. The relevant provisions in the Bill are:

- **Section 21:** Introducing a new “ask and act” duty on specified public authorities in Wales. Where they believe someone may be homeless or at risk of homelessness they must:
  - Refer the individual (with consent) to the local housing authority.

- Provide information about available support services.
- Consider further actions they can reasonably take to help the person secure or retain suitable accommodation.
- Consider how the person's homelessness status may affect how they deliver their own services.
- **Section 24:** Requiring local authorities to establish joint protocols between the officers of the authority who exercise its homelessness function and those who exercise its social services functions for cases involving; 16 and 17-year-olds who are homeless or threatened with homelessness, the accommodation and support needs of care leavers, and 16 and 17-year-olds leaving youth detention.
- **Section 25:** Requiring a local authority to make arrangements to promote co-operation between itself and other public authorities, voluntary organisations and other persons with a view to achieving the following objectives:
  - to prevent homelessness;
  - that suitable accommodation is available to people who are, or may become, homeless;
  - that support is available to people who are, or may become, homeless;
  - that there is effective case-co-ordination) involving managing cases for those who are or may become homeless and who may also require additional support and the effective discharge of the authority's homelessness functions.
- **Section 25:** Requiring local authorities to establish a protocol concerned with people who are, or may become, homeless and who also have support needs in addition to their housing needs, including in particular support or services required with:
  - leaving prison or youth detention accommodation;
  - leaving the regular armed forces of the Crown;
  - misusing drugs or other substances; or
  - mental health.
- **Section 32:** Extending the current duty to co-operate in section 95 of the Housing (Wales) Act 2014 ("the HWA 2014"), so that it applies to an expanded group of specified bodies. A local housing authority will be able to request cooperation with these bodies in order to discharge their homelessness functions. Those bodies are also required to comply with requests by a local housing authority for information that it requires in its exercise of its homelessness functions.

These provisions are particularly important for supporting vulnerable individuals, which require LAs to assess and respond to vulnerability in a coordinated way.

**Financial implications:** Any financial implications in respect of the Bill are considered as part of the published Regulatory Impact Assessment.

## Conclusion 1

The Welsh Government should model the extent of need for housing support services at a national level and use the data to forecast the required annual spending levels in the Housing Support Grant to meet that need on a long-term basis

### Response:

Local authorities are responsible for prioritising, planning and commissioning housing support services to best address local need. This includes undertaking regular needs-based assessments of future demand for homelessness prevention and housing support services. This informs their long-term planning for services set out in their Housing Support Programme (HSP) Strategies and includes statutory homelessness functions funded through the local government revenue settlement and non-statutory preventative services funded through the HSG. This in turn informs delivery of HSG funded services set out in HSG Delivery Plans and annual spend plans.

HSG funded services augment, complement and support statutory services to ensure the overall offer authorities provide helps people into the right homes with the right support to succeed.

The HSG budget setting is subject to Welsh Government's budget setting process, which is informed by the UK Government's Spending Review. Information used to inform budget setting includes pay inflation from annual changes to the Real Living Wage and evidence from the sector on the wider pressure on services. This includes available data on projected future demand and the complexity of need for people receiving support.

**Financial implications:** None

## Conclusion 2

The Welsh Government should commission an independent evaluation of the effectiveness of large-scale supported accommodation, considering the perspectives of tenants

**Response:**

Welsh Government does not currently propose to commission an evaluation of large-scale supported accommodation. It is the responsibility of LAs to identify appropriate housing solutions for individuals and to develop the housing provision to meet local needs and demand in line with grant frameworks and quality standards.

We recognise and understand the concerns regarding large-scale supported accommodation, and it is not the default model we wish to see across Wales. We do, however acknowledge the availability of housing stock may mean some LAs need to develop larger scale managed accommodation projects. There are a number of such schemes which have been developed by LAs based on the support needs of clients. Where we have supported these schemes, it has been on the basis the right level of support is put in place, working with a range of multi-agency partners to ensure such a model is carefully managed. The findings from the RRH in-depth analysis, referred to in the response to Recommendation 1, will provide further insight into the effectiveness of these types of settings.

Financial implications: None

### Conclusion 3

We ask the Welsh Government to update the Senedd on its response to the recommendations of the Workforce Task and Finish Group as quickly as possible.

**Response:**

The Workforce Task and Finish Group will report to the EHNAB before summer recess. This will include recommendations for the Welsh Government to consider in early autumn. We will write to the Committee in due course with an update on next steps following receipt and consideration of recommendations from this workstream.

Financial implications: None

### Conclusion 4

The Welsh Government should take steps to engage more meaningfully with housing support service providers, to ensure it takes on board different perspectives about frontline pressures in addition to information received from local authorities.



**Response:**

The Welsh Government works closely with Cymorth Cymru and Community Housing Cymru (CHC), the representative bodies for the homelessness and housing support sector and Welsh housing associations respectively. Both organisations are represented on the EHNAB and provide expertise and advice from the sector. EHNAB's membership also includes representation from several housing support service providers.

As representative bodies, Cymorth Cymru and CHC highlight the pressures facing the homelessness and housing support workforce. Evidence from their Housing Matters Report informs the budget setting process.

As highlighted in response to conclusion 3, the Workforce Task and Finish Group (whose membership includes Cymorth Cymru and housing support providers) will provide recommendations on pay, support systems for staff, qualifications, and best practice in recruitment and commissioning for consideration by Welsh Government in autumn 2025.

**Financial implications:** None

## Conclusion 5

The Welsh Government should look critically at how local authorities are costing services and should take steps to ensure these costs are realistic.

**Response:**

The Welsh Government will consider the merits of developing good practice costing methodology of key service delivery models to inform and support procurement of sustainable, effective services by LAs. This will be informed by recommendations from the Workforce Task and Finish Group expected in autumn 2025.

**Financial implications:** None

## Conclusion 6

The Welsh Government should review its data on prevention to ensure it is capturing enough detail about the balance of upstream versus crisis interventions.

**Response:**

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The HSG is our main homelessness prevention grant. Data on HSG spend and outcomes tells us how the HSG budget is being used by LAs and the types of need supported. Through this data, the Welsh Government is aware that the highest percentage of planned spend in 2024-25 (and actual spend in 2023-24) was on 'floating support' services. This is set out in Annex 2 of the evidence paper submitted to the Committee. These services primarily support people to sustain their existing tenancies and prevent homelessness in the first place.

It is acknowledged that authorities are required to support an increasing number of people in temporary accommodation since the pandemic and have had to make adjustments to HSG resources accordingly. However, we have not seen any evidence that this has been at the detriment of wider preventative services within the HSG.

We recognise however the need to shift resources within homelessness services more generally towards preventing homelessness in the first place. This is a key focus of current policy and legislative reform.

**Financial implications:** None

## Conclusion 7

The Welsh Government should work with local authorities to standardise and simplify their own data collection to ensure consistency and comparability and reduce the burden on service providers.

**Response:**

Welsh Government currently collects summary data on the outcomes of people supported by the HSG and have provided a standardised approach for this. Local authorities themselves may need additional data from providers as part of their ongoing contract monitoring of service delivery. While we are supportive of streamlining and standardising data requirements in principle, we recognise it must also meet the needs of local authorities to effectively manage their commissioned services in line with their commissioning practices.

Welsh Government will therefore ask LAs to undertake their own review of additional data collected and contract monitoring requirements at a regional level, utilising regional planning resources and collaborative groups to develop and agree a consistent and standardised regional approach to data collection and contract monitoring to reduce the burden on service providers.

**Financial implications:** None.

## Conclusion 8

The Welsh Government should work with local authorities to consider ways of giving service users a direct voice in service monitoring, potentially taking lessons from the regulation of care services.

### Response:

Empowering people with lived experience to influence homelessness policy and practice is a key action within our [Ending Homelessness Action Plan](#). This includes ensuring delivery partners have mechanisms to involve people with lived experience in their design, recruitment, delivery and evaluation of homelessness and housing support services.

The HSG Guidance includes extensive requirements relating to service user engagement. Specifically, [chapter 6](#) sets out expectations for LAs and service providers to ensure that service users are at the heart of all aspects of the Housing Support Programme, and in the development, commissioning, monitoring, and evaluation of services funded via the HSG.

Welsh Government also jointly funds Cymorth Cymru's [Experts by Experience project](#), established to empower people with lived experience to make their voices heard and influence homelessness policy and practice in Wales. During the development of the White Paper for ending homelessness in Wales, over 350 people with lived experience of homelessness contributed their feedback to the proposals.

The Bill strengthens this commitment by:

- **Section 3:** Amending the duty to assess homeless applicants in section 62 of the HWA 2014 to require local authorities to:
  - Evaluate any support needed by the applicant or household members to overcome barriers to independent living.
  - Identify support necessary to ensure communication from the authority is accessible and appropriate to the applicant's needs.
- **Section 4:** Introducing a requirement on a local authority to prepare and maintain a Prevention, Support and Accommodation Plan (PSAP) for any applicant the authority considers it owes a homelessness duty. This must record matters (and keep under review) such as:
  - an assessment of the person's housing and support and needs, and those of any member of the applicant's household.
  - an assessment of the support needed by the applicant to make communication with the applicant accessible.
  - what the person wants to achieve with the authority's help and record these goals in the plan.

- **Section 18:** Requiring local authorities to assess whether an applicant has a vulnerability that may affect their ability to secure or retain accommodation.
- **Sections 24- 25:** Requiring local authorities to establish protocols and make arrangements to promote cooperation to ensure that vulnerable people receive joined-up support.
- **Section 29:** Requiring local authorities to consult with individuals who are, or have been, homeless when:
  - developing or updating their local homelessness strategies;
  - designing advice services that meet the needs of at-risk groups.
- **Section 29** Requiring Welsh Ministers consult with such public or local authorities, voluntary organisations, persons who are, or who have been homeless or threatened with homeless in Wales or other persons as they consider appropriate before giving, revising or withdrawing guidance under the HWA 2014.

These provisions ensure that service users are not only consulted but also supported through coordinated, person-centred approaches. Therefore, strengthening what is already a requirement in the HSG Guidance and current legislation guidance.

**Financial implications:** None.

## Conclusion 9

The Welsh Government should develop data sharing protocols between appropriate agencies to ensure that everyone supporting people through homelessness can access all relevant information

**Response:**

The terms and conditions of HSG funding includes a requirement for LAs to have data sharing agreements in place to support them to share data between other internal local authority teams and external LAs and Welsh Government or their agents for planning, research and statistical purposes.

We acknowledge that data sharing may present a barrier to joint working between delivery partners to support a coordinated approach to prevent or relieve homelessness. The Bill supports improved coordination through:

- **Section 24:** Mandating joint protocols between local housing authorities and social services for cases involving; 16 and 17-year-olds who are homeless or threatened with homelessness, the accommodation and

support needs of care leavers, and 16 and 17-year-olds leaving youth detention.

- **Section 25:** Requiring local authorities to make arrangements to promote co-operation and case coordination, particularly for individuals with complex needs.
- **Sections 32:** Expanding the list of specified bodies subject to the duty to co-operate in section 95 of the HWA 2014 who are required to cooperate and share information to support the prevention and relief of homelessness.

These provisions will be supported through implementation guidance and training to ensure that data sharing protocols are robust, lawful, and facilitate timely, person-centred support.

**Financial implications:** None

## Conclusion 10

The Welsh Government should commission an independent assessment of the extent of unmet need for Housing First services across Wales, and work with local authorities to progressively meet that need.

**Response:**

The majority of LAs in Wales operate Housing First services, with 22 Housing First projects operating across 18 LAs. (See Annex 3 of the evidence paper).

Rapid Rehousing (RRH) guidance promotes the role of Housing First in helping people sustain their tenancy. Welsh Government expect every LA to consider Housing First as part of their transition to RRH through implementing actions in their published RRH Transition plans and HSP Strategies. Local authorities are also required to undertake an 'assessment of need' to inform these plans.

Officials continue to support LAs to develop new Housing First projects where these have been included in RRH plans and upscale existing projects to meet increased demand. We will continue to promote the roll-out of Housing First with LAs, RSL and third sector providers by sharing good practice and the impressive tenancy sustainment rates seen to date.

**Financial implications:** None

## Conclusion 11

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**The Welsh Government should work with housing providers to develop good practice models for young people's accommodation with affordable rents.**

**Response:**

In 2019-20 Welsh Government launched the Youth Homelessness Innovation Fund to test new innovative housing and support approaches for young people, with annual funding of over £3.3m each year since then. Funded projects are specific to vulnerable young people aged 16-25 at risk of becoming homeless or currently homeless, including but not limited to, care leavers, disabled young people and those who have previously been in the youth justice system. These projects include supported accommodation, supported lodgings, training flats, tenancy support, a shared accommodation scheme, a transition support scheme and an LGBTQ+ supported housing scheme. Following the success of Housing First in Wales, four Housing First for Youth projects are also funded.

The funded projects have been externally evaluated so that we can learn from the approaches and identify good practice. The evaluation report was published in May 2024 and has been disseminated to key stakeholders. The National Youth Homelessness conference has also provided the opportunity to share innovative housing models with wider stakeholders.

**Financial implications:** None