

Explanatory Memorandum to the Allocation of Housing and Homelessness (Eligibility) (Wales) (Amendment) Regulations 2025

This Explanatory Memorandum has been prepared by the Local Government, Housing, Climate Change and Rural Affairs Group and is laid before Senedd Cymru in conjunction with the above subordinate legislation and in accordance with Standing Order 27.1.

Cabinet Secretary's Declaration

In my view, this Explanatory Memorandum gives a fair and reasonable view of the expected impact of the Allocation of Housing and Homelessness (Eligibility) (Wales) (Amendment) Regulations 2025. I am satisfied that the benefits justify the likely costs.

Jayne Bryant MS

Cabinet Secretary for Housing and Local Government

14 July 2025

PART 1

1. Description

The Allocation of Housing and Homelessness (Eligibility) (Wales) Regulations 2014 (“the 2014 Regulations”) provide for certain categories of persons from abroad to be eligible or ineligible for an allocation of housing accommodation and/or for housing assistance (essentially, support for homelessness).

The 2014 Regulations are to be amended by the Allocation of Housing and Homelessness (Eligibility) (Wales) (Amendment) Regulations 2025 (“the amending Regulations”) to extend eligibility to individuals who were residing in Israel, the West Bank, the Gaza Strip or East Jerusalem before 23 June 2025 and who left in connection with the conflict between Israel and Iran which escalated in June 2025.

2. Matters of special interest to the Legislation, Justice and Constitution Committee

The Cabinet Secretary for Housing and Local Government wrote to the Chair of the Legislation, Justice and Constitution Committee on 11 July to outline the urgency of making these Regulations to align Welsh law with changes made at a UK level. The Senedd’s agreement is also therefore sought to suspend Standing Orders to enable the Regulations to be debated before the debate on 15 July.

3. Legislative background

Part 6 of the Housing Act 1996 and Schedule 2 of the Housing (Wales) Act 2014, enable the Welsh Ministers, to prescribe classes of persons from abroad who are eligible for an allocation of housing accommodation and for housing assistance. Regulations 2, 3, 4, 5 and 6 of the 2014 Regulations are to be amended.

These Regulations are subject to the affirmative procedure.

4. Purpose and intended effect of the legislation

In response to the escalation of conflict between Israel and Iran in June 2025, the UK Government initiated the evacuation of individuals from Israel through an assisted departure scheme. Between 23 and 29 June, six flights arrived in the UK carrying 428 individuals, including 76 children and 27 Red Cross staff.

The UK Government has confirmed that individuals affected by the conflict will be exempt from the Habitual Residence Test (HRT), including those evacuated under the UK Government’s assisted departure scheme and others who left independently in connection with the crisis. Amending regulations are expected to be tabled in the UK Parliament by the Department for Work and Pensions (DWP) on 16 July and are expected to come into force on 17 July. However, this exemption is not currently reflected in the 2014 Regulations. Without amendment, individuals arriving in Wales under the UK Government’s

evacuation scheme, and others who left independently in connection with the crisis would remain ineligible for housing assistance or social housing, despite being eligible for welfare benefits. The proposed amendment ensures consistency between housing and welfare law in Wales.

The amending Regulations introduce a new Class of eligible persons into the 2014 Regulations. This Class includes individuals who:

- were residing in Israel, the West Bank, the Gaza Strip or East Jerusalem before 23 June 2025;
- left in connection with the conflict between Israel and Iran which escalated in June 2025;
- are not subject to immigration control, or if they are, have leave to remain in the UK with recourse to public funds and are not sponsored under an undertaking; and
- apply for housing or housing assistance within 26 weeks of either:
 - the date of evacuation under UK Government arrangements, or
 - the date the Foreign, Commonwealth and Development Office issued an invitation to register for departure assistance.

The amendment reflects the Welsh Government's commitment to ensuring that individuals affected by international crises are not left without support upon arrival in Wales. It aligns with the UK Government's proposals to establish a general crisis class approach, which aims to avoid the need for bespoke legislation in future emergencies. The amendment also supports the Welsh Government's broader policy objectives, including its commitment to ending homelessness and promoting Wales as a nation of sanctuary.

While the amending regulations are specific to the 2025 Israel evacuation, the Welsh Government intends to bring forward general crisis class regulations after the summer recess, once the UK Government's position is finalised.

5. Consultation

Due to the speed at which events have occurred and the practical necessity of ensuring those who have arrived or are arriving in Wales can access housing or housing assistance, it would be disadvantageous to undertake a consultation exercise. As the amending Regulations will reflect reserved UK Government policy (immigration and welfare), it would not be possible to undertake a meaningful consultation on alternative approaches, as the effect of the amending Regulations is to ensure consistency between Welsh housing law and immigration/welfare law. Welsh Government officials have liaised with Ministry of Housing, Communities and Local Government and DWP to ensure alignment with UK Government policy.

Local authorities will however be informed of the legislative change, along with an addendum to the Code of Guidance, to ensure local authorities are aware of how to apply the new legislation.

PART 2 – REGULATORY IMPACT ASSESSMENT

6. Options

The Welsh Government has considered two options to address the needs of individuals affected by the conflict between Israel and Iran, including those evacuated under the UK Government's assisted departure scheme and others who left independently in connection with the crisis and arriving in Wales.

Option 1: Business as usual – Maintain the status quo, meaning that individuals affected by the conflict between Israel and Iran, including those evacuated under the UK Government's assisted departure scheme and others who left independently in connection with the crisis, will manage without access to housing or housing assistance.

Option 2: Make the legislation (the preferred option).

7. Costs and benefits

Option 1: Business as usual

This is the baseline option and as such there are no additional direct costs or benefits associated with this option. However, as the UK Government is content for the HRT to be disapplied for individuals affected by the conflict between Israel and Iran, including those evacuated under the UK Government's assisted departure scheme and others who left independently in connection with the crisis, allowing them to obtain benefits, this policy option could be found to be unfair given its application in other parts of the UK.

Option 2: Make the legislation

The amending Regulations have been made without a limit on the number of people who can come to the UK, but individuals affected by the conflict between Israel and Iran, including those evacuated under the UK Government's assisted departure scheme and others who left independently in connection with the crisis are expected to arrive within a six-month period. Currently, it is estimated that there are 20,000 – 50,000 British Nationals in Israel. Between 23–29 June 2025, six chartered flights arranged by the UK Government brought 428 people to the UK, including 76 children and 27 Red Cross staff. No further flights are expected. It is difficult to provide an accurate forecast of arrivals into the UK or Wales of people who have travelled independently, but the numbers are expected to be low.

Data on the Israeli-born population in the UK is limited, and Welsh-level data is not available.¹ 26,000 people who were born in Israel are estimated to be living in the UK, with 25,000 of those thought to reside in England in 2021.

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<https://www.ons.gov.uk/file?uri=/peoplepopulationandcommunity/populationandmigration/internationalmigration/datasets/populationoftheunitedkingdombycountryofbirthandnationalityunderlyingin>

Based on current FCDO data, the total number of arrivals is expected to be under 1,000. Using Wales's population share (approx. 4.8%), this suggests around 48 individuals may arrive in Wales. This is likely to be an overestimation, but a conservative estimate is used to help prepare should more come than expected. However, this would need to be adjusted to understand the proportion of the people who then require housing or housing assistance.

Welsh Government data on homelessness outcomes for 2023-24² showed that 12,939 people were provided with preventative assistance or relief, in accordance with duties under the Housing (Wales) Act 2014, representing 0.4% of the Welsh population. Whilst there is no indication that this proportion is reflective of the need for social housing and housing assistance of the people arriving in Wales from Israel, it is the only available data to use to estimate the numbers that may require assistance. The UK Government has indicated, based on their interaction with people who left in connection with the June 2025 conflict, that support needs are expected to be low, with no known homelessness applications received to date. A precautionary estimate of five to ten individuals requiring housing or housing assistance has been taken because of the uncertainty of the situation.

It should be noted that those coming to Wales from a place of conflict may be vulnerable to becoming homeless. Some will arrive, potentially disorientated from the trauma of leaving their homes, family members and support networks, having to settle in unfamiliar settings and circumstances. They may also have few possessions beyond what is carried in suitcases and funds potentially limited to savings. The cost of living in the areas from which people have left is lower than in the UK and incomes may be lower. If those who have left have been separated from friends and family, there may be a reliance on benefits, and few may find employment immediately.

Indicative costs associated with the provision of homelessness services to individuals affected by the conflict between Israel and Iran, including those evacuated under the UK Government's assisted departure scheme and others who left independently in connection with the crisis and arriving in Wales are based on current statutory provision. These estimates are drawn from the Explanatory Memorandum and Regulatory Impact Assessment (RIA) for the Homelessness and Social Housing Allocation (Wales) Bill ("the Bill"), reflecting the costs that may be incurred by local authorities in the event that support is required.³

While the number of individuals affected by the conflict between Israel and Iran, including those evacuated under the UK Government's assisted departure scheme and others who left independently in connection with the crisis

[gdatasheets/july2020tojune2021/underlyingdatasheetsforpopulationbycountryofbirthandnationalityjul20tojune21.xls](#)

² [Households for which assistance has been provided by outcome and household type \(gov.wales\)](#)

³ [pri-ld17178-em-en.pdf](#)

expected to arrive in Wales is likely to be negligible, and there is currently no evidence of any presenting for housing assistance, it is important to understand the potential financial implications should support be required. Certain assumptions have been made within the estimates, which are based on current provision. This includes:

- Temporary accommodation costs are assumed for a period of one year, consistent with the approach taken in the RIA.
- While prevention, support and accommodation plans (PSAPs) are not yet a statutory requirement, many local authorities already use personal housing plans (PHPs), which are similar in practice. The cost of developing such a PHP is therefore included for indicative purposes.

Cost breakdown

Prevention duty (Section 66)

Estimated cost: **£1,716** per case. This includes staff time and on-costs associated with supporting an individual to remain in their current accommodation or secure alternative housing before homelessness occurs.

Relief duty (Section 73)

Estimated cost: **£2,274** per case. This applies where prevention is unsuccessful and the individual is already homeless. It includes the cost of assessment and support to secure accommodation.

Temporary Accommodation

Estimated cost: **£10,000–£15,075** per year. This reflects the cost of providing temporary accommodation, including bed and breakfast or supported housing, for a 12-month period.

Development of a PHP

Estimated cost: **£108** per case. Based on 4 hours of staff time at £27/hour. While not yet a statutory requirement, as proposed in the Bill, many local authorities already use similar plans to coordinate support.

Tenancy sustainment support

Estimated cost: **£4,092** per case. This applies to individuals with complex needs who require floating support to maintain a tenancy and avoid repeat homelessness.

Review of decision (if requested)

Estimated cost: **£178.75**. This reflects the cost of a senior officer reviewing a decision, where requested by the applicant.

Warning notice (non-engagement)

Estimated cost: **£14.30**. This applies where an applicant disengages from the process and a formal warning is issued.

Illustrative scenarios

Three scenarios are provided to illustrate the possible costs that a local authority may incur. These are: successful prevention of homelessness and failure to prevent homelessness resulting in relief required, to the full housing duty and the applicant requiring ongoing support.

Scenario A: Prevention successful

This provision of homelessness services would involve an initial assessment for those applicants that are either not homeless or ineligible for housing assistance. When fulfilling the prevention duty, costs are estimated to be £1,716 per applicant. Assuming that a PHP is developed, costing £108, the total applicant cost will be **£1,824**.

Scenario B: Prevention fails, relief required

The duty to relieve homelessness to applicants for whom prevention fails or who are deemed to be homeless upon presentation is assumed to cost the combination of that earlier prevention work (£1,716) as well as relief activity (£2,274). It is assumed that temporary accommodation will be offered (£10,000/year) and a PHP (£108). This creates a combined total of **£14,098**.

Scenario C: Complex needs

For cases in which the duty to relieve homelessness is not successful and who are then entitled to a full duty. A local authority will have carried out the prevention (£1,716) and relief duty (£2,274), with a longer-term form of temporary accommodation offered (£15,075), along with a PHP (£108). This scenario, as a worst case, assumes that the applicant may then require ongoing support (£4,092) or may decide to seek a review of a local authority's decision (£178.75) when providing housing assistance. The combined total to a local authority is estimated as **£23,443** per applicant. Estimated costs to local authorities, based on the numbers of people who may arrive in Wales are shown in Table 1.

Table 1: Estimated cost to local authorities from homelessness services

	5 applicants	10 applicants
Prevention successful - £1,824 (provision for prevention duty and PHP)	£9,120	£18,240
Prevention fails and relief duty required - £14,098 (provision of prevention and relief duty, temporary accommodation and PHP)	£70,490	£140,980
Full duty required with complex needs: £23,443 (provision of prevention, relief and full	£117,215	£234,430

duty, temporary accommodation, PHP, tenancy sustainment and review)		
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Based upon general estimates calculated by reviewing management data, local authority colleagues have indicated that the processing of a housing application would range from £400-£800. It is our assumption that most of those coming to Wales from Israel will not require social housing. However, this will increase significantly if tenancy sustainment support is needed, currently estimated as £4,092 per applicant. Should each individual decide to apply for housing, costs to a local authority associated with processing applications for a basic case could range from £2,000 to £8,000, while more complex cases could range from £22,460 to £48,920.

Table 2: Estimated costs from social housing applications

	Lowest cost (£400)	Highest cost (£800)
5 homes needed	£2,000	£4,000
With tenancy sustainment	£22,460	£24,460
10 homes needed	£4,000	£8,000
With tenancy sustainment	£44,920	£48,920

This cost should also be considered against the context of available housing supply in Wales, and the already existing over demand for social housing. Current data shows more than 10,932 people are housed within temporary accommodation (at 31 April 2025)⁴. The Welsh Government does not hold data on the total number of people or households on the social housing waiting lists, to estimate total social housing demand. The duration of stay of people evacuated from Israel, and the time spent in accommodation, will increase these time periods further.

Benefits

Section 4 of Part 1 of the Explanatory Memorandum outlines the justification for making the Regulations. The Welsh Government considers that extending eligibility for housing and housing assistance to individuals who left Israel, the West Bank, the Gaza Strip or East Jerusalem in connection with the June 2025 conflict will help reduce the risk of homelessness, and should it occur, ensure that it is rare, brief and unrepeatable. The safeguard provided by the Regulations will help demonstrate Wales's reputation as a safe and welcoming country aligned with the principles underpinning our status as a Nation of Sanctuary.

The benefits of preventing homelessness extend well beyond the actual, additional, costs of helping people who are homeless, for example, the cost of providing temporary accommodation. There have been multiple studies⁵⁶⁷⁸

⁴ [Homelessness accommodation provision and rough sleeping: April 2025 | GOV.WALES](#)

⁵ [At what cost? | Crisis UK | Together we will end homelessness](#)

⁶ [Better than cure? | Crisis UK](#)

⁷ [Hard-Edges-Mapping-SMD-2015.pdf \(lankellychase.org.uk\)](#)

⁸ [assessing the costs and benefits of crisis- plan to end homelessness 2018.pdf](#)

examining the costs and benefits associated with providing housing assistance, which recognise the significant savings which might be made from effective intervention. Effective homelessness services can provide benefits that may last someone's lifetime.

They include better health and well-being, child development and education, and adults' participation in the labour market and contribution to economic output. As a result, the demands on some services, local authority homelessness services and the NHS and social care services for example, can be reduced. The benefits have been shown to outweigh the costs, often to a significant degree, particularly given that someone who is street homeless will rarely experience that disadvantage alone.

Many individuals will also experience negative impacts to their mental health and, for a significant number, substance misuse also. The longer those experiences are felt, the longer the time to recover which will require even greater support and cost. In light of the circumstances of those coming to Wales, who may have experienced trauma, the need to prevent homelessness may be more acute than the wider population eligible to housing and housing assistance.

Benefits of effective action will contribute to the achievement of several Welsh Government Acts, such as the Social Services and Well-being (Wales) Act 2014, Well-being of Future Generations (Wales) Act 2015, and the Ending Violence against Women and Domestic Abuse (Wales) Act 2015.

8. Competition Assessment

Not applicable.

9. Post implementation review

Not applicable.