



Consultation on the draft budget 2025/26

Introduction

CIH Cymru welcomes the opportunity to respond to the Senedd's finance committee's consultation on the draft budget 2025/26. We have in our response set out our priorities for the 2025/26 budget. These priorities set out the expectation that as a minimum, existing funding levels are retained but are ideally increased to reflect the inflationary cost rises seen across the housing sector. It is vital that the right level of funding is seen for housing in Wales if we are to ensure that we can move towards a Wales where everyone can afford the essentials, an equitable Wales where poverty is significantly reduced or eradicated. A Wales where everyone can access a secure, suitable and affordable home.

Consultation questions

1. What, in your opinion, has been the impact of the Welsh Government's 2024-2025 Budget?

The 2024-25 budget delivered welcome continued investment into the development of new social homes and the decarbonisation of our existing homes. However, the inclement inflationary geography during the current comprehensive spending review period, which peaked at over 11 per cent, is now baked into supply chains and the cost of development, which means despite record levels of capital investment into the development of new homes at social rent, these monies do not go as far as they once did.

These inflationary pressures, coupled with high interest rates for borrowing has led to significant financial constraints across the housing sector. We welcome the record level of investment into the social housing grant programme with £370 million being allocated in 2024/25. Yet these monies are not going as far as they once did. We have calculated using the bank of England inflation calculator¹ that the level of capital investment should be adjusted to at least £408 million to allow for the 11.1 per cent peak inflation level that is now baked into the UK economy.

Audit Wales in their recent report on affordable housing supply outlined that the 20,000 low carbon social homes target is at risk without additional investment. They outlined that the additional investment needed is £580 million to £780 million on top of the amount already allocated in order to deliver all the homes currently in the development pipeline. Without this additional investment just 15,860 to 16,670 low carbon homes would be delivered towards the 20,000 low carbon social homes target. Around 4,140 to 3,330 homes short.

¹ Inflation calculator. <https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator>



The recent report on social housing supply published by the Senedd's local government and housing committee also included a recommendation that Welsh government increases the allocation for the social housing grant at the earliest opportunity².

The housing sector also has doubts that the 20,000 low carbon social homes target will not be met without additional funding. The findings of our 2024 sector snapshot showed that 71 per cent of respondents are not confident or unsure that the target will be met with 67 per cent of respondents stating that there is insufficient funding for developing new homes³.

Yet the funding for developing new homes not being adjusted to account for inflation is only one part of the financial pressures faced by social landlords when developing. The cost of borrowing has also increased as a result of high interest rates. Audit Wales outlined that for registered social landlords the interest rate had increased from 3.75 per cent in April 2022 to 5.5 per cent in June 2023. For local authorities the rates rose from 2.5 per cent to 3.87 per cent over the same period⁴.

At the same time as borrowing costs increasing, the cost of materials needed to develop are also rising with the building cost information service (BCIS) projecting that building costs will increase by 15 per cent over the next five years, while the tender process costs will rise by over 20 per cent⁵.

This increased cost of borrowing and materials is not just impacting the development of new homes. It is also putting financial pressure on housing providers to decarbonise our existing housing stock and bring them up to 2023 Welsh housing quality standards 2023 (WHQS 2023). This was highlighted as a financial pressure in our 2024 sector snapshot as housing providers try to balance the competing priorities.

"Record levels of investment, but there are still challenges around land availability, planning delays and rising costs of materials. Other sector pressures such as WHQS 2023 will also result in increased financial pressures on landlords. Only around 6,000 properties have been delivered since 2021 so meeting 20,000 is likely to be extremely challenging given other influencing factors⁶."

Research undertaken by Savills outlined that many housing associations are having to make difficult choices in how to allocate their spending with 95 per cent of respondents stating that investment into existing homes and communities was more important than the

² Social Housing Supply. <https://senedd.wales/media/xxndldwa/cr-ld16800-e.pdf>

³ 2024 Sector Snapshot: Survey of Housing Professionals in Wales. <https://www.cih.org/publications/2024-sector-snapshot-survey-of-housing-professionals-in-wales/>

⁴ Audit Wales. Affordable housing. https://www.audit.wales/sites/default/files/publications/Affordable_housing.pdf

⁵ BCIS building forecast. <https://bcis.co.uk/news/bcis-construction-industry-forecast/>

⁶ 2024 Sector Snapshot: Survey of Housing Professionals in Wales. <https://www.cih.org/publications/2024-sector-snapshot-survey-of-housing-professionals-in-wales/>



development of new homes⁷. Whilst this research was focussed on English housing associations the financial pressures are the same across the UK and there is a very real risk that development could slow as registered social landlords try and balance the financial pressures of bringing existing homes up to WHQS 2023 and developing new homes.

In 2024/25 the budget allocated £92 million to decarbonise existing homes together with £108 LSVT dowry payments. Yet according to the Future Generations Commissioner's Homes Fit for the Future: The Retrofit Challenge (carried out by New Economics Foundation) there's a £2.7 billion funding gap in the amount needed to retrofit social housing and a £3.9 billion gap to retrofit homes in fuel poverty in Wales. It goes on to say that the total investment needed over the next decade to retrofit social housing stock in Wales is £5.52 billion (£4.82 billion to retrofit homes in fuel poverty) with around £1.7 billion of that to come from Welsh government and £3.6 billion from Westminster government⁸.

Our social housing providers are committed to decarbonising their stock and moving to net zero. Yet they will need significantly more funding to continue developing the new homes we need together with funding to ensure that our existing social homes can meet the new WHQS 2023 standards.

The 2024 UK Autumn Statement allocated £500 million in additional funding to England's affordable housing scheme. This should equate to around an additional £25 million to £30 million in capital funding through Barnett consequential, as part of the total £1.7 billion consequential to the Welsh government budget as a result of the Chancellor's spending plans. We would urge Welsh government to ensure that these additional monies are allocated to the social housing grant fund as a starting point for the additional investment needed in developing homes to help meet the 20,000 low carbon social homes target. In addition, we would ask Welsh government to consider additional monies for the WHQS 2023 programme to ease the financial pressure on housing providers as they seek to develop the homes we need and ensure our existing homes can be brought up to WHQS 2023.

2. How financially prepared is your organisation for the 2025-26 financial year, how will inflation impact on your ability to deliver planned objectives, and how robust is your ability to plan for future years?

Whilst inflation is now at 2.3 per cent, just above the bank of England target of two per cent, interest rates have remained high in order to ensure inflation can remain low⁹. Yet these rising interest rates have an impact on the cost of borrowing for housing

⁷ Why bringing new sources of finance into the affordable housing sector has become ever more important. https://www.savills.co.uk/research_articles/229130/346705-0

⁸ Homes fit for the Future: The Retrofit Challenge. https://www.futuregenerations.wales/resources_posts/homes-fit-for-the-future-the-retrofit-challenge/

⁹ Inflation and the 2% target. <https://www.bankofengland.co.uk/monetary-policy/inflation>



organisations coupled with higher construction costs due to ongoing issues with supply chains in many areas.

The cost of timber, steel, concrete and fencing has risen up to 40 per cent since the pandemic¹⁰. There has also been a 33 per cent increase in construction costs for housebuilders since the pandemic. These increased costs coming from increasing subcontractor costs and labour costs¹¹. This coupled with the peak 11.1 per cent inflation being baked into the economic system has resulted in the level of social housing grant needed to develop properties also increasing.

The recent Audit Wales report on affordable housing supply outlined that there had been a 75 per cent increase in the amount of grant needed to develop a general need property. From around £93,000 in 2020/21 to around £163,000 in 2022/23¹². As costs to develop continue there is a need to ensure that the social housing grant levels are uplifted to meet this cost coupled with a three-year funding envelope that considers the increased costs as a result of inflation. This will enable housing providers to be able to effectively plan developments and the decarbonisation programmes as they continue to balance these priorities.

We also need to ensure that housing providers have certainty through the rent settlement. Current financial viability assessments for new developments are based on the cost of the development against future rent levels. If a rent settlement is lower than the current rate of inflation it can impact the revenue a social landlord can use to match fund the cost of new development. That can reduce the viability of a scheme and increase the level of social housing grant needed to bring a scheme forward. So that effective forward planning and to maximise the financial viability of new social housing developed we need a multi-year rent settlement. A multi-year rent settlement will also reflect the fact that Wales does not work in isolation from the rest of the UK and is impacted by wider UK markets.

We are currently seeing high levels of homelessness in Wales. The 2023/24 homelessness data showed that 13,539 homeless households became homeless in a 12-month period¹³. This is the highest number of homelessness households in a 12-month period since 2015. There are also significant numbers of individuals currently residing in temporary accommodation. In August 2024 there were 11,339 individuals in temporary accommodation including 2,860 dependent children. The main type of accommodation is

¹⁰ Shocks in the supply chain. Understanding issues in housing supply chains. <https://www.cih.org/media/4hwfxjq2/shocks-in-the-supply-chain-final-eng.pdf>

¹¹ Welsh Housing Market and Supply Update – November 2023.
https://www.savills.co.uk/research_articles/229130/354555-0

¹² Affordable housing. https://www.audit.wales/sites/default/files/publications/Affordable_housing.pdf

¹³ Households for which assistance has been provided by outcome and household type.
<https://stats.wales.gov.wales/Catalogue/Housing/Homelessness/Statutory-Homelessness-Prevention-and-Relief/householdsforwhichassistancehasbeenprovided-by-outcome-householdtype>



B&B or hotel accommodation¹⁴. This type of accommodation comes with a price premium and are having a huge impact on local authority budgets.

Shelter Cymru in its October 2024 report looking at the costs of our reliance on temporary accommodation outlined that the cost for providing temporary accommodation across Wales has risen from £41 million in 2020/21 to £99 million in 2023/24. Over the same period the percentage of local authorities budgets spent on temporary accommodation has doubled from 0.51 per cent to one per cent. Some local authorities outlined that they are having to draw on their reserves to fund the increased temporary accommodation costs and even when additional monies were provided the allocation was exhausted in six months leaving a burden on the local authority¹⁵.

In 2024/25 the local government settlement was maintained at 3.1 per cent with the draft 2024/25 budget allocating £5.7 billion to local authority budgets. A further £14.4 million was allocated in the final 2024/25 budget due to the pressures being faced by local authorities. Whilst these additional monies were welcomed, the settlement was below the rate of inflation at the time. This meant a real terms cut to the budgets of local authorities. The Welsh Governance Centre put the funding gap at £354 million for 2024/25 which could increase to £744 million by 2027/28. There is also an increasing likelihood that more local authorities will need to draw on their reserves in order to meet some of the funding pressures they are facing¹⁶.

The monies being spent on temporary accommodation coupled with a below inflation increase to the settlement they receive is having a detrimental impact on statutory homeless services across Wales. With many housing teams now at breaking point due to a lack of resources and increasing pressures on front line housing teams with little to no monies available to increase resources to relieve some of this pressure¹⁷. Local authorities need a settlement that recognises the financial impact homelessness is having on front line statutory homelessness services, the ongoing impact of inflation on service delivery and the impact increased budget pressures in one area will have on other local authority departments such as social care. An uplift in local authority budgets as a whole will not only meet the increased budgets constraints faced by local authorities but will also ensure that council taxes are not raised to a level that would impact the finances of households at a time when the impacts of the cost of living crisis are still being felt across Wales.

¹⁴ Homelessness accommodation provision and rough sleeping: August 2024. <https://www.gov.wales/homelessness-accommodation-provision-and-rough-sleeping-august-2024-html>

¹⁵ The cost of the crisis. The impact of Wales' reliance on temporary accommodation. <https://sheltercymru.org.uk/wp-content/uploads/2024/10/The-Cost-of-Crisis-Report-2024-1.pdf>

¹⁶ The medium-term fiscal outlook for local government in Wales. Briefing note https://www.cardiff.ac.uk/__data/assets/pdf_file/0007/2779342/The-medium-term-fiscal-outlook-for-local.pdf

¹⁷ 2024 Sector Snapshot: Survey of Housing Professionals in Wales. <https://www.cih.org/publications/2024-sector-snapshot-survey-of-housing-professionals-in-wales/>



3. What action should the Welsh Government take to help households cope with inflation and cost of living issues and address the needs of people living in urban, post-industrial and rural communities, including building affordable housing and in supporting economies within those communities?

The levels of material deprivation (severe disadvantage where individuals experience a serious lack of opportunities and resources) is increasing in Wales. In 2022/23 the national survey for Wales outlined that 16 per cent of all adults were classed as materially deprived up from 11 per cent in 2021/22¹⁸. The Joseph Rowntree Foundations latest report on poverty outlined that in 2021/22, Wales had the joint highest rate of poverty for the four UK nations at 22 per cent. Child poverty levels are also high in Wales with 28 per cent of children in Wales experiencing child poverty. Only England had a higher rate of child poverty at 29 per cent¹⁹.

The Bevan foundations snapshot of poverty in Autumn 2024 also showed the impact of the cost of living crisis on households with one in seven people in Wales (15 per cent) often, sometimes or always not having enough for the basics. The report goes on to outline that this proportion has changed little in the last few years, meaning that not only are people's living standards not improving they have now stabilised at a higher level of financial hardship than before the pandemic. In May 2021 the proportion of households often, sometimes or always not having enough for the basics was eight per cent²⁰.

There are different levels of poverty seen for the different housing tenures in Wales with the Joseph Rowntree Foundation report outlining the following proportions:

- 43 per cent social renters
- 35 per cent private renters
- 12 per cent owner occupiers.

Yet this is only part of the picture as the data from the Joseph Rowntree Foundation also showed that 36 per cent of social renters were only in poverty after housing costs. For private renters 51 per cent were in poverty after housing costs¹⁷.

It is clear that poverty remains an issue for a considerable proportion of the people of Wales with housing tenure playing a significant role in the likelihood of experiencing poverty. Whilst rents in the social housing sector are regulated, we need to look at ways in which we can address the rising costs in the private rented sector. Any discussion around rents and what a fair rent is must also look at how we assess what an affordable rent is. Rents are currently classed as affordable if they constitute less than 30 per cent of the household's income, yet we must also ask the question – is the remaining 70 per cent of

¹⁸ Poverty and deprivation (National Survey for Wales): April 2022 to March 2023. <https://www.gov.wales/poverty-and-deprivation-national-survey-wales-april-2022-march-2023-html>

¹⁹ UK Poverty 2024: The essential guide to understanding poverty in the UK. <https://www.jrf.org.uk/uk-poverty-2024-the-essential-guide-to-understanding-poverty-in-the-uk>

²⁰ Davies, J and Evans, S. (November 2024) A snapshot of poverty in autumn 2024. Bevan Foundation. <https://www.bevanfoundation.org/resources/a-snapshot-of-poverty-winter-2024/>



their earnings enough to cover the household costs? We can see from the recent data that for many households this is not the case.

So, what is the solution? One could be to implement living rents in Wales based on the lowest earners income, ensuring that rents are affordable for everyone. We think that a wider approach is needed to not only work towards solving poverty in Wales, but to address housing costs that are driving people into poverty. We need to make housing a foundational mission of government by legislating for the progressive realisation of the right to adequate housing in Wales.

This would lead to significant savings that could be used to further invest in public services, coupled with increased economic activity. For every £1 spent on the right to adequate housing, there will be £2.30 in benefits. It will:

- Save £5.5 billion in improved wellbeing
- Save £2 billion from local council budgets
- Save £1 billion for the NHS
- Save £1 billion for the criminal justice system
- Generate £1 billion in additional economic activity.

These are all savings that can benefit our communities and help end poverty in Wales. Enshrining the right to adequate housing will help deliver an equitable Wales. A Wales where everyone has enough money to live on. A Wales where everyone can afford the essentials. A Wales where poverty is significantly reduced or eradicated. A Wales where everyone can access a secure, suitable and affordable home.

4. Have Welsh Government business support policies been effective, given the economic outlook for 2025-26?

N/A

5. Are Welsh Government plans to build a greener economy clear and sufficiently ambitious? Do you think there is enough investment being targeted at tackling the climate change and nature emergency? Are there any potential skill gaps that need to be addressed to achieve these plans?

Our Tyfu Tai research decarbonising the private sector outlined that 32 per cent of Welsh homes were built before 1919 with just six per cent built in the last 35 years. Homes in Wales have an average Energy Performance Certificate (EPC) of "D" and require the highest investment to reach EPC "C"²¹.

Welsh government has recognised the level of investment needed to decarbonise our social housing stock and in 2024/25 the budget allocated £92 million to decarbonise existing homes together with £108 million for LSVT dowry payments. Yet this level of investment falls short of what is needed.

²¹ Decarbonising Wales' Private Rented Sector Tackling the energy crisis to meet net-zero.
<https://www.cih.org/publications/tyfu-tai-cymru-decarbonising-wales-private-rented-sector>



According to the Future Generations Commissioner's Homes Fit for the Future: The Retrofit Challenge (carried out by New Economics Foundation) there's a £2.7 billion funding gap in the amount needed to retrofit social housing and a £3.9 billion gap to retrofit homes in fuel poverty in Wales. It goes on to say that the total investment needed over the next decade to retrofit social housing stock in Wales is £5.52 billion (£4.82 billion to retrofit homes in fuel poverty) with around £1.7 billion of that to come from Welsh government and £3.6 billion from Westminster government²².

Under the new WHQS 2023 requirements, social landlords will have had to have carried out a full survey, by March 2025, of the cost of retrofitting their entire stock to meet the timeline of the new standard. It is expected that the total cost could be far higher than those outlined in the Future Generations Commissioner's report.

Yet decarbonising our social homes is just part of the work needed to ensure all homes in Wales can be decarbonised as part of meeting the 2050 net zero target. We also need to consider other housing tenures.

According to the 2024 UK housing review the proportion of households in each housing tenure are:

- Owner occupiers: 71 per cent
- Private rented: 13 per cent
- Social housing: 16 per cent²³.

The Senedd's Climate Change, Environment and Infrastructure Committee outlined in their report on decarbonising the private sector that there need to be financial options for owner-occupiers and private landlords who wish to improve the energy efficiency of their properties. There is limited progress currently being made in developing financial solutions²⁴.

We appreciate that Welsh government cannot meet the full cost of transitioning the private housing sector to net zero. However, there needs to be a wider range of financial solutions so that those able to pay are incentivised to install a green heating option which can cost more to install than the traditional fossil fuel heating solutions. As owner-occupiers are the largest housing tenure in Wales it is essential that we incentivise and support this tenure to embark on the decarbonisation journey. Assisting them to move to green heating solutions will help drive the pace and scale of change we need in order to meet low carbon heating aims. If we can get this element of the housing sector right, it will

²² Homes fit for the future: the retrofit challenge How will we finance the decarbonisation of homes in Wales to support our net zero ambitions?

<https://www.futuregenerations.wales/wp-content/uploads/2021/07/ENG-Exec-Summary-Financing-the-decarbonisation-of-housing-in-Wales.pdf>

²³ Table 17b Dwellings by tenure in England, Wales, Scotland, Northern Ireland and the United Kingdom. <https://www.ukhousingreview.org.uk/ukhr24/tables-figures/pdf/24-017.pdf>

²⁴ Decarbonising the private housing sector. <https://senedd.wales/media/q3vcgmmp/cr-ld15695-e.pdf>



drive the market costs of installing green heating solutions down. Something everyone in the housing sector can benefit from no matter the housing tenure.

We also need to ensure we have the right level of skills available in order to retrofit our homes as part of moving towards net zero. When we speak to the construction industry, we are hearing evidence that a lack of funding certainty together with a lack of longer-term financial options, is having an impact on incentivising the construction sector to upskill the workforce. There are also impacts from the low level of demand²⁵. Currently most of the demand comes from the social housing sector which accounts for just a fifth of the total housing stock in Wales²⁶.

Research into the level of skills needed to decarbonise homes in Wales undertaken by CITB looking across all tenures has shown that the skills gap is significant. The research showed that 12,000 additional workers are needed across the housing sector in Wales by 2028 primarily to deliver the improvements needed to reduce energy demand. This equates to an 11 per cent increase in the workforce²⁷.

Yet even though there is a significant skills gap for decarbonising our homes we are hearing evidence from the education sector that the monies available for apprenticeships is not sufficient resulting in fewer people being able to secure a place at college. This is not helping meet the skills gap. We need to be investing in our education sector to ensure that the right number of apprenticeships can be delivered in order to help meet the skills gap.

One example is Adra in North Wales who as a result of a £230,000 grant from Welsh government have opened a decarbonisation hub at Penygroes in partnership with Travis Perkins, Grŵp Llandrillo Menai and Welcome Furniture. The hub is in a redeveloped empty factory unit and has brought skills and jobs to the area. The hub is a training facility to develop skills to install and maintain small solar photovoltaic, domestic heat pump and solar thermal hot water systems²⁸. The hub by providing local jobs is investing in the local economy and is helping develop the green economy in North Wales.

6. Is the Welsh Government using the financial mechanisms available to it around borrowing and taxation effectively?

N/A

²⁵ Energy Systems Catapult. (2020). Towards an enduring policy framework to decarbonise buildings. Retrieved from: <https://es.catapult.org.uk/report/policyframework-to-decarbonisebuildings>

²⁶ UK Housing Review 2023. Table 30a Households by tenure in the United Kingdom. <https://www.ukhousingreview.org.uk/ukhr23/tables-figures/pdf/23-030.pdf>

²⁷ Building Skills for Net Zero in Wales. https://www.citb.co.uk/media/bdrbdlmo/b06414_net_zero_report_wales_v7.pdf

²⁸ New north Wales decarbonisation hub brings jobs to Penygroes. <https://www.adra.co.uk/en/new-north-wales-decarbonisation-hub-brings-jobs-to-penygroes/>



7. The Committee would like to focus on a number of other specific areas in the scrutiny of the Budget. Do you have any specific comments on any of the areas identified below?

Is the Welsh Government's approach to preventative spending represented in resource allocations?

Local authorities in Wales have a statutory duty to provide homelessness services. This includes services to prevent homelessness for households in their locality. Yet due to the increased levels of homelessness and increasing use of temporary accommodation many local authorities are now spending the majority of their budget on temporary accommodation or in some cases over their allocated budgets on temporary accommodation.

On average across Wales the proportion of the housing budget spent on temporary accommodation has risen from 74 per cent in 2020/21 to 114 per cent in 2023/24. Over the same period the total cost has risen from £41 million to £99 million²⁹. A 141 per cent increase over a three-year period. The increased cost of providing temporary accommodation and the proportion of housing budgets being spent on its provision is likely to have an impact on the level of prevention work being able to be invested in by local authorities.

In 2023/24 the local government settlement was maintained at 3.1 per cent with the draft 2023/24 budget allocating £5.7 billion to local authority budgets. A further £14.4 million was allocated in the final 2023/24 budget due to the pressures being faced by local authorities. Whilst these additional monies were welcomed the settlement was below the rate of inflation at the time. This meant a real-terms cut to the budgets of local authorities. The Welsh Governance Centre has put the funding gap at £354 million for 2024/25 which could increase to £744 million by 2027/28. There is also an increasing likelihood that local authorities will need to draw on their reserves in order to meet some of the funding pressures they are facing³⁰.

We need a funding settlement for local authorities that recognises the increasing cost of temporary accommodation, the need for investment in prevention services as we all work together to tackle rising homelessness in Wales and one that addresses the likely funding gap as identified by the Wales Governance Centre.

Is the Welsh Government providing adequate support to the public sector to enable it to be innovative and forward looking through things like workforce planning?

Our 2024 sector snapshot highlighted how difficult it is for local authorities to provide sufficient funding to ensure the workforce is at a level it needs in order to meet the increased demand for services. The housing sector was clear budgets are being cut whilst

²⁹ The cost of the crisis. The impact of Wales' reliance on temporary accommodation. <https://sheltercymru.org.uk/wp-content/uploads/2024/10/The-Cost-of-Crisis-Report-2024-1.pdf>

³⁰ The medium-term fiscal outlook for local government in Wales. Briefing note https://www.cardiff.ac.uk/__data/assets/pdf_file/0007/2779342/The-medium-term-fiscal-outlook-for-local.pdf



workloads continue to increase. Many front-line housing teams are now at breaking point. Our housing workforce is doing all they can but cannot continue without a sufficient level of funding to ensure that the workforce can be expanded to a level that eases pressures on individuals and ensures that increased demand can be met³¹.

The ending homelessness action plan included an action to develop a resilient and valued workforce recognised for their expertise³². We need to adequately fund the sector and ensure that the workforce is at a level where it can effectively deliver statutory housing services and policy changes, with minimal impact on the mental health and wellbeing of housing professionals.

Is the support provided by the Welsh Government for third sector organisations, which face increased demand for services as a consequence of the cost of living crisis and the pandemic, sufficient?

In the 2024/25 budget Welsh government provided additional funding to the housing support grant to ensure that housing support workers could be paid the real living wage. We would ask that as a minimum that the housing support grant is maintained at a level to ensure that the real living wage can be continued to be paid to our housing support workers.

We are also hearing anecdotal evidence from the sector that as the demand for supported accommodation rises together with the complexity of support needs funding is being moved away from floating support services. Funding of both supported accommodation and floating support services is vital as part of a whole system approach to ending homelessness in Wales. We would ask that any increase above securing the wage levels for housing support workers is ring fenced for floating support services to ensure that individuals can be supported to maintain their tenancies a vital prevention tool at a time when homelessness continues to rise.

What are the key opportunities for the Welsh Government to invest in supporting an economy and public services that better deliver against the well-being goals in the Wellbeing of Future Generations (Wales) Act 2015?

In August 2024, the future generations, Welsh language and children commissioner published an article outlining that housing is fundamental to wellbeing in Wales. The article also outlined that we need joined up thinking and a longer-term view to achieving effective housing policy for the people of Wales. In its conclusion the piece pledged support to the right to adequate housing as a key intervention to tackling to housing crisis³³.

³¹ 2024 sector Snapshot: Survey of Housing Professionals In Wales. <https://www.cih.org/media/d2cltncv/cih-cymru-sector-snapshot-2024.pdf>

³² Ending Homelessness in Wales: A high level action plan 2021-2026. https://www.gov.wales/sites/default/files/publications/2021-11/ending-homelessness-high-level-action-plan-2021-2026_0.pdf

³³ Housing is fundamental to well-being in Wales. <https://www.futuregenerations.wales/news/housing-is-fundamental-to-well-being-in-wales/>



CIH Cymru alongside their back the bill partners Tai Pawb and Shelter Cymru are in agreement. Now is the time to be ambitious and make housing a foundational mission of government by legislating for the right to adequate housing and working together to progressively realise the right. Incorporating the right into Welsh legislation would provide significant cost benefits to Wales. As outlined in our independent cost benefit analysis undertaken by Alma economics for every £1 spent on the right to adequate housing, there will be £2.30 in benefits³⁴. Overall the right to adequate housing will:

- Save £5.5 billion in improved wellbeing
- Save £2 billion from local council budgets
- Save £1 billion for the NHS
- Save £1 billion for the criminal justice system
- Generate £1 billion in additional economic activity³⁵.

These are all savings that can benefit our communities and help end poverty in Wales. Enshrining the right to adequate housing will help deliver an equitable Wales. A Wales where everyone has enough money to live on. A Wales where everyone can afford the essentials. A Wales where poverty is significantly reduced or eradicated. A Wales where everyone can access a secure, suitable and affordable home.

About CIH

Chartered Institute of Housing (CIH) is the independent voice for housing and the home of professional standards. Our goal is simple – to provide housing professionals and their organisations with the advice, support, and knowledge they need to be brilliant. CIH is a registered charity and not-for-profit organisation. This means that the money we make is put back into the organisation and funds the activities we carry out to support the housing sector. We have a diverse membership of people who work in both the public and private sectors, in 20 countries on five continents across the world. Further information is available at: www.cih.org.

Contact: cerys.clark@cih.org, policy and public affairs manager.

³⁴ The right to adequate housing in Wales: cost-benefit analysis. An independent research report by Alma Economics Commissioned by Tai Pawb, the Chartered Institute of Housing Cymru and Shelter Cymru. <https://www.taipawb.org/wp-content/uploads/2022/09/Alma-Economics-Back-the-Bill-Final-Phase-2-report.pdf>

³⁵ The right to adequate housing in Wales: cost-benefit analysis. An independent research report by Alma Economics Commissioned by Tai Pawb, the Chartered Institute of Housing Cymru and Shelter Cymru. <https://www.taipawb.org/wp-content/uploads/2022/09/Alma-Economics-Back-the-Bill-Final-Phase-2-report.pdf>