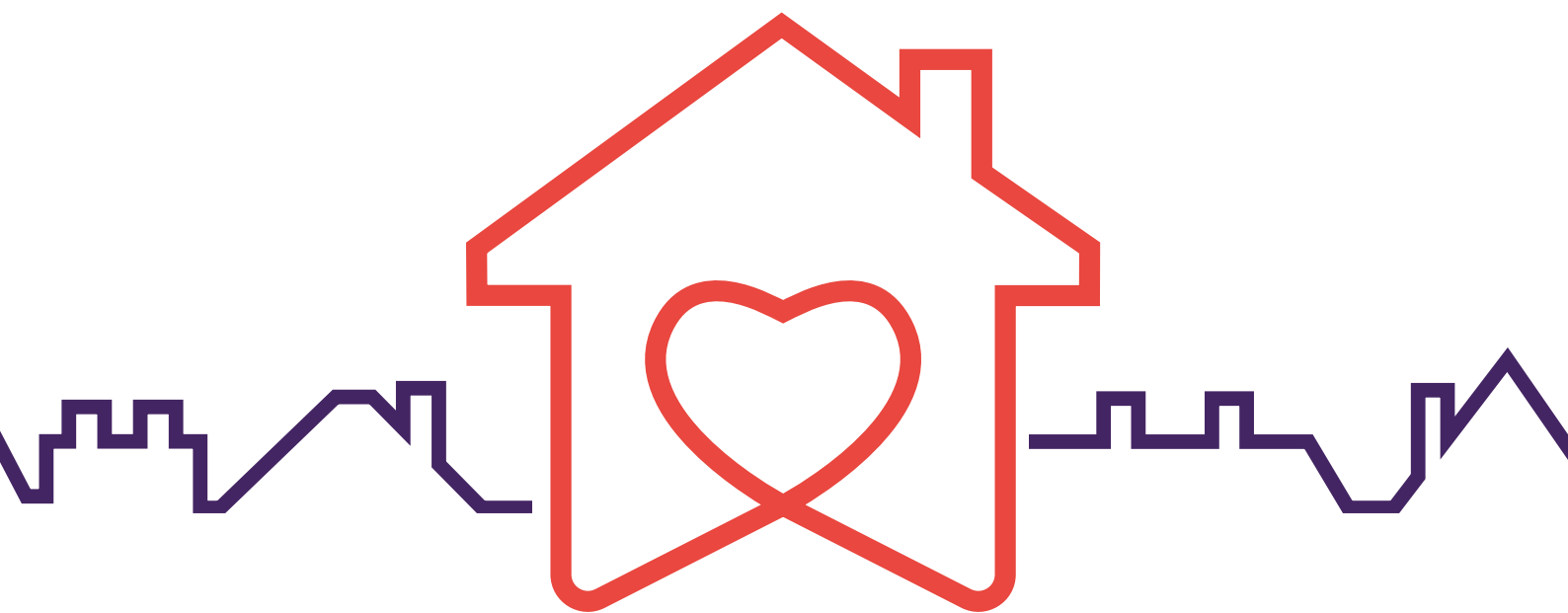




Chartered
Institute of
Housing
Cymru

A FIVE-POINT PLAN FOR HOUSING IN WALES

ENSURING EVERYONE CAN
ACCESS A SUITABLE, SAFE,
AND AFFORDABLE HOME.



FEBRUARY 2024

Introduction

We are in the midst of a housing crisis in Wales. A visible consequence of this is the rising levels of homelessness, with latest figures showing 11,273 individuals in temporary accommodation, including 3,403 children. There are also 169 individuals sleeping rough.

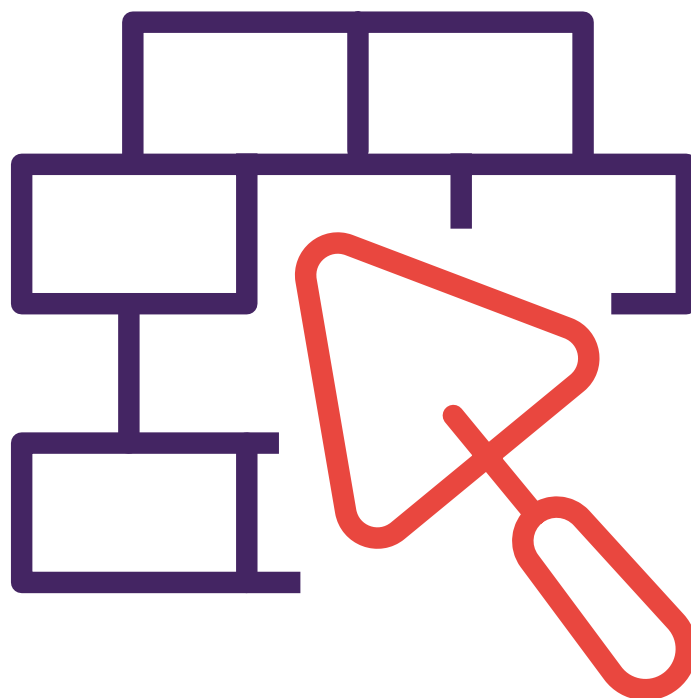
At CIH Cymru, we believe housing should be a foundational mission for government. Putting housing first will help deliver an equitable Wales where everyone has enough money to live. A Wales where everyone can afford the essentials and where child poverty is eradicated. A Wales where everyone can access a safe, affordable and sustainable home.

This paper outlines how we feel this can be achieved.

1. Enshrine the right to adequate housing into Welsh law

In order to ensure that housing becomes the foundational mission that we need to address the structural and systemic problems with our housing system in Wales, the right to adequate housing must be incorporated into Welsh law. Investment in the progressive realisation of the [right to adequate housing](#) will generate socio-economic benefits that outweigh the costs. Investing £5bn in ending homelessness and improving housing adequacy will generate £11.5bn in economic and social benefits over a 30-year period. In other words, spending £1 to provide adequate housing in Wales will generate £2.30 in benefits.

Enshrining the right to adequate housing will not only ensure individuals can access a safe, suitable, and affordable home but will also increase the monies available to invest in our public services, improving our financial outlook and quality of life for generations.



2. A commitment to long-term capital investment to build more affordable homes and retrofit existing ones

The need for social housing has never been so great with 11,273 individuals currently in temporary accommodation, an ongoing undersupply of affordable social housing and a shortage of affordable private rent properties. We welcome the record levels of investment from Welsh Government to develop new low-carbon homes at social rent, with £375m committed to the Social Housing Grant for 2024/25 to ensure ongoing progress to meet the 20,000 target for this Senedd term. Yet we have concerns around the pace and scale of current development. Welsh Government's latest figures for housing need show that we should be providing between 6,154 and 8,336 additional homes annually split almost evenly between affordable and market homes. Yet the latest annual data shows that in 2021/22, just 2,676 additional affordable homes were delivered in Wales - well below the number actually needed.

In addition, social housing providers in Wales are retrofitting existing social homes to meet Welsh Housing Quality Standards. These include ambitious targets on decarbonisation and affordable warmth. According to the Future Generations Commissioner's [Homes Fit for the Future: The Retrofit Challenge](#) (carried out by New Economics Foundation) there's a £2.7bn funding gap in the amount needed to retrofit social housing and a £3.9bn gap to retrofit homes in fuel poverty in Wales. The total investment needed over the next decade to retrofit social housing stock in Wales is £5.52bn.

Whilst social housing providers are committed to decarbonising their stock, moving to net zero, and developing new affordable social homes, significantly more funding will be needed to ensure there is a right level of supply together with ensuring existing social housing stock meets net zero targets.

This investment will also provide huge potential to form the base of an economic growth strategy with the principles of the foundational economy model at its core. It will channel investment into local skills and training (see below) and into local supply chains, building on already developed good practice in the sector that has created circular economies at a local level that have created jobs and further inward investment.



3. Support growing skills needed to meet ambition through a sector workforce strategy

A key action in the homelessness action plan is to build a resilient workforce. Whilst we fully support this, we feel that our ambition should be greater. We believe that housing, in line with other key professions, should be seen as a key pillar to support the delivery of a public service. As such, now is the time to develop, in partnership with CIH Cymru, a workforce strategy for housing professionals aimed at meeting the needs of the communities we serve whilst supporting the delivery of the Welsh Government's net zero ambitions, producing a workforce that demonstrates:

- ▶ **Integrity:** A workforce that does the right thing for the right reasons, based on robust evidence and without partiality.
- ▶ **Inclusivity:** A collaborative workforce that works with partners, customers, and communities to achieve better outcomes.
- ▶ **Ethics:** A workforce that understands the impact that poor decisions can have on people's lives and the reputation of their organisation. Challenging unethical practice fairly.
- ▶ **Knowledge and skills:** Making sure knowledge is a shared commodity and looks ahead at skills needed for a modern housing sector to work effectively.
- ▶ **A career choice:** Identifies pathways into the profession, creating actions to maintain and grow these further.
- ▶ **Robust data:** Data collection to underpin the strategy, identify any skills gaps and build a clearer picture of the housing profession in Wales.
- ▶ **Leadership:** A workforce that is forward thinking and adaptable to change. Promoting partnership working with key stakeholders.



4. The private rented sector

In Wales there has been a 10.7 per cent increase in the cost of a newly available private rented property between December 2022 and December 2023. In addition, just two per cent of available rented homes in Wales can be covered by local housing allowance compared to the lowest 30th percentile it was designed to cover. Many households are now being priced out of the private rented sector resulting in rising homelessness and long stays in temporary accommodation for many households. This has been unfrozen for 2024/25 but is likely to be frozen again from April 2025 something that will adversely impact affordability of the private rented sector and levels of homelessness in Wales.

Private landlords are also leaving the market due to increasing mortgage costs or the impact of a change in tenancy law. Some are moving into the holiday market due to higher profit margins and a perception of lower levels of regulation.

There are also concerns around the level of retrofitting being completed in the private sector to decarbonise these homes as part of reaching net zero.

It is clear that the private rented sector is helping to plug the gap in housing supply and demand but do we provide more support - more public investment, less regulation - in order to grow the tenure to meet additional housing need? Our view as an organisation is that first and foremost, it is social and affordable housing that should command the lion's share of public investment in order to address the housing crisis. Any intervention in the market could have further consequences for the affordability of the whole housing system which may further impact the levels of homelessness seen in Wales. It will also take a while to build the number of affordable homes that we need, so the private rented sector remains a key partner in the short to medium term if we are to address rising levels of homelessness. Therefore, we need to develop a clear vision and strategy for the private rented sector, which details the long-term support needed to help private landlords thrive in Wales, so that landlords and tenants alike understand what our expectations are.



5. Address stigma against social housing and promote the positive impact of diverse communities

There are still negative attitudes in Wales to social housing which can negatively impact our ability to effectively develop sufficient homes as a result of opposition to new social housing in some areas. This in turn can impact our ability to meet current demand for a suitable, safe and affordable home. We believe that more coordinated action is needed to address this stigma. This could include:

- ▶ Public facing campaigns highlighting the added value social housing provides to wider society
- ▶ Greater promotion of Wales as an ambitious leader in delivering social housing with a proven track-record, nurturing domestic and global perceptions of the sector
- ▶ Local resources aimed at supporting community groups and individuals to share and spread the message locally about the impact of social housing and amplify the voices of their own community
- ▶ Greater visibility of social housing as a key component of economic recovery and stimulus within the Welsh Government's ongoing and future plans.

