



Llywodraeth Cymru
Welsh Government

www.cymru.gov.uk

Assessing the impacts of proposed changes to homelessness legislation in Wales

A report to inform the review of
homelessness legislation in Wales

September 2012

A report to inform the review of homelessness legislation in Wales

Dr. Peter Mackie

School of Planning and Geography, Cardiff University

Ian Thomas

Wales Institute for Social and Economic Research, Data and Methods

with

Professor Suzanne Fitzpatrick

Institute for Housing, Urban and Real Estate Research,
Heriot-Watt University

Tamsin Stirling

Independent Housing Consultant

Dr. Sarah Johnsen

Institute for Housing, Urban and Real Estate Research, Heriot-Watt University

Dr. Simon Hoffman

School of Law, Swansea University



Contents

	page
SECTION ONE – Introduction and impact assessment methods	4
1.1 Introduction	
1.2 Impact assessment methods	
SECTION TWO – Estimating homelessness presentations in 2014/15	8
2.1 Introduction	
2.2 Homelessness presentations under existing legislation	
2.3 Homelessness presentations under the Housing Solutions model	
SECTION THREE – Outcomes at the housing solutions Stage	13
3.1 Introduction	
3.2 Households requiring interim/emergency accommodation	
3.2 Households enabled to remain at home or accommodated with friends/relatives	
3.4 Alternative accommodation available at the housing solutions stage	
3.5 Households enabled to secure alternative accommodation at the housing solutions stage	
SECTION FOUR – Outcomes at the full homelessness application stage	20
4.1 Introduction	
4.2 Households making a full homelessness application	
SECTION FIVE – A comparison against the existing legislative framework	22
5.1 Introduction	
5.2 Housing outcomes	
5.3 Duration of homelessness cases	
5.4 Housing stock implications	
5.5 The cost of implementing the Housing Solutions model	
SECTION SIX – Impacts of amending priority need and intentionality	29
6.1 Introduction	
6.2 Including rough sleepers as a priority need group	
6.3 Including young people aged 18-24 as a priority need group	
6.4 Amending the priority need status of prison leavers	
6.5 Ending intentionality for households with dependent children	
SECTION SEVEN – Conclusion	34
7.1 Conclusions	
7.2 Recommendations	

SECTION ONE

Introduction and impact
assessment methods

Introduction

In our last report to Welsh Government (Mackie et al, 2012) we set out proposals for an improved homelessness legislative framework for Wales. The report recommended a shift towards a prevention focussed system – the ‘Housing Solutions’ model. This report estimates the likely impacts of the Housing Solutions model.

Two types of impact will be considered:

- i. impacts on households and
- ii. broad impacts on local authority resources.

Assessing the impacts of the proposed legislative framework requires many subjective assumptions to be made. These assumptions have been informed wherever possible by supporting data and also the perspectives of key stakeholders in Welsh Government, the Welsh Local Government Association, the Homelessness Network, Rough Sleepers Cymru, and Shelter Cymru.

Whilst we believe this report provides a strong indication of the likely impacts of the Housing Solutions model, the limitations of our estimates must be acknowledged.

Impact assessment methods

The methodology for this study is complex. In order to assist the reader to understand our methods we have included detailed comments on methodology throughout the report. Moreover, in this brief sub-section we offer a broad overview of our approach at key stages in the report.

1. Quantifying the number of households currently seeking homelessness assistance in Wales

In order to compare the Housing Solutions model against the existing legislative framework we first had to quantify how many households are currently assisted. This is currently unknown as homelessness prevention is not accurately recorded and reported across Wales. We drew upon a sample of Welsh local authority homelessness data where homelessness prevention is recorded and we combined this with WHO12 data to calculate how many households are currently assisted.

2. Estimating the likely increase in total presentations under the Housing Solutions model in 2014/15

The Housing Solutions model introduces a duty which ensures all households are entitled to meaningful assistance. Consequently, it is anticipated that there will be an increase in homelessness applications. Scottish homelessness data was used to inform our assumptions about the scale of the increase as they similarly introduced legislation which removed deterrents to making an application. We also assume that there will be an additional increase in applications resulting from current economic conditions and welfare benefit reforms. This increase was calculated by examining the impacts of earlier welfare reforms and increases in unemployment.

3. Estimating interim/emergency accommodation requirements at the Housing Solutions stage

At the Housing Solutions stage there is a duty to accommodate all households who have nowhere safe to stay. Only in Scotland is there a similar duty where all households are entitled to temporary accommodation. Hence, we used Scottish temporary accommodation data to determine what proportion of all households enter temporary accommodation. We then used a sample of Welsh local authority data to inform our judgement about the proportion of these households that might enter temporary accommodation in an emergency (i.e. within 4 days) and are therefore likely to require interim/emergency accommodation.

4. Determining the likely outcomes at the Housing Solutions stage

At the Housing Solutions stage households will be enabled to remain at home, move in with friends or alternative accommodation will be found (i.e. homelessness will be prevented/relieved). For all remaining households a full homelessness application will be taken. We used English homelessness data to inform our assumptions about the number of households for whom homelessness might be prevented. Homelessness prevention has been pursued far more rigorously in England – we therefore assumed that under the Housing Solutions model, a model which prioritises homelessness prevention, local authorities in Wales will at least be able to achieve the same levels of prevention currently achieved in England.

In order to estimate variations in the degree of homelessness prevention success between different households, we sought guidance from key stakeholders. We produced assumptions about the proportion of households that would be able to remain at home/ with friends and we estimated the likely increase in housing stock that would be needed to achieve the levels of prevention identified.

5. Determining the likely outcomes at the full homelessness application stage of the legislative framework

All households who could not be accommodated at the Housing Solutions stage were assumed to make a full homelessness application.

6. Comparing impacts of the Housing Solutions model against the existing statutory framework

We sought to compare impacts in relation to; housing outcomes, the duration of homelessness, housing stock use, and the costs for homelessness services. In most respects this element of the impact assessment simply draws together findings from across the report but it also introduces new assumptions about the duration of homelessness assistance for households. This was informed by an analysis of a sample of local authority homelessness data which recorded the start and end point of all cases. We also relied upon a previous study by Shelter (2010) to inform our assumptions about service costs.

7. Estimating the potential impacts of amending/widening priority need groups and amending intentionality

Several recommendations were made concerning potential amendments to priority need groups and intentionality. A combination of WHO12 data, a sample of Welsh local authority data, rough sleeper counts in Wales, Broadway CHAIN data for London and English homelessness data were used to develop estimates for these potential changes.

Report structure

The report takes each of the above stages of the methodology in turn – at each stage we describe our methods before introducing and commenting upon our findings. The final section of the report considers what these findings mean for the viability of the Housing Solutions model.

SECTION TWO

Estimating homelessness presentations in 2014/15

Introduction

In order to assess the impacts of proposed changes to homelessness legislation in Wales it will be necessary to draw comparisons against the existing legislative framework. Hence, the first objective of this section will be to develop a better understanding of the number of households who are currently assisted in Wales. This figure is currently unknown because homelessness prevention is inconsistently recorded and reported. The second objective of this section will be to estimate the increase in homelessness applications that we expect may occur between now and 2014/15 even if no amendments are made to the legislation. This increase will result from pending welfare reforms and persistent levels of high unemployment. The final objective of this section will be to estimate the increase in homelessness applications that is likely to occur in 2014/15 as a direct result of introducing the Housing Solutions model. This increase will take place because, unlike the existing legislative framework, there will be a duty to take reasonable steps to achieve a housing solution for ALL households who are homeless or threatened with homelessness.

Homelessness presentations under existing legislation

Presentations in 2010/11

Method: calculating the number and type of homelessness decisions in Wales in 2010/11

We can be confident that WHO12 data accurately records the number of households found to be in priority need (unintentional and intentional), not in priority need, or ineligible. By contrast, homelessness prevention is not reported consistently and many of the not homeless decisions actually represent cases where homelessness was prevented. We analysed a sample of local authority data where all homelessness presentations were recorded, including homelessness prevention cases. We then calculated the percentage of households under each decision category (see Figure 1). By combining the reliable WHO12 data with the percentages from our sample of Welsh local authority data, we were able to calculate the number of households assisted under the two remaining decision categories (i.e. not homeless and prevention).

Figure 1 shows that homelessness prevention constitutes nearly half of all homelessness cases. This is much lower than the percentage in England where 65% of all cases are homelessness prevention/relief. Also, the number of households determined to be not homeless is only 3,058 – far less than the reported WHO12 figure of 4,365.

Figure 1. Estimated number of homelessness presentations under the existing legislation in Wales, 2010/11

Decision	Number of households	%
Eligible, homeless and in priority need, unintentionally so	6,225	25
Eligible, homeless and in priority need, but intentionally so	590	2
Eligible, homeless but not priority need	3,010	12
Eligible but not homeless	3,058	12
Homelessness prevention	12,231	49
Ineligible	100	0
Total	25,214	

Presentations in 2014/15

Method: calculating the increase in homelessness presentations in Wales in 2014/15

Persistent high levels of unemployment and the introduction of remaining welfare benefit reforms are expected to result in an increase in homelessness applications across Wales. Estimating the extent of this increase is exceptionally challenging and certainly subjective. It is largely assumed that the 16% increase in homelessness applications witnessed in the four years following 2007/08 (WHO12) was the result of high unemployment and initial welfare reforms. Whilst the majority of welfare reforms are yet to take effect they will impact upon some of the same households who have already presented as homeless. Given these conditions we initially estimated a similar proportionate increase in homelessness presentations for the four year period between 2010/11 and 2014/15 (i.e. 16%). However key stakeholders suggested this is likely to be an underestimate – we therefore estimate the increase will be approximately 20%.

Figure 2 illustrates the impacts of a 20% increase in homelessness presentations between 2010/11 and 2014/15. It is assumed that the number of households in all decision categories will increase at the same rate as there is no evidence to suggest any alternative scenario in 2014/15.

Figure 2. Estimated number of homelessness presentations under the existing legislation in Wales, 2014/15

Decision	Number of households	%
Eligible, homeless and in priority need, unintentionally so	7,470	25
Eligible, homeless and in priority need, but intentionally so	708	2
Eligible, homeless but not priority need	3,612	12
Eligible but not homeless	3,670	12
Homelessness prevention ¹	12,231	42
Homeless/threatened homeless but decision undetermined ¹	2,446	7
Ineligible	120	0
Total	30,257	

¹ We can be confident that homelessness will be prevented for the same number of households as in 2010/11. However, it cannot be assumed that homelessness will be prevented for the additional 2,446 homelessness prevention 'decision' cases identified in 2014/15. Therefore, we have recorded these additional presentations as 'decision undetermined'.

Homelessness presentations under the Housing Solutions model

The Housing Solutions duty will introduce a requirement for local authorities to take all reasonable steps to achieve a suitable housing solution for **all** households which are homeless or threatened with homelessness. The duty to assist all households is likely to result in more households approaching the local authority for assistance. This brief subsection seeks to quantify the likely increase in applications.

Method: calculating the number of homelessness decisions under the Housing Solutions model in 2010/11

The Scottish Government has introduced and largely implemented legislation resulting in a situation where no person who is homeless or threatened with homelessness is deterred from approaching their local authority for assistance. The Housing Solutions duty will achieve a similar outcome. We have analysed Scottish homelessness data which shows that there was an increase in homelessness applications by approximately 25% between 1999/2000 (prior to legislative amendments) and 2008/09 (after priority need groups had largely been abolished but prior to the prevention agenda when data is less reliable). Unlike amendments to Scottish legislation, the Housing Solutions model will not create a situation where becoming homeless almost guarantees access to social housing. In fact it provides local authorities with much greater flexibility in the options they can use to discharge their homelessness duty, therefore largely removing the incentive within the existing framework to become homeless in order to access social housing. Consequently, we will assume the increase in applications in Wales is less than the increase experienced in Scotland – we will assume an increase of 15-20% (an average figure of 17.5% is used throughout the report).

Presentations in 2010/11

Figure 3 shows that if the Housing Solutions duty were in operation in Wales in 2010/11 it would potentially result in 29,626 homelessness applications, which is 4,412 more than under the existing legislative framework (see Figure 1). In Figure 3 we have also predicted the likely statutory decision that will be made about hidden homeless households (i.e. those households that do not make an application under the existing framework).

Method: calculating the statutory decision for hidden homeless households

Additional presentations are likely to fall into two decision categories: 1. Not homeless OR 2. Homeless but not in priority need. We assume this because if 'hidden' households were in priority need they would probably have applied under the existing statutory framework. Scottish homelessness data shows that 32% of the additional applications, received after amendments to Scottish homelessness legislation, were determined to be not homeless. Therefore we have assumed that 32% of the additional applications in Wales will also be classified as not homeless. All remaining hidden households are assumed to fall under the 'not in priority need' decision category.

Figure 3. Estimated number of homelessness presentations under the Housing Solutions model in Wales, 2010/11

Decision	Number of households	%
Eligible, homeless and in priority need, unintentionally so	6,225	21
Eligible, homeless and in priority need, but intentionally so	590	2
Eligible, homeless but not priority need	6,010	21
Eligible but not homeless	4,470	15
Homelessness prevention	12,231	41
Ineligible	100	0
Total	29,626	

Presentations in 2014/15

Method: calculating homelessness decisions in Wales in 2014/15 under the Housing Solutions model

We have previously discussed our assumption that there will be a 20% rise in applications between 2010/11 and 2014/15, largely as a result of welfare benefit reforms. We will assume that this same proportionate increase would occur under the Housing Solutions model.

Comparing the results in Figure 4 to those in Figure 2 shows the Housing Solutions model is likely to result in 5,295 additional applications in 2014/15 when compared to the existing framework. The next section of this impact assessment will consider the likely outcomes for these households under the Housing Solutions model.

Figure 4. Estimated number of homelessness presentations under the Housing Solutions model in Wales, 2014/15

Decision	Number of households	%
Eligible, homeless and in priority need, unintentionally so	7,470	21
Eligible, homeless and in priority need, but intentionally so	708	2
Eligible, homeless but not priority need	7,213	21
Eligible but not homeless	5,364	15
Homelessness prevention ²	12,231	35
Homeless/threatened homeless but decision undetermined ²	2,446	6
Ineligible	120	0
Total	35,552	

²We can be confident that homelessness will be prevented for the same number of households as in 2010/11. However, it cannot be assumed that homelessness will be prevented for the additional 2,446 homelessness prevention 'decision' cases identified in 2014/15. Therefore, we have recorded these additional presentations as 'decision undetermined'.

SECTION THREE

Outcomes at the housing solutions stage

Introduction

In discharging their duty to take reasonable steps to achieve a suitable housing solution, local authorities must either assist the household to remain at home or find suitable alternative accommodation. Only if one of these two outcomes cannot be achieved must the local authority accept a full homelessness application. In addition, the Housing Solutions model introduces a new duty to provide interim/emergency accommodation if, and only if, the household has nowhere safe to stay. This section of the impact assessment estimates how many households will need interim/emergency accommodation, how many will be assisted to remain at home, and how many will find alternative accommodation.

There is great uncertainty regarding the degree to which the Housing Solutions model will be successful in enabling households to remain at home or to find alternative accommodation³. Consequently, we have produced scenarios for minimum, moderate and high levels of 'prevention' success. Significantly, our scenarios are based upon meeting and exceeding levels of homelessness prevention in England.

Method: calculating rates of homelessness prevention in England

English local authorities record statutory homelessness applications and homelessness prevention/relief. Therefore it is possible to calculate what percentage of homeless households are assisted by prevention/relief interventions. The average English local authority prevents homelessness for 73% of homeless households. Under the Housing Solutions model in Wales more homeless households are likely to present at the local authority – can we assume that English local authorities would prevent homelessness at the same rate with the additional households? It would be reasonable to assume that prevention rates would continue with these additional households, however we have produced less ambitious expectations.

Using the same assumptions as in Wales (see pages 10-12) we estimated the total number of homeless households in England if the Housing Solutions model were to be in place. We were then able to calculate what percentage of these homeless households are currently assisted through prevention and relief interventions. This results in a situation where calculated prevention rates in England are lower than currently achieved i.e. the average local authority achieves a rate of 64%. Using these calculations ensures achievable targets for Welsh local authorities.

The minimum success scenario: The minimum success scenario is assumed to result in a situation where homelessness is prevented in Wales for a similar proportion of homeless households to the current situation in the average English local authority – 64% of all homeless households. Currently local authorities in England adopt the Housing Options approach to a much greater degree than in Wales and this has resulted in homelessness being prevented for a higher proportion of households. The Housing Solutions model prioritises homelessness prevention so it is reasonable to assume that a minimum success scenario should bring homelessness prevention in line with English local authorities.

³ In current terminology this would be described as the prevention or relief of homelessness.

The moderate success scenario: The moderate success scenario assumes that the Housing Solutions model achieves a level of prevention equivalent to the second highest performing region in England – 70% of all homeless households. The moderate scenario would certainly be achievable given the new powers of local authorities to discharge their duty if they can enable the household to remain at home or to find alternative accommodation – a power that does not exist under the existing legislation in England and Wales.

The high success scenario: The Housing Solutions model is intended to result in a cultural change that encourages and incentivises homelessness prevention. Therefore we believe an achievable high success scenario would exceed the rate of homelessness prevention in the most successful region in England – local authorities in England would be constrained by the existing statutory framework. In this scenario Welsh local authorities would be expected to prevent homelessness for 75% of all homeless households

Households requiring interim/emergency accommodation

The Housing Solutions duty requires local authorities to provide interim/emergency accommodation to all households who are homeless or threatened with homelessness and have nowhere safe to stay. This sub section is divided into two parts: first we estimate the total interim/emergency accommodation requirement under the Housing solutions model; we then calculate the proportion of this requirement which is 'new' – i.e. it is not already provided to households in priority need.

Total interim/emergency accommodation requirement

Method: calculating the number of households requiring interim accommodation at housing solutions stage

In Scotland all households who are homeless have a right to temporary accommodation – 41% of homeless households in Scotland entered temporary accommodation in 2010/11 (Scottish Government). Many of these would not require interim/emergency accommodation – they enter temporary accommodation as they wait for a social housing allocation. Due to limitations of Scottish data, we were unable to determine what proportion of Scottish households entered temporary accommodation in an emergency (i.e. within 4 days of making a homelessness application). Hence, we used a sample of Welsh local authority data to determine what proportion of households who enter temporary accommodation do so within 1-4 days of making a homeless application – the result is 68%. If we assume that the same proportion of temporarily accommodated households in Scotland enter temporary accommodation within 4 days, the percentage of all homelessness households in Scotland who enter temporary accommodation within 4 days is **28%**.

It would be inaccurate to assume that the same percentage of all homeless households in Wales will require interim accommodation because there will be a filter point in the Housing Solutions model where consideration is given as to whether a households has somewhere safe to stay. Consequently, we will assume that **14%** of households in Wales will require interim/emergency accommodation – i.e. half of the percentage of homeless households currently accessing temporary accommodation in an emergency in Scotland.

In light of the discussion above we estimate that the number of homeless households in Wales who will require interim/emergency accommodation in 2014/15 will be 4,633. Whilst much of this interim/emergency accommodation requirement will come from households not currently allocated accommodation within the existing legislative framework (i.e. households not in priority need) – some of these households are priority need households and would already be provided with interim accommodation under the existing legislative framework (i.e. their need is not additional to any provisions already made). We outline below how we calculated the proportion of the interim/emergency accommodation requirement which is additional.

Proportion of interim/emergency accommodation requirement which is 'new'

Method: calculating additional interim/emergency accommodation requirements

We have calculated that 4,633 homeless households will require interim/emergency accommodation at the Housing Solutions stage in 2014/15. We will assume that homeless households in all decision groups will be in equal need of interim/emergency accommodation with the exception of prevention cases – under the existing legislative framework where homelessness is prevented the household cannot have entered temporary accommodation. Therefore, we will assume interim accommodation is not required by 'prevention' households.

We calculated the percentage of households under each decision category and then apportioned the interim accommodation accordingly. This revealed how much of the interim accommodation requirement came from households who would not already be provided with this accommodation (i.e. those not in priority need).

Given our assumptions above we calculated that 54% of the total interim/emergency accommodation requirement comes from households not in priority need and equates to 2,509 additional households requiring interim/emergency accommodation in 2014/15. This additional interim/emergency accommodation requirement would equate to approximately **114 households per local authority each year**.

Later in the impact assessment we identify that the median average case duration at the Housing Solutions stage is likely to be 1.5 months. If each additional household requires interim/emergency accommodation for 1.5 months – eight households can be accommodated per unit of interim/emergency accommodation each year. Therefore, the total interim/emergency accommodation requirement will be approximately 314 units (2,509 divided by 8). On average this will equate to **14-15 additional interim/emergency accommodation units** per local authority in Wales.

Households enabled to remain at home or with friends/relatives

Whilst we will estimate the number of households: 1) enabled to remain at home or move in with family/friends and 2) enabled to find alternative accommodation, it is the combination of these two outcomes that result in an overall figure for comparison against the English homelessness prevention/relief statistics. Consequently, a local authority that is less successful in enabling a household to stay at home can still reach the level of homelessness prevention achieved in England by enabling a greater proportion of households to find alternative accommodation (of course the reverse is also true). In this sub-section we consider the number of households likely to be enabled to remain at home or move in with friends/family at the Housing Solutions stage.

Method: calculating the number of households enabled to stay at home or move in with family/friends

We will assume that the number of households enabled to remain in their existing accommodation or move in with family/friends will increase under the Housing Solutions model, predominantly due to two reasons: 1) local authorities will be required to take reasonable steps to achieve a housing solution for ALL households. This will mean that households not in priority need and those currently 'hidden' will be assisted and a proportion of these will be able to remain at home; 2) under the existing legislative framework a household might be more willing to leave their current accommodation as the outcome of being determined to be in priority need is likely to be a council property.

Our assumptions about the likelihood of enabling a household to remain at home/move in with friends were initially informed by decision categories – i.e. we assumed only a limited initial improvement in the proportion of priority need households that would be enabled to remain at home as a lot of prevention work already seeks to achieve this goal. Households not in priority need are less likely to be assisted under the existing legislation; hence we have assumed a greater improvement for these households. For homeless households where the decision is undetermined, we have assumed the same success rate as the mean average rate of success for prevention households in England i.e. 47% (43% of prevention cases remain at home and 4% move in with friends/family). The table below illustrates our assumptions:

Decision	Scenario (% enabled to remain at home/ move in with friends)		
	Minimum	Moderate	High
Eligible, homeless and in priority need, unintentionally so	11	17.6	24.2
Eligible, homeless and in priority need, but intentionally so	11	17.6	24.2
Eligible, homeless but not priority need	33	39.6	46.2
Homeless/threatened homeless but decision undetermined	47	53.9	60.5

Using the assumptions introduced above, Figure 5 illustrates our estimate of the number of households likely to be enabled to either remain at home or move in with family/friends at the Housing Solutions Stage.

Figure 5. Households enabled to remain at home or with friends/family at the Housing Solutions stage

Decision	Scenario		
	Minimum	Moderate	High
Eligible, homeless and in priority need, unintentionally so	822	1,315	1,808
Eligible, homeless and in priority need, but intentionally so	78	125	171
Eligible, homeless but not priority need	2,380	2,856	3,332
Homeless/threatened homeless but decision undetermined	1,150	1,319	1,480
Total	4,429	5,614	6,791

Alternative accommodation needed at the housing solutions stage

For all those households who are unable to remain at home or move in with family/friends, alternative accommodation will be sought. There will be two primary sources of accommodation; social rented accommodation accessed via the general waiting list, and private rented accommodation accessed directly via the landlord or through a social lettings agency. We have sought to estimate how many social and private rented sector lets will be needed in 2014/15 in addition to those already made under existing homelessness prevention work.

Method: calculating additional PRS and social rented sector let requirements in 2014/15

We sought to estimate how many additional PRS and social rented sector lets will be required in order to achieve the levels of prevention identified on Page 14. Our estimates were developed in parallel with our previously discussed estimates of households enabled to remain at home or move in with friends/family.

When combined with improvements in enabling households to remain at home/move in with family friends, approximately 1,360 additional PRS lets would need to be made to homeless households at the Housing Solutions stage in order to achieve the minimum success scenario. This equates to approximately 5 new lets per local authority in Wales each month. Once these landlords/lets have been arranged in one year, the turnover of these lets should mean relatively few additional landlords need to be sought each year. Achieving the high success scenario would require 2,550 additional PRS lets to be made relative to current levels.

In addition to the PRS lets that must be identified at the Housing Solutions stage, 380 social rented lets would need to be made via the general waiting list. These are not new social lets – a sample of local authority data was used to identify the number of social lets made from the general waiting list within six months and this was extrapolated to produce an all-Wales figure. This analysis determined that approximately 380 social lets are made to households from the general waiting list within six months of making an application. We have assumed that some households approaching the local authority at the Housing Solutions stage are likely to be highly vulnerable and perhaps not on a waiting list. Local authorities will be able to assist these households by ensuring they are registered on the general waiting list, from which they will be accommodated.

Figure 6 shows the total number of lets that must be made to homeless households in Wales in addition to any lets already made by local authorities as part of their existing homelessness prevention work. It is assumed that the annual level of lets made via the general waiting list for social housing will not increase (although it could be argued that more lets will become available as under occupancy is addressed through welfare benefit reforms), whereas it is assumed that much greater use of the PRS could be made.

Figure 6. Households allocated alternative accommodation in the PRS or SRS at the housing solutions stage by decision category)

Housing tenure	Scenario		
	Minimum	Moderate	High
Private rented sector	1,360	2,083	2,550
Social rented sector (without reasonable preference for homelessness)	380	380	380
Total	1,740	2,463	2,930

Households enabled to secure alternative accommodation at the housing solutions stage

Figure 7 demonstrates how we predict the additional social and private rented lets will be distributed amongst households at the Housing Solutions stage. We have assumed that all households will have an equal chance of being allocated this accommodation, hence the different levels of allocation for each decision category simply reflect the proportion of households remaining under each category at this point.

Figure 7. Number/ social and private lets that would need to be made in addition to lets already made under homelessness prevention activity in Wales (minimum, moderate and high scenarios in 2014/15)

Decision	Scenario		
	Minimum	Moderate	High
Eligible, homeless and in priority need, unintentionally so	863	1,240	1,502
Eligible, homeless and in priority need, but intentionally so	82	118	142
Eligible, homeless but not priority need	627	878	1,029
Homeless/threatened homeless but decision undetermined	168	227	256
Total	1,740	2,463	2,930

SECTION FOUR

Outcomes at the full homelessness application stage

Households making a full homelessness application

Many households will not be enabled to remain at home or find alternative accommodation at the housing solutions stage. Local authorities will be required to accept a homelessness application from these households. In Figure 4 we estimated the total number of homeless households in need of accommodation. Figures 5 and 7 then illustrate how many of these households were enabled to remain at home or find alternative accommodation respectively.

All remaining households, for whom a housing solution cannot be found, are identified in Figure 8. Notably, in all scenarios the number of households in priority need and unintentionally so, is lower than the number of households that would be in priority need and unintentionally so if the existing statutory framework existed (i.e. 7,470).

Figure 8. Estimated number of households likely to make a full homelessness application under the Housing Solutions model in 2014/15

Decision	Scenario		
	Minimum	Moderate	High
Eligible, homeless and in priority need, unintentionally so	5,785	4,915	4,160
Eligible, homeless and in priority need, but intentionally so	548	466	394
Eligible, homeless but not priority need	4,205	3,479	2,851
Homeless/threatened homeless but decision undetermined	1,128	901	710
Total	11,667	9,760	8,116

SECTION FIVE

A comparison against the existing legislative framework

Introduction

This section of the impact analysis aims to draw comparisons between the Housing Solutions model and the existing legislative framework. Comparisons will be drawn in four key areas; housing outcomes, the duration of homelessness, housing stock use, and the cost of homelessness services. Figure 9 summarises the findings of this comparison.

Figure 9. Estimated impacts of the Housing Solutions model compared to the existing legislative framework, 2014/15

Area of impact		Existing legislative framework	Housing Solutions Scenario		
			Minimum	Moderate	High
Housing outcome (households)	Homelessness addressed	20,851	24,186	25,223	26,112
	Homelessness not addressed	7,921	4,754	3,945	3,245
	Outcome not known	1,296	1,128	901	710
Duration of homelessness case (households)	Short (1 month)	7,402	5,484	5,484	5,484
	Moderate (1.5 months)	15,385	24,282	25,153	25,908
	Long (3 months)	7,470	5,785	4,915	4,160
	No assistance	5,295	0	0	0
Housing stock (lets)	Additional Interim/emergency accommodation	0	2,509	2,509	2,509
	Additional PRS lets to homeless	0	1,360	2,083	2,550
	Additional SRS lets to homeless (general list)	0	380	380	380
	SRS lets (homeless allocation)	7,470	5,785	4,915	4,160

Housing outcomes

Method: calculating housing outcomes

For the purpose of a simple comparison, housing outcomes have been defined in a binary manner i.e. homelessness is either addressed or not. The starting point for these calculations was to identify only those who were homeless or threatened with homelessness. Homelessness is then assumed to be addressed if homelessness is prevented/a housing solution is found or the household is determined to be in priority need and unintentionally homeless. For all other households, including those who are intentionally homeless, we assume homelessness is not addressed. For a small proportion of households the outcome is unknown. These households are additional 'prevention' cases who would require alternative accommodation – we cannot assume accommodation would be found for these households and we cannot be sure what decision category they would fall into.

Figure 9 shows that even under the minimum success scenario, the Housing Solutions model would result in homelessness being addressed for approximately 3,300 additional households in 2014/15 when compared to the existing statutory framework. Under the High success scenario, approximately 5,300 additional homeless households would be assisted relative to the existing framework.

Duration of homelessness cases

Duration	Existing legislative framework	Housing Solutions model
Short (1 month)	<ul style="list-style-type: none"> • Not priority need • Not homeless • Ineligible 	<ul style="list-style-type: none"> • Not homeless • Ineligible
Moderate (1.5 months)	<ul style="list-style-type: none"> • Homelessness prevention • Priority need but intentional • Homeless but decision undetermined 	<ul style="list-style-type: none"> • All those for whom a housing solution is sought excluding those who make a full homelessness application and are priority need unintentional
Long (3 months)	<ul style="list-style-type: none"> • Priority need unintentional 	<ul style="list-style-type: none"> • Priority need unintentional
No assistance	<ul style="list-style-type: none"> • Hidden homeless 	

One of the key outcomes for households, illustrated in Figure 9, is the reduction in the number of households who will be assisted for a long period of time (median average of 3 months). This conclusion applies under low, moderate and high scenarios. Under the minimum success scenario 1,700 fewer households would face the trauma of a 'long' homelessness experience – their homelessness would be addressed far more promptly. Under the high success scenario 3,300 households would face a less traumatic experience. This finding reflects the aim of the Housing Solutions model to assist households meaningfully but to reduce the trauma of homelessness by reducing the need for households to wait for long periods in temporary accommodation whilst social rented accommodation is secured.

Housing stock implications

The Housing Solutions model has significant implications for the ways in which the housing market is used to accommodate homeless households. Figure 9 illustrates three key issues. Firstly, the interim/emergency accommodation duty will result in a requirement for 2,509 additional interim/emergency accommodation lets. If each additional household requires interim/emergency accommodation for 1.5 months – eight households can be accommodated per unit of interim/emergency accommodation each year. Therefore, the total interim/emergency accommodation requirement will be approximately 314 units (2,509 divided by 8). On average this will equate to 14- 15 additional interim/emergency accommodation units per local authority in Wales. These new lets are almost all expected to be for households without children (i.e. those not currently in priority need) which led the research team to recommend

in our initial report that interim/emergency accommodation could take the form of basic shelter, rather than the higher standard currently expected of temporary accommodation.

However, further engagement with the housing and homelessness sector in Wales suggests:

- a) there is very limited desire for lower accommodation standards, and
- b) such proposals would require some form of differentiation and prioritisation of households for different standards of accommodation – this would introduce a layer of complexity which is not desirable at the Housing Solutions stage.

Consequently, this additional interim/emergency accommodation requirement would need to meet suitability of accommodation standards.

The second key issue is a requirement for increased use of the private rented sector to accommodate homeless households at the housing solutions stage. The minimum scenario, which ensures homelessness is prevented to the same degree as it is in the average English local authority, requires approximately 5 new PRS lets per local authority in Wales each month. Again, once these lets have been arranged initially, natural turnover will result in a situation where local authorities are only required to work with the same landlords – without the need to continue sourcing five additional lets each month. The high success scenario would require 10 additional PRS lets to be made by each local authority every month relative to current levels.

The third key finding is a reduction in the number of households that will be owed a full homelessness duty. This will result in up to 1,700 fewer social rented accommodation lets made to homeless households under the minimum Housing Solutions scenario. The requirement for social rented accommodation reduces by 3,300 lets under the high success scenario. It might be argued that this 'spare' housing stock could be used to increase the number of priority need groups. Of course, not all households found to be in priority need and unintentionally homeless are allocated social housing currently – our figure represents the maximum possible reduction in allocations.

The cost of implementing the Housing Solutions model

Method: calculating the cost of the housing solutions duty

Accurately estimating the cost implications of the Housing Solutions model is exceptionally challenging. Estimates from other reliable studies provide a basis upon which we can produce very basic estimates. Using a study by Shelter (2010) we have assumed the following median average costs:

Not homeless decision: £558 (we will assume this equates to our 'short' cases) This consists of staff time required to make a homelessness decision.

Homelessness prevention case: £826 (we will assume this equates to our 'moderate cases') This consists of staff time and interventions costs (including rent deposit/ damage guarantee, mediation services, homelessness prevention fund payments, discretionary housing payments) .

Full homelessness application: £2,112 (we will assume this equates to our 'long cases') This consists of staff time required to make a homelessness decision, staff time required to conclude the homelessness duty, and the cost of temporary accommodation over and above the amount covered by LHA.

We applied these costs to the existing legislative framework and the Housing Solutions model in order to produce a 'best estimate' of the costs of delivering the model.

Figure 10 illustrates that under the minimum success scenario there is an additional cost to implementing the Housing Solutions model in 2014/15. The additional cost would equate to **approximately 8% more** than is anticipated under the existing statutory framework in 2014/15. Under the high success scenario the additional cost would equate to a 2% increase relative to the existing legislative framework.

Figure 10. Estimated cost of the Housing Solutions model relative to the existing statutory framework in Wales, 2014/15 (assuming median cost of prevention cases is £826)

Duration/Cost	Existing legislative framework (£)	Housing Solutions Scenario		
		Minimum (£)	Moderate (£)	High (£)
Short (£558)	4,130,093	3,060,061	3,060,061	3,060,061
Moderate (£826)	12,708,175	20,057,159	20,776,026	21,399,597
Long (£2,112)	15,776,640	12,218,944	10,380,871	8,786,462
Total cost	32,614,908	35,336,164	34,216,958	33,246,121
Percentage increase relative to existing legislation		8%	5%	2%

Estimates in Figure 10 are based upon the current cost of homelessness prevention activities. Shelter's (2010) study demonstrated that homelessness prevention cases could be achieved at a lower cost; they found that a quarter of homelessness prevention cases in their study were already delivered at an average cost of £719 per case (compared to the median of £826). These less costly prevention cases tended to be those where rent deposit schemes were backed by a cashless bond. Hence, it could be assumed that by 2014/15 local authorities in Wales will have ensured that more efficient prevention schemes are in place, learning from experiences in England, and resulting in a median cost for homelessness prevention cases at £719 rather than £826. Figure 11 demonstrates that this reduction in the cost of prevention would result in a total cost for the Housing Solutions model under the minimum success scenario which is **approximately 6% more** than the existing statutory framework in 2014/15. Under the high success scenario the Housing Solutions model could be delivered at a cost 2% below the existing framework.

Figure 11. Estimated cost of the Housing Solutions model relative to the existing statutory framework in Wales, 2014/15 (assuming median cost of prevention cases is £719)

Duration/Cost	Existing legislative framework (£)	Housing Solutions Scenario		
		Minimum (£)	Moderate (£)	High (£)
Short (£558)	4,130,093	3,060,061	3,060,061	3,060,061
Moderate (£719)	11,061,959	17,458,955	18,084,701	18,627,494
Long (£2,112)	15,776,640	12,218,944	10,380,871	8,786,462
Total cost	30,968,692	32,737,960	31,525,633	30,474,018
Percentage increase relative to existing legislation		6%	2%	-2%

Whilst the minimum success scenario may be the most likely outcome in 2014/15, it is also likely that local authorities will very quickly be able to achieve moderate and then high success scenarios, where homelessness is prevented for a greater proportion of households than in any English region. It is not possible to accurately estimate the timescale needed to achieve the high success scenario but previous experience of implementing a change in practice certainly offers some indication. For example, local authorities demonstrated an ability to implement the homelessness prevention agenda within a period of three years (2005/06 – 2007/08). If a similar period of time is required to see the full effects of the Housing Solutions model, it would be reasonable to assume that in 2016/17 the High Success scenario will be achieved in Wales.

Taking these assumptions into account, it would be reasonable to assume that in 2014/15 the minimum success Housing Solutions scenario will be achieved and prevention cases will cost approximately £719 on average. By 2016/17 the high success Housing Solutions scenario is likely to be achieved. Figure 12 summarises this projection.

Figure 12. Projected cost of the Housing Solutions model relative to the existing statutory framework in Wales, 2014/15 – 2016/17

Year	Existing legislative framework (£)	Housing Solutions model (£)	Assumptions
2014/15	30,968,692	32,737,960	Minimum scenario, £719 prevention cost
2015/16	30,968,692	31,605,989	Median point between 2014/15 and 2016/17
2016/17	30,968,692	30,474,018	High scenario, £719 prevention cost

It is vital to note that this projection assumes work is undertaken prior to the introduction of the legislation in order to ensure homelessness prevention is delivered by local authorities at the lower cost.

The cost of the interim/emergency accommodation duty

In addition to the costs identified above there would be a cost to the implementation of the interim/emergency accommodation duty. This cost is dealt with separately because initial discussions with key stakeholders revealed that it was an issue of specific concern. Using the Shelter (2010) study it was estimated that providing temporary accommodation costs approximately £26 per household per week over and above the amount covered by LHA.

We will assume that the average household will require interim/emergency accommodation for the median duration of a Housing Solutions case (i.e. 1.5 months/6 weeks). In light of our discussions with key stakeholders in the housing and homelessness sector, which indicated that this accommodation would need to meet suitability of accommodation standards, providing interim/emergency accommodation at the Housing Solutions stage would result in an additional cost to local authorities of approximately £160 per household (£26 x 6 weeks). We estimated that 2,509 additional households would require interim/emergency accommodation, resulting in a total additional cost of **£401,440**. This would equate to an average additional cost of £18,250 per local authority in Wales.

SECTION SIX

Impacts of amending priority need and intentionality

Introduction

The Housing Solutions model introduced the possibility that a reduced number of households would be in priority need and owed a full homelessness duty. This raises the potential for widening priority need groups or even abolishing the priority need test. Such suggestions were put forward by key stakeholders and were reported in our earlier recommendations to Welsh Government (*Mackie et al, 2012*). Furthermore, the Welsh Government has suggested that it will no longer investigate intentionality for homeless families. This section of the report considers the impacts of these potential amendments.

Including rough sleepers as a priority need group

In our report submitted to Welsh government we identified verified rough sleepers as a possible additional priority need group. There was significant support for their inclusion but support for such an amendment was largely dependent upon resource implications. In this brief subsection we consider the implications for local authorities.

Verified rough sleepers are defined as:

- a) those known to organisations (i.e. outreach teams, the police etc), and
- b) those who have been sleeping rough for at least two nights.

A precise definition of a rough sleeper already exists in Wales but an amendment would need to be made in relation to the duration of rough sleeping (i.e. two days or more). This would incentivise local authorities to act quickly to assist rough sleepers as a full homelessness duty would be owed to those forced to sleep rough for two nights or more.

There is no reliable data on the number of people who sleep rough in Wales each year – even snapshot rough sleeper counts are no longer undertaken. We used rough sleeper data in London to inform our estimates in Wales. CLG snapshot data shows that on a single night 415 rough sleepers were recorded in London. CHAIN⁴ data in London estimates that the annual number of rough sleepers in 2010/11 was 3,975. More specifically, the CHAIN data shows that approximately 65% of these rough sleepers had previously slept rough in the preceding three months (Broadway, 2012). We can broadly assume that the number of rough sleepers who would meet the proposed Welsh definition would be 2,584 – 6.2 times more households than are reported in the snapshot survey.

Using our analysis of CHAIN data we estimate that the total number of rough sleepers in Wales likely to have slept rough for two nights or more will be 6.2 times greater than the last snapshot count in 2007/08. The last rough sleeper snapshot count in Wales showed 165 rough sleepers – therefore the number of verified rough sleepers likely to have slept rough for two nights or more will be 1,027 (i.e. 6.2 x 165). A housing solution would be found for some of these households (consistent with the rate of housing solution success for non priority need households). If the priority need categories were extended to include verified rough-sleepers all remaining rough sleepers would be in priority need – the number of households is estimated in Figure 13.

⁴ CHAIN is a Mayor of London funded database managed by Broadway. It is used by homelessness sector workers across London to record contacts with rough sleepers and the street population. For more information see www.broadwaylondon.org

Figure 13. Estimated number of additional households in priority need if priority need groups are extended to include verified rough sleepers (sleeping rough for two nights or more) in 2014/15

Decision	Scenario		
	Minimum	Moderate	High
Eligible, homeless and in priority need, unintentionally so	817	749	689
Eligible, homeless and in priority need, but intentionally so	77	71	65
Total	894	820	755

This will certainly result in some additional costs to local authorities, however local authorities already deliver homelessness services to many rough sleepers through Supporting People funds. Whilst there is no statutory duty to provide these services it is important to recognise that funding is already targeted at this group.

Whilst a significant proportion of the costs associated with assisting verified rough sleepers is already included in Supporting People budgets, local authorities will need to ensure that resources for assisting these households are allocated appropriately to relevant local authority departments. In order to guide local authorities we have sought to estimate the likely cost implications for housing departments. The additional cost of this amendment to homelessness services would be⁴:

Minimum scenario:	£1,137,470
Moderate scenario:	£1,043,766
High scenario:	£960,376

Including young people aged 18-24 as a priority need group

Using a sample of Welsh local authority homelessness data we were able to calculate the proportion of households aged 18-24 by decision category. We used this information to determine the number of 18-24 year olds who were not in priority need and likely to make a full homelessness application under the Housing Solutions model in 2014/15. These households would be in priority need should 18-24 year olds be included as a priority need group. We then calculated the likely percentage of these young people who would be intentionally homeless. Figure 14 illustrates our findings.

Figure 14. Estimated number of additional households in priority need if priority need groups are extended to include young people aged 18-24 in 2014/15

Decision	Scenario		
	Minimum	Moderate	High
Eligible, homeless and in priority need, unintentionally so	1,635	1,344	1,095
Eligible, homeless and in priority need, but intentionally so	155	127	104
Total	1,790	1,472	1,198

The additional cost of this amendment to homelessness services would be⁵:

Minimum scenario: £2,278,088
Moderate scenario: £1,872,795
High scenario: £1,524,857

Amending the priority need status of prison leavers

In our report submitted to Welsh Government it was suggested that the priority need status of prison leavers should be amended to reflect the position in England whereby a prison leaver is deemed in priority need only if they are considered to be 'vulnerable as a result of having been in custody or detention'. Studies have shown that prison leavers constitute just 0.6% of all priority need households in England, whereas the figure is 14% in Wales. Taking this into account, Figure 15 illustrates the likely reduction in the number of priority need homeless prison leavers in 2014/15 if the priority need status of prison leavers were to be amended.

Figure 15. Estimated reduction in the number of households in priority need if the prison leaver priority need group is amended to reflect English homelessness legislation in 2014/15

Decision	Scenario		
	Minimum	Moderate	High
Eligible, homeless and in priority need, unintentionally so	873	741	628
Eligible, homeless and in priority need, but intentionally so	86	73	62
Total	959	814	690

This amendment would result in the following reduction in costs to homelessness services⁵:

Minimum scenario: £1,215,593
Moderate scenario: £1,032,733
High Scenario: £874,115

Ending intentionality for households with dependent children

The Welsh Government set out its intentions to no longer investigate intentionality for households with dependent children. This **will not result in any additional cost to local authorities** as the local authority already has a duty to accommodate any homeless child under Part 3 (Section 20) of the Children Act 1989. There is no duty to provide

⁵ Based on the number of additional priority need households multiplied by the cost difference between a 'moderate' case and a 'long' case. In our calculations we have assumed moderate cases cost £719.

accommodation for the child's family under the Children Act 1989, however local authorities have a power to do so and rarely fail to use this power.

Whilst the cost implications for local authorities will be neutral, local authorities will need to ensure that resources for assisting these families are allocated appropriately to relevant local authority departments. In order to guide local authorities we have sought to estimate the likely cost implications for housing departments. Using a sample of Welsh local authority data we are able to determine what proportion of households in priority need but intentionally so are households with children. Using this information, we can estimate the number of households who would be owed a full homelessness duty in 2014/15 if the amendments are made to the intentionality test.

For low, medium and high success housing solutions scenarios we estimate the following increase in households owed a full homelessness duty:

Minimum:	151 households
Moderate:	128 households
High:	109 households

The resource implications for housing departments would be⁶:

Minimum scenario:	£210,446
Moderate scenario:	£178,789
High Scenario:	£151,329

⁶Based on the number of additional priority need households multiplied by the cost difference between a 'moderate' case and a 'long' case. In our calculations we have assumed moderate cases cost £719.

SECTION SEVEN

Conclusions

Conclusions

This report provides a strong indication of the likely impacts of the Housing Solutions model if it were to be implemented in Wales in 2014/15. In this final section we aim to summarise the key findings and consider what they mean for the Housing Solutions model. We also reiterate an important note of caution; whilst we believe this report provides a strong indication of the likely impacts of the Housing Solutions model, the limitations of our estimates must be acknowledged. Our concluding comments are divided into two sections. We first summarise the main impacts of the Housing Solutions model and then consider the viability of amendments to priority need and intentionality.

The Housing Solutions model

If the Housing Solutions model were to be introduced in 2014/15, we predict that local authorities will progress from a minimum success Housing Solutions scenario in 2014/15 (*i.e. a level of homelessness prevention equivalent to the mean average already achieved in England*) to a high success scenario in 2016/17 (*i.e. a level of homelessness prevention greater than the most successful English region*). If no amendments are made to priority need or intentionality at the full homelessness application stage, the Housing Solutions model would result in the following key impacts and resource implications relative to the existing statutory framework.

Impacts

- **Greater fairness** – all households will have an equal opportunity of achieving a housing solution at the Housing Solutions stage.
- **Homelessness ended for more households** – 3,335 additional households would have their homelessness ended in 2014/15, increasing to 5,261 additional households in 2016/17.
- **A reduction in the trauma of homelessness for many households** – 1,685 fewer households in 2014/15 and 3,310 fewer households in 2016/17 would face the trauma of long homelessness experiences.

Resource implications

- **More interim accommodation required** – 2,509 additional households would require interim/emergency accommodation – across Wales this equates to 314 additional units of interim/emergency accommodation and an additional cost of approximately £401,440 annually.
- **Additional lets into the PRS** – 1,360 additional lets would need to be made in the private rented sector in Wales in 2014/15 – a rate of 5 additional lets per local authority per month. By 2016/17 2,550 additional PRS lets would need to have been made relative to the current scenario.
- **Fewer lets into the Social Rented Sector** – Up to 1,685 fewer social rented sector lets would be made to households receiving priority due to homelessness in 2014/15 and in 2016/17 3,310 fewer social rented sector lets might be made.
- **A transitional cost to local authorities of £2.4m** – In addition to the interim/emergency accommodation costs, between 2014/15 and 2015/16 these changes would cost local authorities an additional £2.4m relative to the cost of services under the existing legislative framework. The majority of these costs would be experienced in the initial year of the legislative changes. In 2016/17 the Housing Solutions model is more cost-effective – by then the model (including the interim accommodation duty) could be delivered at the same cost as the existing legislative framework.

This impact assessment demonstrates that the proposed Housing Solutions model, as set out in our previous report (Mackie et al, 2012), achieves its desired aims of greater fairness, a focus on prevention, and a housing solution for more households. However, this can only be achieved if local authorities are provided with additional transitional funds during the first two years of its operation. We suggest that this might be achieved by strategically aligning existing funding mechanisms (e.g. S.180).

Priority need and intentionality

This impact assessment suggests that the Housing Solutions model is likely to result in more households being assisted in a more meaningful and less traumatic way. There is a transitional cost to achieving this goal but it appears that the model can be delivered at the same cost as the existing legislative framework (including the interim accommodation duty) within a period of approximately three years. The remaining questions that must be considered relate to amendments to priority need and intentionality.

Given our findings we would conclude the following:

Verified rough sleepers

- Extending priority need groups to include verified rough sleepers would result in additional costs to local authorities but a significant proportion of the costs associated with assisting these households is already included in Supporting People budgets. Whilst there is no statutory duty to provide these services it is important to recognise that funding is already targeted at this group.
- Local authorities will need to ensure that resources for assisting these households are allocated appropriately to relevant local authority departments. We estimate that the annual transfer of resources would equate to approximately £1.1m in 2014/15, reducing to £960,000 in 2016/17.
- The principle of including verified rough sleepers as a priority need group is widely supported and formed one of our original recommendations. Given the findings of the impact assessment we recommend that Welsh Government should incorporate verified rough sleepers as a priority need group.

Prison leavers

- Amending the priority need status of prison leavers to reflect their status in England would save Welsh local authorities approximately £1.2 million in 2014/15, decreasing to £870,000 in 2016/17. There was particularly strong support from the housing/homelessness sector for an amendment to the legislation in Wales on this matter.
- In its Housing White Paper the Welsh Government stated that further research was needed on the impacts of the priority need status of prison leavers. Much research has been undertaken on this particular group but we agree that the failures and/or successes of the legislation as it affects this group are, as yet, unproven. Existing research does suggest that there are failures in how homeless prison leavers are assisted by the multitude of agencies and services that surround them. Further research may lead to a more informed decision

about the role of legislation but we suspect that better outcomes will only be achieved with this group if the accommodation and support provided is more suitable.

- There is considerable support from the homelessness sector in Wales for an amendment to the priority need status of prison leavers. Moreover, the impact assessment shows that the cost-savings (to housing departments at least) across the first three years would equate to approximately £3.1m.
- Despite the overwhelming support for an amendment to the priority need status of prison leavers, the Welsh Government must consider whether such an amendment is desirable given the long-term ambition to end priority need.

Young people aged 18-24

- There was support within the homelessness sector for an extension of the priority need groups to include young people aged 18-24. This impact assessment suggests that such an amendment would cost at approximately £2.3 million in 2014/15, reducing to £1.5m by 2016/17.
- Despite support for the amendment, current financial constraints suggest that this amendment is unviable in the short-term but there is certainly a good case for including young people as a priority need group in the medium-long term.
- Given these findings we recommend that no immediate change is made to the priority need status of homeless 18-24 year olds but Welsh Government should consider writing into legislation a date upon which 18-24 years olds will be included as a priority need group. Such action would encourage local authorities to develop services that meet their needs, working effectively with them at the housing solutions stage.

Ending intentionality for households with dependent children

- In its Housing White Paper the Welsh Government set out its intentions to no longer investigate intentionality for households with dependent children. This would have no cost implications for local authorities given their existing duties under the Children Act 1989. Local authorities may need to be advised to ensure appropriate funds are allocated to housing departments who are likely to be responsible for assisting these households. We estimate that the annual transfer of resources would equate to approximately £210,000 in 2014/15, reducing to £151,000 in 2016/17.
- Stakeholders in our research did not identify this amendment, although the importance of the Rights of Children and Young Person (Wales) Measure 2011 was recognised. Finding children intentionally homeless runs contrary to the requirements of this measure hence we support the Welsh Government's plans and would recommend that intentionality is also no longer investigated for 16-17 year olds.

Recommendations

This final subsection of the impact assessment draws together our key recommendations for the Welsh Government:

- We believe that there is sufficient evidence to recommend to Welsh Government that the Housing Solutions model should be introduced in Wales. Local authorities will need to be supported with transitional funding during the first two years of operation and we suggest that this might be achieved by strategically aligning existing funding mechanisms (e.g. S.180).
- The principle of including verified rough sleepers as a priority need group is widely supported and formed one of our original recommendations. Given the findings of the impact assessment we recommend that Welsh Government should incorporate verified rough sleepers as a priority need group.
- Despite the overwhelming support for and financial benefits of an amendment to the priority need status of prison leavers, the Welsh Government must consider whether such an amendment is desirable given the long-term ambition to end priority need. On this matter we feel unable to make a strong recommendation to Welsh Government.
- We recommend that no immediate change is made to the priority need status of homeless 18-24 year olds but Welsh Government should consider writing into legislation a date upon which 18-24 years olds will be included as a priority need group. Such action would encourage local authorities to develop services that meet their needs, working effectively with them at the housing solutions stage.
- Finding children intentionally homeless runs contrary to the requirements of the Rights of Children and Young Person (Wales) Measure 2011. Hence we support the Welsh Government's plans to no longer investigate intentionality for families with dependent children and would recommend that intentionality is also no longer investigated for 16-17 year olds.

References

Broadway (2012) CHAIN data (Data supplied by the CHAIN team at Broadway)
see www.broadwaylondon.org for more information about CHAIN

Mackie, P., Fitzpatrick, S., Stirling, T., Hoffman, S. and Johnsen, S. (2012)
Options for an improved homelessness legislative framework for Wales: a report to inform the review of homelessness legislation in Wales Cardiff: Welsh Government

Shelter (2010) *Value for money in housing options and solutions services* London:
Shelter Available at: http://england.shelter.org.uk/__data/assets/pdf_file/0008/297224/VFM_in_housing_options_and_homelessness_services_full_report_Oct_2010.pdf

Acknowledgements

This research was commissioned and funded by the Welsh Government, and we are grateful for their support. In particular we would like to thank the following key individuals who guided and commented on this report; **Geoff Marlow, Christine Parry, Simon Protheroe** and **Ceri Breeze**. We would also like to thank **Sue Finch** (WLGA), **Chris Price** (Homelessness Network), **John Puzey** (Shelter Cymru), **Tim Paddock** (Rough Sleepers Cymru) and members of the **Housing Strategy Working Group** for informing the development of the impact assessment methodology. Many other individuals and organisations have assisted the research team by providing (and often explaining) their data – our sincere appreciation is extended to these people and in particular **Duncan Gray** of the Scottish Government.

Disclaimer

All views and any errors contained in this report are the responsibility of the authors. The views expressed should not be assumed to be those of the Welsh Government.