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Y Gweinidog Newid Hinsawdd
Minister for Climate Change



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref JJ/03357/23

Councillor Freya Bletsoe
Chair of Subject Overview and Scrutiny Committee
Bridgend County Borough Council

scrutiny@bridgend.gov.uk

10 January 2024

Dear Councillor Bletsoe,

Thank you for your letter of 14 December regarding concerns around the number of families, children and young people in temporary accommodation, and the difficulties in securing private rented sector (PRS) accommodation.

I share the concerns expressed by your committee that Local Housing Allowance (LHA) rates, which are set by the UK Government, do not reflect recent private rents. The current LHA rates were set in March 2020, based on the 30th percentile of rents as at September 2019, and have not been uprated since. Welsh Government has consistently called on the UK Government to uprate LHA rates to reflect more recent private rents, as we know this is the single biggest lever to assist people with affordability in the PRS.

I am pleased that the Chancellor, in the UK Government's Autumn Budget on 22 November, finally listened to our calls, and those of the wider housing sector, and announced an uprate to LHA rates to come into effect from April 2024. We know that for the last four years low-income tenants have been struggling with the growing gap between benefits and market rents. It is unfortunate however, that the UK Government announcement will not see this increased money in the pockets of low-income tenants until April 2024, which offers little comfort over the winter. We will continue to call on the UK Government to set LHA rates at the 50th percentile rather than the 30th percentile, as they were when LHAs were first introduced.

I also share your concerns regarding the number of people currently experiencing homelessness and living in temporary accommodation. Welsh Government remains committed to its long-term goal of ending homelessness by making it rare, brief and un-repeated. This requires an increased focus on prevention and a move to a rapid rehousing approach, and as part of this I remain committed to moving away from the use of temporary accommodation in the longer term. I recognise increasing housing supply is key to achieving this transformation and in support of this we are investing £330 in social housing this financial year alone.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

To support move-on from temporary accommodation, we also established the Transitional Accommodation Capital Programme (TACP) in 2022-23. In its first year, £76.4m was made available to bring forward 936 homes. TACP has opened to new applications in 2023-24 to deliver more homes for people in temporary accommodation. We continue to receive extremely positive feedback on the Programme and are working with LAs and RSLs to build a programme of projects that will deliver as many homes as possible, to alleviate pressures on temporary accommodation.

We also continue to support Leasing Scheme Wales, a £30m programme that is seeking to secure 1% of the private rented sector stock (approximately 2,000 homes) as long-term affordable housing. Leasing Scheme Wales properties are managed by local authorities and property owners are encouraged to lease their properties to local authorities in return for a rent guarantee of Local Housing Allowance (LHA) rate. Bridgend County Borough Council has recently signed up to the scheme, and we hope that the uprating of LHA rates from April 2024 will make this an even more attractive prospect for landlords.

We will continue to work closely with local authorities as we take forward our shared ambition to end homelessness in Wales.

Yours sincerely,



Julie James AS/MS

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