

# Community Housing Cymru



## UK Spring Budget 2024

### Introduction

Today's [fiscal statement](#) is likely to be the last before the next general election.

This budget had a keen focus on debt and outlined plans to reduce public sector borrowing. The OBR forecasts debt to fall to 94.3% of GDP by 2028-29. The Chancellor outlined Westminster's plans for long term economic growth through a combination of lower taxes, more investment and better public services.

The Chancellor, Jeremy Hunt provided an update on inflation. He outlined that latest figures show 4% predicted to drop to below 2% within months, a year ahead of schedule.

This briefing sets out some of key headlines on issues of particular relevance to Housing Associations and their tenants. A Welsh government response to policies that are devolved to Wales is anticipated.

### Key announcements for Wales

- £170m for Welsh government announced in consequential funding. More details on how the Welsh government will allocate this funding is anticipated.
- Four investment zones scheduled to be announced in Scotland and Wales later this year. The length of the programme has been extended from five - ten years.
- Regional investment in North Wales unveiled through a number of different projects (more details below).
- Plans to require Local Government Pensions Schemes in England and Wales to publicly disclose a breakdown of their asset allocation.

### English housing announcements

#### England affordable housing programme

Legislation will be updated to ensure that England and Northern Ireland registered providers of social housing will not be liable for stamp duty when purchasing a property with a public subsidy.

Local Authorities will have more flexibility on Right to Buy receipts. The proportion that can be put towards the cost of replacement homes will be raised from 40 to 50%.

The government announced investment of £20 million in a social finance fund to support the development of community-led housing schemes over ten years.



£240m was announced to build nearly 8,000 homes in Canary Wharf and Barking Riverside.

#### Housing support fund

The Household Support Fund has received a £500m extension, which allows English local councils to support families via food banks, warm spaces and food vouchers, will be extended beyond 31 March for a further 6 months.

#### Planning

The government announced £3m for planning capacity and resourcing in the next spending review period. As part of wider plans to improve the efficiency of public services, the government unveiled plans to reduce pressures on planning departments by utilising AI solutions. It is hoped that this investment will streamline the process of creating local plan development processes and reduce the time to produce plans from seven years to 30 months.

The budget announced plans to launch round 2 of the Local Nutrient Mitigation Fund, which will support the delivery of 30,000 homes by 2030, otherwise paused by high levels of nutrient pollution.

## Tax and benefits

#### Home ownership

The Chancellor announced changes to a range of home ownership taxes.

Multiple dwellings relief, a stamp duty relief for people who purchase more than one dwelling in a single transaction, will be abolished from June.

The higher rate Capital Gain Tax for residential property disposals will be cut from 28% to 24% in an attempt to encourage second-home owners to sell their properties.

Furnished holiday lettings regime will be abolished from April 2025. The aim is to eliminate the tax advantage for landlords who let short-term furnished holiday properties over those who let residential properties to longer-term tenants. Draft legislation will be published in due course.

#### Tax

National Insurance will be cut by an additional 2p. This will be combined with the 2p cut in national insurance introduced in January which could save the average worker £450 a year.

The Government will end the current tax regime for UK non-doms. Under the new regime anyone who has been a tax resident in the UK for more than four years will pay UK tax on their foreign income and gains

#### Child benefit

The Government will consult on the high income child benefit charge being based on household income instead of single salary from April 2026. From this April, the high income threshold will be raised from £50,000 to £60,000 and the top taper raised to £80,000 annual salary.

## Supporting Households

#### Universal Credit Advance Loans

The repayment period for new Universal Credit advance loans will increase from 12 to 24 months.

#### Debt relief orders

The £90 charge for debt relief orders will be abolished.



### Pensions and Saving reforms

The budget announces requirements for Defined Contribution Pension funds to publicly disclose the breakdown of their asset allocation, including UK equities, working closely with the Financial Conduct Authority (FCA) who share responsibility for setting expectations of the market. The government plan to introduce similar requirements for Local Government Pensions Schemes in England and Wales as early as April 2024.

A new British ISA has been announced, allowing people to invest up to £5,000 more, tax free a year. The British Savings Bonds scheme was also announced.

## **Other announcements**

### Public Services

Public sector spending will be kept to 1% per year. The Chancellor announced a Public Sector Productivity plan; with a specific focus on the NHS and digitising processes. The chancellor announced a commitment to fund the NHS productivity plan in full with a total capital investment of £3.4bn. The NHS in England will also receive a funding boost of £2.5bn for day to day operation.

£800m of funding was announced for investment in other public services including, £230m of funding for technology to improve police response times.

£17m of funding will be allocated to DWP to accelerate digitalisation and replace paper based processes with online services.

### Businesses

The Recovery Loan Scheme, renamed as the Growth Guarantee Scheme, has been extended worth over £200m. VAT registration thresholds will be increased from £85,000 to £95,000 from April 1st.

### Investment Zones

This budget highlighted that the Investment Zone programme continues to deliver targeted investment to specific areas across the UK. The government confirmed that the investment zones programme will be extended from five to ten years for Scotland and Wales. Details of Welsh and Scottish investment zones are expected to be announced later this year.

### Regional Investments

The budget also announced investment for North Wales:

- In Mold, the chancellor announced £1.6m for the renovation of Theatre Clwyd.
- The purchase of the Wylfa site in Ynys Mon was also unveiled, to help the UK government deliver their Nuclear ambition.
- £100m investment was announced for cultural projects; some of this money will be spent in Conwy
- Rhyl was announced to receive funding from the long-term plan for towns programme.
- £5m investment in Agri-food launchpad in North and Mid Wales.

## **CHC's response**

With the cost of living being one of the top concerns for households, the Chancellor missed an opportunity in the Spring Statement to deliver much needed improvements to our social security system and to address high energy costs faced by households. We continue to call on the UK Government to take action to ensure that the welfare system provides a sufficient safety net so that Welsh social housing tenants can afford to



pay for food and other basic essentials. CHC's [Ends Won't Meet report](#) outlines our calls for the UK and Welsh Government to prioritise financial support and advice. Ahead of the UK general election, we are working with our sister housing federations and stakeholders to identify our key calls for change. We will be in touch with further information about how you can get involved in the coming months.

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