



Welsh Government Final Budget

25th February 2020

1. Summary

Today the Welsh Government has published their [Final Budget](#) for 2020/21. The budget sets out the Welsh Government's spending plans for the 12 months from April 2020 in the devolved areas of responsibility, including health, housing and social care.

The Final Budget takes place ahead of the UK Budget on 11th March which will confirm the block grant to the Welsh Government. CHC will send further details following the UK Budget to confirm any supplementary budgetary announcements.

As part of Community Housing Cymru's commitment to our members, we have worked to collate data from the Welsh Government Final Budget, key statistics and our forecasts as to the potential impact of Final Budget on Housing Associations in Wales. The measures announced in the budget which are of direct relevance to housing associations are summarised below, with further detail provided throughout.



2. Key headlines

- To deliver their commitment of an additional 20,000 affordable homes across this Assembly term (2016 – 2021), the Welsh Government has confirmed the commitment made in the draft budget to invest £223 million in affordable homes in the next financial year, an increase of £133 million on previous commitments.
- As set out in the draft budget, the revenue funding for the Housing Support Grant has been protected following our Housing Matters campaign run in conjunction with Cymorth Cymru and Welsh Women's Aid. We have received positive assurances that HSG will be a priority area for investment in the event of further funding following the UK Budget on 11th March, 2020.
- Alongside the Budget the Welsh Government has published its [Social House building Strategy](#), which has a major focus on modern methods of construction.

3. CHC response to the Budget

In response to the Welsh Government's final budget for 2020-21, Cymorth Cymru Director Katie Dalton, Community Housing Cymru Chief Executive Stuart Ropke and Welsh Women's Aid Chief Executive Eleri Butler said

"We are disappointed that the Housing Support Grant has not been increased in the final Welsh Government budget for 2020-21. However, we recognise that the Welsh Government has been placed in the extraordinary position of having to table their budget before the UK Government has made its spending plans clear.

"We have been heartened by recent comments made by the Housing Minister and Finance Minister who have recognised the cross party calls for further investment and indicated that the Housing Support Grant will be the priority for additional funds from the UK budget.

"We know that services are at a tipping point, following over £37million real term cuts over the past decade of austerity. We urge Welsh Ministers to ensure that the Housing Support Grant is first in line for additional funding."



4. Key budget line allocations

Capital Budget line	2019/20 funding (Supplementary Budget)	2020/21 funding (Draft Budget)	% change 2019/20 to 2020/21	Final 2020/21 Budget
Social Housing Grant	£188.2m	£223.2m	19%	£223.2m
Help to Buy Wales	£62.1m	£68.5m	10%	£68.5m
Land for Housing	£10m	£10m	+/- 0%	£10m
Integrated Care Fund	£35m	£42m	20%	£42m
Regeneration	£28.6m	£51.8m	81%	£51.8m

Revenue Budget line	2019/20 funding (Supplementary Budget)	2020/21 funding (Draft Budget)	% change 2019/20 to 2020/21	Final 2020/21 Budget
Housing Support Grant	£126.8m	£126.8m	+/- 0%	£126.8m



5. Detail on funding announcements

Funding for affordable homes

The Welsh Government have confirmed their provisional allocation of £223 million capital funding in the next financial year to meet their 20,000 affordable homes target, which includes Social Housing Grant (SHG).

Alongside this, there is £68.5m in the budget line for the Help to Buy Wales fund and additional market housing schemes, which will fund Welsh Government's commitment to deliver Help to Buy homes, and the Rent to Buy model as part of their commitment to deliver 20,000 homes during this Assembly term.

Impact

Housing associations will be key to delivering Welsh Government's target of 20,000 affordable homes in this Assembly term, and the additional funding confirmed today is a welcome boost to ensure we continue our strong progress towards delivering that target. Alongside those homes delivered through grant funding, housing associations have delivered – on average – around 25% of their affordable homes in Wales annually without grant.

We welcome the increase in capital funding to build affordable housing in this budget. Community Housing Cymru is continuing to work with partners in Welsh Government and the Welsh Local Government Association to deliver on our commitments in our shared housing supply pact. In 2018/19, housing associations and local authorities worked together to deliver a 10 year high in the number of additional affordable homes provided in Wales, leaving social housing providers on course to deliver our commitment to ensure Welsh Government deliver their 20,000 home target.

Housing Support Grant

Following our Housing Matters campaign, run in partnership with Cymorth Cymru and Welsh Women's Aid, today's budget has confirmed that the Housing Support Grant will be protected at 2019/20 levels.



Impact

As expected, the Housing Support Grant (HSG) has been maintained at the same levels as in the draft budget. However, we are hopeful that the upcoming UK Government budget – due to be published on the 11th March - will release further funding for Wales.

Following our national campaign and your fantastic efforts locally, Assembly Members from all parties have used the draft budget debate, Ministerial questions and Welsh Government statements to call for an increase in the HSG. As a result, we know that the Housing Support Grant is now a priority for additional funding, should it become available as a result of increased spending commitments in the UK budget.

Two weeks ago Cymorth Cymru, Community Housing Cymru and Welsh Women's Aid met with the Housing Minister to discuss the need to increase the Housing Support Grant. The Minister responded positively, telling us that she understood our concerns and that housing was a priority if extra funding became available from the UK Government. We will continue to make the case in the coming weeks.

Integrated Care Fund

Today's draft budget has confirmed that the Integrated Care Fund for 2020/21 will be £42m, an increase/decrease of £7m on last year's budget.

Impact

The Integrated Care Fund funds joint housing, health and social care projects which meet the needs of a wide range of groups, including older people with complex needs, people with learning disabilities, children and carers. This is a vital funding pot for the better alignment of health and housing services which housing associations can access through the Regional Partnership Boards (RPBs). With the addition of housing representatives to RPBs, there will be greater opportunity for housing associations to influence this funding, and CHC will work closely with members involved in the RPBs to ensure information and partnership working is shared across the sector.



Regeneration

Today's budget has confirmed £51.8m of capital funding for regeneration projects in the Housing & Local Government portfolio. This is an increase of £23.2m on last year's budget.

Impact

This regeneration funding provides opportunities for housing associations to fund capital regeneration projects in 2020/21.