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Delivering on 20,000 Homes – An Update

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The picture so far...

- Spent £700m + so far
- Nearly £1bn more to spend during this Term of Government



How?

Rent To Own

Stalled Sites Fund

Housing & Health

AHG

IHP

S106

HFG

Land

VVP

PDF

20,000

LA Build

Help to Buy

SHG

Shared Ownership

RSL Self Funded



Help to Buy - Wales

Triumphs

- Now firmly established - £290m in second phase will support over 6,000 new homes.
- At 31st March 2018 – completed 3,801 for this term of gov.

Challenges

- In theory available across Wales – but limited provision in some authorities
- Future of Scheme.....

SME House Builders £70m

- In September 2017 WG announced a further £30m to the Property Development Fund (£270m following recycling)
- BUT we want to do more...
- Wales Stalled Sites Fund of £40m was announced in May 2018 which is available for the next 17 years. (£160m following recycling).
- Watch this space...

Rent to Own £70m

Triumphs

- Nearly 500 potential customers registered via website despite minimal publicity
- 147 new homes in the pipelines
- 3 affiliated lenders for Shared Ownership – Wales
- New website which brings together all Welsh Government funded home ownership schemes
- Standardised offering so journey for all customers should feel similar

Challenges

- Ensuring national coverage - Solutions for areas where there is little/no build activity
- Cultural shift for some RSLs /Local authorities
- Managing different priorities when we have such a large grant programme

Local Authority House Building

Triumphs

- New council homes being built
- AHG Revenue Grant launched this year - 400 new homes expected
- LAs committed to 1,000 in PACT

Challenges

- Being able to build at pace and scale
- Limitations of Borrowing cap - £1.87 Billion
- Additional Allocation: £56.3m (HMT) + £17.16m = £73.46m
- Spend profile set by Treasury
- Bidding Process currently being agreed with WLGA & LHAs
- Penalties if we breach Cap

Opportunities

- Part of Housing Review – work stream for LA Building
- New ways of working

Innovative Housing Programme £90m

Triumphs

- 2017/18 developed at pace - 35 applications from standing start!
- 22 bids recommended by Independent assessment panel - £10m Budget spent in 2017/18, £8.6m committed for 2018/19.
- Massive collaborative effort.

Challenges

- Delivering the second phase – feeling confident!

Key Facts

- Shaping the Future – Everyone learning - Alternative approaches
- 2018/19 - RSLs, Councils and **Private Sector**
- Three pathways - 1.Construction Techniques, 2.Delivery Pathways and 3.Housing Models
- Design Review (Design Commission for Wales), Applications (**12th July**), Independent Assessment Panel
- Ministerial Announcement September/October

Integrated Care Fund £105m

Housing and social care are both key priorities in our programme for government and Prosperity for All

Triumphs

- Just launched a **new three year capital programme** (£30m 18-19, £35m 19-20, £40m 20-21) with a focus on accommodation-led solutions to social care.
- Delivered through Regional Partnership Boards who make the strategic investment decisions for the ICF.
- The Parliamentary Review of Health and Social Care and “A Healthier Wales” - our plan in response to the review recognises the role housing plays in good health and wellbeing.

Challenges

- We will be making housing a statutory member of RPBs (exploring this now).

Challenge - your organisations need to get involved in ICF now if you are not already!

SHG Process Review

Triumphs

- SHG Programme planning principles still work
- Full spend again in 2017/18 – A relief!

Challenges

- Are we achieving Value for Money? Most of programme tendered at same time?
- Spend Profile – 70% in the last quarter!
- Schemes kept till last quarter – really?

Opportunity

- Technical Process Change
- Spend Targets

The Important Role of PDPs

- A partnership approach?
- The Budget!
 - ✓ Ensuring fairness with blending
 - ✓ Ensuring efficient use of resources – swops/transfers
 - ✓ Ensuring spend
- Planning – what do the PDPs show?

Reality or fantasy?



Things you didn't know

- It doesn't happen by magic – 7 Ps
- Targets
- The horrors of IT
- Long hours, tears and feeling sick
- The drama of the last day
- The Hooter

Funding the Sector

- We have made a commitment to work together! **Maximising our investment** by assisting RSLs with access to long term reasonably priced Funding from the capital markets.
- HFG1 and 2!
- GB Social Housing bond this year for the smaller organisations.
- WG and CHC Investors Event in London – Why wouldn't you invest in social housing in Wales?

The Housing Supply Review

To examine current arrangements, supporting the development of affordable housing and to make recommendations for changes designed to increase supply and improve delivery from the resources available

Work stream Areas:

1. Understanding housing need
2. Grant allocation and intervention rates
3. Rent policy
4. Standards / Development Quality Requirements (DQR)
5. Local Authority building
6. Construction supply chain including modern methods of construction
7. Public sector land
8. Capacity of public sector and housing associations
9. Use of existing powers
10. Leveraging the investment potential in stock transfer and LA organisations

Recommendations by **April 2019**

Debate in Chamber (10th July). Significant level of interest being shown in Review!

Things to keep an eye on...

- Changes to the PDP
- Land for Housing Deadline **31st July**
- IHP Deadline **12th July**
- Housing Supply Review - Call for Evidence **Mid July onwards**
- Opportunities for new funding streams for SMEs



Diolch yn fawr / Thank you

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