



Llywodraeth Cymru
Welsh Government

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Financing the Development of 20,000 Homes

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Programme for Government

- Exceeding our previous PGF Commitment of 10,000 homes!
- Work in partnership to deliver an extra 20,000 affordable homes in the next term, including supporting construction of more than 6,000 homes through the Help to Buy scheme.

Supporting a Variety of Housing Tenures

- Responding to a wider range of housing need.
- Additional social rented properties remains our central priority.
- Supporting people into affordable home ownership.
- Supporting those who can afford market rent, but have no deposit into home ownership.

Our Budget



Potential Budget

Financial Year	2017-2018 £	2018-2019 £	2019-2020 £	2020-2021 £
Social Housing Grant	£102,206,000	£133,588,000	£38,219,000	£51,497,000
Housing Finance Grant	£55,340,824	£31,724,154	£10,784,157	
HFG interest change			£11,113,431	
Sub Total	£157,546,824	£165,312,154	£60,116,588	£51,497,000
Rent to Own/Shared Ownership	£10,500,000	£14,000,000	£21,000,000	£24,500,000
Innovative Housing Programme (IHP)	£10,000,000	£10,000,000		
Health and Housing	£5,000,000	£15,000,000	£20,000,000	£20,000,000
Sub Total	£25,500,000	£39,000,000	£41,000,000	£44,500,000
Total	£183,046,824	204,312,154	101,116,588	95,997,000

How?

Rent To Own

Innovative Housing

SHG

HFG

S106

Land

VVP



Help to Buy

RSL Self Funded

Shared Ownership

Housing & Health



Housing Pact 2016-2021

**Grŵp
Cartrefi
Cymunedol
Cymru**



**Community
Housing
Cymru
Group**



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Highlights of the Housing Pact

- 13,500 contribution to 20,000 target.
- Reduced use of B&B accommodation for 16/17 year olds and care leavers.
- Support for RHEs / Co-operative housing.
- Prioritise creative use of land
- Sustainable rent policy.
- Ongoing commitment to Social Housing Grant
- Maximising HRA Borrowing Cap

Building on Existing Programmes

- Business as usual is not an option.
- However, tried and tested programmes / approaches are key – we cannot achieve the target without them.
- The success of Social Housing Grant, Housing Finance Grant and the Welsh Housing Partnership are fundamental.

SHG/HFG

- Significant budget.
- LAs should be listing reserve & potential schemes on PDPs.
- Blending – 60:40.
- Envisage SHG/HFG swops to assist local authorities.

Blending 60:40









New Approaches and Opportunities

- Innovative Housing Programme – looking for a step change, new types of housing and innovative delivery.
- Local Authority house building – Affordable Housing Grant (HFG2).
- Improving the environment for private developers (including SMEs).

Rent to Own

- Liberal Democrat manifesto commitment.
- Targeted at working individuals and families on middle incomes who aspire to buy their own home.
- Our approach is collaborative with RSLs and others.
- Rent to Own Steering Group - Reps from CHC, Council of Mortgage Lenders, RSLs, WLGA and Local Authorities.
- Specific Funding for this programme – target of 1,000 homes to be delivered.

Health and Housing

The Problem?

- **Silo'ed decision making and capital budgets**
- **Pressure for intermediate care**
- **Demand for older persons specialist housing**
- **Children and adults with high care needs located out of the county/country**
- **ICF Capital to date diverse – short term**

Our Objectives:

- **Supply new accommodation**
- **Drive service transformation**
- **Reduce out of county placement**
- **Prevent acute admissions**
- **Accelerate discharge from care and recovery**
- **AND Making Savings**

RSL Financing

- 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.
- HFG 1 and M&G Investments.
- Exploring options for HFG2...
 - EIB
 - Principality
 - CAF

Long Term Options

- We are continuing to explore the best financing option for the sector as a whole, to achieve reasonably priced funding in the long term.
- WG are assisting and coordinating this work as we believe a collective vehicle may be the best solution, making our limited resources go even further.
- Two key dependencies are:
 - Appetite from the sector; and
 - Larger organisations participating for the benefit of the sector as a whole.

Things to keep an eye on...

- Land (Land for Housing Scheme)
- Planning
- Contractor Capacity
- Clarity – Avoiding confusion
- Delivering –
 - demand led elements,
 - new schemes take time,
 - Brexit

To Sum up...

- We can achieve more collectively.
- Its mutually beneficial - We know we need you!
- We have a strong record of working together.
- Challenging times but exciting times!

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Diolch yn fawr / Thank you

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