



Grants

Current Situation and what will be the impact on the grant regime following the Affordable Housing Supply Review?

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Current Budget



Programme	2019-20	2020-21
Social Housing Grant Programme	121.2 m	49.5m
Welsh Housing Partnership	5.0	5.0
Innovative Housing Programme	45	
Rent to Own/Shared Ownership	21	24.5
Total	192.2	79.0

New Technical Scrutiny Process



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- **Issued Draft Guidance**
- **3 workshops**
- **Focus on Design – Concept, Pre-planning and Post Completion Review.**
- **WG involved at and early stage**
- **Streamlined Approval and Grant Payment process**
- **Initial feedback – positive**
- **Guidance will be finalised following workshops.**

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- **Affordable Housing Supply Review**
- **Minister's Response – 9 July**
- **Financing Affordable Housing – 6 Key recommendations and 4 additional recommendations**
 - **5 year Affordable Housing Supply Partnerships**
 - **Consolidate funding pots**
 - **New model should test contribution of private/alternative finance models**
 - **LAs to have access to grant**
 - **Regional zoning**
 - **Resources**

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The Welsh Government accepts that maintaining the status quo is not appropriate. A move away from flat rate grant rates to a more flexible system of gap funding, where some schemes receive less subsidy than currently, whilst others then have the opportunity to come forward by providing a greater level of subsidy to make them viable is absolutely the right approach. Longer term funding certainty and a more robust assessment of value for money is also accepted as all investment decisions must be fully justified. Furthermore, a grant system based on the principles of fairness, quality, and transparency are also agreed. However, we will consider if the approach the panel have promoted in their report is the most appropriate option. The team established to look at the new grant model will work with the sector to consider.

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What lies at heart of it

- **Increasing housing supply and improve delivery from the resources available**
- **How do we get the most out of land, grant funding, private finance, borrowing etc**
- **Some of the recommendations are “easy” (ish) – others.....**
- **Bottom line – the system is changing and we will co-design together -**

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Who will co-design?

- **Internal team at WG – Funding Implementation Group**
- **Funding for “additional help”**
- **External meetings with stakeholders**
- **Dialogue with CHC and WLGA**

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Key things for us.....

- **System that the sector has co-designed and “buys into” and based on principles of fairness, quality and**
- **Grant Value for money**
- **Role of local authorities**
- **Avoids any unintended consequences**
- **Keeps some of the things that work well**

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- **Where have we got to..... Governance Structure, staffing, initial planning.....**
- **When will it be introduced?**
 - **All work on recommendations to have concluded and reported to Minister for final decision – end of March 2020**
 - **December 2019**
 - **Once year left of government**
 - **Existing Programme commitments**
 - **Budget.....**

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Inter- dependencies

- **Links with other recommendations**
 - **Understanding housing need**
 - **Housing Quality Standards**
 - **Modern Methods of Construction**
 - **Rent Policy**
 - **Local Authorities and enablers and builders**
 - **Public sector land**
 - **Dowry and MRA**

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Taking forward Key Principles

- **Outcomes based delivery framework – “5 year model” – how do we arrange 5 year funding?**
- **Co-design – more straightforward**
- **Housing need and affordability - timescales and regional dimension**
- **Quality standards and criteria**
- **Grant value for money - how do we achieve?**
- **Reduce administrative burden on WG and LAs and place a greater burden of trust on partners to deliver their obligations**

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Questions?

