



In-depth Briefings

Draft Budget 2018

Welsh Government has today published its detailed draft budget proposals for 2019/20. This follows the announcement of the draft budget headline proposals by Cabinet Secretary for Finance Mark Drakeford AM on 2nd October. The budget sets out the Government's revenue spending plans for 12 months and capital expenditure for a two year period from April 2019.

The proposals are currently in draft form, and subject to change, with a vote of the Assembly required to approve the proposals before the end of the year.

Key headlines from today's announcement include:

- £500m of additional funding for NHS core delivery
- A 0.3% decrease in funding for Local Government
- Confirmation that Welsh Government has adopted our Housing Matters Wales proposals to protect funding for housing related support
- An increase of £35m in the Social Housing Grant budget for 2019/20
- An increase of £20m in funding for the Intergrated Care Fund
- A 31% increase in capital funding for Regeneration

Detailed funding announcements:

1. **Supporting People and Housing Matters**

The Supporting People Programme has been a ring-fenced grant for a number of years, meaning that local authorities have had to spend their allocation on homelessness and housing-related support services in line with the grant condition.

However, last year's Welsh Government budget proposed to merge Supporting People with nine other grants to form a single Early Intervention: Prevention and Support (EIPS) Grant for 2019/20. This would have removed the existing ring-fence around Supporting People funding, and therefore the



guarantee that it is spent on these services. The proposed super grant also included the Homelessness Prevention Grant, which is used to fund local authority services that prevent and relieve homelessness.

CHC worked closely with Cymorth Cymru and other partners to lobby Welsh Government on this issue, and created an alternative solution under the *Housing Matters Wales* campaign. Our proposals split the proposed EIPS Grant into two distinct grants, with one focused on homelessness and housing.

We are delighted that the Cabinet Secretary for Finance confirmed in his statement to the Assembly on 2nd October that the concerns of the sector had been listened to, and a distinct Housing Support Grant would be created.

The detailed draft budget confirms the separation of the EIPS Grant into two distinct grants:

Grant	Funding	Which funding streams does the grant contain?
Housing Support Grant	£126.76m	<ul style="list-style-type: none">• Supporting People Programme (£124.5m)• Supporting Communities funding (£1.7m)• Miscellaneous housing related grants (£0.5m)
Children and Communities Grant	£135.42m	<ul style="list-style-type: none">• Childcare and Play• Communities First Legacy• Communities for Work Plus• Flying Start• Families First• Promoting Positive Engagement for Young People at Risk of Offending• St David's Day Fund

Homelessness Prevention funding, including the Homelessness Prevention Grant, remains a separate line in the detailed budget with funding maintained at the £17.9m previously indicated in last year's budget, representing an increase of 81% on last year's funding of £9.9m. This additional funding reflects the First Minister's commitment to ending youth homelessness and rolling out Housing First.



Impact

This announcement is welcome and provides greater certainty for housing associations and support providers to plan services for the long term, and allows us to work closely with Welsh Government to review and improve on current services. The detailed budget documents confirm that the new arrangements will remain in place for the entirety of this Assembly term.

2. Increasing the supply and choice of affordable housing

In line with CHC's pact with Welsh Government and the Welsh Local Government Association, and the Welsh Government's target of 20,000 affordable homes in this Assembly term, there is continued significant investment in affordable housing throughout the budget.

The Cabinet Secretary for Finance indicated earlier this month that there would be a £35m increase in Social Housing Grant in 2019/20 and this is reflected in the budget, taking the total SHG budget for 2019/20 to £138.2m. This is a sharp decrease on the £207m in the 2018/19 budget, but still represents the second highest level of SHG pledged during this Assembly term.

Further to this, there is confirmation of the ongoing annual commitment of £10m to the Land for Housing scheme, and Regeneration funding is confirmed at £28.7m, an increase of 31%.

Impact

Housing associations are key to delivering Welsh Government's target of 20,000 affordable homes in this Assembly term, and this additional funding will be an important part of 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.

CHC is continuing to work closely with Welsh Government and the Welsh Local Government Association on the delivery of our housing supply pact and we continue to make the case for consistently high investment levels in housing to give the board of housing associations certainty and confidence to plan developments into the future.



3. Integrated Care Fund

The Integrated Care Fund aims to drive and enable integrated working between social services, health, housing and the wider third sector. CHC has been working closely with Welsh Government and our partners in local government, Public Health Wales and the NHS on the delivery of this vital fund, and we are pleased to see additional funding confirmed in this Draft Budget.

The detailed budget confirms the following capital funding:

Year	Plans as per 2018/19 budget	New plans in Draft Budget
2019/20	£15m	£35m
2020/21	£0	£20m

Impact

The integration of health and housing has been a key priority for many housing associations for a number of years, and this capital funding will provide opportunities to take this work forward. This funding will be delivered by the Regional Partnership Boards (RPBs), and following the Parliamentary Review of Health in Wales, Welsh Government has brought forward proposals for greater housing representation on the RPBs. They are currently consulting on those proposals [here](#). CHC are responding to this consultation, with a deadline of Friday 26th October.

4. Innovative Housing Programme

The detailed budget proposals confirm a £45m allocation for the Innovative Housing Programme in 2019-20, with a focus on testing new housing models, fit for the future in terms of quality and energy efficiency. This follows confirmation last week of the [latest successful bids](#) for round two of the programme which will see 657 new homes delivered.

Impact

A number of housing associations have been successful in securing funding for new homes through the Innovative Housing Programme, and this additional funding commitment will create further opportunities. We understand that the third round of funding for this programme will open early in the New Year.

