



In-depth Briefings

Welsh Government Budget

March 2021

'Protect, Build, Change' - an apt heading for the Welsh Government's Final Budget for 2021-22, reflecting its spend, not only on the coronavirus pandemic, but on housing, development, reconstruction, public services and boosting the economy.

With an additional £50mn being invested into the Social Housing Grant, the total of £250mn in 2021-22 is a record-breaking level of investment, and an almost four-fold increase on the £67mn pledged five years ago - We're delighted to see the Welsh Government's commitment to building good quality, affordable homes.

Combined, the investments set out today give the housing sector a strong platform to build towards the ambitions set out in our *Home* manifesto ahead of the Senedd Elections. The funding will support the construction of 20,000



social homes over the next five years that are energy efficient and affordable, supporting jobs, and improving the nation's health.

Further to today's announcement, The UK Government's Spring Budget will take place tomorrow, 3rd March. While a number of elements of consequential funding have been confirmed by Treasury, there may be further adjustment in the Welsh settlement for 2021-22 to. We will update members on any adjustments, and any further impact of the Chancellor's announcement, tomorrow.

Key headlines from the Welsh Budget include:

- An additional £100m to Social Housing programmes consisting of:
 - £50mn additional funding for Social Housing Grant, taking the total investment to £250m in 2021-22.
 - £50mn investment into the **Optimised Retrofit Programme** 2021-22.
- An additional £10m financial transactions capital into **Land for Housing Scheme** to increase the supply of affordable and market housing.
- An additional £3mn to **building safety** regulatory changes in 2021-22.
- £12m to support **adaptations programmes** for disabled people. This funding will also boost investment in the Physical Adaptations Grant.
- An additional £206m for the **Local Government Hardship Fund**, which includes funding for adult social care, care home testing, and homelessness support.

Social Housing Grant

The Welsh Government (WG) has recognised that investment in social housing plays a key role in supporting a green recovery alongside delivering wider economic and societal impact. It is investing an additional £100m to Social Housing programmes, taking the total investment in the **Social Housing Grant** to £250m in 2021-22. This is an increase from £67mn in the Welsh Government's 2016 Budget, and the highest ever level of investment in Social Housing Grant during the era of devolved government.



Optimised Retrofit Programme

WG has extended and up-scaled the Optimised Retrofit Programme, bringing investment into this programme to £50m in 2021-22. This will continue the development of new skills, assessment tools, supply chains, and procurement frameworks that encourage housing associations to test and innovate new ways of retrofitting homes, as well as boost SME development, create jobs and kick-start supply chains.

Land for Housing Scheme

WG is investing an additional £10m financial transactions capital into **Land for Housing Scheme** to increase the supply of affordable and market housing and the rate of delivery by securing land sites, as well as promote the creation of local jobs, training opportunities, and support the housing development supply chain.

Adaptations

WG is providing £12m to support adaptations programmes for disabled people. This funding will support independent living, implementation of new models of care, as well as supporting reduced hospital admissions, reliance on residential care, and out of county placements. This funding will also boost investment in the Physical Adaptations Grant to meet current demand and provide funding for local authorities to respond to changes in means testing for small and medium size adaptations.

Other areas of spend:

Covid-19

The Welsh Government (WG) is allocating an additional £682.2mn revenue for Covid-19 related measures in this Budget, including an additional £636.6mn to support the NHS and local authorities. This will include funding for the continued rollout of the vaccination programme, maintaining COVID-19 testing capacity, meeting ongoing demand for Personal Protective Equipment, maintaining enhanced infection control cleaning standards, supporting NHS local response plans, and additional funding for other pandemic response measures.

Of this total Covid-19 allocation, £206m has been allocated to the **Local Government Hardship Fund**, which includes, but is not limited to, funding for Covid-19 funding for adult social care, care home testing, and homelessness support. This funding is intended for the first six months of 2021-22.

CHC is a member of the Welsh Government's Covid-19 Adult



Social Care Funding reference group. This group will meet next week to discuss funding requirements for the next financial year and potential options for transition beyond this extraordinary funding.

Investment in the Integrated Care Fund (ICF) has been maintained at £89million, and there is an additional £40million capital contribution in addition

Housing Support Grant

Following joint lobbying between CHC and Cymorth Cymru, significant investment has been made in the area of tackling homelessness and supporting independent living. Following the circa £50m investment in emergency accommodation and transforming supported housing during 2020/21, funding for the Housing Support and Homelessness Prevention Grants have been increased by £40m and £4m respectively for 2021/22. This represents a 32% and 22% increase on 2020/21, and reverses 10 years of real terms cuts to housing related support funding

Post-EU Exit funding

WG is providing an additional £11.2m in its final Budget to support **post-EU transition resourcing** of new functions being repatriated to Wales and to support projects funded through the EU Transition Fund. This includes:

- £2m (including £1m capital) to tackle food poverty.
- £1.2m to support the continuation of the Brexit coordinators to manage the implications of the new relationship on local authorities.
- £0.2m to help prepare successor arrangements to EU structural funds, including designing a new regional policy framework and delivery model to drive economic development in Wales.

Conclusion

The Welsh Government's commitment to good quality, affordable, social homes is clear in its 2021-22 Budget announcement. In our *Home Manifesto*, we have called for investment to be prioritised in the areas of housing development and retrofit, and with £250mn for the Social Housing Grant, and £50mn for the Optimised Retrofit Programme, the Budget today is certainly a step forwards in meeting our calls.

With the UK Government's Budget will take place tomorrow, 3rd March, the Welsh settlement for 2021-22 is subject to change. We will update members on any adjustments tomorrow.