**UK Government Spring Statement**

Amid the ongoing Parliamentary machinations over Brexit, Chancellor Phillip Hammond delivered his Spring Statement on 13th March, with a brief update on the UK’s economic and financial outlook. The statement didn’t have many significant announcements, which are largely saved for the main budget announcement in the autumn. However, there were a few areas that housing associations in Wales may wish to note:

**Economic Outlook**

The economy continues to grow and this growth has been forecast to continue for the next five years, although at a slower level (1.2%) in 2019 than was predicted in last October’s Budget (1.6%). This growth is then expected to continue at 1.4% in 2020, then 1.6% in 2021, 2022 and 2023.

The Chancellor highlighted a £2bn lower level of borrowing forecast for 2018/19 than what had been forecast in the autumn budget. This borrowing is then forecast to steadily decline over the coming years. Hammond highlighted that for this to continue it is important that the UK avoids leaving the EU without a deal.

**Brexit**

The Chancellor announced that in the event of a no-deal Brexit there will be £26.6bn available in the public finances to manage the impact of leaving the EU without a deal. This is an increase from £15.4bn which was announced in the autumn statement.

Our briefing on preparing for a No Deal Brexit can be found [here](https://chcymru.org.uk/uploads/general/Preparing_for_a_No_Deal_Brexit_-_Eng_-_08.03.19.docx).

**Housing**

The Chancellor reasserted the UK Government’s determination to fix the broken housing market by building more affordable homes. This included of revival of the Affordable Homes Guarantee Scheme, which is due to support £3bn of borrowing for housing associations. A number of Welsh housing associations took advantage of the previous scheme, and we will continue to monitor developments in this area and update members on eligibility criteria in the coming weeks.

The Chancellor also made a number of England-only housing announcements, committing £717m of spending from the Housing Infrastructure Fund into sites including Old Oak Common in London and Oxford-Cambridge Arc to unlock up to 37,000 homes.

**Comprehensive Spending Review**

The Chancellor confirmed that if a Brexit deal is agreed, the government will conduct a full spending review, which will conclude in the autumn. This will examine all departmental budgets, and make decisions over long term spending after the UK leaves the EU.

We will be working closely with our members over the coming months on our lobbying asks of the Comprehensive Spending Review, in particular on welfare and infrastructure investment.