

What you need to know about the Welsh Government's draft budget 2020-2021



Chartered
Institute of
Housing
Cymru



Background

The Welsh Government announced the detail of its draft budget on December 16th 2019. This draft budget reflects a positive picture for housing professionals with additional monies for affordable housing and an increase in the financial settlement for local government. In fact, every department will see an increase in funding following an additional £600m from the UK government earlier this year.

The NHS in Wales will receive an additional £340m from next April, and local government will see a 4.3 per cent increase, bucking a near twelve-year trend in cuts to local government budgets across the board.

What does the budget propose for housing?

This budget sees an overall increase of £175m into housing. This includes:

- £48m additional Social Housing Grant
- £10m to support modular building
- £5m into the land release fund

Reflecting the strong emphasis of this budget on addressing climate change it includes £50m in housing loans, intended to support housing association in tackling steps to work towards decarbonization targets for current homes and develop plan to deliver new affordable homes.

There are also monies to support this further through £25m for the innovative housing programme.

The budget also sees a welcome increase in regeneration capital funding, taking it to £51m.

A view from CIH Cymru

- Strongly welcome the emphasis on tackling climate change and the financial support to enable members to undertake activity to decarbonize homes and make existing home more energy efficient

- Would welcome further exploration of how the bill could support implementing a 'due regard' duty on local authorities linked to the right to adequate housing.
- Believe that this should be the first step in financial support for the sector on decarbonization and the reality of achieving the targets set by the affordable housing review should mean that financial support in this area becomes a common feature of Welsh Government budgets.
- An increase in funding for local government is absolutely vital. We believe it is key that the £15m unhypothecated funding should focus on increasing preventative activity to reduce homelessness and the use of temporary accommodation.
- Further consideration is needed on how to invest, rather than maintain the level of Housing Support Grant.

Further information

You can find further information about the Welsh Government draft budget [here](#).

Key dates

- The draft budget will be the subject of a plenary debate at the Welsh Assembly on **February 4th 2020**.
- The Welsh Government will publish its final budget on **February 25th 2020**.
- The final budget will be debated during plenary on **March 3rd 2020**.

CIH Cymru will continue to engage all political parties on how this budget can respond to the needs of housing professionals across Wales – drawing on the insight and expertise of members. If you would like to provide your view on the draft budget please contact matthew.kennedy@cih.org

