

# Social Justice & Regeneration Committee

**SJR(2)-09-06(p3)**

**Date: Thursday 8 June 2006**

**Time: 1.30pm-4.30pm**

**Venue: National Assembly for Wales**

**Title: Social Housing Grant Programme**

## Purpose

The purpose of this paper is to update Committee on the Social Housing Grant programme for 2005/2006 and allocations for 2006/07 and 2007/08

## 1. Social Housing Grant Programme Outturn 2005/2006

The Social Housing Grant budget for 2005/2006 was £76,400,000. Of this £4,000,000 was top-sliced specifically to provide schemes to assist with the prevention and treatment of substance misuse.

The outturn expenditure by local authority was as follows:

	Main SHG programme £m (1)	Substance Misuse Schemes (£m)	Total (2) (£m)
Blaenau Gwent	0.325	0	0.325
Bridgend	4.069	0.508	4.577
Caerphilly	3.903	0	3.903
Cardiff	15.221	0.204	15.415
Carmarthenshire	2.600	0	2.600
Ceredigion	1.684	0	1.684
Conwy	2.465	0.139	2.604

Denbighshire	2.001	0.180	2.181
Flintshire	0.518	0	0.518
Gwynedd	2.793	0	2.793
Isle of Anglesey	1.178	0.046	1.224
Merthyr Tydfil	0.238	0	0.238
Monmouthshire	1.993	0	1.993
Neath Port Talbot	5.772	0	5.772
Newport	6.577	0	6.577
Pembrokeshire	6.043	0	6.043
Powys	2.756	0	2.756
Rhondda Cynon Taf	2.679	0.068	2.747
Swansea	7.228	0	7.228
Torfaen	1.968	0.902	2.870
Vale of Glamorgan	2.212	0	2.212
Wrexham	1.461	0	1.461
Total	£75.691	£2.049	£77.740

The table shows expenditure relating to the main development programme and excludes expenditure on other grants such as Right to Acquire discounts, Physical Adaptations Grants and repair grants amounting to £2.38 million. The total outturn cash expenditure on the budget was £80.12 million. The additional expenditure was funded by in year recovery of grant relating to property sales which had not been recycled by housing associations and from end of year virements from within the SJR portfolio.

The expenditure enabled an additional 998 units of affordable housing to be provided.

### **Homebuy Scheme**

The SHG programme supported the provision of 202 additional Homebuy loans through grant expenditure of £8.2 million. A further 50 loans were provided through the re-investment of recycled capital grant by housing associations amounting to £1.9 million.

### **Substance Misuse Schemes**

Progress bringing forward schemes has been slow. A number of housing associations have reported difficulty in securing suitable properties for the schemes and with obtaining planning consent from local authorities for proposed schemes. A programme for 263 bedspaces was allocated in 2004 and to date, grant approval has been issued in respect of 103 bedspaces. In 2005/06 the full allocation of £4 million was not taken up and the balance was transferred to the main SHG programme.

## 2. Social Housing Grant Programme 2006/07 & 2007/08

The budget provision is currently as follows:

	2006/2007	2007/2008
SHG Main programme	£72.4 million	£72.4 million
Substance Misuse	£4 million	£4 million
Wanless	£10 million	£20 million
	£86.4 million	£96.4 million

The Committee has been previously advised about proposals to reform the way in which the Social Housing Grant programme is allocated and its delivery. The aim of the proposals is to improve efficiency and cost effectiveness and to focus SHG investment more sharply on Assembly Government strategic priorities.

In line with this, the introduction of multi-year programmes is seen as a key factor in providing greater certainty in planning programmes which should lead to more efficient procurement and delivery of housing developments.

Bids were invited from local authorities for the 2006/2008 programme in June 2005. No limits were placed on the total value of bids that could be submitted. Bids were required under five strategic themes. Provisional allocations were issued in November 2005 and final allocations in February 2006.

Over the two years the split of allocations between the strategic themes is roughly as follows:

schemes to increase the supply of affordable housing – 60%

schemes to support the authority's strategy for older people – 19%

Do-it-Yourself Homebuy – 13%

Schemes to address low demand and to support community regeneration – 5%

Supported housing schemes – 3%

## Homebuy Scheme 2006-2008

All bids for resources for Homebuy were supported in full. Based on estimates provided by local authorities and housing associations, around £10.5 million will be made available for the Homebuy scheme in each year.

## Housing for Older People

The Assembly has allocated a total of £33 million over two financial years commencing in 2006/2007 for the funding of 8 extra care schemes across Wales. In addition to the top-sliced budget provision, resources will be made available from within the main SHG budget to support ongoing projects. In addition to this, a further £8 million has been allocated for the development of 3 extra care schemes in 2008/2009. This builds upon our existing programme of 8 schemes, 5 of which are complete, with total funding of £25 million

Local authorities will be invited to come forward with their proposals for additional Extra Care schemes for the 2008/2009 SHG Programme.

## Drugs and Substance Misuse Schemes

A review of the current position on the projects previously allocated is being carried out to establish the likely take up of allocation for 2006/2007 and beyond before further projects are allocated.

## Housing Association Consortia

Six groups of housing associations have applied to become approved development bodies. All associations currently with a development programme are participating in the new consortia. To date, four consortia have demonstrated sufficient progress to have been given provisional status. Discussions are ongoing with officials to ensure that full compliance with the objectives of Developing Partnerships is achieved as soon as possible. It is envisaged that all consortia will show compliance by December 2006.

## Action for Subject Committee

The Committee is asked to note the Social Housing Grant programme outturn for 2005/2006 and allocations for 2006/2007 and 2007/2008.

**Edwina Hart AM**

**Minister for Social Justice and Regeneration**

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