

Call for Information: Welsh Government Indicative Budget 2015/16

Community Housing Cymru Response

1. About Us

The Community Housing Cymru Group (CHC Group) is the representative body for housing associations and community mutuels in Wales, which are all not-for profit organisations. Our members provide over 155,000 homes and related housing services across Wales. In 2012/13, our members directly employed 8,000 people and spent over £1bn in the Welsh economy. Our members work closely with local government, third sector organisations and the Welsh Government to provide a range of services in communities across Wales.

Our objectives are to:

- Be the leading voice of the social housing sector.
- Promote the social housing sector in Wales.
- Promote the relief of financial hardship through the sector's provision of low cost social housing.
- Provide services, education, training, information, advice and support to members.
- Encourage and facilitate the provision, construction, improvement and management of low cost social housing by housing associations in Wales.

Our vision is to be:

- A dynamic, action-based advocate for the not-for-profit housing sector.
- A 'member centred' support provider, adding value to our members' activities by delivering the services and advice that they need in order to provide social housing, regeneration and care services.
- A knowledge-based social enterprise.

In 2010, CHC formed a group structure with Care & Repair Cymru and the Centre for Regeneration Excellence Wales (CREW) in order to jointly champion not-for-profit housing, care and regeneration.

2. General comments

Community Housing Cymru (CHC) welcomes the opportunity to provide information to the National Assembly for Wales's Finance Committee in informing the deliberation of the Welsh Government's draft budget 2015/16. As the representative body for housing associations in Wales, we are keen to ensure that Welsh Government's budget allocation continues to support the invaluable work social housing sector undertakes directly in providing and managing homes but also the broader contributions to job creation and supporting the Welsh economy. CHC have the following general comments to contribute in response to this call for information:

The housing associations sector in Wales has a leading role to play in the provision, management and development of affordable housing, but more than this they are in a unique position to support employment, regeneration activities and tackling poverty. This has meant that our members are involved in a variety of budget areas including health, care, regeneration and energy.

Whilst we understand the pressure public sector budgets are under, we are disappointed to see a reduction in SHG indicated in the budget. Potential capital cuts in this area have proven to be unpopular in previous years and have been protected with good reason. SHG underpins the sector's ability to be so successful in delivery, not only in terms of meeting the demand for affordable homes, but in revitalising Welsh economies. The Housing Pact, launched in May 2014, demonstrates the appetite in the sector to deliver more and work towards ambitious targets (increasing the target of homes from 7,500 to 10,000), working in partnership with Welsh Government and in particular the Housing and Regeneration Minister. Moreover at a time where the private sector withdrew from developing homes in all but some pockets of Wales, the RSL sector has been willing to fill the gap and seek to increase delivery. Continuing the provision of affordable homes in areas of demand is key and capital investment through SHG is crucial to the sector.

We welcome further opportunities to innovate in partnership with Welsh Government, in line with what has been achieved this year through the Welsh Housing Bond. We view this type of innovation as something which will continue to define and complement our relationship with Welsh Government and Ministers.

3. Economic Impact

Through continued support, the sector has been, and will continue to be a substantial employer in Wales, employing 8000 people directly and supporting 20,000 jobs in the Welsh economy. The sector has the ability to offer employment in a wide range of disciplines in line

with its activity in terms of development, regeneration and care and support activity. Moreover the sector spends around £1 Billion annually, 80% of which is retained and spent in the Welsh economy housing 150,000 people. This substantial impact would not be possible without continued investment from Welsh Government. Cuts across these areas will greatly harm the ability of housing associations to continue to employ, train and up-skill at the rate it is currently able to do in the most deprived communities of Wales. The consequences of which will be felt in areas such as advice services, homelessness and the welfare system.

4. Supporting People Programme

Supporting People Programme has and will continue to play a vital role in providing person centred support, at an early stage, to prevent the need for individuals to require more serious, longer term interventions from health and social services. As the largest recipient of Supporting People funding, housing associations will continue to be at the centre of this work, and suffer the most when this funding is cut.

The cut indicated in the indicative budget would have a substantial impact on the ability of stakeholders involved in the programme to continue to deliver in line with demand. At a time when managing demand is absolutely vital, cutting a fund that endeavours to promote independence, increase employment, provide education and additional learning opportunities and promote community involvement seems counter-productive.

The added value provided through the programme can be found in employment, both in terms of sector staff and the initiatives to support people into employment, further education and gaining new skills. In addition through healthy eating projects, environmental work and exercise groups the public health agenda is strongly supported through the programme. The value of this work should not be underestimated against the bigger picture of pressure on the NHS, inflated waiting list and a need to manage chronic illnesses more effectively outside a hospital setting.

Last year we welcomed the £5.5 million package to reduce the cut to the Supporting People Programme. We are conscious that the reduction in the indicative budget for 2015/16 has been modelled on the 2014/15 budget. Through our continuing involvement with the programme we are concerned that consideration is being given to greater cuts that currently reflected in the indicative budgets. If this does come to be realised we feel that that the issues we have highlighted above in relation to the implications of cutting the programme would only be magnified further. We hope that a common sense approach is taken to considering how to protect the provision offered through the programme to the best of the ability of Welsh Government budgets at this time.

5. Intermediate Care Fund

The ICF has successfully promoted the advancement of collaborative projects between local authorities, housing associations, health boards, Care & Repair agencies and social services across various parts of Wales. Whilst it was made clear that projects that gained funding would need to become sustainable we do have some concern that this will definitely be the case. We feel that with no indicative budget to support the development of these projects further in 2015/16 some will fail to gain the required momentum towards becoming sustainable in over the long term.

6. Support for the Not for Profit Care Sector

An area which is of increasing relevance to many of our members is how to ensure that they can effectively sustain the high quality not for profit care they currently deliver through a wide range of services including; residential care, dementia care and homecare provision.

Of those who provide such services, albeit with a role in scheme management, care staff provision, or both – this element of their business is more often than not, subsidised through other income streams. It is key to consider this type of provision for two reasons – firstly the increase demand there is likely to be for housing associations to provide this type of service will increase in line with demographic projection Secondly, any decrease in funding will reduce the amount of preventative work done by the sector and will directly increase costs to health and social services budgets.

7. Conclusion

We hope that the above commentary around how the current drafting of the budget would have an impact on housing associations, tenants, communities and more broadly other public services in Wales is useful to the Committee in their scrutiny and discussions.

We further hope that we have put forward convincing arguments stating why cutting money to the social housing sector to prop up provision of health and social services can have a negative impact on their budgets and on the lives of individuals.

As a sector we will continue to consider how to deliver beyond the means that funding through the Welsh Government provides – recognising that “doing more” often requires innovation and a realistic understanding of pressure on Welsh Government budgets. We cannot stress enough however, that in order to continue to deliver, increase innovation and reach out across the public sector offering resources and opportunities to improve outcomes

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for individuals that decreases in areas such as supporting people, housing and regeneration will only stifle and prohibit the growth and sustainability of the most deprived communities and economies in Wales.

Community Housing Cymru, September 2014.