

# Local Government and Housing Committee

**Date:** 18 January 2024

**Title:** Welsh Government draft budget scrutiny 2024-25

## Introduction

1. The Draft Budget includes spending plans for 2024-25. This paper provides evidence to the Committee on the future programme budget proposals in relation to Housing, Regeneration and Land budgets as outlined in the Draft Budget which was laid on xx December 2023.
2. Annex A provides a breakdown of the relevant Draft Budget figures for Climate Change - Housing & Regeneration by Spending Programme Area, Action and Budget Expenditure Line (BEL). These figures are reflected in the table below.

## Financial Tables

CCRA – Housing & Regeneration

| SUMMARY £000s                           | 2023-24<br>Final Budget<br>Feb 2023<br>Restated | 2024-25<br>Indicative<br>Final Budget<br>Feb 2023<br>Restated | Budget<br>Reductions<br>/<br>Allocations | 2024-25<br>Changes | 2024-25<br>Draft Budget<br>December<br>2023 |
|-----------------------------------------|-------------------------------------------------|---------------------------------------------------------------|------------------------------------------|--------------------|---------------------------------------------|
| Resource                                | 249,648                                         | 256,148                                                       | -27,000                                  | -6,800             | 222,348                                     |
| Capital                                 | 921,630                                         | 940,309                                                       | 0                                        | -37,330            | 902,979                                     |
| <b>Total Resource &amp;<br/>Capital</b> | <b>1,171,278</b>                                | <b>1,196,457</b>                                              | <b>-27,000</b>                           | <b>-44,130</b>     | <b>1,125,327</b>                            |
|                                         |                                                 |                                                               |                                          |                    |                                             |
| <b>Total AME</b>                        | <b>-3,035</b>                                   | <b>-2,527</b>                                                 | <b>0</b>                                 | <b>0</b>           | <b>-2,527</b>                               |
|                                         |                                                 |                                                               |                                          |                    |                                             |
| <b>TOTAL BUDGET</b>                     | <b>1,168,243</b>                                | <b>1,193,930</b>                                              | <b>-27,000</b>                           | <b>-44,130</b>     | <b>1,122,800</b>                            |

*\*No additional financial transactions capital have been allocated as part of the Draft Budget. Allocations will be considered and made as part of the Final Budget .*

## Allocations made to support Programme for Government Commitments

3. The Housing & Regeneration Directorate supports the delivery of a number of Programme for Government commitments. In accordance with Welsh Government budget management principles, allocations to support the delivery of these commitments have been targeted towards interventions that are affordable and offer value for money whilst also seeking to protect front line services that protect the most vulnerable in our society. Details of the allocations and the PfG commitments they support are provided throughout this paper.
4. A Strategic Integrated Impact Assessment was published alongside our Draft Budget on 19 December; this sets out how our interventions have been targeted to address economic, climate and other impacts. Allocations have been made throughout this portfolio to address impacts that have been identified and with the principles of the Wellbeing of Future Generations Act in mind; these details are provided throughout this paper.

| Budget Expenditure Line           | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-----------------------------------|-----------|-------------------------------------------------------------|
| Homelessness Support & Prevention | Resource  | 214,910                                                     |

5. A decent, safe and affordable home is the foundational pillar for people's health and well-being, and to support people to prosper and thrive. Our focus therefore remains on ensuring everyone has access to such a home, and on our long-term goal of ending homelessness, by making it rare, brief and unrepeatable. In order to achieve this goal, fundamental reform of homelessness services to focus on prevention and rapid rehousing is required and is a key priority in the Programme for Government and part of the co-operation agreement with Plaid Cymru. Reform of the Housing system offers the opportunity to contribute significantly to a fairer and more equal Wales.
6. In support of this goal a White Paper on ending homelessness was published on 10 October 2023, which sets out the legislative and policy reform required to transform services to focus on prevention and rapid rehousing. Continued significant investment in homelessness prevention delivers on key policy objectives, in particular tackling poverty and disadvantage, improves outcomes for individuals and families, and reduces pressures on other public services. The continued and increased focus on preventative measures through the Housing Support Grant (HSG) and wider homelessness prevention funding is therefore vital.
7. The HSG is the main homelessness prevention grant and assists people with a range of support needs to live independently and sustain tenancies, thus reducing pressures on other public services (particularly health and social care). Despite the extremely challenging overall budget position we have protected the HSG and maintained our investment in the services it supports. Our support will ensure we

have a system which places the right people in the right homes in the right communities with the right support, in order for people to succeed and thrive.

8. Given the diverse range of people potentially affected by homelessness, significant consideration has been given to protected groups. We have looked at the data and can see that specific services are required across Wales to serve specific client groups that have unique needs. The HSG helps to maintain the specialised services that can support different groups, e.g. women affected by homelessness, as well as domestic abuse and sexual violence. By having that support in place, women will be more likely to present to services, including refuge provision, rather than remaining 'hidden' and in danger. Similarly, services that are sensitive to age or sexuality will be vital for young LGBTQ+ clients who require specialised support in order to feel safe enough to present and move on to more permanent accommodation.
9. Ensuring that we meet the needs of diverse ethnic minority people is also important given disproportionate impact of homelessness on some ethnic minority people. Other vital services we continue to support through the HSG include supported accommodation provision (including for young people and older people) and floating support for people to live independently with a range of needs including learning disabilities, mental ill-health, substance use issues, and groups who often need additional support including care leavers, refugees and older people.
10. Investment in housing support and homelessness prevention delivers on a key policy objective, reduces pressures on other public services, and improves outcomes for individuals and families. Evidence from Crisis UK shows that people who experience homelessness for three months or longer cost public services (health and criminal justice) an average of £18,388 over the twelve month period. The continued focus on preventative measures through the Homelessness Prevention Grant and Housing Support Grant to keep people in their homes are therefore vital long-term cost saving measures.
11. Research by Cymorth Cymru and Cardiff Metropolitan University into the social and financial impact of the Housing Support Grant estimated that the grant generates a gross annual saving to public services of £300.4m, or a net annual saving of £176.7m (when taking in to account the annual HSG spend as at July 2019). This represents an estimated net saving to public services in Wales of £1.40 for every £1 of funding for HSG. Every £1 of HSG funding generates an estimated net saving of £5.20 for mental health services.
12. Achieving transformational change is ultimately therefore about the need to shift resources to alleviate pressure and demand from elsewhere in the system.
13. Additional revenue funding of £2m across the homelessness and housing support budget, building on the additional investment in 2023-24, will boost investment in homelessness prevention and relief interventions across Wales and support our continued transformation of homelessness services ahead of the wider legislative reform. We know the cost-of living crisis has meant presentations to homelessness

services remain high and we currently have 11,228 people in temporary accommodation across Wales, including 3,409 dependent children (at September 2023).

14. The continued and slightly increased investment in the Homelessness Prevention and Support Budget will therefore support local authorities with increasing homelessness prevention measures to try and reduce the flow of people needing temporary accommodation. The increase of £2m is reduced from £5m in the indicative budget reflecting the incredibly challenging budget setting round this year. Officials will work with the sector, to ensure that the funding is utilised in ways that have the greatest preventative impact.
15. We have bought together funding previously split across two BELS (Housing Support Grant and Homelessness Prevention) to provide a single fund with a common theme of preventing homelessness and supporting the statutory duties of Local Authorities in this regard. Bringing the BEL lines together supports our policy intention to support progression toward prevention and Rapid Rehousing. As well as the HSG the BEL supports funding for temporary accommodation as we transition to rapid rehousing; support for Local Authorities to fund posts to coordinate homelessness activities and a range of flexible approaches to prevent homelessness.

Of the funding allocated to the Homelessness Support and Prevention BEL in 2023-24, **£2.63m** will support the PfG commitment to ***“Implement the renting homes Act to give renters greater security and develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or who or are at risk of homelessness”***. Our national leasing scheme is operational across Wales, which seeks to improve access to longer term affordable housing in the private rental sector. Local authorities are able to use the scheme to discharge their homelessness and prevention of homelessness duties. Property owners are encouraged to lease their properties in return for a rent guarantee and additional funding to improve the condition of the property; and tenants will benefit from longer term security of tenure (between 5-20 years) at rents restricted to Local Housing Allowance rates. Revenue funding supports local authorities to staff and administer the scheme and forms the basis of the property owner incentive and tenant support.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Housing Policy          | Resource  | 1,368                                                       |

16. £1.368m has been allocated to the Housing Policy BEL as a package of funding to undertake a range of activity to meet our Programme for Government commitments.
17. We have supported ***“Rent Smart Wales landlords to respond quickly to complaints of racism and hate crime and offer appropriate support”*** via training for all landlords and managing agents who rent out properties in Wales..

Over 1,000 landlords/agents have completed this training module. We will be developing an anti-racism action plan for use in the Private Rented Sector which we aim to publish before the end of 2024..

18. Revenue funding of **£0.6m** will continue to support the various strands of activity within the **Second Homes and Affordability Pilot** which is complementary to the PfG Commitment to “**Create a Welsh Language Communities Housing Plan**” and a number of Cooperation Agreement commitments. This funding includes a Welsh Government senior pilot manager, two dedicated staff resource on the ground in the pilot area, evaluation and exchange of good practice. An additional £8.5m has been made available over three years in order to support the bespoke guidance for the HomeBuy within the pilot area. We are also committed to supporting Cyngor Gwynedd with the evidence base and operational costs of implementing an Article 4 planning direction in the pilot area (should Cyngor Gwynedd determine it wishes to apply a direction in the area). That funding, £400k runs from FYs 23/24 – 25/26 and is intended to support the evaluation and shared learning across Local Planning Authorities in Wales.
  
19. The Programme for Government has also committed to “**Legislate to enact the recommendations of the Law Commission in relation to leasehold reform**”. The leasehold housing sector is an important part of the national housing market. It houses an estimated 4.5 million households in England and Wales. Approximately two thirds of these properties are flats and one third houses. In Wales, leasehold accounts for around 16% of all dwellings. This equates to, very approximately, 235,000 properties. The Law Commission has proposed wide-ranging reforms to make it easier for leaseholders to extend or buy the freehold of their home and to promote the adoption of commonhold as a form of ownership that gives more rights in comparison with leasehold. The Minister has committed to implementing leasehold reform through working collaboratively with the UK Government, not least as some aspects of the legislation to implement the Law Commission’s recommendations are likely to relate to reserved matters. This approach will enable a more comprehensive and beneficial set of reforms to be enacted for leaseholders in Wales as soon as possible. Continued additional funding will support engagement with the development of this important legislation, ensuring the changes made meet the needs of Welsh leaseholders.
  
20. By implementing the Law Commission’s recommendations on leasehold reform and ensuring open spaces and facilities on estates are funded fairly, which is another Programme for Government commitment, we will contribute to our well-being objective of making our cities, towns and villages even better places in which to live and work.
  
21. The balance of funding will support delivery of a range of activities focussed on ensuring that everyone has a decent place to call home and delivery of equity and

high standards in housing across Wales. This includes delivery of the following Programme for Government commitments, including to **Develop further effective tax, planning and housing measures to ensure the interests of local people are protected**. These commitments relate to our work in the area of second homes and affordable housing solutions. At this point, we have implemented changes to local taxes for second homes and self-catering accommodation (council tax premiums and non-domestic rate thresholds), brought into effect key changes to the changes to the planning system and are continuing work on regional variation to Land Transaction Tax. We have also established a pilot to test interventions in Dwyfor. The budget will support the roll-out and evaluation of the pilot as well as the central coordination of our policy development and implementation.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Private Rented Sector   | Capital   | 1,500                                                       |

22. Access to a greater stock of good quality, affordable housing will be a key driver in helping meet the needs of the people of Wales. The private rental sector (PRS) leasing scheme, known as Leasing Scheme Wales (LSW), is intended to address some of the difficulties both landlords and tenants experience in the PRS through improving access to longer term affordable housing in the private rental sector. The scheme is being rolled out across Wales, with 17 of the 22 Local Authorities currently signed up. The scheme is directly delivery the Programme for Government commitment to **develop a national scheme restricting rent to local housing allowance levels for families and young people who are homeless or who are at risk of homelessness**.

23. Under the scheme, property owners lease their properties to the local authority in return for a rent guarantee (set at the relevant Local Housing Allowance rate) and additional funding to improve the condition of the property and the local authorities will be able to use the scheme to discharge their homelessness and prevention of homelessness duties. The ambition is by the end of year 5 each local authority will have leased 1% of their PRS through the scheme, approximately 2,000 properties across Wales (based on the 17 Local Authorities signed up to date). In this first year of LSW approximately 75% of properties coming onto the scheme had previously been empty for more than six months, which is helping to increase the supply of properties available.

24. The scheme is intended to provide accommodation for those threatened with homelessness and has been designed to reflect the needs of children and parents and/or carers, people with protected characteristics under the Equality Act 2010, and other people who may face particular barriers.

25. As the scheme provides a long term home for individuals, there are wide ranging benefits that come from that, including physical and mental health as it provides

stable accommodation at local housing allowance rates to households on low incomes, making the PRS accessible to those who are currently financially excluded or living in the poorest quality private rented sector (PRS) accommodation. Providing good quality housing, with assurances of tenure length, helps prevent and alleviate tenants' physical and mental conditions resulting in fewer calls upon the NHS and a healthier society.

26. Providing greater security of accommodation for tenants will contribute towards a Healthy and more Equal Wales, a Wales of Cohesive Communities, and a Wales of vibrant culture and thriving Welsh language. This is demonstrated by the clear health benefits of having a good quality home which is affordable and located in a safe environment.

27. Investing in the PRS contributes to the local economies, creating and supporting jobs and training opportunities as well as improving people's health, well-being and quality of life. This work involves improving the housing stock for future generations and the quality of that housing stock in the PRS. Supporting the provision of affordable homes also promotes the creation of local jobs, training opportunities and housing development supply chains.

28. The majority of WG funding is aimed at supporting those at most priority need for housing and initiatives to provide new and/or affordable housing. This scheme approaches need differently as it seeks to relieve pressure on the demand for social housing through its use of the PRS and increasing options to meet urgent housing need.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Independent Living      | Capital   | 19,500                                                      |
|                         | Resource  | 5,103                                                       |

29. Adaptations are an effective preventative investment to support independent living and improve the health and wellbeing of older people, and disabled adults and children. They can prevent falls, reduce hospital admissions and facilitate discharges, reduce reliance on care, avoid the need to move into residential care and significantly improve the quality of life and wellbeing for individuals, their families and carers.

30. The Independent Living Programme supports a range of activity:

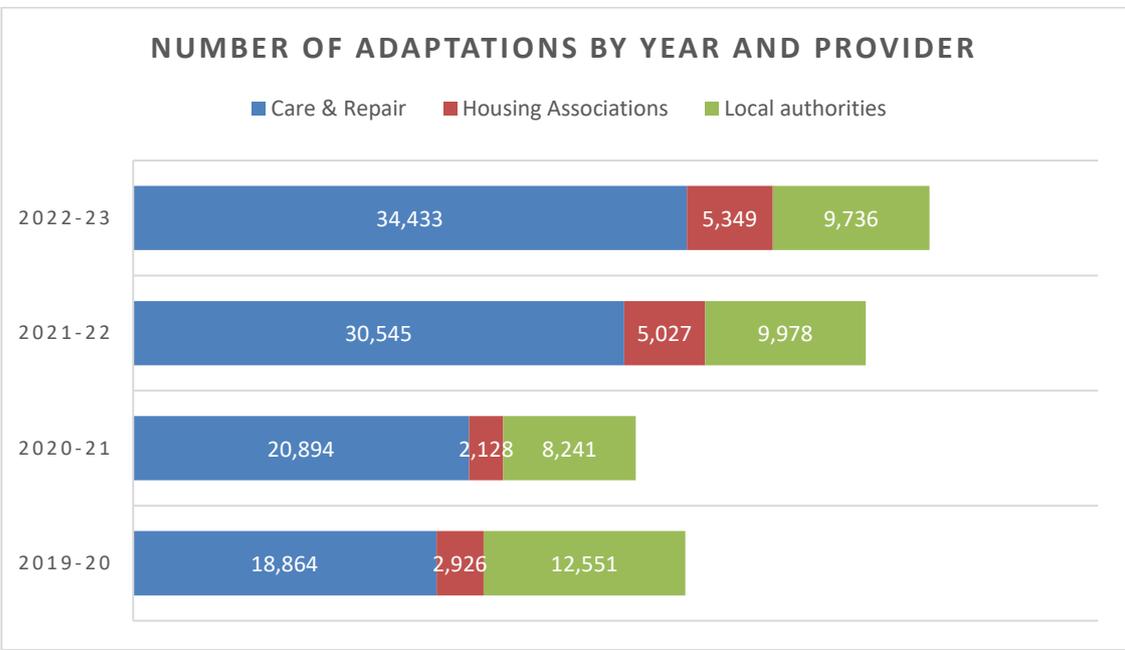
- We will maintain our capital funding for local authorities under the **Enable** programme so they can provide medium-sized adaptations, such as stair lifts and downstairs level entry wet rooms, without applying a means test, as would be required for a Disabled Facilities Grant.

- We will continue to support **Care & Repair (C&R)** agencies so they can deliver small adaptations rapidly to facilitate timely NHS hospital discharges and prevent unnecessary admissions. This relieves costs on the NHS and reduces pressures on domiciliary and residential care.
- Our **Physical Adaptations Grant** enables traditional housing associations to provide adaptations for tenants in social housing and reduces pressures on local authority capital budgets for Disabled Facilities Grants.

31. This investment in housing delivers significant benefits to NHS and care services, and contributes to the equalities and tackling poverty agendas. By facilitating independent living, the programme has a particularly positive impact on older and disabled people.

32. In the context of the Well-being of Future Generations Act, providing adaptations to enable people to continue to live independently is a long term preventative intervention and it involves disabled people in making choices about their lives. The capital is also an investment in local jobs as the contractors and supply chains are predominantly local ones.

33. Need continues to rise in real terms, both as a consequence of Covid-19 and “long Covid”, and as the proportion of the older population rises more quickly than healthy life expectancy. We record the number of adaptations provided each year. The following chart shows how demand has increased in the past 4 years:



\*2022-23 data has not yet been cleansed and is indicative only.

34. Regional Partnership Boards (RPBs) provide additional funding for adaptations, equipment and assistive living technology in their regions through the Housing with Care Fund, both through their discretionary funding and £3m set aside to support local authority Disabled Facilities Grants..



| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Building Safety         | Resource  | 4,500                                                       |
|                         | Capital   | 127,270                                                     |

35. Building Safety is a priority for the Welsh Government. It is critically important that residents feel safe and secure in their homes.

36. The lessons learnt from the reviews and inquiries, identified areas to improve our building safety. We proposed a new Building Safety Regime for Wales that presents a significant overhaul to the existing system.

37. The Welsh Building Safety Programme has two distinct areas of work:

|                                                                                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>addressing fire safety issues in buildings of 11 metres and over in our existing building stock</li> </ul>                                                           |
| <ul style="list-style-type: none"> <li>fundamental reform of building safety, which looks at how we make sure that buildings with multiple dwellings are made as safe as possible in the future.</li> </ul> |

38. Supporting the remediation of buildings with existing fire safety defects whilst addressing the challenges of holding those responsible to account is very complex, particularly as not all aspects of these matters are within the powers of Welsh Government.

39. However, despite these challenges it was recently confirmed that all residential buildings of 11 metres or over in Wales have a route to remediation. This is not limited to cladding, and Wales is the only nation able to make this claim.

40. Since the launch of the Welsh Building Safety Fund in September 2021, 194 buildings have been identified which require an intrusive survey. Surveys, paid for by the Welsh Government, 169 have been completed to date. The remaining 25 buildings require licenses to enable access, which are in the process of being arranged.

41. Alongside survey work, we have also undertaken developer negotiations to ensure that, wherever possible, developers pay to remediate fire safety issues. This includes preparation of a Developers' Pact and a formal contract.

42. Eleven major UK developers have signed up to the contract, which commits them to undertake life critical fire safety issues in residential buildings of 11 metres and over in height, which have been developed over the last 30 years.

43. These contracts identify 130 buildings, of which 110 so far have been confirmed to require work. Works have commenced on 34 buildings, with a further 34 buildings scheduled to begin in 2024.
44. Work has also been undertaken to consider how smaller developers, who may not be able to cover the full costs of remediation can be supported. This includes consideration of the wider social and economic benefits these companies bring to the communities in which they operate when considering their ability to contribute to works.
45. In Wales, a further 31 buildings to date have been identified as orphan, where the developer has ceased trading, cannot be identified, or the building was constructed more than 30 years ago. In these cases, there is no developer to contribute to the works and this cost is met in full by the Welsh Government. Works have commenced on three of these buildings, and detailed work schedules are being developed for other buildings in this cohort.
46. Finally, work to remediate social sector buildings continues. A further £39 million has been allocated to this workstream. In total, 131 buildings have / will benefit from this funding.
47. As works can take time, we have launched a Leaseholder Support Scheme to support those leaseholders in severe financial hardship, offering independent financial advice and where appropriate, the option to sell their flat and either rent it back or move on.
48. To date there have been 22 applications to the scheme. Eleven have been eligible, and two sales have been completed. Seven applicants are currently proceeding through the property purchase process, one applicant is supplying further information to their case handler, and one is under review.
49. The need for a Leaseholder Support Scheme is due to the difficulty some leaseholders face when selling flats affected by fire safety issues. However, in December 2023, the Royal Institution of Chartered Surveyors are publishing their updated cladding valuation guidance to include Wales. This guidance will be a major step in providing consistency and transparency in the valuation process for flats affected by cladding issues.
50. The updated guidance will assist valuers and lenders in their decision making, which in turn, will reduce friction and delay for home buyers, sellers and leaseholders wishing to remortgage their homes.
51. Further to the Leaseholder Support Scheme, support is also being made available to leaseholders in a new scheme to provide independent legal advice for those who have concerns over the fire safety of their building and the works being undertaken to remediate them.

52. Leaseholders will be able to access this advice through the Leaseholder Advisory Service who will signpost leaseholders to free specialist legal advice. This new service will help prevent costly disputes and delays. The legal advisors are currently being procured, with a view to launch this service in 2024.

53. A Joint Inspection Team working in partnership with current enforcement agencies will provide another route to improve building safety for residents. A limited company has been established to host the Joint Inspection Team and recruitment has been commenced. Work has commenced with local authorities and Fire and Rescue Authorities to establish an inspection methodology and programme of buildings for inspection.

54. We are committed to ensuring resident engagement is at the heart of our legislative reforms and our white paper set out bold and important reforms to strengthen resident voice to ensure they have more say in matters that affect their homes and can be confident their buildings are safe. All residents, regardless of their tenure, should expect to have their voices heard. Having good communication and engagement with residents is vital, not only for building safety but also for community cohesion and social well-being. This funding will support the development of these commitments.

55. The Building Safety (Wales) Bill, which will be introduced later during this Senedd term, will result in a new building safety regime for multi occupied residential buildings in Wales during their occupation phase. Broadly, the intention is to build on the proposals set out in the “Safer Buildings in Wales” white paper consultation to:

|                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Establish a robust and coherent regulatory system, which will hold those responsible to account and ensure accurate, up to date information is held on all buildings in scope.</li> </ul> |
| <ul style="list-style-type: none"> <li>Set in place clear lines of accountability and responsibilities for those who own and manage multi-occupied residential buildings.</li> </ul>                                             |
| <ul style="list-style-type: none"> <li>Review Fire Safety Order requirements for domestic dwellings and place the resident voice and resident engagement at the heart of the reforms.</li> </ul>                                 |

| Budget Expenditure Line                     | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|---------------------------------------------|-----------|-------------------------------------------------------------|
| Major Repairs Allowance & Dowry Gap Funding | Capital   | 108,000                                                     |

56. Welsh Government, together with social landlord delivery partners, have invested billions of pounds to significantly improve and maintain the quality of social homes across Wales over the last two decades following the introduction of the original

WHQS standard. By 2022, all social housing in Wales has met the challenging Standard and social landlords continue to maintain that Standard today.

57. A new version of the WHQS standard was launched in October 2023. This new standard builds on the excellent achievements of its predecessor, keeping anti-poverty requirements at its heart, improving energy efficiency, with the aim of putting more money in tenant's pockets and supporting their comfort and well-being. In the face of the cost-of-living crisis and climate change emergency we cannot stand still, and we must continue to push progress and set standards to address decarbonisation through a variety of measures in existing social housing. The current Welsh Housing Quality Standard has already improved the energy efficiency of social homes, which is a significant benefit in the current cost of living crisis. WHQS 2023 builds on this while continuing to ask for more on energy efficiency.
58. The new standard focusses on more than just decarbonisation though with the introduction in the standard for suitable flooring to be provided throughout the home at each new tenancy if required and the introduction of water efficiency standards, encouraging landlords to consider biodiversity opportunities across the land that they own and manage.
59. £108m per annum is spent via Welsh Housing Quality Standard (WHQS) to support social landlords to provide good quality warm social homes, to some of Wales' most vulnerable households. This is 35% of WHQS works to achieve and maintain the standard, the sector put in 65%. Any reduction in funding means landlords would spend more to maintain existing homes to the WHQS standard, compromising their ability to deliver new homes and building safety measures.
60. WHQS2023 focuses on decarbonisation of social housing whilst WG's Optimised Retrofit programme facilitates testing and learning to inform long term wider retrofit of all homes, across all tenures in Wales. On-going WHQS 2 investment from 2023 together with Optimised Retrofit Programme funding will continue to boost local prosperity through SME growth, and supply chain development.
61. Dowry contractual arrangements to Large Scale Voluntary Transfers are extant for 30 years in total, with most stock transfer RSLs having 15-20 years remaining on their agreement with WG. Breaching the agreement would risk immediate Judicial Review.

| Budget Expenditure Line               | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|---------------------------------------|-----------|-------------------------------------------------------------|
| Residential Decarbonisation & Quality | Resource  | 1,673                                                       |
|                                       | Capital   | 92,000                                                      |

62. The 1.4m homes in Wales are responsible for 27% of all energy consumed in Wales and 15% of all our demand-side Green House Gas (GHG) emissions. The retrofitting of these homes is a primary preventative measure as it seeks to improve the energy efficiency of homes to reduce their carbon emissions to help Welsh Ministers to meet legally binding carbon targets, as well as PFG commitment to decarbonise residential homes through retrofitting. Total cost of decarbonising the housing stock based on Welsh School of Architecture (WSA) estimates is circa £15bn, of which more than £10bn is for the social housing stock and for homes in fuel poverty.

63. Revenue funding is being used to support the Housing Net Zero Performance hub which provides independent support for the Welsh housing sector. The hub will be run as a 'For Good' business model and:

|                                                                                                                                                                                                                                                                                    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• bring together expertise in research and development in the fast moving field of decarb;</li> </ul>                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• provide technical know-how;</li> </ul>                                                                                                                                                                                                    |
| <ul style="list-style-type: none"> <li>• retrofit advice and expertise specific to housing;</li> </ul>                                                                                                                                                                             |
| <ul style="list-style-type: none"> <li>• allow access to suitable qualified individuals and SMEs certified to carry out surveys and decarb activity; and,</li> </ul>                                                                                                               |
| <ul style="list-style-type: none"> <li>• act as a learning vehicle to generate data on the schemes supported, in order to share with other organisations. This will help the housing sector across all tenures know what works, and just as importantly - what doesn't.</li> </ul> |

64. Revenue funding will be used to help support the development of the decarbonisation agenda for housing and the delivery of the ORP programme. Revenue funding will also be utilised to cover the additional staff costs required to deliver the capital investment arising from the retrofitting homes. Without this funding the PfG deliverables will be not be achieved. Spending significant capital investment needs appropriate skills and oversight to ensure funding activity is in line with highest standards of corporate governance and risk management. It is key that significant capital investment delivers value from the public purse.

65. Our investment in this area (both revenue and capital) will support delivery of the Programme for Government commitment to ***“Continue to improve existing homes, helping us tackle fuel poverty, create much needed jobs, training opportunities, and supply chains”***.

66. Capital funding will predominantly be used to support the social housing sector, through the Optimised Retrofit Programme. Our ambition is to ensure all social housing landlords participate in this scheme so that they can integrate the decarbonisation agenda within their planned maintenance programmes to support and facilitate this we have moved the ORP from a competitive based scheme to a formula funded scheme, and for the previous two financial years (2022/23 and

2023/24) and the coming financial year (2024/25) have provided indicative allocations to landlords to support their planning processes.

67. The ORP programme will offer gap funding to landlords to help facilitate the decarbonisation of the housing stock. This is a key budget area as funding contribution is directly to delivery of steps being taken to tackle the decarbonisation agenda – thereby impacting the timeline for legally binding climate change targets and the PfG commitment to decarbonise more home through retrofitting as well as impacting the progress towards WHQS 2023 decarbonisation measures.
68. The continued grant funding will mean the tools, strategies and foundational economy benefits started by the ORP programme will continue to be developed and sustained at a level needed to build the opportunities to deliver against the Cabinet’s green economic recovery commitments.
69. Investment in WHQS and optimised retrofit across Wales’ housing must be seen against the backdrop of significant benefits to well-being, cost savings in services and local economic growth. Investment in over a million homes this decade has the potential to generate large economic returns as well as reducing our emissions and levels of fuel poverty.
70. The retrofitting of these homes is a primary preventative measure as it seeks to improve the energy efficiency of homes to reduce their carbon emissions to help Welsh Ministers to meet legally binding carbon targets. Our strategy and investment will prioritise social housing, demonstrating best practice, developing supply chains and skills that will stimulate the market and inform strategy for owner occupied home retrofit programmes. It requires social landlords, their tenants, SMEs, funding bodies and other key stakeholders to work together to achieve mutually beneficial outcomes.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Land Release Fund       | Resource  | 2,250*                                                      |
|                         | Capital   | 25,000**                                                    |

\*Excluding BEL Repayment Income of £3.800m

\*\*Excluding BEL Repayment Income of £9.361m

71. The revenue funding and the additional £100k for 24/5, will support Land Division to meet its the ministerial ambition of increasing the provision of affordable/social housing across Wales and to deliver "Exemplar Sites" within its land portfolio. The Capital and Revenue funding is essential to enable a steady stream of land to be realised over the next 5 years to deliver circa 2,600 quality affordable units.

72. The budget as indicated (revenue and capital) will allow Land Division to pursue the agenda of achieving maximum public benefit for the public purse from its land portfolio. It will set a performance specification aligned to the PfG setting out its standards for policy objectives, in particular affordable homes, place making, carbon reduction, biodiversity, supply chain, community benefits and the like. This process will allow best scheme selection and to achieve best value for the public purse.
73. The Land and Buildings Development Fund (LBDF) complements the ambitions of other interventions delivered across Welsh Government and wider public sector with the aim of unlocking the potential for developing public land for public good, particularly to meet the demands for social and affordable housing. The scheme is primarily intended to support the ambition for small scale, energy efficient, low carbon developments. The fund is particularly interested in applications seeking to unlock schemes that will utilise modern methods of construction, innovative technologies and deliver solutions at pace.
74. LBDF is a targeted capital driven programme that concentrates on freeing up public land where development has stalled. It is intended to enable public bodies and public sector partners to overcome barriers to development i.e. bridge the “viability gap” and advance change.
75. This capital funding is supporting delivery of *20,000 homes for rent in the social sector* by securing sustainable, well-designed affordable homes on public sector land, including our own land portfolio, where it will seek to establish a new benchmark for residential development. All schemes are delivered in a place-making context, with the intention of up to 50% affordable homes and mandating space standards and driving innovation in low carbon energy solutions and Modern Methods of Construction. The capital funding will also help to ensure there is a pipeline of sites available to continue to drive forward the delivery of affordable homes on public sector land, especially in areas where market failure may have been a barrier to delivery.
76. Much of the work of Land Division and the associated funding aligns to the impacts of Social Housing Grant and the 20,000 low carbon social homes for rent target. All of the schemes being delivered from the Land Division portfolio are intended to deliver homes of which 50% will be affordable. A number of the schemes will also include for example a new primary school, public open space and community facilities. The schemes are intended to set a new benchmark for energy efficiency and design and will be based around achieving Zero Carbon and improved space standards. It is also intended to promote modern methods of construction, in particular off-site manufacture. The developments will also aim to facilitate self-build and where appropriate to support community led developments.
77. As an example, the development at Cosmeston will contribute circa 250 homes to this specific target but also deliver a new primary school, which again aligns with the Well-being objectives contained in the Programme for Government which seeks

to invest more than £1.5bn in the next phase of 21<sup>st</sup> Century Schools and develop net-zero carbon schools and open up school facilities for local communities. The proposals for Cosmeston include facilities that will be available to the local community and provide a hub for local activities and has been designed to have place making at its core, reducing inequality and supporting well-being objectives.

78. The additional capital will enable the Land Division to meet the ministerial ambitions where Land Division is tasked to increase the provision of affordable/social housing across Wales and to deliver "Exemplar Sites" within its land portfolio. It will also enable the full potential of the land portfolio to be realised over the next 5 years in terms of delivering good quality affordable housing. The pipeline of sites has the potential to deliver circa 2,600 housing units over the next 5 years

79. £1m has been allocated recurrently as part of the Plaid Cymru Co-Operation Agreement to **“establish Unnos, a national construction company, to support councils and social landlords to improve the supply of social and affordable housing”**. There is now broad agreement on the immediate work to be taken forward and the programme of work is being developed.

80. At present officials have sought to balance progress and actions that can be delivered within the Co-operation agreement period and associated budget, but also aim to continue to define the medium- and longer-term functions for Unnos and the consequential actions that are required to mobilise these activities during Years 1 and 2 of the Unnos Business Plan. Work will also be progressed to finalise the appropriate company structure for Unnos.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Health and Housing      | Capital   | 60,500                                                      |

81. Our investments in the Housing with Care Fund will support delivery of the Programme for Government commitments to **“Support innovative housing development to meet care needs”** and to **“fund regional residential services for children with complex needs ensuring their needs are met as close to home as possible and in Wales wherever practicable.”**

82. This funding programme provides housing and accommodation to meet care needs i.e. extra care and other accommodation for older people and people with dementia; supported living for adults with physical and learning disabilities and/or Autistic Spectrum Disorder (ASD) and mental health problems; close to home accommodation for children with complex needs; and intermediate care settings.

83. Increasing the scale and pace of investment in specialist housing and accommodation will help to meet the needs of an ageing and more disabled

population, as well as improving the lives of children and young people with complex needs and adults with learning disabilities.

84. Our main aim will be to increase the existing stock of housing with care. The majority of these units are likely to be Extra Care housing for older people, alongside smaller scale developments to provide supported living accommodation for adults with a learning disability. These are tenanted social housing units which will count towards delivery of the **20,000 low carbon social homes for rent** target.
85. We will prioritise investment in small scale residential accommodation for children with higher needs in order to keep children and young people closer to home and avoid out of county/out of country placements. We will invest in a range of short and medium term accommodation in the community, such as step up/step down, rehabilitation accommodation and transitional accommodation for young people leaving care and those with and mental health and emotional well-being needs.
86. To date, £57 million HCF funding has been approved for over 80 schemes. 32 of these schemes are residential accommodation for children with complex needs, supported with £21 million HCF funding. This investment supports our commitment to eliminating profit from the care of children. It will have a substantial and positive impact on the long term wellbeing of vulnerable children in Wales, their families and carers.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Homebuy                 | Capital   | 4,000                                                       |

87. Our Homebuy scheme is designed to support shared equity home ownership and is available on existing homes. Homebuy primarily supports people who would like to purchase an existing home, within their community, but do not have the full financial resources to be able to do so, thus supporting people from lower socio-economic backgrounds. The scheme is a tried and tested scheme which has been offered by Welsh Government, on a small scale, for many years and is popular in rural areas, where new build homes are not readily available.
88. Building on previous investments of £9.7m into 178 Homebuys during the last term of Government, this draft budget commits to investing a further £4m in the scheme. The investment will initially facilitate availability of the scheme in the proposed second homes pilot area, with the scheme becoming more widely available in other areas of Wales. Work has been undertaken with Gwynedd Council, and its delivery agent, Grwp Cynefin, to tailor the scheme to better meet local needs within the pilot area.

89. The Programme for Government sets out clearly our commitment to address the issue of affordability in areas where there are high instances of second homes and develop a **Welsh Language Communities Housing Plan**. Homebuy will form part of the package to address issues of affordability through targeting and tailoring existing housing programmes. In 2022/23, we invested £2.5m in Homebuy which supported 35 Homebuys across Wales including 5 in the Dwyfor area.

90. The scheme offers support of 30-50% of the purchase price of a home across Wales, with support of 10 – 50% of the purchase price being trialled in the pilot area, which is repaid on the sale of the home. Homebuy is managed by local authorities and Registered Social Landlords (RSLs) who can place additional requirements on applicants such as the need for a local connection. Thus, the scheme is seen as key to supporting the work on mitigating the issues of affordability in some communities often exacerbated by high volumes of second homes.

91.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Social Housing Grants*  | Capital   | 325,000*                                                    |

*\*Excluding Financial Transaction Capital of £40.000m*

92. Welsh Government has made a Programme for Government commitment to deliver 20,000 homes for rent in the social sector to tackle both a housing shortage and the nation's greenhouse gas emissions, and a commitment to fundamentally reform homelessness services to focus on prevention and rapid rehousing.

93. This will allow individuals and households to access high quality affordable to rent and run homes in Wales. Social homes set the benchmark for quality; we expect high standards of space, quality, energy efficiency and place making from the Welsh social housing sector.

94. We have implemented the Standard Viability Model (SVM) to enable a focus on value for money. However, given the current economic pressures, each scheme within the programme has a much higher financial viability gap and grant levels have increased significantly.

95. Social Housing Grant:

- |                                                                                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Delivers high-quality, warm secure and energy-efficient homes for people who need them most, helping reduce fuel poverty.</li> </ul>                                                 |
| <ul style="list-style-type: none"> <li>• Supports the foundational economy, construction industry and supply chain in Wales, delivering training and employment opportunities, including jobs and apprenticeships.</li> </ul> |

|                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Supports the transformational shift of homelessness services to a rapid rehousing approach, where those who experience homelessness are quickly supported back into suitable permanent homes.</li> </ul>                                                                       |
| <ul style="list-style-type: none"> <li>• Supports older people and those with additional care requirements to avoid dependence on residential or long term care, reducing the call on the NHS.</li> </ul>                                                                                                               |
| <ul style="list-style-type: none"> <li>• Delivers good quality social housing which has a significant impact on people and communities, helping to achieve our long-term goal of ending homelessness, improving physical and mental health, ensuring those with complex needs receive the support they need.</li> </ul> |

| Budget Expenditure Line          | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|----------------------------------|-----------|-------------------------------------------------------------|
| Market Housing and Other Schemes | Capital   | 25,000*                                                     |

*\*Excluding Financial Transaction Capital of £40.000m & Repayment Income of £2.830m*

96. An allocation for the National Empty Homes Grant Scheme will contribute to the programme aim of bringing up to 2,000 empty homes back into occupation. There are currently 22,457 long term empty properties in Wales (2023-24) This number has remained largely unchanged for the previous 5 years. Through this grant, we want to tackle the difficult empty properties that are persistently empty and not those only temporarily (for example, in a good state of repair and on the market) and therefore properties will need to be empty for a minimum of 12 months to be eligible for the scheme. This work will also contribute to recommendation 9 within the Equalities, Local Government and Communities Committee Report into Empty Properties to review the support it provides for schemes that offer financial assistance to owners of empty properties.
97. Funding will be available to cover the cost of remedial works to make a property habitable and, in line with our climate commitments, energy efficiency improvements will be a requirement as part of the works undertaken on the property. The funding will be conditional upon the applicant living in the property for a minimum of 5 years.
98. As empty homes is an area of shared responsibility between Welsh Government and local authorities, in order to participate in the scheme, local authorities will need to provide a financial contribution of 10% of their notional allocations each year.
99. Whilst this government is committed to social housing, the Minister for Climate Change has been clear that there is a continued need in Wales for market

housing, it is crucial to the creation of mixed tenure housing sites in order to achieve truly sustainable communities.

100. The scheme, whilst predominantly targeted at owner occupiers, is also available to local authorities, Registered Social Landlords and Community Housing Groups for empty properties they are acquiring to bring back into use as affordable housing.

101. Empty homes are a blight and nuisance on our communities. Not only do they attract anti-social behaviour, pose environmental health problems and contribute to a general decline in their neighbourhoods, but they are also a wasted resource. This is particularly frustrating when housing is in short supply.

| Budget Expenditure Line | Fund Type | 2024-25 Allocation<br>£000s<br><i>Draft Budget Dec 2023</i> |
|-------------------------|-----------|-------------------------------------------------------------|
| Regeneration            | Resource  | 671*                                                        |
|                         | Capital   | 40,000**                                                    |

\*Excluding BEL Repayment Income of £14.000m

\*\*Excluding £10.000m Financial Transaction Capital

102. The Welsh Government’s regeneration investment is focused on town and city centres to strengthen their social, cultural, and public service usage therefore creating sustainable places. It is delivered through an integrated place-making approach under the Transforming Towns programme, which provides flexible support in response to the issues and challenges faced by individual towns across Wales, taking into account the potential future impacts of climate change and embedding sustainable development principles. Its overall objective is to support the sustainable growth of towns and cities and their transformation into places of living, working, learning and leisure.

103. Sustainable regeneration of town centres will be achieved through three objectives:

***Focus Town Centre First***

|                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Build the strongest case for ‘Town Centre First’ principles across government and the wider public sector, and provide challenge to ‘out of town’ development</li> </ul>                                                                                                    |
| <ul style="list-style-type: none"> <li>• Work across government departments to support delivery of strategic projects that will regenerate town centres, multiplying impact through strategic coordination at the Welsh government and local levels across Transport, Health and Education, in particular</li> </ul> |

***Deliver positive change for places***

- |                                                                                                                                                                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Invest in infrastructure that will re-energise town centres to ensure their sustainability</li> </ul>                                         |
| <ul style="list-style-type: none"> <li>• Reimagine the high street to deliver wider benefits and placemaking to support town centres both locally and in a regional context</li> </ul> |

***Build local capacity to deliver regeneration***

- |                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• Engage stakeholders across development and regeneration to test and implement fit-for-purpose town centre regeneration</li> </ul>                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• Ensure local authorities and other local delivery partners have the capability and capacity needed to deliver regeneration through strengthened support from government, including more collaborative ways of working and the delivery of digital resources.</li> </ul> |

104. Our investments focus on town centres to mitigate the impact of the rapid rate of decline experienced by many towns over a number of years and prevent it from worsening. Once decline sets in there is often an associated rise in anti-social behaviour, crime and poverty. The cost to communities as well as the public purse increases. Failure of town centres to meet the economic, social and environmental needs of the communities they serve often disproportionately affects older people and those on lower incomes, who have less opportunity to access services elsewhere.

105. Our aim with regeneration is to address inequalities experienced in town centres by investing in places that are currently under-performing, both economically and in terms of wellbeing, in order to raise their performance. In doing so, we aim to improve overall levels of prosperity and wellbeing in Wales as a whole.

106. Our investment in Regeneration will help support the delivery of the following Programme for Government commitments:

- |                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>• <b><i>Enable our town centres to become more agile economically by helping businesses to work co-operatively, increase their digital offer and support local supply chains, including local delivery services.</i></b></li> </ul> |
| <ul style="list-style-type: none"> <li>• <b><i>Develop masterplans for towns and high streets.</i></b></li> </ul>                                                                                                                                                          |
| <ul style="list-style-type: none"> <li>• <b><i>Empower communities to have a greater stake in local regeneration.</i></b></li> </ul>                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• <b><i>Create more community green space in town centres.</i></b></li> </ul>                                                                                                                                                       |
| <ul style="list-style-type: none"> <li>• <b><i>Repurpose public space for outdoor events, markets, street vendors, pop up parks and ‘parklets’.</i></b></li> </ul>                                                                                                         |

- ***Support the development of a register of empty buildings and help small businesses move into vacant shops.***

## Annex A

| RESOURCE BUDGET                                                          |         |                                       | £'000                                  |                                                   |                                    |
|--------------------------------------------------------------------------|---------|---------------------------------------|----------------------------------------|---------------------------------------------------|------------------------------------|
| Action                                                                   | BEL No. | BEL Description                       | 2023-24 Final Budget Feb 2023 Restated | 2024-25 Indicative Final Budget Feb 2023 Restated | 2024-25 Draft Budget December 2023 |
| Homelessness Prevention                                                  | 1120    | Homelessness Support & Prevention     | 46,147                                 | 51,147                                            | 214,910                            |
| <b>Total Homelessness Prevention</b>                                     |         |                                       | <b>46,147</b>                          | <b>51,147</b>                                     | <b>214,910</b>                     |
| Independent Living                                                       | 1100    | Housing Policy                        | 6,471                                  | 6,471                                             | 1,368                              |
|                                                                          | 1083    | Housing Support Grant                 | 166,763                                | 166,763                                           | 0                                  |
|                                                                          | 1285    | Independent Living                    | 0                                      | 0                                                 | 5,103                              |
| <b>Total Independent Living</b>                                          |         |                                       | <b>173,234</b>                         | <b>173,234</b>                                    | <b>6,471</b>                       |
| Achieve Quality Housing                                                  | 1065    | Residential Decarbonisation & Quality | 2,173                                  | 2,673                                             | 1,673                              |
| <b>Total Achieve Quality Housing</b>                                     |         |                                       | <b>2,173</b>                           | <b>2,673</b>                                      | <b>1,673</b>                       |
| Building Safety                                                          | 2255    | Building Safety                       | 6,000                                  | 6,500                                             | 4,500                              |
| <b>Total Building Safety</b>                                             |         |                                       | <b>6,000</b>                           | <b>6,500</b>                                      | <b>4,500</b>                       |
| Increase the Supply and Choice of Affordable Housing                     | 0984    | Housing Finance Grant                 | 13,100                                 | 13,100                                            | 4,100                              |
| <b>Total Increase the Supply and Choice of Affordable Housing</b>        |         |                                       | <b>13,100</b>                          | <b>13,100</b>                                     | <b>4,100</b>                       |
| Housing Revenue Funding                                                  | 1181    | Housing Programme Revenue Funding     | 173                                    | 173                                               | 173                                |
| <b>Total Housing Revenue Funding</b>                                     |         |                                       | <b>173</b>                             | <b>173</b>                                        | <b>173</b>                         |
| Land Division                                                            | 6410    | Land Release Fund                     | 2,150                                  | 2,250                                             | -1,550                             |
| <b>Total Land Division</b>                                               |         |                                       | <b>2,150</b>                           | <b>2,250</b>                                      | <b>-1,550</b>                      |
| Regeneration                                                             | 4151    | Regeneration                          | 1,271                                  | 1,671                                             | -13,329                            |
|                                                                          | 4162    | Cardiff Harbour Authority             | 5,400                                  | 5,400                                             | 5,400                              |
| <b>Total Regeneration</b>                                                |         |                                       | <b>6,671</b>                           | <b>7,071</b>                                      | <b>-7,929</b>                      |
| <b>CLIMATE CHANGE HOUSING &amp; REGENERATION - TOTAL RESOURCE BUDGET</b> |         |                                       | <b>249,648</b>                         | <b>256,148</b>                                    | <b>222,348</b>                     |

| CAPITAL BUDGET                  |         |                       | £'000                                  |                                                   |                                    |
|---------------------------------|---------|-----------------------|----------------------------------------|---------------------------------------------------|------------------------------------|
| Action                          | BEL No. | BEL Description       | 2023-24 Final Budget Feb 2023 Restated | 2024-25 Indicative Final Budget Feb 2023 Restated | 2024-25 Draft Budget December 2023 |
| Independent Living              | 1285    | Independent Living    | 19,500                                 | 19,500                                            | 19,500                             |
|                                 | 1182    | Private Rented Sector | 1,500                                  | 1,500                                             | 1,500                              |
| <b>Total Independent Living</b> |         |                       | <b>21,000</b>                          | <b>21,000</b>                                     | <b>21,000</b>                      |

|                                                                           |      |                                               |                |                |                |
|---------------------------------------------------------------------------|------|-----------------------------------------------|----------------|----------------|----------------|
| <b>Integrated Care Fund</b>                                               | 0986 | Health & Housing                              | 60,500         | 60,500         | 60,500         |
| <b>Total Integrated Care Fund</b>                                         |      |                                               | <b>60,500</b>  | <b>60,500</b>  | <b>60,500</b>  |
| <b>Achieve Quality Housing</b>                                            | 1061 | Major Repairs Allowance and Dowry Gap Funding | 108,000        | 108,000        | 108,000        |
|                                                                           | 1065 | Residential Decarbonisation & Quality         | 92,000         | 92,000         | 92,000         |
| <b>Total Achieve Quality Housing</b>                                      |      |                                               | <b>200,000</b> | <b>200,000</b> | <b>200,000</b> |
| <b>Increase the Supply and Choice of Affordable Housing</b>               | 0982 | Social Housing Grants (SHG)                   | 370,000        | 365,000        | 365,000        |
|                                                                           | 0989 | Land for Housing - Repayment                  | -1,930         | -3,000         | -3,000         |
| <b>Total Increase the Supply &amp; Choice of Afford. Housing</b>          |      |                                               | <b>368,070</b> | <b>362,000</b> | <b>362,000</b> |
| <b>Building Safety</b>                                                    | 2255 | Building Safety                               | 135,000        | 165,000        | 127,670        |
| <b>Total Building Safety</b>                                              |      |                                               | <b>135,000</b> | <b>165,000</b> | <b>127,670</b> |
| <b>Increase the Supply and Choice of Market Housing</b>                   | 0987 | Market Housing and Other Schemes              | 67,000         | 65,000         | 65,000         |
|                                                                           | 0987 | Market Housing and Other Schemes - Repayment  | -2,440         | -2,830         | -2,830         |
|                                                                           | 0980 | Homebuy                                       | 2,500          | 4,000          | 4,000          |
| <b>Total Increase the Supply and Choice of Market Housing</b>             |      |                                               | <b>67,060</b>  | <b>66,170</b>  | <b>66,170</b>  |
| <b>Land Division</b>                                                      | 6410 | Land Release Fund                             | 20,000         | 25,000         | 25,000         |
|                                                                           | 6410 | Land Release Fund - Repayment                 | 0              | -9,361         | -9,361         |
| <b>Total Land Division</b>                                                |      |                                               | <b>20,000</b>  | <b>15,639</b>  | <b>15,639</b>  |
| <b>Regeneration</b>                                                       | 4151 | Regeneration                                  | 50,000         | 50,000         | 50,000         |
| <b>Total Regeneration</b>                                                 |      |                                               | <b>50,000</b>  | <b>50,000</b>  | <b>50,000</b>  |
| <b>CLIMATE CHANGE – HOUSING &amp; REGENERATION - TOTAL CAPITAL BUDGET</b> |      |                                               | <b>921,630</b> | <b>940,309</b> | <b>902,979</b> |

| RESOURCE BUDGET - Annually Managed Expenditure                |         |                      | £'000                                  |                                                   |                                    |
|---------------------------------------------------------------|---------|----------------------|----------------------------------------|---------------------------------------------------|------------------------------------|
| Action                                                        | BEL No. | BEL Description      | 2023-24 Final Budget Feb 2023 Restated | 2024-25 Indicative Final Budget Feb 2023 Restated | 2024-25 Draft Budget December 2023 |
| Increase the Supply and Choice of Market Housing              | 0981    | Market Housing - AME | -3,035                                 | -2,527                                            | -5,398                             |
| <b>Total Increase the Supply and Choice of Market Housing</b> |         |                      | <b>-3,035</b>                          | <b>-2,527</b>                                     | <b>-5,398</b>                      |

|                                                  |               |               |               |
|--------------------------------------------------|---------------|---------------|---------------|
| <b>CLIMATE CHANGE- TOTAL RESOURCE AME BUDGET</b> | <b>-3,035</b> | <b>-2,527</b> | <b>-5,398</b> |
|--------------------------------------------------|---------------|---------------|---------------|