



Llywodraeth Cymru
Welsh Government

Our ref: JB/PO/219/24

LA Leaders

Cc.
CEO
Director of Housing
Director of Planning

19 August 2024

Dear colleagues

At the start of this Senedd term we set a challenging target to deliver 20,000 additional homes for rent in the social sector. This target was reflective of our shared ambition and commitment to ensuring everyone has a safe, affordable place to call home. In the last two and a half years, we have worked together to deliver against this ambition, and I thank you for your unwavering commitment in challenging times.

Whilst we have achieved a great deal, I want to take this opportunity to underline the importance of a continued and concerted effort on delivering more homes – not just to support this Government in reaching our 20,000 homes target, but to deliver homes for those who need them most. Investing capital funding in bringing forward longer-term homes to move people on from temporary accommodation helps to reduce revenue spend in this area.

Based on your projections, we know there is a healthy development pipeline. We also recognise there are challenges that can impact the pace at which some schemes can be delivered. However, we have a strong history of collaboration in Wales, something I take pride in. It is essential that we continue working together to overcome these challenges and seize all opportunities to deliver more homes as swiftly as possible. I therefore write to you to set out some of the key areas in which we can work together as well as actions I urge you to take forward.

Social Housing Grant Programme (SHG)

If there are schemes that are capable of starting but do not feature in your main Programme Development Plan (PDP) due to funding constraints, please engage with my officials to further discuss. We may find solutions to ensure these projects move forward without delay. We also ask that you review schemes within your main programme, including those due to complete early in the next government term, to ensure they are delivering as quickly as possible. My officials will contact your officers to request information on any opportunities there may be to accelerate delivery.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

From the data you have provided us there are clearly schemes that are experiencing delays due to a variety of issues. My officials stand ready to help unlock as many of your schemes as possible.

Maximise acquisition opportunities

Acquisitions play a vital role in providing immediate access to homes. Building on the success of the Transitional Accommodation Capital Programme (TACP) since its establishment, sector partners have told us about the need to maximise acquisitions. I have therefore re-opened TACP for the 2024-25 financial year with an indicative value of £100m. **I encourage partners to focus on utilising TACP to bring additional homes into the social sector (including ex right to buy and off the shelf market homes where they are available for purchase).**

Last year we revised the SHG guidelines which limited spend on acquisitions to 20% of your budget. We also aligned the standards and intervention rates for acquisitions across our TACP and SHG programmes to support you to deliver more.

Leasing Scheme Wales

The success of Leasing Scheme Wales (LSW) in improving access to affordable and good-quality homes for tenants at risk of homelessness is testament to the dedication and hard work of your teams. **I urge each and every one of you to continue, and to build upon, your efforts to bring more homes into the scheme. By doing so we can ensure more families and individuals can quickly access safe and settled accommodation. I am committed to exploring further opportunities to accelerate LSW and incentives to support the scheme,** for example the current Land Transaction Tax relief proposals.

Prioritising social housing in the planning system

Planning Policy Wales and Future Wales: The National Plan set out the high priority for the delivery social housing through the planning system. I recognise that resourcing is a critical issue for most local planning authorities and I am taking measures which seek to address this. In the meantime it is essential that we focus our efforts on providing the housing our communities need. In the short term **this means prioritising resources and efforts on schemes which deliver the most significant levels of social housing.** Delivery is important but so too is the quality of the development we seek to promote; these issues are not contradictory. We should strive for high quality social housing which demonstrate exemplary placemaking credentials. In the medium to long term we should endeavour to allocate affordable housing led sites in development plans to ensure the future pipeline of supply.

Maximising use of funding resources to deliver more housing

The cost of delivering additional housing has increased greatly over the last 3 years and so, alongside our funding schemes, we need to ensure that we are bringing every pound possible to bear to deliver more homes.

Data on financial contributions towards affordable housing secured through planning obligations shows that at the end of 2022-2023, Local Authorities had just over £27m held in financial contributions for affordable housing which is an increase of £5.5m from the almost £21.5m held at the start of 2022-23. **I expect partners to use all**

funding streams to support the development of more affordable homes in Wales.

Similarly, many of you will have Recycled Capital Grant (RCG) held with your RSL partners. Our latest RCG returns indicate that this is in the region of £55m. In July 2023 we wrote to your housing strategy leads asking them to consider how best to use RCG in your area, to support both the development of new build schemes and acquisitions. Please speak to your strategy leads to ensure this funding is used to best advantage and to maximise delivery of affordable housing.

There are a number of other funding streams that can be used to maximise delivery of affordable housing. This can include discretionary council tax premiums on second homes and long-term empty properties.

I would be grateful if you could email my officials to outline how you plan to use each of these funds to help meet your current housing needs.

Actions being taken by Welsh Government

I have instructed my officials to explore every action to support delivery. To this end, further **detailed work will be undertaken into the key challenges and barriers facing schemes with a view to unlocking them.**

Good quality information will be fundamental to support this process **I need all partners to maintain the high quality of data we receive so we can target support to deliver more homes** and to maintain a regular dialogue with us, to identify opportunities but also issues and share the progress being made. My officials use the [Homes and Places portal](#) to provide me with updates on progress and I expect you to maintain the accuracy and currency of information for your area.

I will also be seeking regular updates with you through our meetings, but in the meantime, I ask that you provide my officials (socialhousinggrantprogramme@gov.wales) with the information requested in this letter by 20 September 2024.

Delivering more homes is a key priority for this Government and for us all. We cannot do this without working together across the housing sector and I look forward to all that we can achieve in the next two years.

Yours sincerely



Jayne Bryant AS/MS

Ysgrifennydd y Cabinet dros Lywodraeth Leol, Tai a Chynllunio
Cabinet Secretary for Housing, Local Government and Planning