Llywodraeth Cymru
Welsh Government

Rhydycar
Merthyr Tydfil
CF48 1UZ

Eich cyf / Your ref:
Ein cyf / Our ref: ATISN 12083

Dyddiad / Date: 15 March 2018

Dear ,

ATISN 12083 - Grant Standards

Thank you for your request which I received on 15 February. I e-mailed you on 27 February 2018 confirming that you would receive a response by 15 March.

In your request you asked:

1. For a copy of your "***assessment and evaluation process***" with regard to:
   a) A Housing Finance Grant,
   b) B Affordable Housing Grant and
   c) C Dowry Gap Funding.

2. Advice regarding your assumption that copies of specific agreements [*formal funding agreements for grant awards*] are available from Welsh Government and a request for a copy of a specific executed agreement would be considered a valid request for information under FO I Act 2000.

The information you requested is either provided in the attached documents or provided below.

With regard to 1A, the assessment process for Social Housing Grant and Housing Finance Grant applications is the same. I have attached for your information the Scheme Submission Summary Process Flowchart at Annex 1. The Housing Finance Grant Evaluation is below at Annex 2.

With regard to 1B, the Affordable Housing Grant has not yet been launched but the programme will become available during the financial year 2018/19. The Assessment and Evaluation processes have not yet been finalised.

With regard to 1C, Dowry Gap Funding is only payable to the Large Scale Voluntary Transfer (LSVT) Registered Social Landlords. Each year the following criteria are used to assess and evaluate whether it is appropriate to continue to support the LSVT through the continuation of dowry payments. These are the criteria used in 2017/18 (the dates on the criteria change each year):

- Has the LSVT carried out an appropriate Welsh Housing Quality Standard (WHQS) investment programme during 2016/17 in accordance with its Business Plan (BP)?

- Are variances from the BP projections acceptable and adequately explained?

- Does the LSVT have adequately detailed and appropriate WHQS works programmed for 2017/18 & 2018/19?

- Is there sufficient evidence to enable the Welsh Government to continue to support dowry payments to LSVT?

With regard to 2, any request that asks to be provided with recorded information would be a valid FoI request. We will respond to any such request by either providing some or all of the information; exempting some or all of the information; or, refusing the request as appropriate, in line with our obligations under the FoI Act.

If you are dissatisfied with the Welsh Government's handling of your request, you can ask for an internal review within 40 working days of the date of this response. Requests for an internal review should be addressed to the Welsh Government's Freedom of Information Officer at:

Information Rights Unit,
Welsh Government,
Cathays Park,
Cardiff,
CF10 3NQ

or Email: FreedomOfInformationOfficer@wales.gsi.gov.uk

Please remember to quote the ATISN reference number above.

You also have the right to complain to the Information Commissioner. The Information Commissioner can be contacted at:

Information Commissioner's Office,
Wycliffe House,
Water Lane,
Wilmslow,
Cheshire,
SK9 5AF.
Tel: 01625 545 745
Fax: 01625 525 510
Email: casework@ico.gsi.gov.uk
However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Also, if you think that there has been maladministration in dealing with your request then you may make a complaint to the Public Services Ombudsman for Wales who can be contacted at:

Public Services Ombudsman for Wales
Ffordd yr Hen Gae
Pencoed
Bridgend
CF35 5LJ

Yours sincerely

Housing Finance Grant: Evaluation

Terms of Reference

Introduction
This brief sets out the terms of reference for the Housing Finance Grant's evaluation. As the investment objectives were set out clearly in the original business case, we have taken advice from Welsh Government's Knowledge and Analytical Services department, and decided that we would conduct the evaluation using internal resources. Whilst not explicit in the original business case we wish to use the research to inform the wider achievements of the initiative.

Evaluation oversight
Our project steering group oversaw the project from its inception, and will play a monitoring role as the resultant homes are built. A sub-group of this main group consisting of:

- Brian Pickett – Welsh Government;
- Carrie Riley – Welsh Government;
- Steve Evans – Community Housing Cymru;
- Tony Wilson – Wales and West Housing Association;
- Claire Watkins – Coastal Housing; and
- Sue Finch – Welsh Local Government Association.

The objectives of the Housing Finance Grant

The investment objectives were clearly set out business case, which was developed to secure the long term grant funding. These were:

- To develop an additional 1,000 new affordable homes in the short term; and
- Implement a collective borrowing product.

In addition to these, which are relatively straight forward to assess their success, the evaluation oversight group felt that this was a good opportunity to evaluate the wider aspects of the initiative. The wider coverage of this evaluation is set in more detail.

New affordable homes developed
The provision of 1,000 additional affordable homes was the key objective for this initiative. The Innovative Finance team within Welsh Government's Homes and Places division is monitoring the completion of homes of the term of the project. In addition to the number of schemes and completed units, we will collect additional data on whether they are:

- Flats or houses;
- The units split by the number of bedrooms;
- The tenure type i.e. social or intermediate rent; and
- The additional value created measured by both EUV-ST and MV-ST

A standard data collection form will be designed in order to gather this information.

Community benefits

With the growing agenda of the community benefits achieved from investment in infrastructure, this offers an excellent opportunity to evaluate the community benefits achieved through this £130 million investment over a relatively short period of time. As such we will collect data on the following by housing scheme:

- Jobs sustained;
- Apprenticeships created by weeks;
- Of which the number shared apprenticeships created by weeks; and
- Other training opportunities;

Case studies of where the RSLs tenants have directly benefited from the community benefits. We will use specialist skills from the sector to help develop the data collection methodology for this part of the evaluation.

Implementation of a collective borrowing product

The implementation of a collective borrowing product was the other key investment objective set out in the original business case. It was a key aspect of the work in bringing forward this initiative. There already exists comprehensive options appraisal documentation of the products considered when the project steering group accepted the working group's recommendation. The two borrowing products subsequently received ministerial endorsement in the summer 2013. The data as to the level of borrowings taken is already available. However, this can be expanded upon through some analysis and supplementary data collection to evaluate:

- The value for money achieved against providing capital grant. This can be done by calculating the premium paid by the 20 Register Social Landlords as opposed to the prevailing Gilt rates. Although it is important to note that capital was not available to invest in this initiative, so this calculation will just objectively show the cost of implementing the initiative;
- Understanding whether the RSL would have entered the capital markets without the collective borrowing product;
- The level of security required to finance the schemes funded by the Housing Finance Grant;
- The effect that the additional borrowing had on the RSLs' gearing;
- Why associations chose one product over the other; and
- For the RSLs, which took more finance than required, to understand the reasons behind this.

Once all the transactions have been priced we can evaluate the first bullet point. However, the others will require an additional supplementary data collection.

First tenancy information

The group concluded that this was a good opportunity to gather an evidence base on the first tenancy for the 1,000 homes. It is a good sample of new affordable homes built over a relatively short period It is good opportunity to gather information that is driving the source of these first tenancies. As such we will collect information as developments are completed and tenancies are finalised. We will evaluate the family size as well as the source e.g. homelessness, of the local authority register, downsizing due to welfare reform.

Reporting

The majority of this evaluation will be completed once the schemes are complete. However, we will plan to collect scheme level data as the individual schemes are completed rather than wait until the final scheme has been completed. Some aspects of the evaluation can be reported sooner, particularly in respect to some of the financial aspects. All evaluation reports will be submitted to the Minister for Housing and Regeneration prior to issue.

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