

Jocelyn Davies AC/AM
Y Dirprwy Weinidog dros Dai
Deputy Minister for Housing



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Ein cyf/Our ref WAQ 55023

Peter Black AM
National Assembly for Wales
Cardiff Bay
Cardiff
CF99 1NA

04th November 2009

Dear Peter,

I am writing further to your recent Written Assembly Question, what assessment has the Minister made of the impact of the proposed £90 million decrease in funding to "Increase the supply and choice of housing" (incorrectly labelled as "tackling homelessness") in the 2010/2011 draft budget.

I have assessed the impact of the capital variance of £90million between 2009/10 and 2010/11.

£40 million relates to the bringing forward of Social Housing Grant from 2010/11 and an actual spend of £28million in 2009/10. This is being used to support the construction and supply industry by stimulating supply and development and has allowed housing programmes to be accelerated to meet the One Wales target.

A further variance of £15million relates to the One Wales Commitment of developing Not for Profit nursing homes. Following examination of the proposal, it transpired that restricting the selection of bidders to the Not for Profit sector is a breach of State Aid rules and cannot be pursued in its original format. My officials are currently examining a range of models to explore the best options for meeting the agenda of this One Wales Commitment.

The remainder of the variance, £7million, is a consequential relating solely to Extra Care Schemes in 2009/10 and therefore is not reflected in the 2010/11 budgets.

Yours sincerely,

Jocelyn Davies AM