

Budget 2020 – Summary of Housing Related Announcements

1. Affordable Housing Programme

A 12 billion investment in the Affordable Housing Programme was announced which the Government anticipated will bring in a further £38 billion of additional investment.

The announcement covers a 5-year programme from 2021 and is the biggest funding announcement in affordable housing in the past decade.

Information on the tenure split and anticipated number of homes and whether there will be funding for social rent and council house building programmes will follow in due course.

2. Building Safety Fund

The Chancellor announced a further £1 billion fund to remediate un-safe ACM cladding on residential buildings over 18m.

This funding is in addition to the £600 million made available previously. This reflects growing concerns about the safety of high-rise homes in both private and social sectors.

The Chancellor stressed that the Government expected building owners to continue to meet their obligations and commitments to remediate unsafe cladding. This new funding will be prioritised for those who cannot afford to fund remediation works.

3. Public Works Loan Board (PWLB)

In October 2019 HM Treasury raised the rate of interest payable on new PWLB borrowings because a surge in borrowing by a minority of local authorities risked exhausting the PWLB's lending budget.

Following representations that this change has a negative impact on council building plans, the Budget reversed the change for borrowings related to social housing.

The Government also launched a [consultation](#) on future lending terms considering options for preventing local authorities diverting PWLB loans into investment assets.

4. Homelessness and Rough Sleeping

The Chancellor announced an additional £145 million, on top of the £236 million announced at the end of February, to offer 'move on' accommodation for up to 6,000 rough sleepers and those at immediate risk of rough sleeping and an additional £262 million for substance misuse treatment and recovery services.

This means in 2020/21 the Government will be making £492 million available to tackle homelessness and rough sleeping – a £124 million increase in funding from 2019/20.

The Chancellor also announced a new £46 million cross-Government programme to help people facing multiple disadvantage. This programme aims to ensure that around 5,000 people with multiple needs will get joined-up help from a range of local services, including health, probation, job centres and local authorities.

5. Other Issues

Although the budget included measures relating to the COVID-19 outbreak, these do not fully reflect the likely impacts on the UK as the national and global context continues to develop.

The budget also launches a Comprehensive Spending Review which is due to conclude in July 2020. This will cover resource budgets for three years from 2021-22 to 2023-24 and capital budgets up to 2024-25.

The Queen's Speech in December included the manifesto commitment to set up a Single Housing Infrastructure Fund (SHIF). Although this did not feature in the Budget, MHCLG officials have confirmed that this remains a Government priority with further announcements on this in due course.

Other issues not covered in the Budget include the long-awaited Government's response to the August 2018 consultation on flexibility around RTB receipts and proposals for retrofitting the housing stock in line with Government commitments to achieve zero carbon emissions by 2050.