



Llywodraeth Cymru  
Welsh Government

PUBLICATION, DOCUMENT

# RSL Loans – Development & Purchase of Existing Dwellings

Subsidy reference SC11060 - support for the target of providing 20,000 low carbon social rented homes in this term of government.

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## Point to note

If you are using this scheme to provide awards of subsidy, you must inform the Subsidy Control Unit – email: [scu@gov.wales](mailto:scu@gov.wales).

### 1. Region

All-Wales

### 2. Title of subsidy scheme

RSL Loans – Development & Purchase of Existing Dwellings

### 3. UK legal basis

The relevant statutory powers are as follows:

- Section 79(1) of the Housing Associations Act 1985 (powers with respect to grants and loans) gives the Welsh Ministers the power to lend to a RSL for the purpose of enabling the RSL to meet the whole or part of expenditure incurred or to be incurred by it in carrying out its objects. A loan may be by way of temporary loan or otherwise, and the terms of a loan may include terms for preventing repayment of the loan or part of it before a specified date without the consent of the Welsh Ministers (section 79(3)). Subject to that, the terms of a loan shall be such as the Welsh Ministers determine either generally or in a particular case (section 79(4)).

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- Section 60 of the Government of Wales Act 2006 provides the Welsh Ministers with broad powers in relation to the promotion of well-being. The Welsh Ministers may do anything which they consider appropriate to achieve the promotion or improvement of the economic, social or environmental well-being of Wales. This power may be exercised in relation to or for the benefit of either the whole or any part of Wales, or all or any persons resident or present in Wales.
- Section 58A of the Government of Wales Act 2006 provides that the Welsh Ministers may exercise executive ministerial functions which are within devolved competence, or which are outside of devolved competence if they are ancillary to a function. This is a general power which includes a function involving expenditure or other financial matters.
- Section 126 of the Housing Grants, Construction and Regeneration Act 1996 (“the 1996 Act”) empowers the Secretary of State to give financial assistance to any person in respect of expenditure incurred in connection with activities which contribute to the regeneration or development of an area. These activities include providing or improving housing. Section 128 of the 1996 Act provides that terms may be attached to the financial assistance. These powers of the Secretary of States have been transferred to Welsh Ministers in relation to Wales. The powers transferred to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 and were then subsequently transferred to the Welsh Ministers pursuant to paragraph 30 of Schedule 11 of the Government of Wales Act 2006.
- Section 127 provides that financial assistance under section 126 may be given in any form, in particular assistance may be given by way of grants, loans, guarantees, or incurring expenditure for the benefit of the person assisted.
- Section 128 provides that financial assistance under section 126 may be given on such terms as the Welsh Ministers consider appropriate.

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## 4. Objectives of the scheme

This loan is consistent with the specific policy objectives associated with the provision of affordable housing, as outlined in Programme for Government Commitment to make our cities, towns, and village even better. This intervention will contribute to the target of providing 20,000 low carbon social rented homes in this term of government.

The policy will also provide a positive impact on the Well-being of Future Generations (Wales) Act 2015, specifically contributing towards a healthy and more equal Wales. This is demonstrated by the clear health benefits of having a good quality home which is affordable, sustainable, and located in a safe environment.

## 5. Public authority(ies) authorised to implement the scheme

Welsh Government

## 6. Category(ies) of eligible enterprise

These loans are restricted to registered social landlords. Due to the funding being Financial Transaction Capital (FTC) local authorities are ineligible.

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## 7. Sector(s) to be supported

- Construction
- Real estate activities

## 8. Duration of the scheme

2 years – this scheme is for 2023/2024 and 2024/2025 financial years.

## 9. Budget for aid under the scheme

A total of £44,000,000.00 of loans have been provided which results in £22,000,000.00 subsidy in total.

## 10. Form of support

All subsidy awarded under the scheme will be awarded by way of loans.

## 11. Eligibility terms and conditions

In order to be eligible, the applicant must agree to bring forward additional affordable housing or bring sites forward at an accelerated pace.

## 12. Basis for calculating subsidies

As this is loan funding, the subsidy is only the interest forgone. The loan rate of 3% is compared to a market rate, and then discounted over the 30 years period. In order to calculate the 'market rate', a 30-year Gilt is used as a comparison with an appropriate margin.

## 13. Maximum subsidy allowable under the scheme

The maximum subsidy per organisation is £3,000,000.000

## 14. Contact information

### Subsidy Control Unit

Welsh Government  
Cathays Park  
Cardiff CF10 3NQ  
United Kingdom

**Telephone:** + 44 (0)3000 604 400

**Email:** [subsidycontrolunit@gov.wales](mailto:subsidycontrolunit@gov.wales)

Rydym yn croesawu galwadau a gohebiaeth yn Gymraeg / We welcome calls and correspondence in Welsh.

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