

Innovative Housing Programme (IHP) and Modern Methods of Construction (MMC)

Frequently Asked Questions – 2020-21

When does the application window open?

The application window will officially open on the 11 August with the Minister for Housing and Local Government making a public statement and the Welsh Government IHP web pages updated with the Guidance and Technical Specification on the same day. However, all documentation for starting the application process will be made available via e-mail after the launch event on 30 July.

When will the application window close?

The application window will close on the 25 September at midnight. Applications that are received into the IHP inbox after that time will not be assessed by the IHP team or the Independent Assessment Panel.

Who decides what schemes are shortlisted?

All applications submitted before the closing date will be assessed and scored against the Technical Specification criteria by an Independent Assessment Panel. The Independent Assessment Panel will make recommendations to Welsh Ministers on the schemes to be supported.

When will we know if we are successful?

The Minister for Housing and Local Government will publically announce the shortlisted scheme by the end of October, around five weeks after the application window closes.

Is there any flexibility on the grant requirements deadline?

We are looking into offering some flexibility on the grant requirements given the ongoing situation in relation to Covid-19. However, successful schemes will be required to evidence that they have secured land, planning and entered into a signed build contract by the 5 March 2021 to secure funding at the moment.

What types of MMC will you look to support?

Welsh Government does not prefer any one type of MMC solution and we will be using the UK [MMC definitions framework](#) to define MMC under this years 'MMC special'. We are encouraging all types of construction innovation to supply our social housing. We are keen to see our indigenous Welsh supply chain responding to supplier opportunities and realise the economic and social benefits from the investment made under IHP in Wales.

What is the definition of 'affordable homes'?

In Wales, 'affordable and social' homes are defined as per the planning [Technical Advice Note \(TAN\) 2](#).

When will know the terms and conditions of the IHP loan element?

General guidance for the loan funding can be found in Appendix A. Specific loan terms and conditions will form part of the legal loan agreement between Welsh Government and the applicant in relation to the specifics of the IHP scheme and application. The maximum length of loan term is 20 years and at the discretion of Welsh Government. Loans are provided for the delivery of social homes only. A 0% (zero) interest rate will apply and loans are compatible with State Aid under the [SGEI mechanism](#).

As a Local Authority, can we apply for the IHP loan element?

No. The loan scheme is only open to RSLs as per UK Government Treasury guidelines, with loans made directly to the RSL or lead RSL partner.

As a RSL can we apply for IHP grant and loan?

Yes, RSLs can apply for both IHP capital grant and loan. However, as we expect both the grant and loan to be oversubscribed we ask that applicants consider applying for the the minimum amount of financial support required to make the project viable. This will enable us to maximise the number of schemes we are able to support via the programme.

Can the Private or Third Sector apply for IHP funding?

For this year IHP will only be open to social landlords (Local Authorities and RSLs) to act as lead applicants. We are however encouraging collaboration between Local Authorities, RSLs, private and third sector partners to facilitate joint working to deliver more homes using MMC and deliver more high quality homes at scale and pace in Wales

What is the current and future capacity of the MMC supply chain in Wales? Is there sufficient supply to meet proposed future demand?

Welsh Government has a close relationship with the current MMC supply chain base in Wales. They have indicated that they are experienced, capable and ready to respond to the current social housing demand and will consider business expansion to meet the future increase in demand for MMC. Welsh Government, via its business support packages will seek to support business expansion and job creation in line with our [Economic Action Plan](#).

We have been asked to use Welsh timber. Is there enough supply and at a rate that makes it viable?

During the Covid-19 lockdown, demand for timber from Welsh processors has increased significantly and this has resulted in a restricted supply of construction grade timber and an accompanying increase in prices. We consider that this is a temporary situation and that in the longer term there will be sufficiency of supply of Welsh construction grade timber and the price will reduce.

However, if the use of Welsh construction grade timber proves challenging in a scheme, alternatives which can support the IHP should be used.