

27 October 2026

ATISN 26-0002 – Castle Hotel, Barry

Dear

Thank you for your correspondence, received on 9 October 2026, in which you asked for information in relation to Newydd Housing Association's 2019 application for Welsh Government funding to develop the Castle Hotel on Jewel Street, Barry, specifically copies of the application and our decision.

Newydd Housing Association was awarded £1,136,208 of Welsh Government grant funding in 2020/2021 to bring forward 14 affordable homes. This was made up of £817,208 of Social Housing Grant (SHG) funding and £319,000 of Recycled Capital Grant (RCG) funding.

The scheme also went on to receive an additional Materials Cost Increase (MCI) grant in February 2022 which totalled £75,621.

For your information, a summary of each grant referenced above is provided below:

Social Housing Grant (SHG) is the main capital grant provided by Welsh Government for the provision of affordable housing. It is used to fund housing schemes that meet local housing need and priorities as identified by Local Authorities in Wales. SHG is paid to Registered Social Landlords (RSLs) and Local Authorities.

Recycled Capital Grant (RCG) is a Welsh Government funding programme that enables Registered Social Landlords and Local Authorities to recycle grant recovered from the sale of previously grant-funded homes into new affordable housing provision. RCG can be used to support activities such as new-build affordable housing, the purchase of existing dwellings for specific housing needs, Homebuy, mortgage rescue, extensions, conversions and downward staircasing. By reinvesting recycled grant, RCG helps increase the supply of affordable homes and make best use of public funding to meet housing need across Wales.

Materials Cost Increase (MCI) is an historic one-off grant or uplift arrangement introduced to help schemes affected by construction inflation and rising material prices.

The information you requested is attached at **doc 1** (the application), **doc 2** (the decision letter), **doc 3** (the MCI approval letter) and **doc 4** (the updated application form showing the additional MCI).

Next steps

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: Freedom.ofinformation@gov.wales

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.

However, please note that the Commissioner will not normally investigate a complaint until it has been through our own internal review process.

Yours sincerely