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SUPPLEMENTARY PAPERS

Committee	COMMUNITY & ADULT SERVICES SCRUTINY COMMITTEE
Date and Time of Meeting	MONDAY, 18 MARCH 2024, 4.30 PM
Venue	CR 4, COUNTY HALL - MULTI LOCATION MEETING
Membership	Councillor Taylor (Chair) Councillors A. Ahmed, S. Ahmed, Ash-Edwards, Boes, Lent, Lewis, Littlechild and McGarry

The following papers were marked 'to follow' on the agenda circulated previously.

- 4 Housing Revenue Account Business Plan 2024/25 (Pages 3 - 160)**
Pre-decision scrutiny.

Appendix 4 to this report is exempt from publication as it contains information of the kind described in paragraphs 14 and 21 of parts 4 and 5 of Schedule 12A to the Local Government Act 1972.

- 5 Recladding of Nelson / Loudon (Pages 161 - 226)**
Pre-decision scrutiny.

Appendices 3 & 4 to this report are exempt from publication as they contain information pursuant to paragraph 16 of the Local Government Act 1972.

D Marles

Interim Monitoring Officer

Date: Tuesday, 12 March 2024

Contact: Harry Mayo, 02920 872432, harry.mayo@cardiff.gov.uk

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CYNGOR CAERDYDD
CARDIFF COUNCIL
COMMUNITY & ADULT SERVICES SCRUTINY COMMITTEE

18 MARCH 2024

HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN 2024-25

Appendix 4 to this report is exempt from publication as it contains information of the kind described in paragraphs 14 and 21 of parts 4 and 5 of Schedule 12A to the Local Government Act

Purpose of the Cover Report

1. To provide background information to enable Members to carry out pre-decision scrutiny of the Housing Revenue Account (HRA) Business Plan 2024-25.
2. A copy of the draft Cabinet Report is attached at **Appendix A**, which in turn contains:

Appendix 1; the HRA Business Plan 2024-25. The Business Plan also contains the following appendices:

- *Appendix A HRA Revenue and Capital Budgets*
- *Appendix B HRA Revenue Assumptions*
- *Appendix C Risk Matrix*
- *Appendix D Sensitivity Analysis*
- *Appendix E HRA Business Plan 30-year Budget Forecast*

Appendix 2; Single Impact Assessment

Appendix 3; Child Rights Impact Assessment

Appendix 4; HRA 5 Year Capital Programme – *confidential*

Appendix 5; Estimated Delivery Timescales for the New Build Programme.

3. Present at the meeting will be Cllr Lynda Thorne, Cabinet Member for Housing & Communities alongside senior officers of the Housing & Communities directorate and accountancy department. A presentation, providing a summary of the HRA will be delivered at the meeting for Committee Members. Committee Members are reminded, should they wish to raise, or explore any detail contained in **Appendix 4**; this must be done in closed session when webcasting has ceased.

Scope of Scrutiny

4. Within their considerations of the Council's management of the Housing Revenue Account, Committee Members should consider:
 - The Council's purpose and vision as a social housing landlord.
 - The Council's landlord objectives and standards for the service.
 - If the Council adequately plans how to achieve the objectives and standards set out.
 - If the Council sufficiently plans resource and financial requirements.
 - The framework for monitoring and evaluating the progress of 'business' alongside risk management and mitigation.
 - If we communicate the Council's landlord plans to tenants, Council Members, the Welsh Government, partners and the wider community through clear, digestible means.

Background – Housing Revenue Account

5. All Local Authorities in Wales have the responsibility to plan for the housing needs of their population in their role as Strategic Housing Authority. However only 11 of the 22 authorities in Wales have retained their council housing stock and consequently a role in the direct delivery of affordable, good quality homes as a social housing landlord.
6. The Local Government and Housing Act 1989 places a statutory duty on local authorities (*who have housing stock*) to maintain a separate, and ring-fenced¹ Housing Revenue Account (HRA) for the costs associated with the management and maintenance of Council dwellings.
7. Every year, each of the 11 stock retaining authorities are required to present an "acceptable" Housing Revenue Account (HRA) Business Plan (including a 30-year financial model) to the Welsh Government. This is to allow the Welsh Government to assess the progress of local authorities in meeting and/or maintaining the Welsh

¹ The term ring-fenced in this context means, the Council must not subsidise costs relating to Council Housing from the Council's General Fund, and vice versa.

Housing Quality Standard (WHQS) to then be eligible for the Major Repairs Allowance (MRA) Grant (which is currently £9.570m).

8. In their February 2024 meeting, Committee Members explored the Cabinet Member and service areas views on meeting the updated, WHQS 2023; questioning why no specific financial allocation in meeting these new standards could be seen in the HRA 2024 budget.
9. Within the discussion, Committee Members were informed, at present, there is uncertainty around the overall costings in meeting the new standards and of the service area's commitment toward attaining a comprehensive understanding on how meeting the new standards will be achieved.
10. Committee Members were also informed, owing to the estimated financial requirements, it is perceived meeting the updated WHQS 2023 standards would be significantly challenging without additional grant funding being received from Welsh Government. Further information on the service area's plans to meet the new WHQS can be found in Section 2 of the Business Plan (**Appendix 1**) with **Points 15 – 19 of the Cabinet Report (Appendix A)** providing a summary.
11. As mentioned earlier in this Cover Report, the Council's HRA is ring-fenced, with its main income stream arising from council tenants' rents. In December 2023, it was agreed by Cabinet to increase council rents by the maximum 6.7%² and to also increase service charges by 6.7%, or by actual costs where known.
12. Committee Members are to note, the 2023 December Cabinet Report advised a proposed rent / service charge increase of 6.7% is affordable against the Joseph Rowntree Foundation affordability model. A summary of the decision taken by Cabinet in December 2023, and its rationale is captured in **points 29 - 35** of this Cover Report.

² For background purposes, Committee Members are advised, in December 2022, Cabinet agreed to increase the council house rents by the maximum allowed lift of 6.5% The uplift of service charges in 2022 was also by 6.7% or by 'actual cost where these are known'.

Overview - Housing Revenue Account Business Plan

13. As detailed in **point 4** of the Cabinet Report (**Appendix A**), the purpose of the HRA Business Plan (**Appendix 1**) is to present transparent, efficient and precise planning of the council's housing assets and management strategy.
14. The HRA Business Plan identifies a number of priorities as aligned to the council's 'Stronger, Fairer, Greener' vision and the overall Welsh Government strategic vision.
15. The Business Plan (**Appendix 1**) is organised in line with those identified priorities, and the Cabinet Report, attached at **Appendix A**, provides an overview of each identified priority between **points 8 to 50**.

In short, the priorities identified in the Business Plan are:

- Building new council homes
- Delivering the Welsh Housing Quality Standard (WHQS) 2023
- Maintaining our homes
- Moving towards zero carbon homes
- Improving our neighbourhoods
- Providing safe and inclusive communities
- Supporting tenants through the cost-of-living crisis
- Preventing and addressing homelessness
- Listening to our tenants
- Modernising and improving our services for tenants.
- Financial resources and planning.

16. To aid Members consideration of the HRA Business Plan, the following contents table, signposts Members to those priorities and their relevant page numbers. Please note that the page numbers listed in the table below, ***refer to the pages of the original document in Appendix 1.***

Section of HRA Business Plan	Pages in Appendix 1
Building New Council Homes	9-18
Delivering the Welsh Housing Quality Standards 2023	19-21
Maintaining our Homes	22-29
Moving Towards Zero Carbon Homes	30-31
Improving our Neighbourhoods	32-36
Providing Safe & Inclusive Communities	37-42
Supporting our Tenants through the Cost-of-Living Crisis	43-46
Preventing and Addressing Homelessness	47-53
Listening to Our Tenants	54-59
Modernising and improving services for our tenants	60-61
Financial Resources and Planning	62-68

Overview - HRA 5 Year Capital Programme

17. The table below (entitled 'Capital Funding'), was provided to Committee Members' in their February 2024 meeting papers, and offers an overview of the council's general Capital Programme funding streams, and the council's HRA Capital Programme funding streams.

In line with the focus of the agenda item, Members are advised to focus on the information relating to the funding streams of the HRA Capital Programme.

Capital Funding 2024/25 - 2028/29

	2024/25 £000	Indicative 2025/26 £000	Indicative 2026/27 £000	Indicative 2027/28 £000	Indicative 2028/29 £000	Total £000	%
General Fund							
WG Unhypothecated Supported Borrowing	(8,973)	(8,973)	(8,973)	(8,973)	(8,973)	(44,865)	5.1
WG General Capital Grant	(9,215)	(6,134)	(6,134)	(6,134)	(6,134)	(33,751)	3.8
Additional General Capital Grant unallocated from 2021/22	(1,450)	(2,520)	0	0	0	(3,970)	0.4
Additional Borrowing to balance existing capital programme	(38,342)	(21,084)	(10,343)	(3,063)	(3,723)	(76,555)	8.6
Additional Borrowing for new schemes approved in 2024/25	(11,560)	(9,700)	(10,000)	(15,000)	(15,920)	(62,180)	7.0
Additional Borrowing - Invest to save/earn schemes to be repaid from revenue savings/incidental income or directorate budgets	(108,979)	(126,557)	(45,657)	(12,865)	(5,500)	(299,558)	33.8
Earmarked Capital Receipts	(3,505)	(325)	0	0	0	(3,830)	0.4
Non Earmarked Capital Receipts assumption	(2,105)	(2,000)	(2,000)	(2,000)	(2,000)	(10,105)	1.1
Earmarked Reserves	(5,035)	0	0	0	0	(5,035)	0.6
External grant and contributions estimates	(132,258)	(103,173)	(55,205)	(30,113)	(26,335)	(347,084)	39.1
Total General Fund	(321,422)	(280,466)	(138,312)	(78,148)	(68,585)	(886,933)	100.0
Public Housing (HRA)							
Major Repairs Allowance WG Grant	(9,570)	(9,570)	(9,570)	(9,570)	(9,570)	(47,850)	6.41
Additional Borrowing	(76,502)	(120,784)	(80,490)	(62,065)	(65,505)	(405,346)	54.32
Revenue / Reserves	(1,400)	0	0	0	0	(1,400)	0.19
External grant and contributions estimates	(48,308)	(66,396)	(74,630)	(49,740)	(51,000)	(290,074)	38.88
Capital Receipts	(500)	(500)	(500)	0	0	(1,500)	0.20
Total Public Housing	(136,280)	(197,250)	(165,190)	(121,375)	(126,075)	(746,170)	100.0
Total Capital Programme Resources Required	(457,702)	(477,716)	(303,502)	(199,523)	(194,660)	(1,633,103)	

18. **Appendix 4** to this Cover Report provides information on the Housing Revenue Account Capital Programme 2024/25 spend, and it's indicative spend for future years. Committee Members are advised the information contained in **Appendix 4** is exempt from publication and so is to be treated confidentially.

Should Committee Members have questions on this Appendix, they will need to be taken in closed session; with the webcast ceased.

Overview - Housing Revenue Account 2024/25 Budget and Medium-Term Financial Plan

19. The [Housing Revenue Account 2024/25 Budget and Medium-Term Financial Plan](#) (MTFP) indicates a budget gap in the HRA of £800,000 **for the financial year 2028/29** and a **further £1 million gap for 2029/30**. As stated in **Appendix A**, the MTFP proposes, if this gap is apparent, the Council would use general reserve to cover this gap and to replenish these reserves over the longer-term period.
20. The MTFP advised this estimated budget gap in the medium term of £800,000, is impacted by increased service demand, inflationary pressures, additional operating costs of new sheltered housing and specialist accommodation schemes. However, the most significant increase is in capital financing costs as a result of the planned new build programme and the estimated timings of new build completions and availability to let which determines the rental streams available each year, which results in a temporary budget shortfall.
21. The MTFP advises, to ensure the sustainability of the HRA, while meeting the additional pressures noted in **point 20 of this Cover Report**, the service area has put in place a range of strategies including:
- Target efficiencies across all service provision.
 - Review income streams and maximise income generation where possible subject to considerations of risk and policy.
 - Maximisation of grant funding sources to improve viability of schemes.

22. The MTFP offers the below table to provide insight on the impact of the increasing borrowing requirement on the HRA net revenue stream³. Further the narrative in the MTFP advises the table indicates:

a) HRA Capital financing costs as a proportion of the net revenue stream - an increasing ratio indicates that a greater proportion of the HRA resources are required to meet capital financing costs over the period.

b) HRA Capital Financing Requirement (Debt) as a ratio of the net revenue stream – this ratio shows the amount of debt proportionate to the net revenue stream and is an indicator of future financial sustainability. It helps to explain the relationship of debt to the HRA resources available to deliver services.

	22/23 Actual	23/24 Est	24/25 Est	25/26 Est	26/27 Est	27/28 Est	28/29 Est	29/30 Est	30/31 Est
HRA Capital Financing costs as a proportion of the Net Revenue Stream (%)	29.29	28.84	30.13	33.45	36.44	38.28	40.08	40.15	40.23
HRA Capital Financing Requirement as a ratio of Net Revenue Stream	3.76	3.98	4.25	4.94	5.16	5.36	5.46	5.51	5.43

The above table and its narrative is taken from page 11 & 12 of the MTFP.

23. The MTFP confirms the Business Plan is viable over the 30-year period however the risk matrix table (**Appendix C of Appendix 1**) identifies a number of significant risks that will need to be reviewed in detail and have appropriate controls put in place to mitigate and manage any changes to assumptions.

General Context - Increase in Borrowing Costs and the Cost of Energy and Materials.

24. In a similar vein to scrutiny of the Council’s proposed budget; this Scrutiny Committee has highlighted sustained concerns regarding the ‘cost of borrowing for the HRA and both its immediate and longer-term implications’.

³ HRA Revenue stream is the rent and service charge income.

25. Although, it is to be noted, typically the Committee does endorse the general reason for the HRA borrowing which, as Committee Members have been previously informed, is to allow for the progression and development of more affordable homes in the city; in a bid to address the sustained housing issues.
26. When considering the HRA Business Plan in 2023, Committee Members sought clarity on how much income the Council anticipates as a return of the Council House Build Programme. Within the discussions, Members were informed substantial modelling work is undertaken of each development scheme via a viability assessment / toolkit and it is forecast in thirty years' time, the Council will be in a position where the borrowing is paid back, with a surplus from the rent coming in.
27. It is still to be noted borrowing costs within the HRA are substantial and warrant ongoing scrutiny assessment. Other costs also impacting on the HRA include the cost increased cost of material and increases in energy costs. However, of late, it is envisaged that although material costs and energy costs may have stabilised, any further fluctuations can impact negatively on the HRA and will need to be monitored closely.
28. The borrowing requirements for the HRA are set out in section 11 of the Business Plan (**Appendix 1**) and a summary of the viability testing on the Council House Build Programme, is presented in **points 13 and 63 of the Cabinet Report (Appendix A)**.

General Context - Council House Rent Setting

29. It is the Council's responsibility to determine rent levels for its tenants. However, it must be done in line with the Welsh Government's, Rent Policy Framework, which sets the following:
- Social landlords must assess cost efficiencies, value for money and affordability for tenants.
 - The maximum overall rent increase allowance is the September Consumer Price Index (CPI) +1%. Should the CPI fall outside the range of 0% to 3%,

the Welsh Government's Housing Minister will determine the appropriate change to rent levels.

In September 2023, CPI was 6.7%. Therefore, a decision regarding the rent setting was required by the Welsh Government Housing Minister. The Minister announced on the 27th October 2023 that the maximum that council rents can increase by is 6.7%.

30. The Renting Homes (Wales) Act 2016 stipulates landlords must provide a two-month notice requirement for tenants when an increase in fees is proposed. As a result, in December 2023, Cabinet approved the proposed approach to the setting of Council House rents, and related service changes on Housing Revenue Account (HRA) for the financial year 2024/25.

31. In December 2023⁴, Cabinet agreed Council rents should increase by the full amount allowed of 6.7%. In making this decision modelling was undertaken against the Joseph Rowntree Foundation Living Rents Model, with the outcome being, a 6.7% increase, still provides council rents as affordable and good value for money.

32. Further it was also noted that 86% of council tenants are in receipt of benefits to assist with their rent. In the majority of cases these tenants will also have an increase in rent covered by an increase in their benefits. In November 2023, it was announced that from April 2024, benefits including Universal Credit will rise by 6.7%, and the state pension will increase by 8.5%.

33. Other rationale to increase the rent by 6.7% was also determined as:

- Owing to the impact on the HRA Business Plan, any lower increase could hinder the Council's ability to continue to:
 - Maintain and improve existing homes.
 - Build new homes.
 - Support Tenants

⁴ [CARDIFF COUNCIL \(moderngov.co.uk\)](https://www.moderngov.co.uk), Cardiff Council House Rent & Service Charge Setting, December 2023. Accessed: Thursday 6th March 2024.

34. In addition, the December 2023 Cabinet Report highlighted due to the impact of inflation and the end of the current rent setting framework in 2025, a degree of uncertainty remains about future rent levels. As a result, this is a significant risk to the resilience of the HRA as it means that the Council cannot control or effectively predict a key component of HRA business planning.

35. The December 2023 Cabinet Report identified that the proposed rent uplift of 6.7% could still result in an estimated HRA deficit of £537,000 that would need to be addressed when setting the HRA Revenue Budget for 2024/25. As a result, in December 2023 a review took place and a number of areas were identified where efficiencies could be made, if this estimated deficit is apparent when setting the HRA budget in Feb / March 2024.

Those identified efficiencies in the December 2023 review were⁵:

- Review of the Senior Management Team
- Alignment of Advice Services
- Review of staffing establishments and related funding requirements
- Income Opportunities with Community Hubs

General Context – Setting the HRA Budget.

36. The Council has a statutory duty to ensure that the HRA achieves a balanced budget over the medium term. Council, on 7th March agreed the Council’s budget, and within it, agreed the following projections for ear marked reserves of the Housing Revenue Account during 2024/25⁶:

EARMARKED RESERVES HOUSING REVENUE ACCOUNT

	Reserve	Estimated balance at 31.03.2024 £000	Estimated Movements		Estimated balance at 31.03.2025 £000	Purpose /To fund:
			To finance budget £000	Other Commitments £000		
1	Housing Development Resilience Reserve	1,000	0	1,600	2,600	Improve resilience within the Housing Development Capital Programme
2	Housing Repairs and Building Maintenance	4,121	0	(1,500)	2,621	Housing repairs and to mitigate against risk within the Construction Industry
3	Welfare Reform	179	0	(179)	0	Project costs and scheme development to address issues for council tenants due to benefit cap and universal credit
	TOTAL	5,300	0	(79)	5,221	

⁵ Committee Members will note, many of these efficiency / service changes were proposed in the Council’s Budget as agreed by Council on 7th March 2024.

⁶ Committee Members are advised to disregard the colour coding in the table as it relates to the organisation of the 2024 Budget Scrutiny Papers – which were colour coded in line with the Cabinet Member’s portfolio.

	Reserve	Estimated balance at 31.03.2024 £000	Estimated Movements		Estimated balance at 31.03.2025 £000	Purpose /To fund:
			To finance budget £000	Other Commitments £000		
1	HRA General Reserve	15,502	0	0	15,502	Impact of unexpected events or emergencies within the HRA

37. For Committee Members information, the tables below provides the ear marked reserve projections for ear marked reserves of the Housing Revenue Account during 2023/24:

EARMARKED RESERVES HOUSING REVENUE ACCOUNT

	Reserve	Estimated balance at 31.03.23 £000	Estimated Movements		Estimated balance at 31.03.24 £000	Purpose /To fund:
			To finance budget £000	Other Commitments £000		
1	Housing Development Resilience Reserve	750	0	250	1,000	Improve resilience within the Housing Development Capital Programme
2	Housing Repairs and Building Maintenance	9,021	0	0	9,021	Housing repairs and to mitigate against risk within the Construction Industry
4	Welfare Reform	429	0	0	429	Project costs and scheme development to address issues for council tenants due to benefit cap and universal credit
TOTAL		10,200	0	250	10,450	

	Reserve	Estimated balance at 31.03.23 £000	Estimated Movements		Estimated balance at 31.03.24 £000	Purpose /To fund:
			To finance budget £000	Other Commitments £000		
1	HRA General Reserve	15,502	0	0	15,502	The impact of unexpected events or emergencies within the HRA

38. Although a balanced budget of the HRA was agreed by Council on 7th March, as detailed in **Appendix 1** and this **Cover Report**, pressures are recognised where budget gaps are projected in future years.

39. Any liabilities of the HRA are ultimately liabilities of the Council, so it is essential that a longer-term planning and modelling horizon continues to be updated as part of the HRA Business Plan. This includes robust viability assessments for new housing development proposals and other risks identified in Business Plan (**Appendix C of Appendix 1**).

Previous Scrutiny

40. Each year, the HRA Business Plan has to be presented to the Welsh Government. In advance of its presentation to the Welsh Government, the proposed Plan is considered by this scrutiny committee ahead of Cabinet consideration. In consideration of previous Business Plans, some of the areas

explored by past Committee Members included⁷⁸⁹:

- a. The benefit and importance of the Plan's matrix table. As a key purpose of this matrix table is to provide Welsh Government and members of the public with a clear understanding of the identified areas of risk, Members felt the narrative should be expanded to include information on how risks are determined, analysed and monitored to ensure performance, progress and viability.
- b. With regard to the format of the Business Plan, Members noted the format is prescribed by Welsh Government, however were advised there is scope to alter its format within reason. As a result, Members **recommended** in future years, more information is included in the Plan regarding financial detail, mitigation measures and sensitivity analysis. Members are to note this recommendation was partially accepted due to the Cabinet's view that as a comprehensive financial model sits below this document, they do not wish the document to lose its accessibility and transparency.
- c. In relation to the WHQS decarbonisation agenda¹⁰, Members raised their concerns over the substantial costings of this work and sought assurance this is being adequately accounted for – Members heard work is ongoing with Welsh Government regarding fiscal support.
- d. Given the challenges surrounding retrofitting (costing, scale of work, ensuring affordable energy costs for tenants) Members questioned if the 'challenge of decarbonisation' risk being determined as amber in the plan was realistic.
- e. Members sought assurance that the debt projections contained in the Plan were viable.
- f. Members requested confirmation on the construction price inflation figures to determine its alignment to the sensitivity analysis within the Plan
- g. Members highlighted the need to provide better information on Council void properties within the Business Plan, including the number of council

⁷ [Letter from Cllr Jenkins, Chairman of CASSC, to Cllr Thorne, Cabinet Member, dated 16 March 2021.](#)

⁸ [Letter from Cllr Jenkins, Chairman of CASSC, to Cllr Thorne, Cabinet Member, dated 10 March 2022](#)

⁹ [\(Public Pack\)Correspondence following Committee Meeting Agenda Supplement for Community & Adult Services Scrutiny Committee, 20/03/2023 14:00 \(moderngov.co.uk\)](#)

¹⁰ Which requires the upgrading of council properties from minimum EPC level rating of, 'E' to a 'C' by 2029, 'C' to a 'B' from 2029 and 'B' to an 'A' from 2031 onwards.

properties void at year end in Cardiff.

- h. Members welcomed the focus on ensuring good quality of existing Council homes, and in particular, the importance of addressing mould in properties particularly given the current context where some residents may struggle to afford heating their home.
- i. In their 2023 meeting, Committee Members explored if the forthcoming update on the WHQS(2023) may hinder the Councils ability to receive the Major Repairs Allowance Grant and were informed by the executive of their assurance and confidence the grant will be attained as grant requirements are for the Council to continue meeting the *existing* WHQS, and for the Welsh Government to deem the Business Plan as affordable.

Legal Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any

modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

It is recommended that the Committee:

- i. Consider the proposed draft Business Plan, and decide whether it wishes to relay any comments or observations to the Cabinet at its meeting on the 21st of March 2024 and.
- ii. Decide the way forward regarding any further scrutiny of matters raised.

Leanne Weston

Interim Deputy Monitoring Officer

12 March 2024

BY SUBMITTING THIS REPORT TO THE CABINET OFFICE, I, SARAH MCGILL, CORPORATE DIRECTOR PEOPLE & COMMUNITIES AM CONFIRMING THAT THE RELEVANT CABINET MEMBER IS BRIEFED ON THIS REPORT

**CARDIFF COUNCIL
CYNGOR CAERDYDD**

CABINET MEETING: 21st March 2024

**DELIVERING THE HOUSING REVENUE ACCOUNT (HRA)
BUSINESS PLAN 2024-25**

**HOUSING & COMMUNITIES - (COUNCILLOR LYNDA THORNE)
AGENDA ITEM:**

Reason for this Report

1. To seek Cabinet approval for the Housing Revenue Account (HRA) Business Plan 2024-2025.

Background

2. All Local Authorities in Wales have the responsibility to plan for the housing needs of their population in their role as a Strategic Housing Authority. However, only 11 of the 22 authorities in Wales have retained their council housing stock and consequently play a role in the direct delivery of affordable, good quality homes as a social housing landlord.
3. The Council's landlord functions are managed within a ring-fenced Housing Revenue Account (HRA). The 11 stock retaining authorities in Wales are required to present an acceptable HRA Business Plan (including a 30-year financial model) to the Welsh Government each year in order that the Welsh Government can assess the progress of local authorities towards meeting and/or maintaining the Welsh Housing Quality Standard in order to be eligible for the Major Repairs Allowance

APPENDIX A

Grant which is currently £9,570,000. The HRA Business Plan must conform with the requirements set out by the Welsh Government.

4. The Business Plan aims to ensure:
 - Efficient use of housing assets
 - Increased transparency of the HRA
 - Precise planning of the Council's housing management strategy
5. The main source of income to the HRA is the rent paid by tenants. The Welsh Government's five-year rent policy provides for a maximum annual uplift of CPI +1% each year from 2020/21 to 2024/25 using the level of CPI from the previous September each year.
6. In September 2023, CPI was 6.7%, well above the range allowable by the policy. Therefore, a decision regarding the rent setting was required by the Minister who set the maximum rent increase at 6.7% in line with this policy. In December 2023, following consideration of the affordability and value for money of council rents, Cabinet decided to increase rents by the full amount allowed of 6.7% for 2024/25. This results in an average weekly rent of £134.02 for standard housing stock.

Issues

7. The HRA Business Plan (the Plan) can be found at Appendix 1 to this report. It sets out a number of key priorities that align clearly with the strategic commitments set out in the Council's "Stronger Fairer Greener" vision and with Welsh Government's strategic direction. These priorities are set out below and each forms a section of the plan.
 - Building new council homes
 - Delivering the Welsh Housing Quality Standard 2023
 - Maintaining our homes
 - Moving towards zero carbon homes
 - Improving our neighbourhoods
 - Providing safe and inclusive communities
 - Supporting tenants through the cost-of-living crisis
 - Preventing and addressing homelessness
 - Listening to our tenants
 - Modernising and improving our services for tenants.
 - Financial resources and planning

A summary of the key issues from the Plan are set out below.

APPENDIX A

Building new council homes

8. To address significant levels of housing need in the city, including overcrowding, Cardiff Council has initiated an ambitious development programme which will deliver in excess of 4,000 new homes over the next 10 years. The award-winning programme currently represents one of the largest council housing build projects in Wales and will see over £1 billion invested into delivering affordable homes at scale and pace.
9. As at January 2024, the housing development programme has delivered 1,463 homes of all tenures of which 1,032 are council homes and 431 homes for sale. A further 432 homes are currently being built on site, and there are another 6 projects that are due to commence next year which will deliver a further 438 new homes.
10. The service is working to increase the number of sites, to ensure that at least 4,000 new homes can be delivered, of which 2,800 will be council homes and 1,200 homes for sale.
11. Appendix 5 to this report sets out the estimated delivery timescales for the new build programme.

Funding the new build programme

12. New homes will deliver an income from future rents, also the programme is now supported by the Welsh Government Social Housing Grant and other grant programmes. Other sources of income include planning gain and income from market sales.
13. In addition to the rental income and grant receipts, a significant amount of borrowing is still required to support the development programme. The borrowing requirements for the HRA are set out in section 11 of the Plan. Viability of the new build programme is key to ensuring the future sustainability of the plan. Each new build scheme therefore undergoes a viability assessment at various stages in the preparation process, before the development goes ahead to ensure that debt can be repaid over a set period of time. Both 5 year and 30-year HRA forecasts confirm that the new build programme is sustainable, given current assumptions (see para 59 below for further information).

Delivering older person community living schemes

14. One of the main aims of Cardiff's Ageing Well strategy is to deliver the best housing outcomes for all older people in Cardiff. The development programme is investing over £150 million to build new homes that meet older persons housing needs and aspirations, promoting independent

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living and reducing the need for expensive care home placements. The first of these Older Persons Independent Living Schemes, Addison House, launched in December 2023, with residents moving in from February 2024.

Delivering the new Welsh Housing Quality Standard 2023

15. The Welsh Government has carried out a full review of the Welsh Housing Quality Standard (WHQS), and a new standard, WHQS 2023, was launched in October 2023. WHQS 2023 contains all the requirements of the previous standard but with more emphasis on addressing decarbonisation in the social housing stock and ensuring that homes are of a higher quality and more affordable to heat.
16. The standard includes a number of new requirements with significant implications for the HRA business plan including:
 - A whole stock assessment must be carried out by March 2027 and Target Energy Pathways must be produced for all properties.
 - All stock is to reach Standard Assessment Procedure (SAP) Energy Performance Rating (EPC) “C” by 2030, and EPC “A” by 2034 (or as defined by the target energy pathway) and carbon emissions from homes must be minimised by 2034.
 - The new standard includes a range of other requirements on social landlords including the provision of suitable floor covering for all habitable rooms, staircases and landings at the change of tenancy, provision of water butts and water saving devices and external bicycle/equipment storage.
17. Officers are working closely with the Welsh Government to fully understand the new standard and the challenge this will pose both in terms of deliverability and financially. As yet no information has been provided on how these significant new requirements will be funded.
18. An internal taskforce group has been established to oversee the interpretation and implementation of the new standard. Key workstreams have been developed to assess and agree how to implement and interpret WHQS 2023. It is proposed to procure a new database to support the delivery of the new WHQS standards in a co-ordinated way, keeping disruption to tenants to a minimum.
19. The condition of council housing stock will be assessed to fully understand the work necessary to meet the new requirements. A new Compliance Policy will be implemented to include the requirements of

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the updated standard, and the views of tenants will be considered in planning the programme of works to homes and communities.

Maintaining our homes

20. In 2023, a new service area 'Homes and Neighbourhoods' was created within the Housing & Communities directorate. This service area brings together both planned and responsive maintenance and the estates teams to provide a more joined up service, resulting in a better experience for tenants.
21. The Business Plan includes £19.85m of spend in 2024/25 to improve existing council homes, this includes £2.75m on replacement kitchens and bathrooms and £1.25m on window upgrades. The work planned includes the continuation of fire safety works and the replacement of cladding on high-rise blocks. Much of this expenditure is offset by the Major Repairs Allowance and other grant funding.
22. The Responsive Repairs Unit carries out approximately 4,000 repairs to council homes each month. In 2024/25, work will continue to improve the response rate to urgent and routine repairs. To help address demand for the service, Maintenance Persons now complete minor jobs, allowing skilled tradespersons to carry out more complex work. Our Repairs Academy is helping to strengthen the workforce, while providing training opportunities for communities.
23. The Housing Service has always had a strong focus on addressing damp and mould issues in housing stock, with regular monitoring in place. To take this work further, a new dedicated "Dry Homes" team has been created which works exclusively on addressing damp and mould issues in tenants' homes. A new process now ensures that all damp and mould cases are inspected and assessed as quickly as possible. Repair Operatives are trained in recognising when a tenant may need further support and can signpost to other advice services as necessary. In 2024/25, there are plans to expand the Dry Homes Team to further improve the response to damp, mould and disrepair cases.

Improved fire safety in council homes

24. Cardiff Council is committed to improving the fire safety in all its homes. One of the biggest refurbishment schemes, the recladding of 3 high-rise blocks at Lydstep Flats, will be completed in 2024. Proposals for the recladding of Loudoun House and Nelson House are also due to be considered by Cabinet in March.

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Moving towards zero carbon homes

25. The service is responding to the '**One Planet Cardiff**' strategy by improving the energy efficiency of existing homes, developing high quality sustainable new homes and piloting new ways of working.
26. The improvement programme of works in existing council homes, including external wall insulation and renewable energy generation, will reduce carbon emissions while addressing fuel poverty. This work also provides new opportunities for upskilling the workforce, while the aesthetic improvement of the properties also contributes to the regeneration of local areas.
27. The Council's housing development programme is supporting the **Net Zero Carbon** ambition by utilising on-site renewable technologies and sustainable forms of construction such as Passivhaus or enhanced building fabric. This approach helps to reduce the carbon impact of the development programme and significantly reduces heating and power bills for tenants. A number of Cardiff's projects are leading the way in low-carbon building and creating sustainable communities.
28. While progress is being made, achieving the goal of decarbonisation remains a challenge, both financially and in terms of the technology currently available. The new WHQS 23 sets out deadlines and targets for achieving improved SAP ratings for existing properties (see paragraph 15 above). As yet no information has been provided by the Welsh Government about how this will be funded. This is recorded as a significant risk in the Risk Matrix at Appendix C to the Plan.

Improving our neighbourhoods

29. A rolling programme of regeneration activity delivers a number of schemes per year in priority estates in the city. The work aims to make the environment safer, easier to walk around and more pleasant for people who live there.
30. Priorities for the future estate regeneration programme are being scoped to align with the wider new build Housing Development programme, seeking to prioritise investment in areas adjoining those where new homes are being delivered through development.

Providing safe and inclusive communities

31. The housing Anti-Social Behaviour (ASB) Team works hard to eradicate

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anti-social behaviour within council tenancies, ensuring that communities are as safe as possible, with the wellbeing of residents always in mind. Not only does the ASB team provide support to victims, but they also work with perpetrators to help them change their behaviour. The team now proactively engages with the community by carrying out regular ASB surgeries within Community Hubs and are helping to identify ASB hotspots and to develop action plans and operational groups to ensure that all partners and stakeholders are working together to address issues.

32. Community Hubs continue to provide advice on housing, money and employment and offer a wide range of activities in the heart of communities. The Business Plan includes an ongoing commitment to ensuring that all tenants can access the excellent services in their local Hub, helping them to stay connected to their communities and improving their health and wellbeing.
33. Work continues with partners to enhance both the Hub buildings and the services that are on offer. This includes the ongoing programme of work with Cardiff and Vale University Health Board to provide a 'one stop approach' to the health and wellbeing of citizens. The integrated Health and Wellbeing Hubs offer specialised health clinics alongside advice and support for our communities. Following the success of the Wellbeing Hub in Llanedeyrn, further strategic sites are being reviewed in other districts of the city.

Supporting young people

34. In 2024/25, services provided to young people in the community will expand with the proposed development of a new city centre youth hub. The hub will provide more opportunities to engage with younger people, providing them with advice and support alongside a range of activities tailored to their needs.

Supporting tenants through the cost-of-living crisis

35. Continuing to support tenants through the current cost of living crisis is a key priority in the Business Plan. The Welfare Liaison team provides tenants with one-to-one help with income maximisation and budgeting. They provide a holistic money advice service and act impartially to work out affordable repayment plans for tenants to help them pay their rent and other household bills. The Team has recently been aligned to the Council's Money Advice Team, to provide an improved and more sustainable service. The Community Hubs continue to provide Warm and Welcome Spaces to help support tenants and residents through the colder months.

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36. The Plan makes clear the continued commitment to not evicting any tenant who is in rent arrears, where they are engaging with services. The Rent Arrears Pathway ensures that anyone living in the city who is experiencing difficulty in paying their rent can access help and support easily via a gateway approach. This approach, with the tenant at the centre of the process, has ensured that all services work together to provide the right support to address the tenant's needs. A new Discretionary Hardship Scheme was also launched in 2023. This new scheme provides dedicated advice and practical financial assistance exclusively to council tenants who are at risk of eviction due to rent arrears.

37. The Into Work Advice service supports tenants by providing free employment and digital help to individuals actively seeking work or looking to upskill in their current role. The team provide volunteering opportunities, self-employment advice and work and digital skills training.

Preventing and addressing homelessness

38. The Council's Housing Service contributes fully to the aim of preventing and alleviating homelessness. The dedicated Tenant Sustainment Team supports the most vulnerable tenants to help them stay in their homes, addressing issues such as hoarding.

39. In December 2023, Cardiff Council's Cabinet declared a housing emergency in the city with record numbers of people continuing to access homelessness services and the number of people on the housing waiting list remaining high.

40. To help address the housing emergency, the rapid installation of modular homes has been delivered on the Gasworks site in Grangetown to support homeless families. The development is currently the largest council-led modular development scheme in Wales and enables Cardiff Council to boost its supply of accommodation quickly, in less time than traditional methods.

41. Lack of affordable housing remains a significant issue in the city despite ambitious new build schemes. Making best use of the Council's existing stock will be a priority for the coming year with additional support for those who wish to exchange properties or downsize.

42. There are increased levels of overcrowding in both social and private housing in the city. The Business Plan sets out the commitment to addressing the housing needs of households who are overcrowded by

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using a range of innovative solutions to tackle the issue.

Modernising our services and listening to our tenants

43. The Plan includes a commitment to increasing the number of housing services available via digital platforms. Live Web Chat is in development to improve customer service and work has commenced to introduce Repairs Online, along with a new Housing Website that will provide tenants with key information on a range of housing topics. It is acknowledged that digital services will not suit all tenants and, so, face to face services will continue to be delivered through community hubs and by telephone and by visiting tenants in their own homes as needed.
44. The Tenant Participation team have been rebranded as “Tenants Together” to make sure that the voices of tenants and leaseholders are heard in decision-making processes. The team now conduct monthly, in person, focus groups on a variety of different Council services and topics, and engage with a variety of groups within the community. .
45. Listening to tenants and ensuring that they have a say in the services provided is a key priority for 2024/25. The feedback received from surveys, and a number of different focus groups, shapes the services and how they are delivered. The Business Plan sets out plans to expand tenant engagement in 2024/25.

Effective financial planning and assurance

46. A key function of the Plan is to forecast the resource requirements in the short, medium and long term and to demonstrate that the HRA remains viable over the Plan period. To support this, a detailed analysis of income and expenditure for the medium term (next 5 years) has been undertaken (see section 11 and Appendix A of the Plan). A high-level review has also been undertaken over the 30-year business plan period (see Appendix E). On the basis of current and future key assumptions, both the 5 year and 30-year projections within the Plan indicate that the HRA remains viable. The HRA sustains a good level of reserves and balances throughout the 30-year period. While in some years a contribution from reserves and balances is necessary to support service delivery, other years show contributions being made to replenish reserves and balances resulting in an overall improvement in the level of balances by the end of the 30 years.
47. Forecasting income and expenditure over an extended period of time requires a number of key assumptions to be made. These assumptions are set out at Appendix B to the Plan. The sensitivity analysis set out at Appendix D tests these assumptions against possible variations,

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showing the financial impact should these assumptions change. As stated above, the HRA has a good level of balances and earmarked reserves which can be used to help to mitigate the impact of any such unforeseen changes.

48. The key risks to the HRA are set out in the Risk Matrix at Appendix C to the Plan. The Risk Matrix clearly shows the identified areas of risk, the impact these may have and the steps that the service is taking to address them. While many of the risks can be mitigated, some remain significant after any mitigation and are largely outside the Council's control. This includes uncertainty about the annual rent uplifts going forward, which is subject to Welsh Government policy decisions. Also of concern is the challenge of decarbonisation, where there is uncertainty over future requirements and funding. The risks are reviewed and updated regularly.
49. Further detail regarding the planned HRA Capital Programme for the next 5 years is set out at Appendix A to this report.
50. Effective financial management and budget monitoring are essential to ensure that any issues are addressed at an early stage in the year. The various approaches to financial management and monitoring undertaken are set out within the Plan, these processes are continually updated throughout the financial year.

Consultation

51. This report does not relate to a local issue.
52. Consultation with tenants has taken place during the rent setting process and their feedback has informed the business plan.

Single Impact Assessment

53. A Single Impact Assessment including a Childs Right Impact Assessment has been carried out and can be found at Appendix 2 and 3. The key findings highlight that there are no anticipated negative impacts on people with protected characteristics which will require further action.

Reason for Recommendations

54. To comply with the requirement to present the HRA Business Plan to the Welsh Government and to ensure clear service objectives and financial assurance are in place for the HRA.

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Financial Implications

55. The annual update of a HRA Business Plan is a requirement of application for the Major Repairs Allowance grant (MRA) from Welsh Government (WG) and is also a best practice tool used by all local authorities and RSLs to set out aspirations, determine tenant and housing need priorities and secure affordability and value for money for rent payers.
56. The Business Plan is underpinned by a 30-year financial model which sets out estimates of planned capital and revenue income and expenditure over the period. This model is intended to be used as a planning and modelling tool forming the basis of the HRA business, to safeguard the interests of current and future tenants and other service users and to demonstrate the long-term value for money and sustainability of the HRA. Any financial deficit and liabilities of the HRA are ultimately liabilities of the Council.
57. Given the length of the planning period, assumptions can only be robust in the very near term. Short, medium and longer-term assumptions are based on a number of judgements and assumptions, particularly in respect of expenditure forecasts, timing of expenditure, interest rates, projected income levels and prices of goods and services. This results in a level of uncertainty and hence risk to the key variables in the model.
58. In particular, there is no certainty with regard to rent uplifts post the current WG rent policy which was introduced for 2020/21 to 2024/25 and hence limited control over the future level of income. Should tighter controls be placed on rent policy, the level of commitments in respect to capital expenditure and financing costs would have a significant impact on the service delivery of the HRA.
59. These risks and assumptions are made even more difficult given the uncertainty in respect to inflation, ongoing impact of the economic crisis and supply chain issues and the increasing service demand as set out in the body of the report. Accordingly, these assumptions are extremely sensitive to change, with the Business Plan including a sensitivity analysis of key variables.
60. The Business Plan assumptions include:
- Rent increases in line with WG guidelines taking account of forward indicators for inflation factors (6.7% uplift for 2024/25, 4% for 2025/26 reflecting the OBR forecast for 2024/25, reducing to 2.6% for 2026/27 and increasing to 2.8% by 2028/29).

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- Following the end of the current rent policy term, it is assumed that the rent bands remain and that rent uplifts continue to be based on CPI +1% where CPI is within the range of 0 to 3% or CPI only where CPI is outside this range - this is considered a prudent approach.
- Stock numbers as assumed using data from the planned new build programme and timings of availability for let.
- Contributions to earmarked reserves where surpluses allow to offset budget deficits in other years.
- The HRA Medium Term Financial Plan (MTFP) currently indicates a budget gap of £800,000 for the financial year 2028/29 and a further £1 million gap for 2029/30. This is after assumed net drawdowns from earmarked reserves over the period 2024/25 to 2028/29 to manage the medium-term position. It is proposed to use the HRA General Reserve to cover this gap and to replenish these reserves over the longer-term period.
- Estimated staffing structures, operating costs and service charge recovery levels for proposed new older persons Community Living schemes and for additional temporary and family supported accommodation.
- Void rent loss projections are assumed at 1.75% throughout the model.
- Bad debts are assumed to be managed at 1% over the life of the plan taking into account the potential impact of Welfare Reform and the transfer to Universal Credit but also the various rent rescue and support services available to tenants.
- Capital financing requirements reflect the current and increasing borrowing requirement proposed in the Capital Investment Programme, interest payable of 4%, and the Council's prudent revenue provision policy.
- Receipt of the Welsh Government Major Repairs Allowance grant at a constant level of £9.570 million per annum, whilst costs of works for business planning purposes are assumed to increase by 3.5% p.a.
- External capital grant funding assumptions include significant expectations as a proportion of the city's overall allocation for Social Housing Grant and Transitional Accommodation Capital Programme grant. These grants are usually only available on an annual bid process, so make longer term planning and deliverability uncertain.
- Inclusion of estimated costs of a number of new requirements as a result of the updated Welsh Housing Quality Standards 2023 (WHQS 23) with significant budget implications, including the provision of suitable flooring for all habitable rooms, staircases and landings at the change of tenancy, provision of water butts and water savings devices and external equipment storage. In addition, the purchase of a new asset database and costs of ongoing stock

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condition surveys to improve understanding of stock condition and decision making as a result.

- Receipt of Welsh Government revenue grant to contribute towards WHQS 23 costs in 2024/25 (subject to grant award and terms and conditions).
- No amount has been included to reflect the financial impact of meeting the WHQS 23 decarbonisation targets, until there is more clarity on the approach and confirmation of any Welsh Government financial support to meet what are deemed statutory targets.

61. The Capital Investment Programme assumes a significant increase in additional borrowing to build new housing, investment in disabled adaptations and to support investment in the existing stock. This will result in additional revenue implications in terms of interest payments and provision of repayment for borrowing, with a significant increase in the Capital Financing Budget over the medium to long term. It is essential that the Capital Investment Programme is based on deliverability and a sound understanding and modelling of the condition of existing housing stock to ensure all future requirements are captured as part of a robust and regularly reviewed asset management and condition plan.

62. Affordability of additional borrowing is considered as part of the budget including consideration of prudential indicators.

63. Where capital investment is proposed, this must be based on informed criteria, including viability or payback assessments. This is essential to demonstrate value for money, effective use of rent payer funds and to mitigate against future risks to the affordability and viability of the HRA. There should be a robust governance process that sets out the requirements and approval of investment proposals at agreed stages, reviews costs before they are incurred and as projects progress as well as the effectiveness of delivery of targets. Value for money should be assessed against set benchmarks and to ensure investment is repaid over a prudent period having regard to future rent payers. The effectiveness of that governance should be reviewed and assessed regularly.

64. Consideration will be given to bringing forward future year's budget to allow flexibility to acquire sites and buildings at an earlier stage as part of the overall programme. This must only be after consideration of viability and affordability and relevant governance processes.

65. The Welsh Government launched the new Welsh Housing Quality Standard (WHQS 23) in October. The new standard contains all the

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requirements of the previous standard but with more emphasis to address decarbonisation in the social housing stock.

66. The Plan provides for the estimated costs of a number of the key new requirements of the WHQS 23, with significant budget implications. These include the provision of suitable flooring for all habitable rooms, staircases and landings at the change of tenancy, provision of water butts and water savings devices and external equipment storage. In addition, the purchase of a new asset database to improve understanding of stock condition and decision making as a result.
67. There is currently no inclusion within the Plan of the financial impact of meeting the new standards on decarbonisation, until clarity of approach and confirmation of any Welsh Government financial support to meet the new targets is available.
68. Given the significant uncertainties and risks included in the financial modelling, the Business Plan includes a risk assessment setting out several key variables. Any changes to these variables are likely to necessitate a review of priorities both in terms of capital investment and for revenue budgets. A robust risk review and monitoring process should be set in place to review the HRA risk register specifically and any emerging issues that could impact on the viability of the HRA. This is to ensure that the level and quality of service provision to tenants is not affected and that the HRA continues to be viable. Where necessary, mitigating actions will need to be taken including reducing revenue costs or reviewing plans for new build affordable housing programmes and other capital expenditure aspirations.

Legal Implications

69. Since 2015, Welsh Councils with a retained housing stock were able to exit the Housing Revenue Account Subsidy by exchanging subsidy surpluses for higher debt, in 2019 the borrowing cap was lifted. These changes have created the opportunity for Councils with retained housing stock to commence the construction of new Council homes.
70. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

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71. The Council has to satisfy its public sector duties under the Equalities Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics.

HR Implications

72. There are no HR implications arising directly from this report.

Property Implications

73. There are no specific property implications contained within this report. The details within the HRA Business Plan, its cost and timescales are noted. The business plan makes provision for acquisitions and capital receipts over the course of several years. It will be important to ensure the relevant governance remains in place to review proposed acquisitions and disposals in a timely manner and to ensure professional advice informs decision making at the appropriate times.

74. Where there are any relevant further property management matters, transactions or valuations being undertaken by the Council to deliver any proposals relevant to the HRA business case, they should be done so in accordance with the Council's Asset Management process and in consultation with Strategic Estates and relevant service areas.

RECOMMENDATIONS

75. Cabinet is recommended to approve the Housing Revenue Account (HRA) Business Plan 2024-2025 for presentation to Welsh Government.

SENIOR RESPONSIBLE OFFICER	Sarah McGill, Corporate Director, People and Communities

The following appendices are attached:

- Appendix 1 - HRA Business Plan 2024 - 2025
- Appendix 2 - Single Impact Assessment
- Appendix 3 - Child Rights Impact Assessment

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Appendix 4 - Housing Revenue Account Capital Programme 2024/25 and indicative for future years. (not for publication)

Appendix 5 - Estimated Delivery Timescales for the New Build Programme.

Housing Revenue Account (HRA)

Draft Business Plan 2024/25

Cardiff Council



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Foreword

I am pleased to share with you Cardiff's Housing Revenue Account (HRA) Business Plan for 2024/25. This plan is being delivered at a time of unprecedented pressures on housing and homelessness services in Cardiff and with ongoing economic challenges still affecting our tenants.

In December 2023, Cardiff Council's Cabinet declared a Housing Emergency. Record numbers of people continue to access our homelessness services and the number of people on our housing waiting list remains high.

It is now more important than ever that our award-winning housing development programme delivers good quality, affordable housing for those that need it. We remain committed to building over 4,000 new properties, including 2,800 affordable homes in the city. 2023 saw a significant milestone reached with over 1,000 additional new homes delivered and our total housing stock has now reached over 14,000.

Last year families started to move into our new modular homes at the former Gasworks site in Cardiff, which are providing good quality accommodation for those facing homelessness. Unfortunately, these units alone will not address the housing emergency, therefore, we are rapidly investigating additional sites that will allow us to increase our modular home programme of works, delivering more good quality accommodation at scale and pace.

I am committed to not evicting any tenant who is in rent arrears and who engages with our finance teams. Our dedicated rent arrears pathway provides easy to access support and assistance to anyone struggling to pay their rent. We have reviewed and enhanced how we provide advice to our tenants who are struggling during this cost-of-living crisis. Our Welfare Liaison Team provides support exclusively to our tenants to access one-to-one help and to claim any benefits, grants or discounts that they are entitled to. The team can also provide advice on low level debt issues or can refer in to more specialist advice if required. This advice can be accessed in a way to best meet individual needs, including via many of our Community Hubs, over the phone or in a tenant's home.

Engagement with our tenants has never been more important. It remains a top priority for me that we listen to their needs, and that they have a voice in the shaping of our services. We have created new focus groups across the city where issues that matter most to our tenants are discussed. This approach will be expanded further in 2024.

The Welsh Housing Quality Standard 2023 will start to be introduced from 2024. I am proud that Cardiff was the first local authority in Wales to meet the existing standard. While I recognise that meeting this new standard will be challenging, I am committed to ensuring that our homes are as warm and energy efficient as they can be.



COUNCILLOR LYNDA THORNE
CABINET MEMBER FOR HOUSING & COMMUNITIES

Foreword

As we continue to support our tenants through some challenging times, it is important that we work in partnership with other services across the Council as well as other public sector organisations to deliver the best outcomes for all of our tenants.

We want to continue to provide opportunities for our tenants to get involved in their community and to support them to stay active and connected. We continue to ensure that our Community Hubs are accessible and welcoming for all of the community with an ever-expanding programme of inclusive events and activities.

2024 will see the first of our new older persons Community Living Development schemes delivered. These high quality, new homes are built to meet the needs of our older tenants so that they can be supported to live independently at home for as long as possible. More specialist accommodation for older people will be developed in 2025 and beyond.

To demonstrate our commitment to ensuring our homes are safe and warm, a rolling programme of £19.8 million will be invested to maintain our current homes. Our external cladding programme for our low-rise blocks of flats will start to roll out during 2024 and we will continue to install other energy efficient measures across our homes. This will aid our journey to the decarbonisation of our homes.

Our 'Dry Homes Team' was established in 2023 and helps to address damp and mould issues in our tenant's homes in an effective and co-ordinated way. This team will be further expanded in 2024 to improve our response times to these issues. This approach will help us to ensure that we are providing good quality, safe homes for our tenants to live in.



SARAH MCGILL
CORPORATE DIRECTOR - PEOPLE AND COMMUNITIES

Introduction

The Housing Revenue Account (HRA) records income and expenditure in relation to Council Housing. This funding is required to be 'ring fenced' in accordance with the Local Government and Housing Act 1989 and cannot be used for any other purpose.

The main source of income to the HRA is from tenants in the form of rents and service charges. Rental income allows Housing Services to invest in the maintenance and improvement of existing homes and neighbourhoods; provide good quality tenant support services; contribute to the funding of our Community Hubs and build new homes.

We update and review our Business Plan each year and this gives us the opportunity to set out our key council housing priorities for the following year and beyond. This Plan will provide details to our tenants about how we will continue to develop services for them and how we will achieve this with the income we receive from the HRA.

Strategic context

Our Housing Revenue Account Business Plan is set within a wider strategic context of the overall ambitions of Cardiff Council. 'Stronger, Fairer, Greener' sets out Cardiff Council's policy agenda around the following key themes:

A stronger city, with an economy creating and sustaining well-paid jobs, with an education system that helps our young people reach their potential, with good, affordable housing in safe, confident, and empowered communities, all supported by well resourced, efficient public services.

A fairer city, where the opportunities of living in Cardiff can be enjoyed by everyone, whatever their background, where those suffering the effects of poverty are protected and supported, where a fair day's work receives a fair day's pay, and where every citizen is valued and feels valued.

A greener city which, through our One Planet Cardiff programme, takes a lead on responding to the climate emergency, including increasing energy efficiency, and reducing carbon emissions via our Housing Energy Efficiency Retrofit programme and building new homes with climate resilience and a low-carbon footprint.

Our Business Plan fully reflects the Council's ambitions and aligns with various Welsh Government strategies and plans.

Overview of the Business Plan

We have identified the following key priorities for the year ahead, each is reflected in a separate section of the plan:

- Section 1** - Building new council homes
- Section 2** - Delivering the Welsh Housing Quality Standard 2023
- Section 3** - Maintaining our homes
- Section 4** - Moving towards zero carbon homes
- Section 5** - Improving our neighbourhoods
- Section 6** - Providing safe and inclusive communities
- Section 7** - Supporting tenants through the cost-of-living crisis
- Section 8** - Preventing and addressing homelessness
- Section 9** - Listening to our tenants
- Section 10** - Modernising and improving our services for tenants
- Section 11** - Financial resources and planning

Commitments in this Business Plan are aligned with the Council's Corporate Plan and the Directorate's Delivery Plan in which key steps and performance measures for housing services are identified and reported against quarterly.



Financial planning and assurance

A key function of the HRA Business Plan is to plan resource and financial requirements and to demonstrate that the Housing Revenue Account remains viable into the longer term. Detailed analysis has been undertaken for the next 5 years with a high-level review also undertaken over the 30-year period with the aim of ensuring the resilience and viability of the HRA into the future.

Section 11 provides an overview of financial resources and planning and includes a summary of:

Anticipated income and expenditure, both revenue and capital. The information in section 11 is supported by **Appendix A** which includes detail of the HRA Revenue and Capital budget forecasts for the next 5 years. Key assumptions need to be made to support these forecasts, including estimates of inflation (CPI), rent levels and rent recovery and these assumptions are set out at **Appendix B**. A longer-term view can be found at **Appendix E**, which sets out a high-level projection for the HRA for the next 30 years.

Both the 5 year and 30-year projections indicate that the HRA remains viable based on the current assumptions which will need to be continually reviewed and updated as more information becomes available. The Housing Revenue Account sustains a good level of balances throughout the 30-year period. While in some years a contribution from reserves and balances is necessary to support service delivery, other years show contributions being made to replenish balances and reserves resulting in an overall improvement in the level of balances by the end of the 30 years.

There are a number of key variables and risk factors however within the HRA and these are set out below:

Rent Setting – how rents are set is included in section 11 with the level for 2024/25 set at 6.7%. Rents form the largest element of income to the HRA, along with fees and charges and other income including grants such as the Major Repairs Allowance and Affordable Housing grants. It is considered that the anticipated income will allow for the obligations to tenants and lenders to be met and will support the viability of the HRA into the future, including funding the Council's ambitious new build plans and a programme of ongoing building improvements. Uncertainty remains however about future rent levels and other variables which form the key risks to the HRA and which are set out within our Risk Matrix at **Appendix C**.

In our 2023/24 Business Plan, we said: We would continue to monitor our rent levels using the Joseph Roundtree Foundation Living Rents model.

We did: When compared to the Joseph Rowntree Living rent model, our proposed rents for general needs accommodation for 2024/25 fall within an affordable level. Furthermore, our annual rent review shows that Cardiff's rents represent good value for money, remaining significantly lower than private sector rents.



In our 2023/24 Business Plan, we said: We would support the Welsh Government to develop a national approach to measuring affordability.

We did: Initial workshops with the Welsh Government to develop a national approach to measuring affordability have not yet commenced, however we remain committed to working with Welsh Government on this important issue.

The level of HRA borrowing and grant assumptions are also set out in section 11. There is a continued increase in the level of expenditure commitments assumed to be paid for by borrowing money. This covers all areas of expenditure but the main increase is in the new build programme. New homes will deliver an income from future rents at social housing rent levels. The programme is supported by Welsh Government Social Housing Grant and other grant programmes, however a significant amount of borrowing is still required to support the plan. Each new build scheme or private market acquisition undergoes a viability assessment at various stages in the preparation process, before the development goes ahead to ensure that debt and interest costs can be repaid over a set period of time. The Council has a strong track record in bidding for and receiving Welsh Government grants, this reflects the recognised housing pressures in the city and also Cardiff's ability to deliver quickly by having schemes ready to start on the ground. Despite this, the way that grant is allocated does present issues for our housing development and improvement programme and it is clear that a longer term commitment is needed to provide greater certainty for our ongoing investment plan.

Action

We will work with the Welsh Government to promote the need for a longer term investment plan to support both our housing development and build programmes.

How financial management and monitoring takes place within the HRA is also set out in section 11. It is vital that regular budget monitoring takes place to ensure that any issues are addressed at an early stage in the year and to ensure that we remain within the budget set. It will also be crucial to revisit and review key assumptions on a regular basis in order to test the robustness of the budget and the business plan over the longer period. We will regularly review the assumptions set out in the HRA Business Plan to ensure that these remain appropriate.

Risk matrix

Our risk matrix can be found at **Appendix C**. The risk matrix clearly shows the identified areas of risk, the impact these may have and the steps that the Council is taking to address them. While many of the risks can be mitigated, some remain significant after the identified mitigating actions have been taken. These risks are largely outside of the Council's control.

This includes uncertainty about the annual rent uplifts going forward, which are subject to Welsh Government policy decisions. One key concern is the challenge of decarbonisation. While the new Welsh Housing Quality Standard is ambitious in this regard, there is no certainty about funding for this significant change

Sensitivity analysis

Forecasting income and expenditure over an extended period of time requires a number of key assumptions to be made. These assumptions are set out at **Appendix B**. The Sensitivity Analysis set out at **Appendix D** tests these assumptions against possible variations shown as “revised assumptions”. The Sensitivity Analysis shows the financial impact of these revised assumptions and potential mitigating actions. This analysis together with the Risk Matrix increase the resilience of the plan. The HRA also has a good level of balances and earmarked reserves which can help to mitigate the impact of any unforeseen changes.

Governance

To ensure transparency in its delivery, strong governance arrangements are in place to oversee the HRA Business Plan.

The governance arrangements and oversight that are in place are shown below.

Housing Management and Maintenance Board

Chair: Director Adults Housing and Communities

All aspects of housing management and maintenance are fully reviewed at this Board. This includes reviewing performance and compliance all of which helps to inform the business plan.

Housing Development and Capital Finance Delivery Board

Joint Chairs: Corporate Director People and Communities & Corporate Director Resources

Oversees both revenue and capital expenditure and all aspects of the housing development programme.

Community and Adult Services Scrutiny Committee

Scrutinises housing issues including the HRA Business Plan and any major issues prior to cabinet decision, receives regular reports on performance and carries out “deep dives” into aspects of housing management.

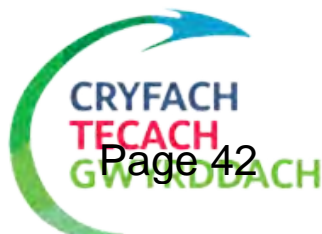
Cabinet

The Council’s Cabinet approves the HRA Business plan and all key decisions relating to the Council’s housing stock, including the new build programme, and reviews performance against key indicators.

Current Board arrangements will be reviewed in 2024. This will ensure that more detailed analysis can be undertaken of services to identify any areas where improvements can be made. Performance will also continue to be monitored, and “deep dives” into services will allow a better understanding of issues and help to inform service development where appropriate. This approach will help inform the Business Plan as well as providing additional strategic leadership to our service areas. This is all with the aim of improving our services to our tenants.



To ensure additional strategic overview and leadership of services, we will review current Board arrangements, implementing any improvements as required.



01 Building new council homes

Cardiff Council's Cabinet declared a Housing Emergency in December 2023. Therefore, it has never been more important that we continue to invest in our award winning and innovative development programme to increase the speed of delivering over 4,000 new homes across the city.

2023 saw a significant milestone reached with over 1,000 additional new homes delivered and our total housing stock has now reached over 14,000.

Our housing development programme is the largest council housing build programme in Wales and will see over £1 billion invested into delivering affordable, sustainable and energy efficient homes at scale and pace over the next few years.



To achieve our ambitious targets, we have secured over 65 development sites across the city, capable of delivering over 4000 new homes, of which 2,800 will be council homes and 1,200 homes for sale. We have implemented several delivery methods to increase our homes, including:

Our Cardiff Living Partnership – this partnership with national developer Wates Residential will deliver 1,500 properties across 26 sites in Cardiff. 430 new council homes have been delivered to date with 210 council homes currently being constructed on site with Wates. Over 400 homes for sale have also been delivered through Cardiff Living.

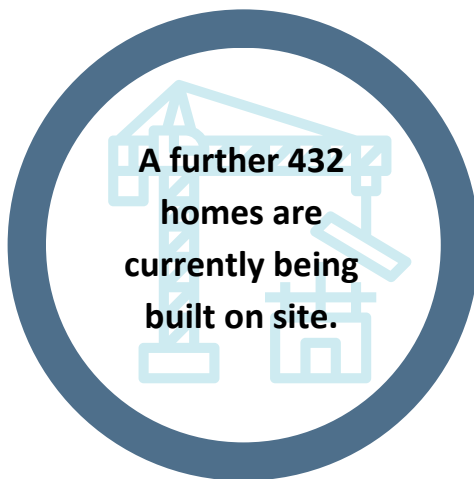
Our **'Additional Build' programme** includes 33 sites and has delivered over 140 new council homes to date, with a further 175 currently being constructed.

A second partnership arrangement – the success of our partnership with Wates Residential has shown that collaborative working can increase our ability to achieve our new build target as well as delivering significant social value, job and training initiatives. We have brought forward a second housing development partnership in collaboration with the Vale of Glamorgan Council. We are currently tendered for a partner developer to deliver this programme which will see over 1,500 new homes delivered in our city across 15 sites.

Buying property from the open market - Our Housing Development Team and Allocations Team work closely together to understand the housing needs of those on the housing waiting list and to buy suitable homes for sale on the open market to address that need. We are currently on target to have purchased 100 additional homes in 2023/24.

Our current progress

As at **January 2024** our development programme has delivered:



We will continue to deliver high-quality, low carbon homes at scale and pace that also provide good access to services, helping to create safe and strong communities.



Housing Development New Build Sites

January 2024



Accommodation Type

- Council Affordable Housing
- Mixed Tenure
- Temporary Accommodation
- Older Persons Community Living

- ### PHASE 1
1. Snowden & Wilson
 2. Ty Newydd
 3. Llanrumney Depot
 4. Llandudno Road
 5. Willowbrook West
 6. Briardene (TA)
 7. Highfields
 8. Walker House
 9. Braunton & Clevedon - Captains Walk & Captains View
 10. Ty To Maen

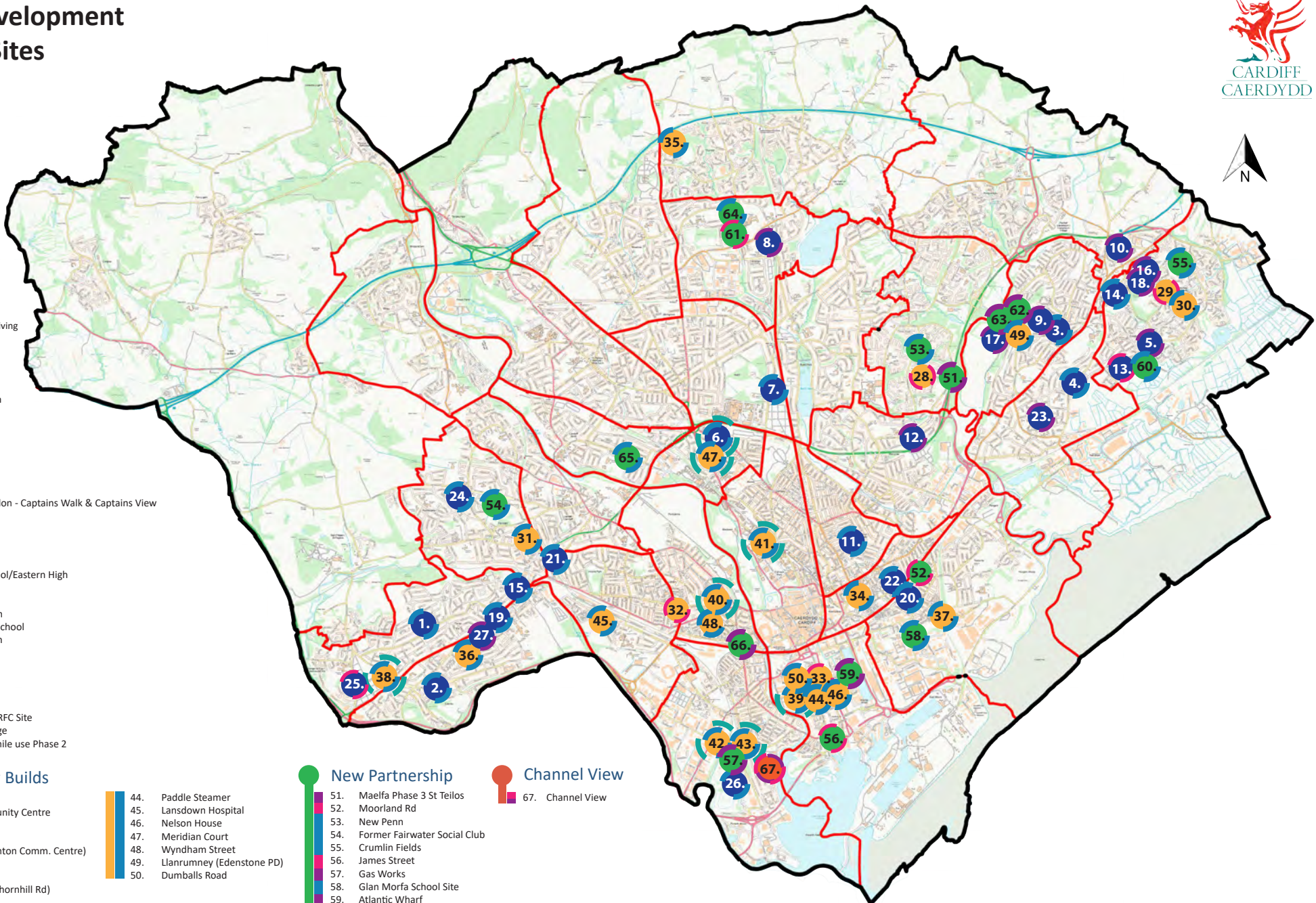
- ### PHASE 2 & 3
11. Croft Street
 12. Howardian Centre
 13. Rumney High School/Eastern High
 14. Brookfield Drive
 15. Cherrydale Road
 16. Willowbrook North
 17. Llanrumney High School
 18. Willowbrook South
 19. Ely Housing Office
 20. Citadel YP Hostel
 21. Waungron Road
 22. Star Centre
 23. Cae Glas
 24. Former Fairwater RFC Site
 25. Michaelston College
 26. Gasworks Meanwhile use Phase 2
 27. Narbeth Road

- ### Additional New Builds
28. Maelfa Phase 2 ILU
 29. St. Mellons Community Centre
 30. Wakehurst Place
 31. Iorwerth Jones
 32. Leckwith Road (Canton Comm. Centre)
 33. Bute Street
 34. Meteor Street
 35. John Kane Court (Thornhill Rd)
 36. Caldicot Road
 37. Courtenay Road
 38. Green Farm Containers
 39. Bute Street Containers
 40. Hayes Place
 41. Column Road
 42. Gasworks (temp use)
 43. Gasworks bungalows

44. Paddle Steamer
45. Lansdown Hospital
46. Nelson House
47. Meridian Court
48. Wyndham Street
49. Llanrumney (Edenstone PD)
50. Dumballs Road

- ### New Partnership
51. Maelfa Phase 3 St Teillos
 52. Moorland Rd
 53. New Penn
 54. Former Fairwater Social Club
 55. Crumlin Fields
 56. James Street
 57. Gas Works
 58. Glan Morfa School Site
 59. Atlantic Wharf
 60. Area 11, St Mellons
 61. St Isan
 62. Ball Road
 63. Ball Lane
 64. Wolf's Castle
 65. Master Gunner Pub
 66. Tudor Street

- ### Channel View
67. Channel View



Delivering older person community living schemes

We are committed to delivering the vision set out in our Older Persons Housing Strategy to deliver the best housing outcomes for all older people in Cardiff. Our development programme is investing over £200 million to build at least 620 new apartments that meet the housing needs and aspirations of older people, promoting independent living and reducing the need for expensive care home placements.

Opening of Addison House

The first of our new Older Person Independent Living Schemes, Addison House, launched in December 2023 and residents began moving in from February 2024.



Addison House



Addison House

Official opening of Addison House - L - R Leader of Cardiff Council, Councillor Huw Thomas, Julie James, MS: Minister for Climate Change & Councillor Lynda Thorne, Cabinet Member for Housing and Communities

Addison House has 44 one and two bedroom accessible and flexible apartments with a wide range of facilities on site including;

- A scheme manager onsite Monday – Friday to provide support and advice to tenants as well as to help with day-to-day problems and issues.
- A welfare call system that provides an emergency response service 24 hours a day.
- 2 communal lounges for tenants to socialise together, if they so wish.
- A residents roof terrace with fantastic views.
- A medical room.
- A large communal garden which tenants can actively take part in maintaining if they wish.
- A guest suite for tenants' visitors to stay overnight, at a small cost.



Lounge and Kitchen in Addison House



Bedroom in Addison House



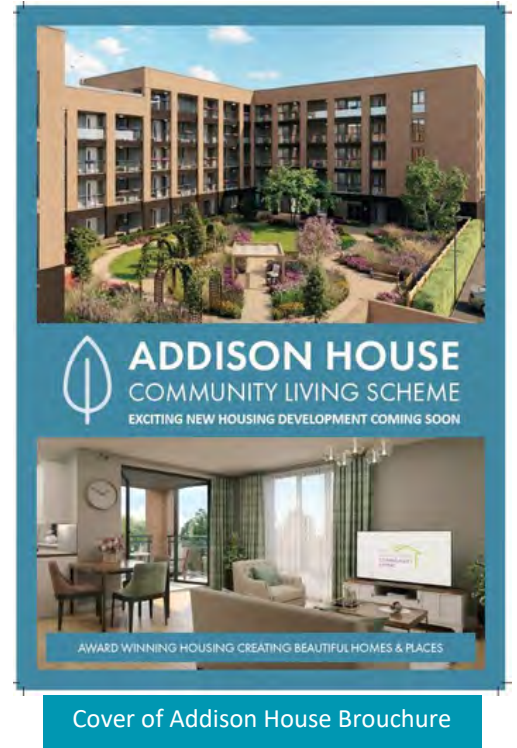
Communal Area in Addison House



Accessible Bathroom in Addison House

As well as ensuring that residents can retain their independence in a safe and secure environment, the opening of Addison House allows older people to downsize from their existing council or housing association homes. This in turn frees up their larger accommodation for families on the Housing Waiting List.

Our Rehousing Solutions Team's 'Right-Sizing' scheme provides support to tenants with all aspects of this moving process. One tenant said, *"I have lived in my 4 bed house for over 30 years, I brought up my children there so I was a bit dubious about coming to view Addison House, but now I have, I am convinced that this is the right place for me and am really looking forward to moving here."*



Cover of Addison House Brochure

Other older person community living schemes

Shown below are some of our other high-quality older persons housing schemes that are currently in development:

St Mellons and Maelfa

St Mellons

- 60 apartments (1 & 2 bedrooms)
- Communal facilities & communal garden
- Close to local facilities and St Mellons Hub

Maelfa

- 41 apartments (1 & 2 bedrooms)
- Roof terrace
- Hub of service for new block and existing highrise block.
- Close to local facilities and the Powerhouse Hub.



CGI of St Mellons Community Living



CGI of Maelfa Community Living

Estimated completion for both developments Page 47
Autumn 2025



CGI of Butetown Community Living Scheme

The Butetown Scheme

- 45 x 1 & 2 bed flats
- Ground floor community space
- Roof garden
- **Estimated completion - Spring 2025**

Leckwith Road Community Living Scheme

- 41 x 1 & 2 bed flats
- Ground floor community space
- Community garden
- Close to facilities and Canton Library Hub
- **Estimated completion - Spring 2025**



CGI of Leckwith Road Community Living Scheme

Michaelston Wellbeing Village

Proposals are currently underway to develop a new Wellbeing Village in the Ely area of the city. This site will provide approximately 250 new homes built within an environment that promotes health and well-being.

If approved, work on site is due to start in Autumn 2024.



CGI of Michaelston Wellbeing Village



CGI of Michaelston Wellbeing Village

James Street, Butetown - Multigenerational Housing

James Street multi-generation housing will provide older persons apartments which are combined with community facilities and flexible interconnecting units for multi-generational families.

This concept can encourage social interaction and provide support amongst different age groups, while allowing families to live together. It can also promote a feeling of community and create chances for shared resources and caregiving.

Award winning design

Our Moorland Road Community Centre redevelopment will deliver a new purpose-built community centre on the ground floor with thirteen new older persons flats above, providing suitable accommodation for the over 55's in the Splott area of Cardiff.

The scheme is unique and high quality and was successful in winning an award in the Housing Design Awards for promoting excellence and sustainability in home design.



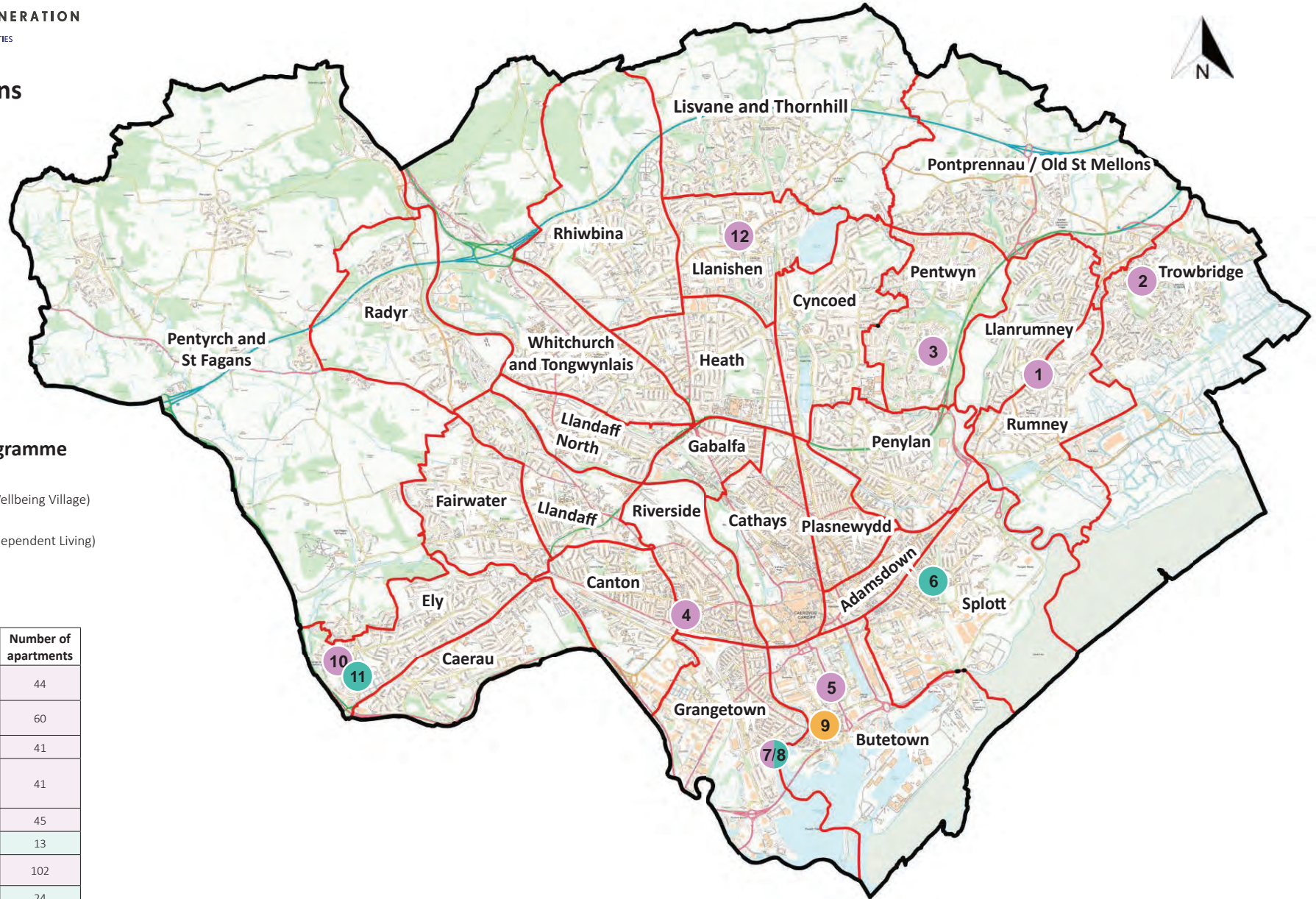
We will continue to deliver housing that meets the housing needs and aspirations of older people and supports independent living



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Proposed Older Persons Accommodation

January 2024



New build investment programme

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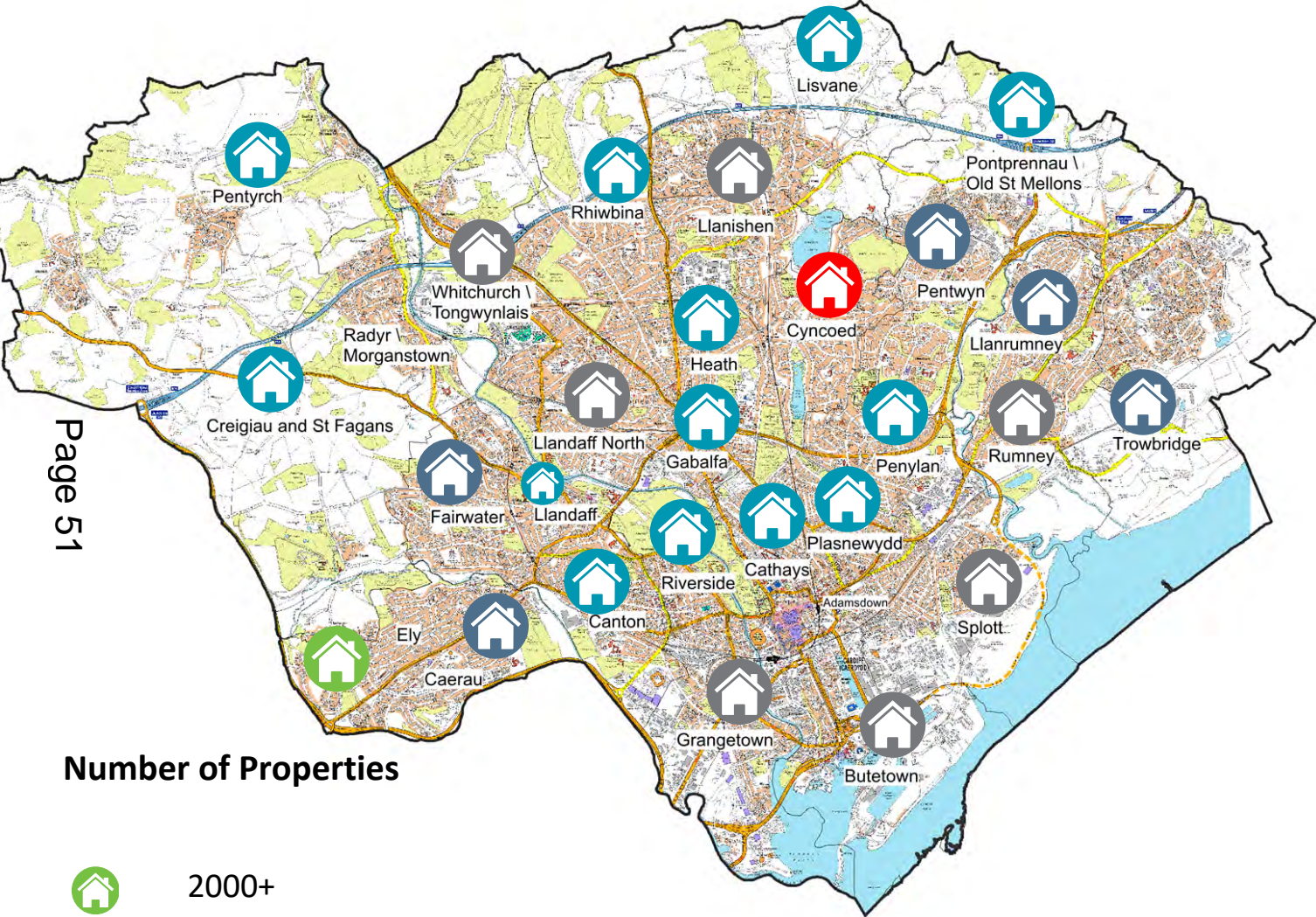
- Community Living (including Wellbeing Village)
- Designated Older Person (Independent Living)
- Multi-generational Living

	Scheme Name/ Address	Ward	Number of apartments
1	Addison House, Aspen Grove	Rumney	44
2	Former St. Mellons Community Centre	St. Mellons	60
3	Maelfa	Llanederyn	41
4	Leckwith Road (Former Canton Community Centre)	Riverside	41
5	Bute Street	Butetown	45
6	Moorland Road	Spot	13
7	Channel View Block A	Grangetown	102
8	Channel View Block B	Grangetown	24
9	James Street	Butetown	42
10	Michaelston College site, Main site	Ely	107
11	Michaelston College, former pub site	Ely	25
12	St. Isan (former care home)	Llanishen	75
			619

Our housing profile

Number of properties and availability as at January 2024

In January 2024, our total stock figure was 14,020



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Number of Properties

- 2000+
- 1000-2000
- 500-1000
- 1-500
- 0

Ward	Number of Properties	Available to Let
Adamsdown	140	9
Butetown	610	38
Caerau	1036	59
Canton	171	8
Cathays	70	5
Creigiau and St. Fagans	11	0
Cyncoed	0	0
Ely	2579	120
Fairwater	1153	78
Gabalfa	193	1
Grangetown	559	29
Heath	117	7
Lisvane	8	1
Llandaff	1	0
Llandaff North	657	28
Llanishen	629	34
Llanrumney	1362	78
Pentwyn	1164	55
Pentyrch	105	6
Penylan	20	1
Plasnewydd	151	16
Pontprennau and Old St. Mellons	28	0
Radyr and Morganstown	21	2
Rhiwbina	20	3
Riverside	318	14
Rumney	514	24
SploTT	717	42
Trowbridge	1147	55
Whitchurch and Tongwynlais	519	35
Grand Total	14,020	748



Our housing profile

Below are the details on our current 14,020 properties, the period of construction and the property type.

Total stock 2024: 14,020	1900-1944 (3,162)	1945-1964 (4,969)	1965-1989 (5,265)	1990-Date (624)
Detached (22)				
Semi-Detached (3,430)				
Terraced (4,719)				
Flats and Maisonettes (5,849)				



02 Delivering the Welsh Housing Quality Standard 2023

All social landlords in Wales are responsible for meeting and maintaining their homes to the Welsh Housing Quality Standard (WHQS) which was introduced in 2002. Cardiff is proud to have been the first Local Authority in Wales to meet these required standards.


The Welsh Government has carried out a full review and the new standard WHQS 23 was launched in October 2023.

WHQS 2023 contains all the requirements of the previous standard but with more emphasis on addressing decarbonisation in the social housing stock and ensuring that homes are of a higher quality and more affordable to heat.

WHQS 2023 measures 44 individual elements within 8 categories and sets out minimum standards for components such as kitchens, bathrooms, windows and doors.

Changes required to meet the standard:

Key dates for compliance




Key Changes
required from 1st
April 2024

Actions required

- Smart meters to be installed at the change of a tenancy.
- Measures to improve water efficiency are to be installed when replacing fittings e.g. taps, shower heads, baths, toilets etc.
- Water butts are to be installed at change of tenancy or when completing garden works.
- Floor coverings must be installed throughout the property at the change of tenancy.
- Homes must have suitable areas for recycling.
- Homes must have adequate facilities for washing, drying and airing clothes.
- Exposure to noise must be minimised.
- External storage for cycles and equipment must be available.


Key dates for compliance

Actions required



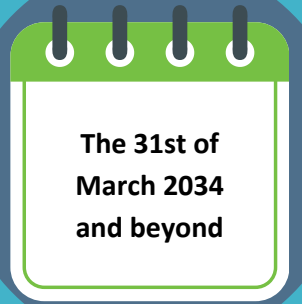
**By the 31st of
March 2027**

- We must carry out a Whole Stock Assessment and produce Target Energy Pathways for our homes, to illustrate how we will meet the required energy efficiency targets.



**By the 31st of
March 2030**

- We must confirm that our homes achieve a minimum Energy Performance Certificate C rating (SAP 75), subject to agreed exceptions.
- 11,099 of our homes currently meet this rating.



**The 31st of
March 2034
and beyond**

- We must confirm that all our homes achieve an Energy Performance Certificate A rating (SAP 92), and an environmental impact rating of A in accordance with their Energy Target Pathway document (decarbonisation plan), subject to agreed exceptions.
- We currently have 85 homes which achieve EPC A.

Implementation of the new standard

We have established a new taskforce to oversee implementation of the new standard. We are also working closely with the Welsh Government to fully understand the new standard and the challenge this will pose both in terms of deliverability and financially.

The cost of implementing the new standard will be significant and additional funding is essential to undertake the necessary programme of the works.

A new compliance policy will be developed to include the requirements of the updated standard and the views of our tenants will be considered as we plan the programme of works to their homes and communities.

Action

We will procure a new database that will allow us to deliver the new WHQS 2023 standards in a co-ordinated way, keeping disruption to tenants to a minimum.

Action

We will set out proposals for the development of target energy pathways for our homes.



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03 Maintaining our homes

Investing in our existing homes is just as important as building new homes. We want our properties to be safe, warm and comfortable so that our tenants are happy in their homes.

Changes have been made to improve how we maintain our homes and, at the end of 2023, a new service area 'Homes and Neighbourhoods' was created. This brings together our maintenance and estates teams into one new service. This will help to provide a more joined up service resulting in a better experience for our tenants.



Voids Team

Our in-house voids team, supported by our external contractors, carry out works to vacant properties ensuring they are of a good standard, so they can be relet to a new tenant. It is crucial that this work is carried out as quickly as possible to keep homes empty for the shortest time. This ensures that we can house tenants as quickly as possible and that we maximise the rental income to the HRA. Many of our properties have been tenanted for many years before they become vacant, so we try to catch up with any upgrades needed when they are empty.

From April 2023 until January 2024 the team completed works on **492** properties taking on average **84** days from the time that the keys were handed in, to the time that the new tenant moved into the property. The total number of void properties is consistently less than **1.5%** of our total stock.

To improve this service even further, a 'Pool of Small Contractors' was established in 2023. This allows local, small contractors to carry out trade specific works at peak times. This has proved very successful to date, with local people carrying out good quality works in our properties.

Significant improvements have also been made to provide a more joined-up voids service. This includes close working with our Allocations Team and Occupational Therapists ensuring at the earliest opportunity that the property will meet the individual needs of the new tenant, including any requirements for disabled adaptations.



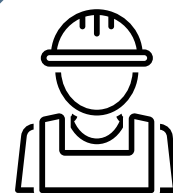
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Planned maintenance

We are committed to maintaining and upgrading our homes to a high standard. We have detailed stock condition information that provides details of the improvements that we need to carry out to each of our properties.

Programme of work undertaken in 2023/24

- Installation of sprinklers to our high rise blocks of flats at Lydstep, Loudoun and Nelson House, and at Litchfield Court.
- Refurbishment of community living schemes – including replacing the old intercom system with a digital one, fire safety works and redesign and refurbishment.
- Installation of a new warden call system in community living schemes at Broadlands House, Brentwood Court, Clos Y Nant, Worcester Court, Wheatley Road, Minton Court and Poplar House. Works are ongoing at Heathmead and Sandown Court.
- Replacement of roofs at locations throughout the city.
- Renewal of roof coverings to houses in Llanrumney, and to flats in Fairwater, Ely, Llanishen and Lisvane.
- Installation of new PVC windows at locations throughout the city.
- Structural works undertaken at properties due to ground movement, subsidence or overcrowding.
- Installation and upgrades of kitchens and bathrooms to meet the new WHQS 2023 standard – works are currently ongoing at properties in Fairwater, Caerau, Llanrumney and Canton.
- Refurbishment of hostels and newly purchased buildings.
- Installation and certification of fire doors at a number of flats throughout the city.
- Replacement of windows, doors and external cladding to high rise blocks at Lydstep Flats.
- Courtyard improvements completed at Pant Glas, Mill Road and Heol Ebwy including the relocation of the bin storage area to address fire safety issues. Works at Lydstep Crescent are currently ongoing.
- External painting in locations throughout the city.



Predicted spend on improvements to buildings in 2023/24



Roofing - £2.8m



High Rise Fire Safety Works including over-cladding - £2.7m



Kitchens - £2m



Boilers - £1.7m



Windows and Doors - £1.5m



Health & Safety Works - £1.3m



Rewiring - £900k



Fencing - £600k



Sheltered Accommodation - £516k



Addressing Overcrowding - £250k



Bathrooms - £105k



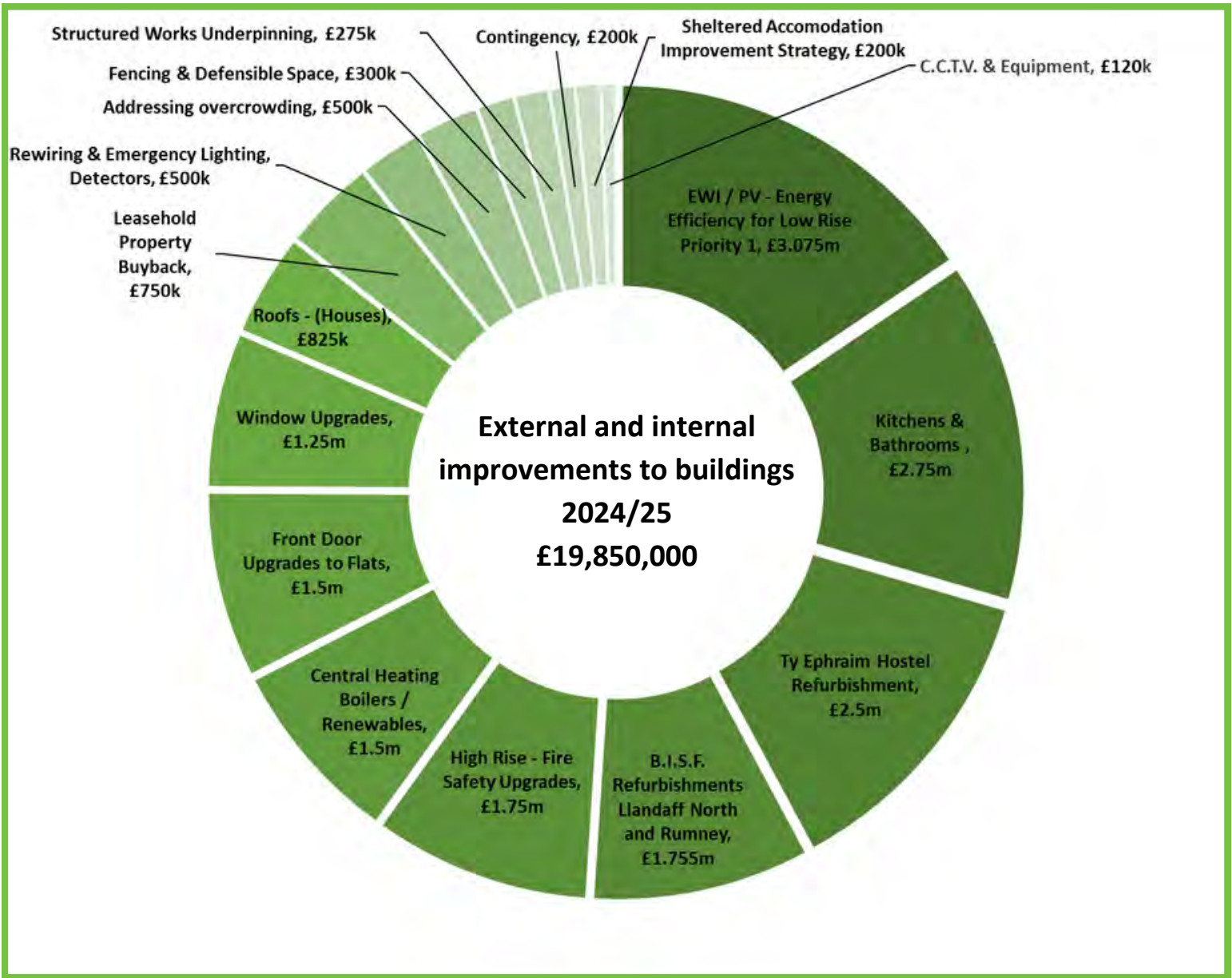
Energy Efficiency - £100k



Figures provided are predicted as at February 2024 and are inclusive of grant monies.



Planned improvement for 2024/25



Our 30-year Plan incorporates the expected life cycle of property elements such as kitchens and bathrooms and uses this to predict when improvements such as roof upgrades will be needed. This allows us to plan our budgetary commitments into the longer term. Due to the large amount of work completed on properties during the process of becoming WHQS compliant, many property elements will become due for renewal in a short space of time. To ease the impact on budget and improve efficiency of renewal, the 30-year plan goes through a smoothing process to ensure less peaks in both cost and volume of work required.

Works will begin in 2024 to carry out extensive refurbishment of our supported accommodation Ty Ephraim over 2 phases. This 89-unit site will see the installation of kitchens in all rooms as well as increased fire safety works in phase 1. Phase 2 will include improved communal facilities, an additional medical room and works on the external façade.

Responsive Repairs Unit

Our Responsive Repairs Unit carries out approximately 4,000 repairs to our council homes each month.

We said: In our 2023/24 Business Plan we committed to investing further in our Responsive Repairs Unit.

We did: We have significantly invested in the team this year. As well as a new dedicated 'Dry Homes' team that responds to damp and mould cases in our tenants homes we have also increased the work that we have allocated to our trusted contractors.

Although the Responsive Repair service has improved, there is still a significant amount of work to be done to build on these improvements. We need to reduce the number of older jobs outstanding, respond more promptly to our urgent and routine jobs and increase the response rates to tenants calling our scheduling teams. Additional funding has been set aside in 2024/25 to address and complete these older works.

Our Repairs Taskforce brings together managers from across the unit on a weekly basis. Data is scrutinised to understand in detail what needs to be improved, complaints are discussed individually to learn from any mistakes made, resources are considered and these issues are fed into an overall action plan for improvement.

To help deal with the volume of works, Maintenance Persons now complete minor jobs, allowing our skilled tradespersons to carry out more complex work. Alongside this, as part of a commitment to "growing our own" workforce, our Responsive Repairs Academy is continuing to support trainees, apprentices, and Maintenance Persons to become qualified tradespeople - this is a great way to bring employment opportunities to people across communities in Cardiff.

Action

We will continue to invest in Responsive Repairs to improving our response rate to urgent and routine repairs and address the older works that are outstanding.



Responsive Repairs Academy success

The Responsive Repairs Academy gives apprentices and trainees the opportunity to learn new skills, giving them the best possible chance to qualify by providing as much experience as possible whilst they are employed by Cardiff Council.

Connor came to work for Cardiff Council after previously working in theatre set building. He started working as a Maintenance Person undertaking smaller repair jobs in council homes.

With the support of the Responsive Repairs Academy, Connor was able to complete his NVQ Level 2 in carpentry and was successful in gaining a full-time permanent position as a skilled tradesperson. His success highlights the opportunities that the Repairs Academy can provide to people across communities.

Connor said, "I've enjoyed my first ten months working for the Responsive Repairs Unit and I'm pleased how I've been able to progress my career."



Connor, Qualified Tradesperson

Action

We will further develop the Repairs Academy to ensure that our future workforce has the required skills to maintain our properties as new and emerging technologies are installed.



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Our rapid response to addressing damp and mould

We are committed to delivering a robust, joined up, rapid response service to address damp and mould in our homes.

A new dedicated Dry Homes team has been created which works exclusively on addressing damp and mould issues in our tenants homes. This team is led by an experienced Qualified Technical Manager and includes additional dedicated operatives, Maintenance Persons and a co-ordinator to ensure that issues are dealt with via a case management approach. The creation of the team has improved our response times to damp and mould inspections and referrals, though there is still more to do to improve these further.

A new process ensures that all damp and mould cases are inspected and assessed as quickly as possible so that we can deal with any urgent cases promptly. Alongside this, work has been undertaken to understand how reoccurring issues can be identified to ensure that the underlying problem can be tackled appropriately.

An animated video has been created that explains to tenants what damp and mould is, and how we can work together to reduce it. The video also gives tips and tricks on what to do if it becomes a problem in the home and how we as a landlord can help to address it.

Importantly, our Responsive Repairs Operatives are also now trained in recognising when a tenant may need more assistance and they can signpost to other advice services, such as money advice as necessary. Operatives also ensure that they have leaflets on hand when they visit which they can give to the tenants offering further assistance.



Action

We will further expand the dedicated 'Dry Homes' team to further improve our response to damp, mould and disrepair cases.



Improved fire safety in council homes

We said: In the 2023/24 Business Plan, we committed to continuing to improve the fire safety in all our homes.

We did: Recladding of 3 high-rise blocks in one area of the city is nearing completion, with plans underway for the recladding of two further blocks. We also installed sprinklers in 5 of our 9 high rise blocks, with a continuing programme of works to install sprinklers in the remaining blocks currently at design stage.

Lydstep Flats

One of the biggest refurbishment schemes, the recladding of 3 high-rise blocks at Lydstep Flats will be completed this year, with plans well underway for taking forward works on Loudoun and Nelson flats.



A block in Lydstep Flats



Drone shot of Lydstep Flats

Alongside addressing structural fire safety issues, fire risk assessments are undertaken regularly, with fire risk assessments conducted in our high rise blocks annually and in our low rise blocks every two years. We are also working with tenants to communicate about fire safety issues and personal evacuation plans have been prepared for all tenants that require one.

Keeping our tenants safe

As a landlord we have a duty to carry out regular gas and electric checks to ensure our properties are safe. While our gas and electrical compliance rates are good, there are sometimes issues gaining access to properties which can mean that tests cannot be completed. Our Tenancy Management team actively work with tenants to arrange access so these vital checks can be carried out.



04 Moving toward zero carbon homes

Delivering homes to a highly sustainable low carbon standard

We are committed to developing low carbon energy efficient new homes. The development project on the former Iorwerth Jones site in Llanishen is delivering 20 new family homes, providing a mix of 2, 3 and 4 bed properties. They meet a highly sustainable low-carbon standard and, by using renewable energy, this will ensure that the homes remain affordable to power and heat in the long term. The new homes will be ready for tenants to move into in early 2024.



Decarbonisation and energy improvement of our existing stock

As part of delivering our One Planet Cardiff Strategy to become carbon neutral by 2030, we continue to install energy efficiency measures in homes across Cardiff, including external wall insulation, internal insulation and boiler upgrades.

Cardiff Council's current average energy efficiency rating (also known as a SAP rating) is 72, this is the highest average of all landlords in Wales according to Office of National Statistics data (March 2023), and 7 points higher than the Wales average of 65.

Our current average energy efficiency rating of 72 is just 3 points short of the new Welsh Housing Quality Standard 2023 interim target of 75 which is required by the Welsh Government to be achieved by 31st March 2030.



Current progress

We are currently in the process of undertaking surveys and preliminary works for our first Optimised Retrofit Programme funded scheme. The project comprises of installing external wall insulation and solar PV panels to low-rise blocks of flats across the city. Initial learning from the project has shown the time and planning required to comply with the British Standard of retrofit dwellings, PAS2035. We will ensure that these lessons learnt are fully considered when rolling out this scheme further.

As part of building safety upgrades to various high-rise blocks, we are replacing the cladding and installing new windows whilst also applying insulation at the same time, further improving energy efficiency.

Through our building improvement programme, we continue to invest in replacement windows and doors which will further assist in improving the energy efficiency of our homes.

Disabled Facilities Service

Our Disabled Facilities Service delivers a range of adaptations to the homes of disabled, elderly, and vulnerable tenants to enable them to live independently and improve their movement in and around the home. Adaptions include the installation of wet rooms (level access shower facilities), stair lifts and access ramps designed specifically to meet the needs of the individual.

Modular buildings are now being used to extend a property where the current size of the property cannot accommodate the proposed adaptation. Specifically, where ground floor living is required, the provision of an additional bedroom and or bathroom may be provided by extending the property. Using modular constructed extensions is quicker and, in most instances, more cost effective, than using traditional construction methods.



Between April 2023 - December 2023

13 modular pod installations were delivered in tenant's homes.



Modular pod being installed in property and after installation

05 Improving our neighbourhoods

Our Estate Regeneration Programme aims to create better and safer places to live. Consultation with tenants and residents is carried out to identify what matters to them and to agree plans before any improvements are made.

The programme aims to tackle community safety issues by delivering improvements to defensible space, boundary walls, on-plot parking, lighting, footpaths, and waste storage areas for flats. Gully closures are also arranged where appropriate. The overall aim is to make improvements to our estates so that they are safe and attractive places to live.

Each estate regeneration project is tailored to the local area and is shaped by the priorities identified, in partnership with local communities.

Two projects have recently been completed to neighbouring housing estates in Lincoln Court and Pennsylvania which included improvements to 16 blocks of flats overall. These included:

- Front entrance improvements,
- Relocation and upgrading of bin storage facilities,
- Improvements to rear courtyards including upgrading drying facilities and outdoor amenity space,
- Footpath improvements,
- Car parking improvements.



Lincoln Court steps



Lincoln Court entrance



Pennsylvania Car Parking



Pennsylvania Footpath Improvements

One-off improvements to address specific environmental issues are also carried out in response to requests from tenants and ward councillors.



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In Ely, several environmental improvements to road end closures have been delivered with future phases planned for delivery in 2024.

Future plans

Tenants have been consulted on a scheme in Trowbridge Green and consultation on a scheme in Caerwent Road is scheduled for 2024. Both schemes are programmed for delivery in 2024/225.



Local Action Team

Our Local Action Team continues to improve neighbourhoods and empower communities to take pride in where they live.



Assisting with garden clearance

Mrs A was finding it difficult to maintain her garden and didn't have the appropriate tools to deal with the issues. Mrs A's family and friends were no longer able to help with the garden and so she contacted the Local Action Team.

Operatives were able to clear the garden, removing all rubbish and cutting back any overgrown shrubbery. Mrs A was delighted with the garden and was very thankful to the team.

Alongside clearing the garden, the team also signposted Mrs A to low-cost tool hire companies, so that she can tend to her garden when needed and take pride in the outside space of her home.



Snowden Road Street Action Day –

Big team clean up

The Local Action Team worked alongside volunteers and a number of different council teams to improve the look of Snowden Road in Ely, and the surrounding streets.

The project itself consisted of a 4–6 week engagement with over 30 residents. The team provided advice on how to maintain gardens, tips about the Council’s waste disposal service and advice on recycling. 26 residents signed garden agreements committing to keep their gardens looking good after help from the team.



Working together to achieve a dramatic positive change to the look of Snowden Road in Ely



A garden before and after the work of the Local Action Team

Continuing to engage with the community

The Local Action Team are always looking for new ways to engage with the community and increase the reach of the team. They work collaboratively with our Community Inclusion Officers, Community Hubs, Tenants Together team and Cardiff’s third sector to increase their reach into the community.



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Caretaking Team

Our Caretaking Team work within the community and with all other housing teams to ensure that Cardiff is a safe and clean place to live and work.

The team provide landlord services to residents and leaseholders and are responsible for the cleaning and safety inspections of 857 low rise flats, 8 high-rise blocks of flats, 13 hostels and 11 Community Living Schemes across Cardiff.

The Caretaking Team roles includes:-

- To clean and report issues within the communal areas of blocks,
- To checks for asbestos disturbance,
- Report repairs,
- Arrange collection of accumulations of waste for a bulky waste collection,
- Reporting of any antisocial behaviour and safeguarding issues to relevant teams.



Before and after the work of the Caretaking Team



The Responsive Team are responsible for: -

- Removing bulky waste collections and fly tipping
- Fire risk removal
- Undertaking the clearance of empty homes and gardens for internal departments and external partners
- Removing overgrowth clearance in areas of housing land and property
- Cleaning of courtyards by high pressure water cleansing
- Cleaning of Cardiff Council hostels




Graffiti removal

The Graffiti Team work within the community to undertake the removal of graffiti across Cardiff. They are responsible for:

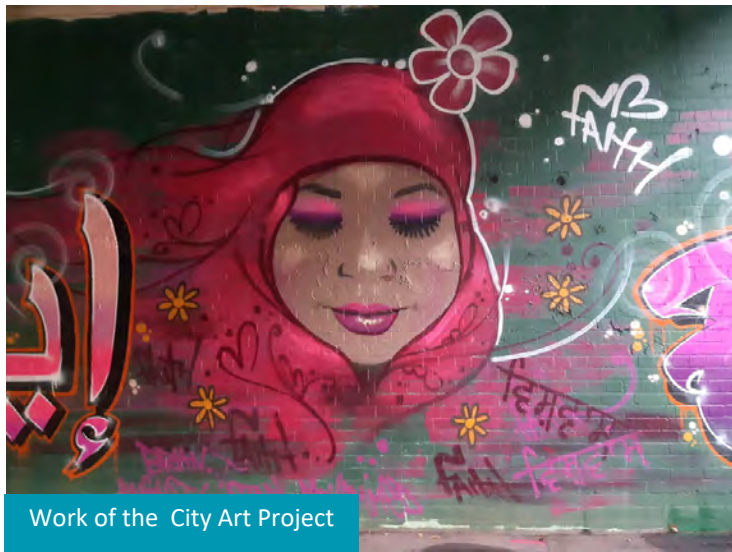
- Removal of abusive/offensive incidents graffiti - within 24 hrs
- Removal of all other types of graffiti - within 10 working days
- Managing and delivering the **City Art Project**




Between April 2023 - December 2023
88% of abusive/offensive incidents of graffiti were removed within 24 hours



Between April 2023 - December 2023
94% of all other graffiti types were removed within 10 working days



Work of the City Art Project



Cathays Bridge before City Art Project



Cathays Bridge after City Art Project



06 Promoting safe and inclusive communities

Addressing anti-social behaviour

The dedicated Anti-Social behaviour (ASB) Team works hard to reduce anti-social behaviour in our communities. The team are committed to ensuring that communities are as safe as possible, with the wellbeing of residents always in mind. The ASB Team are engaging with tenants more closely than ever, listening to their concerns and making use of their local knowledge to improve neighbourhoods. The team now;

- Proactively engage with the community by carrying out regular ASB surgeries within Community Hubs.
- Provide a victim support service in conjunction with the ASB surgeries.
- Help to identify ASB hotspots and develop action plans and operational groups to ensure that all partners and stakeholders are working together to address issues that have been raised. Partners that the team have worked with include the Police, Youth Offending Service (YOS), Supported Accommodation Services, Adult Services and the Noise Pollution Team.



Between April 2023 - December 2023:

In 99% of urgent cases - tenants were contacted within 1 day

In 99% of non-urgent cases - tenants were contacted within 7 days



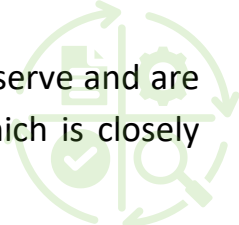
In 2024 / 25, we will build on the success of our area-based work to improve community safety - identifying hot spots and working with our tenants and with other agencies to ensure our neighbourhoods are safe places to live.

Making our services more inclusive

The Equality & Inclusion Strategy 2020-2024 outlines Cardiff Council's Strategic Equality Objectives for furthering and promoting equality across the city.

As part of the ongoing equalities work, the Adults, Housing & Communities directorate has undertaken an analysis of equalities data held across the directorate and conducted research into best practice in the delivery of inclusive services.

We want to ensure that our services meet the needs of the whole community. To do this we are analysing data which will tell us if any groups of service users are underrepresented. Initial analysis has shown that when compared to the ethnicity of the Cardiff population, some ethnic minority groups are disproportionately represented on the housing waiting list, with specific ethnic groups having a significant housing need due to overcrowding.



We have also examined our workforce to ensure it reflects the communities that we serve and are currently in the process of creating an Equalities Action Plan for the directorate which is closely linked to the Council’s Equality and Inclusion Strategy.



We will use the equalities data gathered to identify how we can better meet the housing needs of those from ethnic minority backgrounds on the housing waiting list.

Action

To ensure our workforce reflects the diversity of the city, we will continue to promote and offer job opportunities through our Cardiff Works Service in our local communities

Community Hubs

Our Community Hubs, based in the heart of our communities, provide advice on a range of issues such as housing, money, work opportunities and a wide range of other issues. Activities are also held in the Hubs to help people of all ages to stay active and involved.

We continue to work with our partners to enhance both our buildings and the advice and activities on offer, with the wellbeing of our community always at the forefront. There are currently 21 Hubs throughout the city, including our first Health and Wellbeing Hub in Llanedeyrn. We are committed to ensuring that all of our tenants can access the excellent services on offer in the Hubs, helping them to stay connected to their communities and improving their health and wellbeing.



Working with our health partners to deliver Wellbeing Hubs

We continue to work with our health partner, the Cardiff and Vale University Health Board, to provide a ‘one stop approach’ to the health and wellbeing of our citizens. Following the success of our Llanedeyrn Hub, strategic sites are being reviewed in different districts of the city for more Health and Wellbeing Hubs.



Llanedeyrn Hub

Youth Hubs

Butetown Pavillion provides hub services, such as online skills and Into Work advice, as well as activities for young people from all areas of Cardiff.

In 2024/25, we will work in partnership to expand the services provided to young people in the community by beginning the planning process for a new city centre youth hub. The hub will provide more opportunity to engage with younger people from across the city, providing them with advice and support alongside a range of activities tailored to their needs.



Action In 2024/25 a new Young Persons Virtual Hub will be launched, bringing together an on line one stop shop for young people seeking information, advice and assistance on housing, community events and other topics.

Hubs for All

The Pilot for 'Hubs for All' was launched in August 2023 at the Powerhouse Hub, Grangetown Hub and Llandaff North Hub and now also operates in Rhiwbina Hub, where dedicated and experienced staff have provided excellent care and well-being support in a local community setting. The project has proved to be a valuable service to both older people and their carers.

The project provides care and well-being services for potentially vulnerable adults, including:

- Older adults living alone
- Those with age related illness
- Those with early onset of dementia

Referrals are received from a range of different council services including the Day Opportunities Team, Carers Team, Community Social Work Teams, and Independent Living Team.

In 2024/25, the team hope to expand the Hubs for All Project into more Community Hubs across the city.



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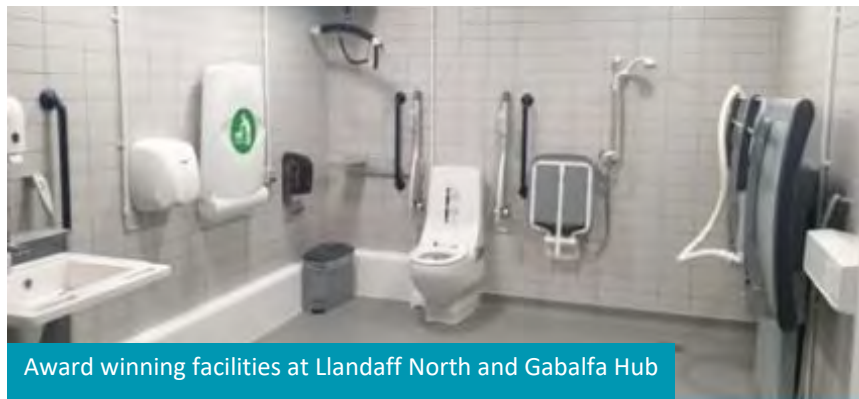
Award winning facilities

Llandaff North and Gabalfa Hub boasts a disabled toilet with state-of-the-art facilities including an adult changing area, hoist and height adjustable sink.

These facilities have won acclaim for their quality and standard and have been named “Loo of the Year” for 2024 in the national “Loo of the Year Awards”, which are aimed at highlighting and improving standards of 'away from home' toilet provision.

Inspectors make unannounced visits to thousands of toilets at sites in order to judge them on various criteria including décor, maintenance, cleanliness and accessibility. Toilets are graded silver, gold, platinum, platinum plus or diamond, with unacceptable toilets not graded at all.

The Hub achieved a “Platinum Plus” rating for its washroom facilities and a “Diamond” grade for its changing places facility.



Promoting diversity within our Hubs

As we strive to ensure that the services we deliver reflect the needs of our diverse communities, our Community Hubs team have put on a range of events throughout 2023/24 to celebrate different communities across Cardiff.

Black History Month

Black History Month was a great opportunity to engage with the wider community to learn, celebrate and promote understanding of Black History in Cardiff. The theme in 2023 was ‘Saluting our Sisters’ which focused on the achievements of Black women.



Celebrating Lunar New Year

The first ever Lunar New Year Market took place at Butetown Pavillion Hub in January 2024. The event was organised by the Wales Strategic Migration Partnership and Hongkongers in Britain (Cymru) and supported by the Council's Community Cohesion team.

The event was a great success. The Pavillion was colourfully decorated, with plenty of display boards featuring information about Hong Kong's history and culture. There were a variety of stalls from Hong Kong vendors and organisations, as well as groups and organisations representing our diverse city.



Chinese New Year and Festival

In February 2024, a 'Chinese New Year and Festival' was held at Cardiff Central Library Hub. Free activities and performances were available for members of the public to take part in. Visitors of the event were able to try on traditional Chinese clothing, as well as learn about traditional Chinese medicine. Children attending the 'Childrens Craft Club' contributed to the decorations at Cardiff Central Library Hub by making fun, dragon crafts to display throughout the library.



Chinese New Year and Festival held at Cardiff Central Library Hub



Action We will continue to provide a variety of events and activities within our Hubs that will encourage all tenants to get involved.



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Future plans

Our Hubs and Libraries across the city continue to increase and expand their community volunteer and community inclusion programmes, allowing the development of more events for older people, adults, young people and children and more targeted peer support groups, along with a variety of volunteer opportunities.

Hubs will continue their focus on supporting our communities to look after their own health including age friendly advice, relaying information on screening programmes, vaccinations, 'Move More/Eat Well Programme', alongside the launch of a blood pressure loan monitoring scheme.

We will continue to ensure all of our Hubs are Dementia Friendly.

In 2024/25 we will be actively encouraging people who are neurodivergent to participate and stay connected with their communities.

We are also working with the Probation Service to participate in the community payback scheme, supporting pathways to employment and community re-integration.



We will encourage people who are neurodivergent to participate in and stay connected with their communities.




07 Supporting tenants through the cost-of-living crisis

We are committed to assisting our tenants who are struggling to pay their bills and make ends meet. We have a wide range of services to support tenants through these difficult times.

Welfare Liaison Team

The Welfare Liaison Team are a dedicated team supporting council tenants with their finances, providing one-to-one help with income maximisation, identifying and applying for grants and budgeting. They provide a holistic service and act impartially to work out affordable repayment plans for rent and other household bills.

Welfare Liaison officers provide services via telephone and in tenants homes and also provide help from 8 Community Hubs on a drop-in basis. The team also refer into more specialist support from partner organisations including Citizens Advice and The Speakeasy Law Centre.



£2,943,032.32
Additional benefits identified for Council tenants by the Welfare Liaison Team between April 2023 - December 2023

The Team is now working more closely with the Council’s Money Advice Team, extending and improving the support that is available to our tenants. Support can now be accessed by tenants for longer hours, including late nights and on Saturdays. The team have provided support to 3,765 tenants between April 2023 - December 2023, a 57% increase compared to the same period the previous year, with no appointment needed and no waiting times.



Action We will continue to provide dedicated financial advice and assistance to our tenants which can be accessed locally and in a timely manner.



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Food and Fuel Champions

Our dedicated Food and Fuel Champions continue to provide practical advice across our Community Hubs and at community events, providing advice to people who are struggling with ongoing rising costs.

The Money Advice Team are now registered as a Fuel Bank Foundation partner and are able to access Fuel Vouchers for eligible tenants. In 2023, a new Fuel Champion joined the Money Advice Team, acting as an advocate for tenants when dealing with utility companies.



Food and Fuel Champion events held across the city



Case study

M came into one of our Community Hubs to speak to a Money Advisor regarding a long running dispute he was having with his energy company.

M was very unhappy as he had been overpaying on his energy direct debit for a period of 2 years, and each time he contacted the energy company to discuss this, he was met with poor customer service. After numerous attempts to resolve the issue, he was having little success. M's case was referred to a Food and Fuel Champion, who was able to break down the issues and create a plan of action.

Following the advisor's help, M was able to arrange a meter inspection visit with his energy company. Following the visit, a corrected bill has been sent out, his direct debit has been reduced to a level that reflects his usage and a refund has been arranged by the company which is on the way to M's bank account.

M was extremely grateful for the help he received, stating 'It was nice to talk to someone who knew what they were talking about, the Council were the most helpful of everyone that I spoke to about the dispute.'



Welcome Spaces

Welcome Spaces offer everyone a free, warm, welcoming and friendly space in our Community Hubs. Alongside a free hot drink and a warm place to spend some time, the opportunity to find out about support services is also available including Adult Learning, Health and Wellbeing services and the Welfare Liaison Team.



Welcome Space event at Whitchurch Hub



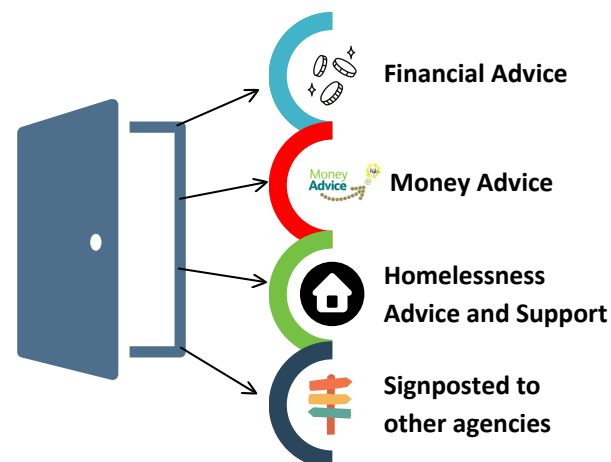
Dedicated financial support available for our tenants

We said: In our 2023/24 Business Plan we made a commitment to ensure that help remained available for tenants struggling financially and that no eviction would take place for rent arrears where the tenant was working with us to resolve the issue.

We did: A new Discretionary Hardship Scheme was launched in 2023. This new scheme provides dedicated advice and practical financial assistance exclusively to council tenants who are at risk of eviction due to rent arrears. We are committed not to evict any tenant who is in rent arrears as long as they are engaging with the help available from our teams.

Rent Arrears Pathway

The Rent Arrears Pathway ensures that anyone living in the city who is experiencing rent arrears can access help and support easily via a gateway approach. This approach, with the tenant at the centre of the process, has ensured that we are working with all services to provide the right support to address the tenant's needs, accessible through one single point of contact. Practical support as well as financial help via Discretionary Housing Payments or the Homeless Prevention Fund is provided.



Assisting people into work

Where finding work or upskilling a tenant would help improve their financial position, the Council's Into Work team provide a wraparound employment support service for people of working age 16+. The service is accessed by a single point of entry via a gateway and people are triaged to the most appropriate support. This includes job clubs, one-to-one mentoring, training and funding to help remove barriers into employment.

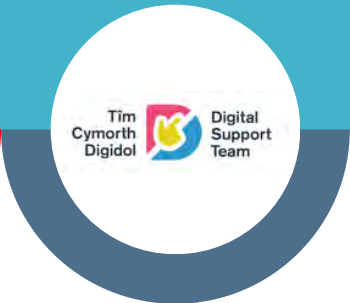


Into Work Job Fairs held across the city

Adult Learning

The Adult Learning team offer a wide range of digital surgeries in the heart of our communities to increase digital skills and accessibility to local citizens. These include Community Hubs, community buildings, sheltered accommodation and supported accommodation, providing bespoke digital support.

In addition, the Adult Learning team manage a tablet gifting scheme for individuals who are socially isolated, actively seeking employment or looking to upskill, and a laptop loan scheme to support Adult Learners access blended learning opportunities.



08 Preventing and addressing homelessness

The Housing Support Programme Strategy (2022 - 2026) sets out the Council's key priorities for addressing homelessness in the city. The aim is for homelessness to be prevented wherever possible, and where it is not possible, for homelessness to be rare, brief, and not repeated.

Our Housing Solutions and Homelessness Prevention teams are now fully aligned within our Advice service, providing a complete package of help and support to people who are experiencing homelessness issues. Between April 2023 – December 2023, 75% of households threatened with homelessness were prevented from becoming homeless. This approach has also ensured that this expert advice is accessible more quickly through our Community Hubs.

Supporting our tenants who are struggling to maintain their tenancy

We are proud to commit to the Welsh Government pledge that we will not evict a tenant for rent arrears if they are engaging with us. We recognise that some tenants will face a range of complex issues and will have additional support needs. A new multi-disciplinary panel has been introduced, to ensure that all the support available from the Council and its partners is offered to a tenant who is under threat of an eviction. This approach ensures that support is fully wrapped around any tenant that is facing complex issues, and that all appropriate services proactively engage with the tenant to help them to maintain their tenancy.

Supporting vulnerable tenants

The Tenancy Sustainment Team work closely with other housing teams and take proactive measures to support vulnerable tenants to sustain their council tenancies by utilising a range of support services, preventing any enforcement action.

The team have set up a Hoarding Multi-Disciplinary Team (MDT) with partner agencies including Shared Regulatory Services, Adult Safeguarding, Clinical Psychologist, MIND, Floating Support and Adult Social Work Teams.

The Hoarding MDT meet on a regular basis to discuss the most complex hoarding cases. Through this multi-agency approach, innovative solutions are developed to address property condition, keeping the individual at the centre of the decision making.

The team are also working in partnership with MIND to provide support to service users with hoarding issues who also require additional help with their mental health. Through this joint working, tenants are able to address the practical issues relating to the condition of their property with the Tenancy Sustainment Officer whilst also receiving emotional support from MIND to address the underlying reasons for hoarding.

Partnership working with MIND to address hoarding issues

K's case was referred to the Tenancy Sustainment Team by their tenancy officer due to the condition of their property.

K was exhibiting severe hoarding behaviour, and their property was full of their late mothers' possessions that they were struggling to part with. The electrical test was long overdue, there was a vermin infestation at the property, and it was also in need of several other repairs. These repairs could not be completed due to the hoarding at the property and K refusing the operatives access to the property. Unfortunately, this meant that the Tenancy Team were at the point of taking enforcement action and seeking a possession order.

The case was brought to the Hoarding Multi-Disciplinary Team meeting and a tailored action plan was created for K, it was also agreed that a referral to MIND would be beneficial.

MIND supported K to address her anxiety and underlying hoarding issues, she was supported to engage with counselling and a medication review, which helped to address her anxiety. The Tenancy Sustainment Team worked with K to develop a tailored action plan to meet her needs. Together, the Tenancy Sustainment Team and MIND supported K to successfully clear space in her property. Enough space was cleared in the property so that an electrical test and follow up full electrical re-wire was completed.

The Tenancy Sustainment team also supported K to allow access to pest control which successfully addressed the infestation, and the Responsive Repairs Service was able to access the property to rectify the repair issues.

Following the success of the partnership working, enforcement action was prevented, and K's tenancy is no longer at risk. K now has more motivation to keep her property to a reasonable standard and has employed a cleaner to help maintain her property in good condition.



Increasing temporary and supported accommodation supply

In 2023, Cardiff Council's Cabinet declared a housing emergency in the city with record numbers of people seeking help from homelessness services, putting unprecedented pressure on temporary accommodation.

As the demand increases, it is important that we are able to continue to provide suitable temporary accommodation for those in need. We are continuing to review sites throughout the city to increase our temporary and supported accommodation supply.

Delivering innovative housing solutions

To help address the housing emergency, ahead of a permanent redevelopment on the site, the rapid installation of modular homes is being delivered on a phased basis at the Gasworks site in Grangetown to support homeless families.

The development is currently the largest council-led modular development scheme in Wales and enables Cardiff Council to boost its supply of accommodation quickly, in less time than traditional building methods.

Support is available throughout the site to ensure that households can address any issues and can move on to permanent accommodation. The scheme will deliver 155 modular homes along with welfare facilities and will be complete by May 2024.

To deliver more of these homes at scale and pace, four additional sites have now been identified that can potentially provide an additional 350 modular units over the next 2 years.



Gasworks modular build



Inside property at Gasworks



Drone shot of Gasworks site

Helping end the revolving door of homelessness

Our large, supported housing schemes provide support to single people to move on from hostels and provide permanent and stable accommodation to reduce the chance of individuals returning to homelessness.

We currently have three supported housing schemes, offering good quality accommodation and support to single people with complex support needs.

Supporting individuals with complex needs

Our supported accommodation for single people at Ty Ephraim provides support to individuals with the most complex needs, many of whom have spent a significant amount of time rough sleeping or in custody.



The support within the accommodation focuses on creating a sense of community and belonging, alongside activities to build confidence and self-esteem for the residents.

Working with our health partners

Staff at Ty Ephraim work with a range of health partners to safeguard the wellbeing of their residents.

One ongoing partnership is with the Hepatitis C Trust who run a testing event for residents every four months, providing clients with well-being packs and advice and guidance on how to look after their wellbeing. The aim of the event is not only to test for the virus, but also to remove the stigma around it.

38 clients attended one of the testing days in 2023/24 and the team were able to engage with a client who had tested positive for Hepatitis C and support them to start their vital treatment.



Housing First

Housing First offers direct placement into council, housing association and private rented sector tenancies with intensive wraparound support for clients with higher support needs.

The scheme provides 'housing first' to those with complex needs who have experienced homelessness, and once they have a secure home, support is provided to address any issues. There are currently three Housing First Schemes in Cardiff, two of which are operated by the Council, one for rough sleepers and one for prison leavers, and a further scheme is operated by the Salvation Army.

Housing First has proven very successful, with **94%** of Housing First clients receiving continuous support, breaking the cycle of homelessness.

The newly launched Young Person's Housing First Scheme is now supporting 8 care leavers who have more complex needs and there are plans to further expand this. This project focuses on working with young people to build their confidence and learn new skills to allow them to become independent.

Housing First case study

C had been street homeless his entire adult life and had challenges with trauma, unaddressed neurodiversity, and alcohol use.

His initial contact with the Council's homelessness service was via the Outreach Team, who were offering C support while he was rough sleeping. Whilst happy to engage with officers, C was resistant to any housing solutions that he was offered.

After some time, C grew to trust a particular Outreach officer who would provide him with support and so when the Outreach officer transferred to the Housing First Scheme, she was keen to see if this approach would suit C.

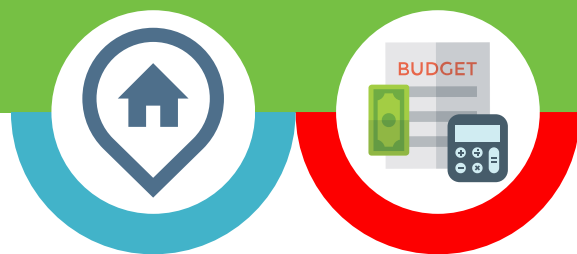
Although C was reluctant to consider permanent housing, the Housing First Officer continued to engage with him. The flexibility enjoyed by Housing First to offer accommodation quickly meant that she could continue to offer housing options in the hope that C's needs would eventually coincide with one of the accommodation opportunities that arose.

C was placed in one of our modular units, which proved key to moving C off the streets. The semi-permanent nature of the units appealed to C, who had previously displayed distress at the idea of a permanent home. C accepted help with shopping and budgeting.

Over time, C came to enjoy the comfort of indoor living and adjusted to his new circumstances. He was introduced to the wider Housing First team and forged cordial relations with them. C continued to work with the Housing First team, and eventually C decided to consider the offer of a permanent home at one of the councils supported accommodation schemes. After being supported to visit the flat, he accepted the tenancy.

When C moved into his new home, he was explicit that without the trusting relationships he had built up during his Housing First journey, he would have lacked the confidence to consider a permanent home.

In C's case, the flexibility of Housing First support has proved crucial to bringing about an outcome that he himself would have dismissed in the past. The facility to work patiently, over years, with a person who has a conflicted notion of 'home' is a strength of the Housing First model. C's journey through this process is a testament to the value of long-term investment in meaningful and consistent support with service users who face deeply rooted challenges.



Supporting young people into independence

The Young Person Gateway (YPG) launched in October 2015 and is an accommodation and support gateway for young people in Cardiff who are threatened with homelessness, or who need to move on from care.

A range of supported accommodation is available provided by Llamau and the Salvation Army using council and housing association properties.

Our Training Tenancy pathway supports young people's independence and ensures that they can sustain their tenancies. Once a young person has been identified as being ready to live independently, they attend a training session which covers all the necessary information around managing a tenancy, upon passing the training the young person is given immediate priority on the Social Housing Waiting List.

From March 2016, when the scheme commenced to December 2023, **518** young people have been housed through the Training Tenancy scheme, with a 99% sustainment rate. A result of excellent partnership working between the social landlords and third sector partners in Cardiff.

Providing permanent accommodation to our homeless households

As outlined previously, Cardiff is experiencing a housing emergency and all temporary accommodation is full. To help move people out of temporary accommodation as quickly as possible, we allocate a high proportion of our council homes to homeless households. In 2023, 73% of general lets were made to homeless households. This impacts on those who also have a high housing need and are not homeless on the waiting list, as it may mean they need to wait longer. Unfortunately, there is not enough supply of affordable homes to meet the level of demand in the city.

Addressing overcrowding

The lack of larger affordable properties is resulting in increased levels of overcrowding in both social and private housing in the city.

We said: In the 2023/24 Business Plan we committed to addressing the housing needs of households who are overcrowded in Cardiff, by using a range of innovative solutions to tackle the issue. We also committed to providing additional resources to support tenants who wanted to exchange as a way of resolving their housing issue.

We did: Our 'Right-Sizing' Scheme has enabled us to provide support to older people who want to downsize while simultaneously freeing up larger family homes for households in need.

The Right Sizing Board continues to trial different ways to increase space in existing homes to reduce overcrowding, including using both modular or "pod" extensions and traditional build extensions to provide much needed extra space for overcrowded families.

In 2024/25 we will be introducing a dedicated officer to support tenants through the process of exchanging properties.



To date, seven 3 bed properties have been converted into 4 bed and 2 bath properties.

4 of these have been pod extensions.

3 have been traditional build extensions.

To help more tenants 'rightsize', we will introduce a new dedicated officer to support them through the process of exchanging properties.

Action

09 Listening to our tenants

We are committed to improving how we communicate, consult and listen to our tenants. We carry out a range of activities to ensure this is achieved, including;

- A range of surveys which includes the bi-annual tenants satisfaction survey as well as bespoke surveys carried out throughout the year
- Regular focus groups
- Events that are run by the Tenants Together team (formerly Tenants Participation team)
- A dedicated website for our tenants

Surveys

We are required every two years to carry out a tenant satisfaction survey, this was completed last year. This year we have carried out several other surveys throughout the year which include:



- **‘Right-Sizing’** survey. This survey was carried out to understand what factors were important to older tenants who had recently downsized from their existing homes into specialist older persons accommodation. The most important factor in their decision to move was safety and security with **37%** of respondents saying this was crucial. **20%** confirmed that reduced maintenance work was the main factor and **16%** stated that they had moved to improve their social life.



- Other tenants over the age of 60 who had not made the move to specialised older persons accommodation were also surveyed, to find out what would motivate them to move. Again, safety and security came out on top with **35%** of respondents citing this as the most important factor, **25%** of respondents confirmed improving their social life would be the most important factor to them and **19%** said less maintenance work would be the main reason that they would consider moving.

- During 2023/24 the Anti-Social Behaviour (ASB) team conducted a survey with tenants in one particular ASB hotspot in the city. 193 surveys were completed, with **81.7%** of respondents advising that they had noticed a large presence of drug dealing in the area and **92.1%** advising they were noticing the increased presence of bikes and scooters. The results of the survey helped inform targeted operational work in partnership with the Police in the area. This included the installation of new gates to discourage the use of bikes and scooters in specific areas.



We will continue to survey tenants in ASB hotspots of the city, listening to their needs to shape the targeted work making our communities even more safe.

Your Rent Your Say 2024

Each year, as part of the rent setting process, we consult with our tenants about the rent we propose to charge the following financial year. In 2023, 20% of our tenants (2,774) were randomly selected and sent a paper survey to complete.

The survey was also available online and promoted on the Cardiff Tenants website. In addition to this, 15 face-to-face events were held across Community Hubs, to encourage responses. Front facing staff including Finance, Welfare Liaison and Housing Helpline officers promoted the survey with tenants and offered them help to complete the survey online.

The survey received 210 responses and whilst this is higher than previous years, we are keen to improve this further next year.



Your Rent Your Say 2024

77.6% of respondents thought their rent offered good value for money with 36.2% finding it very good value. Only 12.4% of respondents said that their rent offered poor or very poor value for money.



Regular Focus Groups

We have carried out several face-to-face focus groups with our tenants to understand what matters to them. Some of the results from this included;

- It was important to meet with council officers to discuss issues from a range of services on a face-to-face basis.
- They would like to attend a public engagement forum.
- They would like to engage with local ward Councillors more frequently.
- They would like to have access to informative videos on services as well as printed information.

In 2024/25 to respond to these issues we will:

- **Develop more face-to-face sessions with council officers present.**
- **Hold local Tenants Voice forums inviting representative services from a wide range of organisations.**
- **Support ward member surgeries across the city**
- **Look at other opportunities to utilise information videos.**

Action

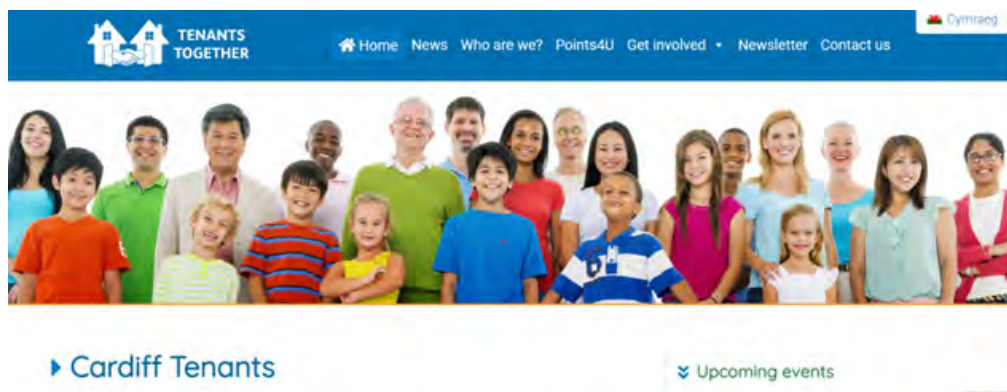
Tenants Together Team



In response to our Tenants Survey 2022, we consulted with tenants on the rebranding of the Tenant Participation Team at our annual Tenant's Conference. As a result, our newly branded "Tenants Together" team was created.

The Tenants Together team helps to ensure that tenants voices are heard in how we introduce new services and improve existing ones.

The newly refreshed Tenants Together website ensures tenants have access to up-to-date information including details of new focus groups and access to a Tenant Feedback form.



Annual Tenants Conference

The Annual Tenants Conference is an opportunity for tenants and leaseholders to engage with the Tenants Together team and senior housing managers. The 2023 conference was held at City Hall with over 90 attendees who had the opportunity to visit stalls from partners such as Age Cymru, Specsavers, Action for Warm Homes and many others.

Council teams such as Waste Management and the Local Action Team were on hand to provide information and guidance around an array of issues that can improve the lives of our tenants.

The most anticipated moment of the conference is always the hotly contested Blooming Marvellous competition, where prizes are given to the best garden. Once again, the standard was exceptionally high with the Community Living Scheme in Wheatley Rd, Ely coming out as winners for 2023.



Tenants conference 2023

Engaging with young tenants and leaseholders

In 2024/25, the Tenants Together team want to ensure that even more tenants and residents are engaging with the team and having their voices heard.

To do this, we will encourage more young tenants and leaseholders to attend focus groups and events held. Throughout the year, recruitment for youth focus group members in events such as quizzes, information days, talks in schools and directly in community rooms on local estates, will be held.

We will continue to broaden the reach of the Tenants Together team, to ensure that even more tenants and residents are engaged and having their say in the council services that support them.

We will explore tenants' interest in focus groups in Welsh and community languages.

Action

Tenant Volunteer Programme

The Tenants Together team, in partnership with the Community Volunteer team are working to create a Tenant Volunteer Programme. Through the programme, tenants will get the chance to become 'Tenant Champions' and support other tenants in their communities.

In 2024/25, we will create volunteer opportunities that will help young tenants become engaged in their communities, for example, creating community space volunteers to co-run groups and activities, and community garden volunteers to improve shared spaces.

The logo for 'Volunteer Cardiff' is enclosed in a green rectangular border. The word 'Volunteer' is written in a large, bold, blue sans-serif font. Below it, the word 'Cardiff' is written in a smaller, green, cursive script font.

Action

We will create volunteer opportunities that will help young tenants become engaged in their communities.



In our 2023/24 Business Plan, we committed to the following actions below as a direct response to the Tenants Survey that was carried out in 2022.

We said

We did

We would gain more understanding as to why tenants are unhappy with how complaints are dealt with.

In 2023, the Housing & Communities Complaints section was aligned with Tenant Services, creating a joined-up approach to addressing complaints and increasing resources on the team.

Working practices have been reviewed and improved and an additional complaints officer was also introduced in 2023 to deal specifically with responsive repairs complaints. This has helped to deal with complaints more quickly and reduced the response time to complaints lodged.

Action: In 2024 a bespoke survey will be carried out to understand if any further improvements can be made to improve the complaints process for our tenants.

We would create a bespoke survey for the ASB Teams to understand what aspects of the service tenants are most dissatisfied with.

A survey of tenants regarding a particular ASB hotspot in the city has been completed and actions identified that have been implemented. A wider survey is currently being developed to understand what aspects of the ASB service our tenants are most dissatisfied with. This will be carried out, analysed and reviewed by Spring 2024. Any findings from the survey will be addressed during the year.



10 Modernising and improving our services for tenants

As well as providing face to face services through Community Hubs, Cardiff Council is committed to increasing the number of housing services available to people via digital platforms, so that our tenants can access our services at a time and location that is convenient for them.



Repairs Online

‘My Repairs’ will be launched in 2024. This online solution will allow tenants to report a repair 24/7, 365 days a year. This is a major change in how we currently deal with the reporting and allocating of repair jobs. Therefore, this will be introduced on a phased basis, to ensure that there are appointments available in the operatives diaries to do the works and that the system is working as we expect it to. Taking this phased approach will allow us to confirm that the system will provide the best experience to our tenants.

When fully operational, tenants will be able to report, view and book some repair appointments using the self-service system on their smartphone, PC, or laptop. For those that need help to access this, our Hub staff will be on hand at our Community Hubs providing the support they need. Tenants will still be able to report a repair via telephone.

Housing Online

Further improvements are being considered for the Housing Online Portal, including adding the Common Housing Waiting list banding information. This will allow housing applicants to view their waiting list status in real time reducing the need to phone, write or email.

Housing Webchat

Live Web Chat will allow tenants to receive quick advice and information from the comfort of their own home. The webchat is currently under development and will be piloted in 2024 by the Housing Helpline team.

New Housing Website

Work to develop the new Housing Website, that will provide tenants with key information on a range of housing topics, continues. The website has been created with ease of accessibility for tenants in mind. Our new Housing Website will launch in 2024.





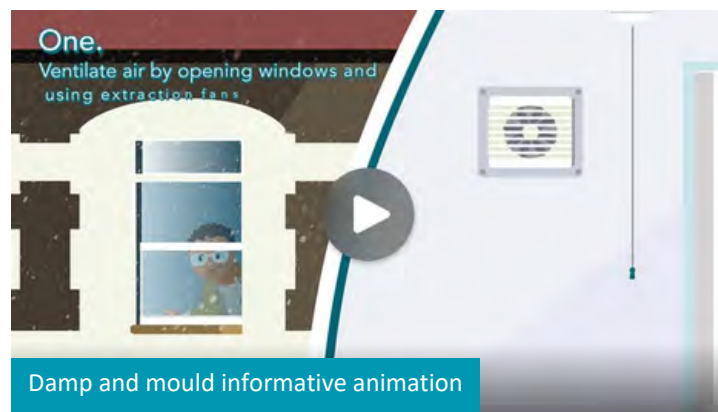
Animations

Informative animations have been created on issues such as damp and mould and money advice to provide free and readily available information to tenants. The animations will be available on the housing website as well as being shown in our hubs & libraries. We also plan to roll out the informative videos on YouTube and other social media channels over the year.



E Signatures

DocuSign “E Signature” increases convenience for council tenants, by eliminating the need for printing and posting documents that require signatures, providing an easy way for tenants to provide information that may be delaying their case.



Future Developments

Video Library

Plans are in place to create a ‘Video Library’ available to tenants to assist with basic self-help, such as how to reset a boiler, how to contain a leaking pipe or radiator and how to read a meter.

Appointment booker

Plans are in place to develop an online appointment booker, where tenants can book their own appointment slots for a variety of services, for example a waiting list appointment. This is in the very early stages of development and planning, but the aim is to make the service more accessible to tenants who will be able to book appointments at their own convenience.

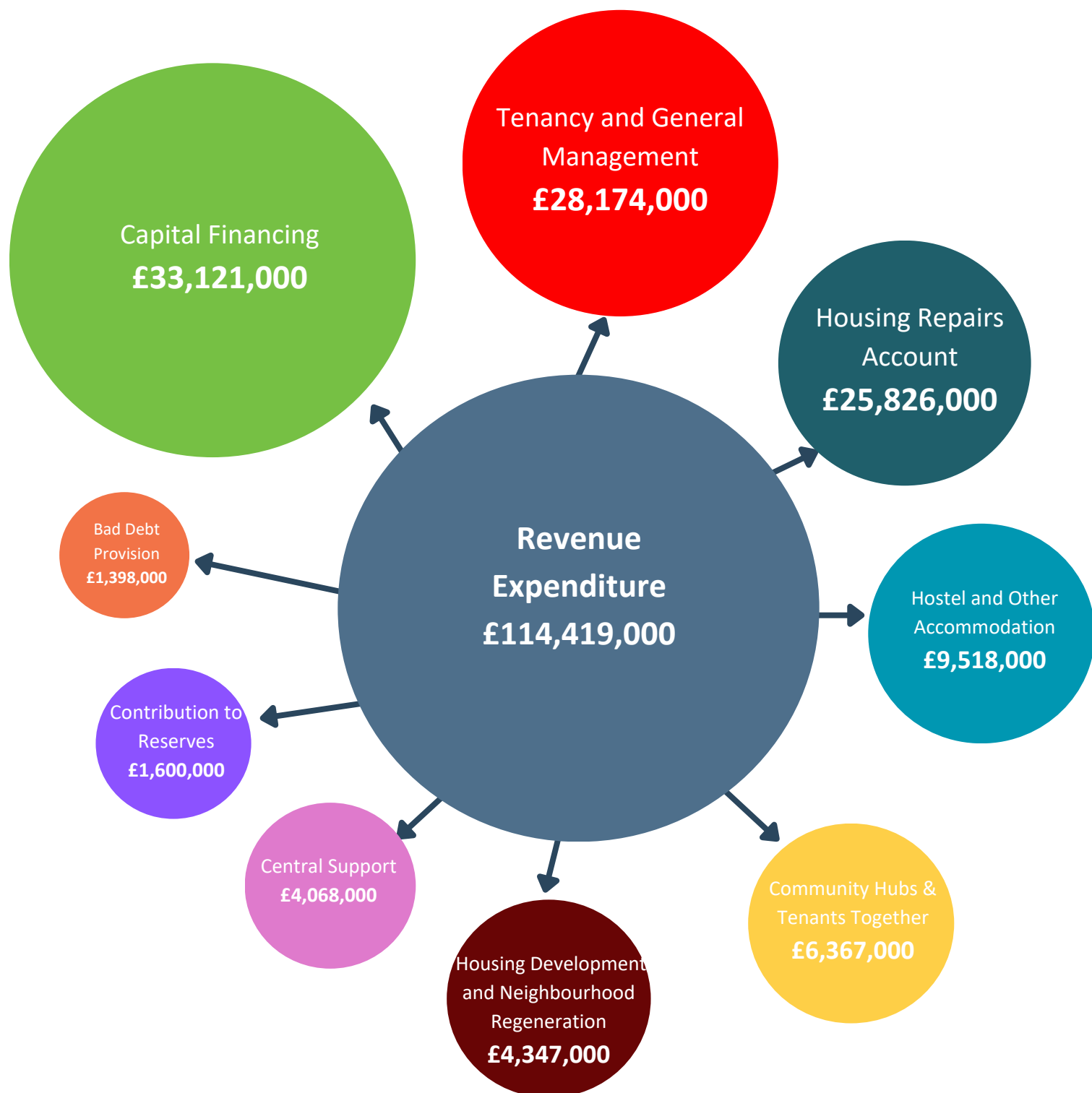


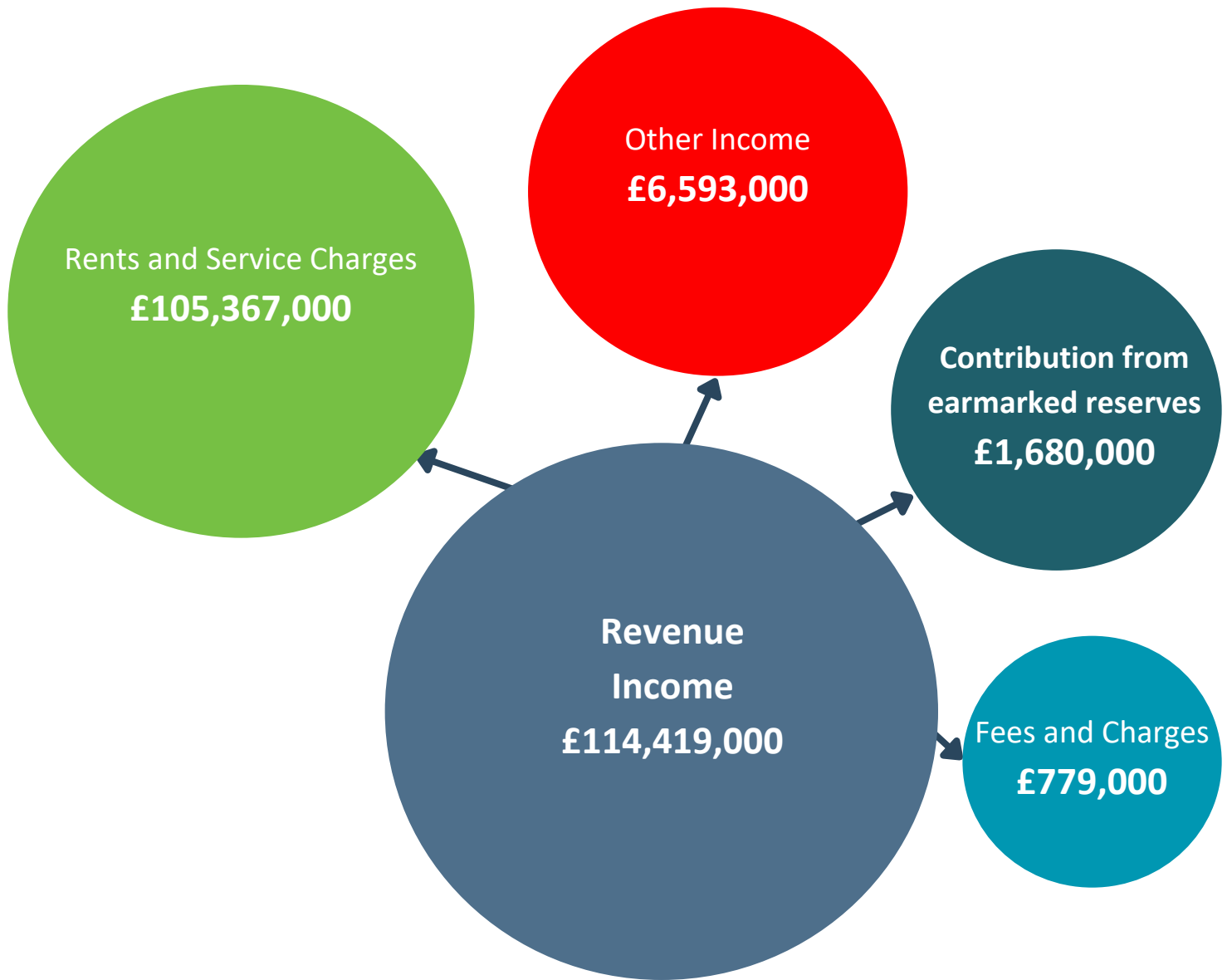
Action

Continue to develop and improve digital methods of service delivery to improve the customer experience for our tenants.

11 Financial resources and planning

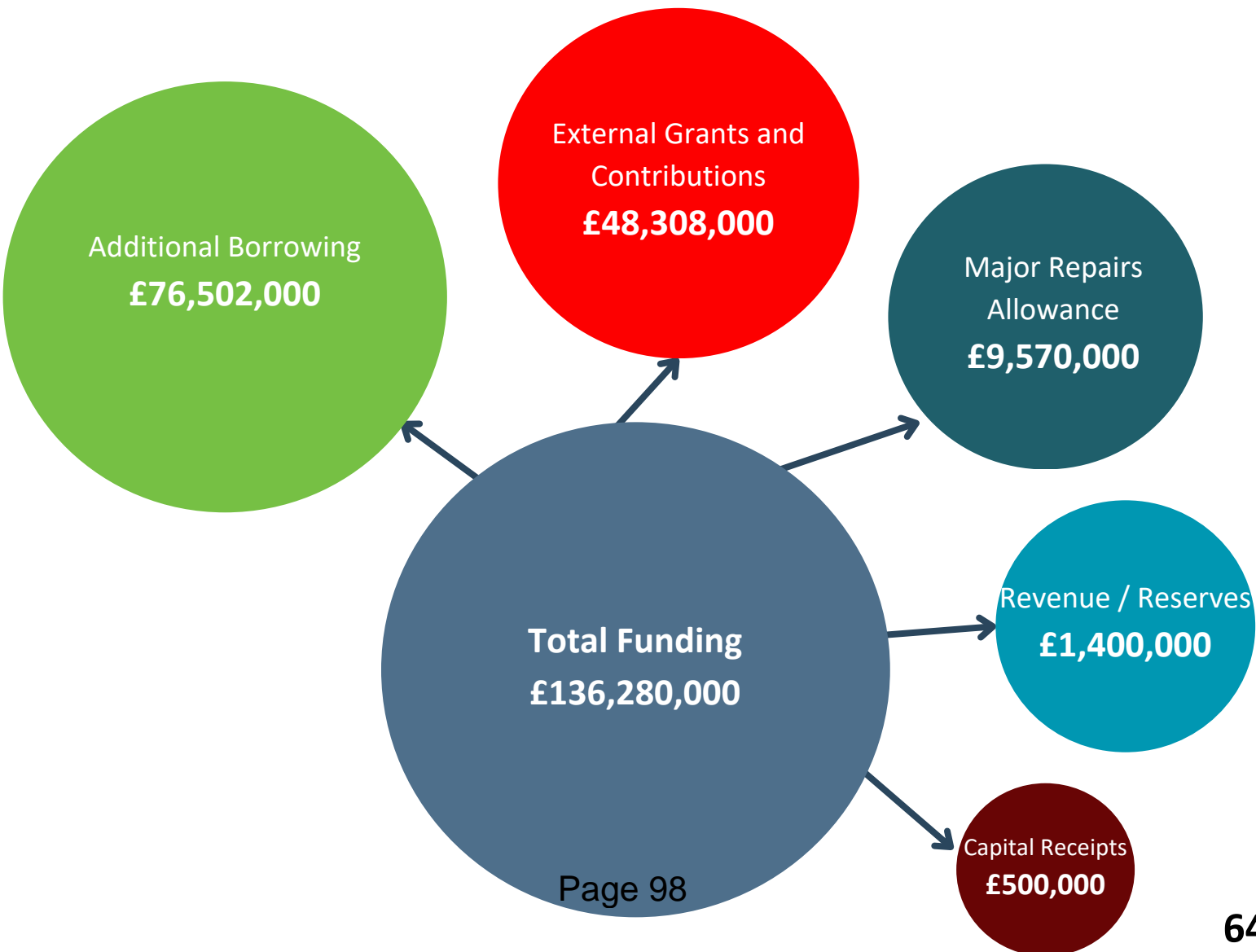
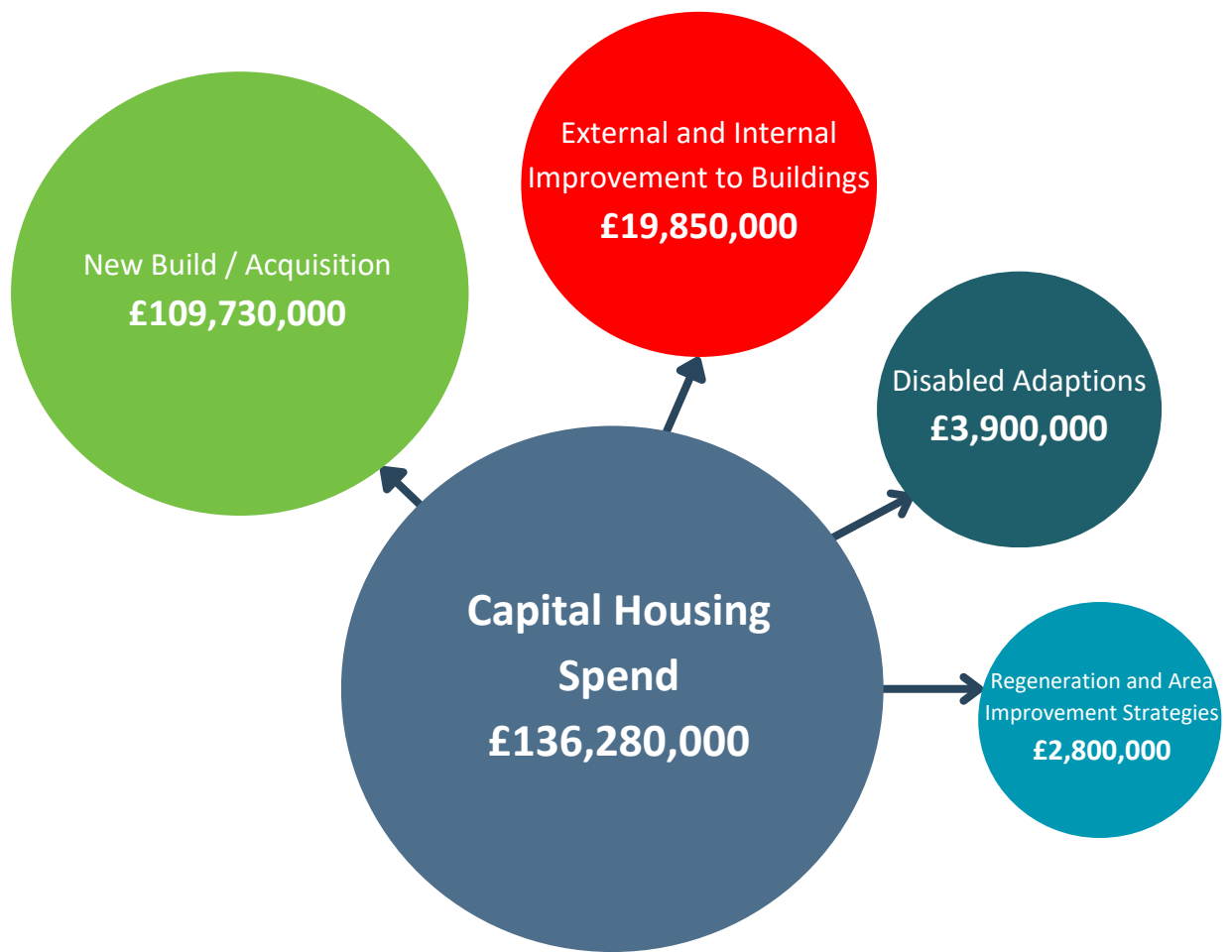
The following diagrams illustrate expenditure and income estimates for both revenue and capital for the financial year 2024/25. Further details are set out at **Appendix A**.





These items are in accordance with legislation and the HRA Guidance Manual which sets out the legislation, regulation, guidance and best practice relating to the operation of a HRA.





HRA Financial Management and Monitoring

A) The HRA budget

Drafted and submitted to Cabinet for approval as part of the wider Council budget setting process in February of each year, the HRA budget also considers a 5-year Medium-Term Financial Plan, the overall 30-year Business Plan and the planned capital investment programme for the period.

Appendix A sets out the planned spend and funding sources for the first five years for both revenue and capital.

B) The HRA Business Plan

This is updated annually, submitted to Cabinet in March each year and subsequently sent to the Welsh Government for consideration and approval. The must meet the following requirement objectives:

- Meet the requirements for application for the Welsh Government Major Repairs Allowance grant
- Demonstrate ability to meet the Wales Housing Quality Standards
- must be approved by political and senior management governance processes
- Be underpinned by a 30-year financial model which sets out estimates of planned capital and revenue income and expenditure over the 30- year period
- Work as a planning document forming the basis of the HRA business
- Used to safeguard interests of current and future tenants and service users
- Demonstrate the long-term value for money, financial resilience and sustainability of the HRA.

C) The Housing Development and Capital Financial Advisory Board

This board considers regular financial monitoring updates against revenue and capital budgets and sets a framework for the review and approval of the housing development and acquisition programme. The Board is made up of senior management representatives from the Housing and Finance directorates and meets bi-monthly.

It reviews expenditure proposals and related affordability and receives updates on policies and developments within the housing environment.

D) Budget monitoring

Service accountants with detailed HRA accounting experience work with HRA budget holders to review progress against approved budgets, investigate variances and identify mitigations and actions to bring planned spend into line with forecasts. Where required they work with budget holders to realign budgets to allow additional initiatives to take place or to accommodate changes to available funding. Cardiff Council's Cabinet receives quarterly budget monitoring updates as part of the regular Council reporting processes throughout the year.

Other regular and ongoing financial management and monitoring activities include the following:

- Ensuring that a HRA general balance is maintained at a prudent level
- Creating specific earmarked reserves to mitigate against risk including increasing and unforeseen costs such as the price of materials and the uncertain rent policy in the medium/long term
- Continuing to liaise and consult with the Welsh Government on future rent policy highlighting the importance of ensuring that capital commitments currently being entered into remain affordable
- Continuing to develop indicators to support assessment of financial resilience including prudential borrowing indicators
- Maintaining a prudent approach to repayment of capital expenditure
- Compliance with the terms of reference set by the Housing Delivery and Capital Finance Board in respect to approval or changes in sites proposed for new housing development including viability assessments
- Regular review of service data such as the number of void properties, levels of rent arrears and write offs, progress against the revenue repairs programmes, both responsive and planned, to identify issues and agree interim solutions thus helping to secure improved performance against service objectives
- Regular reviews of progress against the planned capital programme and the level of borrowing needed to avoid unnecessary capital financing costs.

Rent policy

The Council sets the level of rents within a policy framework set by the Welsh Government (WG). The 5-year Social Housing Rent policy was introduced in 2020/21 and will continue until 2024/25 and allows for a maximum 1% rent increase above the rate of the consumer price index (CPI). Where CPI is outside the range of 0 to 3%, a ministerial decision is required for that year.

There is no confirmation of the rent policy approach beyond 2024/25. This and other uncertainties particularly around the impact of inflation represent a significant risk to the resilience of the HRA and business planning as the Council cannot control or accurately predict a key component of the plan.

In line with the current rent policy, a ministerial decision was made on 27th October 2023 to limit rents to a maximum increase of 6.7% for 2024/25 for all tenants. It was proposed that Cardiff set its rents at the maximum allowed. This was approved by Cabinet in December 2023 ahead of the 2024/25 budget setting and in line with the new notice period requirement of the Renting Homes Wales Act which stipulates 2 months' notice for tenants.

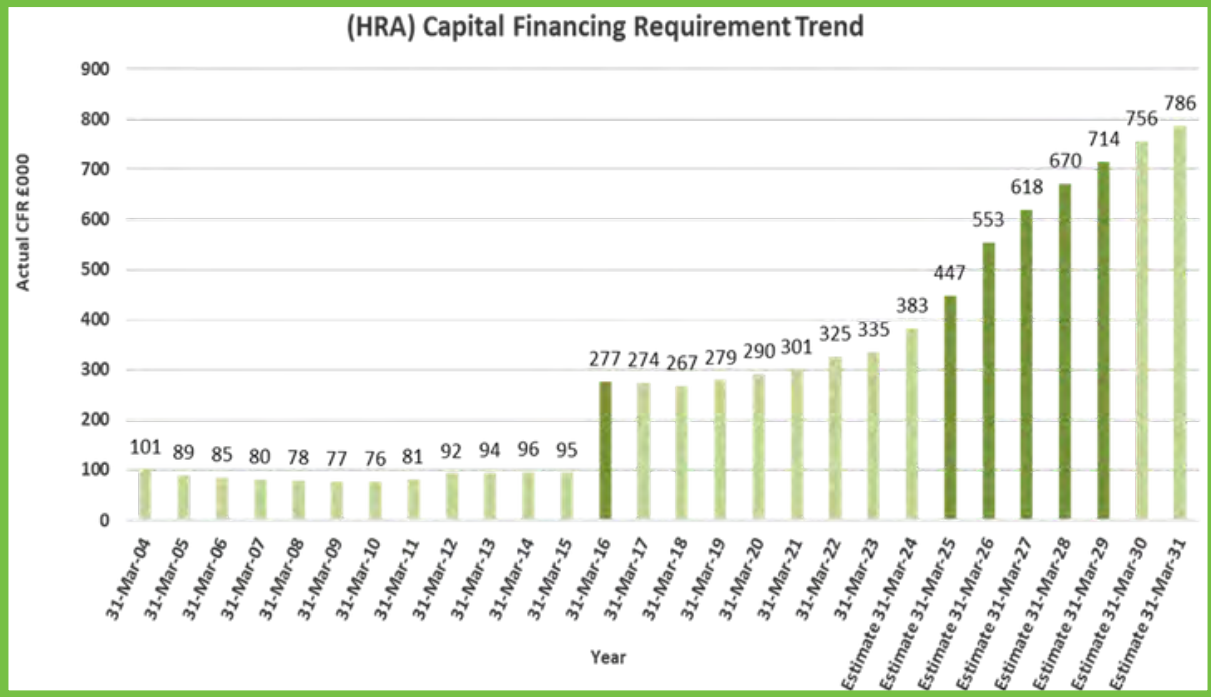
The Minister also confirmed that the commitments made by social landlords to prevent evictions and support tenants in 2024/25 must continue to be implemented.

Future rent modelling has been based on Welsh Government guidelines and taking account of forward indicators for inflation factors. These currently indicate CPI at an average 3.0% for 2024/25, reducing to an average 1.6% for 2025/26 and 1.5% for 2026/27, rising to an average 1.8% for 2027/28 before reaching the target 2% by 2028/29.

It is considered that these rent uplifts will allow for obligations to tenants and lenders to be met and help to support the financial viability of the HRA whilst ensuring that rents remain affordable for current and future tenants. This level of increase will also allow for the continuation of the Council’s ambitious new build plans and future capital programme.

HRA borrowing

As illustrated in **Appendix A**, borrowing accounts for a very significant amount of the funding for the HRA capital programme. This borrowing results in capital financing costs including interest payable and a prudent revenue provision for the repayment of capital expenditure paid for by borrowing. HRA debt is measured through the Capital Financing Requirement (CFR).



The chart above shows an increasing trend in borrowing requirements, particularly for 2027/28 through to 2029/30.

Financial commitments arising from borrowing must be paid over future generations and are therefore long-term financial commitments for the rent payer. As such, expenditure creating such liabilities should be reviewed regularly to ensure that expenditure remains prudent, affordable and sustainable and considers the future asset management requirements of the housing stock.

A robust approach is in place to oversee borrowing commitments and ensure the viability of any housing schemes. The Housing Development Team use a viability toolkit, known as Proval, to assess the financial viability of every development scheme in order to ensure each scheme is affordable for the HRA. The assumptions are updated annually.

The viability model evaluates all development costs to determine the total scheme costs and also determines the on-going management and maintenance costs of the schemes.

These costs are evaluated against the rental income that the scheme will generate to determine if the scheme is financially viable and if the total scheme costs will be paid back over a reasonable period of time (50 years).

Scheme viability is tested at various stages of the development process including during the design stage, to help determine the best mix of units for each site, at the planning stage and at the stage of tendering for a contractor. This process helps us to ensure our agreed viability parameters are being met across our development programme and that both senior officers and Cabinet are appropriately advised about viability before decisions are made regarding acquisitions of property or new construction projects.

Sensitivity analysis

Given the period the HRA Business Plan covers, uncertainty remains over the medium to longer term, particularly in relation to capital expenditure commitments, rental income and ongoing investment requirements linked to stock condition.

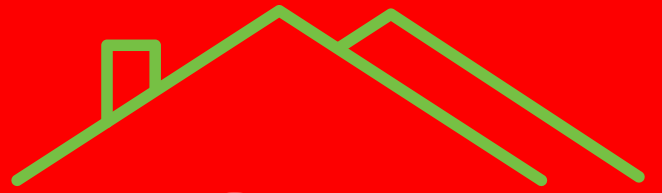
Appendix B sets out the key revenue assumptions within the model for the first five years and in the context of the 30-year business plan period.

These assumptions and other forecasts as detailed in the Business Plan are based on current information and will be subject to a risk of change.

The Risk Matrix at **Appendix C** sets out the main risks to the plan and the potential mitigations and actions put in place to manage these and ensure that the HRA remains affordable and financially viable.

Appendix D considers some key areas of sensitivity within the plan and the potential impact on the forecasts for any one year using the 2024/25 budgets for illustration purposes.





Housing Revenue Account (HRA)

Business Plan 2024/25

Cardiff Council
Appendices



**STRONGER
FAIRER
GREENER**

Appendix A

HRA Revenue and Capital budgets

Revenue expenditure and income

The model details the planned revenue budget, analysed across the service functions (with an objective split) and the resources assumed to fund planned spend, with the first five years shown in the table below.

	2024/25	2025/26	2026/27	2027/28	2028/29
	£000	£000	£000	£000	£000
Capital Financing	33,121	37,417	43,645	47,862	52,383
Tenancy and General Management	28,174	29,279	30,546	31,673	32,553
Housing Repairs Account	25,826	25,674	26,127	26,704	27,316
Hostels and Other Accommodation	9,518	9,426	11,836	12,061	12,358
Community Hubs and Tenant Participation	6,367	6,495	6,622	6,788	6,959
Housing Development and Neighbourhood Regeneration	4,347	4,029	4,110	4,218	4,327
Central Support	4,068	4,151	4,233	4,340	4,450
Bad Debt Provision	1,398	1,512	1,684	1,746	1,664
Contribution to reserves	1,600	1,400	0	0	0
Total Expenditure	114,419	119,383	128,803	135,392	142,010
Rents and Service Charges	(105,367)	(111,957)	(119,872)	(125,124)	(130,803)
Other Income	(6,593)	(6,641)	(6,740)	(6,870)	(7,001)
Fees & Charges	(779)	(785)	(791)	(798)	(806)
Contribution from earmarked reserves	(1,680)	0	(1,400)	(2,600)	(2,600)
Contribution from General Reserve	0	0	0	0	(800)
Total Income	(114,419)	(119,383)	(128,803)	(135,392)	(142,010)

Revenue expenditure commitments proposed over the next 5 years include the following:

- Capital financing requirements reflect the current and increasing borrowing requirement proposed in the Capital Investment Programme, interest payable of 4%, and the Council's prudent revenue provision policy.
- Tenancy and General Management includes the funding requirement for tenant functions including caretaking, the allocations and rehousing unit, compliance and 24-hour services.

- Hostels and Other Accommodation include the estimated staffing structures, operating costs and service charge recovery levels for proposed new older persons community living schemes and for additional temporary and family supported accommodation.
- Inclusion of estimated costs of a number of new requirements as a result of the updated Welsh Housing Quality Standards 2023 (WHQS 23) with significant budget implications, including the provision of suitable flooring for all habitable rooms, staircases and landings at the change of tenancy, provision of water butts and water saving devices and external equipment storage. In addition, the purchase of a new asset database and costs of ongoing stock condition surveys to improve understanding of stock condition and decision making.
- Planned drawdowns from earmarked reserves to meet any in year shortfalls in the medium term due to the impact of increased service pressures and high levels of borrowing ahead of availability of related rental income from new stock.

The following should be noted:

- Rents and service charge levels reflecting planned increases in stock and assumed timings of availability for let of new units.
- Anticipated other income levels including available grant funding, staff recharges to capital schemes and other support recharges.
- Tenanted service charges assumed to increase by inflation for cost recovery where appropriate
- Stock numbers assumed to increase in line with the New Build Development Programme
- The Plan provides for service growth and additional pressures particularly linked to increases in stock and the estimated requirements for ongoing management and maintenance
- The Major Repairs Allowance grant is assumed at current level (£9.570 million) towards Capital Programme spend over the 30 years
- Contributions to reserves where surpluses become available to mitigate against future risk including increasing and unforeseen costs such as the price of materials and the uncertain rent policy in the medium/long term.
- The HRA Medium Term Financial Plan (MTFP) currently indicates a budget gap of £800,000 for the financial year 2028/29 and a further £1 million gap for 2029/30. This is after assumed net drawdowns from earmarked reserves over the period 2024/25 to 2028/29 to manage the medium-term position. It is proposed to use the HRA General Reserve to cover this gap and to replenish the HRA reserves over the longer-term period.
- No amount has been included to reflect the financial impact of meeting the WHQS 23 decarbonisation targets, until there is more clarity on the approach and confirmation of any Welsh Government financial support to meet what are deemed statutory targets.
- Over the longer-term period of the 30-year plan, other key assumptions are built into the financial model to test and demonstrate the ongoing viability of the plan and to ensure that service objectives can be met. Further detail is set out in Appendix B.

Capital expenditure and income

Planned capital investment and resources assumed to pay for the investment are also identified within the model, with the first five years shown in the table below.

	2024/25	2025/26	2026/27	2027/28	2028/29	Total
	£000	£000	£000	£000	£000	£000

Regeneration and Area Improvements	2,800	2,650	1,650	2,750	2,750	12,600
External and Internal Imps	19,850	22,205	36,975	21,265	15,225	115,520
New Build and Acquisitions	109,730	169,045	123,215	94,010	104,750	600,750
Disabled Facilities Adaptations	3,900	3,350	3,350	3,350	3,350	17,300
Total Expenditure	136,280	197,250	165,190	121,375	126,075	746,170

Major Repairs Allowance Grant	(9,570)	(9,570)	(9,570)	(9,570)	(9,570)	(47,850)	% 6.4
Additional Borrowing	(76,502)	(120,784)	(80,490)	(62,065)	(65,505)	(405,346)	54.3
Revenue / Reserves	(1,400)	0	0	0	0	(1,400)	0.2
External Grant and Contributions	(48,308)	(66,396)	(74,630)	(49,740)	(51,000)	(290,074)	38.9
Capital Receipts	(500)	(500)	(500)	0	0	(1,500)	0.2
Total Resources	(136,280)	(197,250)	(165,190)	(121,375)	(126,075)	(746,170)	100

Expenditure commitments proposed over the next 5 years include the following:

- Regeneration and area improvement projects to create better and safer places to live with works including defensible space, road/footpath realignment, improvements to flats, garages, gullies and open spaces
- Investment in existing housing stock for recladding building safety, priority energy efficiency schemes and to meet Welsh Housing Quality Standards to ensure homes are warm, safe and secure
- Completion of existing house building partnership programme and procurement and delivery of further phases and sites to deliver more homes to tackle the significant affordable housing demand in the city
- In accordance with a report considered by Cabinet in December 2023, to also develop actions to tackle the Housing emergency, with a clear reliance on significant grant funding to ensure plans are deliverable as well as affordable
- Adaptations to dwellings for eligible tenants to live independently and improve their movement in and around the home.

The programme is reviewed annually in line with the 30-year HRA Business Plan.

Appendix B

HRA Revenue assumptions

The detailed 30-year financial model behind the HRA Business Plan includes several key assumptions used to determine the level of resources available to council housing over the next 5 years and in the context of the next 30 years.

These key baseline assumptions are listed below:

Key Assumptions	2024/25 %	2025/26 %	2026/27 %	2027/28 %	2028/29 %
CPI (based on OBR September forecasts)	3.00	1.60	1.40	1.80	2.00
Rent Uplifts (inclusive of CPI based on previous September)	6.7	4.00	2.6	2.40	2.80
Bad Debts	1.00	1.00	1.00	1.00	1.00
Void Rents	1.75	1.75	1.75	1.75	1.75
Year End Stock numbers	14,243	14,472	14,818	15,041	15,297
Average Rent	£126.28	£131.33	£134.74	£137.97	£141.83
Year End Reserves	£20.723m	£22.123m	£20.723m	£18.123m	£14.723m

Other background information on the build-up of the plan includes the following:

- Rent increases in line with WG guidelines taking account of forward indicators for inflation factors (6.7% uplift for 2024/25, 4% for 2025/26 reflecting the OBR forecast for 2024/25, reducing to 2.6% for 2026/27 and increasing to 2.8% by 2028/29)
- Following the end of the current rent policy term, it is assumed that the rent bands remain and that rent uplifts continue to be based on CPI +1% where CPI is within the range of 0 to 3% or CPI only where CPI is outside this range - this is considered a prudent approach
- In the absence of any confirmed new rent policy, prudent forecasts for rent uplifts assumed beyond the medium-term financial plan (CPI +0.5%)
- Stock numbers as assumed using data from the planned new build programme and timings of availability for let
- In the absence of an agreed pay award, an average 3.8% annual uplift is included for 2024/25. This equates to a flat rate award (£1,250) on all spinal points in line with the approach agreed for pay awards for the last 2 years (£1,925 in each of the years 2021/22 and 2022/23). Provision is also made for employers' National Insurance and Superannuation contributions, employee incremental pay progression as well as other full year impacts of the costed establishment including Apprenticeship Levy and the Real Living Wage. Pay uplifts at a flat

rate of £750 are assumed for 2025/26 and 2026/27 increasing to a flat rate of £1,000 for 2027/28 and 2028/29 but are dependent on a number of variables and are subject to risk of change

- Drawdowns as required from earmarked reserves as a result of high inflationary cost increases and capital financing commitments in the medium term
- Inclusion of estimated costs of a number of new requirements as a result of the updated Welsh Housing Quality Standards 2023 (WHQS 23) with significant budget implications, including the provision of suitable flooring for all habitable rooms, staircases and landings at the change of tenancy, provision of water butts and water savings devices and external equipment storage. In addition, the purchase of a new asset database and costs of ongoing stock condition surveys to improve understanding of stock condition and decision making as a result
- Receipt of Welsh Government revenue grant to contribute towards WHQS 23 costs in 2024/25 (subject to grant award and terms and conditions)
- No amount has been included to reflect the financial impact of meeting the WHQS 23 decarbonisation targets, until there is more clarity on the approach and confirmation of any Welsh Government financial support to meet what are deemed statutory targets.



Appendix C

Risk matrix

RISK DESCRIPTION	IMPACT	PRE-MITIGATION RISK ANALYSIS	MITIGATING CONTROLS	POST-MITIGATION RISK ANALYSIS
<p>Restricted rent uplift in future years due to changes to the rent policy beyond 2025/26 or to levels of CPI above 3.0%. Uncertainty over stream of income (rents and service charges) means there is no control.</p>	<p>Potential impact on level and quality of service provision to tenants and capital schemes that can be taken forward. Impact of affordability, prudence, and sustainability of additional borrowing. Impact on local and national affordable housing targets.</p>	<p>Red</p>	<p>Scenario planning exercise to review revenue operating costs to identify savings and acceptable impact.</p> <p>Review and reprioritisation of the whole Capital Programme and realignment of future spend plans.</p> <p>Continue to liaise and consult with the WG on future rent policy highlighting the importance of ensuring that capital commitments currently being entered into remain affordable. Use of earmarked reserves and general balances to support financial resilience.</p>	<p>Red</p>
<p>Cost inflation increase above rent uplifts</p>	<p>Increase in costs of supervision, management and repairs and maintenance, including capital contracts. Increased cost of energy and fuel.</p>	<p>Red</p>	<p>Review and reprioritise revenue operating costs and reduce or defer planned expenditure (in line with stock condition requirements), including within the Capital Programme where any variations to planned spend are not committed.</p>	<p>Amber</p>

RISK DESCRIPTION	IMPACT	PRE-MITIGATION RISK ANALYSIS	MITIGATING CONTROLS	POST-MITIGATION RISK ANALYSIS
<p>A reduction in the (£9.57m per annum) WG Major Repairs Allowance (MRA) grant</p>	<p>Impact on achievability and ongoing maintenance of WHQS.</p> <p>Impact on the achievability of the Capital Programme.</p>	<p>Red</p>	<p>Review and reprioritise revenue operating costs. Reprioritisation of the Capital Programme.</p> <p>Reduce new build or regeneration development programme whereother realignment is not possible.</p>	<p>Amber</p>
<p>Page 110</p> <p>Failure to meet new build housing programme targets</p>	<p>Failure to reduce housing waiting list due to delays to timing of lettings of new build properties. Impact on temporary accommodation and homelessness. Holding costs of vacantsites and revenue costs of development teams. Reduction or delay in rental income receivable and resources available to support the HRA budget.</p>	<p>Red</p>	<p>Contractual commitment and variance monitoring by budget holder. Finance and performance targets reported to the Housing Development and Capital Finance Board.</p> <p>Using a range of procurement routes including a new partnering scheme and working directly with developers on package deals.</p> <p>Purchasing properties direct from the market to mitigate any delay.</p>	<p>Amber</p>

RISK DESCRIPTION	IMPACT	PRE-MITIGATION RISK ANALYSIS	MITIGATING CONTROLS	POST-MITIGATION RISK ANALYSIS
<p>Treasury Management</p>	<p>Unplanned increased interest cost payable for any capital expenditure incurred or planned to be incurred which is to be paid for by borrowing.</p>	<p>Red</p>	<p>Integrated Council wide Treasury Management policy and strategy Borrowing at fixed rates where possible to ensure certainty for business planning.</p> <p>Annual Viability parameter governance and approval by Governance Board to control risk.</p> <p>Review of affordability indicators highlighting risk of Capital Financing costs as % of Net Revenue Stream.</p>	<p>Amber</p>
<p>Page 111 Challenge of Decarbonisation WHQS23 guidance sets a target date of 31/03/2030 to achieve SAP 75 (EPC energy rating of C) and of 31/03/2034 (or as defined by the target energy pathways) to achieve SAP EPC energy rating of A. Significant external funding for retrofit programmes and technological advances will be required to achieve the shift from EPC C to A.</p>	<p>Failure to plan and invest strategically to meet carbon reduction targets could result in failure to meet WG target. Impact on tenants' energy costs. The requirement to meet the cost of decarbonisation without additional funding will impact on other programmes of capital expenditure and result in significant unfunded revenue budget consequences resulting in an unviable business plan.</p>	<p>Red</p>	<p>Work closely with WG to understand key requirements, targets, delivery methods and costs and any penalties for noncompliance. Raise awareness with WG of the cost of meeting the targets and the need for grant funding to fully offset these costs.</p> <p>Commissioning of target energy pathways for each property to map the work required to achieve the targets (subject to WG funding and clarification of requirements)</p> <p>Implementation of a new Asset Management database to better record the work needed/ completed at each property.</p> <p>Pilot renewable technology to better understand how the challenge of decarbonisation can be met. Ensure new build homes meet the standard to avoid future retrofit.</p>	<p>Red</p>

RISK DESCRIPTION	IMPACT	PRE-MITIGATION RISK ANALYSIS	MITIGATING CONTROLS	POST-MITIGATION RISK ANALYSIS
<p>The levels of Welsh Government Grant assumed receivable</p>	<p>Initiatives such as high rise over cladding and new build programme are neither viable nor deliverable.</p>	<p>Red</p>	<p>Entering into contracts only after confirmation of grants of sufficient level to cover the cost of the works.</p> <p>Early discussion with WG re housing pressures in the City and prioritisation of Cardiff for TACP and SGH funding for certainty of development schemes without incurring abortive costs.</p>	<p>Amber</p>
<p>Cost-of-Living Crisis</p>	<p>Impact of cost-of-living crisis on tenants' ability to pay rent and service charges, resulting in increased arrears, requirement for bad debt provision and increased debt collection and recovery costs. Reduction in rental income receivable and resources available to support the HRA budget.</p>	<p>Amber</p>	<p>Any rent increase is informed by an affordability assessment to ensure tenants can afford to pay the rent.</p> <p>Information and advice to tenants, e.g. through Welfare Liaison, Advice and Into Work Services.</p> <p>Maximisation of income by promotion of available benefits and specific support</p> <p>Ensuring effective rent arrears procedures are in place, including pathway of support for tenants and introduction of new Discretionary Housing Fund, exclusively for council tenants</p> <p>Regular review of bad debts provision</p> <p>Annual service review to ensure value for money and maximisation of use of resources.</p>	<p>Green</p>

RISK DESCRIPTION	IMPACT	PRE-MITIGATION RISK ANALYSIS	MITIGATING CONTROLS	POST-MITIGATION RISK ANALYSIS
<p>Ensuring the accuracy of stock condition data, including the implementation of new standards</p>	<p>Planned improvement schemes are incorrectly budgeted for and timescales to deliver are potentially unrealistic.</p>	<p>Amber</p>	<p>Stock condition data is continuously updated with live data and opportunities to survey properties taken to minimise inaccurate information.</p> <p>New Asset Management Database to be purchased and populated with updated property condition and energy pathway data.</p>	<p>Green</p>
<p>Page 113</p> <p>Increased demand for services – Increased housing need, tenant support and advice, increased repairs and maintenance</p>	<p>Conflicting priorities within the available resources resulting in the need to ensure service delivery achieves maximum impact.</p>	<p>Amber</p>	<p>Tenant engagement and consultation.</p> <p>Robust businessplanning and budget setting around identified priorities.</p> <p>Management and monitoring of performance and against key performance indicators (KPIs).</p>	<p>Amber / Green</p>

RISK DESCRIPTION	IMPACT	PRE-MITIGATION RISK ANALYSIS	MITIGATING CONTROLS	POST-MITIGATION RISK ANALYSIS
<p>Resilience of the HRA in the face of global issues – refugees, conflict</p>	<p>Implications on existing resources.</p>	<p>Amber</p>	<p>Impact of global issues on the HRA to be monitored and appropriate mitigation put in place as required.</p> <p>Seek national support and guidance where required.</p> <p>Reprioritisation of resources as required.</p>	<p>Amber</p>



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Appendix D

Sensitivity analysis

The assumptions within the HRA business plan are based on best information and will be subject to a risk of change. The table below sets out some key areas of sensitivity and the potential financial impact on the plan, using the 2024/25 budgets for illustration.

This is on the assumption that all other factors remain constant and no mitigation/offsetting actions are in place. In reality, as set out in the table at Appendix C, planned mitigation would take the form of numerous and varied measures to ensure a viable financial position is maintained.

KEY VARIABLE 2024/25	REVISED KEY VARIABLE	FINANCIAL IMPACT 2024/25 £	SERVICE IMPACT	REVISED KEY VARIABLE	FINANCIAL IMPCT 2024/25	SERVICE IMPACT
CPI and rental income due 6.7%	CPI and rental income due 5.7%	+£0.862m	A 1% reduction in the level of CPI reduces rental income and available revenue resources impacting the flexibility in service provision and ability to meet tenant priorities. Also impacting on ability to meet financial commitments and increasing risk to the affordability of the capital programme in the medium term.	CPI and rental income due 7.2%	-£0.431m	A 0.5% increase in the level of CPI increases rental income and available revenue resources. These additional resources would enable strategic decision making including early repayment of borrowing, increased service investment or set aside of reserves to enhance future financial resilience.

KEY VARIABLE 2024/25	REVISED KEY VARIABLE	FINANCIAL IMPACT 2024/25 £	SERVICE IMPACT	REVISED KEY VARIABLE	FINANCIAL IMPCT 2024/25	SERVICE IMPACT
CPI and rental income due 6.7%	CPI and rental income due 5.7%	+£0.862m	A 1% reduction in the level of CPI reduces rental income and available revenue resources impacting the flexibility in service provision and ability to meet tenant priorities. Also impacting on ability to meet financial commitments and increasing risk to the affordability of the capital programme in the medium term.	CPI and rental income due 7.2%	-£0.431m	A 0.5% increase in the level of CPI increases rental income and available revenue resources. These additional resources would enable strategic decision making including early repayment of borrowing, increased service investment or set aside of reserves to enhance future financial resilience.
Employers' Pay Award Average 3.8%	Employers' Pay Award Average 2.8%	-£0.393m	A 1% reduction in pay award results in a reduced funding requirement increasing the flexibility to progress other plans and priorities.	Employers' Pay Award Average 5.8%	+£0.786m	A 2% increase in pay award results in an increased funding requirement and the necessity to review and flex other plans and priorities.
Interest payable 4%	Interest payable 3.5%	-£2.075m	A reduction of 0.5% in interest rates reduces interest payable resulting in additional revenue resources available for other plans or to set aside for increased financial resilience.	Interest payable 5%	+£4.151m	An increase of 1% in interest payable impacts on the revenue resources available to fund the planned Capital Programme and could result in a requirement to reduce planned service investment and identify other efficiencies such as use of reserves in the short term.

KEY VARIABLE 2024/25	REVISED KEY VARIABLE	FINANCIAL IMPACT 2024/25 £	SERVICE IMPACT	REVISED KEY VARIABLE	FINANCIAL IMPACT 2024/25	SERVICE IMPACT
Void rent loss 1.75%	Void rent loss 1.25%	-£0.460m	A 0.5% decrease in the void rent loss increases potential rental income and the resources available to fund planned programmes of investment and service provision.	Void rent loss 2.75%	+£0.920m	A 1% increase in the void rent loss reduces potential rental income available and will necessitate service efficiencies and a review of plans and priorities including use of reserves to mitigate any impact in the short term.



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Appendix E

HRA Business Plan 30-year budget forecast

		Income			Expenditure								
Year	Year	Net rent Income	Other income	Total Income	Managt.	Repairs & Maintenance	Other Revenue spend	Total Expenditure	Capital Charges	Transfer from/(to) earmarked reserves	DRF	Surplus (Deficit) for the Year	Total General Balances
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000		£,000	£,000	£,000
1	2024.25	104,143	2,721	106,864	(41,573)	(25,826)	(6,424)	(73,823)	(31,721)	80	(1,400)	0	15,502
2	2025.26	110,623	2,678	113,301	(42,670)	(25,674)	(6,140)	(74,484)	(37,417)	(1,400)	0	0	15,502
3	2026.27	118,369	2,683	121,052	(46,425)	(26,127)	(6,255)	(78,807)	(43,645)	1,400	0	0	15,502
4	2027.28	123,561	2,691	126,252	(47,883)	(26,704)	(6,403)	(80,990)	(47,862)	2,600	0	0	15,502
5	2028.29	129,326	2,699	132,025	(49,169)	(27,316)	(6,557)	(83,042)	(52,383)	2,600	0	(800)	14,702
6	2029.30	135,860	2,707	138,567	(49,825)	(27,862)	(6,689)	(84,376)	(55,137)	0	0	(946)	13,756
7	2030.31	142,311	2,902	145,213	(51,314)	(28,699)	(6,922)	(86,935)	(58,228)	0	0	50	13,806
8	2031.32	146,520	2,913	149,433	(52,084)	(29,847)	(7,216)	(89,147)	(60,772)	0	0	(486)	13,320
9	2032.33	151,943	2,924	154,867	(54,428)	(31,191)	(7,549)	(93,168)	(61,056)	0	0	643	13,963
10	2033.34	156,657	2,935	159,592	(56,876)	(32,595)	(7,899)	(97,370)	(62,243)	0	0	(21)	13,942
11	2034.35	161,007	2,947	163,954	(59,436)	(34,063)	(8,264)	(101,763)	(62,743)	0	0	(552)	13,390
12	2035.36	165,120	2,951	168,071	(61,813)	(35,426)	(8,615)	(105,854)	(63,040)	0	0	(823)	12,567
13	2036.37	169,344	2,963	172,307	(63,977)	(36,666)	(8,950)	(109,593)	(63,523)	0	0	(809)	11,758
14	2037.38	173,670	2,974	176,644	(66,215)	(37,950)	(9,297)	(113,462)	(63,899)	0	0	(717)	11,041

Year	Year	Income			Expenditure							Surplus (Deficit) for the Year	Total General Balances
		Net rent Income	Other income	Total Income	Managt.	Repairs & Maintenance	Other Revenue spend	Total Expenditure	Capital Charges	Transfer from/(to) earmarked reserves	DRF		
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000		£,000	£,000	£,000
15	2038.39	178,109	2,986	181,095	(68,368)	(39,279)	(9,641)	(117,288)	(63,642)	0	0	165	11,206
16	2039.40	182,660	2,998	185,658	(70,419)	(40,654)	(9,981)	(121,054)	(64,178)	0	0	426	11,632
17	2040.41	187,323	3,011	190,334	(72,531)	(41,940)	(10,334)	(124,805)	(64,823)	0	0	706	12,338
18	2041.42	192,108	3,102	195,210	(74,708)	(43,266)	(10,699)	(128,673)	(65,853)	0	0	684	13,022
19	2042.43	197,016	3,115	200,131	(76,949)	(44,635)	(11,079)	(132,663)	(66,719)	0	0	749	13,771
20	2043.44	202,047	3,127	205,174	(79,257)	(46,047)	(11,473)	(136,777)	(67,346)	0	0	1,051	14,822
21	2044.45	207,211	3,140	210,351	(81,635)	(47,505)	(11,881)	(141,021)	(68,297)	0	0	1,033	15,855
22	2045.46	212,506	3,153	215,659	(84,084)	(49,008)	(12,305)	(145,397)	(68,577)	0	0	1,685	17,540
23	2046.47	217,935	3,166	221,101	(86,606)	(50,560)	(12,746)	(149,912)	(68,987)	0	0	2,202	19,742
24	2047.48	223,506	2,605	226,111	(89,204)	(52,161)	(13,203)	(154,568)	(69,562)	0	0	1,981	21,723
25	2048.49	229,220	2,843	232,063	(91,880)	(53,813)	(13,677)	(159,370)	(70,174)	0	0	2,519	24,242
26	2049.50	235,078	2,858	237,936	(94,636)	(55,517)	(14,170)	(164,323)	(70,986)	0	0	2,627	26,869
27	2050.51	241,081	2,872	243,953	(97,476)	(57,276)	(14,681)	(169,433)	(72,132)	0	0	2,388	29,257
28	2051.52	247,238	2,887	250,125	(100,401)	(59,090)	(15,212)	(174,703)	(73,556)	0	0	1,866	31,123
29	2052.53	253,558	2,903	256,461	(103,412)	(60,963)	(15,764)	(180,139)	(74,772)	0	0	1,550	32,673
30	2053.54	260,032	2,919	262,951	(106,515)	(62,895)	(16,337)	(185,747)	(75,815)	0	0	1,389	34,062

Please note: The Business Plan 30-year financial model categorises some information differently to the short/medium term budgets and therefore figures may vary.

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Single Impact Assessment

Cardiff Council

Appendix 2



1. Details of the Proposal

What is the proposal?

Title: Delivering the Housing Revenue Account (HRA) Business Plan 2024 / 25

Is this a new proposal or are you amending an existing policy, strategy, project, procedure or service?

New

Existing

Directorate/Service Area:

Adults, Housing & Communities

Who is developing the proposal?

Name: Helen Evans

Job Title: Assistant Director, Housing & Communities

Responsible Lead Officer (Director or Assistant Director):

Helen Evans

Cabinet Portfolio:

Housing & Communities

Authorisation	
Completed By:	Victoria Williams
Job Title:	Policy & Development Manager
Date:	22/2/24
Approved By:	Jane Thomas
Job Title:	Director - Adults, Housing & Communities

Document History – do not edit

The Single Impact Assessment (SIA) can be strengthened as time progresses, helping shape the proposal. Version control will provide a useful audit trail of how the SIA has developed. Draft versions of the assessment should be retained for completeness, however only the final version will be publicly available. Draft versions may be provided to regulators if appropriate.

Version	Author	Job Title	Date
1	FG	Senior Corporate Policy Officer	12/10/2022
2	FG	Senior Corporate Policy Officer	12/04/2023
3	FG	Senior Corporate Policy Officer	12/12/2023

2. Overview of the Proposal

What action is the Council considering and why?

Please provide a detailed outline of the proposal. This information will support your findings in the impact assessments.

To seek Cabinet approval for the Housing Revenue Account (HRA) Business Plan 2024-2025.

The Housing Revenue Account (HRA) records income and expenditure in relation to Council Housing. This funding is required to be 'ring fenced' in accordance with the Local Government and Housing Act 1989 and cannot be used for any other purpose.

The main source of income to the HRA is from tenants in the form of rents and service charges. Rental income allows Housing Services to invest in the maintenance and improvement of existing homes and neighbourhoods; provide good tenant support services; contribute to the funding of our community Hubs and build new homes.

The HRA Business Plan is updated each year and provides the opportunity to set out the key council housing priorities for the following year and beyond.

The HRA Business Plan provides details to tenants on how we will continue to develop services for them and how we will achieve this with the income received from the HRA.

The plan outlines a number of specific actions on how the council will improve housing services in 2024/25. These are listed below:

Action: To work with Welsh Government to promote the need for a longer-term investment plan to support both our housing development and build programmes.

Action: To ensure additional strategic overview and leadership of services we will review current Board arrangements, implementing any improvements as required.

Action: Continue to deliver high-quality, low carbon homes at scale and pace that also provide good access to services, helping to create safe and strong communities.

Action: Continue to deliver housing that meets older persons' housing needs and aspirations and supports independent living.

Action: Procure a new database that will allow us to deliver the new WHQS standards in a co-ordinated way, keeping disruption to tenants to a minimum.

Action: Assess the condition of our stock and the fully understand the work necessary to meet the new WHQS 23 requirements.

Action: Continue to invest in Responsive Repairs to improve our response rate to urgent and routine repairs and address the older works that are outstanding.

Action: Further develop the Repairs Academy to ensure that the future workforce has the required skills to maintain Cardiff Council's properties as new and emerging technologies are installed.

Action: Further expand the dedicated 'Dry Homes' team to further improve our response to damp, mould and disrepair cases.

Action: Build on the success of area-based work to improve community safety - identifying hot spots and working with our tenants and with other agencies to ensure our neighbourhoods are safe places to live.

Action: Use equalities data gathered to identify how we can better meet the housing needs of those from ethnic minority backgrounds on the housing waiting list.

Action: Ensure the workforce reflects the diversity of the city by continuing to promote and offer job opportunities through the Cardiff Works Service and the local communities.

Action: Launch a new Young Persons Virtual Hub, bringing together an online one stop shop for young people seeking information advice and assistance on housing, community events and other topics.

Action: Continue to provide a variety of events and activities within our Hubs that will encourage tenants from all backgrounds to get involved.

Action: Encourage people who are neurodivergent to participate in and stay connected with their communities.

Action: Continue to provide dedicated financial advice and assistance to Council tenants which can be accessed locally and in a timely manner.

Action: Further the work to address overcrowding, by helping tenants to 'rightsize' and introduce a new dedicated officer to support them through the process of exchanging properties.

Action: Continue to survey tenants in ASB hotspots of the city, listening to their needs to shape the targeted work making our communities even more safe.

Action: Develop more face-to-face sessions with Council officers present.

Action: Hold local Tenants Voice Forums inviting representative services from a wide range of organisations.

Action: Support ward member surgeries across the city.

Action: Look at opportunities to utilise information videos for tenants.

Action: Continue to broaden the reach of the Tenant’s Together team, to ensure that even more tenants and residents are engaged and having their say in the Council services that support them.

Action: We will explore tenants’ interests in focus groups in Welsh and community languages.

Action: Create volunteer opportunities that will help young tenants become engaged in their communities.

Action: Continue to develop and improve digital methods of service delivery to improve the customer experience for our tenants.

What are the costs and/or savings?

What will the proposal cost and how will it be funded?

How might costs be reduced through involvement and collaboration, across Cardiff Council and/or with external stakeholders?

Are there savings and how will these be realised?

The plan sets out £136,280,000 of Capital Housing Spend and £114,419,000 of Revenue Expenditure, and this is in accordance with legislation and the HRA Guidance Manual which sets out the legislation, regulation, guidance and best practice relating to the operation of a HRA.

3. Impact Assessments

Which impact assessments do you need to complete to support your proposal?

Further information is included about each assessment at the start of the relevant section.

The [Impact Assessment Screening Tool](#) provides advice tailored to your proposed policy, strategy or project regarding which impact assessments may be required and who to contact to find out more.

The screening tool is an online form with mainly multiple-choice questions which should take less than 10 minutes to complete.

Once the answers have been submitted, an automated email will be sent to you with the recommended next steps and details of who to contact for expert advice.

Put Yes or No next to each of the impact assessments listed below to indicate which ones are being carried out. For assessments which are not being carried out, please delete the relevant sections on the subsequent pages.

Impact Assessment	Completed: Y/N
A. Equality Impact Assessment	Y
B. Child Rights Impact Assessment	Y
C. Welsh Language Impact Assessment	Y
D. Habitats Regulations Assessment	N
E. Strategic Environmental Assessment	N
F. Data Protection Impact Assessment	N
G. Health Impact Assessment	N

For further information on all the above impact assessments including who to contact for advice, please visit the [Policy Portal](#).

A: Equality Impact Assessment

Guidance in completing this assessment can be accessed [here](#). Please consult the Equality Team for any further assistance with completing this assessment EqualityTeam@cardiff.gov.uk

Under the Equality Act 2010, “differential impact” means that people of a particular protected characteristic (e.g. people of a particular age) will be significantly more affected by the change than other groups.

Impact on the Protected Characteristics

Age

Will this proposal have a **differential impact [positive/negative]** on different age groups?

	Yes	No	N/A
Up to 18 years	Y		
18 - 65 years	Y		
Over 65 years	Y		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Services funded by the Housing Revenue Account (HRA) are inclusive, and any improvement to services will benefit all those who access the service, all of the Council’s tenants and leaseholders and all those who live in their home including their children.

The proposals contained within the HRA Business Plan will have a positive impact on tenants and leaseholders of all ages. However, there is a particular benefit to young people and older tenants.

Young people

The proposals in the plan to launch a new Young Persons Virtual Hub will have a positive impact on younger people in the community, by providing them with an easy to access service for seeking information, advice and assistance on housing, community events and other topics.

The proposal to broaden the reach of the Tenant’s Together team, to ensure that more tenants and residents are engaged and having their say in the Council services that support them will have a positive impact on all tenants and leaseholders. However, there will be a specific focus on young tenants with recruitment for youth focus group members in schools, providing more opportunity for young people to have their say in the service that support them will have a positive impact for them.

The proposal to create volunteer opportunities that will help young tenants become engaged in their communities, will have a positive impact on young people, ensuring that their voices are heard in decisions made regarding where they live.

Older people

The commitment within the plan to continue to deliver housing that meets older persons’ housing needs and aspirations and supports independent living will have positive impact on older people in the community.

The proposal to continue to develop and improve digital methods of service delivery to improve the customer experience for tenants will have a positive impact on the majority of tenants and leaseholders. However, it is important to ensure that the resource for face to face and over the phone assistance is not impacted by this development as it may negatively impact older people who do not have access to current technology.

What action(s) can you take to address the differential impact?

Ensure that while developing digital methods of service delivery, that there is still access to more traditional methods such as face to face and over the phone for those who are unable to access the digital means.

Disability

Will this proposal have a **differential impact [positive/negative]** on disabled people?

	Yes	No	N/A
Hearing Impairment	Y		
Learning Disability	Y		
Long-Standing Illness or Health Condition	Y		
Mental Health	Y		
Neurodiversity	Y		
Physical Impairment	Y		
Substance Misuse	Y		
Visual Impairment	Y		
Other	Y		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The proposals contained within the HRA business plan will have a positive impact on all tenants and leaseholders. The improvement of services to become more inclusive will have a positive impact on tenants and leaseholders who are disabled.

Encouraging people who are neurodivergent to participate in and stay connected with their communities, will have a positive impact on members of the community who are neurodivergent.

The proposal to broaden the reach of the Tenant’s Together team, to ensure that more tenants and residents are engaged and having their say in the Council services that support them will have a positive impact on all tenants and leaseholders.

The proposal to further expand the dedicated ‘Dry Homes’ team that address damp and mould complaints in council properties will have a positive impact on tenants that have a long-standing illness or health condition, as damp and mould can contribute to health conditions. Improving the way in which the Council deals with damp and mould in properties will have a positive impact on all tenants and leaseholders.

The proposal to continue to develop and improve digital methods of service delivery will have a positive impact on people with a hearing impairment who may struggle to communicate over the phone or in busy environments and also neurodiverse service users.

However, it is important to ensure that the resource for face to face and over the phone assistance is not impacted by this development as it may negatively impact on disabled people who rely on this form of communication.

What action(s) can you take to address the differential impact?

Ensure that while developing digital methods of service delivery, that there is still access to more traditional methods such as face to face and over the phone for those who are unable to access the digital methods.

Gender Reassignment

Will this proposal have a **differential impact [positive/negative]** on transgender people?

	Yes	No	N/A
Transgender People (Transgender people are people whose gender identity or gender expression is different from the gender they were assigned at birth.)	Y		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The proposals contained within the HRA business plan will have a positive impact on all tenants and leaseholders.

The proposal to broaden the reach of the Tenant’s Together team, to ensure that more tenants and residents are engaged and having their say in the Council services that support them will have a positive impact on all tenants and leaseholders.

Alongside this, the commitment within the plan to continue to provide a variety of events and activities within our Hubs that will encourage all tenants to get involved,

will have a positive impact on people who are transgender. In 2023 / 24, the Community Hubs celebrated International Trans Day of Visibility with a coffee morning.

Improving the services, we provide in our Hubs to attract tenants from across the wider community will have a positive impact on tenants from the above groups.

What action(s) can you take to address the differential impact?

No actions identified.

Marriage and Civil Partnership

Will this proposal have a **differential impact [positive/negative]** on marriage and civil partnership?

	Yes	No	N/A
Marriage		Y	
Civil Partnership		Y	

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

There is no evidence to suggest that the proposals set out will have a differential impact on those who are married or in a civil partnership as the services provided through the HRA are inclusive and provide support regardless of marriage status.

The proposals in the HRA Business Plan aim to improve services for tenants and leaseholders in the city.

What action(s) can you take to address the differential impact?

No action identified.

Pregnancy and Maternity

Will this proposal have a **differential impact [positive/negative]** on pregnancy and maternity?

	Yes	No	N/A
Pregnancy		Y	
Maternity		Y	

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

There is no evidence to suggest that the proposals set out will have a differential impact on those who are pregnant as the services provided via the HRA are inclusive and provide support regardless of if the tenant is pregnant or not.

The proposals in the plan aim to improve services for tenants and leaseholders in the city.

What action(s) can you take to address the differential impact?

No action identified.

Race

Will this proposal have a **differential impact [positive/negative]** on the following groups?

	Yes	No	N/A
White	Y		
Mixed / Multiple Ethnic Groups	Y		
Asian / Asian British	Y		
Black / African / Caribbean / Black British	Y		
Other Ethnic Groups	Y		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Services funded by the Housing Revenue Account (HRA) are inclusive, and any improvement to services will benefit all those who access the service, all of the Council's tenants and leaseholders.

As part of ongoing equalities work, the Adults, Housing & Communities directorate has undertaken an analysis of equalities data held across the directorate and conducted research into best practice in the delivery of inclusive services.

A proposal in the HRA Business Plan is to use equalities data to identify how to better meet the housing needs of those from ethnic minority backgrounds on the housing waiting list. Examining this data and identifying areas of service where any groups are disproportionately affected and putting in place measures to improve this, will have a positive impact on tenants from an ethnic minority background.

Also, as part of the equalities work, the action to ensure the Adults, Housing & Communities workforce reflects the diversity of the city by continuing to promote and offer job opportunities through the Cardiff Works Service and the local communities will have a positive impact on tenants and residents of the above groups.

Alongside this, the commitment within the plan to continue provide a variety of events and activities within our Hubs that will encourage all tenants to get involved will benefit all leaseholders and tenants. In October 2023, Community Hubs celebrated Black History Month holding a range of events, including an event celebrating the history of Windrush. Improving the services provided in Community Hubs to attract tenants from across the wider community will have a positive impact on tenants from the above groups.

The proposal to broaden the reach of the Tenant’s Together team, to ensure that more tenants and residents are engaged and having their say in the Council services that support them will have a positive impact on all tenants and leaseholders.

A commitment has also been made in the plan to explore tenants’ interests in focus groups conducted via the medium of Welsh and other community languages.

Evidence shows that within Cardiff, families from ethnic minorities backgrounds are disproportionately affected by overcrowding – to address this the HRA Business Plan outlines an action to help more tenants ‘rightsize’ and introduces a new dedicated officer to support them through the process of exchanging properties. This proposal will have a positive impact on the tenants and leaseholders in the groups above, by making more larger properties in the city available to be able to assist households that are overcrowded.

What action(s) can you take to address the differential impact?

No action identified.

Religion, Belief or Non-Belief

Will this proposal have a **differential impact [positive/negative]** on people with different religions, beliefs or non-beliefs?

	Yes	No	N/A
Buddhist	Y		
Christian	Y		
Hindu	Y		
Humanist	Y		
Jewish	Y		
Muslim	Y		
Sikh	Y		
Other belief	Y		
No belief	Y		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Services funded by the Housing Revenue Account (HRA) are inclusive, and any improvement to services will benefit all those who access the service, all of the Council’s tenants and leaseholders.

As part of the ongoing equalities work being undertaken in the Adults, Housing & Communities directorate, the action to ensure the Adults, Housing & Communities workforce reflects the diversity of the city by continuing to promote and offer job opportunities through the Cardiff Works Service and the local communities will have a positive impact on tenants and residents of the above groups.

The commitment within the plan to continue provide a variety of events and activities within our Hubs that will encourage all tenants to get involved will benefit all leaseholders and tenants and have a positive impact on tenants with different religions, beliefs or non-beliefs.

The proposal to broaden the reach of the Tenant's Together team, to ensure that more tenants and residents are engaged and having their say in the Council services that support them will have a positive impact on all tenants and leaseholders.

What action(s) can you take to address the differential impact?

No action identified.

Sex

Will this proposal have a **differential impact [positive/negative]** on male, female or non-binary persons?

	Yes	No	N/A
Male persons		Y	
Female persons		Y	
Non-binary persons		Y	

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Services provided via the HRA fund are inclusive and any improvement to services will benefit all who access the service regardless of gender.

What action(s) can you take to address the differential impact?

No action identified.

Sexual Orientation

Will this proposal have a **differential impact [positive/negative]** on people with different sexual orientations?

	Yes	No	N/A
Bi	Y		
Gay	Y		
Lesbian	Y		
Heterosexual	Y		
Other	Y		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

Services provided by the HRA fund are inclusive and any improvement to services will benefit all who access the service.

The commitment within the plan to continue provide a variety of events and activities within our Hubs that will encourage all tenants to get involved will have a positive impact on all tenants and leaseholders, a number of inclusive events are already held in Community Hubs, for example a monthly Proud coffee morning. Improving the services provided in Hubs to attract tenants from across the wider community will have a positive impact on tenants with all different sexual orientations.

The proposal to broaden the reach of the Tenant’s Together team, to ensure that more tenants and residents are engaged and having their say in the Council services that support them will have a positive impact on all tenants and leaseholders.

What action(s) can you take to address the differential impact?

No action identified.

Socio-economic Duty

Is the change anticipated to reduce or contribute to inequality of outcome as a result of socio-economic disadvantage? (e.g. will the change negatively impact on those on low-incomes or those living in deprived areas?)

	Yes	No	N/A
Socio-economic impact	Y		

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

The HRA Business Plan outlines the Council’s new build housing programme which will see the delivery of affordable, sustainable and energy efficient new homes at scale and pace over the next few years. The proposal within the plan to continue to deliver high-quality, low carbon homes that also provide good access to services, helping to create safe and strong communities, will reduce socio-economic disadvantage by providing more affordable homes in Cardiff.

Dedicated advice and support is provided across communities to those who are experiencing economic challenges. A commitment within the plan to continue to provide dedicated financial assistance to tenants which can be accessed locally and in a timely manner will also contribute to reducing socio-economic disadvantage.

The Welfare Liaison Team are a dedicated team supporting council tenants providing one to one help with income maximisation, identifying, and helping tenants to apply for grants and budgeting. Assistance is available in all Hubs and Libraries across the city.

What action(s) can you take to address the differential impact?

No actions required, as support and advice to address socio-economic disadvantage are available in all Hubs and Libraries across the city, with a particular focus in the Southern Arc of the city.

Welsh Language

Will this proposal have a **differential impact [positive/negative]** on the Welsh language?

	Yes	No	N/A
Welsh language		Y	

Please give details/consequences of the differential impact, and provide supporting evidence, if any.

All Welsh language policies will be followed.

All tenants and those requiring assistance can express a language preference upon their first contact with services. This information is then recorded to ensure language preference is met, customers can request documentation in Welsh, alongside be provided with Welsh language services on social media, through the website, over the phone or face-to-face.

A commitment has also been made in the plan to explore tenants’ interests in focus groups conducted via the medium of Welsh and other community languages.

What action(s) can you take to address the differential impact?

N/A

Consultation and Engagement

What arrangements have been made to consult/engage with equality/ community organisations, especially those who are representative of those you have identified as being likely to be affected?

Within the plan, a specific chapter – Listening to our Tenants, is dedicated to how the Council engage with Council tenants and leaseholders to ensure that the Council are aware of what is important to them.

The feedback that is provided in Focus Groups held by the Council’s Tenants Together team and results of surveys conducted from a number of council housing teams such as

Anti-Social Behaviour and Tenancy Services has shaped the proposals in the Housing Revenue Account Business Plan.

As the Council delivers the proposals within the HRA Business Plan, tenants and leaseholders will be consulted on how best to implement the changes.

Summary of Actions (Listed in the sections above)

	Actions
Age	Ensure that while developing digital methods of service delivery, that there is still access to more traditional methods such as face to face and over the phone for those who are unable to access the digital methods.
Disability	Ensure that while developing digital methods of service delivery, that there is still access to more traditional methods such as face to face and over the phone for those who are unable to access the digital methods.
Gender Reassignment	None
Marriage & Civil Partnership	None
Pregnancy & Maternity	None
Race	None
Religion/Belief	None
Sex	None
Sexual Orientation	None
Socio-economic Impact	No actions required, as support and advice to address socio-economic disadvantages are available in all Hubs and Libraries across the city, with a particular focus in the Southern Arc of the city which has more deprived areas.
Welsh Language	None
Generic/ Over-Arching (applicable to all the above groups)	Services provided by the HRA fund are inclusive and any improvement to services will benefits all who access the service.

Next Steps

Any recommendations for action that you plan to take as a result of this Equality Impact Assessment (listed in Summary of Actions) should be included as part of your Service Area's Business Plan to be monitored on a regular basis.

Where the Equality Impact Assessment shows negative impacts, you must append the form to the Cabinet or Officer Decision Report.

On completion of this Assessment, please ensure that the whole form is submitted to the Equality Team mailbox so that there is a record of all assessments undertaken in the Council EqualityTeam@cardiff.gov.uk

B: Child Rights Impact Assessment

The aim of a Child Rights Impact Assessment is to put children and young people at the forefront of decision-making. The assessment helps officers to consider how the rights of children and young people may be affected by a proposed policy or project.

Click [here](#) to start a Child Rights Impact Assessment.

You will receive an automated email containing a link to your Child Rights Impact Assessment template and the Child Friendly Cardiff Team will be in contact to support you.

Guidance for Local Government prepared by Unicef is available here:
[Child Rights Impact Assessment - Child Friendly Cities & Communities \(unicef.org.uk\)](https://www.unicef.org.uk/child-rights-impact-assessment-child-friendly-cities-communities)

For further information or assistance in completing the Child Rights Impact Assessment, please contact the Child Friendly Cardiff Team ChildFriendlyCardiff@cardiff.gov.uk

Next Steps

Where it is considered that a Child Rights Impact Assessment is required, you must append the form to the Cabinet or Officer Decision Report.

C: Welsh Language Impact Assessment

Please consult with Bilingual Cardiff’s Policy Team for any assistance with completing this assessment by emailing [Materion Polisi Iaith Gymraeg / Welsh Language Policy Matters](#).

Welsh Language Standards 88-97 (Policy Making)

Cardiff Council’s full Compliance Notice can be found [here](#), but the Standards noted above specifically relate to what impact, if any, your proposal (be it a policy decision, new or updated policy or strategy, or a new or updated service delivery provision) has on the Welsh language and on Welsh speakers. The impact identified could be **direct or indirect** and any such evidence must be included.

They are summarised below, and you **must** provide evidence, especially from, but not limited to, any consultation exercises undertaken, in order to support your comments, regardless of whether you are noting a positive, negative or neutral impact.

- Will this proposal impact on a) the opportunities for persons to use the Welsh language and b) treating the Welsh language **no** less favourably than the English language? (Please tick where relevant.)

	Positive	Negative	Neutral
a)			x
b)			x

Based on your above answer, please provide supporting comments and evidence in the relevant boxes on the following questions, for each one of the above that you have ticked.

- Could this proposal be formulated or re-formulated, so that it would have positive effects, or increased positive effects?

Could this proposal be formulated or re-formulated to ensure that it does not have adverse effects, or a decreased adverse effect?

All Welsh language policies are followed in the creation of the Housing Revenue Account Business Plan, a copy of the plan will be available in Welsh for those who request it.

All tenants and leaseholders can express a language preference upon their first contact with Council services, this language preference is then recorded to ensure that language preferences are met, customers can request documentation in Welsh, alongside be provided with Welsh language services on social media, through the website, over the phone or face-to-face.

A commitment has also been made in the plan to explore tenants' interests in focus group conducted via the medium of Welsh and other community languages.

In the Adults, Housing and Communities Directorate, a detailed analysis has been undertaken of the Welsh language speaking skills of our staff. From this analysis, an action plan to increase Welsh speakers within services is being created, to ensure that a seamless Welsh service can be delivered to our tenants at first point of contact. The Directorate are continuing to review this data on a quarterly basis.

There is no way that the proposal could be formulated or re-formulated to have increased positive effects or decreased adverse effects on the Welsh language.

- When consulting on the proposal, were views considered, and sought, on the effects (both positive and negative) that it would have on the Welsh language and for Welsh speakers in the wider community?

Did the consultation seek and give consideration to views on how the proposal could have positive, or increased positive effects?

Did the consultation seek and give consideration to views on how the proposal could have no adverse effects, or decreased adverse effects?

Please include a copy of the relevant consultation question/questions below along with your evidence.

N/A

- If the proposal includes the awarding of grants, has consideration been given to the guidance presented in Cardiff Council's Policy on Awarding Grants in Compliance with the Welsh Language Standards with regard to a) the opportunities for persons to use the Welsh language and b) in terms of treating the Welsh language **no** less favourably than the English language?

Note **N/A** if no awarding of grants was involved.

N/A

- If research was undertaken or commissioned to assist with the development of the proposal, did it give consideration to whether it would have a **differential impact [positive/negative]** on a) the opportunities for persons to use the Welsh language and b) in terms of treating the Welsh language no less favourably than the English language?

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have a positive effect, or increased positive effects?

Did the research undertaken or commissioned to assist with the development of the proposal give consideration to how it could have no adverse effect, or decreased adverse effects?

Note **N/A** if no research was undertaken or commissioned.

N/A

Material and Services

In addition to the impact assessment to ensure that the proposal meets the requirements of the Welsh Language Standards, consideration must also be given to the supporting materials and services that may be required.

Click on the following to view further information on specific issues:

- [Correspondence](#) - receiving and replying (emails, letters, online communication).
- [Education Training Courses](#)
- [Meetings & Public Events](#) – public meetings or events, group meetings, consultation, individual meetings.
- [Procurement Checklist](#)
- [Producing Forms](#)
- [Producing Public Documents](#) - policies, strategies, annual reports, corporate plans, guidelines, notices, codes of practice, consultation papers, licences, certificates, rules, brochures, leaflets, pamphlets or cards, ticket/vouchers.
- [Public Address Announcements](#)
- [Public Messages – electronic – video](#)
- [Publicity & Advertising](#)
- [Reception Services](#)
- [Self Service Machines](#)
- [Signs, Notices & Display Material](#)
- [Social Media](#)
- [Telephone](#) – receiving and answering calls.
- [Websites, Apps and Online Services](#)

Are all supporting materials and services compliant with the requirements of the Welsh language standards? If not, please send any required translation work to Bilingual Cardiff's Translation Log – the request form can be found [here](#).

All supporting materials will be made available in Welsh.

Cardiff Council's Welsh Language Skills Strategy

This strategy may be viewed [here](#) and additional guidance documents have been produced to support its implementation:

- [Assessing Welsh Language Skills and Identifying Welsh Essential Roles](#)
- [Recruitment, Selection, and Interview Procedures and the Welsh Language](#)

Do you have access to sufficient Welsh speaking staff to support the delivery of the proposal in compliance with the requirements of the Welsh language standards?

Yes.

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Next Steps

Where it is considered that a Welsh Language Impact Assessment is required, you must append the form to the Cabinet or Officer Decision Report.

A copy must also be emailed to Bilingual Cardiff's Policy Team [Materion Polisi Iaith Gymraeg / Welsh Language Policy Matters](#).

D: Habitats Regulations Assessment

	Yes	No
Will the proposal affect a European site designated for its nature conservation interest*, or steer development towards an area that includes a European site, or indirectly affect a European site?	<input type="checkbox"/>	<input type="checkbox"/>

** Only two European sites designated for nature conservation interest lie within Cardiff's boundaries – the Severn Estuary and Cardiff Beech Woods, but be aware if your project affects an area close to a neighbouring authority.*

If the answer is 'Yes', then a screening exercise may need to be conducted to determine if a Habitats Regulations Assessment is required or not.

Contact the [Biodiversity Team](#) who will guide you through the process.

E: Strategic Environmental Assessment

	Yes	No
Does the strategy, policy or activity set the framework for future development consent?	<input type="checkbox"/>	<input type="checkbox"/>

	Yes	No
Is the strategy, policy or activity likely to have significant environmental effects (positive or negative)?	<input type="checkbox"/>	<input type="checkbox"/>

If you have answered 'Yes' to both of the above questions, then a full Strategic Environmental Assessment Screening is needed.

Contact the [Sustainable Development Unit](#) who will guide you through the process.

F: Data Protection Impact Assessment

	Yes	No
Will the proposal involve processing information that could be used to identify individuals?	<input type="checkbox"/>	<input type="checkbox"/>

If the answer is 'Yes', then a Data Protection Impact Assessment may be required.

Click [here](#) to read the guidance and start the Data Protection Impact Assessment process if needed.

For further information, contact the [Data Protection Service](#).

G: Health Impact Assessment

A Health Impact Assessment helps to develop policies and projects that consider the mental, physical and social health and well-being of a population during planning and development. Considering health inequalities and their impacts on local communities is an essential part of any Health Impact Assessment.

Health Impact Assessments will become a statutory requirement for public bodies in specific circumstances in the future. These circumstances have yet to be published by Welsh Government.

For further information and advice, please contact the Wales HIA Support Unit.

Website: [Home - Wales Health Impact Assessment Support Unit \(phwwhocc.co.uk\)](http://phwwhocc.co.uk)

Email: WHIASU.PublicHealthWales@wales.nhs.uk

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CARDIFF COUNCIL



CHILD RIGHTS IMPACT ASSESSMENT (CRIA)

Information or assistance in completing the CRIA, please email the Child Friendly Cardiff Team ChildFriendlyCardiff@cardiff.gov.uk

Title of policy/strategy/project/procedure/service being assessed:	Housing Revenue Account Business Plan 2024/25
Type of Assessment:	New

Who is responsible for developing and implementing the policy/strategy/project/procedure/service?	
Name:	Helen Evans
Job Title:	Assistant Director of Housing and Communities
Service/Team:	Housing and Communities
Directorate:	Adults, Housing and Communities

STAGE 1: PURPOSE/SCOPE

- 1. What is the policy/strategy/project/procedure/service?
Summarise its overall aims and any aims specific to children.**

The Housing Revenue Account (HRA) records income and expenditure in relation to Council Housing. This funding is required to be 'ring fenced' in accordance with the Local Government and Housing Act 1989 and cannot be used for any other purpose. The main source of income to the HRA is from tenants in the form of rents and service charges. Rental income allows Housing Services to invest in the maintenance and improvement of existing homes and neighbourhoods; provide good tenant support services; contribute to the funding of our Community Hubs and build new homes.

The HRA Business Plan is updated each year and provides the opportunity to set out the key council housing priorities for the following year and beyond.

The HRA Business Plan provides details to tenants about how we will continue to develop services for them and how we will achieve this with the income received from the HRA.

The plan outlines a number of specific actions for 2024/25 on how the council will improve housing services.

Services funded by the Housing Revenue Account (HRA) are inclusive, and any improvement to services will benefit all those who access the service, all of the Council's tenants and leaseholders and all those who live in their home including their children.

APPENDIX 3

2. **Please select the groups of children and young people who will be directly and/or indirectly impacted. Please review after completing the form.**

<input type="checkbox"/> Protected Characteristics	<input type="checkbox"/> EOTAS
<input type="checkbox"/> Young Parents	<input type="checkbox"/> Gypsy Travellers
<input type="checkbox"/> Children of Single Parents	<input checked="" type="checkbox"/> Asylum Seekers
<input checked="" type="checkbox"/> Southern Arc Children	<input checked="" type="checkbox"/> BAME Community
<input type="checkbox"/> Children of Deaf Parents	<input checked="" type="checkbox"/> Care Experienced
<input type="checkbox"/> Young Carers	<input type="checkbox"/> Pre-School
<input type="checkbox"/> Primary School	<input type="checkbox"/> Secondary School
<input type="checkbox"/> Welsh First Language	<input checked="" type="checkbox"/> Non-Native Speakers of English
<input type="checkbox"/> Set Locality	<input checked="" type="checkbox"/> Citywide
<input checked="" type="checkbox"/> LGBTQ+	<input checked="" type="checkbox"/> ALN
<input type="checkbox"/> Youth Justice	Other - Click or tap here to enter other identified groups

STAGE 2: BUILD AND ASSESS

The General Principles of the UNCRC (United Nations Convention on the Rights of the Child) are at the heart of a child rights approach. [This link](#) will take you to a page on our website with a full list of Children’s Rights and supporting information. [Click here](#) to access a list of articles grouped into common themes.

3. **What is the likely/ actual impact of the proposal on children’s rights? Is it positive, negative, or neutral?**

<i>Describe the Impact</i>	<i>Impacted UNCRC Articles</i>	<i>Impact Scale</i>	<i>How to mitigate impact (if negative) ⓘ - additional info</i>
The Housing Revenue Account is used to invest in the building of new homes. An action is set out in the plan to deliver good quality homes that also provide good access to services, helping to create safe and strong communities will have a positive impact on children and young people by providing good quality homes for them to grow up.	Article 27 - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.	Positive	Click or tap here to add a mitigation.

APPENDIX 3

<p>The Housing Revenue Account is used to ensure the maintenance of the Council's property portfolio. An action is set out in the plan to ensure that tenants homes are upgraded to the Welsh Housing Quality Standard 2023 in a coordinated way, this will have a positive impact on children and young people by improving the quality of their homes.</p>	<p>Article 27 - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.</p>	<p>Positive</p>	<p>Click or tap here to add a mitigation.</p>
<p>The Housing Revenue Account is used to ensure the maintenance of the Council's property portfolio. An action set out in the plan to assess the condition of the Council's housing stock and understand the work necessary to meet the requirements of the Welsh Housing Quality Standard 2023 will have a positive impact on children and young people by improving the quality of their homes and ensuring their homes meet the legislative standards.</p>	<p>Article 27 - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.</p>	<p>Positive</p>	<p>Click or tap here to add a mitigation.</p>
<p>The Housing Revenue Account is used to ensure the maintenance of the Council's property portfolio. An action set out in the plan to continue to invest in improving the response rate to urgent and routine repairs will have a positive impact on children and young people who live in Council properties. By improving response rate of repairs, it will in turn improve the quality of their homes.</p>	<p>Article 27 - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.</p>	<p>Positive</p>	<p>Click or tap here to add a mitigation.</p>

APPENDIX 3

<p>The Housing Revenue Account is used to ensure the maintenance of the Council’s property portfolio. An action set out in the plan to expand the dedicated 'Dry Homes' team to address the damp and mould in Council properties will have a positive impact on children and young people who live in Council properties, by improving the safety of the property.</p>	<p>Article 27 - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.</p>	<p>Positive</p>	<p>Click or tap here to add a mitigation.</p>
<p>The lack of larger affordable properties in Cardiff is resulting in increased levels of overcrowding in both social and private housing in the city. An action within the plan to undertake further work to address overcrowding in Council properties will have a positive impact on children and young people in families that are living in overcrowded homes. Addressing the issue of overcrowding and improving living conditions of families that are overcrowded will have a positive impact on children and young people.</p>	<p>Article 27 - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.</p>	<p>Positive</p>	<p>Click or tap here to add a mitigation.</p>
<p>The Hub and Library Service aims to contribute to educational, cultural and leisure opportunities by giving children and families positive experiences through providing children’s activities, events and access to books. An action within the plan to launch a Young Persons Virtual Hub will have a</p>	<p>Article 17 - Every child has the right to reliable information from a variety of sources. Article 31 - Every child has the right to relax, play</p>	<p>Positive</p>	<p>Click or tap here to add a mitigation.</p>

APPENDIX 3

<p>positive impact on children and young people, providing them with accurate information, a space to seek advice and assistance and information on community events and other topics.</p>	<p>and take a part in a wide range of cultural and artistic activities.</p>		
<p>The Hub and Library Service aims to contribute to educational, cultural and leisure opportunities by giving children and families positive experiences through providing children’s activities, events and access to books. An action within the plan to continue to provide services within Community Hubs that attract tenants from the wider community will have a positive impact on children and young people, by providing them with the opportunity to take part in a wide range of cultural and artistic activities.</p>	<p>Article 30 – Every child has the right to learn and use the language, customs and religion of their family. Article 31 – Every child has the right to relax, play and take part in a wide range of cultural and artistic activities.</p>	<p style="color: red;">Positive</p>	<p>Click or tap here to add a mitigation.</p>
<p>Community Hubs within the city aim to be as inclusive and welcoming as possible for all the community. An action within the plan to encourage people who are neurodivergent to participate and stay connected with their communities will have a positive impact on children and young people with neurodiversity.</p>	<p>Article 31 – Every child has the right to relax, play and take part in a wide range of cultural and artistic activities</p>	<p style="color: red;">Positive</p>	

APPENDIX 3

<p>The Councils Tenant’s Together team provide opportunities for tenants to have their say on Council services. Within the plan there is an action to broaden the reach of the Tenant’s Together team and to create volunteer opportunities that will help young tenants to become engaged in their communities. This will have a positive impact on young people by ensuring that they have their opinions heard on Council services.</p>	<p>Article 13 – Every child must be free to express their thoughts and opinions and to access all kinds of information.</p> <p>Article 15 – Every child has the right to meet with other children and to join groups and organisations, as long as this does not stop other people from enjoying their rights.</p>	<p>Positive</p>	
<p>There are a set of actions within the plan to improve neighbourhoods and community safety which will have a positive impact on children and young people by providing them with safe and secure environment to grow up in.</p>	<p>Article 27 - Every child has the right to a standard of living that is good enough to meet their physical and social needs and support their development.</p>	<p>Positive</p>	

STAGE 3: VOICE AND EVIDENCE

4. **How do you plan to review the policy/ strategy/ project/ procedure/ service to ensure that it respects, protects and fulfils children’s rights?** [i](#) - additional info

APPENDIX 3

All actions within the Housing Revenue Account Business Plan are implemented as actions within the Directorate Delivery Plan for Adults, Housing and Communities that are reviewed quarterly.

5. **Have you sourced and included the views and experiences of children and young people? What do you know about children and young people's views and experiences that are relevant to the proposal?** [i - additional info](#)

Not at present, however actions within the plan are to ensure more young tenants are engaged and can provide their opinions on Council services provided.

STAGE 4: BUDGET

It is important to consider the resource and budgetary elements which are directly attributed to children and young people to enable oversight.

6. **What is the budget for this policy/ strategy/ project/ procedure/ service? In your answer, include any allocations specifically for children and young people and whether any of the budget will be used to mitigate negative impacts identified above.**

N/A

STAGE 5: IDENTIFIED ACTIONS

7. **What actions have been identified or changes made to the policy/ strategy/ project/ procedure/ service as a result of this assessment?** [i - additional info](#)

None

AUTHORISATION

The template should be completed by the Lead Officer of the identified policy/ strategy/ project/ procedure/ service and approved by the appropriate manager.

Completed By:	Victoria Williams
Submission Date:	07/02/2024
Job Title:	Policy and Development Manager

APPENDIX 3

Approved By:	Jessica Tomlinson
Job Title:	Improvement Project Manager

Governance & Decision-Making

Where it is considered that a CRIA is required, you must append the completed form to the Cabinet or Officer Decision Report. A copy must also be emailed to the Child Friendly Cardiff Team ChildFriendlyCardiff@cardiff.gov.uk

Advice & Support

UNICEF Child Rights Impact Assessment Guidance for Local Government:
[Child rights impact assessment - Child Friendly Cities & Communities \(unicef.org.uk\)](https://www.unicef.org/uk/child-rights-impact-assessment)

For further information or assistance in completing the CRIA, please email the Child Friendly Cardiff Team ChildFriendlyCardiff@cardiff.gov.uk

By virtue of paragraph(s) 14, 21 of Part(s) 4 and 5 of Schedule 12A of the Local Government Act 1972.

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Appendix 5

Estimated Delivery Timescales for the New Build Programme

Schemes and Unit Numbers			2024-2025	PHASE 1 2025-2028 (YRS 1-3)	PHASE 2 2028-2031 (YRS 3-5)	PHASE 3 2031-2035 (YRS 5-10)
Scheme		Unit numbers				
Cardiff Living Phase 2						
	Eastern High GN housing	19	19			
	Gasworks Modular	40	40			
	Llanrumney High school	28		28		
	Waun Gron Rd	44		44		
	Star centre	53			53	
	Michaelston Community Living	107		107		
	Michaelston Inn	24			24	
	Narbeth Road	83		83		
	Cherrydale Road	7	7			
	Ely Housing Office	11		11		
	Citadel	12		12		
	Plasmawr Road	6		6		
	Willowbrook North	21		21		
	Willowbrook south	18		18		
	Cae Glas	24			24	
	Modular - Roath Basin	230		230		
	Modular - Gabalfa	78		78		
	Modular CRI	26		26		
	Modular - Ty Ephraim	36	36			
Additional Build Programme						
	Maelfa Community Living	41		41		
	St Mellons Community Living	60		60		
	Iorworth Jones	20	20			
	Paddle Steamer	28		28		
	Leckwith Community Living	41	41			
	Bute Street Community Living	45		45		
	Meridian Court Conversion	9	9			
	Wyndham St	10			10	
	Dumballs Road	100				100

Channel View						
	Channel View - phase 1 Block A Community Living	110			110	
	Channel View - phase 1 Block B Independent Living	24			24	
	Channel View other phases	200				200
New Partnership						
	Maelfa Phase 3 St. Teilos	63			63	
	Moorland Rd	13			13	
	Gas Works	500				500
	Fairwater Social club	14			14	
	Crumlin Drive (cath cob)	47				47
	New Penn	11				11
	James Street	42				42
	Glan Morfa school site	15				15
	Tudor Road	133				133
	Atlantic Wharf	400				400
	Area 11, St. Mellons	114				114
	St. Isan	32				32
	Ball Lane	81				81
	Ball Road	85				85
	Gabalfa Avenue	31				31
	Wolf's Castle	20				20
	Modular Relocation Project #					
	UNIT NUMBERS:	3,156		172	1,062	876
						1,046

 On site

**CYNGOR CAERDYDD
CARDIFF COUNCIL**

COMMUNITY & ADULT SERVICES SCRUTINY COMMITTEE

18 MARCH 2024

RECLADDING OF NELSON & LOUDOUN

Appendices 3 & 4 to this report are exempt from publication on the basis that it contains information of the description set out in paragraph 16 of the Local Government Act 1972.

Purpose of the Cover Report

1. To provide background information to enable Members to carry out pre-decision scrutiny of the report to Cabinet titled, 'Recladding of Nelson / Loudoun' prior to its consideration by the Cabinet on the 21st March 2024.
2. Members should note that two Appendices of the Cabinet Report are exempt from publication (**Appendix 3 & Appendix 4**). Members are requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct. Should Members hold any questions that pertain to the detail of the Appendices, the meeting will enter a closed session where webcasting will be paused, and members of the public excluded.
3. A copy of the draft Cabinet Report is attached at **Appendix A**, which in turn contains, the following Appendices:

Appendix 1; Procurement Options Report

Appendix 2; Cost Estimates

Appendix 3; Legal Services Advice - **confidential**

Appendix 4; Blake Morgan Legal Advice - **confidential**

Scope of Scrutiny

4. Within their considerations of the Cabinet Report and its subsequent Appendices, Committee Members should consider:

- The costings of the project and any relevant movement.
- The timetable for delivery and any relevant movement.
- Impact on residents.
- Deliverability.
- Achievability.
- Any identified risks and proposed mitigations.

Background

5. During the 1990's, 6 Council owned blocks were retrofitted with external cladding. These flats were;

- Lydstep Flats in Llandaff North (3 blocks)
- Nelson House in Butetown (1 block)
- Loudoun House in Butetown (1 block) and;
- Channel View in Grangetown (1block)

6. In the wake of the Grenfell Tower tragedy, Cardiff Council undertook testing on the cladding of all of the above listed blocks. **Point 4 of Appendix A** details that although the cladding used on these blocks was not the highly flammable, ACM cladding used on Grenfell Tower, the testing confirmed they did not meet current fire safety standards. As a result, the cladding was removed from the properties, excluding Loudoun House due to Loudoun House having two stairwells and being deemed a lower risk.

7. Since the removal of the cladding, a number of tenants experienced issues such as condensation and mould. The Council procured a building investigation consultation to help determine the best way forward for the 5 blocks. The report produced by the consultants, confirmed that it was necessary to re-clad the blocks if appropriate thermal efficiency was to be achieved, and a report to progress the recladding of the blocks was considered and agreed by Cabinet in [March 2020](#). *Committee Members are reminded the Channel View high-rise*

block is due to be demolished as part of the regeneration of the area, and so is excluded from the re-cladding programme.

8. Committee Members are advised in September 2021, Cabinet agreed to the recladding of Lydstep Flats with estimated costs of circa £15,100,000. However, the [September 2021 Cabinet Report advised](#) that in relation to Nelson & Loudon House, work relating to these properties have not yet progressed through the procurement process; and their proposals will be subject to a further report which will address affordability and funding (*of which, the Cabinet Report attached to this Cover report is*).

Costings

9. As detailed in **Appendix A**, the route proposed to appoint a contractor to deliver the works at Nelson & Loudoun House is to use Lot 10 of the South East & Mid Wales Collaborative Construction Framework (SEWSCAP3). The draft Cabinet Report proposes that the procurement process will be a two stage, 'Design & Build approach' in order to secure wider tenders. The stages of the procurement process is proposed in the Cabinet Report as follows:

- Stage 1 – a 'services contract' to outline scope/design
- Stage 2 – a 'works contract' for the construction works

*Committee Members will note a Procurement Options Report is at **Appendix 1.***

10. The indicative value of the recladding works presented to Cabinet in March 2020 prior to Stage 1 (scope / design) of the procurement process for any of the buildings were as follows;

- Lydstep flats - £8.9m,
- Loudoun House - £5.7m,
- Nelson House is £2.4m.

These costs also included a 25% uplift for associated "risk allowance".

11. However, as detailed in the September 2021 Cabinet Report, following stage 1 of the Lydstep Flat procurement process (scoping & design), the updated cost plan for Lydstep Flats was estimated at £15,109,023. Which equated to a cost movement increase of £7,700,764 or 103% since the initial plans proposed in 2020. Reasoning for the increase in cost was attributed to:

- Inflationary pressures post 2020.
- Increased cost in materials
- Increased cost in labour.

13. Regarding the costings for Loudoun & Nelson House. **Point 33 of Appendix A** details the estimated costings as of March 2024 as:

- £25m (plus VAT).

14. Member's attention is further drawn to **points 33 of Appendix A and Appendix 2** which provides more detail, and a breakdown of the £25m plus VAT cost estimate.

15. Due to the nature and scale of the project, the March 2020 and September 2021 Cabinet Reports sought to reduce the project's financial impact on leaseholders and it was agreed no contribution from leaseholders/homeowners toward the cost of the cladding for Lydstep flats would be expected. However, leaseholders would be expected to pay for windows to their flats, balcony upgrades and a proportion of the costs of any windows in communal areas.

16. As detailed in the March 2020 Cabinet Report, Lydstep Flats has 11 leaseholders and 115 Council tenants, equating to 126 flats in total.

17. With regard to Nelson & Loudoun House, Loudoun House has 120 flats in total, 2 flats are leaseholders, and 118 flats are Council contract holders. With regard to Nelson House, this has 61 flats and all 61 are Council contract holders.

18. Further, **point 35 of Appendix A** advises, due to the 'expected grant' from the Welsh Government, it is not anticipated that any charge will be made to leaseholders for these works.

Schedule of Works

19. The March 2020 Cabinet Report proposed that the work to reclad the blocks be carried out in two phases under the following indicative timeline:

Phase 1 – Lydstep Flats

Procurement / appoint contractor: May to September 2020

Start on site: September / October 2020

Complete all 3 blocks: September 2021

Phase 2 – Nelson and Loudoun House

Procurement / appoint contractor: July to December 2020

Start on site: January 2021

Complete on site: December 2021

20. In recognition of the delays to delivery, the 2021 Cabinet Report details the factors which impacted the delivery of Lydstep flats were due to the requirement for additional fire testing on the proposed new cladding, and the earliest testing slot was 13th August 2021; significantly delaying the project, with completion of Lydstep Flats anticipated to be early 2023.

Committee Members are to note, this anticipated completion date of 2023, was provided in the 2021 Cabinet Report.

21. As detailed in **Appendix A**, there have been further delays to Lydstep flats owing to the 'ceramic brick slip-based cladding' used. With **Appendix A** detailing the installation of this cladding system caused the contractor considerable issues due to lack of available labour with experience of installing this type of cladding; resulting in the programme of works overrunning significantly.

As a result, **Appendix A** anticipates completion of Lydstep flats as April 2024.

22. With regard to schedule of works for Nelson & Loudoun House, **point 23** of **Appendix A** provides a summary of the main works required, with **point 32** advising the following timescale:

Procurement

Appoint contractor for stage 1: March to July 2024

Appoint contractor for stage 2: December 2025

Construction

Start on site: January 2026

Complete on site: September 2027

Lydstep Flats – Lessons Learnt

23. **Appendix A** details as part of the preparation for the Nelson & Loudoun House project, a “Lessons Learnt” exercise was undertaken relating to the re-cladding of Lydstep Flats. With the issues identified from this exercise being used to inform the Nelson House / Loudoun House project. **Points 18 to 22 of Appendix A** provides insight into the lessons learnt from Lydstep, which in summary, relates to the selection of cladding.

Background – Building Control & Safety in Wales

24. Building Regulations, are a set of legal requirements for the design and construction of new buildings, extensions, and material alterations to existing buildings to ensure buildings are safe, accessible and energy efficient.

25. In Wales, Building Regulations are defined by the Welsh Government and cover specific topics such as, structural integrity, fire protection, accessibility and energy performance.

26. Following the Grenfell Tower fire, a UK Government review into Building Regulations & Fire Safety saw the passing of the Building Safety Act 2022, which has been described as, *‘the biggest shake-up of building safety regulation since 1984 in England and Wales’*¹.

¹ [‘Cracks in the Foundations’ – Building Safety in Wales \(audit.wales\)](#) page 4. Accessed 7th March 2024.

27. The Building Safety Act 2022 came into force in April 2023, all aspects of the Act apply to England, but only Part 3 (*and some of Part 4*) applies to Wales. Subsidiary legislation and guidance on Part 3 are being introduced by the Welsh Government, with full implementation and compliance set for April 2025².

28. Key changes brought forward as a result of the Building Safety Act 2022 are:

- Building Control teams will no longer be permitted to be responsible for development projects proposed by their own Local Authority, as this is considered a conflict of professional interest. As a result, the Cabinet Report (**Appendix A**) details that ‘Cross-boundary collaboration is being arranged to address this’.
- Building Control Surveyors will be required to become Registered Building Inspectors.
- A new building control regime will apply to High-Risk Buildings. These are defined as those buildings that are over 18 metres in height or have at least seven storeys and contain at least one residential unit, or are a care home, children’s home or hospital. As stated in the Cabinet Report, the detail of this new regime is not yet clear.
 - The introduction of an ‘Accountable Person’ for all ‘higher risk’ buildings who will be responsible for ensuring that the fire and structural safety is effectively managed for the whole building³.
 - The ‘Accountable Person’ must record their fire risk assessment and their fire safety arrangements in their entirety.
 - Audit Wales Report advises, owing to the changes brought forward by the Act, there is a significant need for clarity on the identity of individuals or organisations involved in the fire risk assessment process.

Members are to note, the above list is not intended to be exhaustive.

29. In August 2023, Audit Wales published a report summarising its assessment of how the Welsh Government, local authorities and key partners are implementing the requirements of the Building Safety Act 2022.

² ‘Cracks in the Foundations’ – Building Safety in Wales (audit.wales) page 18. Accessed 11th March 2024.

³ ‘Cracks in the Foundations’ – Building Safety in Wales (audit.wales) page 50 Accessed: 8th March, 2024.

30. This Audit Wales report, 'Cracks in the Foundations – Building Safety in Wales' advises, the Welsh Government is also developing legislation that will deal with the areas covered in Part 4 of the Building Safety Act 2022. This includes introducing a new Regulator for Wales and equivalent duty holder roles such as the Accountable Person⁴.

31. Findings from the Audit Wales report, detail there is 'overwhelming concern' from local authorities and fire and rescue services around the late development and notification of policy decisions and guidance for implementation.

32. With Audit Wales assessment being:

- ❖ Some doubt remains on how the Act will be implemented in Wales, mainly because decisions in key areas are yet to be decided and agreed. This is creating uncertainty, with most local authorities who are responsible for delivering these changes and, by extension in terms of joint working, fire and rescue services, who are yet to develop comprehensive plans that set out how they intend to deliver their new and revised responsibilities. As a result, Audit Wales recommended the Welsh Government provide local authorities with greater clarity on the implementation and expectation of the Act, to allow local authorities to effectively discharge their duties and responsibilities.
- ❖ Local authorities should develop local action plans that articulate a clear vision for building control to be able to plan effectively to implement the requirements of the Act.
- ❖ Local authorities should urgently review their financial management of building control and ensure they are fully complying with Regulations.
- ❖ Local authorities should work with partners to make better use of limited resources by exploring the potential for collaboration and regionalisation to strengthen resilience through a cost benefit analysis of partnering with neighbouring authorities.
- ❖ Local authorities should review their risk management processes.

Committee Members are to note, these summaries of findings provided by Audit Wales have not been disaggregated to Cardiff Council.

⁴ ['Cracks in the Foundations' – Building Safety in Wales \(audit.wales\)](#) page 18. Accessed 8th March 2024

33. As detail in **point 13 of Appendix A**, due to the current uncertainty surrounding the new building legislation and its requirements on local authorities, it is anticipated this may impact the Nelson and Loudoun house project.

Previous Scrutiny

34. When considering the September 2021 Cabinet Report (*which sought Cabinets agreement to progress with the recladding of Lydstep Flats*) Committee

Members raised the following points⁵:

- a. Significant concerns regarding the substantial increase in cost and delays in delivery.
- b. If the costing, 'estimated' in the 2021 Cabinet Report (£15,109,023) could increase further, with concern raised by many Members around the trajectory of the cost increase and the need to ensure it does not further escalate.
- c. If removing the site and replacing it with a different scheme, such as that of a low-rise calibre, had been considered and, if there was a possibility of undertaking further assessment to determine if it would be a viable, more cost-effective option.
- d. When exploring cost to the leaseholders, Members were informed that due to the revised costings, further work on the costing / contributions for leaseholders would be required.

Legal Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement

⁵ [\(Public Pack\)Correspondence Following Committee Meeting Agenda Supplement for Community & Adult Services Scrutiny Committee, 15/09/2021 16:30 \(moderngov.co.uk\)](#) Accessed 7th March, 2024

imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

It is recommended that the Committee:

- i. Consider the draft report and its subsequent appendices and decide whether it wishes to relay any comments or observations to the Cabinet at its meeting on the 21 March 2024; and
- ii. Decide the way forward regarding any further scrutiny of this issue.

Leanne Weston

Interim Deputy Monitoring Officer

12 March 2024

BY SUBMITTING THIS REPORT TO THE CABINET OFFICE, I, (JANE THOMAS) (DIRECTOR, ADULTS, HOUSING & COMMUNITIES) AM CONFIRMING THAT THE RELEVANT CABINET MEMBER IS BRIEFED ON THIS REPORT

**CARDIFF COUNCIL
CYNGOR CAERDYDD**

CABINET MEETING: 21st March 2024

**OVER-CLADDING OF NELSON HOUSE AND LOUDOUN HOUSE
HIGH RISE FLATS**

**HOUSING AND COMMUNITIES - (COUNCILLOR LYNDA
THORNE)**

AGENDA ITEM:

Appendix 3 and 4 to this report are exempt from publication as it contains information pursuant to paragraph 16 of the Local Government Act 1972.

Reason for this Report

1. To update Cabinet on the progress in replacing the cladding for the Council's high-rise blocks.
2. To request approval for the proposed procurement arrangements to deliver re-cladding works to 2 blocks of high-rise flats. (Nelson House and Loudoun House)

Background

3. Following the Grenfell Tower tragedy, checks were carried out on the cladding of the council high-rise flats in Cardiff. 6 blocks had been retro-fitted with external cladding during the 1990's. These blocks were Lydstep Flats in Llandaff North, Nelson House & Loudoun House in Butetown and Channel View in Grangetown.
4. Testing showed that while the cladding on these blocks was not of the highly flammable ACM type that was used in Grenfell Tower, it did not meet current fire safety standards and therefore could pose additional risk during a fire. Following discussion with the Fire Service the

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external cladding was removed from 5 of the blocks. The cladding has remained in place in Loudoun House. This block has 2 stairwells and is considered a lower risk than the other high-rise buildings, however a 24 hour fire watch has remained in place to ensure the safety of the residents.

5. The Council engaged a firm of building investigation consultants (the British Research Establishment) to undertake a number of surveys to each block to ascertain the best way forward for the buildings. The report concluded that it was necessary to re-clad the blocks if appropriate thermal efficiency was to be achieved.
6. It was therefore proposed that the cladding was replaced on 5 high rise blocks. Channel View high-rise block is due to be demolished as part of the regeneration of the area, it has therefore been excluded from the recladding programme.
7. Approval was given by Cabinet on 2nd April 2020 to carry out the re-cladding works of the remaining blocks in phases.

Phase 1 - Lydstep Flats (3 Blocks)

8. Cabinet gave approval for the approach to recladding these blocks in 23rd September 2021. This work is now nearing completion, with an expected finish on site in April 2024. While the project took longer to complete than anticipated, it is clear that the project will meet its objectives. Alongside the new cladding system, windows and balconies have been upgraded. The scheme will both maximise the energy efficiency for residents and improve the visual appearance of the blocks, enhancing the whole neighbourhood.

Phase 2 – Nelson House and Loudoun House

9. The purpose of this report is to commence phase 2 by setting out proposals for the recladding and improvement works at Nelson and Loudoun House.

Issues

New Building Safety Act & Regulations

10. In the wake of the Grenfell Tower fire, building safety legislation has been under review. The Building Safety Act 2022 came into force in April 2023, however not all of the Act applies in Wales. The new building safety regime for Wales is not yet fully in place, and significant concerns about this delay have been raised by Audit Wales.
11. New regulations will be implemented in Wales from 1st April 2024 including changes to Building Control / Planning arrangements. From this date, Building Control teams will no longer be permitted to be responsible for development projects proposed by their own Local

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Authority, as this is considered a conflict of professional interest. Cross-boundary collaboration is being arranged to address this. In addition, Building Control Surveyors will be required to become Registered Building Inspectors. There is currently a lack of registered officers in Wales, which poses concerns regarding the timeframes for building control approvals throughout the design and construction of the works.

12. The Welsh Government has also announced that from 6th April 2024, a new building control regime will apply to High-Risk Buildings. These are defined as those buildings that are over 18 metres in height or have at least seven storeys and contain at least one residential unit, or are a care home, children's home or hospital. The projects at Nelson and Loudoun House will fall within this definition and will need to go comply with the new building control regime. The details of this new regime are not yet clear.
13. The uncertainty of the building safety legislation in Wales and the shortage of Registered Building Inspectors could impact on this project. It is therefore necessary to include flexibility within the timeline and within the scheme requirements to allow for any changes in legislation that take place over the course of the project.

Engagement of Specialist Project Support

14. Given the importance of achieving the highest level of fire safety and the challenge of the changing regulatory framework, it is essential that the project is managed effectively and with appropriate expert advice. An employer's agent has been commissioned, Mott MacDonald Limited, to support the project from pre-tender through to completion of the construction phase. This will give continuity throughout the project. External legal representatives with experience in this area have also been commissioned to advise on the scheme.
15. Technical Advisors are to be commissioned to ensure that the best possible advice is available on the specification for the cladding system to be used and to ensure that all legislation and safety standards are fully complied with.
16. The Council's own project team includes senior managers and technical officers from Housing & Communities with support from officers from Projects, Design and Development. A Board will be established to take this complex work forward and clear roles and responsibilities will be set out, to ensure proper oversight of the project.
17. As part of the preparation for the project, a "Lessons Learnt" exercise was undertaken relating to the re-cladding of Lydstep Flats and the issues identified from this exercise will inform the Nelson House / Loudoun House project.

The Cladding System

18. The lessons learned review of the Lydstep project has resulted in a change to the proposed approach to selecting the cladding system for Nelson / Loudoun House. The cladding chosen for Lydstep flats was a ceramic brick slip-based cladding. While brick-based cladding is not the least expensive option, it does require less maintenance than render which discolours early in its lifespan. This was also the safest option available on the market at the time being non-combustible. Unfortunately, the installation of this cladding system caused the appointed contractor considerable issues due to lack of available labour with experience of installing this particular type of cladding system and the amount of work involved resulted in the programme of works overrunning significantly.
19. There are now other cladding systems on the market which are pre-fabricated or of a panel design which will be quicker to install and which can meet all legislative requirements, achieve the highest standard of fire safety and which are equally visually attractive. It is therefore proposed that for Nelson / Loudoun the exact cladding product will not be specified. Instead, a robust set of performance specifications will be developed with the assistance of specialist Technical Advisors. The Contractor will be required to comply with these performance specifications to ensure that the cladding system meets all legislative and fire safety requirements and is visually pleasing.
20. It is expected that this greater flexibility over the exact cladding system used will help to prevent the delay experienced with installation of the cladding system at Lydstep.
21. During the design development, the Contractor and the Council's Technical Advisor will review the designs available and conduct an options appraisal exercise aligned to the performance specifications. This will include options for preferred finish (e.g. brick, panels etc.). Consultation with residents will also take place before confirming the preferred design.
22. As part of the construction works the cladding system will be fire tested to give assurance that the intended products and systems are safe for use. By subjecting the cladding systems to controlled fire scenarios, assurance can be given that the external walls will not allow the spread of fire and any potential risks and vulnerabilities can be identified and addressed. This will ensure that the buildings meet all the necessary fire safety standards.

The Scope of the Work

23. It is anticipated that the main works included in the project will be as follows:
 - Removal of cladding from Loudoun House (cladding has already been removed from Nelson House)

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- Installation of new cladding system to both Nelson House and Loudoun House
- New external windows and curtain walling
- Replacement roof covering of the concierge block
- Some boiler replacements and gas works will be necessary as part of the works
- Other fire safety works as identified in the Fire Risk Assessment.

Procurement

24. To take forward the works it is proposed to procure a contractor to a 2-stage Design & Build Contract. The 1st stage is a “services” contract for the design and the 2nd stage is a works contract for the construction, after the design has been completed and priced.
25. It is proposed to procure the contract through Lot 10 of the South-East & Mid Wales Collaborative Construction Framework (SEWSCAP3).
26. This procurement route is recommended following an options appraisal undertaken by Mott MacDonald. This considered both Traditional and Design & Build approaches. The result of this appraisal confirmed that a Design & Build approach would be most appropriate for this project. A copy of the Procurement Option Report can be found at Appendix 1.
27. Due to the complexity of the project, there were concerns that there would be a lack of interest from contractors. Therefore, early contractor engagement has been undertaken to communicate the project objectives to potential bidders. Indications are that at least two contractors are interested in bidding for the works. It should be noted that during the market engagement it was clear that a 2-stage Design & Build approach was the preferred option and it is possible that a more traditional approach would not secure the desired tenders.

Evaluation Criteria

28. It is proposed that the most economically advantageous bidder will be appointed based on criteria reflecting both quality (70%) and price (30%).
29. Listed below are the criteria that will be considered as part of the 70% quality evaluation.

Criteria	Weighting
Social Value (Bidders to submit a community benefits action plan and evidence their approach and capability to deliver)	10%
Programme, sequencing and phasing	20%

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(to meet key dates)	
Work methodology and risk mitigation (security, safety and ability to work within a live environment)	20%
Knowledge and experience of proposed team (to achieve success with this project)	20%

The Contract

30. Following an options appraisal, it is proposed to use the NEC4 suite of contracts, as this best suits the complexity of this project, details of the options appraisal are included at Appendix 1.
31. It is proposed that the contract will be issued with the Invitation to Tender (ITT) and will clearly address issues around liability, risk and insurance levels. These are issues that caused delay during the Lydstep Flats project. The ITT will make it clear to bidders that any clarification requests regarding the contract must be dealt with during the tender period and post-tender amendments to the contract terms will not be accepted. Such amendments are known to cause delay, and present an unacceptable procurement risk to the Council.

Timescales

32. The following estimated timescales are based on the proposed procurement route detailed in paragraph 13 of this report. It should be noted that these timescales are currently estimates and are subject to change when proposed programmes are received as part of the tender submissions.

Procurement

- Appoint contractor for stage 1 - March to July 2024
- Appoint contractor for stage 2 - December 2025

Construction

- Start on site - January 2026
- Complete on site - September 2027

Budget

33. The estimated cost plan for the works is circa £25m (plus VAT). This estimate has been produced by Mott MacDonald and includes contractor costs, project fees, a 10% uplift for associated “risk allowance” and an amount for inflation during the project. It should be noted that this cost plan may be subject to change as further detail becomes available. Welsh Government grant funding has been agreed in principle to the sum of £25m. A high level breakdown of the cost estimate can be found at Appendix 2.
34. The two blocks include 181 flats in total made up as follows:

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Loudoun House – 120 flats in total (including 2 leaseholders / 118 council contract holders)

Nelson House – 61 flats (0 leaseholders / 61 council contract holders)

35. Due to the expected grant from the Welsh Government, it is not anticipated that any charge will be made to leaseholders for these works.
36. Given the cost of this project an options appraisal was carried out to consider whether recladding was appropriate or whether demolition and rebuild would provide a more cost-effective solution. The options appraisal showed that recladding and refurbishment was clearly the most cost-effective solution. There would also be no requirement to relocate the 181 households, allowing them to continue to live in their community and avoiding any additional rehousing requirements at a time of extreme housing pressure.

Emerging Issue – Beech House

37. The Council has two high rise blocks on the Hollybush Estate in Whitchurch, Beech House and Sycamore House. These blocks do not have external cladding and therefore were not included in the work carried out after the Grenfell tragedy. A recent review however resulted in concerns about the insulation behind the render on Beech House. A specialist fire risk assessment has indicated that this render does not meet current safety standards. An action plan has therefore been developed to address this, including a 24/7 fire watch until the render can be removed. Proposals for the replacement of this insulation are still under development and it is anticipated that this will be the subject of a further cabinet report.

Local Member consultation

38. Communication with residents of Loudoun House and Nelson House and local Members has been initiated via email / letter. As the scheme develops, they will be involved at all stages, including in the final choice of cladding design.
39. Initial communication has been initiated with the residents of Beech House and local Members and an information session on site has been arranged. Both residents and Members will be kept informed about the immediate works and any proposals for the future.

Reason for Recommendations:

40. To agree the way forward for the recladding of Nelson House and Loudoun House, including the proposed procurement arrangements.

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41. To ensure the thermal efficiency of the blocks while maintaining the highest level of fire safety.

Financial Implications

42. Allowance has been made in the Council's Housing Revenue Account Capital Programme, for the cost estimate identified in Appendix 2. It is assumed that this will be met in full by Welsh Government Grant. The project should progress at a pace to ensure no risk of loss of potential grant funding. Any revenue budget implications arising following completion of the works, in terms of fire safety mitigations, will need to be considered in updating the medium-term financial plan for future years.
43. The report recommends delegation of the decision to accept any contract award. Where the value of the total cost is greater than 10% of the estimate set out in this report; if grant funding to the level expected is not forthcoming or the total cost cannot be managed within the HRA budget framework, then a further Cabinet report should be considered.

Legal Implications (including Equality Impact Assessment where appropriate)

44. The report recommends approval to commence a procurement off the Sewscap framework.
45. Legal Services has not reviewed the specific framework agreement but any procurement via a framework must be carried out in accordance with the process set out in the framework. It should be noted that the call off terms and conditions will be those as set down by the framework and the client department should satisfy themselves as to whether they are suitable for their requirements. Legal services have not had sight of the call off terms and conditions to be used. It is recommended, in particular but not limited to, the call off terms should be in final form and include all required information and removal of square brackets prior to commencing procurement and included in the tender documents.
46. The report recommends approval of the evaluation criteria and weightings. The evaluation is of high importance, as it will determine who will be appointed. Therefore, the decision maker needs to be satisfied as to the same and the weightings proposed.
47. It is noted these are to include 10 % social value. Of relevance is WPPN01/20, which provides, 'Wherever possible social value requirements proportionate to the value and related to the subject matter of the contract should be considered for inclusion in public

APPENDIX A

sector tenders. In all cases where a contracting authority determines that social value requirements are to be included: Links between social value requirements and Wellbeing of Future Generations (Wales) Act 2015 (“WBFG”) Goals should be identified (where the contracting authority is subject to the WBFG), and A minimum weighting of 10% (Procurement Policy Note 06/20 – taking account of social value in the award of central government contracts) of the total award criteria should be applied to social value in the tender to ensure that it carries a heavy enough score to be a differentiating factor in bid evaluation.’ It is important to:-

- ensure that any social value clauses/community benefits included are linked to the subject matter of the contract and indicated in the contract documents. Regard should also be had to how the successful contractor will be required to flow these down through the supply chain and how these will be monitored and outcomes reported and
- ensure that the contract notice refers to the social value to be delivered.

Equality Duty.

48. In considering this matter, the Council must have regard to its public sector equality duties under the Equality Act 2010 (including specific Welsh public sector duties). This means the Council must give due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of religion or belief.

Well Being of Future Generations (Wales) Act 2015 - Standard legal imps

49. The Well-Being of Future Generations (Wales) Act 2015 (‘the Act’) places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales - a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible. In discharging its duties under the Act, the Council has set and published wellbeing objectives designed to maximise its contribution to achieving the national wellbeing goals. The wellbeing objectives are set out in Cardiff’s Corporate Plan 2023-26. When exercising its functions, the Council is required to take all reasonable steps to meet its wellbeing objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the wellbeing objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.

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50. The wellbeing duty also requires the Council to act in accordance with a 'sustainable development principle'. This principle requires the Council to act in a way which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:
- Look to the long term
 - Focus on prevention by understanding the root causes of problems
 - Deliver an integrated approach to achieving the 7 national well-being goals
 - Work in collaboration with others to find shared sustainable solutions
 - Involve people from all sections of the community in the decisions which affect them
51. The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

General

52. The decision maker should be satisfied that the decision is in accordance within the financial and budgetary policy and represents value for money for the council.
53. The decision maker should also have regard to, when making its decision, to the Council's wider obligations under the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards.
54. The report also seeks to delegate further decision to the Director. Any further legal implications will be set out in any delegated decision report.

Please also see exempt Appendix 3.

Legal Advice – Blake Morgan

55. In addition to the below, please see Confidential Appendix 4
56. Blake Morgan LLP has been instructed as the Council's legal advisors in relation to the proposed construction contracts. Blake Morgan LLP advised in relation to the tender of the SEWSCAP3 framework agreement itself and other call-offs under SEWSCAP3, so are well versed in the requirements of SEWSCAP3). This advice will cover review of the procurement documents and all key decisions and stages in the procurement where required.

HR Implications

57. There are no HR implications for this report.

Property Implications

58. There are no further specific property implications in respect of the update report on the Over-Cladding Of Nelson House And Loudoun House High Rise Flats. The requirement around the need for this work, its cost and timescales are noted.

59. Where there are any relevant further property management matters, transactions or valuations being undertaken by the Council to deliver any the works or other relevant proposals, they should be done so in accordance with the Council's Asset Management process and in consultation with Strategic Estates and relevant service areas.

RECOMMENDATIONS

It is recommended that Cabinet:

60. Approve the proposed procurement route for the over cladding of Nelson House and Loudoun House; approve the evaluation criteria set out in the report and agree the commencement of the procurement process.

61. Delegate all aspects of the procurement process for the over cladding works to Nelson Houses and Loudoun House (up to and including award of contract/s and any ancillary matters) to the Director of Adults Housing and Communities in consultation with the Cabinet Member Housing and Communities, Corporate Director Resources and Director of Governance and Legal Services, subject to approval of appropriate grant funding being secured from Welsh Government

SENIOR RESPONSIBLE OFFICER	Jane Thomas, Director Adults Housing and Communities
	Date submitted to Cabinet office: 15/2/24

Appendices:

- Appendix 1 - Procurement Option Report
- Appendix 2 – Cost Estimate
- Confidential Appendix 3 – Legal Services Advice
- Confidential Appendix 4 – Blake Morgan LLP – Legal Advice

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Appendix 1



Nelson & Loudoun – Recladding Project

Procurement Option Report

January 2024

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Cardiff Council

Nelson & Loudoun – Recladding Project

Procurement Option Report

January 2024

Issue and Revision Record

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Executive Summary

The purpose of this report is to provide an overview on procurement routes available for the Nelson & Loudoun recladding project. Following an investigation by Cardiff Council (CCC) into the fire safety at Nelson & Loudoun high-rise tower blocks in 2019, a series of building fire safety improvements were recommended, this included the removal and reinstatement of the external 'non-compliant' cladding. Each tower requires re-cladding to meet legislative requirements, including the Building Safety Act, which came into force in October 2023. There is a desire to work with an approved contractor in a collaborative manner to overcome some of the design and logistical challenges faced by the project.

This report reviews the procurement options for the Nelson & Loudoun recladding project. The advantages, disadvantages, and risks of each option are appraised, and a recommendation made to CCC.

The method of examination included an overview of the JCT and NEC forms of contract, providing CCC with an understanding of the various functions of each form of contract and how each approach could be advantageous or a disadvantage to your brief.

Recommendations discussed include the provision of the following appointments:

- Procurement Route; Two-Stage Design & Build.
- Contractors Pre-Construction Contract for Nelson & Loudoun recladding project; Pre-Construction Services being delivered through a NEC PSC – Option A.
- Construction Contract for Nelson & Loudoun recladding project; NEC4 ECC – Option A.
- Technical Advisors Contract(s) for Nelson & Loudoun recladding project; NEC4 PSC – Option A contract for the Technical Advisory role on behalf of CCC.

1 Scope

1.1 Building Description and Background

1.1.1 Project Description

Nelson & Loudoun house comprises of two high-rise residential blocks, these were built c1960s and comprise of 16 storey blocks, Loudoun House has 120 number residential flats whilst Nelson House has 61 number flats approximately. The building is a reinforced 'no-fines' concrete frame with brickwork panels externally, it has historically been over-clad with a rain screen cladding system, the cladding has been removed from Nelson House. The recladding project consist of mainly external stripping, refurbishment and alteration works with associated MEP improvement works.

1.1.2 Project Background

Following the Grenfell Tower tragedy, Cardiff Council investigated the cladding installations at Nelson & Loudoun and following survey results commissioned a series of building and fire safety improvements. The immediate and appropriate response by CCC was to remove the existing at-risk and non-compliant cladding. Each tower therefore requires re-cladding to satisfy legislative and local requirements, including the Building Safety Act and this forms the basis of CCCs brief.

CCC initially appointed Atkins SNC Lavalin in September 2019 to undertake the initial RIBA design stages from 0-3, Mott MacDonald have been provided with a copy of the Atkins RIBA Stage 3 report, document reference: CATR-ATK-ZZ-RP-0003.

Please refer to the Project Execution Plan for more information.

1.2 Project Risks

The risks associated with the project can be found in Appendix A (Project Risk Register). These have been identified in collaboration with CCC and Mott MacDonald.

1.3 Understanding the Requirements

Having analysed the project information available to date, we have carefully considered the needs of the Client. We have used this information to structure our report to recommend the most appropriate procurement strategy. These requirements have been 'RAG' rated in terms of hierarchy of need. These key requirements being:

- **Quality:**
 - Works must be defect free upon Completion, there will be limited opportunity to rectify once the works are complete.
- **Legislative Compliance:**
 - Following the implementation of the Building Safety Act in October 2023, CCC require a design and a building that meets with this new legislation. A competent Contractor / Design Team is required to meet these requirements, as well as the 'Golden Thread' of information from inception through to handover.
- **Health & Safety / Fire Safety:**
 - CCC require the appointment of the Design team, Principal Designer and Contractor who has the necessary skills, experience, and competency to undertake this type of project. CCC will also need to comply with the Building Safety Act.

- **Clear Objectives and Leadership:**
 - To be cost effective, highly durable and low maintenance. The proposals must seek to optimise - efficiency of construction, best value of capital construction cost, efficiency in construction programme, energy efficiency and minimise carbon emissions.
- **Cost Certainty:**
 - A pre-set budget has been established and must not be exceeded. Spending profile is to be established and submitted for grant funding to WG.
- **Risk Transfer / Apportionment:**
 - A single building contract is preferable.
 - A desire to work in a collaborative way with the contractor to overcome any problems and disputes that may arise.
CCC may wish to retain some risks associated with the project, to mitigate price increases and uncertainty from the market.
- **Time:**
 - The buildings are occupied and require the construction works to be complete in a timely manner to maintain a good relationship with the in-situ tenants and leaseholders.
- **Design Development and Responsibility:**
 - As the design develops the degree of certainty increases in terms of the time to construct and the cost for doing so. The current design is at RIBA stage 0-1, the Client is open to a collaborative approach of developing the design in accordance with performance requirements.
 - The project must comply with the new Building Safety Act standards.
- **Specific Project Constraints:**
 - The client requires the ability to seek Contractor input into buildability issues, due to the available space onsite.
 - Keep live and operational services and infrastructure, which are serving the Residential Blocks.
- **Resident Management:**
 - CCC require the appointment of a contractor with experience of 'live' occupied buildings and construction sites, as well as residential management and co-ordination.
 - Phasing proposals and enabling works packages must balance the need to build economically and to minimise the disruption to the residents, as much as possible.
- **Community Benefits:**
 - Community benefits are delivered in a manner that will leave a lasting legacy to the catchment area of Butetown and immediately surrounding Council wards.
- **Knowledge Transfer/Lessons Learnt:**
 - Working collaboratively with the contractor will ensure that lessons learnt can be developed to produce snag free buildings.
- **Conflict Management:**
 - CCC would like to deliver the project in a collaborative context to avoid disputes and conflict where possible.

2 Procurement Options

2.1 Requirement Criteria

It is essential all parties involved, consider the various needs of the project to allow the most effective procurement route to be chosen. Consideration has been given to all routes to achieve the priorities in terms of:

- Time
- Quality
- Legislative Requirements
- Resident Management
- Cost
- Risk Transfer / Apportionment
- Design Development and Responsibility
- Specific Project Constraints
- Community Benefits
- Clear Objectives and Leadership
- Health and Safety / Fire Safety
- Ethics and Corporate/Social Responsibility
- Knowledge Transfer/Lessons Learnt
- Conflict Management

2.2 Procurement Options

While there are many different procurement strategies and forms of contract, the guidance provided in this report is focused on Design and Build and Traditional procurement methods, utilising either the NEC or JCT suite of Contracts, Mott MacDonald have not sought it necessary to review other forms of contracts.

2.2.1 Traditional Contract

The traditional contract involves the client appointing and retaining of own design team that will remain with the client throughout. Client design team will prepare full suite of design and tender documents to enable the selection of a contractor who is appointed to construct the project as per client design, for a fixed sum in a given period.

2.2.1.1 Traditional

Advantages

- Reduces or negates contractors risk premium (risk of design is with client).
- Competitive 'like for like' pricing, as all tendering contractors bid on the same basis.
- Direct reporting of design team to drive quality control.
- Good time and cost control due to a completed design prior to tendering.
- Continuity of design with no transfer of design responsibilities during the process.
- Allows the "client" extensive provision for implementation of change.

Disadvantages

- Overall project duration may be longer than other procurement methods, typically construction will not commence prior to the completion of the full and complete design.
- Client retains responsibility for the design except for any Contractor Design Portion (CDP) elements.
- Liability on clients consultant team to ensure accuracy and co-ordination of their design.
- No Early Contractor involvement.
- May lead to high levels of provisional sums and risk items on the client side.
- Extended programme to include full design.

2.2.1.2 Summary

The Traditional procurement method may mitigate some of the risks identified in the Nelson & Loudoun project, though this route may result in higher overall project costs and programme due to client owing the risk and responsibility for design. An element of design risk could be transferred to the Contractor through the provision of Contractor Design Portion (CDP). However due to the preference for transfer of risk, early contractor involvement and programme acceleration, the traditional procurement route has been discounted as a preferred option.

2.2.2 Design and Build

In a design and build procurement, the tender documents outlining the Scope are prepared by the Client or consultants appointed by the client. The Scope/Employers Requirements will include performance specification, programme, and contract terms. A single contractor is appointed (tender or direct award), who will deliver the Employers Requirements as outlined, employing their own design team. A Contractor can be appointed as early as RIBA Stage 1 and as late as during RIBA Stage 4. The contractor carries the risk of design development and programme during construction.

For Nelson & Loudoun, there are further considerations in respect of the technical design team. In this instance, Mott MacDonald would recommend CCC appointing and retaining their own Technical Advisor team to oversee the design development and its compliance with the Scope/Employers Requirements.

The alternative is where the client appointed design team would be novated across to the Contractor to continue with the design.

Design and Build can be undertaken as either a single stage or two stage procurement. The two-stage approach allows for a period of pre-construction design and procurement of packages by the Contractor before having to commit to a full construction contract.

2.2.2.1 Single Stage D&B

Advantages

- The client has to contract with only one party. The level of management and co-ordination necessary by the Client is considerably lower than other types of contracts.
- Price certainty is obtained before construction starts provided the employers requirements are adequately specified, and changes are not introduced.
- Less client design period required prior to appointment of a Main Contractor.
- Programme risk lies with the Contractor.
- Design can be carried out in favour of the Contractors own construction method.
- Contract obliges that contractor accepts responsibility for both design and construction.

Disadvantages

- May lead to a higher 'risk allowance' by Contractor in consideration of transfer of risk.

- Contractor delivers to a performance specification not full specification, so potential reduced control over material selection and quality.
- Potential lack of interest in the market as greater risk on the contractor.
Contractor bids can be difficult to compare like for like in the absence of fully specified materials and risk allowances will vary.

2.2.2.2 Two Stage Design & Build

Advantages

- Increased contractor involvement in design.
- Contractor buildability and construction site knowledge from an early stage.
- Degree of competition through pre-construction work package tenders.
- Ability to overlap design and tendering.
- Less client design time required prior to appointment of a Main Contractor.
- Programme risk lies with the Main Contractor.
- Design can be carried out in favour of the Contractors construction method.
- Design risks transferred to the Contractor from the Client.
- Contractor and supply chain involved in the design solution and hence “buy in”.

Disadvantages

- Client reliant on effectiveness of contractors supply chain to offer competitive prices during second stage, can leading to potentially higher build costs.
- Extended period required for analysis of Tender Returns to ensure Contractor’s proposals reflect Scope.
- Requires a robust set of Scope/Employers Requirements document.
- Cost savings by the Contractor to maximise profit, not passed on to client.
- Potential for client to lose their technical guidance in the absence of a separate TA appointment.
- Quality can be an issue due to lack of control over specification, Client may wish to appoint Supervisor/Clerk of Works to manage.

2.2.2.3 Summary

Design and build contracts offer the benefit of passing a significant amount of risk to the Contractor. Nelson & Loudoun may be consideration as a high-risk project. As such a fair balance of risk transfer will need to be adopted to incentivise the contractors as has been evidenced with earlier Expressions of Interest undertaken by CCC – there is limited interest from the market.

In consideration of the period lapsed since Atkins appointment, their RIBA Stage 3 design report and recent legislative changes, (the Building Safety Act); the revisiting of RIBA 0-1 ‘definition of brief’ has been discussed to be sure the ‘High Risk Building’ and associated requirements as defined by the Building Safety Act be incorporated into the Scope/Employers Requirements. The above advantages of a two-stage design and build and the programme advantages, inclusive of the ability for early contractor involvement, would appear the most advantageous route. Any concerns in respect of price, quality and compliance can be managed through pre-construction with the selection of an appropriate Contractor and the provision of a client retained Technical Advisor team to develop a robust tender pack and oversee the design development.

3 NEC or JCT

As noted above, there are many different forms of contract, and this report considers NEC and JCT forms only. CCC are very familiar with both as they are currently in use on both NPS and SEWTAPS frameworks managed by CCC.

Generally, JCT contracts are designed to allocate risk and assess variation without a ‘hands on’ conflict management procedures. Whereas the NEC requires greater collaboration between employer and client in resolving cost, quality, and time. NEC requires a significantly increased level of contract administration by all parties and a competent and suitably qualified Project Manager (acting on behalf of client) and Contractor is recommended when adopting NEC.

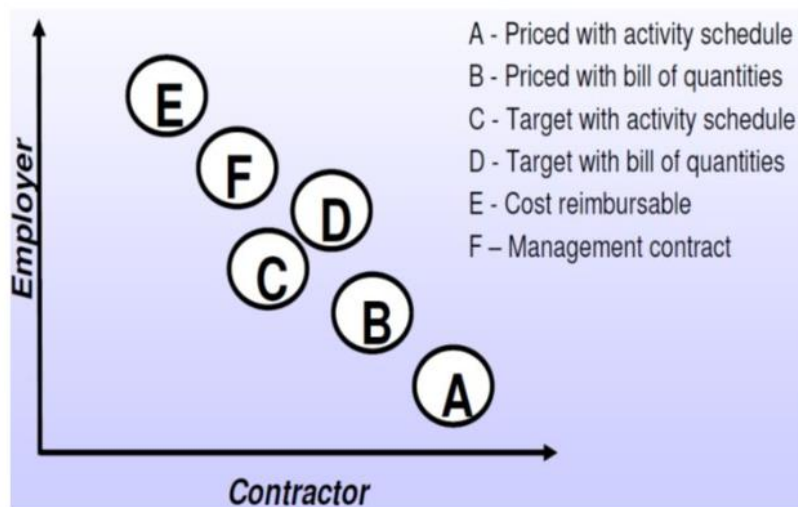
NEC Contract Options;

Below table 1 identifies the main options for NEC suite of contracts, we have considered options A-D as the most appropriate for the proposed Works;

Table 1: NEC Procurement Options

The documents to NEC3 and the procurement options

Corresponding allocation of financial risk



NEC Option A: Priced contract with activity schedule

Option A is a priced contract with an activity schedule, which relates to a programme where each activity is allocated a price and interim payments are made against the completion of each activity once 100% complete. The contractor largely bears the risk of carrying out the work at the agreed prices. Tendered price is adjusted by Compensation Events (variations).

NEC Option B: Priced contract with bill of quantities

Under Option B, the bill of quantities is a ‘traditional’ bill of quantities, i.e., a document prepared by the cost consultant (often a quantity surveyor) that provides project specific measured quantities of the items of work identified by the drawings and specifications in the tender documentation.

From the employer’s specified quantities, the Contractor prices its rates accordingly, and bears the risk of carrying out the work at the agreed prices. Tendered price is adjusted by Compensation Events (variations).

NEC Option C & D: Target Contracts

Option C & D are target contracts where the commercial risks are shared between client and contractor through the provision of pain / gain share percentages agreed at tender stage. The parties will share cost savings but also overspends on the final outturn cost.

JCT Contract Options;

JCT Standard Building Contract with and without Quantities

The JCT Standard Building Contract is intended for large/complex construction projects where detailed contract provisions are needed. Standard Building Contracts are suitable for projects procured via the traditional method.

JCT Design and Build Contract

The JCT Design and Build Contract is designed for construction projects where the contractor carries out both the design and the construction work. Design and build projects can vary in scale, but the Design and Build Contract is generally suitable where detailed provisions are needed.

3.1 Selection Matrix

Having considered and reviewed the advantages and disadvantages associated with each procurement approach against the Client’s brief, the below scoring matrix has been developed and scores applied against each requirement associated with the different procurement approaches.

Employer Requirement	Score Rating	Design & Build	Traditional
Timing – Earliest start date	10	9	6
High Quality Required	15	8	10
Cost of Employer Changes	5	3	3
Minimum Client Involvement	5	4	5
Risk Sharing	10	9	6
Tendering Cost	10	8	9
Quality Control	5	3	5
Value for money	15	13	9
Buildability	10	9	6
Cost Certainty	15	10	13
Total Rating	100	76	72

Based on the initial scoring matrix above, the Design & Build procurement approach (rating score of 76 out of 100) seems to best align to the Clients Requirements and Critical Success Factors.

The below matrix scores several contract particulars associated with each Form of Contract and how that would be an advantage to the Client during construction.

Contract particulars	Score Rating	JCT	NEC
Timing – earliest start date	5	3	3
Project Management involvement	10	5	10
Programme Control	15	5	15
Change Management	15	10	13
Quality Control	10	10	12
Risk Management	15	8	13
Contract Admin	15	10	13
Cost control	15	10	15
Total Rating	100	61	94

Based on the initial scoring matrix above, the NEC contract particulars (rating score of 94 out of 100) seems to best align to the Clients appetite to risk and programme management.

4 Conclusion & Recommendation

4.1 Recommendations

In consideration of the matters outlined in this report, it is recommended that CCC adopt the Two-Stage Design & Build route as the most appropriate procurement method for the Nelson and Loudoun recladding project, to seek the benefit of Early Contractor Involvement and apportioning of risks effectively to achieve best value for money, cost certainty and programme benefits.

For the Principal Contractor appointment, it is recommended that the Pre-Construction Stages be appointed via a NEC4 Professional Services Contract – Option A Priced Contract with Activity Schedule. For the Construction Works, we recommend the NEC4 ECC Contract – again using Option A, largely to promote programme efficiencies and cost certainty during construction, based on a fixed price lump sum, aligned to the agreed activity schedule.

In addition, and prior to the appointment of the Principal Contractor, it is recommended that CCC procure and appoint a Technical Advisor (TA) via a Professional Services Contract (NEC4 PCS Option A), to assist CCC in;

- Preparing Scope/Employers Requirements document (RIBA 0-1).
- To assist Contractor procurement/selection and oversee the Contractors Design development through pre-construction.
- To provide CCC with guidance on new Building Safety Act and inform Employers Requirements.
- Act as Principal Designer (H&S) until Contractor is appointed.

4.2 Procurement Strategy Approach 'Next Steps'

Initially, we propose on your instruction, to procure Technical Advisors (TA) via SEWTAPS on behalf of CCC to undertake above. To confirm, any TA appointment would be direct with CCC.

Once the TA team has been appointed, we propose to procure a Principal Contractor via South East & Mid Wales Collaborative Construction Framework (SEWSCAP3). Initially, on a NEC Professional Services Contract (NEC PSC - Option A) to undertake the pre-construction design services – who will be responsible for the required pre-construction surveys and design, and then by agreement and satisfactory conclusion of the pre-construction stages, provide a lump sum, fixed price tendered sum, and undertake the construction of the recladding project from RIBA Stage 5.

4.3 Procurement Justification

- Due to the lapsed time since the Atkins SNC Lavalin RIBA Stage 3 report was undertaken and the recent implementation of the Building Safety Act in October 2023, it is recommended that the appointment of the Preferred Contractor shall be from RIBA Stage 2, to capture any design requirements and information to inform the Golden Thread.
- Atkins SNC Lavalin have confirmed they have concluded their current commission, a new Technical Advisor is required to update and inform CCC's Scope/Employers Requirements.
- This approach will enable that design can be progressed and benefit from Early Contractor Involvement.
- CCC and their TA team will have the ability to monitor and control design, through the pre-construction stages, which will allow for all requirements to be implemented.
- This form of contract allows for risk to be jointly shared between the parties, which will appeal to the current market, without the appointed Contractor having to allow for pricing 'all-risks' associated with the project.

- The appointment of a D&B Contractor will allow for all aspects of the design work to be carried out and risk transferred to the Contractor, to mitigate Compensation Events (variations) for Client risks in the contract at a later stage. The Client may be required to retain some risks in order to realise best price from the Contractor.
- Working collaboratively with the contractor will ensure that lessons learnt can be developed to produce snag free buildings.

Appendices

A. Project Risk Register

13

A. Project Risk Register

Cardiff Council

Risk Matrix

Project	Nelson & Loudoun Re-cladding
PMC	Mott MacDonald
Document Title	Risk Register Matrix
Document Revision	Nov-23
Originator / Author	Cameron Thomas
Issue Date	21-Nov-23

Nelson & Loudoun Re-cladding

Risk Management Approach

ID	Risk Zone
1	External
2	Planning
3	Utilities
4	Design
5	Commercial
6	Construction
7	Organisational
8	Procurement
9	Contract Management

Risk Management must focus on technical, cost/resource and schedule consequences and include the following work steps:

Identify, and analyze likelihood (probability), impact and projected timeframe of occurrence

Plan mitigation actions

Prioritize to address critical risks

Track mitigation to close out

Risk Matrix

Very High	5	A	S	S	S	S
		20%	40%	60%	80%	100%
High	4	A	A	S	S	S
		16%	32%	48%	64%	80%
Medium	3	A	A	A	S	S
		12%	24%	36%	48%	60%
Low	2	M	A	A	A	S
		8%	16%	24%	32%	40%
Very Low	1	M	M	A	A	A
		4%	8%	12%	16%	20%
Impact/ Consequence	Score	1	2	3	4	5
Likelihood/ Probability		Very Low	Low	Medium	High	Very High
		Never heard of in the industry	Heard of in the industry	Occured rarely in previous project experience of MM	Occurred occasionally in previous project experience of MM	Occurred frequently in previous project experience of MM

Risk Impact		Risk Score	Mitigation Prioritisation	Risk Area Distribution
S	Significant	37-100%	Urgent	40%
A	Acceptable	09-36%	Should be planned	48%
M	Minor	0-8%	Ongoing	12%

Risk Management Philosophy

		Time Reference (Days)	Cost Reference (% of Project Cost)	People	Environment	Quality of Work/ Product		
Likelihood/ Probability	0	Risk Mitigated					Risk Mitigated	
	1	Very Low					Negligible probability the risk event will happen – less than 20%	
	2	Low					Small probability the risk event will happen - 20% - 40%	
	3	Medium					Possibility that the risk event will happen - 40% - 60%	
	4	High					Likely the risk event will occur - 60% - 80%	
	5	Very High					A probability approaching certainty that the problem event will occur - 80% or more	
Impact/ Consequence	1	Very Low	negligible effect on programme	negligible	negligible	negligible	negligible	No threat to continuity/mandate of Project
	2	Low	5% effect on programme	1% budget	minor injury	minor environmental incident	minor effect on local company image/ business relationship mildly affected	Project budget or schedule not impacted in a material way Delivery capability slightly impaired in one or two streams
	3	Medium	12% effect on programme	10% budget	major injury	environmental incident requiring management input	local media exposure/ business relationship affected	Little impact on project budget or schedule Delivery capability slightly impaired
	4	High	25% effect on programme	20% budget	fatality	environmental incident leading to prosecution or protestor action	nationwide media exposure / business relationship greatly affected	Minor impact to continuity/mandate of Project Project budget and/or schedule moderately impacted
	5	Very High	50% effect on programme	50% budget	multiple fatalities	major environmental incident with irreversible effects and threat to public health or protected natural resource	permanent nationwide affect on company image/ significant impact on business relationship	Project budget and/or schedule significantly impacted Delivery capability severely impaired in most streams

The Risk Management Process is iterative in nature and will involve participation from various project teams and stakeholders throughout the Project lifecycle

Each Key Project member has distinct roles and responsibilities in the risk management process

Risk Owner - Project Stakeholder whose actions govern the risk implication and mitigation

Risk Coordinator - Project Team Member who is monitors the progress of the associated risk

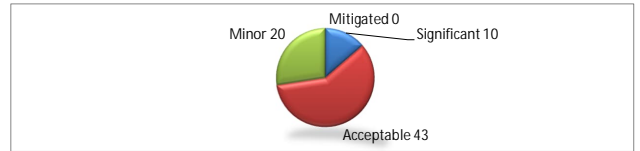
	Identify Risks	Update Risk Matrix	Assess Risk	Develop/ Execute Mitigation Strategy	Approve Mitigation Strategy	Monitor Risk/ Mitigation Strategy
MM Project Team Member	X					
MM Project Coordinator	X	X				X
MM Project Manager	X		X	X		X
MM Project Director	X		X	X	X	
Owner's Representative	X		X	X	X	X

Nelson & Loudoun Re-cladding

Risk Assessment

ID	Risk Zone	Total Risks (No.)	Significant	Acceptable	Minor	Mitigated
0	Commercial	6	1	5	0	0
1	External	7	3	4	0	0
2	Planning	3	0	2	1	0
3	Utilities	2	0	2	0	0
4	Design	0	1	12	2	0
6	Construction	20	2	11	7	0
7	Organisational	3	0	1	2	0
8	Procurement	10	2	2	6	0
9	Contract Management	7	1	4	2	0
		58	10	43	20	0

Risk Impact	No. of	%	Mitigation
Significant	10	14%	Urgent
Acceptable	43	59%	Should be planned
Minor	20	27%	Ongoing
Mitigated	0	0%	
Total Risk Events	73	100%	



Commercial																				
ID	Commercial			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Time Scale	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/Product Quality	Score	Type	Score	Type								
1	Cost Plan	Current cost data is based on not scaled drawings, potential errors and omissions due to lack of project brief. Potential increase in project cost when baselined against the OCE.	Budget increase, requiring additional funding through WG and Business Cases.	4	4	0	0	0	2	Low	3	Medium	24%	Acceptable	Should be planned	cost market tested and validated by MM	CCC	Gateway Stages	Project Closure	MM Project Manager
2	Additional Funding / Capital	CCC need to consider if additional capital is required and how that will be obtained i.e WG funding etc	WG funding process may take some time	3	4	1		1	3	Medium	3	Medium	36%	Acceptable	Should be planned	Early board meeting to include additional costs for removal of cladding and associated works.	CCC	RIBA stages	Project Closure	MM Project Manager
3	Two Stage procurement approach	Unknown contract sum until 2nd stage tender returns.	Unable to provide contract sum / fixed price until later in the project to CCC board.	3	4	0	0	1	2	Low	3	Medium	24%	Acceptable	Urgent	MM to validate	CCC	RIBA stages	Project Closure	MM Project Manager
4	Onerous contract T&Cs	Contractor may impose onerous T&Cs for undertaken project, unacceptable to CCC.	Unable to agree contract terms with bidders.	4	4	1	0	3	3	Medium	4	High	48%	Significant	Urgent	CCC to discuss risk appetite and T&Cs upfront in terms of risk allocation with project team.	CCC	Pre-Contract	Project Closure	MM Project Manager
5	Target Cost Contract & Secondary Option Clauses - such as X1.	Contractors only engaging with atarget based pain/gain contract.	Additional commercial risks to the Client.	3	4	0	0	2	2	Low	4	High	32%	Acceptable	Should be planned	Legal advise from Blake Morgan. NEC ECC Project Managers to administer the contract and risk allocation.	CCC	Pre-Contract	Project Closure	MM Project Manager
6	Scope creep	Additional unknown works relating to improvements or repairs required.	Additional cost and programme risks.	3	3	0	0	3	2	Low	3	Medium	24%	Acceptable	Should be planned	Robust design and survey required throughout the pre-con stages.	CCC	Gateway Stages	Project Closure	MM Project Manager

Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation	Prioritisation
Significant	1	17%	08-10	Urgent	
Acceptable	5	83%	06-07	Should be planned	
Minor	0	0%	01-05	Ongoing	
Mitigated	0	0%	0	-	

External Dependency																				
ID	External Risk			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Time Scale	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/Product Quality	Score	Type	Score	Type								
1	Changes in Law / Legislation	1. Changes in the Building Safety Act, secondary Laws and Building Control; 2. Delay in timely implementation of same, misreading of same resulting in culpable violations.	1. Change in Design required in relation to Fire Regulations and; adverse impact on budget; limitations in current Deding Team 2. Modifications in Cost Plan. Restrictions in usability of the facility	5	4	2	1	5	4	High	3	Medium	48%	Significant	Urgent	Contractor are consulting with building control and SWFRS regarding recent changes in building regulations that will affect the fire testing. Ensure current legislation is followed as best practice. Appointment of TA team to oversee Legislation changes.	CCC	Reviewed monthly with Contractor and Building Control	Project Closure	MM Project Manager
2	Public / Residents	members of the public becoming aggrieved with the cladding process	Affects procurement, labour deployment, work progress	3	3	4	2	4	4	High	4	High	64%	Acceptable	Urgent	CCC hold community drop in sessions to assist in the stakeholder management process. Contractor TLO to issue communication plan to CCC	CCC	As and when required	Project Closure	MM Project Manager
3	Commercial risk	Variation in price and escalation in prices of materials, labour, equipment due to Brexit/Covid	Cost overrun Contract disputes	4	4	0	0	0	2	Low	4	High	32%	Acceptable	Should be planned	1. Agree on price and basis of price 2. Agree on assumptions for calculating the variations Record all discussions and negotiations in writing 3. Agree on fixed price. Built in inflation to be accounted. 4. In case of price increase; Construction Index i.e. CIDC (Construction Industry Development Council) reference to be	CCC	Monthly	Project Closure	MM Project Manager
4	Drastic shortfall / clampdown in supply of essential construction	Disruption in supply of essential bulk materials due war, strikes, shortages - anticipated price hike etc.	Delay in construction activities affecting schedule; cost overruns	3	3	1	0	3	2	Low	3	Medium	24%	Acceptable	Should be planned	contractor to advise on materials likely to be affected.	CCC		Project Closure	MM Project Manager
5	Building Control	A number of items that require A1 fire rating are being discussed with building control	Delay the Design Stages. Programme elongation.	4	4			4	4	High	3	Medium	48%	Significant	Urgent	Meeting held with Building Control and materials matrix provided	CCC	Monthly	Project Closure	MM Project Manager
6	Fire testing	BRE may require the new cladding system fire testing rig and advised of changes in the regulations	delayed fire test	4	4			4	4	High	3	Medium	48%	Significant	Urgent	no mitigated, fire test booked in for 1st week of August 2021.	CCC	Monthly	Project Closure	MM Project Manager
7	Prevention of Flat Access	Contractor will require full access to each flat in a timely manner	Delay to programme. Additional cost through variations.	4	4	0	0	4	3	Medium	3	Medium	36%	Acceptable	Should be planned	CCC to communicate with residents. TLO throughout the contract. Letter drops and phone calls on countdown to access	CCC	Monthly	Project Closure	MM Project Manager

Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation Prioritisation
Significant	3	43%	08-10	Urgent
Acceptable	4	57%	06-07	Should be planned
Minor	0	0%	01-05	Ongoing
Mitigated	0	0%	0	-

Planning Risks																				
ID	Internal Risk			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Date	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/Product Quality	Score	Type	Score	Type								
1	Planning process	Contractor to submit the NMA	There is a risk that the planners may reject the application on the basis that there has been a significant enhancement from the previous cladding system.	4	4	0	1	3	3	Medium	2	Low	24%	Acceptable	Should be planned	Early engagement with CCC Planning Department required.	CCC	Project Progress Review monthly meetings	Project Closure	MM Project Manager
2	Objections to the consultation	Members of the public / tenants objecting to the works, unable to agree design.	Additional design work.Prolonged programme. Negative impact on Cllrs.	3	3	3	2	3	3	Medium	2	Low	24%	Acceptable	Should be planned	Early engagement with residents required to feed into design process	CCC	Gaetway	Project Closure	MM Project Manager
3	Implication of third party agreements		Additional work, time and costs to legal agreements of the individual flat owners / occupier	3	2	3	0	0	2	Low	1	Very Low	8%	Minor	Ongoing	engage early with all flat owners/occupiers and hold discussion with Statutory bodies. Cardiff CC legal team to overcome any legal implications involved with the proposed recladding works.	CCC	Project Progress Review monthly meetings	RIBA Stage 3	MM Project Manager
									#DIV/0!	#DIV/0!	0	#N/A	0%	Mitigated						

Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation Prioritisation
Significant	0	0%	08-10	Urgent
Acceptable	2	67%	06-07	Should be planned
Minor	1	33%	01-05	Ongoing
Mitigated	0	0%	0	-

Design																				
ID	Internal Risk			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Time Scale	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/Product Quality	Score	Type	Score	Type								
	1	Improper Work Quality	If the quality of work is found to be not satisfactory or as per required standards	Rework Time delay Added costs	3	2	1	2	4	2	Low	1								
2	Non compliance of System	Non adherence of system by site personnel during work execution	Lapses in aspects such as safety, quality, health	2	3	2	2	3	3	Medium	1	Very Low	12%	Acceptable	Should be planned	Imparting trainings to contractor staff at site. Monitoring of system adherence by MM site team Periodic Audits	Contractor	Site Progress Review	Project Closure	MM Construction Manager
3	Improper storage and transport of material	Improper storage of material and equipment at site Improper handling of material and equipment at site Inadequate transport arrangement for material and equipment	Damage of material Improper stowage of material on site may cause hindrance in construction activities Damage during transport of material may cause added cost and delay in construction activities Unsafe handling of material and equipment at site may lead to safety	2	1	2	2	3	2	Low	2	Low	16%	Acceptable	Should be planned	Defining storage area at site Insurance cover for damage during transport Having correct handling equipment at site	Contractor	Periodic Progress Review Material Planning	Project Closure	MM Construction Manager
4	Inadequate Material Resource Planning	Inadequate material planning for construction activities during project life cycle, inadequate water supply	Temporary shortage of material Time Delay Increase in project costs	5	5	0	0	5	3	Medium	5	Very High	60%	Significant	Urgent	Contractor to advise of any material shortages within the market.	Contractor	Periodic Progress Review Material Planning	Project Closure	MM Project Manager
5	Construction Team	Shortage of construction team resources on site during the construction phase of the project Non availability of skilled/ unskilled labour at site In competent teams	Added costs Possible re-planning of site construction activities, dependent on labour intensity	2	2	0	0	3	2	Low	1	Very Low	8%	Minor	Ongoing	Daily resource monitoring and reporting Collection of contractor resource plan Contractual arrangement to specify Competence requirement at key positions CVs of Contractors team to be approved Activity based resource loaded schedule to be developed and daily resource monitoring and reporting to be done Contractors' resource plans to be collected Impart trainings to construction staff at site Monitoring of work by MM site team Contractual arrangement to specify competence requirement at key positions CVs of contractor team to be approved	Contractor	Site Progress Review Site Mobilization Review	Project Closure	MM Project Manager
6	Natural copper window cills	Natural copper very expensive material. Design requirement for N&I?	Additional cost to the project.	2	4	0	0	3	3	Medium	3	Medium	36%	Acceptable	Should be planned	To be close out as part of the TA ER review.	Contractor	Periodic Progress Review	Project Closure	MM Project Manager
7	Non A1 rated materials	Contractor have noted that some elements cannot be A1 rated.	Client expectation is that everything would be A1	2	4	0	0	3	3	Medium	2	Low	24%	Acceptable	Should be planned	Material tracker approve by the Client.	Contractor/CCC	Periodic Progress Review	Project Closure	MM Project Manager
8	Consequential improvements	Additional Scope required through Building Control due to improvements required, such as access and MEP works	Additional unknown design. Programme elongation. Additional costs associated with design and project fees.	3	3	0	1	3	2	Low	3	Medium	24%	Acceptable	Should be planned	Early engagement with stakeholders and robust ERs required. Implementation of design change	Contractor/CCC	Periodic Progress Review	Project Closure	MM Project Manager
9	Cladding Design alterations	Design improvements from lessons learnt at Lydstep Flats project. Unable to agree with Stakeholders and Stats.	Additional unknown design. Programme elongation. Additional costs associated with design and project fees.	3	3	1	0	3	2	Low	3	Medium	24%	Acceptable	Should be planned	Early engagement with stakeholders and robust ERs required. Implementation of design change	Contractor	Monthly Design meetings	RIBA Stage 4	MM Project Manager
10	Boiler Replacements	Existing boilers will not be compatible with new high rise flue types. Under Gas Safe a new flue is required with new boiler. CDM design issue when replacing?	Additional unknown design. Programme elongation. Additional costs associated with design and project fees.	3	3	0	0	3	2	Low	4	High	32%	Acceptable	Should be planned	Include as part of the ERs. Contractor to undertake survey of existing boilers and CCC to provide spreadsheet for known make and models etc.	CCC / Contractor	Monthly Design meetings	RIBA Stage 4	MM Project Manager
11	Brickslip Sizing	Varying thickness of brick slips causes unnecessary additional labour and cost.	Additional material costs and labour resource.	2	3	1	0	2	2	Low	3	Medium	24%	Acceptable	Should be planned	Review of brick slips required,	CCC / Contractor	Monthly Design meetings	RIBA Stage 4	MM Project Manager
12	Fixtures / Fittings Removal	Removal of satellite dishes, CCTV cameras, lightening tape etc.	Additional cost to the project.	3	3	0	0	3	2	Low	4	High	32%	Acceptable	Should be planned	As part of Ers	CCC / Contractor	Monthly Design meetings	RIBA Stage 4	MM Project Manager
13	Fire evacuation planning	Fire evacuation plan updated to reflect the temporary condition during construction.	Negative impact on residents. Requirement for use of external POS. Design issues with construction site logistic interfaces	1	2	3	0	2	2	Low	2	Low	16%	Acceptable	Should be planned	Temporary changes to Personal Emergency Evacuation Plan for residents requiring assistance during construction	CCC / Contractor	Monthly Design meetings	RIBA Stage 4	MM Project Manager
14	Specification of Cavity closers	Difficulties with Hilti fire barrier detailing. Explore Sidewise as alternative.	Additional material costs and labour resource.	3	3	1	0	4	3	Medium	3	Medium	36%	Acceptable	Should be planned	Design review undertaken	CCC / Contractor	Monthly Design meetings	RIBA Stage 4	MM Project Manager

15	Existing building	Programme delays due to additional structural works necessary after the structural surveys of the existing buildings	Additional works. Additional costs and programme implications	3	3			3	3	Medium	3	Medium	36%	Acceptable	Should be planned	Robust surveys at pre-con stage. TA to write into ERs requirement for surveys.	CCC / Contractor	Monthly Design meetings	RIBA Stage 4	MM Project Manager
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Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation Prioritisation
Significant	1	7%	08-10	Urgent
Acceptable	12	80%	06-07	Should be planned
Minor	2	13%	01-05	Ongoing
Mitigated	0	0%	0	-

Utilities																					
ID	Internal Risk			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Time Scale	Risk Coordinator	
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/ Product Quality	Score	Type	Score	Type									
1	Unknown utilities	Diversion of services or replanning of the works	Easements of the existing utilities	4	3	0	0	3	3	Medium	3	Medium	36%	Acceptable	Should be planned	Early consultation with the utilities to mitigate any issues	CCC	RIBA Stages	RIBA Stage 4	MM Project Manager	
2	Gas meter cupboard	Gas cupboards may not meet current Gas Regulations	Additional work required through design and programme costs.	3	3	0	0	3	3	Medium	3	Medium	36%	Acceptable	Should be planned	Undertake review at earliest convenience by CCC.	CCC	RIBA Stages	RIBA Stage 5	MM Project Manager	
3				0	0	0	0	0			0	#N/A	0%	Mitigated							

Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation Prioritisation
Significant	0	0%	08-10	Urgent
Acceptable	2	100%	06-07	Should be planned
Minor	0	0%	01-05	Ongoing
Mitigated	0	0%	0	-

Construction Risks																				
ID	Internal Risk			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Time Scale	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/Product Quality	Score	Type	Score	Type								
1	Improper Work Quality	If the quality of work is found to be not satisfactory or as per required standards	Rework Time delay Added costs	3	2	1	2	4	3	Medium	1	Very Low	12%	Acceptable	Should be planned	Appointment of reputed contractor with adequate resource capability Adherence to QMP and Safety Management Plan agreed with contractors	Contractor	Site Progress Review Appointment of Contractors Orientation of QMP and Safety Management Plan to Contractors	Project Closure	Construction Manager
2	Non compliance of System	Non adherence of system by site personnel during work execution	Lapses in aspects such as safety, quality, health	2	3	2	2	3	3	Medium	1	Very Low	12%	Acceptable	Should be planned	Imparting trainings to contractor staff at site. Monitoring of system adherence by MM site team Periodic Audits	Contractor	Site Progress Review	Project Closure	Construction Manager
3	Improper storage and transport of material	Improper storage of material and equipment at site Improper handling of material and equipment at site Inadequate transport arrangement for material and equipment	Damage of material Improper stowage of material on site may cause hindrance in construction activities Damage during transport of material may cause added cost and delay in construction activities Unsafe handling of material and equipment at site may lead to safety	2	1	2	2	3	2	Low	1	Very Low	8%	Minor	Ongoing	Defining storage area at site Insurance cover for damage during transport Having correct handling equipment at site	Contractor	Periodic Progress Review Material Planning	Project Closure	Construction Manager
4	Inadequate Material Resource Planning	Inadequate material planning for construction activities during project life cycle, inadequate water supply	Temporary shortage of material Time Delay Increase in project costs	5	3	0	0	2	2	Low	1	Very Low	8%	Minor	Ongoing	Alternate make of material to be identified Alternate source of material to be identified and planned for contingencies Transfer risk to the main contractor through	Contractor	Periodic Progress Review Material Planning	Project Closure	Construction Manager
5	Construction Team	Shortage of construction team resources on site during the construction phase of the project Non availability of skilled/ unskilled labour at site In competent teams	Added costs Possible re-planning of site construction activities, dependent on labour intensity	2	2	0	0	3	2	Low	1	Very Low	8%	Minor	Ongoing	Daily resource monitoring and reporting Collection of contractor resource plan Contractual arrangement to specify Competence requirement at key positions CVs of Contractors team to be approved Activity based resource loaded schedule to be developed and daily resource monitoring and reporting to be done Contractors' resource plans to be collected Impart trainings to construction staff at site Monitoring of work by MM site team Contractual arrangement to specify competence requirement at key positions CVs of contractor team to be approved	Contractor	Site Progress Review Site Mobilization Review	Project Closure	Construction Manager
6	Variation in actual construction vs planned designs	Significant variation in actual constructed vis-a-vis authority approved plans	Delay in obtaining final approval (approval to operate)	2	2	0	0	0	1	Very Low	1	Very Low	4%	Minor	Ongoing	Structured management of change.	Contractor	Periodic Progress Review	Project Closure	Construction Manager
7	Disputes	Disputes at site due interpersonal issues and due to different work procedures followed by various contractors Unwanted incidents amongst labourers	Lead to legal issues, causing time delays	2	2	1	0	2	2	Low	1	Very Low	8%	Minor	Ongoing	Dispute resolution mechanism to be adopted and set in place Ensuring healthy working environment at site	Contractor	Periodic Progress Review	Project Closure	Construction Manager
8	Quality procedures conformance at site	Non conformance of quality procedure by site personnel during work execution	Rework Time delay Added costs	2	2	1	1	4	2	Low	1	Very Low	8%	Minor	Ongoing	Imparting trainings to contractor staff at site about Quality Assurance Plan(QAP) Monitoring of quality adherence by MM site team	Contractor	Periodic Progress Review	Project Closure	Construction Manager
9	Lack of Competence of Construction teams	In the event of construction teams, not adequately competent enough to carryout designated tasks	Rework Time delay Added costs	3	2	1	1	3	2	Low	1	Very Low	8%	Minor	Ongoing	Contractual arrangement to specify Competence requirement at key positions CVs of Contractors team to be approved Imparting trainings to construction staff at site. Monitoring of work by MM site team	Contractor	Periodic Progress Review Site Mobilization Review	Project Closure	Construction Manager
10	Existing AOVs	Fire risk when AOV decommissioned - The existing AOV's to each block will need to be decommissioned and removed. From then and up until the new AOV is commissioned the fire safety will be compromised.	H&S issues with install, resident issues.	1	2	3	3	4	3	Medium	3	Medium	36%	Acceptable	Should be planned	Contractor to liaise with CCC and identify the coordination issues. Building Control and SWFR to be consulted.	Contractor	Periodic Progress Review Site Mobilization Review	Project Closure	Construction Manager
11	Construction activity on a live DOMESTIC site	High frequency of plant and material movements with shared entrance and egress points , with risk to the general public	H&S issues onsite, potential HSE involvement and programme risks	3	3	3	3	2	3	Medium	3	Medium	36%	Acceptable	Should be planned	Traffic management designed with all deliveries programmed to be prohibited from peak times. A dedicated traffic management system with a permanent gate person, with a holding area for site deliveries will greatly reduce the risks. Agree phasing plans with the Client, Resident representatives and Resident liaison officer and regularly update where necessary	Contractor	Periodic Progress Review Site Mobilization Review	Project Closure	Construction Manager

12	Quality management	Ensuring fire rated products are installed in accordance with manufacturers recommendations	Risk of abortive works if the product installation has not been fitted properly	3	3	3	1	5	3	Medium	3	Medium	36%	Acceptable	Should be planned	NEC Supervisor appointed as well as façade specialists to oversee install. Work closely with the Supervisor to identify fire barriers as "assets". This will allow the individual installations to be photographed during construction and recorded in the O&M manual as evidence of compliance with design drawings and fire certification. weekly site visit by our Fire Engineer to sign off each stage of the project for	Contractor	Throughout Construction	Project Closure	Construction Manager
13	Failure to achieve Building Control Approval	Unable to sign off the project at Completion	Additional cost associated with non-compliance	4	4	0	0	4	3	Medium	2	Low	24%	Acceptable	Should be planned	consult with Cardiff CC Building Control early in RIBA Stage 3 to ensure Building Control are on board with us throughout the technical design process and on through construction	Contractor	Throughout Construction	Project Closure	Construction Manager
14	Site traffic and disruption to the local community	Disruption to the community normal days operation causing disruption for local residents	H&S issues. Aggrieved residents and Cllrs	1	1	4	3	2	3	Medium	3	Medium	36%	Acceptable	Should be planned	The proposed site access route through the estate will be presented to the local community and the client during the preconstruction stage. The location of our proposed site offices and welfare facilities was the location of the previous contractor compound	Contractor	Throughout Construction	Project Closure	Construction Manager
15	Property safety	Exposing the individual flats to possible break-ins during the construction period when scaffold / Mast Climbers are erected	Possible security issues for the residents, also possibility of residents / children entering the scaffold from within causing serious safety issues.	1	3	5	3	3	3	Medium	2	Low	24%	Acceptable	Should be planned	Mast Climber are to be lowered down after the completion of the days shift. Scaffolding to be barriered off from access below and from the individual flat balconies	Contractor	Throughout Construction	Project Closure	Construction Manager
16	Weather conditions preventing high level working	Severe adverse weather conditions.	Programme delays during high winds or heavy rain	4	4	0	0	3	3	Medium	4	High	48%	Significant	Urgent	Monitor the weather forecast and programme the high level work activities around this forecast. Potential for adding a roof over the scaffolding to allow wet trades to continue.	Contractor	Throughout Construction	Project Closure	Construction Manager
17	Labour resource availability	Limited resource in localist for projects. Boyant market.	Delays to the programme by running the two block at once, putting strain on the local supply chain.	5	4	2	2	4	4	High	4	High	64%	Significant	Urgent	programme will require a large amount of plant, material and labour.	Contractor	Throughout Construction	Project Closure	Construction Manager
18	Maintaining access for the building residents during the construction activities	Restricting access for the residents during the scaffold erection or mast climber erection periods.	. Also delivery periods where large vehicles are entering and leaving the site.	2	2	2	2	2	2	Low	2	Low	16%	Acceptable	Should be planned	liaise with the residents throughout the construction period for each block, we will notify each resident of all activities and times where there will be restricted access. We will ensure safe and sufficient access for the emergency services throughout the construction period	Contractor	Throughout Construction	Project Closure	Construction Manager
19	Accidentally cutting off the power supplies to the flats / building	Accidentally cutting off the power supplies to the flats / building	Delays to the programme to repair any damages. Possible compensation to the residents should the services be interrupted for significant periods	2	2	2	2	2	2	Low	2	Low	16%	Acceptable	Should be planned	Undertake detailed intrusive surveys of all existing services to ensure we do not accidentally interrupt the services during the construction process	Contractor	Throughout Construction	Project Closure	Construction Manager
20	Asbestos	Excessive Asbestos present in the existing building structure	Additional time to remove the Asbestos safely from the site. Delays to the construction programme	3	3	0	2	2	2	Low	3	Medium	24%	Acceptable	Should be planned	Early intrusive investigation. Utilise second stage for additional investigations as required	Contractor	Throughout Construction	Project Closure	Construction Manager
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Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation	Prioritisation
Significant	2	10%	08-10	Urgent	
Acceptable	11	55%	06-07	Should be planned	
Minor	7	35%	01-05	Ongoing	
Mitigated	0	0%	0	-	

Organizational Dependency																				
ID	Internal Risk		Impact								Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Date	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/ Product Quality	Score	Type	Score	Type								
1	Inadequate Project Staffing	Inadequate overall project team numbers Inadequately competent team members	Delays in project timelines Ineffective work execution Mishandling of information	3	2	3	0	2	2	Low	1	Very Low	8%	Minor	Ongoing	Stakeholders to mobilise teams as planned Constant monitoring of the teams by Owner and MM, and creating a backup plan for key resources	All Stakeholders	Project Progress Reviews	Project Closure	MM Project Manager
2	Internal Communication	Gaps in internal communication across project stakeholders, including Owner, MM, Contractors, Sub Contractors, and Sub Consultants	Delays and rework	2	2	0	0	2	2	Low	1	Very Low	8%	Minor	Ongoing	Adhere to agreed communication plan Monitor and update communication plan	All Stakeholders	Project Progress Reviews	Project Closure	MM Project Planner & Coordinator
3	Delay in Validation/Approval of Deliverables	Delay in comments/ approvals from Owner Delay in validation of documents submitted for finalization to Owner	Delay in finalisation of deliverables	4	2	0	0	2	2	Low	2	Low	16%	Acceptable	Should be planned	Document control and tracking mechanism implemented. Single set of consolidated comments to be provided for each document Comments to be received within decided number of days. Adherence to structured document control and monitoring mechanism	CCC	Project Progress Reviews	Project Closure	MM Project Manager

Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation Prioritisation
Significant	0	0%	08-10	Urgent
Acceptable	1	33%	06-07	Should be planned
Minor	2	67%	01-05	Ongoing
Mitigated	0	0%	0	

Procurement																				
ID	Internal Risk			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Date	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/ Product Quality	Score	Type	Score	Type								
1	Cladding procurement	Contractor require an advance order of the cladding	upfront costs, procurement of material prior to fire test result	4	4	0	0	4	4	High	4	High	64%	Significant	Urgent	CCC have confirmed that Contractor will not be procuring the cladding material until such a time as the fire testing has been confirmed	CCC	Procurement Monitor Review	Project Closure	MM Project Manager
2	Supply Chain procurement issues	Delay in completion of procurement process within planned timelines.	Delay in project timelines Improper selection of suppliers/ contractors/ vendors Change and claims due to inappropriate measures to control costs	4	4	0	0	2	4	High	4	High	64%	Significant	Urgent	MM have queried with Contractor the whether there are any delays in procuring any of the proposed materials	Contractor	Procurement Monitor Review	Project Closure	MM Project Manager
3	Incorrect or inadequate Specification	Narrow or vague definition of specification Definition of incorrect product or service Biased specification Inadequate specification or statement of work (for services) Change in project scope	Fewer alternatives Incorrect specifications leading to rework Time delay Increased cost Difficult during evaluation	3	2	0	0	2	2	Low	1	Very Low	8%	Minor	Ongoing	Designers to develop and provide robust requirements, functional or performance specifications, validated with the users Develop a control mechanism to review specification before release for tendering Signoff on Design drawing from key stake holders	Contractor	Procurement Monitor Review	Project Closure	MM Project Manager
4	Insufficient or incorrect Information to Contractors	In the event of passing of insufficient or incorrect information to vendors/ contractors	Rework Delay in Project timelines Modifications in project costs	2	2	0	0	2	2	Low	2	Low	16%	Acceptable	Should be planned	Proper information control on Contractor Communication Internal Design review as per QAP Communication Protocol to be periodically revised	Contractor	Procurement Monitor Review	Project Closure	MM Project Manager
5	Selecting inappropriate method for vendor selection	Failure to identify potential sources Selecting inappropriate method	Lack of offers from suitable service providers Time Delay Additional Cost	3	3	0	0	1	2	Low	1	Very Low	8%	Minor	Ongoing	Improve vendor selection method by customizing it to project and users expectations Develop effective tender management documentation	Contractor	Procurement Monitor Review	Project Closure	MM Project Manager
6	Inadequate information in Tender Document	Inadequate terms & conditions Providing inadequate information	Low response Rework Increase in cost Time delay	3	1	0	0	1	1	Very Low	1	Very Low	4%	Minor	Ongoing	Review of documents prior to issue for receipt of offers Develop appropriate tender release procedure	Contractor	Procurement Monitor Review	Project Closure	MM Project Manager
7	Failure to address Contractors queries appropriately	Failure to address vendor enquiries Breach of confidentiality Insufficient number of responses	Withdrawal of offers Mistrust by vendors Increased cost Time delay	3	3	0	0	0	2	Low	1	Very Low	8%	Minor	Ongoing	Implement standardised procedure to respond to enquiries Allow adequate time to respond to tenders Use proper tender advertising strategy to optimise competition Seek feedback from vendors on their non response	Contractor	Procurement Monitor Review	Project Closure	MM Procurement & Cost Manager
8	Inadequate Evaluation of Technical Offers	Failure to meet the need	Inconsistent evaluation Vendor complaints Claims of unfair or unethical practices Additional Cost Time delay	2	2	0	0	0	1	Very Low	2	Low	8%	Minor	Ongoing	Provide guidance to the procurement team with planned tender assessment and evaluation process Conduct audits at regular intervals Improve market knowledge Ensure tender documents are appropriate and measurable before tenders are floated	Contractor	Procurement Monitor Review	Project Closure	MM Procurement & Cost Manager
9	Selection of inappropriate contractor or product	Inadequate contractor selection methodology Selecting an Inappropriate contractor Selecting inappropriate product	Failure to fulfill the requirement Failure to meet clients need Time Delay Additional Cost Complaints	2	1	0	0	3	2	Low	1	Very Low	8%	Minor	Ongoing	Provide staff with appropriate tender evaluation, commercial and technical skills training Improve evaluation procedures Reject unacceptable offers Ensure users are involved in the selection procedure	Contractor	Procurement Monitor Review	Project Closure	MM Project Manager
10	Inadequacy in clarifying and Closing Commercial offers	Gap between expectation of buyer and vendor Failure to secure mandatory conditions Unfair or impractical requirement on the vendor in contract conditions Failure to reflect the terms offered and agreed in the contract Signing the contract without prior approval	Contract disputes Delivery delays Cost variations Purchase of less suitable product Legal action Poor vendor relationship	3	4	0	0	3	2	Low	4	High	32%	Acceptable	Should be planned	Maintain communication channel amongst prospective vendors Define terms clearly Record each parties obligations Consider variations in contracts and get appropriate approval prior to finalization Provide negotiators adequate training Negotiate commercial terms Check final draft of contract with vendors Keep records of all negotiations and agreements as per defined documentation procedures	Contractor	Procurement Monitor Review	Project Closure	MM Procurement & Cost Manager
11																				

Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation Prioritization
Significant	2	20%	08-10	Urgent
Acceptable	2	20%	06-07	Should be planned
Minor	6	60%	01-05	Ongoing
Mitigated	0	0%	0	

Contract Management

ID	Internal Risk			Impact							Likelihood		Risk Score	Risk Impact	Mitigation Priority	Counter Measure	Risk Owner	Review Point/ Milestone	Expected Closure Date	Risk Coordinator
	Risk Title	Description/ Event	Impact	Time	Cost	People	Environment	Work/Product Quality	Score	Type	Score	Type								
1	Inadequate Contract Agreement	Unwillingness of the vendor to accept the contract Failure of either party to fulfil the contract conditions Inadequate handling of contract Commencement of work by vendor before exchange of contract document	Time Delay Rework Contract disputes & Legal proceedings Escalation in project cost	2	4	0	0	1	2	Low	1	Very Low	8%	Minor	Ongoing	Negotiate but retain the integrity of contract Ensure good contract management through appropriate performance management and documentation Maintain and timely update procedures and practices prescribed in contract documentation Accept contract agreements post legal scrutiny for conforming to required expectations Ensure contract agreements are finalised, prior to initiation of work Force majeure clause to be clearly defined in the contract	Contractor/MM	Final Signing of all contract agreements for all respective packages Review of instances of non compliance of agreements	Project Closure	MM Project Manager & Cost Manager
2	Inadequate Change and Claim management	Inadequate Change and claim management in the project management setup Insufficient control measures to monitor changes and claims	Increase in contractual conflicts, Delay in the Project completion, Increase in Project cost	5	5	1	0	0	3	Medium	2	Low	24%	Acceptable	Should be planned	Follow the established Change and Claim control system, monitor and record every change and claim and update on a periodic basis. Seek approval from respective stake holder prior to implementation. Owner to minimize changes in Project Concepts user requests Change to documented and agree on the formula for calculating impact and variations	Contractor/MM	Monthly Review of Change Register	Project Closure	MM Project Manager & Cost Manager
3	Delay in Invoice Clearance	Delay in payment processing to contractors	Delay in project timelines, if work is halted by non delivery by vendors/ contractors	3	3	0	0	0	3	Medium	2	Low	24%	Acceptable	Should be planned	Cost Tracker to be updated Owner to make payments as per agreed terms and conditions	CCC	Project Package Review for Actual Costs at various stages of execution	Project Closure	MM Project Manager & Cost Manager
4	Lack of Performance	Lack of performance of the nominated contractor / main contractor/ sub contractor Absence or non compliance of HSSE policy Lack of quality performance	Delay in project timelines Loss in quality of the project Increase in project costs	4	2	3	1	4	3	Medium	3	Medium	36%	Acceptable	Should be planned	Transfer the risk to the contractor/ sub contractor Penalty/ Bonus Clause to be incorporated in the contract document Third party inspection of quality of materials Adherence to QMP and Safety Management Plan agreed with contractors Evoke performance bank guarantee	Contractor/MM	Project Progress Reports - Monthly	Project Closure	MM Project Manager & Cost Manager
5	Cost control	sufficient cost monitoring		3	3	0	0	0	2	Low	1	Very Low	8%	Minor	Ongoing	Ensure all the clauses are included in the Contract document Include all the conditions such as packaging instructions, insurance cover, liability clauses, inspection & review milestones in contract document All clearances and regulatory information that contractor needs, to be provided Maintain records and proper documentation	Contractor/MM	Project Progress Reports - Monthly	Project Closure	MM Project Manager & Cost Manager
6	NEC contract agreement	Contractors have suggested amendments to the call off contract	require further input from the PM and legal advisors	3	3	0	0	0	2	Low	2	Low	16%	Acceptable	Should be planned	Ensure all the clauses are included in the Contract document Include all the conditions such as packaging instructions, insurance cover, liability clauses, inspection & review milestones in contract document All clearances and regulatory information that contractor needs, to be provided Maintain records and proper documentation	CCC	Project Progress Reports - Monthly	Project Closure	MM Project Manager & Cost Manager
7	Level of insurances required by Contractor	Contractors are unable to obtain required insurances due to changes in legislation	Project at risk due to no insurances	4	2	4	4	4	4	High	3		48%	Significant	Urgent	Discussions with Framework contractors ongoing over T&C / Insurance requirements.	CCC	Weekly	Appointment of D&B Contractor	MM Project Manager & Cost Manager

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Risk Impact	No. of Events	% Occurrence	Risk Score	Mitigation Prioritization
Significant	1	14%	08-10	Urgent
Acceptable	4	57%	06-07	Should be planned
Minor	2	29%	01-05	Ongoing
Mitigated	0	0%	0	

Revision: Issue date: 24/01/2024 Base date: 4Q 2023 Project No. 100110298

1 Executive Summary

Project description

This RIBA Stage Zero - 1 Order of Cost Estimate has been prepared for Cardiff City Council to assess the cost of refurbishing Nelson and Loudon Flats in Butetown Cardiff, with the works including stripping and replacing the cladding, windows and internal refurbishments including M&E and boiler replacements.

Statement of cost

Total GIA (m²): 16,425

			£/m2	%
The estimated COST LIMIT (Total Project Cost) is:	£24,972,000	<i>This represents a cost per m2 of GIFA of:</i>	£1,520	100.0
The COST LIMIT includes the following costs;				
The estimated WORKS COST ESTIMATE is:	£18,959,000	<i>This represents a cost per m2 of GIFA of:</i>	£1,154	75.9
Including; Main Contractors Preliminaries of :	£1,428,000	<i>This represents a cost per m2 of GIFA of:</i>	£87	5.7
Main Contractors Overheads & Profit of :	£901,702	<i>This represents a cost per m2 of GIFA of:</i>	£55	3.6
The estimated Project Fees & Other Development costs of:	£1,620,888	<i>This represents a cost per m2 of GIFA of:</i>	£99	6.5
The estimated Risk Allowance total of:	£2,058,000	<i>This represents a cost per m2 of GIFA of:</i>	£125	8.2
The estimated Inflation Allowance total of:	£2,333,814	<i>This represents a cost per m2 of GIFA of:</i>	£142	9.3
The estimated VAT at 20% of the COST LIMIT is:	£4,994,400	£29,967,000	<i>The estimated Total Project Cost including VAT</i>	

Additional Comments

Land value has been excluded from the above figures.

VAT has been included in this Cost Estimate. It is recommended that specialist advice is sought on VAT matters to ensure that the correct rates are applied to the various aspects of the project.

This Order of Cost Estimate has been prepared based on the information available - see section 4 for detail on the Basis of Estimate and Assumptions & Exclusions

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