



Housing Revenue Account (HRA) Business Plan 2019-2020

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Business Plan
2019-20



Gweithio dros Gaerdydd, gweithio gyda'n gilydd
Working for Cardiff, working together



What's it all about?

- Requirement to present HRA Business Plan to Welsh Government annually.
- Must be “acceptable” in order to be eligible for the Major Repairs Allowance (MRA) grant, (currently £9.5m).
- Sets out Cardiff's purpose & vision as a social landlord including its objectives and standards for the service.
- Puts Cardiff's housing accounts into a more business like basis – including a 30 year financial model.
- Communicates Cardiff's plans to its tenants, members, the Welsh Government, other key stakeholders, partners and the wider community.



Continuing to deliver on key objectives

- Improving existing council housing and neighbourhoods.
- Investing in new build council housing.
- Improving housing service, (e.g. services for vulnerable tenants / Hubs).



Improving existing council housing & neighbourhoods

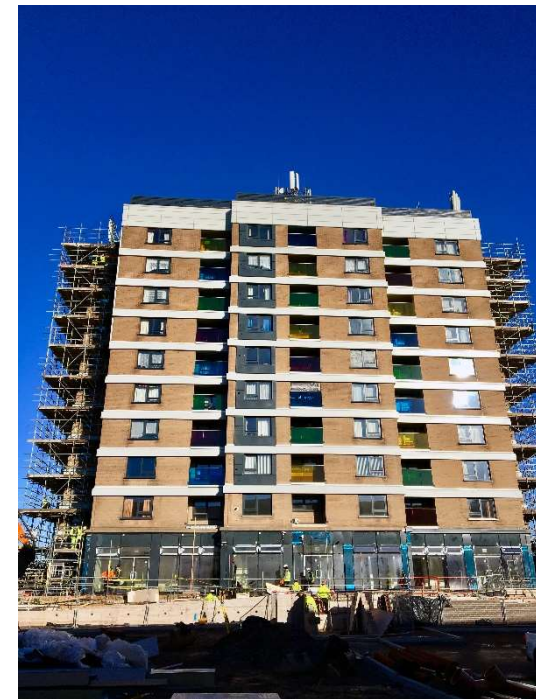
- Neighbourhood Regeneration.
- Courtyards, Garages & Gullies.
- Remodelling.
- Energy Efficiency.
- Upgrading fire doors.
- High-rise upgrades – including fire safety.
- Roofing schemes.
- Other schemes, e.g. painting and windows.



Neighbourhood Regeneration

A major external refurbishment scheme at Maelfa House Llanederyn to enhance the quality of the high rise stock and compliment other public realm works to the surrounding area is about to complete.

- Similar works are now being developed to tackle our de-clad high rise at Lydstep flats and Nelson House.
- Other proposed schemes to create a better and safer place to live are planned for 2019-2020 and include Roundwood in Llanedeyrn and Bronte Crescent/Arnold Avenue in Llanrumney.
- One off improvements to address specific environmental issues are also undertaken in response to requests from residents and councillors.



Courtyard, Garages and Gullies

- Scheme to improve access, safety and usage.



Remodelling projects

- The refurbishment, remodelling and rebranding of accommodation that is no longer fit for purpose.
- Following on from the successful, 'Community Living' project in Sandown Court similar works are now underway in:
 - Brentwood Court.
 - Clos y Nant.
 - Nelson House.



Energy efficiency schemes

- Our properties recently achieved an average energy efficiency rating value of 71, the Welsh Government guidelines require a minimum of 65.
- Proactively targeting energy inefficient properties.(98% of properties have 'A' rated boiler.)
- Loft insulation top up and cavity wall insulation is also being rolled out on stock throughout the city.

Energy Performance Certificate

6, Alice Street, CARDIFF, CF10 5LB

Dwelling type: Ground-floor flat Reference number: 8561-7220-6850-3233-3992
 Date of assessment: 17 January 2019 Type of assessment: RUCSAP existing dwelling
 Date of certificate: 18 January 2019 Total floor area: 43 m²

Use this document to:

- Compare an assumed rating of expenditure to see which is more likely to be more energy efficient.
- Find out how you can save energy and money by making improvement measures.

Estimated energy costs of dwelling for 3 years:	
Estimated energy costs	£ 1,208
Over 3 years you could save	£ 195

Estimated energy costs of this home			
	Current costs	Potential costs	Potential future savings
Lighting	£ 201 over 3 years	£ 192 over 3 years	You could save £ 185 over 3 years
Heating	£ 762 over 3 years	£ 193 over 3 years	
Hot Water	£ 245 over 3 years	£ 243 over 3 years	
Total	£ 1,208	£ 628	

These figures show how much the average household would spend in this property for heating, lighting and hot water and is not based on energy used by individual households. This includes energy used for running appliances, like TVs, computers and cookers, and electricity generated by microgeneration.

Energy Efficiency Rating

Current	Potential
71	76

The graph shows the current energy efficiency of your home. The graph also shows the effect of installing the recommended measures on energy efficiency. The average energy efficiency rating for a dwelling in England and Wales is a rating of 69. The EPC rating shown here is based on standard assumptions to calculate energy use and will not reflect the energy efficiency of individual dwellings.

Recommended measures	Indicative cost	Typical savings over 3 years
Loft insulation (solid floor)	£4,000 - £5,000	£ 102
Cavity wall insulation (all brick walls)	£200	£ 23

For more information on recommended measures, visit our website www.gov.uk/energy-guidance or call 0800 123 1234 (line open 7 days a week) to make your home warmer and cheaper to run.



Fire doors

- Contract to complete fire safety door upgrade should be complete within the year.



High rise upgrades – including fire safety works

- Compartmentation works.
- Zero tolerance policy for items in communal areas.
- Regular training drills held with South Wales Fire & Rescue Service.
- Installation of sprinkler systems.







Major planned works

- All property key components have a notional lifespan.
- Our stock condition database ensures we have programmed key component replacements when they are due over the next 30 years and that there is an associated budget provision.
- Key components include but are not limited to :
 - Roofing.
 - Electrical wiring.
 - Kitchens & bathrooms.
 - Boilers.
 - Doors and windows.
 - Lifts.



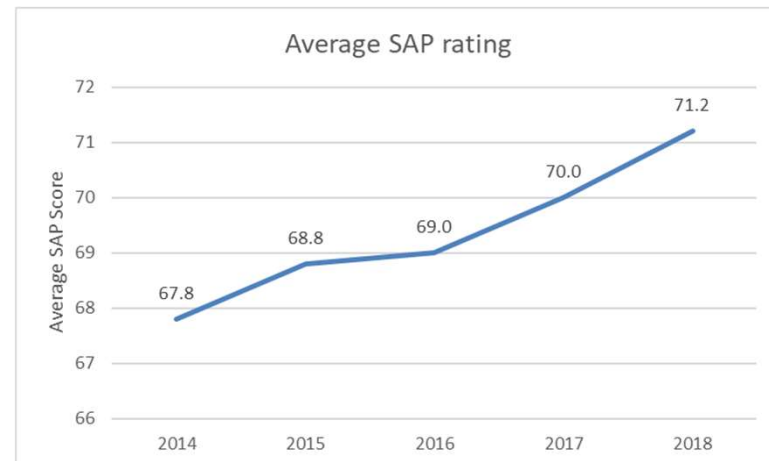
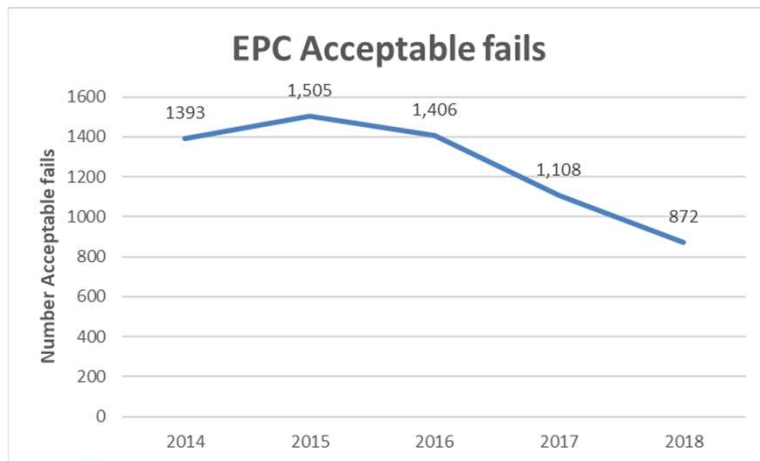
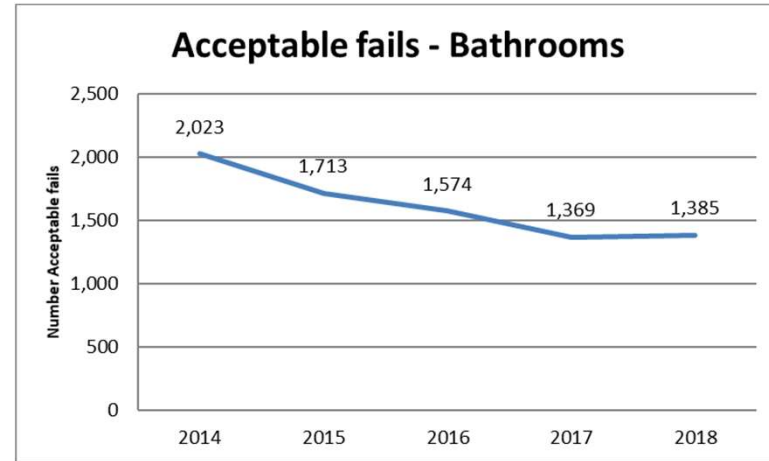
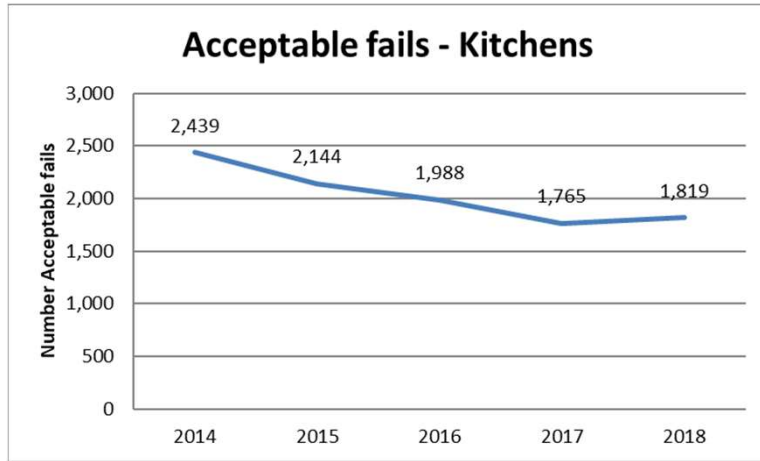
Acceptable fails

- The Welsh Government recognised that the Welsh Housing Quality Standard cannot always be reached because of issues outside the Council's control.
- There are 4 elements:

Cost of remedy 	Resident's choice 
Timing of remedy 	Physical constraint 



Acceptable fail progress

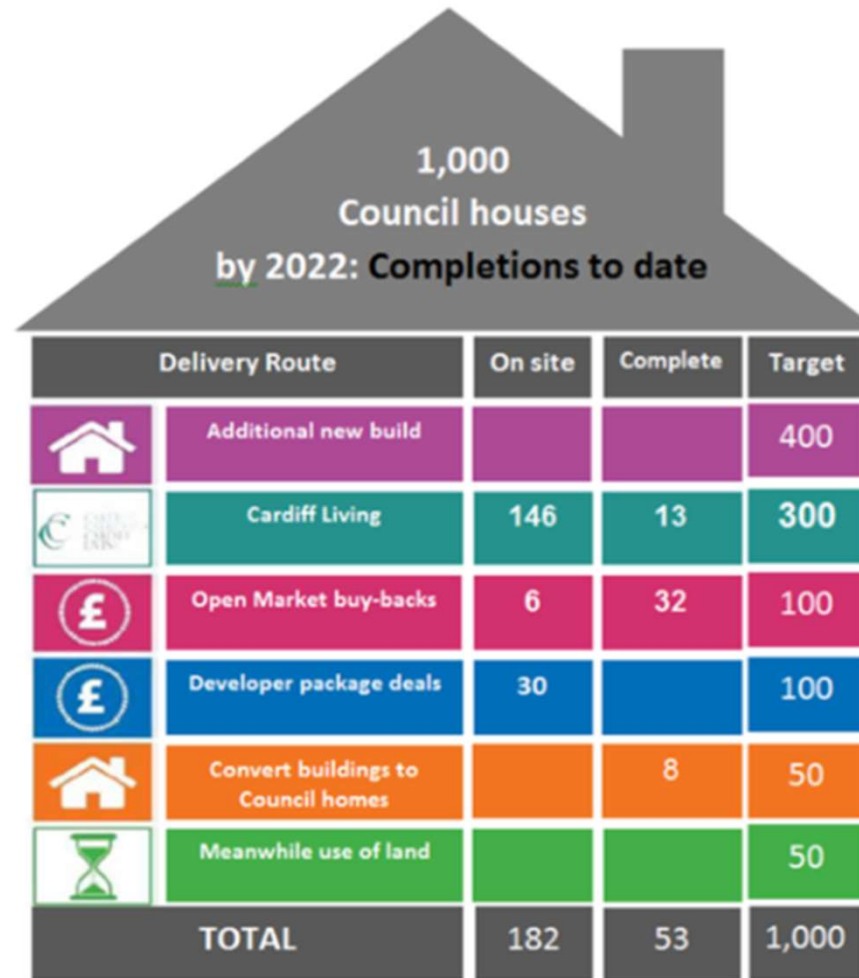


Housing Development – Investing in new council housing

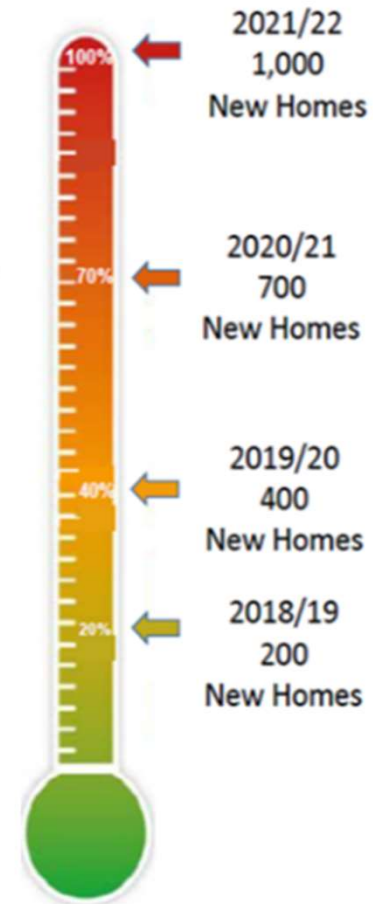
- Capital Ambition has set ambitious targets for building new Council homes.
- At least 1,000 new homes will be delivered by May 2022 with at least 2,000 new council homes in the longer term to meet the increasing demand for good quality, energy efficient and affordable social housing.



1,000 by May 2022



January 2019



Cardiff Living – Delivering new council homes



- Approximately 1,500 homes across 40 sites.
- 40%, (at least 600) will be council homes.
- 3 phases of development.
- Work has started on the first 6 sites.
 - Willowbrook West in St Mellons.
 - Braunton Crescent in Llanrumney.
 - Mount Pleasant Lane Llanrumney.
 - Walker House in Llanishen.
 - Snowdon Road in Ely.
 - Ty Newydd in Caerau.



CARDIFF LIVING - Phase 1 Sites



Total					
Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed house	66				
2 bed bungalow	2				
3 bed house	21				
4 bed house	0				
1 bed flat	63				
2 bed flat	43				
	195	291	486	40.12%	

3. Bistrade, Gabalfa

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	9	30	39	23%	
3 bed	-	-	-		
4 bed	-	-	-		
1 bed flat	6	-	6		
2 bed flat	3	-	3		

4. Highfields, Heath

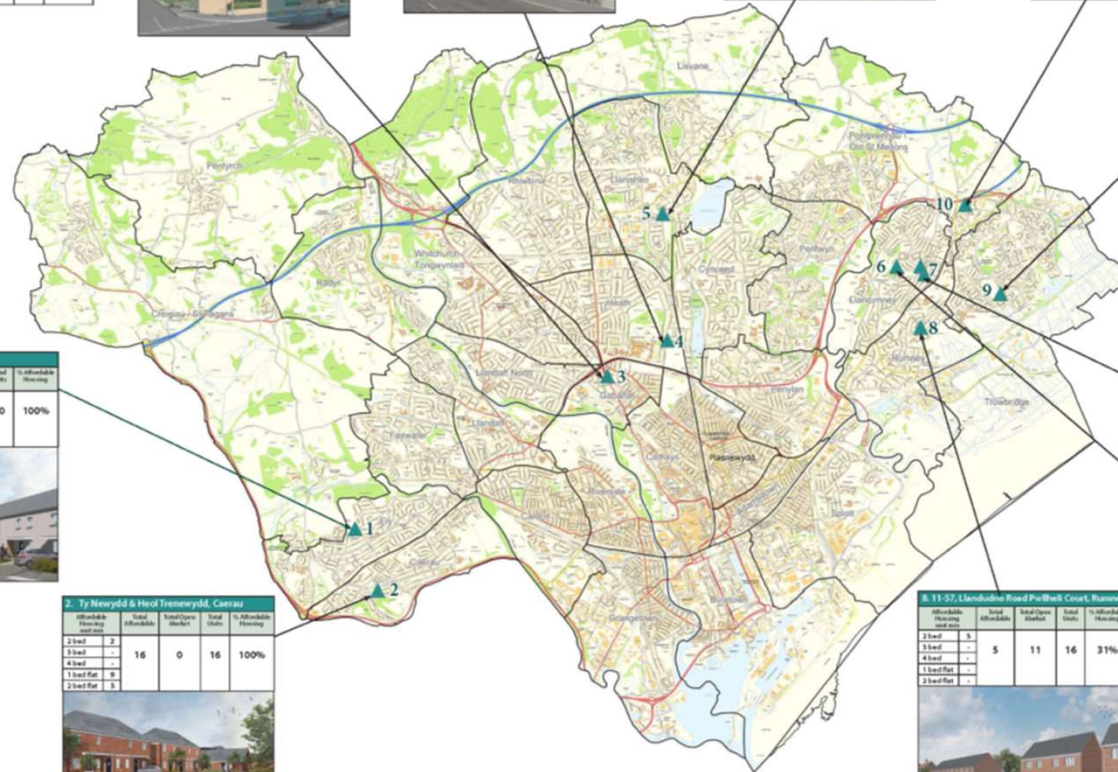
Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	10	32	42	24%	
3 bed	-	-	-		
4 bed	-	-	-		
1 bed flat	3	-	3		
2 bed flat	3	-	3		

5. Walker House, Llanishan

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	4	12	16	25%	
3 bed	2	-	2		
4 bed	-	-	-		
1 bed flat	-	-	-		
2 bed flat	-	-	-		

10. 11-22 Ty To Maen, Old St. Mellons

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	2	6	8	25%	
3 bed	2	-	2		
4 bed	-	-	-		
1 bed flat	-	-	-		
2 bed flat	-	-	-		



1. Snowden and Wilson Road, Ty

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	20	0	20	100%	
3 bed	2	-	2		
4 bed	-	-	-		
1 bed flat	12	-	12		
2 bed flat	-	-	-		

2. Ty Newydd & Heol Trenewydd, Caerdydd

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	16	0	16	100%	
3 bed	-	-	-		
4 bed	-	-	-		
1 bed flat	9	-	9		
2 bed flat	5	-	5		

9. Willowbrook West, St Mellons

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	58	134	192	30%	
3 bed	14	-	14		
4 bed	-	-	-		
1 bed flat	18	-	18		
2 bed flat	15	-	15		

7. Llanrumney Depot, Mount Pleasant Lane

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	31	0	31	100%	
3 bed	-	-	-		
4 bed	-	-	-		
1 bed flat	4	-	4		
2 bed flat	6	-	6		

6. Brunel Crescent and Cleveland Road, Llanrumney

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	40	66	106	38%	
3 bed	14	-	14		
4 bed	6	-	6		
1 bed flat	9	-	9		
2 bed flat	9	-	9		

8. 11-22, Llandubia Road Penrhyn Court, Rannoch

Affordable Housing Unit mix	Total Affordable	Total Open Market	Total Units	% Affordable Housing	
2 bed	5	11	16	31%	
3 bed	-	-	-		
4 bed	-	-	-		
1 bed flat	-	-	-		
2 bed flat	-	-	-		

Date: February 2019

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Delivery of New Homes to Date

13 new council homes have been completed through the Cardiff Living Programme with around 60 new homes earmarked for hand over by 31st March 2019.



Additional new build delivery routes

- A developer “package deal” with Cadwyn Housing Association for the delivery of 30 flats at Courtney Road is anticipated to deliver by January 2020.
- Buying homes from the market – targeting 20 buy-backs each year until 2022.
- 2 innovative housing schemes using shipping containers to provide temporary accommodation for homeless families have achieved planning consent and Welsh Government IHP funding.



Managing Our Homes

- ASB – taking part in “Review Together” a new victim centred approach
- New Tenancy Sustainment Team – helping our more vulnerable tenants and preventing evictions
- Continue to build on our in house repairs service and develop our workforce
- Develop Damp and Condensation strategy



Tenant participation & consultation

- Working with tenants to improve communication across Cardiff.
- Focus on reaching a wider group of tenants – including younger tenants and those from BME background



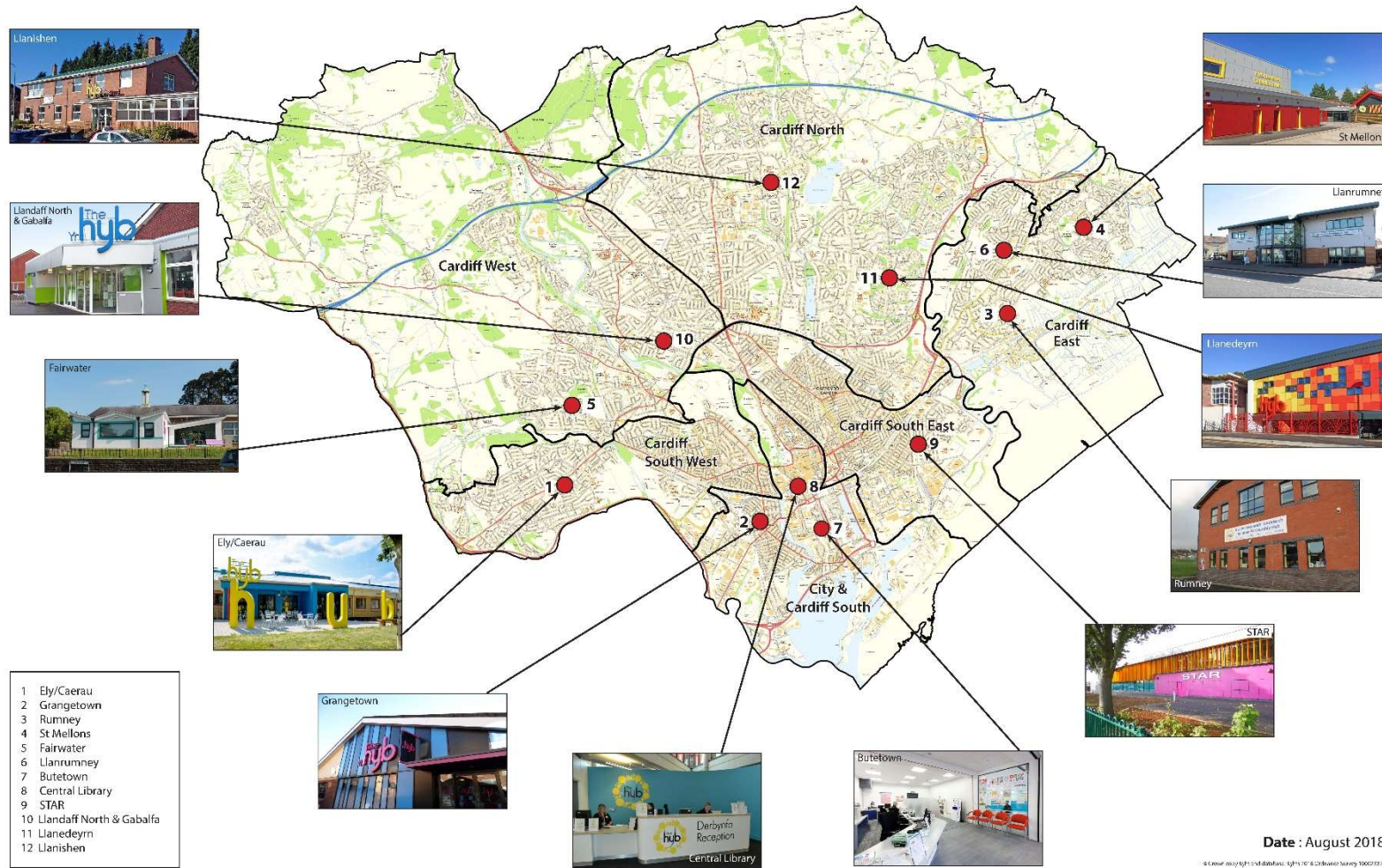
Advice Hubs

Expansion of the Community Hubs has continued to make housing, and benefit advice, into work assistance and money advice more accessible.

St Mellons Hub refurbishment



Community Hub Development Programme



- 1 Ely/Caerau
- 2 Grangetown
- 3 Rumney
- 4 St Mellons
- 5 Fairwater
- 6 Llanrumney
- 7 Butetown
- 8 Central Library
- 9 STAR
- 10 Llandaff North & Gabalfa
- 11 Llanedeyrn
- 12 Llanishen



Date : August 2018

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Business Plan and Financials

- Business plan developed based on WG criteria.
- In line with best practice and its annual review also supports:
 - Demonstration and monitoring of financial viability.
 - Risk management.
 - Principles of good asset management.
- Assumptions made are subject to sensitivity analysis.
- Capital programme includes projects identified in this plan and approved as part of Council budget.



Universal Credit

- Universal Credit is having a considerable impact on rent arrears.
- 82% of tenants on UC are in arrears compared to 22% of tenants on HB.
- £988k in arrears is due to Universal Credit.
- Increased provision for bad debt has been included in the plan.
- Welfare Liaison Team increased in size.
- New rent arrears procedure based on early intervention and more person centred approach.



Rent Policy

- WG Rent policy ceases March 2019 – previously allowed above inflation increases (CPI + 1.5% + £2).
- 2019/20 Transition year – rent increase restricted to CPI.
- CPI + 1% had been assumed in the previous Business plan – so reduction to CPI only results in shortfall of £726k for 2019/20.
- Shortfall met by reduction in management / maintenance predicted spend.



Rent Policy

- CPI + 0.5% has been assumed for 2020 onwards - some spend on regeneration and garage improvements removed and there will be a reduction in direct capital financing in future years.
- Full impact would depend on cost increases – construction inflation can be well above CPI.
- Uncertainty over rent policy going forward - CPI only increases would put the HRA in significant deficit from 2021/22 and a full review of building and other plans would be needed.



Prudential Borrowing

- HRA complies with proper accounting practices and a Treasury Management code developed by CIPFA.
- Treasury Management / Borrowing activity and risk is managed as part of Council as a whole – Borrowing strategy approved by Council February 2018.
- The UK's Treasury borrowing cap for all local authorities is being lifted and these authorities have no limit on borrowing but must be affordable.



Tenants Survey

The October Annual Tenants Satisfaction Survey 2018 was issued to all tenants & leaseholders in Cardiff with the autumn edition of Tenant's Times.

The principle aims of the survey are to:

- Find out whether tenants were satisfied with the housing services.
 - Monitor the City of Cardiff Council's performance as a landlord, and
 - Find out what improvements tenants would like to be made.
-
- ✓ 86% of tenants were happy with the way we responded to repairs and maintenance.
 - ✓ After contacting us over 77% of tenants were happy with the final outcome.
 - ✓ 71% are happy with their local neighbourhood as a place to live.
 - ✓ 86% of tenants were happy with the way in which they were kept informed.



Any Questions?

