

CABINET MEETING: 23 MARCH 2023

**DELIVERING THE HOUSING REVENUE ACCOUNT (HRA)
BUSINESS PLAN 2023-24 AND LONGER-TERM HOUSING
DEVELOPMENT AND NEIGHBOURHOOD REGENERATION**

HOUSING & COMMUNITIES (COUNCILLOR LYNDA THORNE)

AGENDA ITEM: 9

Appendix 3 to this report is exempt from publication because it contains information of the kind described in paragraphs 14 (information relating to the financial or business affairs of any particular person) and 21 (public interest test) of parts 4 and 5 of Schedule 12A to the Local Government Act 1972 and in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

Reason for this Report

1. To seek Cabinet approval for the Housing Revenue Account (HRA) Business Plan 2023-2024.
2. To note the scale and complexity of the longer term housing development and regeneration programmes identified in the 30 year HRA business plan and to seek approval for the creation of an Assistant Director post to lead the Housing Development and Neighbourhood Renewal Service in order to build capacity in the area in view of the Council's expanding agenda in this area.

Background

3. 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.
4. 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 Grant which is currently £9.568m. The HRA Business Plan must conform with the requirements set out by the Welsh Government.

5. 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
6. 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.
7. In September 2022 CPI was 10.1%, 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 6.5% in line with this policy. In December 2022, following consideration of the affordability and value for money of council rents, Cabinet decided to increase rents by the full amount allowed of 6.5% for 2023/4. This results in an average weekly rent of £118.38 for standard housing stock.

Issues

8. 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.

Key Priorities

- Building new council homes
- Delivering the Welsh Housing Quality Standard
- 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 our services and Listening to our tenants.
- Effective Financial Planning and Assurance

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

Building new council homes

9. 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 £800 million invested into delivering affordable homes at scale and pace.

10. As at January 2023, the new build programme has delivered 1,077 homes of all tenures of which 822 are council homes and 255 homes for sale. A further 540 homes are currently being built on site, and there are 2 projects with contractors appointed due to start on site in 2023 delivering a further 86 homes. Another 5 projects are due to commence on site within 2023 that will deliver a further 153 new homes.
11. The overall development programme currently includes 60 sites which have the capacity to deliver at least 3,500 new homes in total. The service is working to increase the number of sites we have, to ensure we can deliver at least 4,000 new homes of which 2,800 will be council homes and 1,200 homes for sale.
12. The Council's Housing Development and Neighbourhood Regeneration Service leads on the new build development programme, proposals for the strengthening the management of this service in the light of the significant increase in ambition in this area are set out at paragraphs 42 to 52 below.

Funding the new build programme

13. New homes will deliver an income from future rents, also the programme is now supported by Welsh Government Social Housing Grant and other grant programmes. Other sources of income include planning gain and income from market sales.
14. 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 37 and 38 below for further information).

Delivering the Welsh Housing Quality Standard

15. Cardiff Council was the first authority in Wales to declare achievement of the Welsh Housing Quality Standard (WHQS), almost two months ahead of the Welsh Government deadline date of December 2012, and the commitment to retain these high standards remains, supported by a comprehensive ongoing programme of replacement and improvement.
16. The Welsh Housing Quality Standard is currently being reviewed by Welsh Government and a new standard is due to be introduced in 2023 following a lengthy consultation period. While not yet finalised, it is anticipated that

the updated WHQS 2023 will contain all the requirements of the original standard with additional emphasis on decarbonisation and safety within homes. Funding for the new standard has not been confirmed and this remains a key risk, as set out in the Risk Matrix at Appendix C to the Plan. Officers will continue to work with the Welsh Government to ensure that the implications of any commitments are fully understood and that all available external funding opportunities are maximised.

Maintaining and Improving Our Homes

17. The Plan includes £15.85m of spend in 2023/4 to improve existing council homes, this includes £3.1m on energy efficiency schemes for low rise blocks and £2.5m on replacement kitchens and bathrooms. The work planned includes the continuation of fire safety works, including the installation of sprinkler systems and the replacement of cladding on council high rise blocks. Much of this expenditure is offset by the Major Repairs Allowance and other grant funding.
18. Our Responsive Repairs Unit carry out repairs to council homes. The pandemic placed severe pressure on the service, when operatives could not gain access to properties, creating a backlog of over 5,000 jobs. This backlog has now been cleared, and outstanding works are now at the same level as prior to the pandemic. The service is currently undergoing transformational changes to improve the experience for tenants. Maintenance Persons now complete minor jobs, allowing skilled tradespeople more time to carry out the more complex work and ensure a more rapid response to tenants. Our new Repairs Academy is helping to strengthen the workforce while providing training opportunities for our communities.
19. The Housing Service has always had a strong focus on addressing damp and mould issues in housing stock, with regular monitoring in place. However, following a review, areas for improvement have been identified. A range of initiatives have already been put in place and future plans include a dedicated team to tackle damp and mould, responding more quickly and in a more co-ordinated manner when issues are reported.

Moving towards zero carbon homes

20. 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, including the use of electric vehicles.
21. 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 stimulates new areas for upskilling the workforce, while the aesthetic improvement of the properties also contributes to the regeneration of local areas.
22. 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 reduce heating and power bills for tenants. A number of Cardiff's projects are leading the way in low-carbon building and creating sustainable communities.

23. While good progress is being made, achieving the goal of decarbonisation remains a challenge, both financially and in terms of the technology currently available and this is set out in our Risk Matrix at Appendix C to the Plan.

Improving our neighbourhoods

24. A rolling programme of regeneration activity delivers around two 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. The Local Action team works with tenants and residents to improve neighbourhoods and encourage people to take pride in where they live.
25. Recladding of the 3 high-rise blocks at Lydstep flats in Llandaff North will be completed in 2023. The proposed second phase of this programme includes replacement of cladding at Nelson House and Loudoun House in Butetown. These schemes will not only improve the quality and fire safety of the buildings themselves but their improved appearance will enhance the wider neighbourhoods.
26. The transformational **Channel View regeneration project** achieved planning consent in December 2021 and work has begun on the first phase of this £85 million regeneration project. The scheme will deliver around 350 sustainable, low carbon homes for the local community and well as investing significantly in the local area and the Marl Park.

Providing safe and inclusive communities

27. The housing Anti-Social Behaviour (ASB) Team works hard to eradicate anti-social behaviour within council tenancies, ensuring that our communities are as safe as possible, with the wellbeing of our residents always in mind. Not only does our ASB team provide support to victims, but they also work with perpetrators to help them change their behaviour.
28. The Community Hubs continue to expand their services. Within the hubs, tenants and residents can access council services, financial advice, homelessness advice and support with employment. The Hubs have a focus on wellbeing offering a range of activity and events for all ages. Continuing the existing focus on supporting older people to remain active and connected to their communities, our new Hubs for All project will launch in 2023, ensuring people with care needs and their carers can access sessions at a local hub. Our Community Living Schemes have also started a pilot to welcome the wider community of older tenants to events and activities in the schemes, to help prevent social isolation.
29. In partnership with the Cardiff and Vale University Health Board, the Council's Powerhouse Hub in Llanedeyrn has been extended to become

the first Wellbeing Hub in the city. The new Hub which opened in October 2022 enhances the existing advice and support services already provided by integrating a range of specialised health clinics providing a 'one stop approach' to the health and wellbeing of our citizens. Plans are underway for a further Wellbeing Hub development at the Ely Caerau Hub site.

Supporting tenants through the cost-of-living crisis

30. Supporting tenants with the cost-of-living crisis is a key priority for the coming year. 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 teamwork from hubs, hospitals, sheltered housing as well as attending council tenants' homes, helping to identify any issues at an early stage. The Welfare Liaison Team link with a range of council services to access a wide range of help and support for tenants, including the range of financial support available. The Hubs are providing Warm and Welcome Spaces to help tenants and residents through the winter.
31. The Into Work Advice service support tenants by providing free employment and digital support 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 & addressing homelessness

32. The Councils Housing Service contributes fully to the aim of preventing and alleviating homelessness. A supportive approach to rent arrears is taken with a focus on preventing eviction, while the dedicated Tenant Sustainment Team support our most vulnerable tenants to help them stay in their homes, addressing issues such as hoarding. To help address the growing issue of homelessness an increase in the supply of temporary and supported accommodation is planned and 2023 will see the delivery of the next phase of the Gasworks site, providing an additional 154 units to address homelessness.
33. Lack of affordable housing remains a significant issue in the city despite ambitious new build schemes. Making best use of our existing stock will be a priority for the coming year with additional support for those who wish to exchange properties or downsize and innovative solutions for overcrowded households such as modular extensions.

Modernising our services and listening to our tenants

34. The service is committed to increasing the number of housing services available via digital platforms. Live Web Chat is in the early stages of development to improve customer service and work has commenced to introduce Repairs Online. This will be the latest of a suite of housing online modules. It is acknowledged that digital services will not suit all tenants and so the service remains committed to providing face to face services through our community hubs and by telephone and also to visit tenants in their own homes as needed.

35. The Tenant Participation team make sure that the voices of tenants and leaseholders are heard in decision-making processes. The Tenant Participation team is currently undergoing a transformational review which will see more tenant led representation from a variety of groups within the community and greater use of social media and other routes to gathering tenants' views.
36. A tenant's survey was conducted during 2022/23 and 1,113 surveys were completed. Section 9 of the Business Plan sets out the key findings from the survey and how tenants views are informing the plans for the future.

Effective Financial Planning and Assurance

37. 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 capital investment, 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.
38. 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, 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.
39. 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.
40. Further detail regarding the planned HRA Capital Programme for the next 5 years is set out at Appendix 3 to this report.
41. 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.

Review of the Housing Development and Regeneration Service

42. In 2019 a new integrated Housing Development and Neighbourhood Regeneration (HD&R) service was created. The new service has ensured that there is a focus on the effective design and delivery of development and regeneration projects across the city integrating housing, hubs, health, community buildings and supported accommodation.
43. A wide range of council and partner services work collaboratively with the teams in HD&R to plan and implement accommodation options, service and community infrastructure projects and specialist facilities that enable effective integrated service provision.
44. The range and scale of the Capital programmes managed by the service has expanded significantly since the team was established.

i) Housing Development

45. The Housing development programme has extended from the original 27 sites included in our Cardiff Living Partnership, to a multi-faceted programme including separately tendered major regeneration schemes (such as Channel View), package deal purchases and most recently the inception of a second partnering scheme approved by Cabinet in December 2022.
46. The increase in the scale and scope of the programme will mean that the number of new homes delivered will increase from the original target of 1,500 homes to over 4,000 by 2035 with 60 sites included across all delivery strands.
47. In financial terms the multi-award-winning programme represents investment of circa £1 billion and is the largest council led development in Wales by a considerable margin. The programme is delivering low-carbon housing, utilising modern methods of construction and enabling local employment and a wide range of additional social value for local communities. Supported housing, independent living schemes, community facilities, health services, improved environments and better connectivity are being achieved across the programme along with the key delivery of general needs homes for rent and for affordable home ownership.
48. Examples of the schemes currently being delivered include:
 - Michaelston College site which will deliver a retirement and wellbeing village with 140 independent living homes 150 homes for sale including 81 family properties, a community hub, medical centre and pharmacy, respite provision for children with disabilities, a supported housing scheme for Adults with Learning disabilities and a wide range of ancillary provision such as allotments, community gardens and a new public plaza.

- Channel View redevelopment project will see over £100 million invested into the redevelopment of the Channel view estate which includes the demolition in phases of the existing properties and over 260 new low-carbon homes built in their place for the existing community. A new community living block with café and flexible community spaces and potentially new footbridge connection between the Marl and Hamadryad Park.
- Rumney High School site (Aspen View) part of the Cardiff Living Programme which is delivering 214 new carbon-zero ready homes including 64 council homes and 150 homes for sale. The scheme includes 44 community living apartments and communal facilities for older people in Addison House and is market leading and award winning in its approach to building low-carbon homes at scale.
- Leckwith Road & Bute Street community living projects, investing around £28 million across two projects delivering 105 accessible and adaptable older person flats and community facilities to promote and enable independent living and help tackle social isolation.
- Gasworks meanwhile use – through Cardiff Living with longer term housing to be delivered through Cardiff Partnering 2. The rapid installation of 160 modular homes to help alleviate current urgent housing pressures.

Additional funding for housing development

49. To ensure our development activity remains financially viable each scheme undergoes a robust assessment with both internal and external assurance. A key determinant of future delivery at this ambitious scale and pace is success in achieving appropriate grant funding. The programme is addressing and delivering against a number of key Welsh Government objectives and the team have been successful in this financial year in securing:
- Over £4.5 million in Social Housing Grant
 - £16.5 million in Welsh Government TACP funding for the meanwhile use project at the Gasworks
 - £6.8 million in HCF funding

ii) Neighbourhood Regeneration

50. The regeneration service has increased its functions significantly since 2019 with work being undertaken across the Council on strategic projects and for wider teams including Children's Services, Adult's Services and the delivery of integrated schemes with Cardiff and the Vale UHB. In addition the team have recently taken on the responsibility for the strategic capital planning and delivery activity for the Cardiff and Vale Regional Partnership Board.

Additional Funding for Regeneration Activity

51. Funding of over £350k per annum has been secured from Welsh Government to enable the team structure to grow to support the Regional Partnership Board activity.
52. The team are directly responsible for the design and delivery of Capital Projects in the region of £10 million per year, and in addition for facilitating and supporting a range of partnership projects with an annual value of approximately £30-40m.
53. The service also bids for external grants and capital funding streams and this year alone has secured an additional £9 million for a range of housing, health, social care and regeneration projects.

iii) Increasing Capacity

54. Given the very significant increase in the scale and scope of work across the service and the significant additional income being achieved a review of staffing structures has recently been undertaken. The restructure of the team is cost neutral to the Council but, in order to enable recruitment at the appropriate level of seniority in a very competitive market, the change requires the formal creation of a new Assistant Director post for the service.
55. The restructure will enable service capacity to grow both directly and through external provision to meet the range of specialist role requirements for the successful delivery of all the strands of programmed activity.

Consultation

56. This report does not relate to a local issue.
57. Consultation with tenants has taken place as part of the Tenant Survey and also during the rent setting process. How these views have been used to inform the Plan is set out at in section 9 of the Plan.
58. The draft HRA Business Plan will be presented at Communities and Adult Services Scrutiny Committee on 20th March 2023. Any comments received will be circulated at the Cabinet meeting.

Equality Impact Assessment

59. An equality impact assessment has been carried out by the Council and the key findings highlight that there are no anticipated negative impacts on people with protected characteristics which will require further action.

Reason for Recommendations

60. To comply with the requirement to present the HRA Business Plan to the Welsh Government and to ensure clear objectives and financial assurance for the HRA.

61. To strengthen the management of Housing Development and Neighbourhood Regeneration function by the creation of an Assistant Director post to lead the service.

Financial Implications

62. 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.
63. 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.
64. 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.
65. 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.
66. These risks and assumptions are made even more difficult given the uncertainty in respect to inflation, impact of the economic crisis and supply chain issues. Accordingly, these assumptions are extremely sensitive to change, with the business plan including a sensitivity of key variables.
67. The Business plan assumptions include:
- Rent increases in line with WG guidelines taking account of forward indicators for inflation factors (6.5% uplift for 2023/24, 5.3% for 2024/25 reflecting the OBR forecast for September 2023 and back up to 2% by 2027/28).
 - 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.

- Estimated 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 £9.568 million per annum, whilst costs of works for business planning purposes are assumed to increase by 3.5% p.a.
 - Capital external grant funding and developer contribution assumptions where reasonable. These are usually on an annual bid process, so make longer term planning uncertain.
68. 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.
69. Affordability of additional borrowing is considered as part of the budget including consideration of prudential indicators.
70. 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.
71. 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.
72. The Welsh Housing Quality Standards are being reviewed by WG with the new standard anticipated to be in place by April 2023 and setting out

expectations around decarbonisation of housing stock. It should be noted that there is no inclusion within the plan of the financial impact of meeting the new standards on decarbonisation, until clarity of approach and confirmation of any financial support to meet targets is available.

73. Given the significant uncertainties and risks included in the financial modelling, the Business Plan includes a risk assessment setting out a number of key variables and any changes in these 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.
74. The recommendation for the creation of a new post of Assistant Director, Housing Development and Regeneration is part of a proposed restructure which can be accommodated within existing HRA resources and does not result in any additional financial implications.

Legal Implications

75. 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.
76. 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.
77. The report identifies that an Equality Impact Assessment has been carried out. The purpose of the Equality Impact Assessment is to ensure that the Council has understood the potential impacts of the proposal in terms of equality so that it can ensure that it is making proportionate and rational decisions having due regard to its public sector equality duty.
78. The decision maker must have due regard to the Equality Impact Assessment in making its decision.

HR Implications

79. A role has been developed and evaluated at Assistant Director level. This new role will be advertised across the Council and externally as is the case with all senior manager appointments. The appointment to the post will be made by a Member Appointments Committee and will include an assessment centre.
80. The trade unions and any affected employees have been consulted on this proposal.

Property Implications

81. There are no further specific property implications in respect of the HRA Business Plan 2023/24 Report. Where the council has any property transactions or valuations required to deliver any proposals, they should be managed in accordance with the Council's Asset Management process and in consultation with relevant service areas, such as Legal, as appropriate.

RECOMMENDATIONS

Cabinet is recommended to:

1. approve the Housing Revenue Account (HRA) Business Plan - 2023-2024 for presentation to Welsh Government.
2. note the scale and complexity of the longer term housing development and regeneration programmes identified in the 30 year HRA business plan.
3. approve the establishment of a new Assistant Director post for Housing Development and Regeneration, and to delegate authority for the Chief Executive in consultation with the Cabinet Member for Housing and Communities to progress arrangements for recruitment to the role in accordance with established procedures for senior management appointments.

SENIOR RESPONSIBLE OFFICER	Sarah McGill, Corporate Director, People and Communities
	17 March 2023

The following appendices are attached:

- Appendix 1 - HRA Business Plan 2023-2024
- Appendix 2 - Equality Impact Assessment
- Appendix 3 – HRA 5 Year Capital Programme (not for publication)

The following background papers have been taken into account:

30 Year Business Plan for Welsh Housing Revenue Accounts - Financial Model