

HOUSING EMERGENCY IN CARDIFF

Appendices 1, 2, 3 & 7 are not for publication as they contain exempt information of the description contained in paragraphs 16 of Part 4 of Schedule 12A of the Local Government Act 1972.

Purpose of the Cover Report

1. To provide Members with background information to enable their pre-decision scrutiny of the report to Cabinet regarding the housing emergency in Cardiff.
2. The draft Cabinet Report, attached at **Appendix A** (*and its subsequent Appendices*) are due to be considered by Cabinet, at its meeting on 14 December 2023.
3. Members should note that **Appendices 1, 2, 3 and 7** of the draft Cabinet Report are exempt from publication. Members are therefore, requested to keep this information confidential, in line with their responsibilities as set out in the Members Code of Conduct and the Cardiff Undertaking for Councillors.

Structure of the meeting

4. As **Appendices 1, 2, 3 and 7** are confidential and exempt from publication, this agenda item will be considered in two parts. The first part will be an 'open session', where Members can raise questions on the information in the public domain. Namely, information included in this Cover Report, the attached Cabinet Report (**Appendix A**) and **Appendices 4, 5 and 6**. This part of the meeting will be made available to the public and webcasting will occur.

5. A 'closed session' will then ensue, where webcasting will be paused. Members will then be able to ask questions on the information contained in the confidential appendices, (1, 2, 3 & 7).
6. Councillor Lynda Thorne (Cabinet Member – Housing & Communities), Jane Thomas (Director –Adults, Housing & Communities) and Dave Jaques (Assistant Director – Development & Regeneration) will be at the meeting to answer Members questions.

Structure of the Papers

7. To facilitate Members consideration, the following appendices are attached to this Cover Report:

Appendix A – Cabinet Report, December 2023

The following appendices are then attached to Appendix A:

Appendix 1 – Proposed Property Purchase (confidential).

Appendix 2 – Meanwhile Use and Modular Continuation (confidential)

Appendix 3 – External Legal Advice (confidential)

Appendix 4 - Single Impact Assessment

Appendix 5 – Childs Rights Assessment

Appendix 6 – CASSC letter & response

Appendix 7 – Financial Advice (confidential)

Scope of Scrutiny

8. During this scrutiny, Members have the opportunity to review the draft Cabinet Report and explore:
 - I. The achievability and deliverability for the proposals.
 - II. Financial implications
 - III. Risks to the Council
 - IV. Impacts on individuals.
 - V. Next Steps and timelines.

9. Committee Members are reminded they received a detailed briefing on the current context of homelessness pressures in their November meeting. At this meeting Members explored with the Council's executive potential solutions to the current crisis.
10. Committee Members are kindly requested not to duplicate the information they obtained at the November meeting; but to instead draw upon this session to assess and test the detail of the proposed solutions presented in the draft Cabinet Report.
11. Following their consideration, Committee Members will decide what comments, observations or recommendations they wish to pass on to the Cabinet.

Background – Housing Demand & Cardiff Council's 'Housing Development Programme'

12. Cardiff Council's Local Development Plan, Preferred Strategy, advises Cardiff is the second least affordable local authority for houses in Wales, just behind the Vale of Glamorgan and well above the Wales average. Further, at their November meeting, Committee Members heard there are over 8,000 people on the combined housing waiting list and homelessness is continuing to rise.
13. In their November meeting, Committee Members were briefed:
 - All 1,699 temporary accommodation units in Cardiff are full.
(707 families, 806 singles, and 186 young people)
 - 28 more families are entering accommodation than exiting each month.
 - Combined waiting list for temporary accommodation are up 150% since 2021.
 - Single people presenting for Emergency Accommodation has increased to 88 per night.
 - The number of people street homeless has increased to 43¹.

¹ Of those 43 individuals'; 14% have no recourse to public funds and 23% have no local connection.

- Demand for affordable housing is far exceeding supply.
- The council now has exclusive use of 4 hotels; offering 326 units of accommodation; a further hotel to meet the needs of single people is due to open shortly.

14. Further, Committee Members were briefed in November the reasoning for increased demand can be attributed to:

- Affordability and availability of accommodation in the Private Rented Sector with particular reference made to landlords leaving the market to pursue Air BnB opportunities.
- Higher number of students in the city.
- Additional demand from asylum and refugee services
- Lack of social housing.

15. The Council's, 'Housing Development Programme' is the largest council led development programme in Wales and currently aims to deliver 4,000 new homes to the city, with 2,800 of those being new council homes, and 1,200 being homes for sale.

16. To achieve the targets mentioned in **point 15** of this Cover Report, the Housing Development Programme has the following delivery routes:

- ❖ A partnership programme with the external developer Wates Residential: this partnership is most commonly called 'Cardiff Living'. Further, in November 2022, Cabinet approved the implementation of a second Housing Partnership.
- ❖ Open Market Buybacks.
- ❖ Developer Package Deals (whereby the Council purchases property from developers).
- ❖ Converting buildings to Council Homes
- ❖ Meanwhile Use of Land.

17. In terms of finance, the council's Housing Development Programme benefits from a significant allocation of the Housing Revenue Account capital and also attracts external funding in the form of Grants, Planning Gain and income from the sale of land or low-cost homes through the Assisted Home Ownership scheme. In 2020, it was reported just under £31 million has been achieved through these routes.
18. Previously, the Social Housing Grant (SHG) had only been available to Housing Associations. However, the Welsh Government confirmed that, from April 2021, councils with a Housing Revenue Account will be able to apply for the Grant, helping to provide Capital subsidy for their developments.
19. Schemes approved for SHG funding will be required to meet the standards and viability parameters set by Welsh Government. Committee Members are advised the Social Housing Grant is limited and not every council scheme will benefit from it.

Issues

20. As Committee Members will be aware, demand for housing, and pressures on the council's homelessness services, are at unprecedented levels. In response to the current situation, the Cabinet Report attached at **Appendix A** details the Council's proposed response. Full detail can be found in **Appendix A**, with the following paragraphs offering a summary and so are not intended to be exhaustive.

21. The draft Cabinet Report offers the following proposals:

- To seek in principle approval for changes to existing policies which impact on homeless assessment (in line with current homelessness legislation). Eg applying intentionality. Information on proposals to apply intentionality can be found at **points 33 and 34 of Appendix A**.

- To make offers of private rented accommodation outside the Cardiff area where appropriate.

*Further detail on this can be found in **point 39 of Appendix A.***

- To make permanent offers of social housing anywhere in the city.

*Further detail on this can be found in **point 40 of Appendix A.***

*Committee Members are to note, with particular regard to the proposed policy changes, a recommendation posed in the Cabinet Report (**Appendix A**) details:*

Cabinet is recommended to:

(i) To undertake a consultation process on the proposed policy changes outlined in paragraphs 34, 39 and 40 of the report, including the consideration of intentionality in making homeless decisions, the removal of areas of choice for homeless applicants on the Common Housing Waiting List and offering private rented accommodation outside the city, in neighbouring local authority areas.

- To take forward a large scale property purchases, package deal arrangements and the continuation of the meanwhile use of brownfield sites to deliver new modular homes for temporary accommodation. In particular:
 - A number of larger property acquisitions through a freehold purchase of a commercial building in the city centre which has the potential to deliver 84 family flats and an adjoining development 150 flats with completion no later than March 2024. (**Appendix A points 48 - 49 & 50 and confidential Appendix 1**)
 - Expansion at the Gas Works and further modular homes which has the potential to deliver 350 additional family homes (**Appendix A points 51 - 64 and confidential Appendix 2**)

Previous Scrutiny

22. In its November 2023 meeting, Committee Members received a briefing on the severity of the current situation and heard potential proposals to ease current pressures.

23. The proposals suggested to Committee Members in their November meeting included:

- ❖ Consider applying intentionality to homelessness claims
(with exemptions for under 21s, care leavers, families, pregnant women – unless intentionally homeless twice and those with complex needs).
- ❖ Where appropriate; make offers of private rented accommodation outside the Cardiff area
- ❖ Make permanent offers of social housing anywhere in the city.
- ❖ Deliver more affordable housing in the city through: large scale property purchase; entering into a package deal; and continuation of the meanwhile use of sites with modular homes.

24. Following their November meeting, Committee Members made the following recommendations:

R1 *As an authority, undertake, or increase efforts, to lobby the relevant government to enact legislation, such as placing covenants on buildings to reduce the prevalence of Air BnB's in the city; citing the pressures and ramifications the increased Air BnB markets presence is placing on the availability of long-term accommodation in the city. The council should also consider using new levers provided by Welsh Government to manage second homes and holiday lets.*

R2 *We would strongly urge Cabinet to withdraw proposals to re-apply Intentionality in determining whether an individual is owed a homelessness duty, owing to the significant consequences this will have for individuals, and recognising that this proposal would not be in line with current Welsh Government proposals. We would encourage Cabinet to pursue alternative means of communicating the demand pressures on and waiting times for social housing.*

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

The Committee is recommended to:

- i. Consider the information provided in this report, its appendices and information received at the meeting;
- ii. Decide whether it wishes to relay any comments or observations to the Cabinet.

Leanne Weston

Interim Deputy Monitoring Officer

6 December 2023