

**HOUSING EMERGENCY IN CARDIFF**

**HOUSING & COMMUNITIES (COUNCILLOR LYNDA THORNE)**

**AGENDA ITEM: 9**

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***Appendices 1, 2, 3 & 7 are not for publication as they contain exempt information of the description contained in paragraphs 14, 16 and 21 of Part 4 of Schedule 12A of the Local Government Act 1972.***

**Reason for this Report**

1. To brief Cabinet on the Housing Emergency in Cardiff, and the unprecedented pressures this is placing on homelessness services.
2. To update Cabinet on the steps already being taken to address these pressures.
3. To seek in principle approval for changes to existing policies which impact on homeless assessment, (in line with current homelessness legislation).
4. To detail solutions to the current housing pressures through larger scale property purchases and package deal arrangements and the continuation of the meanwhile use of brownfield sites to deliver new modular homes for temporary accommodation, consistent with the existing arrangements in place within our Cardiff Living Partnership and with the current modular providers.

**Background**

5. Before and during the pandemic the Council had made significant progress in rapidly increasing good quality temporary and supported accommodation provision. New family homelessness centres had been developed at Briardene and the Gasworks site, and for single people, the new Single Homeless Assessment Centre had opened at Hayes Place; while Ty Ephraim hostel (formerly the YHA), and new supported housing at Adams Court had been developed.
6. Considerable achievements were also made in improving support services, with the development of the Homeless Multidisciplinary Team, combined with the new accommodation development resulting in very low levels of rough sleeping.

7. However now, Cardiff, like many other cities, is experiencing a housing emergency which is negatively impacting on this progress and is placing exceptional pressures on homelessness services and the provision of temporary accommodation.

### **Current Pressures**

8. Record numbers of individuals and families are seeking help from homelessness services, putting unprecedented pressure on temporary accommodation:
  - All 1,699 units of temporary accommodation in Cardiff are full, with 707 families, 806 single people, and 186 young people housed across the city.
  - Recent data shows that 28 more families are entering temporary accommodation than are exiting into permanent accommodation each month, so demand for accommodation is far outstripping supply.
  - Waiting lists to enter temporary accommodation have increased by 150% since 2021, even though the amount of temporary accommodation has increased significantly over the same period.
  - 88 single people are presenting to the homeless Out of Hours service each night for emergency accommodation. Unfortunately, rough sleeping in the city has also increased to 43 people.
  - The demand for affordable housing in the city is very high. There are currently over 8,000 people on the Cardiff Housing Waiting List. Even though a significant percentage of social housing lets are targeted at homeless households, move on is slow as relatively few properties are becoming available. Move on into the private rented sector is difficult due lack of availability and high rent levels. As a result, individuals who would not previously have sought help are presenting to homeless services. Further information on the challenges in the housing market are set out below.
9. Due to this demand, and the lack of move on options it has been necessary to develop additional emergency accommodation. The Council now has exclusive use of 4 hotels, offering 326 units of accommodation. These hotels are being used to accommodate homeless households, mainly families. Support from council staff is available on site and other services, such Early Help, Play, and Advice Services also provide assistance from these locations. Due to the need to respond quickly to the emergency direct awards have been made to these hotels, after a full review of other available hotel accommodation and their cost effectiveness. A further hotel to meet the need of single people has also been sourced and other emergency accommodation options continue to be considered as the full level of housing pressures becomes clear.

## Reasons for increased demand.

### Affordability and availability of accommodation in the Private Rented Sector (PRS)

10. The lack of affordable accommodation in the private rented sector is contributing significantly to the housing emergency in Cardiff. The average monthly private rent in Cardiff is £200 higher than the Welsh average.
11. Private properties are let at rates that are much higher than the Local Housing Allowance (LHA), the maximum amount of housing related benefits that can be claimed for those who are renting from a private landlord. The Bevan Foundation's report 'Wales Housing Crisis: an update on the private rental market in Wales in Summer 2022' found that only 6.3% of the 303 properties advertised for rent in Cardiff in May 2022 were available at or below the LHA rate.
12. The Private Rented Sector (PRS) team based within the Council's Homelessness Service work with private landlords to encourage them to let their properties to homeless households, matching their properties with potential tenants. Information that they have gathered demonstrates the unaffordability of privately rented accommodation in Cardiff, as set out in the table below.
13. The weekly shortfall for a 1 bedroom property is £61.95, and for a four bedroom property is £145.29 a week. This means that individuals or families would need to find this amount of money from their other income to meet their rent payments. This is unaffordable for many, especially those on a low income. Without an increase in Local Housing Allowance rates (a UK Government decision), this situation is unlikely to improve.

No. of Bedrooms	Weekly Local Housing Allowance (23/24)	Average Weekly Private Market Rents (September 2023)	Weekly Shortfall
1	£120.82	£182.77	£61.95
2	£149.59	£252.00	£102.41
3	£178.36	£298.15	£119.79
4	£218.63	£363.92	£145.29

Data obtained by Cardiff's Homelessness PRS team in September 2023

14. As well as many private rents being unaffordable, there is also a lack of availability of private rented accommodation. Many landlords are leaving the market due to taxation changes, mortgage interest rate rises, and increases in regulation. Also, some landlords feel that the changes

implemented under the Renting Homes (Wales) Act have impacted them negatively, leading them to sell their properties.

15. In the last quarter of 2022, the number of possession applications made by private landlords to courts in Wales increased by 354%. In 2022/23 Cardiff Council's Housing Options Service reported a 122% increase in eviction notices issued from landlords selling their property compared to pre-pandemic levels.
16. Cardiff has also experienced an increase in Airbnb lets. According to the Bevan Foundation's September 2022 "Holiday Lets and the Private Rental Sector" report, in Cardiff, an Airbnb property would take only 3 weeks for a 4-bed, or 5 weeks for a 1, 2 or 3 bed to earn the equivalent of a year's worth of rent at Local Housing Allowance rates.
17. A combination of these factors has led to a low supply of private rented properties. Anecdotal evidence from estate agents in Cardiff has stated that as many as 280 individuals have applied for a single available one-bedroomed flat in the city; they have advised that this is becoming more common place.
18. According to the 2021 Census, almost a quarter (24.3%) of households in Cardiff were privately renting, the highest figure in Wales. This had grown from 21.9% in 2011, an increase of over 4,500 households. This higher reliance on private rented accommodation means that any issues in the sector will have a far greater impact on housing provision in Cardiff.

### **Reduced Home Ownership**

19. According to the 2021 Census, 58.0% of households in Cardiff own their homes with 28.6% owning them outright. These are the lowest figures in Wales. The number owning their home with a mortgage or loan has fallen by over 3,000 people between 2011 and 2021.
20. The Office of National Statistics reported in October 2023 that the average gross weekly earnings for full-time employees in Cardiff was £642.80, equating to a salary of £33,425 per year. According to information gathered via the Land Registry, for the 12-month period between October 2022 and October 2023 the average cost of a property in Cardiff was £292,512. Typically, 10% of the property value is required as a deposit, this would equate to a deposit of £29,251. Taking into consideration that mortgage lenders work on a maximum borrowing limit of 4.5 times annual salary, most households would need to earn over £58,500 per year to afford the average price of a Cardiff home. High property prices along with rapidly rising interest rates mean that home ownership is largely unaffordable for many.

### **High number of students in the city**

21. According to data taken from the Higher Education Statistics Agency, the overall number of students enrolled in universities in the city has

increased by 6% from 66,195 in 2018/19 to almost 70,000 in 2021/22. Universities in the city are also increasing their recruitment of international students, who all require accommodation either through their university or in the wider community. In 2021/22 there were around 15,000 international students studying in the city an increase of 18% compared to 2018/19. In 2023, 9,596 properties in Cardiff claimed a student council tax exemption, an 18% increase compared to 2019. Whilst there is much purpose-built student accommodation in the city, as student enrolment increases, additional pressure is placed on housing in the wider community.

### **Lack of Social Housing**

22. While there are 8,000 people on the Common Housing Waiting List, during 2022/3 only 834 standard housing lets were made (excludes retirement and specialist accommodation). 75% of these lets were made to homeless households. Similarly, this year, up to the end of September, 74% of the 357 lets were made to homeless households. While this high level of lets to homeless applicants supports those who need to move on from temporary accommodation by providing permanent, affordable accommodation, unfortunately, the impact of this is that very few applicants who are not homeless are moving on through the general waiting list, even though they have very significant housing needs.
23. As a result, presenting as homeless is now perceived by some as a short cut to access social housing, rather than waiting for an allocation through the Common Housing Waiting List. This is in part responsible for the increase in the number of reported family relationship breakdowns, where extended family members are asked to leave the family home. This is currently the second highest reason for homelessness presentations, after loss of privately rented accommodation. This year so far there has been a 46% increase in the number of homeless presentations due to reported family breakdowns compared to the same period in 2019. There have also been clear examples of individuals giving up their private rented accommodation to access homeless services with the aim of securing social housing, further increasing the pressure on temporary accommodation.

### **The No-one Left Out approach**

24. The No-one Left Out approach was an important part of the response to the pandemic and services worked well to put additional housing in place to ensure everyone could have appropriate accommodation. New schemes such as Ty Ephraim (formerly the YHA hostel) were part of this approach and have become part of the permanent accommodation offer in the city. As the pandemic restrictions lifted and demand for homeless services increased, there is an expectation that services will continue to provide everyone with temporary accommodation, even when the Council does not have a duty. This expectation is another factor increasing the demand on services, demand which can no longer be met.

25. With the end of the pandemic those without recourse to public funds can no longer legally be supported with accommodation, this is impacting on street homelessness. Cardiff rough sleeper weekly reports show that 14% of the 43 current cases have no recourse to public funds, 23% have no local connection and in 30% of cases their local connection is unknown.
26. All of these pressures have combined to create a housing emergency in Cardiff, with demand for homeless services at an unsustainable level.

### **Emerging Pressures**

27. Additional demands have been identified that will further impact on homelessness services. Wales is a Nation of Sanctuary and Cardiff is proud to provide support and refuge to those who are fleeing world conflicts. The city has been an asylum dispersal area, successfully, for many years. However, due to a backlog of applications, the Home Office is now accelerating decision making on asylum cases. This Streamlined Asylum Processing (SAP) will fast track decision making for some cohorts of asylum seekers. In total 589 individuals and 127 families currently resident in Cardiff are due to have a decision made on their asylum application by December 2023.
28. If the decision is positive, and the asylum seekers are given refugee status, they can access employment, housing, and benefit services within the city. Not all refugees will wish to stay in the city, however it is estimated that at least 353 single people and 102 families will seek support with housing over a very short period of time. This will put additional pressure on already overstretched services.

### **Addressing the Housing Emergency**

29. A number of actions have already been taken to urgently respond to the emergency, to both reduce demand on service and to increase emergency and temporary accommodation.

### **Reducing Demand**

30. Homelessness Prevention services have been strengthened to meet the increasing need for assistance and to improve the focus on early intervention. Homelessness prevention support is now available locally in Community Hubs and from other locations across the city. There is also greater joined up working across services to resolve issues and prevent homelessness. As a result, waiting times for a homeless prevention appointment have reduced from 30 working days in September 2022 to 6 working days in September 2023 and the number of cases where homelessness has been prevented has improved from 71% in September 2022 to 83% in September 2023.
31. Mediation services have been improved to work with clients who are experiencing a family breakdown or facing issues of property disrepair or overcrowding. Mediation within the Young Persons Gateway has also

been improved, by working in partnership with Llamau it has been possible for more young people to remain or return home, with support in place, where it is safe to do so.

32. Where those who present to services have no local connection to Cardiff, services are referring them back to their originating local authority for help and support where possible. Where additional help is needed to return home, the Salvation Army's Reconnection Service offers tailored support.
33. Cardiff does not currently consider whether a person has intentionally made themselves homeless when they present to services. Unfortunately as referenced above there is evidence that some individuals are now deliberately giving up their existing accommodation to enter homelessness services with the intention of securing social housing. Examples include individuals refusing their private landlord access to the property to carry out required works and reporting that their property is unfit for habitation, while others are clearly making no attempt to pay their rent or even asking their private landlord to serve notice on them, this is increasing the already severe demand pressures. While this applies to the minority of homeless applicants, this behaviour is increasing the pressure on temporary accommodation.
34. It is proposed that in future an "intentionally homeless" decision will be made where there is clear evidence that an applicant has deliberately made themselves homeless. For those who are found to be intentionally homeless, no housing duty would be accepted. For groups protected by legislation, no housing duty would be offered only if they have been intentionally homeless twice within a 5-year period. This protection includes young people aged under 21, care leavers aged between 21 to 24, pregnant women and applicants with children. Exceptions would also be made for individuals with complex needs.

### **Increasing move on from temporary accommodation**

35. A new dedicated move-on team is in place to support people in temporary accommodation to move on to permanent accommodation. The team works with clients who are in work and have low support needs to find them accommodation in the private rented sector. Where necessary, financial support is available to support access to private rented accommodation, this is provided alongside Into Work and Money Advice services.
36. While the Council has an ambitious new build programme, it can take some time to develop new housing. To increase housing stock more quickly, properties are being purchased from the open market. This has resulted in an additional 120 properties available to let since this process started in April 2022. Both the Council and its housing association partners will continue to purchase properties into the future to improve the supply of affordable housing.

37. The Council is working in partnership with the YMCA, to increase capacity within the low-needs pathway for single people, while close working with Llamau has resulted in new supported accommodation schemes to support young people to move on from care. In addition, the new Tai Ffres project, which is a collaboration with United Welsh Housing association and Llamau, is expected to deliver 130 units of move on accommodation for young people by 2027.
38. Two large housing schemes have also been developed to support move on from hostel for single people. These schemes are owned by housing associations but managed by the Council's Specialist Accommodation Service, with appropriate support on site to ensure tenancies are sustained. A further managed scheme is planned for the new year.
39. To increase move on options it is proposed in future to make offers of private rented accommodation outside the Cardiff area, where appropriate. As outlined above availability of affordable privately rented accommodation is scarce in Cardiff, and there is not enough social housing to meet need. Making homeless households offers of accommodation in neighbouring local authority areas would increase the move on accommodation available and reduce stays in temporary accommodation. Such offers would only take place following a full assessment of housing and support needs as it is not intended to place households with support needs in private sector accommodation outside of Cardiff. The local authorities affected have been informed of the intention to use accommodation in their area.
40. It is also proposed to make permanent offers of social housing anywhere in the city. Currently, homeless applicants on the waiting list can choose the areas of the city where they wish to be permanently housed, although this must include 4 higher availability areas. Due to the shortage of social housing this can mean that households are in temporary accommodation for long periods of time. It is proposed that the current Allocations Policy is amended to remove the areas of choice for homeless applicants who are owed a full housing duty. Settled accommodation would be offered in any area of Cardiff, as long as there was no at risk for the applicant in that area of the city. It is anticipated that this will help prevent delays in move on out of Temporary Accommodation.

### **Increasing Temporary Accommodation**

41. As stated above the Council now has exclusive use of 4 Hotels which are used as emergency accommodation, with a 5<sup>th</sup> Hotel sourced recently for single people. A number of buildings have also been identified as a contingency, to offer emergency accommodation in times of peak demand.
42. The use of hotels is not ideal and therefore work has also commenced to increase the supply of more appropriate temporary accommodation. 2 new schemes have already opened this year offering an additional 61 units of accommodation and 2 further schemes are due to open shortly, offering 56 units. In addition, an extensive development at the Gas



Works site will deliver 154 modular units in total on a phased basis, making meanwhile use of land that is waiting for more permanent development. Some of these units will be offered as longer-term accommodation, to give families more settled housing.

43. While this is good progress there is a need to rapidly provide further temporary accommodation to address the housing emergency and to reduce the reliance on hotels.

#### **Increasing Accommodation at scale and pace.**

44. The long-term solution is of course to build more affordable homes and the Council's current development programme is progressing at scale. Over 60 sites have been identified which have the capacity to deliver over 4,000 new homes in the long term. Furthermore, by December of this year over 1,000 new council homes will have delivered since the Council's new build programme commenced in 2017.
45. Innovative solutions are being used as well as a wide range of construction methods to try and increase the scale and pace of the programme. Strategic support is also being provided to Registered Social Landlord partners. This combined programme of work will result in approximately 2,000 additional affordable homes delivered by 2028.
46. However, this is not enough to tackle current pressures and traditional delivery methods do not provide the speed of delivery needed to mitigate the current gap in the supply of temporary housing. Therefore, a strategic approach to tackling the pressures on Cardiff's housing emergency is being proposed. This will provide short to medium term housing supply solutions, alongside the long-term development programme. These measures will help to 'plug the gap' that currently exists within current Temporary Accommodation provision and help to reduce the reliance on short-term emergency hotel accommodation and other contingency accommodation.
47. The solutions being proposed include:
  - In the **short-term**, large-scale property purchase.
  - In the **Medium-term**: the continuation of the meanwhile use of sites with the delivery of modular homes through the Cardiff Living Programme.
  - In the **long-term**, the continuation of the permanent new build programmes (Cardiff Living, the additional build programme, and the Second Partnership) to deliver new, permanent council homes at scale.

#### **Property purchases.**

48. In order to deliver new homes more quickly, a number of larger property acquisitions are being proposed. There is currently an acquisition which requires "in principle" Cabinet Approval due to the values involved. The

details of the acquisition are provided within Appendix 1 along with an independent valuation report.

49. The acquisition relates to the freehold purchase of a new build city centre commercial property suitable for conversion into residential. Although the property has been constructed as an office block, due diligence has been undertaken to satisfy officers that a residential conversion is achievable in full compliance with the Welsh Government WDQR standards and is financially viable within the agreed viability parameters. The building is structurally completed but not yet fitted out, making a conversion technically easier. The acquisition also includes an adjoining development site which is currently empty but does have planning history for student or private rented development. The conversion scheme will deliver ground floor commercial/office space and 84 family flats. The adjoining development has the potential to deliver circa 150 new flats and ground floor commercial/office space. Subject to Cabinet approval, officer delegated decision and satisfactory compliance with the requirements identified in relation to viability assessment, grant funding and delivery within the existing budget framework then the intention is to exchange and agree heads of terms and proceed to completion no later than March 2024.
50. The property purchase will be funded through the HRA Capital programme. The city centre conversion scheme is subject to a Welsh Government TACP grant application to help subsidise the purchase costs.

#### **Meanwhile use and modular continuation.**

51. Further to a report approved at Cabinet in July 2022, the temporary use of the large brownfield site of the former Gasworks in Grangetown for temporary accommodation is progressing at scale and pace.
52. The inclusion of the site within the Cardiff Living Partnership has enabled the Council's partner developer Wates, to deliver 155 demountable modular homes for temporary family accommodation, an office building and community centre, using 3 modular providers. The use of 3 providers has given us the capacity required to deliver this project at pace and will see the entire project completed by April 2024.
53. This is an impressive feat and is currently the largest council led modular development scheme in Wales. This model of delivery – using permitted development rights to enable work to start on site much sooner compared to a traditional project and deliver much needed temporary accommodation on a meanwhile basis, can offer a more immediate solution to help alleviate current housing pressures if repeated.
54. Now that the subcontracting chain is in place alongside the modular suppliers, two of which have secured additional manufacturing space to provide the capacity needed for this project, there is a unique opportunity to continue the delivery of additional modular units across a number of sites retaining the partnership already in place with Wates to deliver at

speed and provide a solution to the city's extraordinary housing pressures.

55. Through the development of design options at the Gasworks site, a suite of unit types are in place, designed in full compliance to Welsh Government standards. These are being used for temporary accommodation in the short-term but will be suitable for permanent accommodation in the longer-term. This set of pattern books are unique to the Wates contractual arrangements, as are the additional factory spaces and the design of the groundworks packages.
56. To enable the delivery of much needed accommodation on additional sites using the existing supply chain arrangements, it is proposed that a new contract be awarded to Wates. The sites and the costs of delivering meanwhile use on them, are detailed in Appendix 2 and have the potential to deliver around 350 additional family homes.
57. Two of the sites are owned by Welsh Government and will be leased to Cardiff Council for a meanwhile use (5 years). One site is owned by Cardiff and the Vale Health Board and will also be leased to the Council for a meanwhile use purpose and one site is in council ownership.
58. By putting in place a new contract consistent with the current set of contracting arrangements in place with Wates, it will be possible to secure factory slots and continue manufacture of compliant units beyond the Gasworks project, utilise the expertise developed during the Gasworks project including making use of the unique elements of the existing Wates arrangements and gain the speed of delivery required to provide the short-term solution which is desperately needed.
59. The use of permitted development rights, in agreement with planning, will be essential in order to deliver the additional sites over a 2-year period. The Development Team would work closely with Planning to ensure a retrospective Planning consent is achievable to provide the extended permission for a meanwhile scheme in the longer term.
60. The total capital requirements for the schemes above is £250m. Discussions are currently underway with Welsh Government regarding grant funding for this project via future years Transitional Accommodation Capital Programme (TACP) funding. A commitment of at least 50% grant funding over two years is being sought, this is the intended timescale to complete the delivery of new homes across all the identified sites.
61. In seeking approval to put in place a new contract with an existing provider, officers have considered alternatives. This being to run a competitive procurement procedure. However, it is considered that it would realistically take up to 12 months in order for such a procedure to be completed, including the appointment of consultants, the preparation of tender documents, the tender period, the evaluation period and post tender contract negotiation and obtaining the decisions needed. And up to 18 months before we could realistically achieve a start on site. The reasons for the urgency of delivering new temporary accommodation

have been clearly set out within this report and it can be demonstrated that the time needed to run a competitive procedure would mean that these additional works would not be completed within the required timescale.

62. In determining this position the Council has sought external legal advice which is provided in Appendix 3.
63. The urgent nature of the current housing crisis and the fact that no public authority could have foreseen the range of pressures currently being faced that have resulted in a severe lack of suitable temporary accommodation, provides weight to the reliance on the approach described in Appendix 3.
64. It should also be noted that in making this decision there is no intention to remove any of the sites currently being advertised to the market for development through the Second Housing Partnership, as the meanwhile use sites proposed are new sites. Any contractor seeking to work with Cardiff Council has an opportunity to tender for the Second Housing Partnership.

#### **Local Member consultation (where appropriate)**

65. Local Members will be consulted about individual accommodation schemes in their wards.
66. CASSC Scrutiny Committee were consulted on the changes on 20<sup>th</sup> November 2023. A copy of their letter and response can be found at Appendix 6.

#### **Impact Assessment**

67. A Single Impact Assessment and a Childs Rights Impact Assessment have been drafted and are attached at Appendix 4 and 5. These assessments will be finalised following further consultation.

#### **Reason for Recommendations**

68. To address the housing emergency in Cardiff.

#### **Financial Implications**

69. Financial Implications in full are attached at Appendix 7
70. The capital expenditure estimates identified in this report were not approved in March 2023 in relation to:
  - The acquisition and conversion of a city centre opportunity
  - The acquisition and development of an associated site.
  - The meanwhile use development on the 4 sites.

71. It is accepted that proposals may only proceed with confirmation of at least 50% grant, however no letter of principle or evidence of discussions has been seen at the point of drafting financial implications as to whether the levels of grant needed to take the projects forward is possible at a regional or national level. Any expenditure not paid for by WG grant is proposed in the report to be paid for by additional borrowing in the HRA.
72. A viability assessment for the city centre opportunity shows that grant for this scheme at circa 50% will result in a viability assessment in line with a 50-year repayment. This is the only site for which a viability assessment has been provided at this stage, however as per above no confirmation of grant exists.
73. No terms of reference have been seen in respect to lease agreements for sites not owned by the Council. Due diligence would have to be undertaken on these including any return conditions, which may not have been costed as part of the proposals submitted to Cabinet for approval.
74. The city centre acquisition proposes that the first two floors are used as commercial office space. No details are provided in this report as to the users of that space or service delivery implications. Accordingly, any wider financial implications in terms of income, VAT implications or budgetary impacts on other council areas cannot be determined in these financial implications.
75. Subject to confirmation, the report assumes grant at 50% will be receivable for the cost of the meanwhile use units. Whilst the modular schemes / homes can be deemed assets that may last for a significant period of years, they will continue to provide value only if they can be moved and continue to be used to generate rent beyond any temporary period. No exit or move strategy has been seen that considers what will happen to modular units currently being installed in the city or proposed to be installed as part of this report on sites deemed to be of a temporary nature. Cabinet should be clear that any investment in these temporary units can be sustained well into the long term to ensure borrowing to invest in them remains sustainable. Where such assets in future are not used, they will need to be charged to revenue over a shorter period.
76. This report proposed is being taken outside of the process of the annual review of the HRA business planning process, which would take into consideration all changes to previous business planning assumptions including rent, capital programme schemes existing, and new ones committed to be undertaken as well as cost inflation and interest rate impacts. When considering the budget proposals and business planning for 2024/25, additional mitigations should be considered to ensure manage financial resilience, long term viability and capacity of the HRA to undertake the significant borrowing commitments being proposed, particularly where these are done so in the absence of long term external grant certainty and Welsh Government Rent Policy commitments.
77. The pressures outlined in the report in terms of impact on housing demand and affordability for homelessness, asylum etc are significant

financial pressure in this and other Council's. Costs are currently managed within existing grant and revenue budgets. In the absence of mitigating measures, these revenue budget pressures would increase pressures in the Council's General Fund Budget, unless there is a transparent and long-term grant or revenue budget support allocation for the Council.

78. It is assumed that this is general needs housing as the report does not highlight any special requirements for which the Council may need to incur additional costs to support tenants on each of these sites. Where there are operating or voids costs that cannot be recovered through rental income or service charges, these will need to be managed within existing rental income.
79. Whilst the report does highlight capital expenditure estimates, the feasibility reports highlight any exclusions e.g inflation, project team costs etc. These would need to be confirmed as part of any contract award. However, Cabinet should also consider whether any delegations awarded should be exercised without further recourse to a cabinet decision where there is a material change at the point of exercising a delegation, e.g if any council contribution to any of these projects is in excess of 10% of the amounts disclosed in the report on which the Cabinet is making a decision.

#### **Legal Implications (including Equality Impact Assessment where appropriate)**

80. A local housing authority has duties to the homeless under Part 2 of the Housing (Wales) Act 2014. A local housing authority must carry out a homelessness review for its area, and formulate and adopt a homelessness strategy based on the results of that review. It must carry out an assessment of a person's case, if the person has applied to a local housing authority for accommodation or help in retaining or obtaining accommodation, and it appears to the authority that the person may be homeless or threatened with homelessness.
81. In relation to the property matters referred to in this report at paragraphs 47 to 49, and Appendix 1, the Council has specific power to acquire interests in land for the purpose of housing accommodation under s.17 of part II of the Housing Act 1985. Section 120 of the Local Government Act 1972 also provide general power to acquire land for any of its functions. The Council's Disposal and Acquisition of Land Procedure Rules requires the decision maker to have regard to advice from a qualified valuer.
82. In relation to paragraph 41, Legal services have provided legal advice previously to the relevant decision maker. The legal implications have been set out in the relevant decision report.
83. Under the Council's Contract Procedure rules, any direct award must be agreed with the Procurement Manager before proceeding.

84. Please also see exempt legal implications in Appendix 3.
85. It is noted that this report seeks an ‘in principle’ decision only in relation to the property and procurement matters with delegation to the Corporate Director for People and Communities for final approval subject to further consultation as set out in the recommendation. It is expected that all relevant information relating to the terms of the acquisition and contract award will be made available within the officer decision report upon which any further details legal advice can be provided before proceeding.

### **Equality Duty.**

86. 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.
87. When taking strategic decisions, the Council also has a statutory duty to have due regard to the need to reduce inequalities of outcome resulting from socio-economic disadvantage (‘the Socio-Economic Duty’ imposed under section 1 of the Equality Act 2010). In considering this, the Council must take into account the statutory guidance issued by the Welsh Ministers ([WG42004 A More Equal Wales The Socio-economic Duty Equality Act 2010 \(gov.wales\)](#)) and must be able to demonstrate how it has discharged its duty.

### **Well Being of Future Generations (Wales) Act 2015**

88. 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.
89. In discharging its duties under the Act, the Council has set and published well being objectives designed to maximise its contribution to achieving the national well being goals. The well being 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 well being objectives. This means that the decision makers should consider how the proposed decision will contribute towards meeting the well being objectives and must be satisfied that all reasonable steps have been taken to meet those objectives.

90. The well being 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
91. 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

92. 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.
93. All decisions taken by or on behalf 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 of behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Council 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
94. 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.
95. The report sets out that consultation will be undertaken. The general principles applicable to consultation are outlined in [\*R v London Borough of Brent, ex p Gunning \[1985\] LGR 168\*](#) and frequently referred to as "the **Gunning principles**":
- The consultation must be at a time when proposals are still at a formative stage.
  - The proposer must give sufficient reasons for any proposal to permit of intelligent consideration and response. Those consulted should be



aware of the criteria that will be applied when considering proposals and which factors will be considered decisive or of substantial importance at the end of the problem,.

- Adequate time must be given for consideration and response.
- The product of consultation must be conscientiously taken into account in finalising any statutory proposals.

The carrying out of consultation gives rise to a legitimate expectation that the outcome of the consultation will be considered as part of the decision-making process.

### **HR Implications**

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

### **Property Implications**

97. By virtue of the delivering much needed accommodation across the city, there are a number of property transactions proposed. There are three proposals to acquire finished schemes and this will require independent external valuations to ratify the quoted values in delivering schemes that are already completed. As we as appropriate valuations, due diligence to be completed for the proposed acquisitions should include appropriate advice on the relevant property's title, ownership structure and any consequential financial / tax implications.

98. We note that there are two proposals for leasing land from other public sector bodies and whilst this may well take place under the Land Transfer protocol, there is a requirement to document the occupation which the Estate team will need to advise and provide relevant delegations.

## **RECOMMENDATIONS**

Cabinet is recommended to:

1. 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.
2. To delegate the final approval on implementing the changes under recommendation (i) above to the Corporate Director People and Communities in consultation with the Cabinet Member, Housing and Communities, following a full impact assessment and consultation with stakeholders.
3. To note and approve in principle the acquisition of the property identified in Appendix 1 and the direct award of a new contract for the meanwhile modular delivery of temporary accommodation across the sites identified in Appendix 2.

4. To delegate final approval of the acquisition of properties and direct award of the contract to Wates set out in recommendation (iii) above and any ancillary matters relating to it to the Corporate Director, People & Communities in consultation with the S.151 Officer, Legal Services and the Cabinet members for Housing & Communities and Finance, Modernisation and Performance subject to:
- Approval of appropriate grant funding being secured from Welsh Government,
  - Agreement of Head of Terms for the proposed lease arrangements with Welsh Government and Cardiff & Vale Health Board for the sites identified in Appendix 2 and in relation to the property purchase identified in Appendix 1.
  - Confirmation of a suitable financial viability assessment for each of the sites.
  - Confirmation that the decision does not result in commitments outside budget framework constraints.

<b>SENIOR RESPONSIBLE OFFICER</b>	<b>Sarah McGill</b> <b>Corporate Director People and Communities</b>
	8 December 2023

*The following appendices are attached:*

- Confidential Appendix 1** – Proposed Property Purchase
- Confidential Appendix 2** – Meanwhile Use and Modular Continuation
- Confidential Appendix 3** – External Legal Advice
- Appendix 4** - Single Impact Assessment
- Appendix 5** – Childs Rights Assessment
- Appendix 6** – CASSC letter & response
- Confidential Appendix 7** – Financial Advice

*The following background papers have been taken into account.*

- "Wales Housing Crisis: an update on the private rental market in Wales in Summer 2022" - Bevan Foundation September 2022.
- "Holiday Lets and the Private Rental Sector" - Bevan Foundation September 2022