

Meeting of:	Place Scrutiny Committee
Date of Meeting:	Tuesday, 06 January 2026
Relevant Scrutiny Committee:	Place Scrutiny Committee
Report Title:	Final Housing Revenue Account (HRA) Budget Proposals 2026/27, Rent Setting 2026/27 and Housing Revenue Account Business Plan 2026/27
Purpose of Report:	To set the HRA budget for the financial year 2026/27, set the rents and service charges for the forthcoming rent year beginning on 1st April 2026 and present the 30 Year Housing Business Plan starting financial year 2026/27.
Report Owner:	Executive Leader and Cabinet Member for Performance and Resources
Responsible Officer:	Director of Environment and Housing
Elected Member and Officer Consultation:	The Corporate Management Team has been consulted on this report. The budget proposals do not require Ward Member consultation.
Policy Framework:	This report is following the procedure laid down in the Constitution for the making of the budget. It is a matter of endorsement by the Cabinet and approval by the Council.
Executive Summary: - The report details the final Housing Revenue Account budget proposals for 2026/27. - The Housing Revenue Account is a ring-fenced account that is self-funded mainly by dwelling rents and expenditure consists of staffing to manage the provision, repairs and maintenance of the housing stock, capital financing to service the debt and revenue contributions towards the capital programme including decarbonisation and new developments. - This report also sets out the proposed rents and service charges for the coming financial year 2026/27; as part of the Renting Homes Wales Act the Council is required to give 2 months' notice of any increase in Council Rents to Council Tenants. - In setting the rent level for 2026/27 the Council has ensured that it has complied with the Policy for Social Housing Rents which was issued by Welsh Government on 13th November 2025. The maximum allowable uplift has been set by Welsh Government at 4.3% for 2026/27.	

- The Council proposes to increase its rents by an average of 4.3%.
- Welsh Government requires all local authorities with retained housing stock to submit a fit for purpose annual 30 year Housing Business Plan which is in Appendix A.
- The Plan incorporates a detailed financial forecast in the form of a 30 year financial model. The submission deadline for the Housing Business Plan is 31st March 2026 and is required as part of the Major Repairs Allowance grant application.
- Guidance for the submission of the Housing Business Plan has not yet been received but no significant changes are expected for 2026/27.
- The Housing Improvement Programme reflects ambitious proposals to invest in new build accommodation to address the acute shortage of social housing in the area. The Improvement Programme also seeks to decarbonise the existing housing stock through investment in alternative energy sources, insulation and other energy efficiency initiatives.
- The Housing Revenue Account (HRA) Business Plan is both viable and sustainable in terms of meeting the Council's obligations under Welsh Housing Quality Standard (WHQS) for existing stock and provides consideration of the investment needed to respond to climate change, new build and regeneration whilst managing the level of debt within the HRA.

Recommendations

1. Scrutiny is recommended to review the report and make any recommendations on the recommendations 2. to 7. below which are being considered by Cabinet on 8th January 2026.
2. Cabinet is recommended to recommend Council to approve the final Housing Revenue Account budget proposals for 2026/27 set out below:

	Original 2025/26	Change	2026/27 Final Proposed Budget
Expenditure			£000
Supervision & Management – General	4,909	(90)	4,819
Supervision & Management – Special	1,962	(87)	1,875
Repairs & Maintenance	5,920	805	6,725
Capital Financing Costs	6,889	737	7,626
Rent, Rates, Taxes & Other Charges	298	(29)	269
Increase in Provision for Bad Debts	691	29	720
Capital Expenditure from Revenue Account (CERA)	6,979	(322)	6,657
	27,648	1,043	28,691
Income			
Dwelling Rents	(26,158)	(1192)	(27,350)
Non Dwelling Rents	(199)	(6)	(205)
Interest	(215)	(7)	(222)
Charges For Services and Facilities	(817)	54	(763)
Contribution towards expenditure	(95)	0	(95)
Grant Income	(205)	0	(205)
	(27,689)	(1,151)	(28,840)
(Surplus)/ deficit for the year	(41)	108	(149)
Working Balance Brought Forward as at 1st April 2026	(3,885)	(440)	(4,325)
Working Balance Carried Forward as at 31st March 2027	(3,926)	(548)	(4,474)

3. Cabinet is recommended to recommend Council approves an average rent increase of 4.3%, as set out in paragraphs 2.24.
4. Cabinet is recommended to recommend Council to approve the increase suggested for other services as set out in the table below and in paragraphs 2.26 to 2.34.

	2025/26 Actual Charges	2026/27 Proposed Charges	
50 Week Basis			
	£	£	
Grounds Maintenance	1.51	1.48	per week

Cleaning of communal areas	3.00	3.19	per week
Lighting of communal areas	3.60	2.52	per week
Laundry Facilities	0.41	0.40	per week
Window Cleaning	0.18	0.16	per week
Lift Maintenance	1.25	1.82	per week
Door Entry	0.80	1.05	per week
Intercom	1.29	1.86	per week
CCTV	1.43	1.78	per week
Sewerage Treatment Plants	467.54	485.00	per annum
Cesspools	451.00	468.14	per annum

5. Cabinet is recommended to recommend to Council to approve all changes to rents and service charges be implemented from 1st April 2026, with the first week of April being a non-chargeable rent week and that increase notices are sent to tenants two months in advance of the new charges coming into effect as required by the Renting Homes Wales Act.
6. That Cabinet approves the Housing Revenue Account Business Plan 2026/27.
7. Cabinet is recommended to approve the urgent decision procedure as set out in Section 14.14 of the Council's Constitution be used in order for Final Housing Revenue Account (HRA) Budget Proposals 2026/27, Rent Setting and Housing Business Plan to be referred to Full Council on 12th January 2026.

Reasons for Recommendations

1. To enable pre scrutiny of the 2026/27 HRA Business Plan and rent setting proposals.
2. To facilitate budget monitoring and to demonstrate a balanced budget with a drawdown from HRA reserves to bring the reserve back into balance with the Housing Business Plan 2026/27.
3. In order that new rent levels are set within the specified Welsh Government guidelines and to meet the tenant notification deadline as required by statute.
4. That charges are approved and to meet the tenant notification deadline as required by statute.
5. In order that charges are approved, new rent levels are set within the specified Welsh Government guidelines and to meet the tenant notification deadline as required by statute.
6. To obtain Cabinet approval for the Housing Revenue Account Business Plan 2026/27 (draft) prior to referral to Council.
7. To allow this report to be referred to Full Council on 12th January 2026 in order to comply with the Renting Homes Wales Act and meet the requirement of the Housing Business plan submission for 31st March 2026.

1. Background

- 1.1** Local housing authorities are required under Section 74, of the 1989 Local Government and Housing Act to keep a Housing Revenue Account. Section 76 of the Act requires local authorities to set a budget for their Housing Revenue Account (HRA) on an annual basis. The budget must be set so that the sum held in the Housing Revenue Account reserve at year end is not in a deficit position.
- 1.2** During the course of the year, local authorities must review their HRA expenditure and income and if, on the basis of the information available the account is heading for a deficit, they must take steps that are reasonably practical to prevent this deficit. A local authority is not prohibited from being in deficit but will need to demonstrate that the deficit has arisen through exceptional circumstances and that it has revised its original proposals so far as reasonably practical to avoid the deficit. Such a deficit shall be carried forward and must be made good the following year.
- 1.3** Each local authority should endeavour to have a working balance on the HRA, for any exceptional circumstances that may arise. The working balance at 31st March 2026 is projected to be £4.474m.
- 1.4** The basis for rent increases is set by the Welsh Government Policy for Social Housing Rents. Due to the Covid-19 pandemic, Welsh Government has continued to suspend target rent bands for 2026/27 and the approach has been replaced by a self certification monitoring form which is to be submitted in February 2026. In order to comply with the rent policy, social landlords must ensure their average weekly rents for their general needs and sheltered housing provides value for money and affordability to tenants. This has been demonstrated by the use of the Housemark affordability tool which compares Council housing rents with the private rented sector and local Registered Social Landlords (RSLs). Comparison of rents with other landlords is carried out annually and shows that Council rents for three bedroom homes are 37% lower than private rents for comparable properties and 20% below the local housing allowance for the Vale (this is the rate the Government uses as the maximum amount of benefit that can be paid towards Housing costs in an area). The differential for smaller properties, i.e. one bed flats is smaller, with Council rents being 28% lower than private rents (for 1 bed flats) and 6% below the LHA rate. Although, there are currently no 1 bed properties available in the Vale to rent at the LHA rate. Council rents also remain less than the median Housing Association rent for the area.
- 1.5** The Council's Housing Income team supports tenants to pay their rent and specialist Money Advisors assist with budgeting advice, claiming benefits, income maximisation and securing grants and other support. In 2025/26, the team's interventions led to tenants receiving an additional household income of £527,671.34. This was achieved through additional benefits claimed, backdated claims for benefits, lower cost tariffs for utilities and grants etc.
- 1.6** The Welsh Government recently announced the social rent settlement for the 2026/27 financial year, alongside a package of support for social tenants who are struggling financially. The 2026/27 Policy for Social Housing Rents issued by Welsh Government on 13th November 2025 has set maximum allowable uplift at

4.3% and will be applied by landlords using the existing formula. This means social landlords have flexibility within their stock to freeze, reduce or increase their rents beyond 4.3% (up to a maximum individual property rent increase of 4.3% plus £2.00p/w). However, the overall rental income from a landlords housing stock cannot increase beyond 4.3%.

- 1.7** The Council is acutely aware of the financial challenges that its tenants are experiencing currently and decisions regarding rent increases are carefully considered to ensure Council Housing rents remain affordable.
- 1.8** The Council has agreed a number of pledges to assist tenants in financial hardship, in order to mitigate the negative impacts of the cost of living crisis:
- No evictions due to financial hardship for the term of the settlement, (financial year 2026/27), where tenants engage with their landlords.
 - Continue to provide targeted support to those experiencing financial hardship to access support available.
 - Maximise the use of all suitable social housing stock, with a focus on helping those in the poorest quality transitional accommodation move into longer term homes that meet their needs.
 - Undertake a joint campaign to encourage tenants talk to their landlord if they are experiencing financial difficulties and access support available.
 - Build on existing engagement with tenants in rent setting decisions, including explaining how income from rent is invested and spent.
 - Continued commitment to invest in existing homes to keep them safe, warm and affordable to live in.
 - Work in partnership with tenants, Welsh Government, funders and other partners to develop a consistent approach to assessing affordability across the social housing sector in Wales.
 - Continue to strengthen approaches designed to ensure you minimise all evictions and work effectively with partners to deliver on the commitment not to evict into homelessness.
 - To participate in an assurance exercise to reflect on application of the rent policy to date. This will build on the work undertaken by social landlord over the past 3 years and inform future work to develop a consistent approach to assessing affordability.
- 1.9** The initial HRA budget proposals were considered by Cabinet on 20th November 2025 (minute no. C144). They were subsequently referred to members of the Place and Resources Scrutiny Committees on 26th November 2025 inviting comments to be made to the Head of Housing or Head of Finance/s151. The offer of a briefing session was also made.
- 1.10** The Council must also ensure that it has a viable 30 year Housing Business Plan and following careful analysis and financial modelling it is proposed that rents are increased by 4.3% to reflect not only the current financial situation with high

interest rates and inflationary cost pressures in delivering current priorities and commitments but to ensure that the Council can deliver its ongoing ambition to build new Council Housing at pace and scale, to decarbonise the Council housing stock by 2040 and to ensure that funding is available to meet the requirements of the new Welsh Housing Quality Standard (WHQS23) which has been introduced in 2023.

- 1.11** Analysis of the stock condition data indicates that an additional £70m will need to be invested in existing Council homes in the next 10 to 15 years to bring them to WHQS23 and a further £95m is required over the next 30 years, to directly respond to decarbonisation. This capital investment is only possible if sufficient income is received through rents.
- 1.12** As well as investing in existing stock, the Council uses its rental income to support the development of new Council homes. There are currently huge pressures on existing social housing, with over 7,600 households on the Housing waiting list and over 300 hundred homeless people living in temporary accommodation. Additional Council housing is the only way that we can end homelessness and ensure that households have a safe, secure, affordable home.
- 1.13** In 2025/26, the Council's Housing Development Team will have completed 61 new homes across 3 sites in Barry, all of which will achieve an EPC A (SAP92 or greater).
- 1.14** The Council also continues to buy land to facilitate its ambitious development programme. During 2025/26, construction will continue or commence on a further 5 sites, which deliver a further 241 new homes. Lower increases in rents have a significant financial impact on the Housing Business Plan and threaten the Council's ability to maintain, improve and build new homes.
- 1.15** The initial proposals have been reviewed in the context of the proposed housing rent increase of 4.3% and the 30-year housing business plan which balances the need to deliver new build housing stock, decarbonise the existing housing stock and the commencement of the next tranche of WHQS 2023.
- 1.16** The Welsh Government requires all Local Authorities who retain their housing stock to submit annually an acceptable Housing Revenue Account Business Plan (hereinafter referred to as the 'Plan') incorporating a detailed financial forecast in the form of a 30-year financial model.
- 1.17** The Plan is the primary tool for a Local Authority's housing landlord service and includes all assets within the Council's Housing Revenue Account (HRA). The Plan must be submitted to Welsh Government by 31st March 2026 and requires approval by Council.
- 1.18** The submission will then form the basis of the Major Repairs Allowance (MRA) grant application, a pivotal Welsh Government financing component for the Housing Improvement Programme.

2. Key Issues for Consideration

- 2.1** The Budget Strategy for 2026/27 outlined that, in order to establish a baseline, services should prepare revenue budgets for next year based on the cost of providing the current level of service and approved policy decisions.
- 2.2** Due to the nature of the HRA in that it is ring fenced and any growth has to be funded from the balance; no cost pressures have been formally identified.
- 2.3** The proposed 2026/27 budget is set out at recommendation 1 and has a surplus of £149k which will be transferred into the Housing Revenue Account reserve in 2026/27.
- 2.4** The table below sets out the changes to the original 2025/26 budget to bring forward the proposed budget for 2026/27. The changes are detailed in the paragraphs below.

Table 1 - Final Proposed Budget

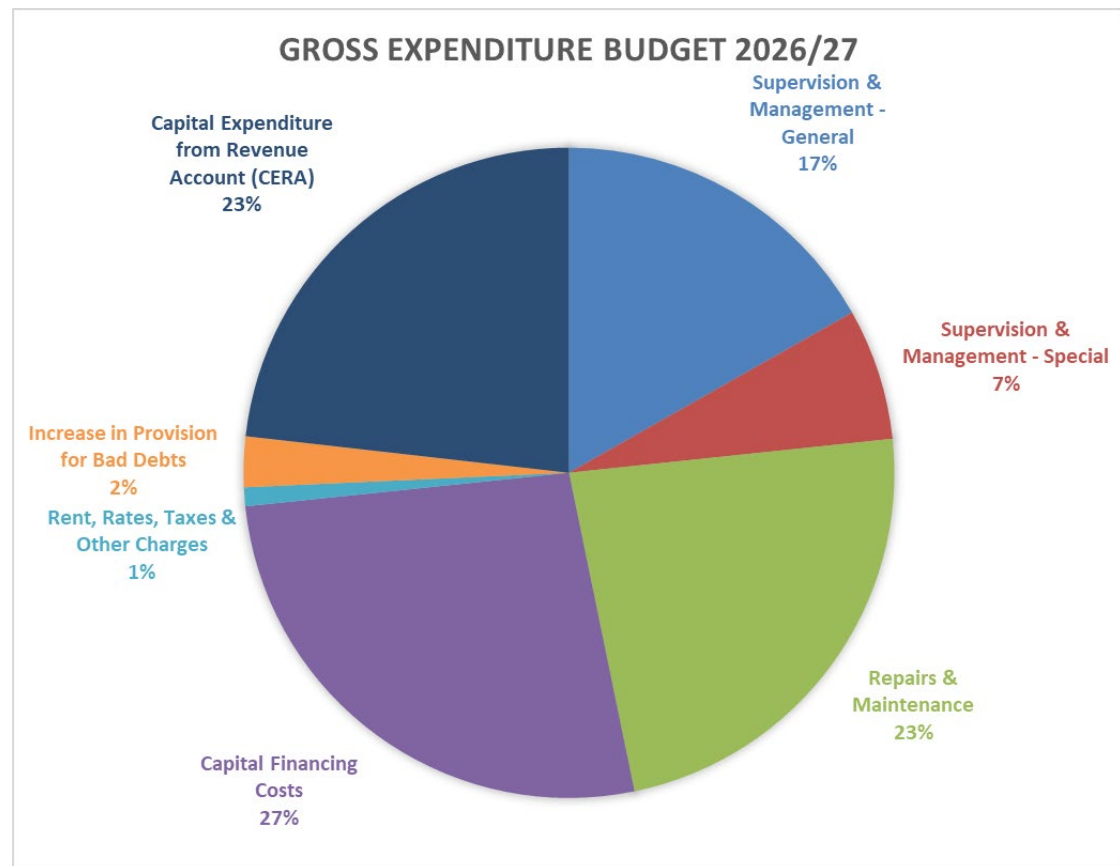
	Original 2025/26	Change	2026/27 Final Proposed Budget
Expenditure	£000	£000	£000
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	27,648	1,043	28,691
Income			
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Contribution towards expenditure	(95)	0	(95)
Grant Income	(205)	0	(205)
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(Surplus)/ deficit for the year	(41)	(108)	(149)
Working Balance Brought Forward as at 1st April 2025	(3,885)	(440)	(4,325)
Working Balance Carried Forward as at 31st March 2026	(3,926)	(548)	(4,474)

Table 2 - Analysis of Changes

	£000
Original Budget 2025/26	(41)
Pay/Inflation	135
Savings	(728)
Committed Growth	1,990
Dwelling & Non Dwelling Rent Increase	(1,183)
Increase/(Decrease) in Capital Expenditure Revenue Account	(322)
Proposed Budget 2026/27	(149)

- 2.5** A provision for general inflation £135k includes an allowance for pay award of 3% in 2026/27, reduction in Superannuation rate and staff changes.
- 2.6** The savings of £728k are due to the following factors:
- Increase in investment income £7k
 - A decrease in premises costs £113k mainly due to utility costs
 - An increase in transfer of technical salaries recharged to capital £591k
 - A decrease in supplies & services £17k
- 2.7** The committed growth of £1.990m is due to a number of factors:
- An increase in Capital Financing charges of £737k in relation to an increased level of unsupported borrowing being taken out in 2026/27 to fund the Housing Improvement Programme. This is based on a borrowing figure of £18.6m in 2025/26.
 - An increase in central support charges £48k
 - An increase in Provision for bad debt of £29k
 - A decrease in Charges for services & facilities £41k
 - An increase in staff costs of £330k due to changes in staff and increments.
 - An increase in repair costs £805k due to an increase in the services provided, supply costs and number of stock units.
- 2.8** A decrease in Capital Expenditure from Revenue Account (CERA) to finance the Housing Improvement Programme of £6.657m has been assumed. The £6.657m of revenue contribution required is dictated by available revenue balances and the value of the Housing Improvement Programme. Adjusting the level of CERA by this amount will leave a minimum HRA Reserve of £4.474m as at 31st March 2027, which is broadly in line with the Housing Business Plan.
- 2.9** The budgeted Gross Expenditure of £28.691m as set out in the Housing Business Plan for 2026/27 is set out in the Pie Chart below.

Chart 1 - Gross Expenditure Budget 2026/27



2.10 The table below shows the projected balances on HRA reserves over the next 5 years:

Table 3 - Analysis of Reserves

As at:	Year	Projected Closing HRA Working Balance
		£'000
31st March 2026	Current	4,325
31st March 2027	Yr1	4,474
31st March 2028	Yr2	2,380
31st March 2029	Yr3	2,411
31st March 2030	Yr4	2,476
31st March 2031	Yr5	2,543

Development Schemes

- 2.11** The Council remains committed to a fabric first approach, utilising off site construction methods wherever practical and the development programme includes new homes designed and constructed that have panelised (2D), or modular (3D), or structural components, manufactured offsite, to improve thermal efficiency, air leakage and construction quality.
- 2.12** The Council's Housing Development Team also install solar photovoltaic panels (PV) and improved energy efficient windows and doors, as well as decentralised Mechanical Extract Ventilation (dMEV) and Mechanical Ventilation and Heat Recovery (MVHR) systems to improve air quality and remove moisture from the home. To minimise the wastage of water, we are fitting low flow sanitary ware, a shallower bath, and diffusers on tap fittings, as well as rainwater harvesting systems. We ensure that there is low air leakage from the fabric of the building.
- 2.13** The Council continuously seeks to improve the energy performance of the new homes it builds and is already planning to improve on the current EPC A rating of its current Housing Development Programme and transition into the delivery of net zero carbon housing from 2025.
- 2.14** In 2025/26, the Council's Housing Development Team completed 61 new homes across 3 sites in Barry, all of which achieved an EPC A (SAP 92 or greater) and had a further 24 new homes under construction in Cowbridge and Cadoxton. During 2026/27, construction will commence on a further 5 sites, which deliver an additional 241 new homes, of which 182 will be delivered by the new Cardiff & Vale Housing Partnership.
- 2.15** The Council has increased the scale and pace of its housing development programme. In September 2025, the Council signed a Partnership Agreement with Lovell Partnership Ltd, as part of the joint procurement exercise with Cardiff Council, which see Lovell begin to deliver the Council's ambitious housing development programme over the next 10 years. Currently, a minimum of 860 new homes, including 120 for market sale, are to be delivered from 2026, all of which are planned to achieve net zero carbon standards, with further new development sites being identified, assessed, and acquired for future inclusion.
- 2.16** A large part of the Housing Improvement Programme is funded by Capital Expenditure from Revenue Account (CERA). The Housing improvement Programme sets out the delivery of various schemes including maintaining Welsh Housing Quality Standards (WHQS), Environmentals and Regeneration, New Build and other individual schemes.

Summary of Proposed Capital Expenditure

Table 4 - Breakdown of Capital Expenditure by Year

Housing	Year	Year	WHQS & Other	New Build	Total Expenditure	Estimated Number of Units
			£'000	£'000	£'000	No.
	1	2026/27	24,158	18,168	42,326	52
	2	2027/28	31,002	42,918	73,920	75
	3	2028/29	24,875	54,345	79,220	175
	4	2029/30	21,433	23,918	45,351	90
	5	2030/31	19,548	17,873	37,421	82

Business Plan

- 2.17** The 30 year Housing Business Plan is attached at Appendix A to this agenda. Whilst the guidance has not yet been received from Welsh Government it is not expected that there will be any significant changes for 2026/27.
- 2.18** The financial model used incorporates the most recent investment requirements based on the Council's Keystone Asset Management System and any other known issues which are likely to influence the future of the Council's housing stock.
- 2.19** The Plan is able to afford new build and acquisition schemes of £875.386m over years 1 to 30.
- 2.20** The latest projections are attached at Appendix A(i) and A(ii) to the Plan. Peak debt through the current plan is achieved in year 28 at a total of £707.730m and remains affordable through prudential borrowing principles.

Housing Business Plan Assumptions

- 2.21** There are a number of risks associated with the assumptions used in the financial projections for the Plan. The Council therefore needs to undertake sensitivity analysis to examine the impact of various scenarios on the ability to deliver the Plan. Welsh Government guidance requires authorities to model scenarios that are considered relevant to the Plan. The results are shown at Appendix B in the Plan.
- Inflation has been included at a level of 2.5% from year 2
 - Standard stock level at 1st April 2026 – 4,042 dwelling (including new units)

- Minimum level of HRA working balances to be maintained of £4.474m (real terms)
- Repair & maintenance expenditure of £1,598 per unit in 2026/27 then with inflation in future years
- Other revenue running costs based on 2026/27 Budget
- Gross average rents are £125.41 in 2026/27 calculated on a 52 week basis. The policy for 2026/27 limits the maximum rent increase to 4.3%. Actual rent increase for 2026/27 is 4.3%
- Major repairs allowance (MRA) has been assumed at the current level of £2.770m, per annum for the 30 year plan.

Investment as part of 5 year Capital programme

- 2.22** During the pandemic, Government resources were reprioritised meaning that that year's rent data set collection was suspended at the start of the Covid-19 Pandemic. Therefore, as there is no robust up to date data to generate Target Rent Bands for 2026/27, they have been replaced by a self certification monitoring form for 2026/27. As part of the decision on the annual rent uplift/reduction, the authority should make an assessment of cost efficiencies across the operating cost base, value for money and affordability to tenants. In addition, the maximum amount a social landlord can increase an individual tenant's weekly rent is 4.3%.
- 2.23** It is usual practice that the Vale of Glamorgan Council only increases rent by an amount which will not breach the Housing Benefit Rent Rebate Limitation set by the Department of Work and Pensions (DWP). Breach of the limitation would mean that the HRA would be liable for a proportion of the additional increase. The draft limit is due to be issued by Welsh Government at the end of January 2026.
- 2.24** It is proposed that rents are increased by 4.3% which is the maximum allowable. The rents have been set in line with the Council's existing rent policy, which takes into account the number of bedrooms, type and size of property along with location, whilst still ensuring that the current Housing Business Plan commitments are achieved. The rent increase per property type is detailed below:

Table 5 - Average Rent by Stock Type.

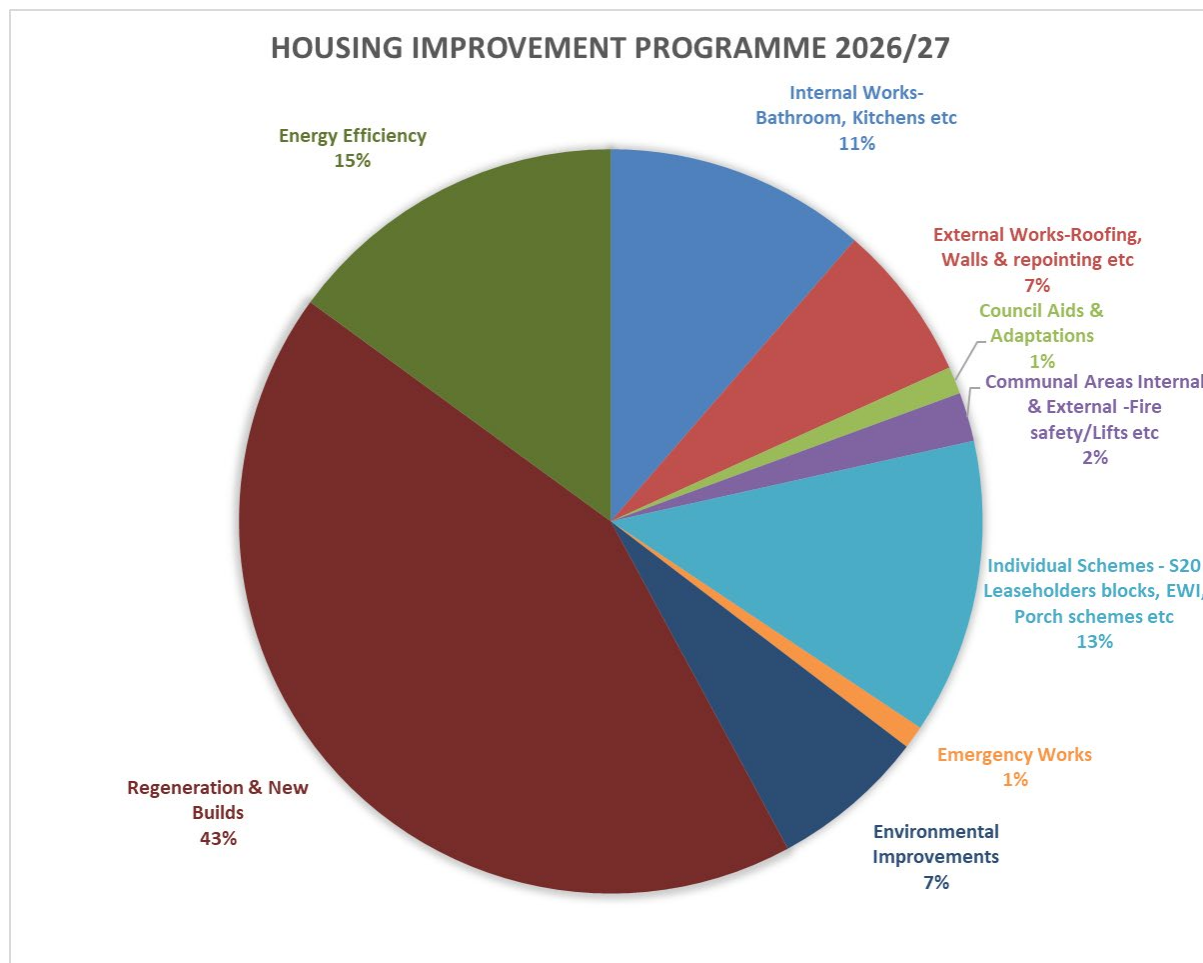
Type	Based on 50 Chargeable weeks		
	Average Rent for 2025/26 per week based on actual stock level*	Proposed Average Rent per week Increase (+) / Decrease (-)	Proposed Average Rent per week for 2026/27
	£	£	£
Bungalow	126.87	5.40	130.91
Flat	109.63	4.71	114.33
House	137.54	5.86	142.11
Maisonette	119.70	5.15	124.84

TOTAL *	125.05	5.38	130.43
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* Calculation includes an increase in stock numbers between years due to additions in new build stock and transfers between Class 1 and 2 properties

- 2.25** Investment in the Housing Stock in 2026/27 enabled by this rental increase is set out in the Pie Chart below.

Chart 2 - Housing Improvement Programme Investment 2026/27



Proposed Increases in Other Charges

- 2.26** As part of its activities HRA also charges for different types of properties and these rentals and charges have been increased by 4.3% in line with the increase in housing rents.
- 2.27** The proposed charges for 2026/27 are set out in the table below.

Table 6 - Proposed Fees and Charges

50 Week Basis	2025/26 Actual Charges	2026/27 Proposed Charges	
	£	£	
Grounds Maintenance	1.51	1.48	per week
Cleaning of communal areas	3.00	3.19	per week
Lighting of communal areas	3.60	2.52	per week
Laundry Facilities	0.41	0.40	per week
Window Cleaning	0.18	0.16	per week
Lift Maintenance	1.25	1.82	per week
Door Entry	0.80	1.05	per week
Intercom	1.29	1.86	per week
CCTV	1.43	1.78	per week
Sewerage Treatment Plants	467.54	485.00	per annum
Cesspools	451.00	468.14	per annum

- 2.28** Service charges have been increased based on the estimated outturn for 2025/26, therefore the increases and decreases for some of these items do not necessarily reflect the inflationary pressures that are being reported in the wider Council budget.
- 2.29** Garage Rents - the rent of freestanding garages is currently £10.06 per week. It is proposed that rents for all garages are increased by 4.3% to £10.49 per week. This percentage increase is in line with the rent increase.
- 2.30** Ty Lolo Hostel - the current charge for persons accommodated is £223.95 per week. It is proposed that the weekly rent charge is increased by a maximum of 4.3% per week to £233.58 per week. As rooms at the hostel are classified as HRA dwellings, the rents charged are also subject to Housing Benefit Rent Rebate Limitations, which means that hostel rents should be in line with the Welsh Government recommended rent increase.
- 2.31** 28 Evans Street, Barry - this property, owned by the Council, is let to Llamau Housing Trust and comprises of six units of accommodation. The current weekly charge is £728.46. It is proposed that the charge be increased by a maximum of 4.3%, in line with the recommended increase for the Hostel. The weekly charge will therefore be £759.78 per week.
- 2.32** Temporary Accommodation - the average current weekly charge including additional management, utility and service charge costs is £220.79. It is proposed that the rent element be increased by a maximum of 4.3%. The total charge including service charges will therefore be £230.28 per week.
- 2.33** Sheltered Housing Guest Suites - it is proposed that the charges for guest room facilities are increased by 4.3% to £18.27 per person per night for double occupancy and £26.13 for single occupancy.

2.34 Vale Community Alarm Service (VCAS) - this is a charge which forms part of the inclusive rent but is separately identifiable. The charges for Alarm Monitoring and Alarm Maintenance are due to be reported to Cabinet on 15th January 2026. The following paragraphs outline the main changes to the Service Charges. The proposed charges are based on the agreed Service Charge Policy which states that charges would be based on the best estimated cost of providing the service in the forthcoming year, using prior year's information and any known contract costs:

- Heating - the cost of providing heating to sheltered properties has increased. It is proposed that the charge be decreased from £21.32 per week to £12.12 per week based on the actual costs incurred in the 12 months prior to the budgeting period.
- Warden Housing Management Charge - Warden Management costs have increased. It is proposed that the charge be increased from £12.55 per week to £13.03 per week.
- Cleaning of Communal Areas – the cost of cleaning communal areas has increased. It is proposed that the charge be increased from £3.00 per week to £3.19 per week based on the actual costs for 2025/26.
- Lighting of Communal Areas – the cost of providing lighting has decreased. It is proposed that the charge be decreased from £3.60 per week to £2.52 per week based on the actual costs incurred in the 12 months prior to the budgeting period.
- Lift Maintenance - the cost of lift maintenance has increased. It is proposed that the charge be increased from of £1.25 per week to £1.82 per week based on the actual costs incurred in the 12 months prior to the budgeting period.
- Sewerage Treatment Plants - the charges to owners of all purchased, private and council dwellings connected to Council owned and maintained treatment plants is currently £467.54 per annum, based on the average charge payable if the properties were connected to the main sewerage system. It is proposed that these dwellings have a 3.8% increase which is £485.00 per annum.
- Cesspool Emptying - the current charge of £9.02 per week is based on an equivalent rate to those properties connected to the main sewerage system. It is proposed therefore that these dwellings have a 3.8% increase which is £9.36 per week.

Next steps

2.35 Cabinet's final budget proposals and the Housing Business Plan will be considered by Council at a meeting to be held on 12th January 2026.

2.36 These proposals will be reflected in the Final Capital Proposals and Capital Strategy and Treasury Management Strategy which is due to be reported to Cabinet on 26th February 2026 and Council on 9th March 2026

2.37 The rent increases will take effect from 1st April 2026.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1** Looking to the long term - The HRA is a significant resource, with an annual budget set to support the required level of service to tenants, all approved policy decisions and to maintain an ongoing working balance to cover the cost of any exceptional circumstances that may arise.
- 3.2** Taking an integrated approach - Welsh Government sets the rent policy for social housing properties on an annual basis and the HRA budget and charges have been set based on the required target rent bands whilst also ensuring that they do not breach the housing benefit rent rebate limits set by the DWP.
- 3.3** Involving the population in decisions - The Housing Service continues to consult regularly with its tenants both through formal consultation exercises and through the Tenants Panel.
- 3.4** Working in a collaborative way - The Housing Service places collaboration and coproduction at its core through its work with other departments and statutory and voluntary sector partners both locally and at a regional level.
- 3.5** Understanding the root causes of issues and preventing them - Feedback from tenants is used to inform and improve service delivery and tenants are kept up to date and offered assistance to prepare for any changes in national policy such as welfare reforms in order to mitigate the impact on them and the HRA.

4. Climate Change and Nature Implications

- 4.1** The Council understands the importance of decarbonisation to help protect and sustain the environment over the long term and in line with its Climate emergency declaration is working and investing in measures to reduce its CO² emissions and impacts on our tenants. Several projects are included in the 2025/26 and proposed 2026/27 Housing Improvement Programme which will assist the work the Council is undertaking as part of Project Zero and commitments in the Council's Climate Challenge Plan. The Housing Improvement programme is partly funded by Capital Expenditure funded from the Revenue Account (CERA).
- 4.2** All schemes progressed as part of the proposals set out the decarbonisation considerations that will be considered in formulating the individual project. Further details on Decarbonisation within the Housing Improvement programme can be found in the Housing Business Plan 2026/27 in Appendix A.

5. Resources and Legal Considerations

Financial

- 5.1** The projected balance on the Housing Revenue Account reserve at 1st April 2026 is expected to be £4.325m and is projected to be £4.474m on 1st April 2027.
- 5.2** The Housing Revenue Account Capital Expenditure from Revenue Account (CERA) is expected to be £6.657m 2026/27.
- 5.3** Adjusting the level of CERA by this amount will leave a minimum HRA Reserve of £4.325m as at 1st April 2026, which is broadly in line with the Housing Business Plan and is projected to be £4.474m on 1st April 2027.
- 5.4** The proposed Housing Improvement 5 year Capital Programme and funding streams are set out below:

Table 7. Analysis of Capital Financing

Year	Total Capital Expenditure	Financing					
		Borrowing	Other Capital Receipts	Other/ Grants	MRA	CERA	Total Financing
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Yr1	42,326	25,554	2,545	4,800	2,770	6,657	43,326
Yr2	73,920	58,057	452	4,800	2,770	7,841	73,920
Yr3	79,220	67,477	1,307	4,800	2,770	2,866	79,220
Yr4	45,351	36,797	452	4,800	2,770	532	45,351
Yr5	37,421	28,160	452	4,800	2,770	1,239	37,421

- 5.5** The revenue costs associated with the borrowing reflected in the Housing Business Plan are set out in the table below.

Table 8. Analysis of Capital Financing Costs

	2025/26	2026/27	2027/28
	£'000	£'000	£'000
MRP	1,699	2,033	2,567
Interest	3,848	5,329	6,265
Capital Financing Costs	5,547	7,362	8,832

Employment

5.6 There is no impact on staffing as a result of this report.

Legal (Including Equalities)

5.7 The Council under the 1989 Local Government and Housing Act have a legal obligation to set a budget for the Housing Revenue Account. The Renting Homes Wales Act requires notices of any increases have to be sent to tenants 2 months in advance of the new changes coming into effect.

6. Background Papers

Housing Business Plan – March 2026

Welsh Government's Policy for Social Housing Rents

Rented Homes Wales Act

Vale of Glamorgan Council
**Housing Business
Plan**
March 2026



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Joint Message

Message from the Leader - Councillor Lis Burnett, the Cabinet Member for Public Sector Housing and Tenant Engagement - Councillor Sandra Perkes.

Demand for our housing continues to be high and the Vale of Glamorgan Council continues to work hard to offer high quality homes. Our development team is delivering new energy efficient homes in response to the high demand for our housing. Additionally, over the course of the year the service has acquired a number of new houses, which have been bought on the open market, this has included a number of bedsits, flats, and houses. The service favours properties which were formerly Council built, and this helps future decarbonisation plans in being able to insulate the whole building rather than have possible cold spots at party walls.

We have been very busy developing plans to reduce our reliance on hotel accommodation. The use of hotels has been necessary to support our residents who have not been able to find accommodation for one reason or another. Whilst hotel accommodation provides a warm dry space, it is not suitable for anything other than short stay accommodation. The Council has been actively working to find suitable accommodation for these residents, and this has included the conversion of some of our properties to provide suitable housing for single persons.

Following the Chancellors budget in November 2025, the two-child benefit cap will be lifted from April 2025, and this should have a positive impact on household budgets with larger families. There are also plans to reduce around £150 from household energy bills which should ease fuel poverty for some and will ease the burden whilst our energy improvement programmes are delivered over the coming years.

This year has also seen the release of the latest version of the Welsh Housing Quality Standards. This will see our homes become more energy efficient and move away from a reliance on carbon burning heating and hot water. With the support of Welsh Government grants, several pilot projects have commenced to enable greater understanding of the technology, both for our tenants and officers.

This business plan focuses on a continuation of our journey in providing good quality housing which meets the social housing needs in the Vale of Glamorgan

Councillor Lis Burnett – Leader of the Council

Councillor Sandra Perkes – Cabinet Member for Public Sector Housing and Tenant Engagement.

Section 2 – Housing Updates and Signposting

1.0 WHQS Evaluation and Development

The Vale of Glamorgan Council is a stock retained organisation and achieved the first edition of the Welsh Housing Quality Standard on 31st March 2018. The introduction of the revised Welsh Housing Quality Standards has now reset the Council's position, and the following table summarises the Council's achievement against individual aspects of the standard.

Standard	2024/25			2025/26		
	Pass	Cond' Pass	Temp ' Fail	Pass	Cond' Pass	Temp ' Fail
In a good state of repair	88%		12%	97.5%		2.5%
Safe and secure	88%		12%	76%		24%
Homes must be affordable to heat and have minimal environmental impact	4.1%		95.9%	4.4		95.6
Contain up to date kitchens and bathrooms	93.8%	4.3%	1.9%	94.9%	2.5%	3.6%
Homes must be comfortable and promote wellbeing	92.5%		7.5%	100%		0%
Homes must have a suitable garden	98%		2%	100%		0%
Homes must have an attractive and practical outside space	TBC			0%	0%	100%

Following the introduction of WHQS '23 the Vale of Glamorgan Council has worked hard to improve the stock data held within its asset management system and this is now proving essential in providing the required data returns to Welsh Government. The first data return to Welsh Government found a significant number of property failures and whilst meeting the affordable heat and environmental impact criterion will require a considerable period of time to improve, other factors are well progressed against the target because they follow-on from the first version of WHQS.

The table above provides a summary of the key areas where our homes either meet or fail the new standard. As already mentioned, meeting the affordable heat and environmental criterion, will require significant investment and will be delivered over a number of years as determined by the Target Energy Pathway and available financial resources.

The area of Safe and Secure is an area where progress is difficult, and whilst all our homes have heat and smoke detectors, the programme to upgrade our homes to the L2 standard for fire detection, is proving difficult in some properties because some tenants do not want the disturbance in their home.

The other area where progress needs to improve is with the attractive and practical outside spaces. Here the main area for improvement is with the installation of water butts. The Vale of Glamorgan Council does not have a proactive programme of installation and has been installing water-butts through our void works (Change of Tenancy works), and this has limited numbers installed at present. A proactive programme of installation is planned over future years.

To ensure the Council has reliable data on which to develop and understand the investment needs, which informs the business plan, the Vale of Glamorgan Council conducts a cyclical programme of property surveys to all the housing stock. This new stock data then updates the previous data held on our Housing Asset Management System (Keystone).

The current stock condition database, Keystone, is no longer being developed by the software suppliers and the Vale of Glamorgan Council is currently upgrading the housing management software.

The Council has closely monitored and apportioned/recorded the cost for undertaking the works to ensure the actual costs incurred are within budget and that sufficient finances are in place to deliver the Housing Improvement Programme. This business plan includes preliminary costs and professional fees of 11% in the projected investment calculations.

The following chart provides the main component budget cost and anticipated lifetimes as extracted from the updated stock condition report:

Component	Budget (£)	Component Lifespan (years)
Kitchens	5,700	15
Bathrooms	4,500	25
Heating Boilers	8,500	12
Heating (Distribution)	Included Above	30
Rewiring	4,200	25
Roof Covering (synthetic slate)	12,400	35
Solar PV	11,500	25
EWI	15,000	30

2.0 Decarbonisation

Considerable progress has been made by the Vale of Glamorgan Council in its journey towards Carbon reduction. The Asset management team have been working with Sava to develop our Targeted Energy Pathway (TEP). This will enable us to plan for our route to decarbonisation and will also set out the associated costs, which may then be programmed over future years of the business plan.

The Housing service is also undertaking an upgrade of the software systems used and this includes the Asset management software. The Housing Management modules went live in November 2025, and work is now commencing on upgrading the Asset Management software, which will help smoothing and modelling the programme options.

Work has commenced on the installation of Solar Photovoltaic Panels, and these are proving very successful with our tenants. We have trailed a system for the distribution of power generated from a solar array and battery storage in several flats in Barry, and these are proving successful in reducing residents' energy bills and carbon footprint. The Vale of Glamorgan Council has decided to allow our tenants to directly benefit from any monies earned through the Feed in Tariff's.

We continue to focus on a Fabric First approach, but as our investment programme will switch to whole house delivery strategy to maximise impact for each household. This approach will target our lowest performing stock but will also include other properties of similar archetype and locality to maximise delivery and avoid pepper-potting our programmes.

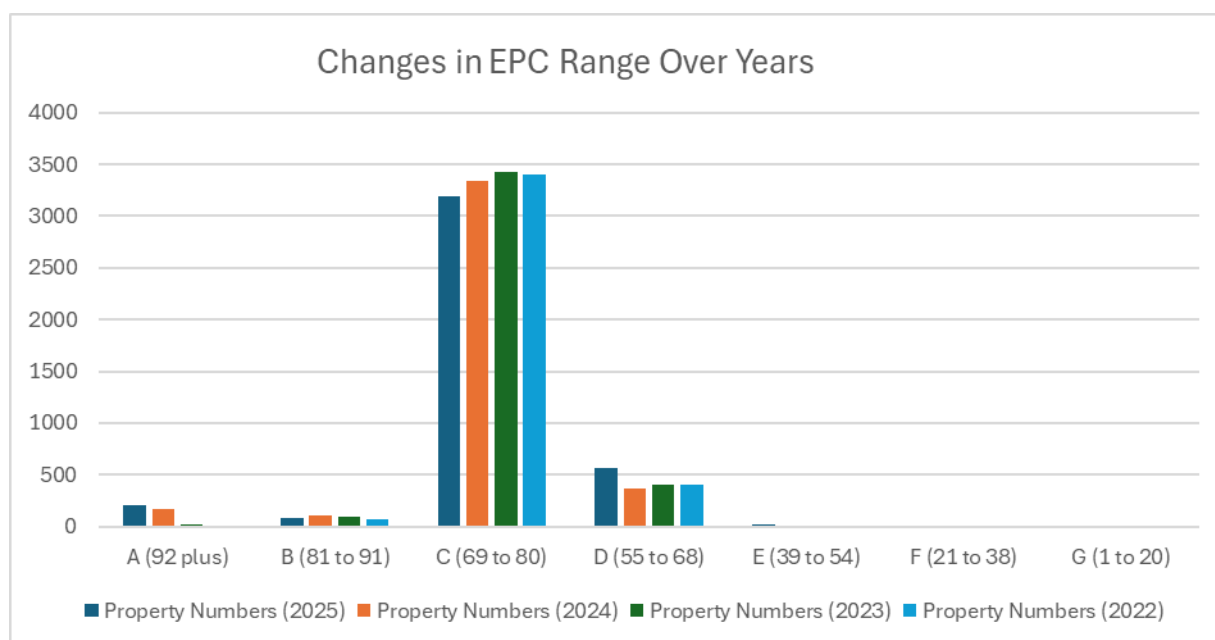
New build homes are performing at much higher levels of energy performance than older homes and therefore tenants in the better performing homes are spending less on energy. Additionally, as the Council's begins to invest in solar PV and battery backup systems, not all homes will be suitable for such technology and therefore this should be reflected through a fairer rent policy.

As part of the ongoing improvement programme on energy efficiency, the Council has installed:

- external wall insulation (EWI),
- modern windows and doors (A rated energy efficiency),
- new roofs with high levels of loft insulation,
- pilot renewable energy heating systems such as ground source heat pumps,
- dual flush toilets, and
- Removal of open fires and gas focal point fires (providing a socket for electric focal fires),
- Photovoltaic cells,
- Battery storage,
- Heat recovery.

We continue to work towards having, 'up to date' Energy Performance Certificates (EPC's) on all our properties to assist with our analysis of property performance. The tables below show the Council's current number of properties within each EPC banding.

Property Numbers in Each EPC/SAP Banding				
Band	Property Numbers (2025)	Property Numbers (2024)	Property Numbers (2023)	Property Numbers (2022)
A (92 plus)	211	166	14	0
B (81 to 91)	80	104	90	65
C (69 to 80)	3,196	3,344	3,425	3,404
D (55 to 68)	529	371	403	405
E (39 to 54)	22	3	3	3
F (21 to 38)	0	1	1	1
G (1 to 20)	0	0	0	0



This data is used to calculate what retrofit solution is required to bring each property up to its highest possible banding.

To assist the Welsh Government in its Carbon reduction pledge, the Council is providing regular up to date housing stock information.

The Council continues to conduct a whole house assessment when planning works, in order to understand the most cost-effective solution for each individual property, looking at fabric, services, and renewables in order to achieve highest performance, whilst managing fuel poverty.

At present the business plan identifies approximately £75.1m over the next 30 years towards directly responding to decarbonisation. However, it is recognised this investment figure is significantly below the levels of investment needed to achieve the targets set by WHQS '23, and work to balance building maintenance and investment of the existing housing stock, decarbonisation, and development of new homes, has been a financial challenge. Future years will begin to build upon the resources needed to achieve the requirements of WHQS '23 as the details become more transparent through our PAS2035 retrofit surveys, however, what is clear is the need for continued grant funding from ORP or similar. Without this additional funding, the achievement of EPC 'A,' to our existing homes is compromised.

New Development Schemes

In 2025/26, the Council's Housing Development Team completed 61 new homes across 3 sites in Barry, all of which achieved an EPC A (SAP 92 or greater) and had a further 24 new homes under construction in Cowbridge and Cadoxton. During 2026/2027, construction will commence on a further 5 sites, which deliver an additional 241 new homes, of which 182 will be delivered by the new Cardiff & Vale Housing Partnership.

The Council remains committed to a fabric first approach, utilising off site construction methods wherever practical and the development programme includes new homes designed and constructed that have panelised (2D), or modular (3D), or structural components, manufactured offsite, to improve thermal efficiency, air leakage and construction quality.

The Housing Development Team is also ensuring materials and especially the timber used in the structural frame, roofing structure and internally are sustainably sourced. We fit energy efficient electric heating and hot water systems.

We also install solar photovoltaic panels (PV) and improved energy efficient windows and doors, as well as decentralised Mechanical Extract Ventilation (dMEV) and Mechanical Ventilation and Heat Recovery (MVHR) systems to improve air quality and remove moisture from the home. To minimise the wastage of water, we are fitting low flow sanitary ware, a shallower bath, and diffusers on tap fittings, as well as rainwater harvesting systems. We ensure that there is low air leakage from the fabric of the building.

Many of these technologies have been installed in our recently completed schemes at Llys yr Eglwys, Ffordd y Cambria, Rhos Noriaidd, Clos Holm Vew, Cwrt y Chwarel, The Olives (all Barry) and Heol Croeso, Llantwit Major.



The Council continually seeks to improve the energy performance of the new homes it builds and is already planning to improve on the current EPC A rating of its current Housing Development Programme and transition into the delivery of net zero carbon housing from 2026.

The best way to achieve zero-carbon housing is to reduce energy demand in line with the principles of Passivhaus design standards, or similar and source renewable energy to meet the remaining minuscule demand. Renewable energy might be generated on-site or at a more cost-effective scale; large-scale renewables have the potential for a much lower life cycle cost and lower embodied carbon than domestic building-mounted PV. It is essential to account for the complete picture of how the building will use energy and the impact of the performance gap, storage losses, and the seasonality of renewable generation.

The Association for Environment Conscious Building (AECB) has led the way in environmentally responsible building for over 25 years, developing a set of standards backed up with specific building systems and methods. A huge pool of knowledge has been developed by members which is regularly disseminated on courses and conferences.

Like the Passivhaus Standard, the AECB Carbon-lite Standards of Gold, Silver, and Bronze involve a higher level of rigour in both design and construction than normal design and building practice in the UK. Following these carbon-lite standards will produce buildings that perform very closely to the standards predicted in the design stage. For instance:



- the AECB Silver Standard produces a building with a heating demand of not more than 40 kWh/m² per annum and to have primary energy consumption of not more than 120 kWh/m² per annum.
- The AECB Gold Standard produces buildings with a heating demand of not more than 15kWh/m² per annum and to have primary energy consumption of not more than 58kWh/m² per annum.



The AECB Carbon-lite Standard is aimed at those wishing to create high-performance buildings using widely available technology at little or no extra cost. It is estimated this low-risk option will reduce overall CO₂ emissions by 70% compared to the UK average for buildings of each type – a highly significant result given the relative ease and lower cost with which this standard can be met, in comparison to achieving EPC A rating (SAP 92+).

The AECB Carbon-lite Standard adheres to the key principles of Passivhaus design which are:

- Good levels of insulation with minimal thermal bridging
- Excellent levels of airtightness
- Good indoor air quality
- Passive heat gains through solar radiation and internal heat sources

The Council is therefore aiming to adopt AECB Carbon-lite Standards in all our new build properties.

3.0 Homelessness

There continues to be considerable pressures on the Council's 'homelessness' service with high levels of households seeking assistance. There are also high numbers of people residing in temporary accommodation. At the end of July 2025 there were 310 people in short term accommodation provided by the Council including 90 children.

Despite its best endeavours, the Housing Solutions team has found it challenging to deliver rapid rehousing solutions, which minimise the number of people in temporary accommodation and the time spent there. This is due to an acute shortage of affordable housing and sustained high levels of presentations from homeless people.

The Social Housing Grant (SHG) allocation to the Vale is being maximised and prioritised towards the development of accommodation for single persons. Last year, over £17.5m Social Housing Grant was received by all social landlords working in the Vale, to fund new social housing and this supported several schemes including, 20 flats at Cwrt y Chwarel, Cadoxton, 12 flats in Llys yr Eglwys, Colcot and 31 new homes at Clos Holm View in Gibbonsdown.

There are currently no families with dependent children living in hotel accommodation and this has been the case for many months. Instead, families have been provided high quality, self-contained accommodation at the Heol Croeso development in Llantwit Major. In addition, the amount of time families with children spend living in temporary accommodation has reduced significantly with many families moving into long term accommodation within three months. The Council has also stopped using a large number of rooms at a local hotel. This has been possible by the development of new housing, the reconfiguration of existing homes (for single persons) and additional capacity made available via private rented sector landlord partners. This has resulted in significant financial savings to the Councils General Fund.

The Council's draft 'Rapid Rehousing Plan' continues to mitigate homelessness pressures and a number of actions are being taken to minimise use of temporary accommodation. The new, draft Homelessness legislation scheduled to be implemented in Wales prior to May 2027, is likely to compound the challenges being faced, by broadening the range of households who are eligible for assistance, expanding the advice and assistance Councils need to provide and restricting the circumstances when homelessness duties can be discharged. A financial assessment of the impact of the changes in law has been undertaken, which identified additional cost pressures for the Council in the region of £1.3m. This is made up of additional support staff required to assist households and increased use of bed and breakfast accommodation.

Changes in the economy including high interest rates, high property values and new tenancy legislation continue to create uncertainty in the private rental market. In turn, this is resulting in high private rent levels and consequentially, affordability concerns for existing tenants. The private rental market is significant in the Vale, comprising around 9,000 homes and provides much needed accommodation to a variety of households. Increasing rents and contractions in supply, therefore, translate into pressures on homelessness services, if private tenants are not able to identify alternative accommodation.

4.0 Building Safety

The Vale of Glamorgan Council does not have any building above 18m in height and has not used ACMs to clad any buildings so does not have the level of fire safety issues associated with these buildings. However, building safety remains a key issue, which the Vale of Glamorgan Council takes seriously as a landlord.

A programme of replacing and upgrading flat entrance doors, kitchen doors to flats and general communal area doors, has been progressed over several years and all high-risk buildings have been surveyed to certify the fire compartmentation levels with a programme of works following to remediate any defects. All fire doors now have a programme of biannual inspection to ensure they remain in the best possible condition.

Following successfully securing £160K of grant funding from Welsh Government towards the installation of a misting system at our highest block of flat. These works are now complete at Awbery House, and along with assured compartmentation, fire doors and fire detection systems, this scheme demonstrates the Council's aspiration to keep residents as safe as possible.



The Vale of Glamorgan Council has a Fire Safety Policy which sets out the roles, responsibilities and duties of all staff associated with the management of flats. The current policy includes regular inspections recording any issues and seeks to resolve them in a timely manner.

Awaab's Law introduces strict statutory requirements for landlords to address damp, mould, and other hazards within defined timeframes. Within Wales, Social Landlords must investigate reported hazards promptly, provide written assessments, and complete remediation within short deadlines, with emergency risks being resolved within 24-hours. Tenants must also receive clear communication throughout the process. These measures aim to safeguard tenant health and improve housing standards.

For Vale Homes, this represents a significant operational challenge. Existing policies and procedures are being updated to reflect compliance obligations, including reviewing our system(s) for logging reports, tracking deadlines, and issuing timely tenant notifications. Our Repairs teams will need sufficient capacity to meet the recommended five-day target, and proactive inspections may need to continue and maybe increased to prevent issues before they escalate. Currently, Vale Homes has invested around £2 million over the past two financial years to tackle damp, condensation, and mould issues across our housing stock.

To enhance our understanding of property performance, environmental monitors have been installed in targeted, hard-to-treat homes. In addition, we have identified a series of targeted capital schemes aimed at proactively addressing underlying property defects and improving long-term resilience.

5.0 Optimised Retrofit Programme (ORP)

The Vale of Glamorgan Council is committed to ensuring people live and work in environmentally sustainable homes, workplaces and communities. To this end, the Vale of Glamorgan will supplement its own investment programme with grant support provided by Welsh Government. With increasing material costs and high demand to improve our existing housing stock, it will be necessary to attract alternative grant funding to decarbonise our homes as quickly as possible.

To engage in future Optimised Retrofit Programmes, the Council is planning to install data points within homes to collate data on occupancy lifestyle, prior to fitting renewable energy systems, to assist in minimising running costs in pursuit of EPC A.

The Council continue to explore the optimum solution to provide sustainable heating and hot water solutions without increasing fuel poverty. To explore the options, the Council have been successful in securing Optimised Retrofit Programme (ORP) grant funding to run a pilot scheme to 26 properties. This scheme includes:

- PAS 2035 surveys,
- Data monitoring points installed to collate pre-installation data in accordance with ORP funding requirements.
- Piloting Solshare, a Solar PV system to blocks of flats. This will provide a solution for blocks micro generation of energy which may be shared amongst individual flats. Along with the communal area upgrade with energy efficient lighting with motion sensors to further reduce the carbon footprint.



The Council will be continuing to develop schemes which will allow us to claim future grant funding, which is essential in meeting the race against climate change.

6.0 The Cardiff and Vale Housing Partnership

The Council's Local Housing Market Assessment 2021 - 2026, identifies a chronic shortage of affordable housing and a need for an additional 1,205 units per annum (including 915 social rented units).



To this end, the Council has increased the scale and pace of its housing development programme. In September 2025, the Council signed a Partnership Agreement with Lovell Partnership Ltd, as part of the joint procurement exercise with Cardiff Council, which see Lovell begin to deliver the Councils ambitious housing development programme over the next 10 years. Currently, a minimum of 860 new homes, including 120 for market sale, are to be delivered from 2026, all of which are planned to achieve net zero carbon standards, with further new development sites being identified, assessed, and acquired for future inclusion.

The current Housing Development Strategy 2019-24 is underpinned by our forward plan for the delivery of new Council homes and is provided at appendix D – New Build Forward Plan.

6.0 Grants regime

During 2024/25, the Council bid for and received £9.5 million of Social Housing Grant (SHG) to support its schemes at Cwrt y Chwarel, Cadoxton (20 units); Ffordd y Cambria and Rhos Noriaidd, Barry (53 units); Llys yr Eglwys, Colcot (12 units) and Clos Holm View Phase 2, Gibbonsdown (31 units).



The Council also bid for and received £1.224 million of Transitional Accommodation Capital Programme (TACP) funding to support the acquisition and improvement of 6no. Empty Homes for homeless to assist with the current housing crisis.

The Council has already received £1.154 million of SHG in 2025/26 and is likely to receive additional SHG at year end, in the form of slippage i.e. SHG that has failed to be drawn by other housing associations and local authorities. This will be used to support

new schemes that will be added to the Councils Programme Delivery Plan.

7.0 Housing Revenue Account Manual

The Housing Revenue Account is managed in accordance with the relevant legislation and other guidance, including Welsh Office Circular 33/95 and future revisions. The detailed capital and revenue projections for the base model are shown in Appendix A as follows:

A (i) – Major Repairs and Improvements - Base Model.

A (ii) – Operating Account - Base Model.

In October 2018, The UK Government announced plans to lift the Housing Revenue Account Borrowing Cap and agreed for the Cap to be fully abolished in Wales from March 2019.

A summary of the projected financial position of the 30-year plan follows:

	Base Plan - April 2026
HRA Useable Capital Receipts Balance on 1st April 2026	0
Opening Housing Capital Financing Requirement on 1st April 2026	£98.929m
Peak Debt	Year 30 £698.634m
Repayment of Debt	Year 31+

Revenue Surplus in year 30	£4.949m
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Appendix A (i) – Major Repairs and Improvements, details the total required capital investment to maintain WHQS, provisional amounts for new build and regeneration and to maintain the stock over the next 30 years.

The following table gives a description of each column.

Major Repairs and Improvements

WHQS Improvement & Maintenance	Includes capital expenditure required to improve and maintain the stock to WHQS, it also includes investment in Disabled Adaptations.
Regeneration & Remodelling	This includes provision for environmental and regeneration work.
New Build Development Costs	This includes provisions for new build schemes and the potential buy-back of former RTB properties.
Borrowing	Borrowing is allowed under the Prudential Code provided that it is affordable for the Council.
Major Repairs Allowance (MRA)	Grant from Welsh Government – assumed at current level of £2.770m per annum.
Other Financing	This includes Section 106 contributions and expected capital receipts
Revenue Contributions to Capital Outlay (RCCO)	Revenue contributions from the Housing Revenue Account (HRA) to fund capital expenditure, where the revenue account is in surplus.

Appendix A (ii) – Operating Account, displays the revenue account position year on year. The following table gives a description of each column:

Operating Account	
Net Rent Income	The rent and service charge income receivable on all dwellings adjusted for voids and bad debts
Other Income	Includes garage rents, leaseholder ground rent, sewerage treatment charges and contributions to expenditure.
Miscellaneous Income	Includes wayleaves and easements, lease income and mortgage interest.
WG Affordable Housing Grant	This is grant income which supports new Council house building. The grant is provided to fund the interest and capital repayments of debt.
Management Expenditure	Fixed costs for management and supervision.

Repairs & Maintenance	Revenue repairs expenditure.
Other Revenue Spend	Includes Council tax, audit, legal and consultant fees.
Miscellaneous Expenses	Hostel expenditure.
Capital Charges	Charges for loan debt.

8.0 Rent Policy

On 29 September 2025, the Cabinet Secretary for Housing and Local Government announced her decision to set a new rent policy for a ten-year period beginning in April 2026. The maximum allowable uplift has been set at CPI + 0.5% each year when CPI is within the prescribed range of 3% to 5%. Outside this range, WG will determine the appropriate change to rent levels for that particular year. However, some rents can be increased by CPI + 1% and up to an additional £2 on condition that other rents are either frozen or reduced so our overall rent increases for all stock is no greater than CPI+0.5%.

The rent policy for 2026/27 states the total maximum annual rent uplift for 2026/27 across the whole of the stock will be 4.3%. Whilst 4.3% will be the maximum increase allowable, it must not be regarded as the default increase. Decisions on rent setting should consider the affordability of rents for tenants.

The Vale of Glamorgan's 2026/27 average weekly rent (based on 52 weeks for Business Planning purposes) is anticipated to be £125.41. This was calculated based on an average increase of 4.3%, which is the maximum allowable and is in line with the new rent policy for Wales.

The Council is acutely aware of the financial pressures that our tenants are facing at this time, and the impact rent increases may have particularly on those who do not receive any form of housing subsidy.

The Council has agreed a number of pledges to assist tenants in financial hardship, in order to mitigate the negative impacts of the cost-of-living crisis:

- a. Continue commitment of no evictions due to financial hardship for the term of the settlement, where tenants engage with landlords, whilst working with partners to deliver on the commitment not to evict into homelessness
- b. Continue to provide targeted support to those experiencing financial hardship to access support, alongside focussed communication to encourage tenants to talk to their landlord if they are experiencing financial difficulties and access support available
- c. Maximise the use of all suitable social housing stock, with a focus on helping those in the poorest quality transitional accommodation move into longer term homes that meet their needs

- d. Continue to build on existing engagement with tenants in rent setting decisions, including explaining how income from rent is invested and spent
- e. Continue to undertake a standardised tenant satisfaction survey and provide the data for publication on a central website to assist tenants in scrutinising landlord performance. Working with the Welsh Government to consider including up to three new questions over the rent settlement period to ensure data collected remains current and in line with tenant priorities and continue to work to improve survey methodologies.
- f. Commit to work with Welsh Government to strengthen transparency and accountability and improve learning and practice through enhanced data sharing through
 - i) for Registered Social Landlords, the publication of the quarterly data return in relation to key aspects of service provision on an individualised basis
 - ii) for Local Authorities, work with us to enable the completion of quarterly data returns on key aspects of service provision and agreeing to their anonymised publication
- g. Work together to gather evidence and fully assess, and where possible, test initiatives supporting work that strengthens our abilities to improve and decarbonise more homes.
- h. Continued commitment to invest in the delivery of more homes and work with Welsh Government to inform the policy design and adoption of innovative financing models to support delivery of our decarbonisation objectives and meet our net-zero ambitions.

The Council's Housing Income team support tenants to pay their rent and specialist Money Advisors assist with budgeting advice, claiming benefits, income maximisation and securing grants and help. Over the last twelve months, the team's interventions led to tenants receiving an additional household income of £527,000. This was achieved through additional benefits claimed, backdated claims for benefits, lower cost tariffs for utilities, grants etc.

9.0 HRA Prudential Borrowing Indicators

Welsh Government has been working with the WLGA, a group of local authority representatives and Savills to develop a set of prudential borrowing indicators in the absence of a borrowing cap and with increasing funding demands placed on the HRA business plan.

These measures have not yet been agreed but the aim is to include these in some way in business plan submissions in future years.

These measures will be calculated by and managed by local authorities. Welsh Government will not be prescriptive as to parameters for these measures but will facilitate comparison across the sector in agreement with local authorities to provide context for decision making.

The viability of the Housing Business Plan is determined by whether or not the HRA remains in surplus for the life of plan, with the minimum level of balances set at £4.474m in real terms as of 31st March 2027. This is considered to be a prudent level.

10.0 Conclusion

The business plan continues to highlight some of the difficult challenges currently facing the housing sector in balancing maintenance of the existing stock, whilst striving to reduce carbon emissions and increase the housing stock to meet the housing crisis challenge. This year has been difficult to balance, but this plan provides a balanced accounting proposal upon which to build future years plans in meeting the demands of WHQS '23 and meeting the demand for new social housing.

The investment profile for the replacement of key attributes is in line with industry lifecycles to ensure our existing homes remain in good condition and continue to provide good quality homes for our tenants. Additionally, improvements to the existing housing stock have also been included to ensure we continue our journey towards zero carbon and ensuring a sustainable future for all.

The plan has been stress tested to ensure our plans remain viable over the course of this investment programme and our plan remains viable over its 30 years life plan, to provide energy efficient homes in the areas it is needed.

Base Information 1 - Stock Numbers

As of 16th December 2025, the Council's Standard Stock stood at 4,038, as shown in the table below. There are also 150 Temporary Accommodation properties and a Homeless Hostel. It has been assumed the standard stock at the 1st April 2026 will increase by 4 units to 4,042 and Temporary Accommodation properties will increase by 10 units to 160.

Type	No. of Bedrooms	Total Properties
General Needs Stock		
House / Bungalow	1	1
House / Bungalow	2	404
House / Bungalow	3	1,620
House / Bungalow	4	85
House / Bungalow	5	6
House / Bungalow	6	1
Bedsit	0	12
Flat	1	317
Flat	2	497
Flat	3	93
Total General Needs		3,036
Sheltered Stock		
Bungalow	1	44
Bungalow	2	41
Bedsit	0	27
Sheltered Flat	1	194
Sheltered Flat	2	23
Total Sheltered		329
Total OAP Designated		
OAP Bedsit	0	25
OAP Flat	1	327
OAP Flat	2+	26
OAP House / Bungalow	1	255
OAP House / Bungalow	2	40
Total OAP Designated		673
Total		4,038

Base Information 2 - Financial model and Assumptions

A financial analysis has been carried out on the Council's ability to achieve the level of investment required whilst maintaining a viable Housing Revenue Account. Consideration has been given to the potential impact of changes in legislation and particularly Welfare Reforms. Assumptions used in the financial modelling are shown in full at Appendix C for information. The following provides a summary of the main assumptions:

- Inflation has been included at a level of 4.3% per annum.
- Standard Stock Level on 1st April 2026 – 4,038 dwellings
- Minimum level of balances to be maintained of £4.474m (real terms).
- Repairs and Maintenance expenditure of £1,598 per unit in 2026/27 then with inflation in future years.
- Other Revenue running costs based on the 2026/27 budget.
- Gross average rents are £125.41 in 2026/27 calculated on a 52-week basis. The maximum level rents can be increased by is set by WG via their Policy for Social Housing Rents. The policy for 2026/27 limits the maximum rent increase to 4.3%. Actual rent increase for 2026/27 has been proposed at 4.3%.
- No income has been assumed from Right to Buy sales as legislative changes abolished the ability to make such sales from 26th January 2019 for existing properties.
- New build provisional investment totals £875.386m over years 1 – 30.
- Estate Improvements of £64,000 per annum has been set aside for community investment initiatives within the Revenue Budget.
- Environmental improvements of £2.856m have been set aside in 2026/27.
- Major Repairs Allowance (MRA) has been assumed at the current level of £2.770m, per annum for the 30-year plan.

These assumptions have been agreed with the relevant officers.

Base information 3 - Sensitivity Analysis

There are risks that the assumptions used in the Housing Business Plan do not materialise and this may impact on the Council's ability to deliver its Plan. The impacts of the following ten scenarios have been assessed to quantify the various levels of risks. It should be noted this is not an exhaustive list, but it is considered they cover the main areas of risk to the Plan.

No.	Key Risk/(s)	Rate of Change/(s) modelled	Description of risk and reason for inclusion
1	Rent	Reduction in rate of rent increase to CPI + 1%	2026/27 is the first year of the 10-year Rent Policy. Rent increase has been fixed at CPI (as at the previous September) plus 0.5% for the range 0-3%
2	Rent	Reduction in rate of rent increase to CPI + 0.5%	2026/27 is the first year of the 10-year Rent Policy. Rent increase has been fixed at CPI (as at the previous September) plus 0.5% for the range 0-3%
3	Inflation	Inflation runs at 1% higher than anticipated	This assesses the effect of the combination of increasing income by the same factor as expenditure. Uncertainties surrounding the impact of leaving the European Union, the economic impact of the cost-of-living crisis make it difficult to forecast any changes to inflation.
4	Rents	Increase in rent loss of 1% per annum	This reflects an increase in bad debts and voids. The roll-out of Universal Credit has created several problems and has been amplified by the cost-of-living crisis.
5	Rent and Cost Inflation	Reduction in rate of rent increase by 0.5% plus increase of 1% on cost inflation	This combines a reduction in rent income with increasing costs. 2026/27 is an extension year for the Welsh Government's Rent Policy and is fixed at maximum 4.3%, as inflation was outside the range. This policy could therefore change over the period of the business plan.
6	Interest Rates	Interest rate 0.5% higher than anticipated	This assesses the effect of increasing capital financing costs as uncertainties surrounding the impact of leaving the European Union, the economic impact of the cost-of-living crisis make it difficult to forecast any changes to interest rates.
7	Management Costs	Management costs increase by 1% above inflation per annum.	The impact of the roll out of universal credit and the cost-of-living crisis may result in increased management time and therefore costs in recovering rent arrears and debt management.

8	Repairs & Maintenance Costs	The cost of repairs and maintenance and WHQS increase by 1% above inflation per annum.	Uncertainties surrounding the impact of leaving the European Union make it difficult to forecast any changes to inflation. It is also likely costs will increase as a result of the cost-of-living crisis.
9	Grant	The annual Major Repairs Allowance (MRA) from WG ceases	The MRA grant is a key funding stream that ensures the Plan remains viable. A reduction in this source of funding would have a significant impact.

The viability of the Housing Business Plan is determined by whether or not the HRA remains in surplus for the life of plan, with the minimum level of balances set at £4.474m in real terms from 2026/27. This is considered to be a prudent level. Sensitivity analysis has been applied to the Business Plan based on the following criteria provided by Welsh Government:

- Key risks to the plan
- Impact on HRA reserves
- Impact on WHQS achievement and maintenance
- Impact on Affordability
- Mitigating actions

The sensitivity analysis and the results for each scenario are shown in Appendix B.

The sensitivity analysis has been carried out over the life of the Plan to assess the effects on the Business Plan objectives of the different scenarios.

Analysis has focused on the first 10 years of the business plan as after this time, projections are less accurate. While the impact of the various scenarios, result in a shortfall in capital funding, this shortfall in part can be mitigated by additional borrowing but the plan still has a shortfall in all scenarios. As well as additional borrowing, the capital program needs to be reduced in future years in order to achieve a balanced and viable plan.

There are, however, other mitigating actions that could be pursued should any of the scenarios materialise. These could include further reductions or re-profiling of regeneration works, management savings on added value community regeneration, initiatives being reduced or postponed. Also, maintenance and void works could be reduced to a minimum acceptable standard, and the number of new build houses could be reduced if required over the life of the Plan. The most appropriate options would be considered at the appropriate time in conjunction with the option to fund any shortfall through additional borrowing.

Base information 4 - Housing Investment Programme – previous investments

The following table provides a breakdown of the expenditure and budget over the various areas of work undertaken since 2023/24.

	2023/24	2022/25	2025/26	2026/27	Total
Schemes	Actual £'000	Actual £'000	Budget £'000	Budget £'000	£'000
Internal Elements	639	1,622	1,579	4,814	8,654
External Elements	1,158	1,346	2,348	2,897	7,749
Asbestos Management	60	0	0	0	60
Council Housing Aids and Adaptations	590	804	480	500	2,374
Common Parts	2,987	2,342	1,974	900	8,203
Individual Schemes	3,845	1,483	3,542	5,433	14,303
Emergency Works	505	342	447	420	1,714
Environmental Improvements	686	1,434	2,629	2,856	7,605
Regeneration & New Build	29,170	16,432	9,402	18,168	73,172
ICF - Penarth Older Persons Village	87	129	43	0	259
IHP retrofit Heating system	0	0	0	0	0
Energy Efficiency	685	582	3,898	6,338	11,503
Larger Homes Fund	272	-8	0	0	264
7 St Pauls	157	0	0	0	157
Clos Holm View	24	0	0	0	24
Burlington Street	0	198	10	0	208
Total Housing Improvement Programme	40,865	26,706	26,352	42,326	136,249

Base Information 5 - 30-Year Investment Programme

	2026/27	2027/28	2028/29	2029/30	2030/31
	Year 1	Year 2	Year 3	Year 4	Year 5
	£	£	£	£	£
Capital - Internals, Externals & Ind Schemes	13,143,598	20,001,766	16,935,306	12,402,428	10,409,304
Common Parts	900,000	400,000	0	300,000	100,000
Aids & Adaptations	500,000	500,000	500,000	500,000	500,000
Energy Efficiency	6,338,400	6,985,700	4,392,650	4,852,650	4,852,650
Environmentals & Regeneration	2,856,000	1,938,000	1,428,000	1,428,000	1,428,000
Emergency	420,000	420,000	420,000	420,000	420,000
SUBTOTAL	24,157,998	30,245,466	23,675,956	19,903,078	17,709,954
New Build	18,168,000	42,918,000	54,345,392	23,918,000	17,872,769
TOTAL	42,325,998	73,163,466	78,021,348	43,821,078	35,582,723

	2031/32	2032/33	2033/34	2034/35	2035/36
	Year 6	Year 7	Year 8	Year 9	Year 10
	£	£	£	£	£
Capital - Internals, Externals & Ind Schemes	13,342,416	10,448,778	5,243,616	4,371,516	3,867,840
Common Parts	500,000	250,000	500,000	500,000	1,460,000
Aids & Adaptations	500,000	500,000	500,000	500,000	500,000
Energy Efficiency	6,145,500	3,595,500	3,825,000	3,825,000	1,815,000
Environmentals & Regeneration	1,428,000	1,428,000	1,428,000	1,428,000	1,162,800
Emergency	420,000	420,000	420,000	420,000	420,000
SUBTOTAL	22,335,916	16,642,278	11,916,616	11,044,516	9,225,640
New Build	15,218,000	17,786,005	16,718,000	16,718,000	16,718,000
TOTAL	37,553,916	34,428,283	28,634,616	27,762,516	25,943,640

	2036/37	2037/38	2038/39	2039/40	2040/41
	Year 11	Year 12	Year 13	Year 14	Year 15
	£	£	£	£	£
Capital - Internals, Externals & Ind Schemes	4,051,440	4,479,840	4,908,240	5,570,118	6,289,218
Common Parts	1,460,000	1,460,000	1,460,000	2,060,000	2,060,000
Aids & Adaptations	500,000	500,000	500,000	500,000	500,000
Energy Efficiency	1,815,000	1,815,000	1,815,000	1,815,000	1,815,000
Environmentals & Regeneration	958,800	958,800	958,800	958,800	958,800
Emergency	420,000	420,000	420,000	420,000	420,000
SUBTOTAL	9,205,240	9,633,640	10,062,040	11,323,918	12,043,018
New Build	33,164,032	27,268,000	27,268,000	27,268,000	27,268,000
TOTAL	42,369,272	36,901,640	37,330,040	38,591,918	39,311,018

	2041-2046	2046-2051	2051-2056	
	Year 16-20	Year 21-25	Year 26-30	TOTAL
	£	£	£	£
Capital - Internals, Externals & Ind Schemes	21,688,974	21,601,764	19,151,724	197,907,887
Common Parts	500,000	500,000	500,000	14,910,000
Aids & Adaptations	2,400,000	2,400,000	2,400,000	14,700,000
Energy Efficiency	8,975,000	4,945,000	4,945,000	74,568,050
Environmentals & Regeneration	4,794,000	5,202,000	4,794,000	35,536,800
Emergency	1,900,000	1,900,000	1,900,000	12,000,000
SUBTOTAL	40,257,974	36,548,764	33,690,724	360,622,737
New Build	166,518,000	197,768,000	197,768,000	947,370,198
TOTAL	206,775,974	234,316,764	231,458,724	1,307,992,935

Appendix A (i) – Major Repairs and Improvement Financing

Vale of Glamorgan Council																
HRA Business Plan																
Major Repairs and Improvements Financing																
expressed in money terms)																
Year	Year	Expenditure										Financing				
		WHQS Improvements & Maintenance £,000	Regeneration & Remodelling £,000	Other Improvements £,000	Decarbonisation £,000	New Build Development Costs £,000	Other £,000	Total Expenditure £,000	Borrowing £,000	Grant £,000	Capital Receipts £,000	Other £,000	Major Repairs Allowance £,000	RCCO £,000	Total Financing £,000	Check Total ok £,000
1	2026-27	14,964	2,856	0	6,338	18,168	0	42,326	25,554	4,800	2,545	0	2,770	6,657	42,326	0
2	2027-28	21,855	1,986	0	7,160	42,918	0	73,920	58,056	4,800	452	0	2,770	7,841	73,919	0
3	2028-29	18,759	1,500	0	4,615	54,345	0	79,220	67,477	4,800	1,307	0	2,770	2,866	79,220	0
4	2029-30	14,670	1,538	0	5,226	23,918	0	45,351	36,798	4,800	452	0	2,770	532	45,351	0
5	2030-31	12,616	1,576	0	5,356	17,873	0	37,421	28,160	4,800	452	0	2,770	1,239	37,421	0
6	2031-32	16,702	1,616	0	6,953	15,218	0	40,489	31,908	4,800	974	0	2,770	36	40,489	0
7	2032-33	13,474	1,656	0	4,170	17,786	0	37,086	28,066	4,800	452	0	2,770	998	37,086	0
8	2033-34	7,921	1,697	0	4,547	16,718	0	30,883	21,607	4,800	452	0	2,770	1,254	30,883	0
9	2034-35	7,056	1,740	0	4,660	16,718	0	30,175	20,909	4,800	452	0	2,770	1,243	30,175	0
10	2035-36	7,803	1,452	0	2,267	6,718	0	18,240	7,829	4,800	452	0	2,770	2,389	18,240	0
11	2036-37	8,233	1,227	0	2,323	33,164	0	44,948	37,369	2,000	452	0	2,770	2,357	44,947	0
12	2037-38	9,001	1,258	0	2,381	27,268	0	39,908	32,662	2,000	0	0	2,770	2,476	39,908	0
13	2038-39	9,802	1,289	0	2,441	27,268	0	40,800	33,389	2,000	0	0	2,770	2,641	40,800	0
14	2039-40	11,786	1,322	0	2,502	27,268	0	42,878	35,266	2,000	0	0	2,770	2,842	42,878	0
15	2040-41	13,097	1,355	0	2,565	27,268	0	44,284	36,463	2,000	0	0	2,770	3,051	44,284	0
16	2041-42	7,731	1,389	0	2,600	33,518	0	45,237	35,965	2,000	0	0	2,770	4,502	45,237	0
17	2042-43	7,924	1,423	0	2,665	33,518	0	45,530	36,632	2,000	0	0	2,770	4,128	45,530	0
18	2043-44	8,122	1,459	0	2,731	33,518	0	45,830	36,142	2,000	0	0	2,770	4,918	45,830	0
19	2044-45	8,325	1,495	0	2,800	33,518	0	46,138	35,482	2,000	0	0	2,770	5,886	46,138	0
20	2045-46	8,533	1,533	0	2,870	33,518	0	46,454	34,635	2,000	0	0	2,770	7,049	46,454	0
21	2046-47	8,718	1,705	0	1,621	33,518	0	45,561	32,344	2,000	0	0	2,770	8,447	45,561	0
22	2047-48	8,936	1,747	0	1,661	33,518	0	45,863	29,331	2,000	0	0	2,770	11,761	45,862	0
23	2048-49	9,159	1,791	0	1,703	33,518	0	46,171	29,040	2,000	0	0	2,770	12,361	46,171	0
24	2049-50	9,388	1,836	0	1,745	33,518	0	46,487	27,149	2,000	0	0	2,770	14,569	46,487	0
25	2050-51	9,623	1,882	0	1,789	33,518	0	46,812	25,189	2,000	0	0	2,770	16,852	46,812	0
26	2051-52	9,955	1,778	0	1,834	33,518	0	46,084	21,649	2,000	0	0	2,770	19,665	46,084	0
27	2052-53	9,179	1,822	0	1,879	33,518	0	46,398	16,966	2,000	0	0	2,770	24,662	46,398	0
28	2053-54	9,409	1,868	0	1,926	33,518	0	46,720	15,427	2,000	0	0	2,770	26,523	46,720	0
29	2054-55	9,644	1,914	0	1,975	33,518	0	47,051	11,819	2,000	0	0	2,770	30,461	47,051	0
30	2055-56	9,885	1,962	0	2,024	33,518	0	47,389	7,807	2,000	0	0	2,770	34,812	47,389	0

Appendix A (ii) – Operating Account

Vale of Glamorgan Council HRA Business Plan Operating Account (expressed in money terms)																			
Year	Year	Income					Expenditure					Net Operating (Expenditure) £,000	MRP & Loans Repaid £,000	Transfer from/(to) Reserve £,000	RCCO £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) C/fwd £,000
		Net rent Income £,000	Other Income £,000	Misc Income £,000	WG Aff Grant £,000	Total Income £,000	Managem ent £,000	Repairs & Maint £,000	Other Revenue spend £,000	Misc expenses £,000	Total expenses £,000	Capital Charges (Interest) £,000							
1	2026.27	27,712	312	33	205	28,262	(6,455)	(6,725)	(312)	0	(13,493)	(5,657)	9,113	(2,505)	0	(6,657)	4,325	209	4,485
2	2027.28	28,775	319	34	205	29,334	(6,617)	(6,893)	(320)	0	(13,830)	(6,908)	8,596	(2,959)	0	(7,841)	4,485	100	2,380
3	2028.29	30,325	327	35	205	30,893	(6,782)	(7,065)	(328)	0	(14,176)	(9,834)	6,883	(4,055)	0	(2,866)	2,380	70	2,411
4	2029.30	31,994	336	36	205	32,571	(6,952)	(7,242)	(336)	0	(14,530)	(12,197)	5,843	(5,318)	0	(632)	2,411	71	2,476
5	2030.31	34,052	344	36	205	34,638	(7,126)	(7,423)	(345)	0	(14,894)	(12,569)	7,176	(5,943)	0	(1,239)	2,476	73	2,543
6	2031.32	34,712	353	37	205	35,308	(7,304)	(7,609)	(354)	0	(15,266)	(13,629)	6,413	(6,383)	0	(36)	2,543	75	2,611
7	2032.33	36,586	361	38	205	37,191	(6,483)	(7,799)	(362)	0	(14,645)	(14,666)	7,880	(6,889)	0	(988)	2,611	77	2,682
8	2033.34	38,406	370	39	205	39,021	(6,645)	(7,994)	(371)	0	(15,011)	(15,453)	8,557	(7,309)	0	(1,254)	2,682	79	2,755
9	2034.35	39,656	380	40	205	40,261	(6,812)	(8,194)	(381)	0	(15,386)	(16,066)	8,829	(7,592)	0	(1,243)	2,755	81	2,829
10	2035.36	41,734	389	41	205	42,369	(6,982)	(8,399)	(390)	0	(15,771)	(16,361)	10,237	(7,856)	0	(2,389)	2,829	83	2,905
11	2036.37	42,737	399	42	205	43,383	(7,156)	(8,609)	(400)	0	(16,165)	(17,016)	10,202	(7,853)	0	(2,357)	2,905	86	2,983
12	2037.38	45,031	409	43	205	45,688	(7,335)	(8,824)	(410)	0	(16,569)	(18,209)	10,910	(8,442)	0	(2,476)	2,983	88	3,064
13	2038.39	47,162	419	44	205	47,831	(7,519)	(9,044)	(420)	0	(16,983)	(19,290)	11,558	(8,925)	0	(2,641)	3,064	90	3,147
14	2039.40	49,382	430	46	205	50,062	(7,707)	(9,270)	(431)	0	(17,408)	(20,407)	12,247	(9,413)	0	(2,842)	3,147	93	3,232
15	2040.41	51,693	440	47	205	52,385	(7,899)	(9,502)	(441)	0	(17,843)	(21,570)	12,973	(9,930)	0	(3,051)	3,232	95	3,319
16	2041.42	55,264	451	48	205	55,968	(8,097)	(9,740)	(453)	0	(18,289)	(22,725)	14,954	(10,461)	0	(4,502)	3,319	98	3,409
17	2042.43	56,981	463	49	205	57,698	(8,299)	(9,983)	(464)	0	(18,746)	(23,861)	15,090	(10,971)	0	(4,128)	3,409	100	3,501
18	2043.44	59,858	474	50	205	60,588	(8,507)	(10,233)	(475)	0	(19,215)	(24,978)	16,395	(11,486)	0	(4,918)	3,501	103	3,595
19	2044.45	62,858	486	52	205	63,601	(8,719)	(10,489)	(487)	0	(19,695)	(26,047)	17,858	(11,980)	0	(5,886)	3,595	106	3,692
20	2045.46	65,985	498	53	205	66,741	(8,937)	(10,751)	(499)	0	(20,188)	(27,061)	19,492	(12,452)	0	(7,049)	3,692	109	3,792
21	2046.47	69,243	511	54	205	70,014	(9,161)	(11,020)	(512)	0	(20,693)	(27,985)	21,336	(12,898)	0	(8,447)	3,792	112	3,894
22	2047.48	74,037	523	56	205	74,821	(9,390)	(11,295)	(525)	0	(21,210)	(28,778)	24,833	(13,082)	0	(11,761)	3,894	115	3,999
23	2048.49	76,179	536	57	205	76,977	(9,625)	(11,578)	(538)	0	(21,740)	(29,486)	25,751	(13,400)	0	(12,361)	3,999	118	4,107
24	2049.50	79,865	550	58	205	80,679	(9,865)	(11,867)	(551)	0	(22,284)	(30,131)	28,264	(13,706)	0	(14,569)	4,107	121	4,218
25	2050.51	83,706	564	60	0	84,330	(10,112)	(12,164)	(565)	0	(22,841)	(30,679)	30,810	(13,968)	0	(16,852)	4,218	124	4,332
26	2051.52	87,707	578	61	0	88,346	(10,365)	(12,468)	(579)	0	(23,412)	(31,094)	33,840	(14,186)	0	(19,665)	4,332	128	4,449
27	2052.53	93,640	592	63	0	94,295	(10,624)	(12,779)	(594)	0	(23,997)	(31,318)	38,980	(14,329)	0	(24,662)	4,449	131	4,569
28	2053.54	96,212	607	64	0	96,883	(10,889)	(13,099)	(609)	0	(24,597)	(31,400)	40,887	(14,375)	0	(26,523)	4,569	135	4,693
29	2054.55	100,730	622	66	0	101,418	(11,162)	(13,426)	(624)	0	(25,212)	(31,366)	44,840	(14,390)	0	(30,461)	4,693	138	4,819
30	2055.56	105,433	638	68	0	106,139	(11,441)	(13,762)	(639)	0	(25,842)	(31,164)	49,132	(14,333)	0	(34,812)	4,819	142	4,949

Appendix B – Sensitivity Outcomes

APPENDIX B - SENSITIVITY ANALYSIS					Pre-mitigation			Post Mitigation	
Ref	Key Risk(s)	Rate of Change(s) modelled	Description of risk and reason for inclusion	Impact on HRA reserves (value and timescale)	Impact on WHQS maintenance	Impact on Borrowing at Year 30 in comparison to Base Case £698.634m if shortfall is covered wholly by additional borrowing	Potential Mitigating action(s) Description	What is the peak debt?	Impact on Borrowing at Year 30 in comparison to Base Case £698.634m
Base case CPI assumed at 4.3% for rents and RPI assumed at 4.3% for 2026/27									
Base case closing debt balance at Y30 = £698.634m									
Base case closing reserve balance at Y30 = £4.949m									
1	Rent	Reduce assumed CPI by 1%	2026/27 is the first year of the 10 year Rent Policy. Rent increase has been fixed at CPI (as at the previous September) plus 0.5% for the range 0-3%	HRA reserve is below minimum level from year 4 to year 30	WHQS shortfall in years 2-30 by £248m	Program is not affordable and still has a shortfall at Year 4 of £118m	Reduce the capital program years 2-15 by £97m to reduce the amount of borrowing	£786m in Yr30	Increased by £98m
2	Rent	Reduce assumed CPI by 0.5%	2026/27 is the first year of the 10 year Rent Policy. Rent increase has been fixed at CPI (as at the previous September) plus 0.5% for the range 0-3%	HRA reserve is below minimum level in years 6 to 15	WHQS shortfall in years 2-30 by £143m	Program is not affordable and still has a shortfall at Year 6 of £31m	Reduce the capital program years 2-6 by £27m to reduce the amount of borrowing	£814m in Yr30	Increased by £116m
3	Inflation	Increase RPI by 1%	Uncertainties around Brexit, impact of Covid-19 and Cost of living crisis make it difficult to forecast any changes to inflation.	HRA reserve is below minimum level from year 6 to 9	WHQS shortfall in years 2-30 by £153m	Program is not affordable and still has a shortfall at Year 6 of £33m	Reduce the capital program years 2-6 by £31m to reduce the amount of borrowing	£846m in Yr30	Increased by £148m
4	Rents	Increase Bad Debts by 1%	Covid 19 has impacted tenants ability to pay rents which has been compounded by the increase in number of claimants for universal credit and the cost of living crisis.	HRA reserve is below minimum level in year 1 and 6	WHQS shortfall in years 2-30 by £18m	Program is not affordable and still has a shortfall in year 1 of £12m	Reduce the capital program year 1 by £12m	£691m in Yr28.	Decreased by £15m
5	Rent and Cost Inflation	Reduce assumed rent increase 0.5% and increase RPI +1%	2026/27 is the first year of the 10 year Rent Policy. Rent increase has been fixed at CPI (as at the previous September) plus 0.5% for the range 0-3%	HRA reserve is below minimum level from year 4 to 30	WHQS shortfall in years 2-30 by £310m	Program is not affordable and still has a shortfall between Year 4 and year 21 of £114m	Reduce the capital program years 2-15 by £90m	£862m in Yr 30	Increased by £164m
6	Interest Rates	Interest rate 0.5% higher than anticipated	Covid 19 has impacted tenants ability to pay rents which has been compounded by the increase in number of claimants for universal credit and the cost of living crisis.	HRA reserve is below minimum level in year 6	WHQS shortfall in years 2-30 by £14m	Program is not affordable and still has a shortfall in year 6 of £21m	Reduce the capital program years 2 to 5 by £15m	£884m in Yr 28	Increased by £24m
7	Mgt Costs	Management costs increase by 1% above inflation per annum.	The impact of Covid, the roll out of Universal credit and cost of living crisis may result in increased management time and therefore costs in recovering rent arrears and debt management.	HRA reserve is below minimum level in year 6	WHQS shortfall in years 2-30 by £43m	Program is not affordable and still has a shortfall in Year 6 £13m	Reduce the capital program years 1 to 6 by £9m	£720m in Yr30	Increased by £22m
8	Repairs & Maintenance	The cost of repairs and maintenance and WHQS increase by 1% above inflation per annum.	Uncertainties around Brexit, impact of Covid-19 and Cost of living crisis make it difficult to forecast any changes to inflation.	HRA reserve set and maintained at a level that is deemed prudent.	WHQS shortfall in years 1-30 by £8m	Program is not affordable and still has a shortfall in Year 1 of £3m	Reduce the capital program year 1 by £3m	£711m in Yr27	Increased by £13m
9	Grant	The annual Major Repairs Allowance (MRA) from WG ceases	The MRA grant is a key funding stream that ensures the Plan remains viable.	HRA reserve set and maintained at a level that is deemed prudent.	WHQS shortfall in years 1-30 by £83m	Program is not affordable and still has a shortfall in Year 1 and 6 totalling £37m	Reduce the capital program year 1 by £3m and years 2-6 by £27m	£768m in Yr29	Increased by £70m

Appendix C – Financial Assumptions

Item	26/27
Inflation (CPI)	4.3% per annum.
Standard Stock Level on 1st April 2025	4,038
Minimum level of balances to be maintained	£4.474m in real terms; this is considered to be a prudent level.
Supervision & Management costs	Based on 2026/27 budget estimates rising with annual inflation and split 50:50 in terms of fixed and variable costs. With the variable cost element changing according to stock numbers.
Revenue Repairs spending	£1,598 per unit in 2026/27, increasing with inflation only in future years.
Rents	Gross average rents for standard stock units are £125.41 in 2026/27 calculated on a 52-week basis. In 2026/27 rents have been assumed to increase by 4.3% which is the maximum allowable 4.3% as per WG Business Plan Guidance.
Voids & bad debts	Voids have been set at 1.51% for standard stock units based on the current position. Bad debts set at 3% in 2026/27. This is thought to be prudent in terms of the cost-of-living crisis.
All other revenue income & expenditure	Based on 2026/27 Budget.
Capital Investment / Stock Condition	Based on stock condition data within the Keystone Asset Management System, and any known issues.
Major Repairs Allowance	£2.770m. Assumed no inflation.
Peak Debt	£707.730 (Year 28).
Repayment of Debt	Year 31+.
RTB sales	None.
Interest Rates	Current Pool Rate – 4.49%

Appendix D – New Build Forward Plan

Project Name	New Build / Acquisition	Electoral Division	Land LA owned	Planning	Contract entered into	Start Date (est / actual)	Complete Date (est / actual)	Project Cost	Grant Dependent	Total Units	Partner
Maes y Ffynnon, Bonvilston	New Build	Wenvoe	Yes	Full permission obtained	No	01/04/2026	01/06/2027	£ 1,900,000	HRA	8	Constellia Ltd
Eagleswell Road, Llantwit Major	New Build	Llantwit Major	Yes	Not yet applied for	Yes	01/04/2030	31/03/2032	£ 7,342,280	Grant required	44	Cardiff & Vale Housing Partnership
Pencoedtre Highschool, Barry	New Build	Gibbonsdown	Yes	Not yet applied for	No	01/12/2027	30/11/2029	£ 11,191,252	Grant required	62	Cardiff & Vale Housing Partnership
Old Compound, Holton Road, Barry	New Build	Castleland	Yes	Not yet applied for	No	01/07/2027	31/01/2029	£ 21,191,807	Grant required	46	Cardiff & Vale Housing Partnership
Broad Street Clinic, Holton Road, Barry	New Build	Castleland	No	Not yet applied for	No	01/02/2029	31/08/2031	£ 14,481,977	Grant required	34	Cardiff & Vale Housing Partnership
Cogan Farm, Penarth	New Build	Stanwell	Yes	Full permission obtained	No	01/09/2026	28/02/2028	£ 13,000,000	Grant required	32	Cardiff & Vale Housing Partnership
Cowbridge Police Station, Cowbridge	New Build - Package Deal	Cowbridge	N/A - package deal	Full permission obtained	N/A - package deal	01/02/2025	31/05/2026	£ 3,274,110	Grant committed	14	Bluefield Land Ltd
Cadoxton House, Barry	Acquisition of Existing / Refurb	Cadoc	Yes	Full permission obtained	Yes	01/04/2025	31/03/2026	£ 1,500,000	Grant committed	10	Synergy CML
Hayeswood Road Ph.2, Barry	New Build	Castleland	Yes	Applied for	Yes	01/10/2026	31/05/2028	£ 21,901,656	Grant required	70	Cardiff & Vale Housing Partnership
The Mole, Barry	New Build	Castleland	Yes	Applied for	Yes	01/04/2028	31/03/2030	£ 7,616,000	Grant required	32	Cardiff & Vale Housing Partnership
Ffordd y Glannau, Barry	New Build	Castleland	Yes	Not yet applied for	Yes	01/04/2029	31/03/2031	£ 25,225,200	Grant required	91	Cardiff & Vale Housing Partnership
Eastern Gateway, Barry	New Build	Castleland	Yes	Not yet applied for	Yes	01/04/2031	31/03/2033	£ 24,393,600	Grant required	88	Cardiff & Vale Housing Partnership
1 Plymouth Road, Barry	Acquisition of Existing / Refurb	Castleland	Yes	TBC	No	01/04/2026	31/03/2027	£ 800,000	TBC	10	Construction Management
Clive Road, St Athan	New Build	St. Athan	N/A - package deal	Not yet applied for	No	01/04/2027	30/09/2028	£ 14,507,000	Grant required	51	Cardiff & Vale Housing Partnership
Non-C&VHP Schemes 1	New Build	TBC	No	TBC	No	01/10/2027	30/09/2029	£ 7,627,392	Grant required	52	TBC - Package Deal/S106
Non-C&VHP Schemes 2	New Build	TBC	No	TBC	No	01/10/2029	30/09/2031	£ 8,654,769	Grant required	59	TBC - Package Deal/S106
Non-C&VHP Schemes 3	New Build	TBC	No	TBC	No	01/10/2031	30/09/2033	£ 8,068,005	Grant required	55	TBC - Package Deal/S106
Non-C&VHP Schemes 4	New Build	TBC	No	TBC	No	01/10/2033	30/09/2037	£ 17,896,032	Grant required	122	TBC - Package Deal/S106