

**SUPPLEMENTARY REPORTS FOR  
SHAREHOLDER SUB COMMITTEE  
Tuesday, 15 January 2019 at 7.30 pm  
Committee Room 1, Civic Centre**

The attached documents are due to be considered at the meeting listed above and were unavailable for circulation when the agenda for the meeting was published. The agenda item to which the documents relate is noted below.

**AGENDA**

6. Operational and Performance Reports
  - a) Performance Reports and Balanced Scorecard (Pages 2 - 17)
  - b) Customer Service (Pages 18 - 22)
7. References from the HTS Board
  - a) Appointment of Non-Executive Chair of HTS Group and Managing Director of HTS (Property and Environment) Ltd (Pages 23 - 25)
8. Reference from HTS (Property and Environment) Ltd
  - a) Updated Business Plan (Pages 26 - 44)
9. References from Cabinet
  - a) Creation of HTS (Housing and Regeneration) Company  
(Pages 45 - 71)

**REPORT TO:** **SHAREHOLDER SUB COMMITTEE**

**DATE:** **15 JANUARY 2019**

**TITLE:** **PERFORMANCE AND BALANCED SCORECARD REPORTS**

**LEAD OFFICER:** **ANDREW MURRAY, HEAD OF HOUSING  
(01279) 446676**

**RECOMMENDED that:**

- A** The Sub Committee acknowledges the performance and financial position set out in paragraphs 4 to 10 as follows:
- (i) HTS (Property and Environment) Ltd achieved 100 per cent success rate for October and November 2018 against the suite of major and minor Key Performance Indicators (KPI's) that govern the contract.
  - (ii) An outturn of retained profit totalling £485,000 to 30 November 2018.

**BACKGROUND**

1. This report sets out the operation and financial performance of HTS (Property and Environment) Ltd (HTS) as at 30 November 2018. A performance report for December 2018 will also be tabled at the meeting.
2. HTS's performance is reported to Cabinet quarterly, as part of the wider Joint Financial Performance Report (JFPR) detailing the delivery of corporate priorities.
3. HTS was established to deliver repairs and environmental maintenance services previously carried out by Kier Harlow Ltd. In setting up a Local Authority Trading Company (LATC) the Council has created a business that can generate income for the Council, trade externally and deliver core services to a high standard.

**SUMMARY OF OPERATIONAL AND FINANCIAL PERFORMANCE**

4. The Business Plan and revised Balanced Scorecard targets, outlining priorities for delivery, were approved in July 2018. HTS's Balanced Scorecard

Objectives are outlined in Appendix A, together with a report on Council Directors activity in appendices C to D. A performance summary to November 2018 indicates operational, financial, business growth and culture performance are at 100 per cent with objectives projected to be on target. In addition, there are no underperforming KPI's reported in October and November 2018. Detailed performance information is presented monthly to the Joint Performance Review Meeting (JPRM) and at the individual Portfolio Holder meetings.

5. Notable highlights reported by HTS over the current three month period are:
  - a) Gas Servicing remains at 100 per cent since the contract inception
  - b) Complaints trend continues to reduce
  - c) Compliance with Landscape Maintenance requirements
  - d) Empty full and overflowing litter and dual use bins
  - e) Routine cleaning of streets
  - f) Abandoned calls
  - g) Repairs carried out within 20 days were above target the last three months
  - h) Graffiti/fly posting removal.
6. HTS continues without the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) achieving "0" Accident Incident Rate (AIR) at the end of November 2018.
7. The controllable budgets assigned to HTS are managed within an existing Annual Service Charge (ASC) payment uplifted annually for inflation. The ASC is forecasted to £17,472,000 in 2018/19.
8. In addition, the Services Agreement allows the Council to award Housing Capital Works on a year by year basis annually to this value up to 2021/22. This year's allocation, together with the approved carryovers from 2017/18, total £7,704,152. The current projected outcome reported for 2018/19 amounts to £5,429,371 with a carryover expected of £2,412,368. The Council has invited HTS to submit new Business Cases for potentially three new projects associated with the "Council House Building" Programme.
9. The Committee noted that Cabinet had approved the provision of a loan of up to £1.4 million to support the set up costs of HTS. The loan was to cover

normal business start-up costs and to ensure that state aid rules were not breached. The loan outstanding amounts to £760,000 with interest payments of £3,000 per month being paid to the Council.

10. Current progress and financial forward forecasting for HTS is outlined in the updated Shareholder statement which is outlined in Appendix B. A review of trading indicates a projected retained profit being forecasted for 2018/19 of £824,000.

## **IMPLICATIONS**

### **Place (includes Sustainability)**

None specific.

Author: **Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning**

### **Finance (Includes ICT)**

As set out in the report.

Author: **Simon Freeman, Head of Finance and Deputy to the Managing Director**

### **Housing**

As outlined in the report.

Author: **Andrew Murray, Head of Housing**

### **Community Wellbeing (includes Equalities and Social Inclusion)**

None specific.

Author: **Jane Greer, Head of Community Wellbeing**

### **Governance (includes HR)**

None specific.

Author: **Simon Hill, Head of Governance**

## **Appendices**

Appendix A - HTS Balanced Scorecard - Objectives

Appendix B – Summary of Management Accounts November 2018

Appendix C – Director Input (Councillor Bob Davies)

Appendix D – Director Input (Councillor Chris Vince)

Appendix E – Director Input (Councillor Simon Carter)

## **Background Papers**

Major KPI's October and November 2018

Balanced ScoreCard

## **Glossary of terms/abbreviations used**

AIR - Accident, Incident Rate

ASC - Annual Service Charge

HTS – HTS (Property and Environment) Ltd

KPI's - Key Performance Indicators

JFPR - Joint Financial Performance Report

JPRM - Joint Performance Review Meeting

LATC - Local Authority Trading Company

RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

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# HTS (Property & Environment) Limited

## Balanced Scorecard 2018/19

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*Update: November 2018*

*'Proudly Serving Harlow'*

# HTS Balanced Scorecard - Objectives

- ❖ Achieve Pre-tax profit margin of 4.75% by end of FY 2018/19. (50% to shareholder as dividend subject to corporation tax)
- ❖ Borrowing ratio of less than 70% by end of FY 2018/19.
- ❖ Acid ratio in excess of 1.00.
- ❖ Minimum cash reserve of £0.5m by end of FY2018/19.
- ❖ Deliver cashable and non-cashable year on year efficiencies.
- ❖ Deliver a competitive and profitable (minimum margin of 5%) £5.8m capital works programme by end of FY 2018/19.

- ❖ By end of FY 2018/19 deliver external third-party profit of £22.5k before tax.
- ❖ By end of FY 2019/20 deliver external third-party profit of £67.5k before tax.
- ❖ By end of FY 2020/21 deliver external third-party profit of £135k before tax.



- ❖ Invest 500 working days (60k) per annum in corporate social responsibility.
- ❖ To ensure that employees on average receive three days training per annum.
- ❖ Recruit a maximum of 10 apprentices in line with business needs..
- ❖ An agreed-upon succession plan.
- ❖ Minimum 60% return rate of staff satisfaction surveys with a satisfaction rate >60%.
- ❖ Place the customer experience at the heart of how HTS operates.
- ❖ Illustrate an innovation driven and entrepreneurial culture.
- ❖ Equality and diversity targets to monitor:
  - Gender Pay Gap
  - Social inclusion model (CIC)/partnerships with local community organisations
  - Disability Confident Champion (level 3 status)

- ❖ Achieve overall success rate of 95% against the Major & Minor KPI Suite.
- ❖ Sickness absence rate below 3.9% annualised.
- ❖ Health and safety performance below HSE accident incident rate. Attain 500,000 hours reportable accident free.
  - ❖ 100% compliance with regulatory requirements.
- ❖ Value of spend on subcontractors on the ASC to be no greater than 9.5% of the ASC budget.
- ❖ To achieve an overall success rate of 95.25% of customer repairs dealt with Right First Time.



## Balanced Scorecard performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
Operational Performance	100%	All objectives are on projected to be on target.
Financial Performance	100%	All objectives are on projected to be on target.
Business Growth	100%	All objectives are on projected to be on target.
Culture	100%	All objectives are on projected to be on target.

∞

## Operational Performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
To achieve an overall success rate of 95% against the Major & Minor KPI Suite	✓	HTS has successfully achieved this target.
Sickness absence rate below 3.9% annualised	✓	Sickness rate has just marginally exceeded target at 3.94%.
Health and safety performance below HSE accident incident rate. Attain 500,000 hours reportable accident free.	✓	HTS AIR rating is well below HSE breach level.
100% compliance with regulatory requirements	✓	LGSR compliance has been at 100% every month.
Value of spend on subcontractors on the ASC to be no greater than 9.5% of the ASC budget	✓	Subcontractor spend has remained within target of 10%.
To achieve an overall success rate of 95.25% of customer repairs dealt with Right First Time	✓	Customers' feedback from satisfaction surveys has illustrated repairs carried out Right First Time at above target level.

**Financial Performance**

## Financial Performance Summary

OBJECTIVES	PERFORMANCE	COMMENTS
Achieve pre-tax profit margin of 4.75% by end of FY 2018/19. (With a min of 50% return to Shareholder)	✓	HTS is projected to achieve 4.75% Pre-tax profit by end of FY 2018/19
Borrowing ratio of less than 70% by end of FY 2018/19	✓	Borrowing ratio has consistently remained below 70%.
Acid ratio in excess of 1.00	✓	Acid ratio is above target.
Minimum cash reserve of £0.5m by end of FY2018/19	✓	Projected cash reserve is on track to achieve target.
Deliver cashable and non-cashable year on year efficiencies	✓	On target to achieve Objective
Deliver a competitive and profitable (minimum margin of 5%) £5.8m capital works programme by end of FY 2018/19	✓	On target to achieve Objective based on projection

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**Business  
Growth**

## Business Growth Summary

OBJECTIVES	PERFORMANCE	COMMENTS
By end of FY 2018/19 deliver external third-party profit of £22.5k before tax.		HTS has actively pursued a number of initiatives thus securing profit from external third-party to achieve target by period end.
By end of FY 2019/20 deliver external third-party profit of £67.5k before tax.		Data to be provided when information available
By end of FY 2020/21 deliver external third-party profit of £135k before tax.		Data to be provided when information available

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## Culture Performance Summary

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OBJECTIVES	PERFORMANCE	COMMENTS
Invest 500 working days (60k) per annum in corporate social responsibility	✓	HTS is on target to achieve this with planned activities.
To ensure that employees on average receive three days training per annum	✓	On target to achieve Objective
Recruit a maximum of 10 apprentices in line with business needs.	✓	On target to achieve Objective
An agreed-upon succession plan	✓	On target to achieve Objective
Minimum 60% return rate of staff satisfaction surveys with a satisfaction rate >60%.	⌚	Staff satisfaction surveys to be carried out in the 2018 Q4.
Place the customer experience at the heart of how HTS operates	✓	On target to achieve Objective
Illustrate an innovation driven and entrepreneurial culture	✓	On target to achieve Objective
Equality and diversity: <ul style="list-style-type: none"> <li>• Gender Pay Gap</li> <li>• Social inclusion model (CIC)/partnerships with local community organisations</li> <li>• Disability Confident Champion (level 3 status)</li> </ul>	✓	On target to achieve Objective

HTS (Property & Environment) Ltd  
Summary of Management Accounts

Appendix B

Month: November-18

	Actual			Month Actual			8 Months Actual to			Forecast		
	14 Months Actual to March 2018			Nov 2018			Nov 2018			Year to 31 March 2019		
	Actual £000's	Business Plan £000's	Variance £000's	Actual £000's	Business s Plan £000's	Variance £000's	Actual £000's	Business s Plan £000's	Variance £000's	Latest Forecast £000's	Business Plan £000's	Variance £000's
<b>1/ Total (All Activities)</b>												
Sales	23,843	26,159	(2,316)	2,239	2,014	225	15,375	16,114	(739)	23,400	24,171	(771)
Cost of Sales	(19,999)	(22,095)	2,096	(1,943)	(1,712)	(231)	(13,029)	(13,697)	668	(20,081)	(20,545)	464
Gross Profit	3,844	4,064	(220)	296	302	(6)	2,346	2,417	(71)	3,319	3,626	(307)
Overheads	(3,279)	(2,805)	(474)	(236)	(206)	(30)	(1,721)	(1,647)	(74)	(2,229)	(2,470)	241
Net Profit	565	1,259	(694)	60	96	(36)	625	771	(146)	1,090	1,156	(66)
Interest	(55)	(65)	10	(4)	(4)	-	(26)	(32)	6	(60)	(52)	(8)
Net Profit before 1	510	1,194	(684)	56	92	(36)	599	739	(140)	1,030	1,104	(74)
Taxation	(98)	(239)	141	(11)	(18)	8	(114)	(128)	15	(206)	(221)	15
Retained Profit	412	955	(543)	45	74	(29)	485	610	(125)	824	883	(59)
<b>2/ H.D.C.- Annual Service Charge</b>												
Sales	20,143	20,359	(216)	1,452	1,489	(37)	11,669	11,914	(245)	17,472	17,871	(399)
Cost of Sales	(16,599)	(16,738)	139	(1,203)	(1,225)	22	(9,597)	(9,798)	201	(14,528)	(14,697)	169
Gross Profit	3,544	3,621	(77)	249	265	(16)	2,072	2,116	(44)	2,944	3,174	(230)
Overheads	(3,097)	(2,623)	(474)	(223)	(192)	(31)	(1,617)	(1,533)	(84)	(2,063)	(2,299)	236
Net Profit	447	998	(551)	26	73	(47)	455	583	(128)	881	875	6
<b>3/ H.D.C. - Capital Works</b>												
Sales	3,613	5,800	(2,187)	778	483	295	3,617	3,867	(250)	5,419	5,800	(381)
Cost of Sales	(3,400)	(5,357)	1,957	(739)	(448)	(291)	(3,422)	(3,587)	165	(5,164)	(5,380)	216
Gross Profit	213	443	(230)	39	35	4	195	280	(85)	255	420	(165)
Overheads	(182)	(182)	-	(13)	(13)	0	(104)	(106)	2	(156)	(159)	3
Net Profit	31	261	(230)	26	22	4	91	174	(83)	99	261	(162)
<b>4/ Non HDC Trading</b>												
Sales	87	-	87	9	42	(33)	89	333	(244)	509	500	9
Cost of Sales	-	-	-	(1)	(39)	38	(10)	(312)	302	(389)	(468)	79
Gross Profit	87	-	87	8	3	5	79	21	58	120	32	88
Overheads	-	-	-	-	(1)	1	-	(8)	8	(10)	(12)	2
Net Profit	87	-	87	8	2	6	79	13	66	110	20	90

**HTS Non-Exec Board Director  
Report to Shareholder**

**Reporting period: Period: September – November 2018**

**Director Name: Bob Davis**

<b>Date</b>	<b>Time (hrs)</b>	<b>Activity</b>	<b>Benefits arising from activity</b>
6.9.18	2	Attended a Board Meeting at Harlowsave Credit Union where we discussed ways of influencing more employees of HTS to engage with the Credit Union	Part of my role in increasing CSR
4.10.18	3	Attended Business Awards	HTS won the New Business Award Positive message on the Companies achievement to date
9.10.18	3	Attended Staff Briefings with 300 Employees to share performance	Understood staff morale Demonstrated leadership
10.10.18	2	Read minutes of the last Board Meeting, Agenda and Outputs Report for the next meeting	Understood company performance for the period. Able to communicate positive messages
11.10.18	3	Attended SMT inspections  Attended Board Meeting	Able to talk to staff and check Procedures were in place Discussed reports and way forward
5.11.18	2	Visited Bromley Cottages to view progress	Discussed progress on the building
6.11.18	1	Attended meeting Andrew Murray, Cllr Wilkinson and John Phillips	Reviewed progress of HTS
21.11.18	3	Attended Harlow Sports Awards where we won an award	Good morale booster for staff More credit for HTS
26.11.18	2	Had a meeting with Tim Page to discuss apprentice intake	Positive development of Apprenticeship programme
<b>Total</b>	<b>21</b>		

**HTS Non-Exec Board Director**

**Report to Shareholder**

**Reporting period: Period: September – November 2018**

**Director Name: Chris Vince**

<b>Date</b>	<b>Time (hrs)</b>	<b>Activity</b>	<b>Benefits arising from activity</b>
25/09	1	Compliance sub-committee meeting	Scrutiny of HTS health and safety policies and procedure.
23/10	7	Health and safety training	Completed safety course along with Managing Director. Now feel more confident in role as health and safety lead for HTS.
24/10	8	1 day operator licence awareness	Successfully completed course. Have a greater understanding of operator licence and best practise. Good opportunity to also talk to members of team.
<b>Total</b>	<b>16</b>		

**HTS Non-Exec Board Director  
Report to Shareholder**

**Reporting period: September – December 2018**

**Director Name: Cllr Simon Carter**

<b>Date</b>	<b>Time (hrs)</b>	<b>Activity</b>	<b>Benefits arising from activity</b>
3 Sep.18	1	Attended HDC Shareholder Sub Committee as observer	<ul style="list-style-type: none"> <li>• Understanding shareholder relationship with HTS</li> <li>• Demonstrated commitment to HTS</li> </ul>
4 Sep.18	3	Attended Staff briefings x 3	<ul style="list-style-type: none"> <li>• Listening to staff;</li> <li>• Supporting senior management and their relationship with staff</li> </ul>
13 Sep 18	1	Telephone conference with HTS board	Update on current issues, including consideration of potential governance structures for HTS (H&R) Ltd.
14 Sep 18	3	Jobs Fair	Support staff at HTS stand and network with potential customers to promote HTS.
26 Sep 18	1	HDC Tenants Forum	Support staff at HTS stand and listen to tenants and their views on service received.
4 Oct 18	2	H4H Community and Business Awards	Support HTS staff up for awards and network with potential customers to raise profile of HTS
9 Oct 18	3	Attended Staff briefings x 3	Listening to staff; Supporting senior management and their relationship with staff
11 Oct 18	3	Health and Safety Inspections	Inspect modern homes work for compliance with H&S procedures inc safety of

			residents and conditions of vehicles
11 Oct 18	2	Chair Audit and Finance sub committee	Approval of draft accounts from new auditors
11 Oct 18	2	Attend HTS & HTS (P&E) Boards meetings	To consider remuneration for non-executive directors.
24 Oct 18	1	Attend HDC Shareholder Sub Committee s observer	<ul style="list-style-type: none"> <li>• Understand shareholder relationship with HTS</li> <li>• Demonstrate commitment to HTS</li> </ul>
29 Nov 18	10	Attend opening of Ilke Homes factory, Knaresborough	Assess process of constructing pre fabricated homes for potential house building for HDC.
11 Dec 18	2	Attend Shareholder sub committee	Understand shareholder relationship with HTS including out of hours vehicle use and company performance
20 Dec 18	2	Chair Audit and Finance sub committee	Review financial performance and understand pressures including impact on profitability of delays to capital programme and MHP work on high number of voids.
20 Dec 18	3	Attend Boards of HTS Group and (P&E) Ltd	To consider extension of contracts for Chairman and Chief Executive.
<b>Total</b>	<b>39</b>		

**REPORT TO:** SHAREHOLDER SUB COMMITTEE  
**DATE:** 15 JANUARY 2019  
**TITLE:** CUSTOMER SERVICE  
**LEAD OFFICER:** ANDREW MURRAY, HEAD OF HOUSING  
(01279) 446676

**RECOMMENDED that:**

- A** The Sub Committee notes the report and summary of complaints to the month of November 2018 as set out in paragraphs 2 to 7 as follows:
- i) HTS (Property and Environment) Ltd achieved a ratio of 0.86 per cent against a total of transactions to November 2018 of 27,895.

**BACKGROUND**

1. This report provides a summary and analysis of complaints against HTS (Property and Environment) Ltd (HTS) for the month of November 2018. This includes the following services:
  - a) Environment
    - i) Mobile Cleaning
    - ii) Parks & Landscapes
    - iii) Street Cleaning
    - iv) Transport
  - b) Housing and Non-Housing
    - i) Capital and Third Party Work
    - ii) Responsive Repairs and Voids
    - iii) Technical Services

**ISSUES/PROPOSALS**

2. The overall number of complaints raised to November 2018 was 240. The number of complaints raised during November 2018 was 29 of which, 11 of these complaints were upheld.

3. Ongoing scrutiny of processes has led to a marked improvement in both the number of complaints, and particularly improving enquiries regarding the delays in works to be completed.
4. In addition, HTS have been contacting customers who have raised a complaint and depending upon the nature of the complaint to establish whether they were actually complaints or enquiries. For November 2018, four telephone calls were made, which led to four complaints being withdrawn.
5. Detailed analysis of complaints is reported regularly at the formal Joint Performance Review Meetings (JPRM) with any relevant trends noted and responded Members' enquiries and reports for November 2018 identified 10 enquiries.
6. Member enquiries are reviewed daily and all were completed within the allocated response time, except for one, which was delayed due to it being sent after the target date. No identified significant trends have been identified within the report. A summary of members' enquiries in November is outlined in Appendix A.
7. A total of 56 plaudits were received in November 2018, which were received through various mediums such as satisfaction surveys, letters or telephone calls.

## **IMPLICATIONS**

### **Place (includes Sustainability)**

None specific.

Author: **Andrew Bramidge, Project Director – Enterprise and Interim Head of Planning**

### **Finance (Includes ICT)**

As set out in the report.

Author: **Simon Freeman, Head of Finance and Deputy to the Managing Director**

### **Housing**

As outlined in the body of the report.

Author: **Andrew Murray, Head of Housing**

### **Community Wellbeing (includes Equalities and Social Inclusion)**

None specific.

Author: **Jane Greer, Head of Community Wellbeing**

### **Governance (includes HR)**

None specific.

Author: **Simon Hill, Head of Governance**

## **Appendices**

Appendix A - Member Enquiries for November 2018

## **Background Papers**

JPRM Complaints November 2018

## **Glossary of terms/abbreviations used**

HTS – HTS (Property and Environment) Ltd

JPRM – Joint Performance Review Meetings

Councillor	Date Received at HDC	Date Received in Admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Mike Danvers	19/10/18	19/11/18	02/11/18	Repairs & Maintenance - Carpentry	Resident has advised that he cannot use garage 37 Halling Hill.	CH92464271 - A job ticket was raised on 15/10/18 under job reference 1001508. An appointment has been made to attend on 08/11/18 between 8:00 a.m. - 10:00 a.m. and the resident is aware of this.	Email sent - 01/11/18
Cllr Chris Vince	09/10/18	31/10/18	23/10/18	Parks & Landscapes - Trees	Please could work be carried out as previously discussed at St Mary's Little Parndon.	CH91216871 - The small blackthorn on the verge has been removed although the stump remains. Unfortunately, we have a lot of work at the moment and would be unable to remove the stump until approximately February / March 2019. Therefore, JT has recommended that the church procures a reputable tree surgeon and seeks a variety of quotes.	Email sent - 05/11/18
Cllr Mark Ingall	01/11/18	02/11/18	15/11/18	Cleansing & Environment - Litter	In the car park and field between Rushes Mead and Bushey Croft there is a lot of litter left by young people.	CH93967049 - This area was cleared on 01/11/18 at 1:45 p.m.	Email sent 05/11/18
Cllr Simon Carter	08/11/18	08/11/18	22/11/18	Repairs & Maintenance - Wet Trades	The anti slip edging has come away and needs replaing on the stairs outside 9 The Stow.	CH94885131 - A job ticket has been raised under job reference 1005079. This has been places on a planned priority.	Email sent - 08/11/18
Cllr Chris Vince	08/11/18	09/11/18	22/11/18	Cleansing & Environment - Dumped Rubbish	Please could the dumped rubbish be cleared from garage block behind 1-7 Rivermill and the alley way in The Hornbeams next to 36.	CH94880928 - This was cleared on 08/11/18 at 1:00 p.m.	Email sent 09/11/18
Cllr Chris Vince	08/11/18	09/11/18	22/11/18	Cleansing & Environment - Dumped Rubbish	Please could the dumped rubbish be cleared from garage block behind 1-7 Rivermill and the alley way in The Hornbeams next to 36.	CH94880535 - Cleared on previous enquiry	Email sent 09/11/18

Councillor	Date Received at HDC	Date Received in Admin	Target Date	Service	Details	Outcome	Date response to Cllr
Cllr Chris Vince	08/11/18	09/11/18	22/11/18	Cleansing & Environment - Dumped Rubbish	Please could the dumped rubbish be cleared from garage block behind 1-7 Rivermill and the alley way in The Hornbeams next to 36.	CH94880535 - Cleared on previous enquiry	Email sent 09/11/18
Cllr Chris Vince	23/11/18	23/11/18	07/12/18	Essex County Council	Street light 2630 on Hodings Road is not working.	CH96932816 - Having checked the website this has already been reported and they are working to identify how it can be repaired.	Email sent 23/11/18
Cllr Michael Garnett	16/11/18	20/11/18	30/11/18	Cleansing & Environment - Dog Fouling	Dog fouling along the lane that goes from Chippingfields and round to Fawbert and Barnard School. Please could this be cleared and signs put up.	CH96585306 - The area was cleared on 19/11/18 at 10:45 a.m. With regards to the signs, this request is going to be sent to Estates and Tenancy by Lisa thornett to look into.	Email sent 21/11/18
Cllr Chris Vince	26/11/18	26/11/18	10/12/18	Parks & Landscapes - Weeds	The area of Charters Cross is looking very unkept with weeds. Please advise when this was last attended to, is this on a schedule and when we will attend again.	CH97224180 - The area was last weed treated on 10/09/18, although this area is on a schedule it appears from the pictures that some areas were missed. Representatives from our Parks and Landscapes department met with the weed spray contractor on 27/11/18 and showed them the photographs of the area. This will be sprayed within the next five working days and we will ensure that it is on the schedule for four treatments each year. I apologised for any inconvenience.	Email sent 28/11/18

**REPORT TO:** SHAREHOLDER SUB COMMITTEE

**DATE:** 15 JANUARY 2019

**TITLE:** REFERENCE FROM HTS GROUP LTD BOARD – APPOINTMENT OF NON-EXECUTIVE CHAIR AND MANAGING DIRECTOR OF HTS GROUP AND HTS (PROPERTY & ENVIRONMENT) LTD

**LEAD OFFICER:** BRIAN KEANE, MANAGING DIRECTOR (01279) 446000

**RECOMMENDED that:**

- A The Sub Committee approve the revisions to the current appointments for the Non-Executive Chair (HTS Property and Environment) Ltd and for the Managing Director of HTS (Property and Environment) Ltd for a further three years.

**BACKGROUND**

1. On 17 February 2016, the Sub Committee was consulted on the appointment of the Non-Executive Chair of HTS (Property and Environment) Ltd (HTS).
2. The appointed person to this role was to have commercial experience and be outward facing with an estimated likely time commitment of 17 days per annum and remuneration of around £20,000 per annum including expenses.
3. A rigorous recruitment process was undertaken at that time. A final appointment was made by the new HTS Group Board, in consultation with the Sub Committee, and Michael Harrowven was appointed on a term of three years. In addition, at its meeting in February 2016, the recruitment for Managing Director for HTS was also referred from the Board to the Sub Committee on the terms and conditions during and post Kier Harlow Ltd transition.

**ISSUES/PROPOSALS**

4. The initial Services contract period for HTS runs for five years and concludes on 1 February 2022. There is a provision to extend this by a further five years subject to the outcome of a Best Value Review that will be undertaken in 2019/20. A final decision will be made by August 2020.
5. The terms of engagement for Michael Harrowven in the role of Non-Executive Chair are due to expire in June 2019. The terms of engagement for John Phillips in the role of Managing Director are due to expire in February 2020. The HTS Group Board approved the proposals to extend the terms of office for the Group Non-Executive Chair and Managing Director of HTS at their meeting

on 20 December 2018.

6. The Board is seeking ratification from the Sub Committee to extend the arrangements in respect of both of these positions. This is to ensure continuity is provided and historical knowledge is utilised. This will mean that essential work priorities, including any necessary preparatory work, is completed and necessary changes are made to lead the Company to successfully deliver the additional five year contract extension. This will also allow for a smooth transition into the new important phase for the development of the Council's Local Authority Trading Company (LATC) post March 2022.
7. The Sub Committee is therefore required to consider and approve the new contracts to March 2022.

## **IMPLICATIONS**

### **Place (Includes Sustainability)**

None specific.

**Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning**

### **Finance (Includes ICT)**

The Costs of the appointments are contained within the operational budgets of the Company as reflected within the HTS (P&E) Ltd Business Plan.

**Author: Simon Freeman, Head of Finance and Deputy to the Managing Director**

### **Housing**

As outlined in the report.

**Author: Andrew Murray, Head of Housing**

### **Community Wellbeing (Includes Equalities and Social Inclusion)**

None specific.

**Author: Jane Greer, Head of Community Wellbeing**

### **Governance (Includes HR)**

None specifically, the report is in line with the request of the Subcommittee, at its meeting in February 2016, to comment on such proposals.

**Author: Simon Hill, Head of Governance**

## **Appendices**

None.

## **Background Papers**

None.

## **Glossary of terms/abbreviations used**

HTS – HTS (Property and Environment) Ltd

LATC – Local Authority Trading Company

**REPORT TO:** SHAREHOLDER SUB COMMITTEE

**DATE:** 15 JANUARY 2019

**TITLE:** REFERRAL FROM HTS (PROPERTY AND ENVIRONMENT) LTD BOARD BUSINESS PLAN UPDATE

**LEAD OFFICER:** ANDREW MURRAY, HEAD OF HOUSING  
(01279) 446676

**CONTRIBUTING OFFICER:** REBECCA FARRANT, OPERATIONS MANAGER  
(01279) 446844

**RECOMMENDED that:**

- A** The Sub Committee approves the Board's proposed update to the current Business Plan.

**BACKGROUND**

1. Activity 2 of the Delegation Matrix approved by the Sub Committee reserves the Approval and adoption of HTS (Property and Environment) Ltd (HTS) Business Plan and material amendments thereto to the Shareholder.
2. On 25 July 2018, the Sub Committee approved amendments to the current HTS Business Plan. This was in order to create a division of the HTS trading group to act as a delivery vehicle for Council housing and wider regeneration, development activity and projects and continue to deliver the Council's corporate aims and objectives. It also noted the revised timetable for publication of the revised Business Plan.
3. The updated Business Plan for HTS is attached as Appendix A to the report.

**IMPLICATIONS**

**Place (Includes Sustainability)**

None specific.

**Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning**

**Finance (Includes ICT)**

The performance of the Company as set out within the Business Plan forms an important element of the Councils wider financial planning and budgeting linked to the profit achieved and the associated transactions between the Company and the Council in future years.

**Author: Simon Freeman, Head of Finance and Deputy to the Managing Director**

## **Housing**

The creation of HTS Group Ltd and its subsidiaries must enable the Council to utilise flexible arrangements to support the delivery of the Council's Corporate Plan objectives for more and better housing and the wider regeneration of the town. Proper governance, stewardship and control mechanisms must be in place to ensure the appropriate levels of commercialism whilst demonstrating accountability to its local community as a public body that applies public funds.

**Author: Andrew Murray, Head of Housing**

## **Community Wellbeing (Includes Equalities and Social Inclusion)**

None specific.

**Author: Jane Greer, Head of Community Wellbeing**

## **Governance (Includes HR)**

Approval of the HTS Business Plans are contained within the Subcommittee's Terms of Reference, Agreed Governance arrangements are set out fully in section 3 of the business plans.

**Author: Simon Hill, Head of Governance**

## **Appendices**

Appendix A – Updated HTS Business Plan

## **Background Papers**

HTS (Property and Environment) Ltd Business Plan 2019 – 2022

## **Glossary of terms/abbreviations used**

HTS – HTS (Property and Environment) Ltd

## SUMMARY

The purpose of this business plan is to shape the next 5 years by setting clear objectives which fulfil the vision established by HTS (Property & Environment) Ltd and Harlow Council. Following a very successful first year of business that delivered on many fronts our updated 5-year business plan drives forward from our second year of trading. It sets the priorities for HTS (P&E) Ltd and the context in which we operate, building on our highly successful start from February 2017. The achievements of the first year are also detailed showing the capacity of our company to deliver on our promises to Harlow Council as our shareholder, to the people of Harlow as our customers, and to our employees as our most important asset.

The first year of operating addressed the key challenges of affordability, service resilience, return to shareholder, and flexibility in service delivery. Across our experienced team we have been delivering excellent service for many years, and our track record proves that we have the knowledge, skills and capabilities to perform at a high level. This means that the ambition to achieve the goals set for us in the last 2 years is both credible and delivered. Achieving our objectives continues to take sound planning, consistent leadership, collective effort, innovation and flexibility. It also requires unrelenting focus on those objectives, to measure our progress, deal with the challenges, and recognise our successes. Because of our achievements to date we are delighted to be given the opportunity to further expand the services we provide in the community.

MICHAEL HARROWVEN  
Non-Executive Chair

JOHN PHILLIPS  
Managing Director

*Includes graphic of “2017-18 headline figures” showing:*

- *apprenticeships and work experience numbers*
- *customer satisfaction*
- *green waste processed*
- *grass maintained*
- *Health and Safety standards*
- *investment in quality standards and equipment*
- *investment with local suppliers*
- *profit returned to Council*
- *property repair numbers*

**(Contents page photo)**

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## 1. Introduction

This Business Plan sets out how HTS (Property and Environment) Ltd will operate between April 2019 and January 2022. It outlines the business aims and the activities undertaken to achieve them, building upon the outputs of the Balanced Scorecard performance measures and primary objective to support the delivery of Harlow Councils' Corporate Priorities. HTS (Property and Environment) Ltd delivers the following core services:

Abandoned vehicles  
Cyclical maintenance  
Cleaning and caretaking of communal housing  
Compliance works including gas servicing, electrical testing and water hygiene  
Construction, remodelling, and refurbishment of Council owned property situated on Council land  
Drainage and gully repairs and maintenance  
Facilities Management services  
Grounds maintenance  
Highway repairs  
New build and refurbishment of Council housing  
Planned maintenance  
Pest control  
Responsive repairs  
Street cleaning  
Stray dog collection  
Supporting elections  
Vehicle maintenance

*Graphic showing:  
9,000 SOCIAL HOUSING units MAINTAINED*

*220 non housing assets MAINTAINED*

## 2. Vision, Mission and Values

At HTS (Property and Environment) Ltd we are clear about who we are and what we want to achieve, our vision is 'to sustainably grow our business with our motivated workforce delivering the best customer experience in the sectors in which we work'. We have a customer focussed mission to be both *the provider of choice, and employer of choice*, for the services we offer. We use innovative practices that deliver value for money for our customers and allow us to grow and provide a return for our shareholder.

Our values demonstrate our commitment to our mission, grouped into 5 key areas below

### **Leadership and accountability**

- We will have a clear vision of where we are going.
- We will consider the customer, client, employee and community needs when making decisions.
- We will accept personal accountability to meet the business needs, improve our processes and help others improve their effectiveness.
- We will value and reward open, honest communication.

### **Customer Satisfaction**

- We will consider the customer in all we do.
- We will fulfil the expectations of our customers and employees.
- We will deliver what's right for the customer.
- We will treat our customers with care, respect and consideration.

## **Safety and Environment**

- We will ensure the protection of people and the environment over competing goals.
- We will recognise, correct and always report potential hazards.
- We will take responsibility for our own safety and for those around us.
- We will help make Harlow a place where people want to live and work.

## **People**

- Our employees will always be our most valued and valuable asset.
- To treat everyone fairly, equally and with mutual respect.
- We will recruit and retain the best people to work for us.
- We will build the business from within by developing, promoting and rewarding people in line with their performance.
- We will encourage and promote healthy lifestyles for our employees.

## **Ethics**

- We will maintain the highest standards for customers, employees, clients and communities.
- We will be accountable for our conduct and decisions.
- We will only make promises we intend to keep.
- We will avoid any conflicts of interest and operate within the law.

### *Graphic showing:*

*½ MILLION MAN HOURS WORKED OVER THE LAST YEAR WITHOUT A REPORTABLE INCIDENT*

*35% BELOW HSE AVERAGE*

*95% CUSTOMER SATISFACTION FOR HOUSING REPAIRS*

*OUR CALL CENTRE SUCCESSFULLY DEALT WITH 52K CALLS DURING THE PAST YEAR*

## **3. Governance and Structures**

HTS (Property and Environment) Ltd was formed on the 24 December 2015, as a wholly owned subsidiary of HTS Group Ltd, and is a Local Authority Trading Company (LATC) operating under “Teckal” rules. HTS (Property and Environment) Ltd is governed by Articles which are supplemented by a Scheme of Delegation which in turn refers to this Business Plan (any changes to the Business Plan, Articles or the Scheme of Delegation must be approved by the Shareholder Sub-Committee under their agreed terms of reference). These governance arrangements give the ability to determine and deliver operational objectives and make commercially sound decisions within the Teckal arrangements. HTS (Property and Environment) Ltd will demonstrate that it meets Teckal arrangements via:

- annual review by Shareholder of the Scheme of Delegation, determining final decision making powers and delegations commensurate to that of a Council department,
- purchasing guidelines and financial regulations that supplement the Scheme of Delegation in line with Council arrangements for the same including commitment to apprenticeships, Living Wage and combatting modern slavery,
- demonstrable shareholder control and influence, with an appropriate annual work plan allowing decisive influence over both strategic objectives and significant decisions, and
- 80% of HTS annual turnover deriving directly from Harlow Council business with third party works reported to the Shareholder for monitoring.

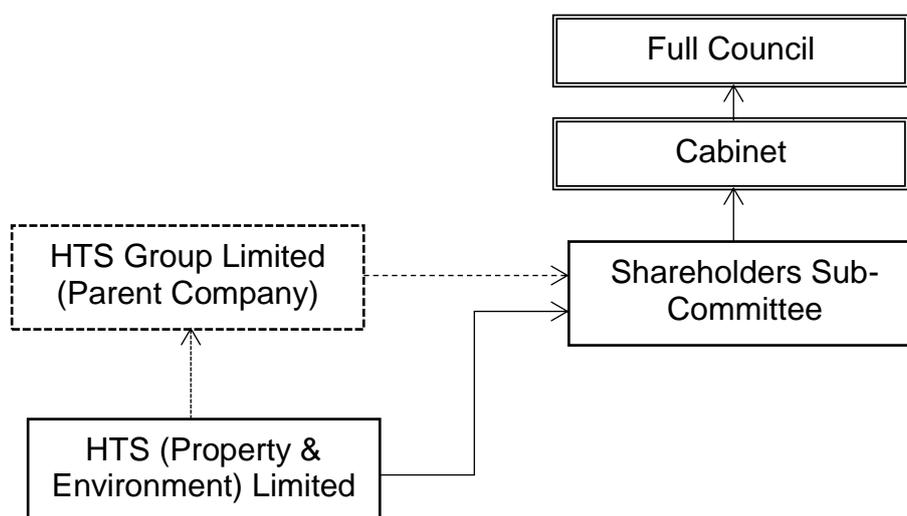
The Shareholder Sub-Committee has the following terms of reference:

- To receive reports and approve Key Decisions (those decisions related to, but not limited to, borrowing of funds, changes and appointments to senior management structure, strategic policy

adoption) of HTS Group and its subsidiaries, including, but not exclusively, the Articles of Association, the scheme of delegation, the appointment of Board Advisors, appointment to any standing committees of the HTS Group and its subsidiary and determining shareholder controls.

- To be consulted on the appointment and dismissal of Statutory Directors for HTS Group and its subsidiaries and external auditors.
- To hold all HTS Group Boards to account.
- To receive and agree the Business Plans for HTS Group Limited and its trading subsidiaries.
- To receive financial and performance monitoring reports and accounts for the HTS Group and its subsidiaries.
- To approve activities and thresholds contained in each scheme of delegation for HTS Group and its subsidiaries.
- To be consulted and approve any proposals to change the HTS Group Limited and any subsidiary corporate structure.

The structure of the HTS Group and subsidiary HTS (Property & Environment) Limited is shown in the diagram below and Harlow Council is the sole shareholder for HTS Group Limited, who in turn hold the single issued share in HTS (Property & Environment) Limited. Three politically balanced councillors are appointed by the Council to serve as directors on boards of both HTS Group and HTS (Property & Environment) Limited and the politically balanced Shareholder Sub Committee holds ultimate decision making over the HTS Group of companies at a corporate level, and provides strategic oversight. The Shareholder Sub-Committee is a sub-committee of Harlow Council's Cabinet.



The HTS (Property and Environment) Ltd Board of directors set and deliver the strategic direction of the company, delivering best value efficient services and encouraging activities within a framework of prudent, commercially minded and effective controls which manage risk and reward, to be entrepreneurial and innovative in delivering acceptable returns to the Council. The Board ensure that all legal and regulatory obligations are understood and discharged and reviews profit and loss account, balance sheet, cash flow statement and financial position quarterly.

#### THE HTS (Property and Environment) Ltd BOARD COMPRISES

- Non-Executive Chair
- Councillor Director x 3
- HTS (Property and Environment) Managing Director

Serviced by a Company Secretary

The Board is supported by a sub-committee structure, dealing with specific activities (sub-committees have no delegated authority beyond that held by individual positions of those who may participate in such groups).

The Senior Management team is made up of:

Managing Director  
 Finance Director (Company Secretary)  
 Operations Director  
 Commercial Director  
 Safety, Health, Environmental and Compliance Manager  
 HR, Payroll and Communications Manager

#### 4. Objectives

HTS (Property and Environment) Ltd has established its strategic planning using the Balanced Scorecard Methodology. Flowing from the company's Mission, Vision, and Values the company is continually and proactively aligning business units and processes to achieve operational and service excellence, business growth and development, and a can do team culture creating a positive impact on operations throughout the company. This balanced scorecard targets until 2022 are as below:

	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Finance</b>					
1. Achieve pre-tax profit margin of 2.5% by end of FY 2019/20. (After a min of 2.5% return to Shareholder)		2.375%	2.5%	2.5%	2.5%
2. Borrowing ratio of less than 60% by end of FY 2018/19.		45%	43%	36%	30%
3. Acid ratio in excess of 1.00.		1.00	1.00	1.00	1.00
4. Minimum cash reserve of £0.5m by end of year FY 2018/19.		£0.5m	£0.5m	£0.5m	£0.5m
5. Deliver cashable and non-cashable year on year efficiencies (As demonstrated by case studies) NB: Linked to growth in profit.		-	-	-	-
6. Deliver a competitive and profitable (minimum margin of 4.5%) £5.8m capital works programme by end of FY 2017/18.		£5.8m @ 5.0%	£5.8m + index uplift @ 5.0%	£5.8m + index uplift @ 5.0%	£5.8m + index uplift @ 5.0%
<b>Operational Performance</b>					
1. Achieve an overall success rate of 95% against the major and minor KPI suite.		95%	95%	95%	95%
2. Sickness absence rate below 4% annualised.		3.9%	3.8%	3.7%	3.5%
3. Health and safety performance below HSE accident incident rate. Attain 500,000 hours reportable accident free.		500,000 hours reportable accident free			
4. 100% compliance with regulatory requirements.		100% compliance			
5. Value of spend on subcontractors on the ASC to be no greater than 10% of the ASC budget.		9.5%	9.0%	8.5%	8.0%
6. To achieve an overall success rate of 95% of customer repairs dealt with Right First Time.		95.25%	95.5%	95.75%	96%
<b>Culture</b>					
1. Invest 500 working days (£60K) in corporate social responsibility.		500 working days/60K per annum			
2. To ensure that employees on average receive three days training per annum.		Average of 3 days per annum			

3. Recruit apprentices to fill one in three leaver vacancies (in line with business needs) to a maximum of 10 apprentices by the end of FY 2017/18.	Apprentices recruited			
4. An agreed-upon succession plan.	Succession plan agreed annually			
5. Minimum 60% return rate of staff satisfaction surveys with a satisfaction rate >60%	Minimum 60% return of surveys with a satisfaction rate >60%			
6. Place the customer experience at the heart of how HTS operates.	Case studies			
7. Illustrate an innovation driven and entrepreneurial culture.	Case studies			
8. Equality and diversity targets to monitor:				
<ul style="list-style-type: none"> <li>• Social Inclusion – quarterly</li> <li>• Gender – M 79.72% F 20.18%</li> <li>• Gender Pay Gap – statutory annual requirement 2.56%%</li> <li>• Full time/Part time quarterly F/T 91.67% P/T 8.33%</li> <li>• Possible Milestone achievements – <ul style="list-style-type: none"> <li>➢ Introduction of social inclusion model (CIC) or formal partnerships with local community/charitable organisations</li> <li>➢ Achievement of Disability Confident Champion (level 3 status)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>*See below</li> <li>M 80% F 20%</li> <li>0.7%</li> <li></li> <li>*See above</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>M 79% F 21%</li> <li>0.6%</li> <li>FT 92.15% PT 7.85%</li> <li>*B.Y.E. 2019/20</li> <li>B.Y.E. 2019/20</li> </ul>	<ul style="list-style-type: none"> <li>M 78% F 22%</li> <li>0.6%</li> <li>FT 92.15% PT 7.85%</li> <li>*See above</li> </ul>	<ul style="list-style-type: none"> <li>M 77% F 23%</li> <li>0.55%</li> <li>FT 92.15% PT 7.85%</li> <li>*See above</li> </ul>

HTS has identified initiatives within its Business Plan to help with the successful implementation of these balanced scorecard objectives.

### Finance

HTS (Property and Environment) Ltd is focussed on delivery of cashable and non-cashable year on year efficiencies through maximising and growing cash reserves, maintaining a strong cash flow and managing this efficiently to support business objectives alongside developing a programme to renew the asset base with the latest and most efficient business assets. HTS (Property and Environment) Ltd is committed to paying suppliers and subcontractors on time/before time, to support local economy.

### Operational

Health and Safety of the workforce and the public remain a high priority and HTS (Property and Environment) Ltd continues to invest in robust and sector leading H&S procedures and policies.

Compliance is a strength of ours, with the British Standards Institute (BSI) completing their audits for ISO9001, ISO14001 and OHSAS45001 (will transition to ISO18001 in near future) in November 2017. This successful audit demonstrated a notable objective by HTS (Property and Environment) Ltd to start operations with a major emphasis on safety and compliance.

Success against the KPI suite has also been strong with LGSR Gas Servicing at 100%, and environmental measures against fly tip and graffiti removals also performing very well. We are looking to enhance system functionality for Environmental work stream including use of GIS mapping to improve service delivery visibility and drive effective improvement, and also implement an online Voids management system for compliance certification/evidence.

## **Culture**

Our culture is what truly defines us as different from the rest and is our **only** truly unique identifier. The type of work that we carry out can be replicated, but it's our personality, the way we do things underpinned by our values, that makes us a success. We're a company that listens to what matters to our customers and client.

Since HTS (Property & Environment) Ltd launch on 1st February 2017, we have invested in a range of improvements that we believe demonstrate the true nature of our business and define the culture at HTS (Property and Environment) Ltd. Our main drivers to achieve our innovation focused and entrepreneurial, culture have been to serve the local community of Harlow and to support our client – Harlow Council. Innovations to date include fuel via on-site fuel pumps at approx. 20% lower cost and renting parts of the building to commercial tenants, generating income without incurring additional costs thus resulting in 100% profit. These initial improvements highlight the benefits to HTS (Property and Environment) Ltd, Harlow Council and the people of Harlow. We will continue to assess and identify areas where services can be enhanced further with efficiencies made where possible.

We are a significant local employer for local people and over 69% of our employees live in Harlow postcode areas. An added benefit of this is that a high proportion of salaries paid stays in the local economy, applying an important multiplier effect. We have developed a local supply chain, so again our financial spend stays longer in the local economy, supporting jobs and communities. For 2018 and beyond we intend to drive a social inclusion and diversity strategy, aimed at maximising our impact on the local economy and labour force.

HTS (Property & Environment) Ltd is committed to the principles of opportunity, fairness and equality for all, both in the services that it provides to the community and in its role as an employer. We believe this can be better achieved by a workforce that values and reflects diversity. Our plans moving forward over the next few years are to further develop a wider social inclusion model with local charities/organisations, continuing to ensure fair and equitable pay levels and building upon our Disability Confident employer status.

We have chosen to sponsor a locally based charity St Clare Hospice who care for and provide free support to hundreds of people across Essex. To date we have been able to provide donations and raise funds on a regular basis. In addition, we have promoted and encouraged employee volunteering to support local community projects such as Harlow Carnival, carrying out mock job interviews with local schools, providing work experience for local schools and apprenticeships.

## **5. Growth and Strategy**

HTS (Property and Environment) Ltd continues to analyse market trends and conditions to ensure we are best placed to react to opportunities as they arise. We will focus our efforts on creating efficiencies and innovation in delivering our core services as well as further developing opportunities in these areas:

- House building and regeneration
- Facilities Management
- Bidding for places on frameworks with Local Authorities
- Capital works tender opportunities (via Business case to HDC or open market to third parties)
- Environmental works tender opportunities (via Business case to HDC or open market to third parties)

## Market analysis

Harlow Council have ambitious plans for the future, working with neighbouring authorities. The Local Plan sets out how the town will be transformed over the next 15 years with strategy based on:

- Public Health England establishing a 'National Science Hub' in Harlow,
- Anglia Ruskin University confirming the construction of their 'MedTech' Business Innovation Centre,
- the Enterprise Zone hosting global organisations Pearson Education, Raytheon and Arrow,
- the launch of Kao 'Data' centre at Kao Park taking advantage of the excellent broadband facilities that Harlow has to offer and encouraging more business in Harlow,
- Harlow's location on the London/Cambridge corridor attracting and retaining businesses in the area,
- the agreed construction of junction 7a of the M11,
- over 16,000 homes within the greater Harlow area,
- 10,000 new jobs created by the new and existing businesses in Harlow,
- regeneration in the town centre,
- the promise of 30% affordable housing,
- widening of Edinburgh Way and Gilden Way,
- possible increased rail links from London, and
- health service bids to central Government for new provisions for Princess Alexandra Hospital.

On 14 June 2018 a Cabinet decision was made for HTS (P&E) Ltd be appointed, subject to acceptable business cases being submitted, to undertake associated construction works for a programme of house building. This opportunity is a vital step forward for us, representing the start of the planned and measured diversification strategy, strengthening our commercial base and leveraging our knowledge, experience and skills.

We will continue to track the progress of the commercial developments in Harlow, and have identified the opportunity this presents for HTS (Property and Environment) Ltd as a facilities management services provider to commercial occupiers and will offer this service following delivery of similar services to Harlow Council. With strong pressure continuing on the local authority sector to be commercial in their strategies and approach, we will increase our focus on becoming the service delivery partner of choice for revenue work streams and capital projects/ programmes for local public sector organisations, operating within the parameters of our Teckal status. We will also continue to lead and support the setting up of a national federation of LATCo's, and the trading/procurement opportunities this may bring.

### In order to deliver

- We will be ready and able to respond to market conditions in respect of client priorities and opportunities that fit the HTS (Property and Environment) Ltd skills base.
- We will listen to our customers and have in place mechanisms to respond to their requirements and change the business accordingly.
- We will get closer to and understand the demands on key clients.
- We will undertake efficiency reviews.
- We will increase productivity levels through improved leadership and, where possible, the use of better, more effective technology.
- We will continue to invest in our talent pool, identifying employees who are able and want to progress at all levels. In respect of the Board posts, ensure we have designated staff in place at least 12 months in advance of retirement.
- We will progress and invest further in meeting the needs of the most vulnerable in our communities.

## Competition

In the Harlow area there already exist a number of contractors who carry out planned maintenance works for Harlow Council. There are opportunities arising from our unique offering of:

- Higher customer satisfaction levels
- Better performance levels
- Enhanced value
- Assured compliance

A key advantage of our relationship with our shareholder is that the HTS (Property and Environment) Ltd net profit margin is returned directly to Harlow Council.

Within our housing construction income stream there are numerous competitors, from national developers to speculative builders. We will seek to win this work through the business case route, and demonstrate that HTS (Property and Environment) Ltd deliver on time, to specification and within budget. We will continue to deliver added value to local economy while providing a collaborative partnership approach to the relationship.

Our Strategic Risks are:

- Financial Sustainability
- Business Sustainability
- Operational Delivery
- Employee Engagement
- Information Governance and Data Compliance

In the light of our growth opportunities, we will review and update our risk registers as required with proactive monitoring, reporting, management and scrutiny.

*Graphic showing:*

**6 APPRENTICES EMPLOYED**

**140 WORK PLACEMENTS FOR LOCAL STUDENTS**

*Graphic showing Geographic coverage map*

## **SWOT ANALYSIS**

In order to focus our marketing and business development on areas with the maximum potential we have considered both external threats and opportunities, together with internal strengths and weaknesses, as set out below:

### **STRENGTHS**

- Our People – their experience and skills from operatives to office staff to management
- Met and exceeded Year 1 service delivery outputs and achievements
- Exceeded CSR targets
- Continue to meet and exceed CSR values and programmes
- Strong shareholder support from Harlow Council
- Invaluable experience and knowledge retention among whole workforce
- Our continued investment in the local community and employment/training
- Strong and positive relationship with our key stakeholders - Harlow Council, tenants, customers, clients
- Reputation – our people are trusted
- 5 year contract to 2022 allowing the business to grow and enabling continued planning and investment
- Depth of capability, skills and knowledge in the workforce across a diverse range of activities
- Reputation as an employer of choice, local people want to work for us – Disability Confident, Living Wage, staff benefits
- One stop shop for a wide range of services
- Innovation - introducing new initiatives such as mobile software to improve efficiencies
- Strong and robust Health and Safety culture
- Collaborative working with clients, customers and preferred suppliers
- Continued improvements and sustained accreditation from Management Systems (achieved within year 1, audited in year 2 and sustained) e.g. OHSAS 18001, ISO 9001, ISO 14001
- Investment in fleet, equipment and people – continual improvement in reliability and efficiency
- Continuous investment in staff training

### **WEAKNESSES**

- Relatively short trading period to date means bidding is challenging
- Low HTS (Property and Environment) Ltd visibility beyond Harlow communities and Council
- Diversity profile on Board
- Skills shortages across the sector

- Securing third party works – lack of marketing and engagement to date
- Requirement to update IT system efficiencies and software in line with growth
- Ability to refresh skills base as we grow and diversify

## OPPORTUNITIES

- Harlow Council commitment to building Council Houses provides opportunity to bid for works
- Successful offering of Facilities Management services to Harlow Council can be extended to local companies – high number of office based premises within the town
- Unique relationship with Harlow Council means HTS (Property and Environment) Ltd can align its future strategies and investment with Council's own to ensure correct resourcing for future capital projects the Council choose to prioritise
- Regeneration schemes within Harlow for commercial/health/education sectors provide opportunity to expand upon major works projects to date
- Third party works services could be offered to neighbouring local authorities/RSLs to deliver repair services to their housing stock
- Third party works to public sector within Harlow to deliver environmental services
- Neighbouring authorities to Harlow will require Health and Safety training for staff, especially in relation to construction projects related to growth
- Potential for shared services with other LATCs (e.g. materials supply) – value for money/reduced costs

## THREATS

- Failure to balance growth opportunities with core service delivery could lead to reduced KPI performance for main services agreement
- Ability to recruit staff with right skills (at all levels) – for current workload and future opportunities
- Not adapting to market needs or having the ability to diversify quickly enough
- Delivering core services alone could lead to failure to diversify, lack of aspiration/dynamism
- Ability to adapt to lack of continuity/loss of confidence among stakeholders e.g. Due to political change/change of strategic priorities
- Impact of central government strategies and public sector cuts on our client base
- Dramatic changes in funding resources
- Not being able to demonstrate a compelling case to extend the contract
- Failure to achieve fundamental buy-in on our joint objectives with stakeholders

## Looking to 2022

Following a successful first year of trading, HTS (Property and Environment) Ltd is looking to maximize the opportunities available both locally and in the surrounding areas. HTS (Property and Environment) Ltd was established to deliver the repairs and maintenance of Harlow Council's 9000 Social Housing units and 220 non housing assets together with the cleaning and grounds environmental works within the town. The company will also deliver a further £29million of housing related capital works over the first 5 years of operation. We are outward looking and can have a wider reach beyond the Harlow area; our values and experience mean we can deliver performance, quality, and value for money, along with high levels of customer satisfaction.

In order to utilize the business skills of the Senior Management Team, and our skilled work force who have previously managed additional work streams in the region of £14m per annum, a number of opportunities have been identified to allow us to maximize the return on the Council's investment in HTS (Property and Environment) Ltd between now and 2022 and ensure that Harlow Council can move forward and deliver its own aspirations, these include

1. Improve Resources and Knowledge and Skills
  - Maintain BSI reaccreditation audit, and ISO external audits
  - Implement equipment initiatives, including use of drones
  - Research initiatives for energy and material reduction
  - Review of IT solutions for site works, SHEC controls and reports
  - Explore potential to act as a consultant to other businesses, LATCs and councils; provide support, advice, updates and audits
  - Play a leading role in promoting a LATCO Federation creating opportunities to set up a procurement framework

- Continue to invest in our people to support career progression
  - Continue to develop our Apprenticeship programme
  - Work experience placements at 140 per year
  - Exceed the National Living Wage and continue to commit to not paying below
  - Become a Disability Confident Champion
2. Improve Quality and Reliability, Efficiency and Reduce complaints
    - Deliver the core contract activities, achieving outputs and quality standards against our core business areas driving continuous improvement, reducing failure instances, enhancing customer service/experience
    - Deliver the 5-year Capital Programme (2017/18 to 2019/22) at a total investment of £29 million (index linked)
    - Deliver a strong cash flow and cash management policy to allow investment in state of the art equipment to facilitate improved services and efficiencies as well as continuing to invest in the training of the work force to the highest industry standards
  3. Improve Safety, Health, Environment and Compliance
    - Achieve measured improvement in Environmental Services performance outputs
    - Explore potential for SLA with Harlow Council H&S auditing and support
    - Become 'Driving for Better Business' champion and promote road safety in the local area
    - Increase work with schools to promote Health and Safety and environmental practices
  4. Increase Customer Base and Improve Customer Satisfaction
    - Exceed Balanced Scorecard targets –continuously accumulate evidence/data and report regularly to the Shareholder - to evidence our good performance, obtain sign off, and get feedback
    - Offer web based repairs ordering, to provide wider access for customers to report and track repairs
    - Reduce 52 week Planned Priority for repairs.
    - Explore flexible appointment times for customers
    - Increase core trading – capital programme extension over next 3 years
    - Extend the range of services and solutions and increase earned income from third parties, and non-core Harlow Council work via Business Cases
    - Pursue offering FM services to local commercial sector
    - Business Cases to provide construction solutions for new homes and commercial property
    - Business Cases to carry out refurbishment, remodelling and construction to Council owned properties over and above existing contractual arrangements
  5. Improve Stakeholder, Community and Social Relations
    - Continue to strengthen communication channels with stakeholders; establish a joint internal/external communications strategy with Harlow Council
    - Expand communications strategy for promoting plaudits and positive customer satisfaction results

## 6. Financial model and forecast

The financial projections (including actual performance for Y1) for the Company is presented in the table below, in order to produce this forecast a number of assumptions have been made; namely

- inflation at 3% per annum across all contracts based on B.M.I.,
- capital works programmes are delivered year on year from 2020 onwards,
- house building is based upon a set price per unit and reflects Harlow Council Housing Delivery Programme agreed by cabinet on 6 December 2018,
- all work is competitively priced and is profitable,
- corporation tax is forecast to remain at 19%, and
- the opportunity to win business cases, and tenders for large capital works – including new build housing.

<b>Revenue Summary</b>	<b>Mar 17</b>	<b>Mar-18</b>	<b>Mar-19</b>	<b>Mar-20</b>	<b>Mar-21</b>	<b>Mar-22</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
ASC	£2,878	£17,265	£17,472	£17,996	£18,536	£19,092
Capital Works	£135	£3,478	£5,419	£7,823	£6,395	£6,586
3rd Party	£16	£71	£509	£750	£900	£1,100
Harlow Council - Building	£0	£0	£1,000	£4,750	£6,500	£18,000
<b>Total Revenues</b>	<b>£3,029</b>	<b>£20,814</b>	<b>£24,400</b>	<b>£31,319</b>	<b>£32,331</b>	<b>£44,778</b>

### ASC and balanced scorecard

Performance against the ASC core service delivery and financial elements of the Balanced Scorecard is good. All works are budgeted to make a margin of at least 4.5% providing the targeted profit levels and this will enable returns to Harlow Council to rise from the £542k paid by HTS (P&E) Ltd in respect of 14 months to March 2018 up to over £1m before tax by March 2022.

ASC performance over the first 18 months of the contract has been positive; over performance in environmental areas has been achieved due to savings on staff and subcontractor costs, this approach to creating efficiencies within our operating model is something we will target to other areas of delivery over the next 3 years.

### Working capital projections and commercial model

Working capital forecasts are strong arising from the strong trading and cash flow and the bank balance is forecast to grow year on year up to £4.7m before any repayments to Harlow Council.

A strong profit forecast enables the Harlow Council Loan to be repaid in full by the end of year 5 as per the loan agreement.

### HDC Capital programme

Commitment has been made by Harlow Council for annual capital programme works to be awarded, subject to Business Case, to value of £5.8m plus index uplift per annum until 2022.

The work awarded for the year to March 2019 include £3m of Internal works, £900k of Aid and Adaptions, and £700k of Remedial and Rewiring works.

### Third party growth

Third party revenue of £94k pa has been secured through subletting of Mead Park depot premises, and further work to understand where other opportunities exist to maximise income from this asset will take place. Additional third-party income is made up of Facilities Management opportunities and planned works for third parties.

### Reinvestment and fleet/plant replacement

Significant capital expenditure is forecast to replace the aging fleet and to modernise the delivery of services to the council. This includes the replacement of 35 vehicles and a JCB at a total cost of £880k in the year to 2020.

Future investments will look at the viability of environmentally friendly replacement vehicles, plant and equipment together with the investment in improved IT solutions including

- GIS mapping
- Finance
- Maintenance systems including Dynamic Scheduling and Tenant Portal for real time appointments

## **Supply chain**

HTS (Property and Environment) Ltd is committed to working with Harlow Council in order to develop mutually beneficial relationships together and within our supply chain. Our experience has shown that if we can offer the opportunity to develop long term relationships in which collaborative working can prosper, there can be many benefits. HTS (Property and Environment) Ltd's main supplies provider is Jewson, a competitively tendered arrangement that sees the supplier located on site with us. The relationship with Jewson provides great value for HTS (Property and Environment) Ltd, Harlow Council and residents in the following ways:

- Jewson pay rent and service charge to HTS (Property and Environment) Ltd which is additional income,
- Jewson have committed to funding 2 additional Apprenticeship places,
- Jewson have employed 5 additional people in Harlow as a result of the arrangement until 2022, and
- 1% of Jewson's turnover with HTS (Property and Environment) Ltd will be used to support CSR/community projects.

Added value from this partnering arrangement also includes:

- an efficient on-site supply base for HTS (Property and Environment) Ltd trades teams,
- a supplier who stocks the right products – supporting our front line services and 'right first time' approach,
- joint working between both HTS (Property and Environment) Ltd and Jewson Buyers' teams, to get the best value, and
- working together on back office efficiencies to reduce overhead costs.

Additionally, HTS (Property and Environment) Ltd has accounts with 78 other local suppliers who are used on a regular basis. Many of the services they offer are essential to us and 38% of our sub- contractors are based within 10 miles of Harlow. In addition to the use of local subcontractors and suppliers the same ethos applies to the employment of local residents, HTS (Property and Environment) Ltd currently employs 337 people of which 233 (69%) live in Harlow, and in our first 18 months of trading we employed 46 new employees of which 30 (65%) live in Harlow.

## 7. Performance Achievements

In our first 18 months of operation HTS (Property and Environment) Ltd delivered the following against our primary objective to support Harlow Council's Corporate Priorities:

<b>HARLOW COUNCIL OBJECTIVE</b>	<b>HTS (P&amp;E) Ltd RETURN</b>
<ul style="list-style-type: none"> <li>• More and Better Housing</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Delivered 45,000 repairs per annum in 2017/18</i></li> <li>• <i>Delivering 10,000 gas services per annum</i></li> <li>• <i>Delivering Capital Works programmes to improve homes in Harlow</i></li> </ul>
<ul style="list-style-type: none"> <li>• Regenerating the town and supporting a thriving economy</li> </ul>	<ul style="list-style-type: none"> <li>• <i>70% of our workforce live in the local postcode; using local subcontractors and supply chain</i></li> </ul>
<ul style="list-style-type: none"> <li>• Promoting social inclusion</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Accredited Disability Confident and Living Wage employer</i></li> </ul>
<ul style="list-style-type: none"> <li>• A clean, green and sustainable environment</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Maintaining 4 million square metres of grass per annum</i></li> <li>• <i>Processed 5,700 cubic metres of green waste in 2017/18</i></li> <li>• <i>Recycling over 65% of the waste we create</i></li> </ul>
<ul style="list-style-type: none"> <li>• Successful young people and improving citizenship</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Working with local students to provide work experience places for students – 140 placements in 2017/18</i></li> <li>• <i>6 apprentices employed in 2017/18 with a maximum of 10 be employed depending on business needs</i></li> </ul>
<b>HARLOW COUNCIL PRINCIPLE</b>	<b>HTS (P&amp;E) Ltd RETURN</b>
<ul style="list-style-type: none"> <li>• Providing community leadership and good governance <i>(three Shareholder appointed Councillors sit as Councillor Directors)</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>Holding tenant and leaseholder forums</i></li> <li>• <i>Provides transparency to the politically balanced shareholder</i></li> </ul>
<ul style="list-style-type: none"> <li>• Sound resource management</li> </ul>	<ul style="list-style-type: none"> <li>• <i>Employing locally and keeping the Harlow £ in Harlow</i></li> <li>• <i>Making the depot available for local businesses</i></li> <li>• <i>Sharing training courses with subcontractors and partners</i></li> </ul>

## INFOGRAPHIC

“Excellent service – very professional and polite. Thank you!”

1. All Service Operations, people and assets successfully transitioned into the newly formed LATCo
2. Effective and successful financial risk management for HTS (Property and Environment) Ltd – HTS (P&E) Ltd - and Harlow Council
3. Successful service continuity for all customers during transition and launch phase
4. Established an effective platform for growth and performance
5. Pre-existing liabilities validated and resolved including, H&S training, IT data transfer

“Thank you once again, it’s refreshing to talk to someone who is both helpful and pleasant. You share both of those qualities freely and that’s a rarity these days. I just wanted to let you know that it’s appreciated.”

6. Vehicle fleet, materials and equipment assets procured and mobilised
7. Achieved key management system accreditation standards – OHSAS 18001 for health and safety, ISO 14001 for environmental, and ISO 9001 for quality
8. Payroll system successfully setup and rolled out with minimum disruption to employees

“The chap who came out was really helpful and polite. I wish all work men/women were like him. Great example to the apprentice he had with him”

“The guy who carried out the work went above and beyond to complete the job. First class workmanship. Very professional and a good man. Thank you.”

9. Service Delivery Performance continues to be maintained above the 95% target
10. Robust financial management includes loan repayment to Harlow Council at a commercial rate of interest
11. Supported Harlow Council with Health & Safety expertise

“The men were really hard workers, and we are very pleased with the result. The fence has been fixed in the past, but never to the standard it is now. The men were respectful and hardworking to the finish.”

12. 6 apprentices employed in 2017/18 and provided 140 work placements for local students
13. Investment in new IT infrastructure, hardware and software, including PDAs for operatives
14. Delivery of over 500 days of CSR activity worth over £60,000.00

*Graphic showing:*

CALL ANSWER RATE 97% REMAINED ABOVE THE TARGET OF 90%

100% GRAFFITI REMOVED WITHIN TARGET TIMESCALE

99% CUSTOMER SATISFACTION

### **Returns to shareholder**

After the first year of trading we can already highlight not only the extent to which financial targets have been met but also showcase the non-cashable returns over and above expectations that have been provided both to the business and our shareholder. Non-cashable benefits such as supporting local events, policies to employ locally and promote internally, donations to Harlow College, providing work experience for local school children, apprenticeship programme and improvements to Mead Park Depot are just a few examples of what has been achieved thus far.

- Return to Harlow Council of over £540k included in the first year of trading.
- New power tools investment of £70K
- CSR donated days investment of £70K
- Free training to HDC staff investment of £10K
- Additional new plant and tools investment of £23K

- HTS (P&E) Ltd additional expenditure on Environmental works worth £339K including additional labour and plant
- Office and IT equipment investment of £242k
- Plant and equipment investment of £702k
- Motor vehicles investment of £292k

A total investment in the year of £1,037,000

## 8. Moving Forward

(photo)

ALFIE PREATER

Carpentry Apprentice

"I'm very grateful for the opportunity HTS have given me, taking me on as one of their first 6 apprentices. I have learnt so many new skills from working within the Carpentry department. The department I work with are fantastic and couldn't have done any more to have made me feel like part of the team, rather than just the young apprentice. Being an 18 year old local lad working for a local company means even more to me and I'm excited about my future with HTS".

In an initial period that has seen HTS (Property and Environment) Ltd mobilise, transition and deliver a full range of services to exacting standards we can be truly proud of what has been achieved by all who work for the business.

The confidence this has provided our shareholder now puts us in a strong position to grow our offering, as we move into the new challenges of diversifying our business.

We believe the opportunity to undertake house building and regeneration projects will be met by our committed team and are determined to improve our offering going into year 3 and beyond.

Michael Harrowven  
Non-Executive Chair

HTS (Property and Environment) Limited was incorporated on 24 December 2015 with Company Registration Number 9929963. The Registered Office of HTS (Property & Environment) Limited is Civic Centre, The Water Gardens Harlow Essex CM20 1WG. HTS (Property & Environment) Limited is a wholly owned subsidiary of HTS Group Limited which was incorporated 24 December 2015 with Company Registration Number 9929960. The Registered Office of HTS Group Limited is Civic Centre, The Water Gardens Harlow Essex CM20 1WG.

The Shareholder Sub-Committee is a sub-committee of Harlow Council's Cabinet.

**REPORT TO:** SHAREHOLDER SUB COMMITTEE

**DATE:** 15 JANUARY 2019

**TITLE:** REFERENCE FROM CABINET – CREATION OF  
HTS (HOUSING AND REGENERATION)  
COMPANY

**LEAD OFFICER:** BRIAN KEANE, MANAGING DIRECTOR  
(01279 446000)

**RECOMMENDED that:**

- A** The Sub Committee notes the approved recommendations, as set out in paragraph 2 of the report, in line with Cabinet decision of December 2018.

**BACKGROUND**

1. Cabinet received a report on the creation of HTS (Housing and Regeneration) Ltd which set out the Articles of Association, the Company's draft business plan and a proposed five year pipeline for house building sites.
2. Cabinet agreed the following:
  - a) noted the draft Business Plan for HTS (Housing and Regeneration) Ltd.
  - b) approved the revised terms of reference for the Sub Committee.
  - c) agreed the proposed pipeline of house building sites for commencement utilising Right To Buy (RTB) receipts and other funding.
  - d) delegated authority to the Managing Director, in consultation with the Leader of the Council, to complete all necessary financial formalities.

**IMPLICATIONS**

**Place (Includes Sustainability)**

The company can contribute towards the Council's objectives of increasing housing supply, creating a wider choice of housing and delivering the Local Plan. Each site will be required to secure planning consent and there is also an opportunity for the company to utilise the Council's Building Control services in the delivery of its projects.

**Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning**

### **Finance (Includes ICT)**

As set out in the original Cabinet report.

**Author: Simon Freeman, Head of Finance and Deputy to the Managing Director**

### **Housing**

The creation of HTS Group Ltd and its subsidiaries must enable the Council to utilise flexible arrangements to support the delivery of the Council's Corporate Plan objectives for more and better housing and the wider regeneration of the town.

Proper governance, stewardship and control mechanisms must be in place to ensure the appropriate levels of commercialism whilst demonstrating accountability to its local community as a public body that applies public funds.

**Author: Andrew Murray, Head of Housing**

### **Community Wellbeing (Includes Equalities and Social Inclusion)**

None specific.

**Author: Jane Greer, Head of Community Wellbeing**

### **Governance (Includes HR)**

The report ensures that the Council complies with Regulation 2 of The Local Government (Best Value Authorities (Power to Trade) (England) Order 2009 through the approval of the business plan prior to trading. The Council has a public sector equality duty (Equality Act 2010 s149) to effectively minimise disadvantage to people who share protected characteristics. This proposal positively supports the duty by seeking to improve the provision of Council housing increasing the availability of decent accommodation for those qualifying for such assistance.

**Author: Simon Hill, Head of Governance**

### **Appendices**

Appendix A – Cabinet Paper 6 December 2018 – Creation of HTS (Housing and Regeneration) Company

### **Background Papers**

None.

### **Glossary of terms/abbreviations used**

RTB – Right to Buy

## Appendix A

**REPORT TO:** CABINET

**DATE:** 6 DECEMBER 2018

**TITLE:** CREATION OF HTS (HOUSING AND REGENERATION) COMPANY

**PORTFOLIO HOLDERS:** COUNCILLOR MARK INGALL, LEADER OF THE COUNCIL  
COUNCILLOR MARK WILKINSON, DEPUTY LEADER AND PORTFOLIO HOLDER FOR HOUSING

**LEAD OFFICER:** BRIAN KEANE, MANAGING DIRECTOR  
(01279) 446000

**This is a Key Decision**  
**It is on the Forward Plan as Decision Number I009377**  
**Call-in Procedures may apply**  
**This decision will affect no ward specifically.**

### **RECOMMENDED that Cabinet:**

- A** Notes the draft Business Plan for HTS (Housing and Regeneration) Ltd attached as Appendix A to the report.
- B** Approves the revised terms of reference for the Shareholder Sub Committee attached as Appendix B to the report.
- C** Agrees the proposed pipeline of house building sites for commencement utilising RTB receipts and other funding attached as Appendix C to the report.
- D** Delegates authority to the Managing Director, in consultation with the Leader of the Council, to complete all necessary financial formalities to progress the above.

### **REASON FOR DECISION**

- A** The report sets out details of the progress made in the establishment of the Council's housing and regeneration company and seeks cabinet approval to enable the development of the company and its governance to be further progressed.

## **BACKGROUND**

1. In June 2018, Cabinet resolved that a wholly owned subsidiary of HTS Group be established to undertake housing and regeneration projects and that all necessary legal and financial formalities to progress this initiative be completed.
2. HTS (Housing and Regeneration) Ltd was incorporated on 3 August 2018, with Company Registration Number 11499394. The establishment of a new housing and regeneration company is the next step in the development of the wider council owned trading group.
3. To support the incorporation of the Company, draft articles and a scheme of delegation have now been drafted. These are bespoke to the company and utilise a Teckal model in the same way as the establishment of HTS (Property and Environment) Ltd was carried out. The documents detail the governance structure including the Company Board, Board of holding company HTS Group Ltd and the Shareholder Sub Committee.
4. Changes to the HTS (Property and Environment) Ltd Business Plan were made in July 2018, in line with the Cabinet decision. This broadened its scope of activities which allowed it to submit business cases for new build and refurbishment of housing properties, including the schemes identified for 2018/19 within that report.
5. Cabinet also resolved that the Council undertake a further programme of building council houses and that a financial modelling scheme would be selected and purchased to assist with the Council's housing development processes.
6. Software to facilitate detailed financial appraisals on identified housing and regeneration sites, including exploring financial resourcing, sensitivity analysis of commercial viability, and the potential use of currently retained Right to Buy (RTB) receipts in support of the overall housing delivery has been purchased by the Council.
7. The software toolkit supports the necessary viability studies and provides a platform to fully appraise and manage potential developments. An Officer task group has been established including representatives from Housing, Properties and Estates, Regeneration and Finance to jointly appraise options for the utilisation of land and property assets. This was to enable the Council's housing and regeneration objectives to be achieved, whilst also considering the wider impacts of any proposed development activity on the local community and economy.

## **ISSUES/PROPOSALS**

### **HTS (Housing and Regeneration) Ltd**

8. Alongside the draft Articles and Scheme of Delegation for HTS (Housing and Regeneration) Ltd, a Business Plan is required to be approved before the

company can commence trading. A draft Business Plan has been prepared and is attached to this report as Appendix A. The Plan sets out the objectives of the business and how they will be achieved, including a mechanism for awarding works whilst demonstrating best value. This is through use of a business case process which mirrors that of HTS (Property and Environment) Ltd.

9. Agreement of the Plan will prepare the Company to trade and this is currently anticipated to commence at the point when viable schemes suitable for delivery through the Company are identified. It is recommended that the Plan is noted in its current form in anticipation of viable schemes being brought to Cabinet for approval for delivery via the Company, in line with a finalised Business Plan at that stage.
10. Appointment of Directors to the Board for HTS (Housing and Regeneration) Ltd is required at the point when viable schemes are identified for delivery with the company board being the conduit through which schemes are presented, in line with scheme of delegation, with detailed project plans agreed on a scheme by scheme basis. Directors will be appointed to the Board in line with June 2018 report to Cabinet.
11. In reviewing current board structures within the Group and their relationships with each other, the Shareholder Sub Committee terms of reference have been revised to reflect that the Shareholder now owns two teckal companies. References to mobilisation activities as required for transition from the Joint Venture Company to Local Authority Trading Company model for HTS (Property and Environment) Ltd have also been redrafted to reflect the Shareholder's strategic oversight over key operational decisions for its companies. The new terms of reference recommended for approval are attached as Appendix B to the report.

### **Building New Council Housing**

12. A further programme of house building has been identified by the task group, utilising the viability software and considering best use of retained RTB receipts. Planning permission for three schemes at The Readings, Bushey Croft and Lister House has already been granted. The potential pipeline of building projects is shown at Appendix C to this report.
13. It is recommended that the pipeline of projects is approved to enable Officers to better plan for both their delivery and for the retention of RTB receipts in line with current Government requirements. This will allow for the forward planning of schemes and for the viability assessments to be carried out at an early stage with full project management then being applied with procurement and appropriate specialist advisors to be engaged to properly mobilise each scheme. To enable the pipeline to be developed in to deliverable schemes it is proposed that the Officer task group will assume the responsibility for the development and delivery of each scheme subject to the in principle approval of Cabinet.

## **IMPLICATIONS**

### **Place (Includes Sustainability)**

The company can contribute towards the Council's objectives of increasing housing supply, creating a wider choice of housing and delivering the Local Plan. Each site will be required to secure planning consent and there is also an opportunity for the company to utilise the Council's Building Control services in the delivery of its projects.

**Author: Andrew Bramidge, Project Director – Enterprise Zone and Interim Head of Planning on behalf of Graeme Bloomer, Head of Place**

### **Finance (Includes ICT)**

There are no specific financial implications at this stage of the development of the Company.

**Author: Simon Freeman, Head of Finance**

### **Housing**

As contained within the report.

**Author: Andrew Murray, Head of Housing**

### **Community Wellbeing (Includes Equalities and Social Inclusion)**

As contained within the report.

**Author: Jane Greer, Head of Community Wellbeing**

### **Governance (Includes HR)**

The report ensures that the Council complies with Regulation 2 of The Local Government (Best Value Authorities (Power to Trade) (England) Order 2009 through the approval of the business plan prior to trading. The Council has a public sector equality duty (Equality Act 2010 s149) to effectively minimise disadvantage to people who share protected characteristics. This proposal positively supports the duty by seeking to improve the provision of Council housing increasing the availability of decent accommodation for those qualifying for such assistance.

**Author: Colleen O'Boyle, Interim Head of Governance**

## **Appendices**

Appendix A – HTS (Housing and Regeneration) Ltd Draft Business Plan

Appendix B – Revised Shareholder Sub Committee Terms of Reference

Appendix C – Pipeline of Building Projects

## **Background Papers**

None.

## **Glossary of terms/abbreviations used**

RTB – Right to Buy

**HTS (Housing and Regeneration) Limited**

**Business Plan**

**Version 0.4 26 November 2018**

**DRAFT**

## 1. Executive Summary

This document lays out the interim business plan for the creation of HTS (Housing and Regeneration) Limited as wholly owned subsidiary of HTS Group. It includes:

- Our vision and values.
- An analysis of the market place we will operate in.
- An explanation of the service we will offer.
- A description of our legal form and our governance arrangements.
- An overview of our delivery requirements.
- Initial pipeline of schemes demonstrating the viability of our business.
- An implementation plan outlining initial actions to enable trading operations.

### 1.1 Drivers for change

- 1.1.1 Harlow is a compact New Town located in West-Essex at the centre of the London-Stansted-Cambridge-Corridor. It is made up of self-contained local neighbourhoods with a variety of shopping hatches and employment areas. Harlow is home to Harlow College, The University Centre Harlow and the Sir Charles Kao University Technical College.
- 1.1.2 Harlow also has a 51 hectare Enterprise Zone (EZ), which is one of the 48 sites across the UK selected by Government to provide a platform for economic growth and deliver benefits for business. The EZ investment will be used to develop a new Life Sciences MedTech Innovation Centre; building on the town's pioneering traditions and bringing jobs to the area.
- 1.1.3 Public Health England have selected Harlow as the location for a new integrated hub with the first facilities opening in 2019 leading to full operational capacity in 2024.
- 1.1.4 Parallel to art, cultural and leisure facilities, Harlow Council retains the second largest social housing stock in Essex.
- 1.1.5 Harlow's proximity to London, and the issues brought about by the national economy and welfare reform have created its own unique housing pressures. Housing in Harlow is predominately privately owned at just under 69 per cent, while social housing makes up over 31 per cent.
- 1.1.6 Harlow has remained a competitive location for business and growth. As Harlow continues to become more business orientated in coming years, a key opportunity is to use the regeneration of deprived areas to create employment opportunities and reinvigorate communities.

1.1.7 With its unique connections into London, Cambridge and Stansted Airport, Harlow has huge potential to be a major driver for economic growth. The Council will raise Harlow's profile using local enterprise partnerships, together with similar business consortiums and local business. In parallel the Council will work in partnership with neighbouring local authorities to deliver a new Garden Town.

1.1.8 The Housing and Planning Act 2016 has brought significant changes to the provision and management of affordable housing that will change social housing in England. In particular the centrally set rent levels, the sale of high value voids (or financial equivalent) to pay for housing associations right to buy and the re-definition of secure tenancies will impose significant and additional pressures together with uncertainty around current housing allocation policy priorities.

## **1.2 Vision for the future**

1.2.1 Harlow Council's Corporate Plan 2017-2020 identified the Council's vision to build on notable successes (e.g. the Regeneration of the Town Park and the delivery of the Enterprise Zone), and the modernisation of thousands of council homes.

1.2.2 To achieve the ambitions in the Corporate Plan, five priorities have been identified including:

- a) More and better housing – tackling the housing need of Harlow residents, both in quantity, affordability, range and quality.
- b) Regeneration and a thriving economy – regenerating Harlow and support a thriving economy that benefits all the people of Harlow. Working with our partners in local and national government, the community and the private sector to create an infrastructure that is appropriate for sustainable growth.

1.2.3 These priorities have been embedded in the Harlow's Local Development Plan, shaping Harlow over the next fifteen years ensuring the efficient use of land and securing future sustainable development delivering what the community needs. The Local Development Plan sets out the need to build 9,200 homes in Harlow over the next 15 years.

1.2.4 There are a number of emerging strategies including the Local Development Plan, Harlow and Gilston Garden Town Spatial Vision and the Harlow Town Centre Area Action Plan, all of which provide context and the opportunities for growth, in particular housing growth within the district and its environs.

1.2.5 The Council is committed to making more housing available in Harlow, including providing more support for those sleeping rough on the streets. There is a need to provide a range of homes, including new council houses, affordable rents, shared ownership and provide to give opportunity to all local people who want and need a home.

1.2.6 In 2015 the Council built the first new council houses for 25 years. The Council plans to drive forward regeneration, renewing neighbourhoods, attracting inward investment, providing

high quality jobs and lobbying to ensure that Harlow has the correct infrastructure in place to enable sustainable growth.

1.2.7 The commencement of the feasibility and development of a longer-term programme of new council house building, along with the bringing forward of packages to deliver new homes and retail facilities within Harlow, making use of newly incorporated HTS (Housing and Regeneration) Limited and any funding opportunities is one of the identified objectives to meet Council priorities.

### **1.3 Differentiators**

1.3.1 The Local Government Act 2003 restricts local authorities from making a profit from its services, although they are able to offset costs. The Localism Act 2011 enables local authorities to undertake activities to make a profit but only if delivered within a company.

1.3.2 HTS (Housing and Regeneration) Limited is an integral part of the Council's existing trading group structure. The Company will work alongside and complement the Council's development proposals within the Housing Revenue Account by supplementing and meeting demands for both affordable and market sale properties by effectively intervening directly in the local housing market.

1.3.3 In the short to medium term it is anticipated that the Company will undertake the majority of its work for the Council. It will be able to take advantage of the 'Teckal' exemption held in Regulation 12 of the Public Contract Regulations 2015. As a parallel Teckal vehicle, the Company will provide trading synergy to direct and work with HTS (Property and Environment) Limited to provide services within the HTS Group for the Council subject to procurement regulations.

1.3.4 The creation of the Company provides a platform for a greater stewardship role in place-shaping, and potential financial return to the Council. The Company will provide the Council with greater freedoms and flexibilities to take innovative steps to meet local housing needs, and act as a vehicle to deliver town wide regeneration alone or with strategic partners.

1.3.5 Constraints on new build growth within the Council's Housing Revenue Account (HRA) mean that land can be more effectively used to back a mix of affordable and market housing development within a Council - owned company, in particular achieving long term revenue from rented homes as well as short term receipts on market sale homes. Changes to borrowing rules around the HRA are not yet fully detailed, but the company will operate to support additional growth within the HRA created by removal of cap arrangements, whilst also maximising income for the general fund. Wider regeneration and economic growth, such as town centre mixed use development opportunities, can be similarly progressed through asset development within the Company, generating a mix of long term rental income as well as more immediate disposal receipts.

1.3.6 The principle of the Council borrowing at Government-backed public sector loan rates and achieving a revenue margin through on lending creates a reliable income source for the Company. The Company also benefits from the following:

- Commercial freedom over rent setting.
- Opportunities to provide affordable alternatives to fulfil the legal duty to provide emergency temporary homeless accommodation.
- Selling services (like homeless accommodation) to others.
- Mixed tenure builds could cross-subsidise affordable homes.
- Commercial growth in direct response to demographic trends (addressing gaps in demand by an underperforming private market).
- Opportunity to generate a long term income stream for the general fund of the Council through scheme delivery.

#### **1.4 Organisational form, ownership and governance**

- 1.4.1 In September 2015, elected members for the Council resolved to create a trading arm. The overriding principle for the governance, stewardship and control mechanisms for the trading division was to ensure commercialism whilst retaining accountability to stakeholders. Harlow Council remains responsible for ensuring that it properly applies public funds, ensures compliance with the law, and that value for money can be demonstrated. Cabinet noted that the Council may wish to explore options to create further trading companies. Therefore, the governance for the trading divisions included inbuilt flexibility within a group structure – each entity remaining separate but ultimately reporting to a Council owned Holding Company.
- 1.4.2 In December 2015 HTS Group Limited, with Company Registration Number 09929960, (being a Holding Company) was incorporated, together with one wholly owned and controlled subsidiary HTS (Property and Environment) Limited (Company Registration Number 09929963). Harlow Council is the sole shareholder.
- 1.4.3 HTS Group was incorporated as a Holding Company with the Council as shareholder allowing for the creation of subsidiaries to further support transparency with governance and facilitate strategic focussed decision making appropriate to the subsidiary trading arms. By taking this approach risk around one single company undertaking a broad range of activities that may not fall within the expertise of its Directors was mitigated.
- 1.4.4 HTS (Housing and Regeneration) Ltd (Company Registration Number 11499394) is incorporated as a subsidiary of HTS Group, being the wholly owned trading arm of Harlow Council.
- 1.4.5 The full board for the Company will comprise of three Councillor Directors, one Council Senior Manager with a mechanism to appoint a Chair holding a casting vote where necessary. Initially one Councillor Director will be appointed. The option to appoint a Managing Director should business dictate remains. The Board will work with a bespoke set of Articles and a scheme of delegation. The Board will take advice from both externally resourced independent professionals and from other trading arms with the HTS Group.
- 1.4.6 The Council as shareholder will retain corporate control as Shareholder of the HTS Group via

the Shareholder Sub Committee and their terms of reference.

## **2. Vision and Purpose**

### **2.1 Vision**

To renew and reinvigorate Harlow as a place with an economically thriving and inclusive community; maximising residential and commercial opportunities, to secure investment and commitment, to create a better future for all who live, work and enjoy the town.

### **2.2 Mission**

To deliver mixed use housing, maximising affordable homes on secure tenancies at council rents, and commercial developments compliant with planning policy, and shape and commission town wide regeneration aligned with Harlow Council corporate priorities.

### **2.3 Strategic objectives**

- Deliver more and better mixed use housing for Harlow.
- Deliver neighbourhood regeneration and priority estates schemes.
- Tackle housing need and reduce homelessness.
- Prepare for growth within Harlow.
- Support the economic development of Harlow.

### **2.4 Values**

Our values demonstrate our commitment to our mission through the below;

#### **Regeneration and Reinvigoration**

- Recognise and support local needs for housing and commercial development.
- Improve the quality of homes in the district.
- Make Harlow a place where people want to work and live, and can afford to live.
- Boost Harlow's position as a centre of economic activity.

#### **Stewardship**

- To provide stewardship of mid to long term place-shaping for Harlow.

- To focus on sustainable locations, making the best use of existing resources and land.
- To protect and enhance Harlow's unique historical identity in plans for growth.
- Creation and support of balanced, diverse and functional communities for the future.

Across the HTS Group Ltd we hold shared values in areas of Leadership and Accountability and Ethics.

### **Leadership and accountability**

- Have a clear vision of where we are going.
- Consider the client, employee and community needs when making decisions.
- Accept personal accountability to meet the business needs, improve our processes and help others improve their effectiveness.
- Value and reward open, honest communication.

### **Ethics**

- Maintain the highest standards for customers, clients and communities.
- Be accountable for our conduct and decisions.
- Only make promises we intend to keep.
- Avoid any conflicts of interest and operate within the law.

## **3. The Market**

There are a total of 37,140 homes in Harlow in 2017, of which 9430 are owned by the Local Authority.

<b>Tenure</b>	<b>Number of dwellings</b>	<b>% of the stock</b>
Owned by Local Authority	9430	25.4%
Private Registered Provider	1980	5.3%
Private Sector	25740	69.3%
Total housing stock	37140	100%

### **3.1 The need for affordable housing**

- 3.1.1 The West Essex and East Hertfordshire Strategic Housing Market Assessment (SHMA) Affordable Housing Update July 2017, states that Harlow needs a total of 3,098 affordable housing units between 2016 and 2033. This equates to 182 per year. Historically, Harlow has not achieved the numbers of affordable units the SHMA suggests are required. Over the 5 years between 2011-12 to 2015-16, a total of 258 affordable units were built which is well below the requirement of 182 per year.
- 3.1.2 There has been a significant shift to private rented occupation between 2001 and 2018, with a 22 percentage point growth in people living in the private rented sector from just 4% in 2001 to 26% in 2018. This reflects the national trend of a growth in private renting as across England, though Harlow has the highest level of private renting compared to its neighbours.
- 3.1.3 Statistics show that a full time worker in Harlow in 2017 in private rented accommodation would spend approximately 50% of their income going on housing costs. This is higher than the suggested affordability rate of housing costing 35% of a net household's income. Residents who are on benefits are expected to find private rented accommodation within the Local Housing Allowance (LHA) which is set by the Valuation Office. LHA rates have not kept up with market rents since 2010 and are currently frozen at the 2016 rate. This has resulted in a large gap between the LHA rate and the actual rents available in the private rented sector locally. The outcome of this is that local residents experience real difficulties in finding or keeping private rented accommodation that is affordable and are as a consequence at greater risk of becoming homeless.
- 3.1.4 The SHMA suggests that Harlow needs 61% of all new housing to be affordable units; a high proportion compared to the neighbouring Local Authorities which have levels varying between 26% (Uttlesford) and 35% (Epping Forest).

## **4. The Team**

### **4.1 Governance model**

- 4.1.1 The governance arrangements in place (Articles which are supplemented by a Scheme of Delegation which in turn refers to this Business Plan) look to give HTS the ability to determine and deliver operational objectives and make commercially sound decisions within the Teckal definition. The Articles direct HTS (Housing and Regeneration) Ltd as a company, including voting rights, casting votes, quorum and general objects. Once adopted these will be a matter of public record. The Scheme of Delegation and Business Plan determine final decision making powers and strategic direction and activities respectively, and provide shareholder influence over the Company. The three governance documents are inter linked and inter dependant, and any changes must be approved by the Shareholder Sub-Committee under their agreed terms of reference.

## **4.2 Board**

4.2.1 Councillor Directors – Initially One Elected Member of Harlow Council will be appointed as a Statutory Director to the HTS (Housing and Regeneration) Ltd Board on approval of this Business Plan.

4.2.2 Council Senior Manager – The Company currently has one director, Brian Keane, who was appointed for the purposes of incorporation of the company. On approval of this business case and commencement of operations of the Company, a senior Council manager will be selected and appointed as Statutory Director for purposes of company operations.

4.2.3 A register of director interests will be held, updated and monitored. Risk will be monitored on an ongoing basis. Conflict of interests will be managed and provided for within the Articles. Directors training in respect of statutory duties will be delivered at the earliest opportunity.

4.2.4 Insurance for directors, together with employee cover, professional indemnity will be placed as soon as possible using Harlow Council's insurance team.

## **4.3 Board Duties**

The core duties of the HTS (Housing and Regeneration) Ltd Board are, in tandem with its sister subsidiary HTS (Property and Environment) Ltd:

- To deliver the strategic direction of the company as set by the Shareholder.
- To deliver best value efficient services.
- To grow the company and support and further Harlow Council's priorities and corporate values.
- To operate within a framework of prudent, commercially minded and effective controls which manage risk and reward.
- To be entrepreneurial and innovative to deliver acceptable returns to the Council.
- To ensure that all legal and regulatory obligations are understood and discharged.

## **5. Stakeholders**

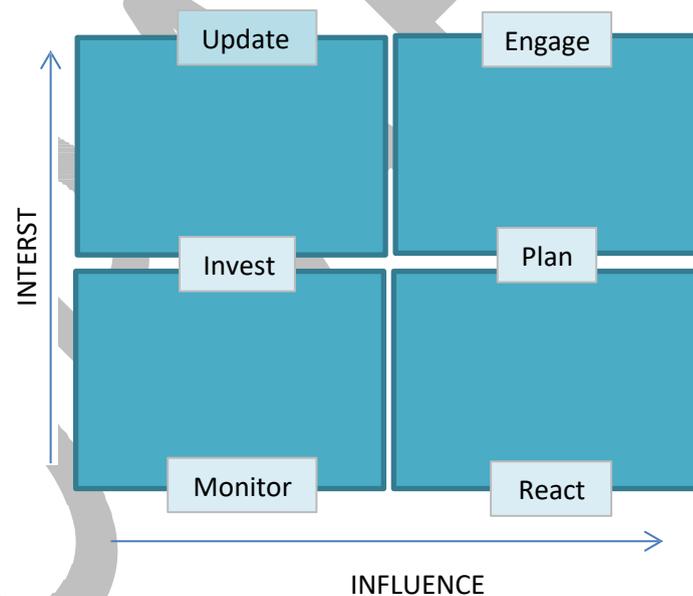
The individuals, groups, and organisations that will have an influence on, be affected by, or be involved with the activities undertaken by HTS (Housing and Regeneration) Ltd have been identified. These include the Company's shareholder as the main client, current and future residents and business owners who will be the beneficiaries of services delivered through the company, potential contractors and supply chain who will assist with delivery, investors, land and infrastructure related parties who will need engaging to assist delivery, and potential influencers in the shape of government policy, economic factors and neighbouring authority decision makers.

## 5.1 Stakeholder mapping

Key stakeholders for the Company and its activities have been identified and analysis has been carried out to determine the level of interest and influence each stakeholder has. This analysis allows the Company to plan its levels of engagement and frequency of communication with stakeholders based on their interest and influence, and also the nature of relationship with the Company.

## 5.2 Stakeholder management and communications

In order to determine the type of engagement and relationship management required, the analysis of stakeholders has been measured against a matrix as shown below. This enables the Company to plan its communications based on the type of relationship it has with a stakeholder e.g. a stakeholder with high influence and interest needs to be engaged at the highest level, those with moderate interest and low influence may need some investment in order to engage, whereas those with similar interest but high influence will need a bespoke communication plan to bring them on board. Close management of the type and frequency of engagement with stakeholders will avoid unnecessarily delays where individuals and groups are resistant due to misinformation or need time for their own internal processes to play out before they can fully engage.



## 6. Quality Assurance and Monitoring

The company will operate on a scheme by scheme basis, delivering discrete, viable schemes for delivery within Harlow. Each scheme will require the letting of contracts for scheme designers, civil and building contractors, and project managers, and performance indicators and measures of quality of product and service will be included as a contractual requirement to maintain high quality product delivery. Each scheme will be evaluated at completion to allow continuous quality improvement to be built into performance measures and indicators for subsequent schemes.

## 6.1 Risk management

A risk register can be found at Appendix 1. Risks are grouped into political, economical, social/cultural, operational/technological and legal risk categories. The key risks are related to economic uncertainty following the referendum to leave the EU and also need to formalise board structures early on and make arrangements for resourcing the company in areas of key delivery; namely contract and project management. These latter two risks can be reduced significantly through early action on adoption of full suite of governance documents, whereby the residual risk is reduced significantly.

## 7. Resources

In order to deliver the required service and meet our Vision, Mission and Strategic Objectives, the Company will need access to funding and land assets. The Company will also look to partner with public and commercial sector in order to deliver on a scheme by scheme basis. The Council, as sole shareholder, will look to see returns on investments made in terms of development opportunities and land use agreements it may make with the Company. The Company will not hold any assets or funds on start up, as schemes are identified, through the Newbuild Workstream Pipeline contract will be let for delivery of those schemes and arrangements for asset and funding transfers will be made – being mindful at all times of State Aid implications. Enabler and infrastructure elements required for the company to operate are considered below:

- Borrowing – The Council may look to make a loan to the Company, repayable over a set period. The Council will ensure that the terms on which any loan is made (and in particular the interest rate set) reflect market tested commercial terms and comply with EU State aid rules. EU guidance on the methodology to be applied to interest rates for public sector funded loans is set out in the “Communication from the Commission on the revision of the method for setting the reference and discount rates (2008/C 14/02)”. The Council will apply the minimum interest rates consistent with this guidance. Considerable care will be required to identify a rate that is attractive to the company but consistent with State Aid rules and will need to be capable of withstanding any external challenge. The rate will be determined by considering the creditworthiness and collateralisation applicable to the loan.
- Banking and accounting arrangements – The Company will require a bank account and will need to feed into to group accounts each financial year.
- Specialist support – Use of the Council’s PamWin software, which will be used to appraise viability, resource utilisation and financial requirements for schemes, and project management support may be utilised via SLAs or short term secondments where schemes require this.
- Office space and IT equipment – These could be provided to the Company by its client on a Service Level Agreement to be built into scheme delivery costs.

- Legal requirements and insurance – These could also be provided to the Company by its client on a Service level Agreement to be built into scheme delivery costs; external legal advice would only be needed where conflicts of interests arise.
- Supply chain – contracts will need to be made directly by the Company, either through service level agreements with clients, on a shared services model, as described above or as part of bespoke delivery contracts, tendered on a scheme by scheme basis.

### **7.1.1 Assets**

The Company will hold no assets at point of trade and will not trade until a scheme is awarded to them, under Teckal arrangements.

### **7.1.2 Land**

Harlow Council has mapped its land development opportunities for both HRA and General Fund land. If required for scheme delivery assets such as land will be transferred to the company by the Council at market rate and cannot be gifted under State Aid rules. It may be required for HRA land to be appropriated as General Fund land or vice versa, to allow delivery of the required housing and commercial mix to maximise on opportunities that have been identified through the mapping; this will be subject to the Council seeking Cabinet approval and due process being followed, before a market rate transfer to the Company.

### **7.1.3 Support services**

Services including insurance, legal support (unless conflicted, the Company will use shareholder approved legal representation), procurement and IT if arising, can be agreed with the Council under a Service Level Agreement as enjoyed by the Company's sister subsidiary HTS (Property and Environment) Ltd.

### **7.1.4 Procurement**

The Company's financial regulations and procurement strategy will align with those of Harlow Council. These include procurement aspirations to combat modern slavery, encourage apprenticeships where appropriate, not using zero hours contracts and encourage suppliers to pay a Living Wage. Under Teckal arrangements, along with the rest of the Group, as a contracting authority, HTS (Housing and Regeneration) Ltd will be able to access the same frameworks as a public body, including Crown Commercial Services. Access to the Crown Commercial Services Project Management and Forward Design team services (RM3741) framework in particular could secure necessary services to enable scheme delivery through the Company. The Company will demonstrate best value for all works for which it is considered for delivery, adopting a Business Case approach similar to that of HTS (Property and Environment) Ltd, whereby Value for Money criteria are demonstrated on a scheme by scheme basis prior to award, taking into account added value to local economy and corporate responsibility benefits.

### **7.1.5 Contracts**

The JCT form of contract previously agreed and currently utilised by HTS (Property and Environment) Ltd will be utilised as a standard form of contract for engaging services with HTS (Property and Environment) Ltd, following a successful business case award for works. This should be considered as the preferred form of contract when delivering via other parties unless deemed inappropriate for a given scheme – to be determined prior to the company commencing its tender process for a scheme.

### **7.1.6 Delivery networks**

The Company will look to a variety of delivery options for individual housing and commercial schemes, always seeking to achieve best value in fulfilling the Council's corporate objectives. The Business Plan of HTS (Property and Environment) Ltd includes new housing provision and commercial developments, via successful business case awards which the Company will look to make use of.

## **8. Finances**

The Company will manage its finances via the Board initially, with each scheme identifying its own financial requirements and the option to either buy in external accountancy services for production of financial reporting and accounts, or receive these from the Council on an SLA. Where viable schemes are identified by Harlow Council these will be considered under a business case process with the company before works are awarded.

### **8.1 Details of loan/investment requirements**

Debt can be raised either on private money markets or via the Public Works Loans Board (PWLB) under the prudential borrowing regime. PWLB funds borrowed by Harlow Council can be lent on to the Company with an interest rate margin set at a rate not to offend State Aid rules (see section 7 above). Any loan facility will be subject to a written agreement, which will set the agreed interest rate and period, and will also detail: the mechanism for drawdown, making of advances, repayment, final repayment arrangements, recovery, voluntary prepayment and cancellation. Any transfer of land or other assets will be at market rate and subject to a similar agreement, setting out permitted parameters of use and ownership.

### **8.2 Tax implications and liabilities**

There are a number of tax considerations for the Company including Stamp Duty Land Tax, VAT and Corporation Tax.

- While transfers of land and property from a local authority to a wholly owned LATC should be exempt for Stamp Duty Land Tax under group relief, clawback of the relief could apply up to three years after the transfer should the Company leave the group at a time it still holds the land or property.

- The Company will need to be registered for VAT and will not share special VAT status with the Council, so understanding of VAT status of goods and services, especially relating to land and buildings, will be key for keeping costs to a minimum.
- The Company will register for Corporation Tax at point of trading. However, whilst it is trading solely for the Council, the Company will be able to apply to HMRC for a dispensation on Corporation Tax. Should the Company make a loss then, depending on circumstances, the loss could be transferred to another group company in the same period, or carried forward to future periods.

### **8.3 Transition Plan to point of trade**

An indicative project plan detailing activities required to bring the Company to point of trading, and establish arrangements needed for communications with stakeholders can be found at Appendix 2. Dates are illustrative only (based on fictional commencement from December Cabinet meeting) but give an indication of timescales needed once schemes for delivery have been identified. A full project plan spanning the first 3 years of operation will be worked up once the Business Plan is approved and viable schemes suitable for the company are identified and will include the arrangements required for support services received on SLAs for each scheme, along with procurement and contract timescales.

## **9. Appendices**

Appendix 1 – Risk register

Appendix 2 – Indicative Transition Project Plan to point of trading

### **Glossary of terms/abbreviations used**

EU - European Union

EZ - Enterprise Zone

GF - General Fund of Harlow Council

HMRC - Her Majesty's Revenues and Customs

HRA - Housing Revenue Account of Harlow Council

JCT - Joint Contracts Tribunal

LATC - Local Authority Trading Company

LHA - Local Housing Allowance

PWLB - Public Works Loans Board

SHMA - Strategic Housing Market Assessment

SLA - Service Level Agreement

VAT - Value Added Tax

No	Risk	Background	Likelihood	Impact	Risk Owner	Inherent Risk Score			Controls already in place	Residual Risk Score			Foreseeable Risk Score			Additional actions to mitigate risk (4Ts)
						Likelihood	Impact	Score		Likelihood	Impact	Score	Likelihood	Impact	Score	
<b>Political</b>																
H&R POL1	If there is lack of "buy-in" from Councillors to HTS (H&R) Ltd then process may be delayed.	Differing political motivations from each political party could cause conflict in decision making if Councillors are not fully informed	No call in of initial decision June 2018	Difficult to establish clear direction.	B Keane	2	3	9	Regular updates to Councillors throughout the implementation phase to keep them fully informed.	1	3	6	2	3	9	Monitor implementation in line with Project Plan
H&R POL2	If there is a change in Cabinet then make up of Board and SH Sub Committee could change	Local Elections take place in May 2019 which may change the political membership of the HTS board and sub-committee	Councillor appointments to Board have not yet been made; 2 Members of SSC up for re-election in 2019 - since the outcome is unknown, contingency arrangements should take account of possible changes.	Councillors previously involved in the project may no longer be in Cabinet/eligible to be on board/shareholder sub committee. Different political make up of Cabinet could impact direction.	C O'Boyle	3	3	13	Decision regarding option of LATC commenced before local elections in May 2019, make up of Board and Shareholder subcommittee could change if affected Members not re-elected however role and activity of Board and Shareholder Subcommittee would not be affected, but some training of any new members would be required.	3	3	13	2	2	5	Early engagement with any new Councillors involved in HTS after local election
H&R POL3	If Members do not act appropriately when they are directors of HTS they may be open to disqualification	New role for individuals who may not know what their legal responsibilities are as directors of a Company	Lack of formal training prior to initial HTS board meetings could lead to inadvertent poor decision making	Individuals could be disqualified from future similar posts and prevented from involvement in their own businesses. Reputational	C O'Boyle	2	5	19	Directors duties training session to be provided to initial board members and handbook to be provided for Directors. Adoption of Governance documents (Business Plan, Articles of Association, Scheme of delegation) support and direct Director responsibilities and actions	1	3	6	1	3	6	
H&R POL4	If stated outcomes are not achieved through company then reputation of Council will be affected	Council has publically stated its intentions to build new Council housing	Risks realised to date do not suggest outcomes will not be achieved	Company is not only route for new houses to be built, though is the preferred route	B Keane	1	4	10	Project Board in place and project management and strategic oversight from officers and members also in place so that progress against outcomes is well understood and shared	1	3	6	1	3	6	
<b>Economical</b>																
H&R ECO 1	If HTS (H&R) Ltd is unable to compete in market long term to obtain best deals in the supply chain then Council will not receive benefits of lower prices	Lack of commercial leverage in supply market due to limited expenditure in market may be experienced as HTS (H&R) Ltd ability to achieve economies of scale may be limited by its size and teckel constraints	HTS (H&R) Ltd may not be able to initially secure favourable contracts whilst it is being established without strong negotiation/use of local government frameworks	Prices paid for goods and services may not be the most economically advantageous	S Freeman	5	4	23	Financial modelling includes a 5% higher price and ability for an LATC to use Crown Commercial Services procurement frameworks exists. HTS can make use of other procurement frameworks to ensure best value	3	3	13	2	3	9	Ensure that the appropriate procurement capacity is available.
H&R ECO 2	If HTS (H&R) Ltd is insolvent (technically or otherwise) it is unable to operate and service provision will fail	Insolvent companies must cease trading to avoid any Director Liability	Council is sole client of HTS (H&R) Ltd and therefore guaranteed income from February 2017 means that financial solvency is assured	Service provision ceases. Directors have indemnity built into Articles and underwritten with D&O insurance insulating against personal liability in absence of wrongful trading	C O'Boyle	2	5	19	Use of facilities agreement allows working capital into HTS (H&R) Ltd in a manner that is state aid compliant	1	5	15	1	5	15	None
H&R ECO 3	If economic uncertainty is prolonged following EU referendum result then there could be a negative impact on operational costs	Government referendum on membership of EU returned a result in favour of leaving the Union, however mechanism around this is unknown and initial market reaction has been negative with currency markets and stock markets dropping	Situation changes daily and government and opposition leadership changes not due to settle until September at the earliest	Unknown, budget assumptions and cost of supplies/contractors may change significantly if certain costs rise or lending falls, or suppliers pull out of the UK/freeze operations or reduce operating bases	S Freeman	4	3	17	Monitor markets and lending and respond accordingly, currently no specific forecast affecting project, but likely to change regularly	4	3	17	4	3	17	None
<b>Social/Cultural</b>																
H&R CUL1	If there is failure to consider the impact of the change on all members of society and those impacted by the project then the Council will be criticized and face potential legal action	Failure to keep up to date and review the equalities impact assessment (EIA) may mean that requirements of Equalities Act are not met	Low likelihood, Harlow Council is familiar with duty through its own service provision and Board members will act with this in mind to update EIA.	Criticism from stakeholders and action taken which does not properly adhere to requirements of equalities Act	C O'Boyle	2	4	14	Equality impact assessment to be carried out in late 2018 and will be reviewed periodically	1	3	6	1	3	6	Continued EIA monitoring

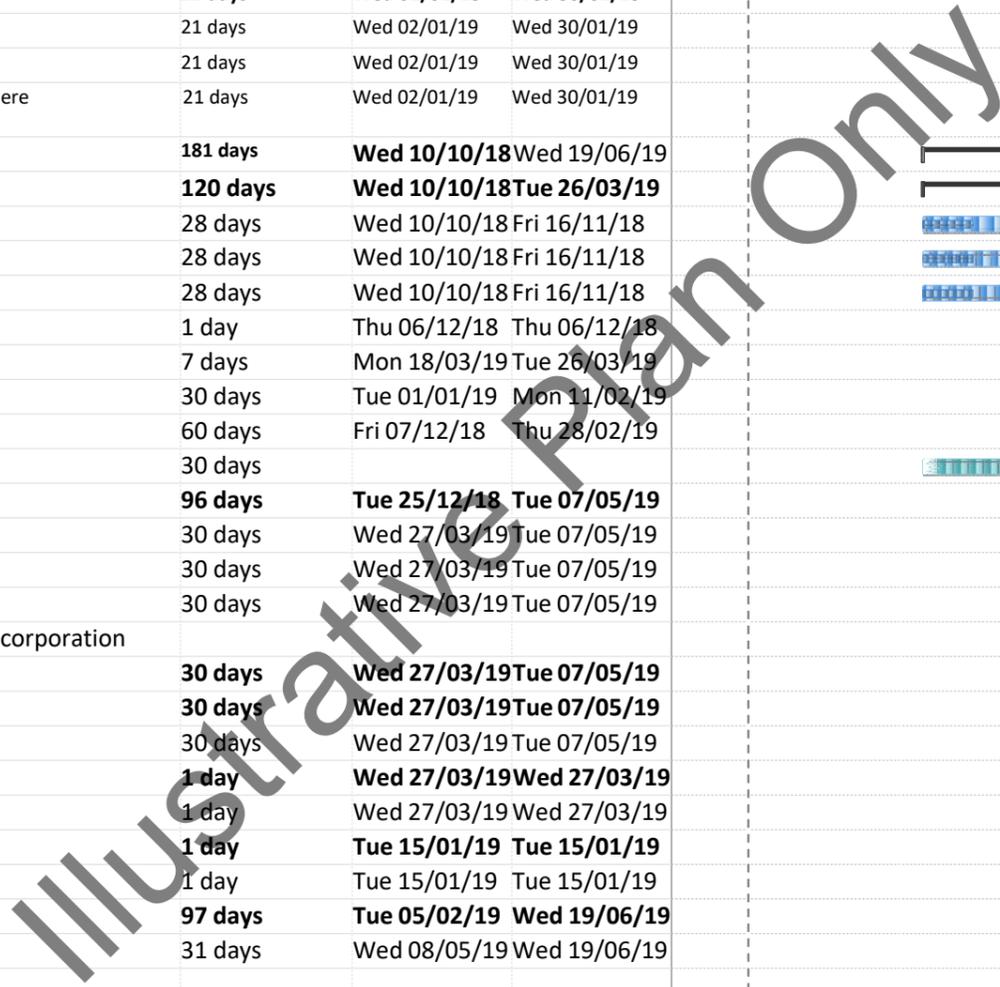
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No	Risk	Background	Likelihood	Impact	Risk Owner	Inherent Risk Score			Controls already in place	Residual Risk Score			Foreseeable Risk Score			Additional actions to mitigate risk (4Ts)
						Likelihood	Impact	Score		Likelihood	Impact	Score	Likelihood	Impact	Score	
H&R CUL2	If Decision making routes are unclear or proper accountability not in place, then transition may be delayed or not take place	Decisions regarding financial expenditure and key operating structures need to be made quickly due to timeframe for delivery	Absence of governance documents mean that no decisions can be made by Board or managing Director	Failure to make and implement decisions. Failure to start procurement processes in time for delivery of goods, services and infrastructure. Stifling of innovation due to inability of HTS (H&R) Ltd to make early decisions for itself may result in opportunities to make efficiencies being missed.	B Keane	5	5	25	Articles and Scheme of delegations will reflect Council requirements and enable good decision making and accountability.	1	3	6	1	3	6	Adopt articles and scheme of delegation
H&R CUL3	If there is a lack of stakeholder engagement then progress may be delayed	Failure to engage all recognised stakeholder groups may result in some individuals or groups working against aims of HTS (H&R) Ltd	Without action likelihood is high	There may be lack of support from certain groups.	B Keane	4	4	21	Stakeholders have been engaged and Officers will continue to engage whilst implementing the change	3	3	13	3	3	13	On-going stakeholder engagement
<b>Operational/Technological</b>																
H&R OP1	If there is limited availability of appropriate land then new building cannot take place	The Council owns a large amount of land, but considerations of Local Plan allocations and restrictive covenants must be given, along with access issues for site traffic and adjoining ownership issues	The Council's Asset management plan has reviewed currently underdeveloped parcels of land and Local Plan is in next stage so land availability is well understood	Without access to Council owned land for delivery the company may find scheme viability costs increase	J Greer	2	4	14		2	4	14	2	4	14	
H&R OP2	If scheme viability for new development and regeneration is not proven no activity will occur	Changing market conditions due to outside factors, including Brexit, changes viability of schemes	Pipeline of possible schemes is mapped out and HDC Regeneration team working on forward planning for this	Without viable schemes for delivery the company will have nothing to deliver and may be wound up	S Freeman	3	5	22	Purchase by HDC of software to model viability - costs and rental incomes for schemes allows good understanding and development of pipeline	1	5	15	1	4	10	
H&R OP3	If planning and consultation provides negative outcomes then viable schemes may not go ahead	Public duty to consult on local authority activities, and Planning regulations means that public feedback must be sought for schemes	Depending on size and nature of developments public perception may be negative	Where planning applications are not approved schemes cannot go ahead	S Freeman	3	5	22	Pre-consultations for any schemes and communication strategies will mitigate risk and schemes that are not desirable can be shelved if required before any costs are incurred	1	5	15	1	5	15	
H&R OP4	If there is not enough capacity in required supply chain specialisms to deliver required activities then schemes may not go ahead	As demands on construction industry change through market conditions and availability of labour construction skillsets may be in higher demand if numbers of skilled persons decrease or funding for projects reduces and jobs are lost			S Freeman											
H&R OP5	If there is no availability of Contract administration and management skills athen delivery of schemes may be delayed until this can be externally procured	Model requires strong contract management processes	skilled individuals to support this in Council will need to be allowed to prioritise projects accordingly	Delay to schemes may have knock on financial impacts meaning schemes are no longer viable	J Greer	2	4	14	Corporate priorities are clear and service planning process should highlight key projects and resources required in advance	1	4	10	1	4	10	
<b>Legal</b>																
H&R LEG1	If there are no or insufficient dedicated staff working on the project within Council then HTS (H&R) Ltd will not be in place for in agreed timescales	Insufficient resources and time	Council business as us	Failure to deliver the service, Project slippage or not completed to required standard or to best value	B Keane	4	5	24	The financial modelling includes sufficient provision for HTS (H&R) Ltd needs. Appointment of external legal support can be considered if required, plus in-house dedicated solicitor.	2	5	19	1	5	15	Sufficient financial provision to procure specialist support
H&R LEG2	If there is a lack of suitably qualified and experienced staff to run HTS (H&R) Ltd then required quality of service provision may not be achieved	Existing expertise within HDC may be required to act for the company or service to the company.		Failure to deliver the service	S Freeman	4	5	24	Early engagement with HDC SMB to ascertain any possible resource, and recruitment of consultants where required to be considered asap.	1	3	6	1	3	6	None
H&R LEG3	If there is failure to comply with legislation in connection with procurement of supply chain then delays may occur and fines levied	Failure to identify properly the procurement needs of the services		Delays in procuring appropriate supply chain. Potential legal challenge. Fine from Commission	C O'Boyle	2	4	14	None	1	3	6	1	3	6	Ensure that all procurement is in accordance with the Council's Standing Orders and Financial Regulations
H&R LEG4	If Teckal tests are not met Council may be open to challenge				C O'Boyle	2	5	19	Ensure that corporate documents demonstrate that HTS (H&R) Ltd meets all Teckal tests including business plan trading. If trading with third parties looks like it will be a prominent part of HTS (H&R) Ltd's work consider setting up trading arm	1	3	6	1	3	6	None

No	Risk	Background	Likelihood	Impact	Risk Owner	Inherent Risk Score			Controls already in place	Residual Risk Score			Foreseeable Risk Score			Additional actions to mitigate risk (4Ts)
						Likelihood	Impact	Score		Likelihood	Impact	Score	Likelihood	Impact	Score	
H&R LEG5	If other providers of similar services challenge the direct award of the contract to HTS the Council will have to deal with a formal or informal procurement challenge								Ensure that corporate documents demonstrate that HTS (H&R) Ltd meets all Teckal tests including business plan trading. If trading with third parties looks like it will be a prominent part of HTS (H&R) Ltd's work consider setting up trading arm. Publication of HDC's decision on website and publication of contract award notice will also help to mitigate against longer term risk of challenge.							None
					C O'Boyle	3	5	22		1	3	6	1	3	6	
H&R LEG6	If there is insufficient leadership to provide strategic direction to the early months of the HTS set up then key decisions cannot be made	Need for strategic direction, and decision making	High until strategy for resources is set	Delays in decision making, lack of strategy, costly decisions or changing decisions which increase costs	B Keane	4	5	24	Quick decision on key delivery mechanisms	3	4	18	3	4	18	Consider secondment of staff into company for mobilisation

ID	% Compl	Task Name	Duration	Start	Finish	2019															
						Qtr 3, 2018			Qtr 4, 2018			Qtr 1, 2019			Qtr 2, 2019			Qtr 3, 2019			Qtr 4, 2019
						Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
1	19%	<b>HTS Mobilisation plan</b>	228 days	Mon 06/08/18	Wed 19/06/19	HTS Mobilisation plan															
2	100%	<b>Risk</b>	45 days	Mon 06/08/18	Fri 05/10/18	Risk															
3	100%	Prepare Risks and Issues Log	45 days	Mon 06/08/18	Fri 05/10/18	Prepare Risks and Issues Log															
4	21%	<b>Communication</b>	97 days	Tue 18/09/18	Wed 30/01/19	Communication															
5	21%	<b>Stakeholders</b>	97 days	Tue 18/09/18	Wed 30/01/19	Stakeholders															
6	100%	Complete initial stakeholder mapping	14 days	Tue 18/09/18	Fri 05/10/18	Complete initial stakeholder mapping															
7	100%	Complete stakeholder analysis	7 days	Mon 08/10/18	Tue 16/10/18	Complete stakeholder analysis															
8	0%	Agree stakeholder Comms Strategy	14 days	Thu 13/12/18	Tue 01/01/19	Agree stakeholder Comms Strategy															
9	0%	<b>Medium for communication</b>	21 days	Wed 02/01/19	Wed 30/01/19	Medium for communication															
10	0%	Establish a single information outlet and advise all stakeholders	21 days	Wed 02/01/19	Wed 30/01/19	Establish a single information outlet and advise all stakeholders															
11	0%	Establish official means of communication	21 days	Wed 02/01/19	Wed 30/01/19	Establish official means of communication															
12	0%	Establish Hierarchy of information for release on a need to know basis where security/commercial interests may be affected.	21 days	Wed 02/01/19	Wed 30/01/19	Establish Hierarchy of information for release on a need to know basis where security/commercial interests may be affected.															
13	10%	<b>Governance</b>	181 days	Wed 10/10/18	Wed 19/06/19	Governance															
14	20%	<b>SET UP HTS (H&amp;R) Ltd</b>	120 days	Wed 10/10/18	Tue 26/03/19	SET UP HTS (H&R) Ltd															
15	50%	Draft Articles complete	28 days	Wed 10/10/18	Fri 16/11/18	Draft Articles complete															
16	50%	Draft Scheme of Delegation complete	28 days	Wed 10/10/18	Fri 16/11/18	Draft Scheme of Delegation complete															
17	50%	Revised ToR for SSC complete	28 days	Wed 10/10/18	Fri 16/11/18	Revised ToR for SSC complete															
18	0%	Interim BP and Transition Plan approved by Cabinet	1 day	Thu 06/12/18	Thu 06/12/18	Interim BP and Transition Plan approved by Cabinet															
19	0%	Appoint Board members	7 days	Mon 18/03/19	Tue 26/03/19	Appoint Board members															
20	0%	Produce draft financial regs/adopt HDC financial regs	30 days	Tue 01/01/19	Mon 11/02/19	Produce draft financial regs/adopt HDC financial regs															
21	0%	Establish loan facilities/market rate transfer arrangements	60 days	Fri 07/12/18	Thu 28/02/19	Establish loan facilities/market rate transfer arrangements															
22	0%	Compliance with Trading Disclosure regulations	30 days			Compliance with Trading Disclosure regulations															
23	0%	<b>BANKING</b>	96 days	Tue 25/12/18	Tue 07/05/19	BANKING															
24	0%	Set up banking arrangements	30 days	Wed 27/03/19	Tue 07/05/19	Set up banking arrangements															
25	0%	Set up VAT arrangements	30 days	Wed 27/03/19	Tue 07/05/19	Set up VAT arrangements															
26	0%	Company accounts arrangements	30 days	Wed 27/03/19	Tue 07/05/19	Company accounts arrangements															
27	0%	Register for Corporation tax - advise of dormant period after incorporation				Register for Corporation tax - advise of dormant period after incorporation															
28	0%	<b>Reporting to Board, SSC and HDC</b>	30 days	Wed 27/03/19	Tue 07/05/19	Reporting to Board, SSC and HDC															
29	0%	<b>HTS Board meetings</b>	30 days	Wed 27/03/19	Tue 07/05/19	HTS Board meetings															
30	0%	Schedule HTS (H&R) Ltd Board Meetings	30 days	Wed 27/03/19	Tue 07/05/19	Schedule HTS (H&R) Ltd Board Meetings															
31	0%	<b>SSC meetings</b>	1 day	Wed 27/03/19	Wed 27/03/19	SSC meetings															
32	0%	Update SSC work plan with requirements for HTS (H&R) Ltd	1 day	Wed 27/03/19	Wed 27/03/19	Update SSC work plan with requirements for HTS (H&R) Ltd															
33	0%	<b>BUSINESS PLAN</b>	1 day	Tue 15/01/19	Tue 15/01/19	BUSINESS PLAN															
34	0%	Final business plan sign off by SSC	1 day	Tue 15/01/19	Tue 15/01/19	Final business plan sign off by SSC															
35	0%	<b>AUDIT</b>	97 days	Tue 05/02/19	Wed 19/06/19	AUDIT															
36	0%	Appoint external auditor	31 days	Wed 08/05/19	Wed 19/06/19	Appoint external auditor															
37	0%	<b>FOI REQUESTS</b>				FOI REQUESTS															
38	0%	Application and fee to ICO on point of trading	1 day			Application and fee to ICO on point of trading															
39	0%	Define systems, procedures and processes for FOI	30 days			Define systems, procedures and processes for FOI															
40	0%	Set up system, procedure and process for FOI requests	30 days			Set up system, procedure and process for FOI requests															

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## **Appendix B**

### **The Terms of Reference of the Shareholder Sub Committee are:**

1. To receive reports and approve Key Decisions (those decisions related to, but not limited to, borrowing of funds, changes and appointments to senior management structure, strategic policy adoption) of HTS Group and its subsidiaries, including, but not exclusively, the Articles of Association, the scheme of delegation, the appointment of Board Advisors, to appointment to any standing committees of the HTS Group and its subsidiary and determining shareholder controls.
2. To be consulted on the appointment and dismissal of Statutory Directors for HTS Group and its subsidiaries and external auditors.
3. To hold all HTS Group Boards to account.
4. To receive and agree the Business Plans for HTS Group Limited and its trading subsidiaries.
5. To receive financial and performance monitoring reports and accounts for the HTS Group and its subsidiaries.
6. To approve activities and thresholds contained in each scheme of delegation for HTS Group and its subsidiaries.
7. To be consulted and approve any proposals to change the HTS Group Limited and any subsidiary corporate structure.

### **Relationship between the Shareholder Sub Committee (“SCC”) and HTS Group and its subsidiaries**

1. The SSC may consider the options available to all HTS Group trading arms with a view to improving performance or mitigating adverse consequences in the light of actual or reasonably anticipated circumstances. In addition the SSC may offer non-binding proposals, recommendations and opinions (all without liability on the part of the Council or any individual member) on any matter affecting the Council as a shareholder of the HTS Group. The SSC shall take into consideration the interests of the Council in giving any proposals, recommendations or opinion to the HTS Group and its trading arms.
2. HTS Group and its subsidiaries shall provide for each SSC meeting at least one Director from each trading arm qualified and authorised to address SSC Agenda items and issues listed for consideration by the Members of the SCC.
3. Upon request from the SSC, HTS Group and its subsidiaries shall provide :
  - (a) Copy agendas and support papers provided to any HTS Group Boards at the same time as the Boards (except for minutes that shall be supplied following signature).

- (b) Supply the SSC with all information and data reasonably requested by the SSC to enable it to reach an informed judgement on any matter within its purview under these Terms of Reference.
4. HTS Group and its subsidiaries shall provide for each SSC meeting at least one Director from each trading arm qualified and authorised to address Agenda items and issues listed for consideration by the Members of the SCC.
  5. Meetings of the SCC for the HTS Group are open to Members of the public, subject to the statutory exemptions contained in the Local Government Act 1972.

Harlow's Proposed 5 Year Housing Delivery				1	2	3	4	5	
COMMITMENTS	Land Owner	Deliverable dwellings		2018/19	2019/20	2020/21	2021/22	2022/23	
* Lister House, Perry Road.	Harlow	46				Start on site early 2020	46		
* Pollard Hatch plus garages and adjacent land	Harlow	20					Start on site early 2021	20	
* Land between Second Ave and St. Andrews Meadow	Harlow	17				Start on site late 2020	17		
* Elm Hatch and Public House	Harlow	17			Start on site mid 2019	17			
* Fishers Hatch	Harlow	10					Start on site early 2021	10	
*The Readings	Harlow	3	Start on site early 2019	3					
*Sumners Farm Close	Harlow	4	Start on site early 2019	4					
Hare Street Springs, Collins Meadow, Elm Hatch	Harlow	7	Start on site early 2019	7					
Bushey Croft	Harlow	16		Start on site early Mid/late 2019	16				
Yorkes	Harlow	7			Start on site mid 2019	7			
Site Adj. Brenthall Towers	Harlow	9				Start on site late 2020	9		
Stackfields (Garage Site)	Harlow	2			Start on site late 2019	2			
Sumners Hatch	Harlow	19					Start on site early 2021	19	
<b>Estimated Total Completed Per Year</b>					14	16	26	72	49
<b>Cumulative Completions</b>					14	30	56	128	177