

**SUPPLEMENTARY REPORTS FOR
COUNCIL
7.30 pm on Thursday 3 February 2022
In the Council Chamber, 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

9. References from Cabinet and Committees

a) Referral from Cabinet - Medium Term Financial Strategy 2022/23 - 2024/25 (Pages 6 - 42)

Cabinet recommended to Full Council that:

- i) The Medium Term Financial Strategy for 2022/23 to 2024/25 (attached as appendix B to the report) is adopted.
- ii) The planned Council Tax (HDC element) 0 percent increase for 2022/23 as set out in the Medium Term Financial Plan be approved.
- iii) That the proposals regarding the Council's Reserves as set out in paragraphs 5(c) and 22 - 35 of the report are agreed resulting in the release of £1,355,000 from reserves in 2022/23 to provide £993,000 funding for the proposed efficiency dividend set out in the General fund budget report elsewhere on the Cabinet agenda and to create a new Estates Renewal Fund of £363,000.
- iv) That the New Homes Bonus for 2022/23 totalling £1.165 million, is applied to part fund the efficiency dividend (£830,000) and to also increase the Budget Resilience Reserve (£335,000) which in turn will be applied to support the proposals relating to 0 percent council tax increases (HDC element) in 2023/24 and 2024/25.
- v) That subject to recommendations iii and iv being approved an efficiency dividend of £50 per eligible property be approved as a one off arrangement for the 2022/23 financial year.
- vi) That in respect of the Harlow Council element, the MTFs includes plans for a 0 percent council tax increases in 2023/24 and 2024/25.

b) Referral from Cabinet - General Fund Budget 2022/23 (Pages 43 - 110)

Cabinet recommended to Full Council that:

- i) The General Fund estimates for 2022/23, as set out in Appendix A to the report, are approved.
- ii) The proposed transfers between the General Fund and Earmarked Reserves, referred to within the report and set out in Appendix C to the report, are approved.
- iii) The proposed Fees and Charges, as set out in Appendix E to the report, are approved.
- iv) The Pay Policy Statement, as set out in Appendix G to the report, is approved.
- v) The Council's Band D Council Tax for 2022/23 is set at £288.90 representing a reversal of the proposed 1.99 percent increase as set out in the 2021/2022 MTFS meaning that eligible households will pay £55.75 less than previously forecast in the 2021/22 MTFS.
- vi) That the proposals set out in the report are approved allowing a £50 Efficiency Dividend be made to eligible households in 2022/23.

c) Referral from Cabinet - Housing Revenue Account Business Plan 2021-2051 (Pages 111 - 186)

Cabinet recommended to Full Council that:

- i) The Housing Revenue Account (HRA) Business Plan, as set out in Appendix A to this report, is approved.
- ii) Authority is delegated to the Director of Housing, in consultation with the Portfolio Holder for Housing, to make minor amendments to the Plan, if necessary, following consultation.

d) Referral from Cabinet - Housing Revenue Account Budget 2022/23 (Pages 187 - 201)

Cabinet recommended to Full Council that it:

- i) Approve the Housing Revenue Account (HRA) estimates as set out in Appendix 1 to the report.
- ii) Approve a working balance of £4.563 million for the HRA

(set out in paragraph 26 of the report).

- iii) Approve that tenant rents are increased by Consumer Price Index (CPI) plus 1 per cent (4.1 per cent) with effect from 4 April 2022. This equates to an average weekly rent of £97.49, an increase of £3.87 (set out in paragraph 3 of the report).
- iv) Approve that the rents and personal charges for temporary accommodation are increased with effect from 4 April 2022 as set out in paragraph 4 of the report.
- v) Approve that garage rents within the 'retain and invest' category are increased by 5 per cent with effect from 1 April 2022. This equates to an average weekly rent of £11.76, an increase of £0.56. Also approve the proportionate increases for other garages, car ports and car spaces (set out in paragraph 5 of the report).
- vi) Approve that tenant service charges are increased to recover full cost with effect from 4 April 2022 (see paragraphs 6 to 8 of the report and Appendix 2 attached to the report).
- vii) Approve that other housing related support charges for sheltered accommodation are increased to recover full cost with effect from 4 April 2022 (see paragraphs 9 to 13 of the report and Appendix 2 attached to the report).
- viii) Approve the tenant heating charges with effect from 4 April 2022. These equate to an average weekly heating charge of £10.96, an increase of £1.23. For tenants in sheltered accommodation, this equates to an average weekly charge of £6.75, an increase £1.68 (see paragraphs 14 to 16 of the report and Appendix 2 attached to the report).
- ix) Approve that the leasehold service charges are increased with effect from 1 April 2022 to ensure that all leaseholder costs are recovered (see paragraphs 17 to 21 of the report and Appendix 2 attached to the report).
- x) Approve that all other tenant charges are increased with effect from 4 April 2022 in order to recover cost (see Appendix 2 attached to the report).
- xi) Approve that Harlow's Rent Policy is reviewed during 2022/23 with a view to moving towards the National Social Housing Rents Standard (2019) for when properties become empty and for types of rent to be charged on newly acquired or newly built properties (see paragraphs 42 to 44 of the

report).

- xii) Approve the options for tackling homelessness and prevention as outlined in paragraphs 45 to 48 of the report.

e) Referral from Cabinet - Capital Programmes 2021/22 - 2023/24
(Pages 202 - 213)

Cabinet recommended to Full Council that it:

- i) Approve the 2022/23 Housing Capital Programme (HCP) totalling £30.169 million as set out in Appendix 1 to the report.
- ii) Approve of the inclusion in the Housing Capital Programme of an additional £25.939 million over 6 years for a Housing “Catch up Stock Need” as set out in Table 2 of the report.
- iii) Approve the updated New Build programme as set out in Table 3 of the report, noting the removal of £155,000 expenditure incurred for both the Stackfield and Brenthall Towers schemes which are not proceeding.
- iv) Approve the 2022/23 Non Housing Capital Programme totalling £18.603 million (attached as Appendix 2 to the report), noting the additional £2.19 million investment in response to Business Cases received as detailed in Table 11 of the report.

f) Referral from Cabinet - Capital and Treasury Report 2022 (Pages 214 - 255)

Cabinet recommended to Full Council that:

- i) The following Capital and Treasury Reports be approved:
 - The Capital Strategy Report (attached as Appendix A to the report).
 - The Investment Strategy Report 2022/23 (attached as Appendix D to the report).
 - The Minimum Revenue Provision Statement 2022/23 (attached as Appendix E to the report).
- ii) The proposed revised Treasury Management Strategy Statement 2022/23 (attached as Appendix C to the report) be approved for implementation with effect from 1 April 2022.

- g) Referral from Cabinet - Treasury Management Strategy Statement 2021/22: Mid-Year Review (Pages 256 - 265)

Cabinet recommended to Full Council that the Mid-Year Review of the Treasury Management Strategy, attached as Appendix A to the report, be noted.

11. Minutes of Cabinet and Committee Meetings

To note the following Cabinet and Committee minutes:

- e) Minutes of meeting Tuesday, 18 January 2022 of Licensing Committee (Pages 266 - 268)

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: MEDIUM TERM FINANCIAL STRATEGY 2022/23 – 2024/25

PORTFOLIO HOLDER: COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

LEAD OFFICER: SENIOR MANAGEMENT BOARD (01279) 446004
SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE (01279) 446228

This is a Key Decision

It is on the Forward Plan as Decision Number I012620

The decision is not subject to Call-in Procedures for the following reason:

The decision stands as a recommendation to Full Council

This decision will affect no ward specifically.

RECOMMENDED that Cabinet recommends to Full Council that:

- A** The Medium Term Financial Strategy for 2022/23 to 2024/25 (attached as appendix B to the report) is adopted.
- B** The planned Council Tax (HDC element) 0 percent increase for 2022/23 as set out in the Medium Term Financial Plan be approved.
- C** That the proposals regarding the Council's Reserves as set out in paragraphs 5(c) and 22 - 35 of the report are agreed resulting in the release of £1,355,000 from reserves in 2022/23 to provide £993,000 funding for the proposed efficiency dividend set out in the General fund budget report elsewhere on the Cabinet agenda and to create a new Estates Renewal Fund of £363,000.
- D** That the New Homes Bonus for 2022/23 totalling £1.165 million, is applied to part fund the efficiency dividend (£830,000) and to also increase the Budget Resilience Reserve (£335,000) which in turn will be applied to support the proposals relating to 0 percent council tax increases (HDC element) in 2023/24 and 2024/25
- E** That subject to recommendations C and D being approved an efficiency dividend of £50 per eligible property be approved as a one off arrangement for the 2022/23 financial year.
- F** That in respect of the Harlow Council element, the MTFs includes plans for a 0 percent council tax increases in 2023/4 and 2024/5.

REASON FOR DECISION

- A** To enable Cabinet to consider the current factors influencing the three year Medium Term Financial Plan and agree the financial strategy for the period 2022/23 to 2024/25 in support of the overall financial plans of the Council over that period and the delivery of its priorities.
- B** To set out a commitment to manage the Harlow element of the annual Council Tax level such that a balance is maintained between:
- The themes and objectives set out in the Council’s new Corporate Strategy
 - The funding to support the delivery of those themes and objectives.
 - The ambition to become a low tax authority and to reduce the tax burden on local residents in relation to the local share of Council Tax.
 - The need to set out a sustainable budget plan within this Medium Term Financial Strategy.
- C** Harlow has comparatively high Council Tax when compared with other authorities in the region and new towns in Southern England as shown in Table 1 below

Table 1

Authority -	2021/22 Band D Council Tax
	£
East Hertfordshire	258.33
Harlow	288.90
Epping Forest	224.14
Stevenage	220.57
Basildon	286.75
Chelmsford	243.88
Dacorum	228.40
Brentwood	211.79
Broxbourne	143.24

Note : the above is the total District Council element levied including the average parish and other local precepts where applicable.

BACKGROUND

1. The Medium Term Financial Strategy (MTFS) provides the parameters for the Council’s revenue spending and capital investment plans for the next three years. The revision of the MTFS has incorporated the one year funding announcements made by the Government for 2022/23 and has made assumptions regarding subsequent years in the absence of any longer term guaranteed funding deal. The MTFS has also had to make assumptions in

relation to the medium term impacts of the national Covid-19 crisis, which continues to create budgetary issues as the pandemic continues.

2. There are a number of key issues which could impact on the plans set out in this report over the three year planning period including:
 - a) The medium term impacts of the Covid crisis which continue to impact the council, particularly in respect of reduced income;
 - b) The uncertainty regarding the Government's intentions regarding public sector funding, which has again seen just a one year financial settlement, and no longer term indications to provide clarity for planning purposes;
 - c) Potential inflationary pressures expected in 2022/23 and the possibilities of future interest rate rises impacting on future debt financing costs;
 - d) Any further Government interventions in rent setting policy in the future; and
 - e) Uncertainty regarding the ongoing welfare reform process and the roll out of Universal Credit full service by managed migration by 2023. It is still difficult to predict the financial costs, the community and social impacts and the future losses to the council as a result of the migration.
3. The MTFS is informed by, and consistent with the Council's Corporate Strategy which was approved at Council on 9 December 2021. The four key strategic themes set out in the Corporate Strategy are as follows:
 1. Economic Growth;
 2. Social Cohesion;
 3. Safeguarding the Environment; and
 4. An Efficient Council.

ISSUES/PROPOSALS

Proposed amendments to the previously approved MTFS (February 2019)

4. Proposed changes in key assumptions underpinning the financial forecasts are set out in Appendix A to this report, and mainly relate to changes at a national level, or the content of the draft Local Government Finance Settlement announced on 16 December 2021.
5. Proposed key amendments to the Strategy are set out below:

- a) In light of the significant impacts of the Covid-19 crisis it is recognised that there may be further calls on the Budget Resilience Reserve and potentially in future years dependent on recovery and the local economic impacts;
- b) The planning period covered by the MTFs remains restricted to three years; and
- c) Changes are made to the reserves as set out in Table 2 below following a detailed and prudent review of the reserves.

Table 2

Reserve	March 2018	March 2019	March 2020	March 2021	F'cast March 2022	P'sed April 2022	Funds Avail
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Discretionary Services Fund	1,549	1,463	1,678	2,304	2,945	2,445	500
HB Subsidy Reserve	536	693	693	693	693	500	193
Invest to Save Reserve	243	226	229	230	231	105	126
Planning Reserve	133	382	215	165	165	65	100
Residual Land Transfer Reserve	131	131	131	131	131	0	131
Severance Reserve	1,927	2,120	2,120	2,120	1,120	865	255
Standards Committee Reserve	50	50	50	50	50	0	50
Total Reserves Released							1,355
Use of New Homes Bonus							830
Total Funding Available for Efficiency Dividend							2,185

- d)) No further tax increases are proposed on the Harlow Council element of Council Tax for the years 2023/24 and 2024/25. The overall benefit to taxpayers is estimated as per Table 3 below:

Table 3

Proposed Efficiency Dividend 2022/23	£50.00
Removal of Original proposed increase 2022/23	£5.75
Zero Increase 2023/24	£5.86
Zero Increase 2024/25	£5.98
Total change from new assumptions/proposals	£67.59

- e) Alignment of the MTFs to the new corporate themes set out in the new Corporate Strategy especially around efficiency, regeneration, commercialisation and reducing reliance upon core government funding in future years.
6. Aligned to the amendments above the key areas of work that will be undertaken to inform the MTFs and its development to support the wider deliver of the Corporate Strategy Themes and objectives may include –
- a) Review of “best practice” across similar organisations and consideration of further shared service activity to improve efficiency.
 - b) Options appraisal of investment and debt financing to both yield higher returns where possible within the boundaries of the Treasury Management Strategy and to best support the Regeneration aspirations through innovative market driven financial structures where appropriate.
 - c) Support from and more active involvement through the Shareholder Sub Committee in the review of the current HTS Service Agreement and relationship with HTS to achieve operational and financial efficiencies and improved service standards including the appointment of professional Non-Executive Directors.
 - d) Development of the new HTS Business Plan and the expansion and development of new market opportunities consistent with the commercialisation ambitions.
 - e) The development of the Regeneration aspirations to include the detailed plans to deliver the initial Towns Plan funded schemes and the wider town centre regeneration and estates renewal initiatives. Early elements of this work are already contained within the 2022/23 -2024/25 Capital Programme and earmarked resources are already held to assist in the pump priming of such initiatives.
 - f) Bring forward the comprehensive New Build Programme in March 2022 to detail the proposed new housing schemes.
7. The resulting General Fund Medium Term Financial Plan (MTFP) set out in Appendix E shows that, subject to the assumptions that have been made, the

Council is able to deliver a balanced General Fund budget for 2022/23 with no ongoing dependency on reserves.

8. In the absence of any assurances that local growth in business rates will compensate for the overall reduction in the Council's Settlement Funding Assessment (SFA), whilst the protection of services cannot be guaranteed in future years the expected growth in commercialisation coupled with the planned expansion of the HTS Group activities is expected to help minimise this risk.

Council Tax Levels

9. The MTFs forms a key planning tool for budget setting purposes. Economic indicator forecasts set out in Table 4 below are based upon HM Treasury's Forecasts for the UK Economy and provided by its treasury management advisors Arlingclose.

Table 4 – Forecasted Levels of Inflation

Index	Apr 21	Sep 21	2022
CPI	1.5	3.1	3.1
RPI	2.9	4.9	4.3

The Localism Act introduces the need to hold local referendums in relation to Council Tax increases if those increases are above the limits set by the Government. The Secretary of State announced in the draft finance settlement that the limit on Council Tax increases for 2022/23 will be two per cent or £5 (whichever is the greater) before a requirement to hold a local referendum would be triggered. There will be no requirement to test the 2022/23 budget proposals against this requirement as the MTFs contains proposals that include a Council Tax (Harlow Council element) 0 percent increase in 2022/23, 2023/4 and 2024/5.

CURRENT ISSUES INFLUENCING THE MTFs

COPORATE STRATEGY

10. The Council's new Corporate Strategy adopted in December 2021 sets out an ambitious vision to 'make Harlow the best town in the country' with four key pillars:
 1. Economic Growth;
 2. Social Cohesion;
 3. Safeguarding the Environment; and
 4. An Efficient Council.

The change in direction set out in the Corporate Strategy presents significant influence on and alignment to the MTFS. In order to meet the ambitions set out in the Corporate Strategy, particularly around regeneration, estate renewal and Council efficiencies new and innovative financing methods are likely to be required.

The Comprehensive Spending Review

11. The Government’s Comprehensive Spending Review (CSR) process has made significant reductions to the financial settlement for council’s. At a local level the Council has seen reductions in its grant as shown below.

Table 3 – Grant Reduction Levels

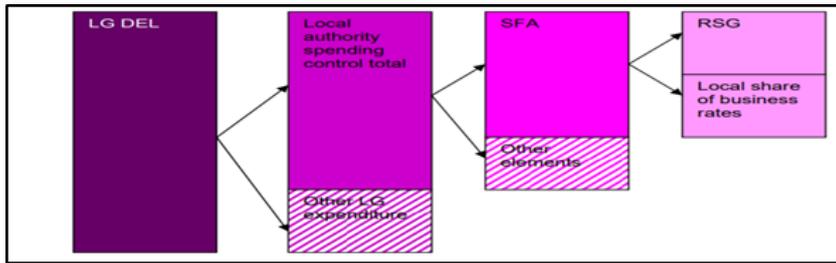
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Grant Reduction	14.6%	13.7%	14.2%	15.9%	10.1%	3.5%	(1.6)%

12. The draft settlement released on 16 December 2021 was broadly aligned to previous MTFS assumptions and confirmed that the impact of falling in to a negative Revenue Support Grant scenario (which the Council did) has been met within the settlement and has therefore once again removed this potential pressure for 2022/23. However, the risk of reduced income from the collection of business rates remains an issue and as such, a medium term priority is to ensure that sustainable budgets can be delivered in future years with efficiency gains and increased commercialisation intended to reduce the Council’s dependency on retained Business Rates and Council Tax. The Governments one year deal draft settlement adds impetus to the Council’s efficiency drive and commercialisation agenda in order to achieve savings and secure alternative revenue sources.
13. The proposals contained within the MTFS and the General Fund Revenue Budget 2022/23 report elsewhere on the Cabinet agenda will be sufficient, if agreed, to deliver a projected balanced budget for 2022/23 financial year.

Business Rate Retention (BRR)

14. The BRR Scheme has operated since 2013 and will increasingly feature as the core source of direct Government funding within SFA. The BRR Scheme was intended to see a simplification of Council funding arrangements and to incentivise Councils to encourage economic growth in their areas. The Council actively seeks to promote Harlow as a place to locate for new and expanding businesses. The new funding system still retains the RSG system within the SFA. The forward forecast of funding received through the RSG element of SFA has now reduced to a negative sum. As mentioned in paragraph 11 the Government has committed within the draft settlement to once again meet this cost through the central share of business rates.

Fig 1



15. BRR is not only more complex than had been envisaged and includes the transfer of risks to councils, but it also introduced the redistribution of significant proportions (50 per cent) of locally collected business rates directly back to the Government.
16. In the absence of primary legislation the Department for Leveling Up, Housing and Communities (DLUHC) are considering ways in which local government can be given greater control over their income and it is hoped that progress on these reforms will restart during 2022.

Business Rates Pooling

17. A business rates pool has operated within Essex during 2021/22. The major benefit of being in a pool is the reduced levy rate applied to the local business rates growth achieved in the year. It is anticipated that pooling and therefore the Essex pool will continue in to 2022/23 subject to any further information which may become available alongside the finance settlement. However the benefits of pooling may be impacted again in 2022/23 with ongoing impacts of Covid affecting the business rates payable and/or additional government reliefs being granted.

Welfare Reform

18. The Council continues to work hard to ensure minimal impact on local residents resulting from the introduction of the Local Council Tax Support Scheme (LCTSS) and the funding cut implemented by the Government is minimised as far as possible.
19. The Council has once again worked with the major precepting bodies to ensure that the Hardship Fund, established to support the most vulnerable within the local community, will continue in 2022/23. The Fund will be £155,000 for 2022/23. To provide as much stability as possible to those households impacted by the introduction of the LCTSS, the Council's scheme will again remain unchanged in 2022/23, as agreed by Full Council at its meeting on 9 December 2021.

The Economic Conditions

20. The current economic situation continues to be volatile and unpredictable at the time of planning the 2022/23 budget. The impacts of Covid-19 and the ongoing crisis that has materialised following the first national lockdown in March 2020 have had a variety of impacts on the Councils financial position including –
- a) Increased and unpredictable volatility in income streams, including business rates, council tax and housing rents during 2021/22. This is also an ongoing issue in 2022/23;
 - b) The Council's budgets, particularly its income budgets, will be susceptible to variation over the period of the MTFs; and
 - c) Further expenditure pressures are also likely.
21. Notwithstanding the above, sound financial management has ensured that the overall budget has remained, and is projected to remain under control. Updates will continue to be reported to Cabinet on a quarterly basis.

Reserves

22. A key aspect to the management of risk and service transformation or transition is to establish appropriate and effective reserves to help the Council work through funding and other changes in a planned and manageable way.
23. Several services supported by the Discretionary Services Fund (DSF) have reverted to core funding including the Playhouse, Pets Corner and the Community Safety Team. This programme of returning services to core funding will continue in future years subject to the ability to contain the costs within the general fund budget without the need for other service cuts. It is intended that by promoting local economic growth, focussing on new revenue generating opportunities through commercialisation and efficiency gains that further services will be returned to core funding.
24. In terms of responding to Covid-19 and its impacts locally the provisional local government settlement has introduced further support for 2022/23:
- a) An extension for a further year of funding for lower tier authorities “Lower Tier Services Grant” which will provide one off funding in 2022/23 of £139,873 for Harlow.
 - b) The Government’s new element to the draft finance settlement called the “Services Grant” Nationally this totals £0.8 billion and for Harlow its local share for 2022/23 only will be £214,960.
25. The above funding has been incorporated as one off grants in to the MTFs to help support the 2022/23 budget position.

26. The Council currently holds a Budget Resilience Reserve; with a current balance of £1.3 million to help support the general fund manage the volatility specifically created by the Covid crisis. It is expected that funding of approximately £1 million will be available from the reserve to again help with any budget volatility that may be experienced during 2022/23. The reserve will also provide resilience whilst the council better develops its understanding of the medium to long term impacts of Covid on the local economy and residents' behaviour moving forward.
27. An additional contribution of £335,000 will also be made to the Budget Resilience Reserve from the 2022/23 allocation of New Homes Bonus in order to help manage the delivery of the proposed 0 percent council tax increase (Harlow Council element) over the period of the MTFs.
28. Good financial management across all services has meant that the Council was able to take advantage of utilising its General Fund balance to help finance the Council's pension fund deficit payments in advance for 2020/21, 2021/22 and 2022/23. This has enabled significant savings to be achieved across the three financial years and for the General Fund balance to be restored over the same period to a level in excess of its minimum recommended level. Given the current economic environment the General Fund balance will be at or around £4 million, sufficient to manage any long term impacts of Covid-19 and/or the transitional phase of the proposed new finance system for local government.
29. As is good financial practice, a review of all reserves has been carried out during the current financial year both in terms of the requirements for which the reserves are held and the level at which they are maintained. As a result of this review the changes set out earlier in the report at Table 2 are proposed.
30. The review has made available £1,355,000 of one off resources for 2022/23 with no service impacts and no ongoing financial implications.
31. Of this £993,000 will be used as a contribution towards the proposed Efficiency Dividend
32. A new fund will also be established – Estate Renewal Fund utilising £362,000 of the released reserve funding to help target priority issues within the housing areas across Harlow.
33. Further details are set out in the General Fund Budget report.
34. As part of the revision of the MTFP and in light of changes introduced through the Localism Act 2011 this report proposes:
 - a) The receipt of New Homes Bonus payments from the Government will not be utilised to provide direct ongoing support to the general fund budget given the uncertainty of its future availability beyond the proposal to contribute £335,000 to the Budget Resilience Reserve.
 - b) The General Fund Reserve minimum balance being maintained at £2.5 million to enable the Council to manage future short term volatility in

resources. Notwithstanding, it is recommended that the actual balance is maintained above this minimum to enable the Council to operate flexibly and manage its risks without contravening the minimum level, especially during the period of major uncertainty over the next two to three years.

35. Cabinet should be aware of the considerable potential pressures on the uncommitted level of reserves as follows:
- a) The possible fluctuations in Council Tax and rent income as a result of the ongoing impacts of the Covid-19 crisis and employment in the local economy;
 - b) The ongoing risks associated with the new grant mechanisms and the volatility which could be experienced in core funding as a result. Although membership of the Essex business rates pool will reduce the levy rate paid there is a risk to all councils in that pool should there be further delay in the economic recovery or should further national or local restrictions be placed on businesses.
 - c) The need to be able to finance one-off expenditure from reserves should the need arise.

Capital

36. A three year projection of capital expenditure and capital financing is set out at Appendix C. The funding projections reflect a prudent assessment of asset sales which will help support the programme and help meet the repayment of internal borrowing which has been undertaken. Asset sales are forecast to continue during 2022/23 but they will be insufficient to support the Non-Housing Capital Programme. The Council's MTFS includes a revenue provision sufficient to fund external borrowing of £3 million per annum. The Non-Housing Capital Programme continues to be developed within the available funding envelope which includes capital receipts, borrowing and any external funding that may be available to support specific schemes.
37. The Housing Capital Programme had been developed in light of the increased funding and flexibilities offered as a result of the introduction of self-financing as well as the more recent lifting of the HRA borrowing cap. The Government's imposition of the annual one percent rent reduction across the four financial years 2016/17 to 2019/20 has had a major impact on the account and the council's position in relation to the repayment of debt which is now unlikely to be achievable and options are expected to be limited to replacement of the debt as it matures rather than its repayment..
38. The capital programme is particularly focussed on the delivery of the key ambitions set out within the new Corporate Strategy across each of the portfolio areas and includes:

- a) Harlow Innovation Park - continued investment to help stimulate better skilled and higher paid employment opportunities for Harlow residents and attract high-quality businesses;
- b) Towns Fund - delivering key schemes totalling over £20 million over the MTFs Period that will provide seed capital to enhance and regenerate the Town Centre;
- c) Harlow Investment Fund - £5 million contributions to the Harlow Investment Fund that will act to stimulate the wider town centre regeneration;
- d) Energy Efficiency Schemes - schemes within the Councils own housing stock and property portfolio to help reduce fuel poverty and help meet the Council's climate targets;
- e) Housing Standards - preserving the level of investment required to maintain decency standards across the Council's social housing stock;
- f) Social and Affordable Housing – A New Build Programme to provide much needed housing for Harlow families will be reported to Cabinet in March 2022 in order to meet the Corporate Strategy ambition of building new homes; and
- g) Tree Planting - Expanding the tree planting schemes across the town with £250,000 currently earmarked to support the programme which will contribute towards the delivery of the Council's Carbon Reduction Plan and will introduce the most appropriate species in to the town's environment.

Conclusions

- 39. The proposed MTFs provides a sound basis for financial planning and management, creating the context for the delivery of the Corporate Strategy, its ambitions in the short to medium term and the formulation of the Council's annual Housing, General Fund and Capital budgets.
- 40. The MTFs will continue to be reviewed at least annually alongside the annual refresh of the Corporate Strategy.

IMPLICATIONS

Strategic Growth and Regeneration

As contained within the report.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration.

Finance

The MTFs is a key component in the efficient and effective management of the Council's financial resources. Financial implications are contained within the report.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

None specific. Housing finance changes are covered fully in the report Housing Revenue Account Budget and Housing Revenue Account Business Plan elsewhere on the Cabinet Agenda.

Author: Andrew Murray, Director of Housing

Communities and Environment

None specific.

Author: Jane Greer, Director of Communities and Environment

Governance

The General Fund Revenue Budget 2022/23 report elsewhere on the Cabinet agenda details the main human resource implications associated with the proposed Council budget. Subsequent years will be addressed in a similar way at the time.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – Changes to the MTFS assumptions

Appendix B – Harlow Council's Medium Term Financial Strategy 2022/23 to 2024/25

Appendix C – Capital Programme Medium Term Financial Plan (MTFP) 2022/23 – 2024/25

Appendix D – Housing Revenue Account Medium Term Financial Plan (MTFP) 2022/23 – 2024/25

Appendix E – General Fund MTFP 2022/23 – 2024/25

Background Papers

None.

Glossary of terms/abbreviations used

BRR – Business Rates Retention

CSR – Comprehensive Spending Review carried out by the Government in relation to the local government funding arrangements

DLUCH – Department for Levelling Up, Communities and Housing

DSF – Discretionary Services Fund

HRA – Housing Revenue Account

LDF – Local Development Framework

LCTSS – Local Council Tax Support Scheme.

MTFP – Medium Term Financial Plan is the General Fund budget projections over the 5 year period of the MTFS)

MHCLG – Ministry for Housing, Communities and Local Government

MTFS – Medium Term Financial Strategy is the full financial plan across five years that considers the General Fund, HRA and Capital budgets

MRP – Minimum Revenue Provision

RSG – Revenue Support Grant

SFA – Settlement Funding Assessment

General Fund Budget Parameters 2022/23

January 2021 Assumption		Proposed Change
Costs		
Pay inflation	2.0% per annum onwards in line with government Announcements.	No Change.
National Insurance	Rates were increased effective from April 2016	Health funding increase @ +1.25%
General inflation	Only applied where contractually/statutorily required	No change
Staff vacancy savings target	2% p.a.	No change.
Pension Fund triennial revaluation March 2017	2019 review incorporated in to the MTFP and budget including option to make one off deficit payment for period 2020/21 – 2022/23	No Change – next review 2023/24.
Income		
Fees & charges	Income budgets to increase in line with price inflation where possible and budgets increased accordingly	No Change.
Council Tax increase (for financial planning purposes only)	1.99 % increase in each year across the MTFP period	0% Council Tax increase across the MTFP Period
Other Assumptions		
Government Funding Revenue Support Grant increase	One year deal for 2020/21 reflected in MTFP and small 1% annual reduction assumed thereafter pending BRR review announcements	No change – further 1 year deal for 2022/23.

<p>Borrowing</p> <p>Prudential borrowing</p>	<p>HRA - No repayment of Self Financing Debt due to rent reduction imposed by Gov.</p> <p>Non HRA - Non Housing MRP increased to provide provision for £3m of annual borrowing to cover the requirements of the stock condition survey results.</p>	<p>No Change.</p> <p>PWLB borrowing rules changed to exclude any PWLB borrowing and element of capital programme is solely for the purposes of generating commercial returns.</p>
<p>Transfer to/from Reserves - Insurance Fund</p> <p>General Reserves</p>	<p>Proposals set out in the MTFS to create additional Budget Stabilisation Reserve in light of uncertainties created by Covid crisis.</p> <p>No change, Minimum General fund balance to be maintained at £2.5m over the current MTFS Period to manage increased risks to be managed locally under Government plans.</p>	<p>Review has identified reserves that can be utilised as part of the 2022/23 budget process as set out within the MTFS Report and the General Fund Budget Report.</p> <p>No Change – need to operate above this level to manage central government funding review.</p>



Harlow Council

***Medium Term Financial
Strategy***

2022/23 to 2024/25

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MEDIUM TERM FINANCIAL STRATEGY

1. KEY MESSAGES

1.1. This document sets out the Council's approach to its medium term financial planning. The Medium Term Financial Strategy (MTFS) reflects the Council's 0% council tax increase proposals (HDC element) for the period 2022/23 to 2024/25.

1.2. The Council's MTFS incorporates key strategic themes as set out in the current Corporate Strategy:

Economic Growth - Harlow sits at the heart of the UK Innovation Corridor reaching from London to Cambridge. The Corridor provides the potential for Harlow's sustained economic growth and future opportunity for increased investment in its infrastructure and will take the Town towards a better future post COVID-19. The Council will work with central and local government to pursue the Levelling Up agenda to help enhance local economic growth. We will position Harlow as a regional centre for arts and culture and unlock the potential of our Local Authority Trading Company to bring greater return for residents. Through our regeneration programme and the opportunities from economic growth, we will make Harlow a Town fit for the future. The prosperity of the Town will also see our residents developing the skills required to secure employment, accessing good quality housing as part of sustainable and social provision. The regeneration of our Town Centre will further enhance our growth ambitions and create opportunities to welcome business expansion.

Social Cohesion - Our aim for social cohesion is to have a framework of strategies that builds on our community's resilience, promotes the health and wellbeing of residents and improves the experience, wellbeing, financial resilience and social mobility of working families. As a priority, we are determined to deliver a joined up, wrap-around approach that opens the potential to even higher levels of social and economic wellbeing. We will do this by:

- a) Targeting residents who need greater support to realise their life ambition;
- b) Through the 'Essex Plan for Working Families' gaining a better insight of the challenges faced by working families in Harlow and the support they need.
- c) Working with community leaders, employers, health and care authorities and professionals, police and criminal justice organisations, faith and charitable groups.
- d) Promoting the benefits of inclusion by building on existing networks with a renewed focus on engagement to strength the bond between the Council and each part of the community that makes Harlow a great place to live. We will do this through an enhanced commitment to promote and deliver tangible

actions that increase inclusion and boost community engagement. We will reduce anti-social behaviour and the influence of gangs; support our local Black, Asian and Ethnic Minority communities to thrive and work with local our health professionals and authorities to address the impact of long COVID.

Safeguarding the Environment - The safeguarding our Town's environment for future generations has never had a greater imperative. Our aim is to improve the cleanliness of the Town and identify practical measures that will enhance our Town. We will promote green enterprise and technological innovation, enhance our existing environment and support the use of more renewable energy sources. Through the opportunities of the Garden Town, ensure the full benefits of the development around our Town are realised by residents including taking forward changes in our environment and sustainable transport. The Council aim is to significantly reduce its carbon footprint and achieve the government's targets for Net Zero carbon emissions by 2050. The Council's target for Net Zero is 10 years (2040) before the government's commitment. Through our new Carbon Reduction Plan (April 2021 – March 2026), we will further deliver carbon savings from our operations in that period and begin the critical work required to meet Net Zero by 2040.

An Efficient Council - Our aim is to establish the foundations for a sustainable future for the Council, where we focus on what matters most to our residents and adds most value to their lives. However, the challenges of managing the COVID-19 pandemic, along with the already significant constraints on our finances, means we need to ensure the services we provide are efficient and affordable. We will do this by:

- a) Maximising operational efficiency by transforming Council services to meet modern ways of working including a proactive approach to further shared services;
- b) Ensuring clear service priorities that are aligned with the Council's Medium Term Financial Strategy;
- c) Taking a more commercial approach to increase income yield from specific regeneration opportunities in the years to come;
- d) Increasing the income yield from financial investments as part of a prudent treasury management approach, including, challenging existing cost estimates and unavoidable cost increases;
- e) Reducing the reliance on government grants for the funding of ongoing services; and
- f) Maximising operational efficiency through the transformation of Council services to meet modern ways of working.

The Ambitions set out within the Strategy are also reflected throughout the suite of reports which together set the financial parameters for the General Fund, the Housing Revenue Account and the Council's Housing and Non-Housing Capital investment programme.

- 1.3. The General Fund finances must continue to be managed so that for the planning period commencing 1 April 2022:
- a) General Fund revenue reserves are maintained at or above the approved recommended minimum level of £2.5m, with an aim to operate above this level to provide flexibility in managing the Council's budget throughout the year and over the MTFS planning period.
 - b) General Fund uncommitted revenue reserves are not used to support the budget except for funding one-off and exceptional items of expenditure.
 - c) Any increase in Council Tax shall be no greater than the maximum permissible under the Localism Act 2011, which is announced annually by Government. This will ensure that increases are maintained at a reasonable and affordable level whilst avoiding the cost of a local referendum. No increases in the HDC element of Council Tax are proposed for the years: 2022/23, 2023/24 and 2024/25.
 - d) Revenue funds are reallocated from low to high priority areas as necessary to support the delivery of the Council's corporate strategy and ambitions.
 - e) The Council's Fees and Charges Policy forms part of its wider income strategy. An annual review of fees and charges will be carried out.
 - f) In setting the following year's General Fund budget there must be no unidentified savings.
- 1.4. Key changes reflected in the financial reports presented to Cabinet in respect of the 2022/23 – 2024/25 planning period include –
- a) The proposal to implement a 2022/23 Residents Efficiency Dividend which both reflects the good financial performance of the authority and is intended to help support the local community in its recovery from the Covid pandemic.
 - b) The alignment of the new Corporate Strategy themes and objectives to the Financial Strategy.
 - c) The drive towards the reduction in the Council's reliance on Government funding through the Commercialisation and efficiency initiatives, including consideration of further shared services.
 - d) The proposals to both review existing performance and service delivery provided by HTS Group and work with its wholly owned group of companies to develop new profitable commercial activities that will further support the companies and the Council.
 - e) The need to support the required investment to facilitate the regeneration aspirations for both Town Centre and the wider town and

its estates.

- 1.5. As required, the Council must continually seek to secure savings or introduce new ways of working to ensure it can deliver sustainable budget proposals in line with the MTFS and provide finance for investment in priority areas wherever possible.
- 1.6. The Medium Term Financial Plan (MTFP), the General Fund element of the MTFS, produced at Appendix E, is to be reviewed at least annually by the Cabinet.
- 1.7. The Council's Housing Revenue Account will be managed in line with the principles contained within the HRA Business Plan including:
 - a) The uncommitted HRA Working Balance must be maintained at or above a minimum level of £4.6 million.
 - b) In setting the following year's HRA budget there must not be any unidentified savings.
 - c) Rent levels will be set in line with Government guidelines and/or legislation, as appropriate.
 - d) There must be sufficient investment in the housing stock to maintain the Decent Homes Standard.
 - e) 50% of the useable proceeds from Right-to-Buy sales will be used to fund the Non-Housing Capital Programme.
- 1.8. The Capital Programme must align with the Council's priorities and:
 - a) The Council will use prudential borrowing to fund its Housing and Non-Housing Capital Programme if necessary but will utilise internal borrowing wherever possible when funding is available to support this approach.
 - b) In view of the limited resources available for capital investment the Council will seek to categorise surplus assets in to the "Opportunity Asset" category as defined within the Non-Housing Asset Management Strategy. At the appropriate time these assets will then be considered for disposal to –
 - help sustain ongoing non-housing capital investment
 - reduce revenue costs incurred by the Council wherever possible, or
 - provide wider community benefit.
 - c) The total cost of the Capital Programme will not exceed a realistic and affordable assessment of the capital finance available to fund it.
 - d) The projects in the Capital Programme will cover at least a three-year planning horizon and will be reviewed at least annually to ensure that

schemes within the programme continue to support the priorities of the Council.

- e) The Council will comply with the Treasury Management Code of Practice and Prudential Code. Borrowing undertaken to finance capital expenditure will be prudent and affordable in terms of the impact on the revenue budget.
- 1.9. The Council will seek to develop existing partnerships and forge new ones to achieve further benefits for the local area, particularly in its priority areas as set out in the Corporate Strategy and with a specific focus on its Regeneration Programme.
- 1.10. The Council will continue to evaluate and manage the financial and operational risks it faces.

2. INTRODUCTION

- 2.1. This document sets out the Council’s approach to its strategic medium term financial planning and provides an operational framework for both Councillors and Officers to ensure economic, efficient and effective financial management by the Council on behalf of its residents, taxpayers and other stakeholders. It is a document that also identifies the processes that are used to link corporate priorities to resources and forecast the level of resources needed and available over a number of years.
- 2.2. The document links to the Council’s other corporate and financial strategies, and in particular supports the following:
 - a) The Council’s Corporate Strategy.
 - b) The prudential regime for capital finance in local government.
 - c) The Council’s Asset Management Strategies.
 - d) The Council’s Service Plans.
- 2.3. The Council’s strategic financial objective is to ensure access to sufficient financial resources, applied efficiently, effectively and economically to enable it to meet its corporate themes and service objectives as set out in the Key Messages section of this document.
- 2.4. In developing a balanced and affordable General Fund, HRA and Capital budget for 2022/23 the proposals deliver :

	£’000
Net General Fund Budget	11,321
Gross HRA Expenditure	55,789
Housing Capital	30,169
Non-Housing Capital	18,603
Total Capital	48,772

- a) Non-Housing capital expenditure includes the Harlow Enterprise Zone and Harlow Innovation Park developments.

3. General Fund

- 3.1. General Fund revenue expenditure is incurred on the day-to-day services the Council provides other than those provided through the HRA. General fund expenditure incurred by the Council falls into two main categories:
 - 1. Statutory services which the Council is legally obliged to provide or commission, such as refuse collection.

2. Discretionary services i.e. those, which the Council is empowered but not legally obliged to provide or commission.

General Fund revenue expenditure is currently financed from:

- a) Council Tax.
 - b) Fees and charges.
 - c) Settlement Funding Assessment (SFA) which combines Revenue Support Grant and retained Business Rate income.
 - d) Other specific and non-specific grants.
- 3.2. The Council receives Government financial support towards its General Fund budget through the local government finance settlement which sets out the Government's assessment of the Settlement Funding Assessment (SFA) for Harlow along with all other local authorities in England.
 - 3.3. The General Fund MTFs for 2022/23 incorporates the government funding allocations in line with the announcements contained within the Provisional Local Government Finance Settlement made on 16 December 2021. These assumptions are aligned with the one year funding deal announced in the chancellors Autumn Statement and Spending Review 2022. There are currently no indications of funding levels relating to 2023/24 and the planning assumption included in the MTFP is for a one per cent annual reduction in SFA after 2022/23.
 - 3.4. Through the changes introduced as a result of the move to Settlement Funding Assessment (SFA) and Business Rate Retention, the Council carries the risk of the volatility. In planning to mitigate against this risk the Council will seek to –
 - a) Promote and support initiatives that help the growth of the local economy.
 - b) Develop work to increase commercialisation and develop new income streams across both private and public sectors as appropriate.
 - c) Seek to maximise the commercial activities of its wholly owned group of companies HTS involving accessing new third party commercial contracts and potential property development opportunities.
 - d) Initiate potential joint working and shared service opportunities with other public sector organisations.
 - 3.5. The Council operates some of its discretionary services through the use of the Discretionary Services Fund. A key funding stream for the fund has been the money received by the Council as part of the New Home Bonus scheme (NHB). In the draft Local Government Finance Settlement the

Government has indicated that the annual payment in 2022/23 will be £1,164,918. It is proposed that in 2022/23 this funding will be used both as a one off contribution of £830,000 to support the payment of an efficiency dividend for all eligible residents and to add £335,000 to the Budget Resilience Reserve to help support the overall delivery of the MTFS proposals. The Discretionary Services Fund is projected to hold sufficient funding to sustain the discretionary services funded from it for up to a further 6 years including 2022/23. Therefore this one off proposal will have no a detrimental impact on those services in the short to medium term.

The Discretionary Services Fund is forecast at 31 March 2022 hold the highest level of closing balance than at any point over the previous five years standing at £2,945,082.

4. Housing Revenue Account (HRA)

4.1. Revenue expenditure within the HRA is incurred on:

1. The day-to-day services provided in maintaining and managing the Council's housing stock.
2. Contributions towards capital expenditure that is not funded from usable capital receipts, or other capital funding sources.

The expenditure is financed from:

- a) Rents charged for Council dwellings and garages.
- b) Charges made to leaseholders.
- c) Investment income.

4.2. The Housing Revenue Account Business Plan sets out the Council's priorities for its housing stock and reflects the changes which took place with effect from 1 April 2012 as the existing housing subsidy system was replaced by Self-Financing. The priorities for the Council's housing in the town are driven by national, regional, sub-regional and local housing priorities. They are also informed by the views and perspectives of stakeholders, especially tenants and leaseholders with whom the Council undertakes ongoing engagement and consultation. In addition, local housing priorities are driven by the Local Plan, Community Plan and the Corporate Plan.

4.3. Details of the medium term financial planning and financial projections and outcomes are included in the HRA Business Plan. The HRA Business Plan also contains an action plan that sets out responsibilities and timescales for the delivery of the key housing priorities. Despite the introduction of Self-Financing in 2012/13, and the significant borrowing undertaken by the Council in March 2012, there have been significant changes to the HRA financial arrangements announced by the government which continue to have long-term impacts on the HRA including the enforced annual one percent reduction of rents over the period 2016 - 2020.

4.4. Although the Council must account for its General Fund services and Housing-related services separately by law, there are major areas where Housing activity and finances interact with General Fund activity and finances:

- a) The HRA is a user of support services from the rest of the Council for which appropriate charges are levied.
- b) The allocation of investment and borrowing interest from the General fund to the HRA based on the net indebtedness position of the HRA.
- c) Harlow Trading Services (Property & Environment Ltd) undertakes a wide range of work that impacts on these activities.

- d) The HRA services manage a proportion of the non HRA garage stock including the capital repairs programme associated with them.

5. Fees and Charges.

- 5.1. The Council obtains income from fees and charges levied for providing certain services. The Government determines some of these charges but there are a number of areas where the Council has discretion as to whether to levy a charge and, if it decides to do so, the level of that charge.
- 5.2. In carrying out the annual review of fees and charges, existing charges are:
 - a) compared against the legally permissible maximum as well as local and national market rates,
 - b) compared against the cost of providing the service,
 - c) compared against the objective for this charge (i.e. charge to make a surplus/ breakeven/ subsidise).
 - d) Assessed to ensure fee payers see value for money with a reasonable fee or charge set.
- 5.3. The annual review of fees and charges will seek to identify areas where charges could be made where currently it is not the Council's policy to do so. It will also consider the timing of the introduction of any changes.
- 5.4. For 2022/23 fees and charges proposals have once again taken into account the ongoing economic conditions and their impact upon income streams, existing income targets and the wider impact of increases in businesses and residents. A full list of the proposed 2022/23 Fees and Charges is set out as part of the General Fund Budget Report.

6. Capital Expenditure and Treasury Management

- 6.1. Capital expenditure is essential to the successful delivery of the Council's priorities and is financed from capital receipts, capital grants, revenue contributions and long-term borrowing under the Prudential Code, in accordance with the Council's Capital Strategy, treasury management and annual investment strategies. These are reviewed at least annually.
- 6.2. The Council is, however, currently restrained by the limited availability of capital and revenue resources to finance capital spending. Under Government capital receipt pooling regulations, 75% of sale of Council house capital receipts under Right-to-Buy, and 50% of other housing asset disposal capital receipts, have to be paid over to the Government "pool".

- 6.3. The projects in the Capital Programme (as summarised at Appendix C) help to meet the Council's priorities as set out in the Corporate Strategy within available and affordable resources.
- 6.4. The Local Government Act 2003 brought about a new statutory borrowing regime for councils known as The Prudential Code. This arrangement gives the Council much greater flexibility and freedom to borrow without Government consent, as had previously been the case, as long as it can afford to repay the amount borrowed.
- 6.5. The aim of the Code is to support councils when making capital investment decisions, to ensure that capital investment plans are affordable, prudent and sustainable and that treasury management decisions are taken in accordance with good professional practice and in line with the Council's Corporate Strategy.
- 6.6. The Code was updated from 2017 and there is now a requirement to present a Capital Strategy for approval by Council in advance of the 2022/23 financial year. The Strategy has been prepared and is presented elsewhere on the Cabinet agenda alongside associated reports on investment and Treasury Management as part of the Capital and Treasury Report.
- 6.7. The Code requires councils to determine a set of prudential indicators that are intended to determine and measure the financial strength of their investment and treasury plans. It prescribes some of these prudential indicators that must be used and the factors that must be taken into account in order to show that the Council has fulfilled its objectives. They are not used to compare performance between Councils but to measure an individual Council's performance over a period of time. The Code also lays down clear procedures for setting and revising the prudential indicators with the Council's Director of Finance responsible for ensuring that the Council has taken into account all matters specified in the Code, and for monitoring compliance with the established limits approved by the full Council before the start of each financial year. Prudential indicators relating to borrowing and investments are now contained within the revised Treasury Management Code of Practice, rather than the Prudential Code of Practice.
- 6.8. The Council has customarily considered and approved an annual Treasury Management Strategy Statement as required by the CIPFA Code of Practice on Treasury Management (revised 2011). The Prudential Code referred to above introduced new requirements for the management and reporting of borrowing and investments.
- 6.9. The Council made provision to enter into borrowing to fund the Housing

Capital Programme from 2008/09 onwards, and for the Non- Housing Capital Programme in 2008/09 and 2009/10, on a short term basis only, pending securing capital receipts from planned asset sales. The borrowing to fund the Non-Housing Capital Programme was anticipated to have been repaid in full once the capital receipts are realised. However, as a result of the reduced asset base available for disposal and the current market conditions the MTFP contains provision to finance borrowing of up to £3m per annum for non-housing capital investment in each year of the planning period. This limit was increased by £1m per annum from 2020/21 to accommodate the need for additional investment in the non-housing asset portfolio and to enable the outcomes of the non-housing stock condition survey to be accommodated within the capital strategy of the council. Limited short-term borrowing for cash flow purposes has also been authorised under the Code. It had been envisaged that Self Financing for the HRA would enable the investment levels in the housing stock both for major repairs programmes and for the potential building of new affordable homes within Harlow. The changes announced by the Government on the rent reduction proposals particularly have changed this significantly and this is covered in more detail within the HRA Business Plan.

- 6.10. An Annual Investment Strategy is drawn up as required under the Code. At present the Council has a considerable sum invested - £33.7m as at 31 December 2021 made up of –

Temporary Investment -	£ million
Money Market Fund Deposits	18.5
Property Funds	2.0
Investment Bonds	2.0
Treasury Deposits (DMO)	7.0
Barclays deposit facility	4.2
Total Liquidity	33.7

- 6.11. The investments are handled by the Council’s own staff. The investments are managed so as to secure the best possible return with the minimum of associated risk as set out in the principles of the Treasury Management Strategy Statement.

7. Annual Revenue Budgets and Medium Term Financial Plans.

- 7.1. The Council’s HRA and General Fund budgets represent the Council’s expectation of the cost of providing its ongoing services in a year. As such they are integral parts of the MTFP, reflecting the financial implications of the Council’s themes and objectives for the year.

- 7.2. The Council has sought to ensure that it sets realistic and achievable budgets. General Fund savings of over £22 million have been achieved over the period 2007/08 – 2021/22 It has prudently reviewed and replenished reserves as appropriate whenever possible. With the on-going funding reductions measures being implemented by Government, it will be extremely difficult for the Council to sustain ongoing budget reductions whilst protecting service provision without improvements to the Council's Funding. This further serves to highlight the need to actively pursue further commercialisation and efficiencies as set out in the Corporate Strategy..
- 7.3. As with other Councils it is recognised that other external factors, over which it has no direct control, will affect its financial position. These potentially include:
- a) The medium to long term impacts of the Covid.
 - b) National and international economic environment including inflationary pressures and interest rate changes.
 - c) Government policy and legislative changes
 - d) Changes in Government grant and the anticipated formula review.
 - e) Pay and price variations (especially now driven up post Covid).
 - f) Movements in the costs of employee pensions.
 - g) Variations in asset disposal values and volumes.
- 7.4. Each year the Council is required by law to approve balanced budgets, which means that planned levels of expenditure on services, after taking into account government grant income and contributions from reserves, must be covered by the budgeted amount of Council Tax income (for the General Fund) and rent income (for the HRA). In doing so the Council has to decide upon:-
- Competing demands for additional expenditure.
 - The level of investment required in priority areas.
 - The level of, and the areas in which, savings can be made.
 - The level of rents and council tax to be levied.
- 7.5. The Council operates a budget monitoring system, which involves monthly reports to the Senior Management Board and quarterly reporting to the Cabinet. The Council has tightened its fiscal policy in the light of the considerable challenges it faces over the medium-term. Accordingly, a key strategic financial objective within the MTFs is that annual Council Tax increases shall be no greater than the Government prescribed limit before a

referendum would be triggered. The revised MTFP at Appendix E shows the net reduction in General Fund expenditure over each of the subsequent two financial years required to maintain a balanced budget. For illustrative purposes Appendix E is based on an assumed 0% increases for the lifetime of the MTFS.

- 7.6. Work will be required during the early part of 2022 to engage with the Government's latest and ongoing consultations in relation to the future proposals for local government funding arrangements. Having developed the current three year MTFP proposal as set out in Appendix E to this report it will now be extremely important to focus resources on the engagement with the Governments formal and any informal consultation in order to try to influence changes which could have a significant impact upon Harlow.
- 7.7. The Plan is a key component of individual service plans and a major objective for the Council's Senior Management Board. In drawing up their service plans, each Service Director must set out the extent to which their proposals assist the Council in achieving its financial targets and priorities over the next three years in line with the Corporate Strategy. The service plans include proposals for capital and revenue growth bids, savings, reallocation of resources and additional income.
- 7.8. The total planned cost of the Capital Programme must never exceed a realistic and affordable assessment of the capital finance available to fund it. Where this is not achievable the programme will either be reduced or the costs of external borrowing will be considered. Where necessary, borrowing to fund the programme will be undertaken within the parameters agreed in the Council's Prudential Borrowing Strategy and as a result of declining receipts from the disposal of surplus assets the MTFP reflects the need to finance borrowing costs.
- 7.9. Financial projections for the HRA covering the period 2022/23 to 2024/25 are set out in the HRA Medium Term Financial Plan, attached at Appendix D.
- 7.10. A summary of the revised General Fund Medium Term Financial Plan for 2022/23 to 2024/25 is attached at Appendix E. The details set out in the appendix show that given the assumptions regarding Council Tax levels, and Government funding the General Fund budget is well placed as the Council moves towards a fundamental change to local government funding over the next two years.

8. Reserves

- 8.1. The Council's statutory finance officer, the Deputy Chief Executive and Director of Finance, is required to consider the adequacy of reserves when

the budget and Council Tax are set. This assessment distinguishes between committed or earmarked reserves and general or uncommitted reserves.

- 8.2. Levels of the Council's earmarked reserves are reviewed on an on-going basis as part of the annual budget process and through the preparation of the Council's Statement of Accounts. The review undertaken as part of the 2022/23 budget process has identified £1,355,000 to be released from reserves as set out in the General Fund report.
- 8.3. The minimum level of general or uncommitted reserves for the General Fund and HRA, as currently assessed by the Deputy Chief Executive and Director of Finance, are to be £2.5 million and £4.6 million respectively. The projected level of actual uncommitted reserves balances held over the 3-year period of the MTFS are set out in the General Fund Medium Term Financial Plan at Appendix E, and the HRA financial plan at Appendix D, respectively.
- 8.4. In order to benefit from an option to pay the council's assessed pensions deficit in one single payment covering the full three year actuarial review period it was agreed as part of the 2020/21 budget process that £1.6m of the General Fund balance would be used to unlock the pension deficit savings. Replenishment of the balance is being made over the 2021/22 and 2022/23 financial years as previously approved.

9. Key Partnerships

- 9.1. The Council is committed to working in partnership with local community groups, the voluntary sector, the private sector and other service providers so that, as far as possible, the co-ordination of services with community needs is realised and also with a view to maximising economy and efficiency and securing additional funds for the benefit of the local community.
- 9.2. As part of this strategy the Council seeks to develop existing partnerships and forge new ones to achieve further benefits for the local area, particularly in its priority areas.
- 9.3. With regard to working with the voluntary sector, the Council is anxious to achieve value for money from the grants that it provides to these organisations. Partners applying for financial support are required to demonstrate efficiency savings comparable to the targets that the Council has to meet, and work towards achieving the Council's priorities.
- 9.4. The Council has safeguarded the provision of some of its discretionary services through the funding allocated to its Discretionary Services

Reserve. In light of the current market position with regard to services such as the Playhouse and Pets Corner and the importance of the services delivered by Community Safety the MTFP has been adjusted in previous years to enable these services to be reintroduced back in to the Council's core base budget. Those services which remain dependent upon the reserve for ongoing funding will be supported until at least the 2026/27 financial year by which time it is anticipated that arrangements for the remaining services to be reintroduced to the base budget will also have been identified.

- 9.5. Over the period of the MTFS it is envisaged that a number of new partnerships will be considered to support the delivery and fulfilment of the Council's commercialisation, efficiency and regeneration objectives.

10. Risks

- 10.1. The Accounts and Audit Regulations 2003 state that the Council should ensure that its accounting control systems include measures to ensure that risk is appropriately managed.
- 10.2. The Audit Commission's Code of Audit Practice makes it clear that it is the responsibility of the audited body to identify and address its operational and financial risks, and to develop and implement proper arrangements to manage them, including adequate and effective systems of internal control. The financial risks to the Council should be assessed in the context of the Council's overall approach to risk management. Risk management continues to be a key area of focus for the Council and is now regularly reported to the Audit & Standards Committee.
- 10.3. In order to manage and mitigate risk in the Council it includes a statement on the system of internal control with its Annual Statement of Accounts. This review and reporting mechanism incorporates a broader statement of corporate governance than had previously been required as set out in the CIPFA/SOLACE Corporate Governance Framework. Under this framework the Council must review both its internal controls as well as its wider governance arrangements, and publish an Annual Governance Statement as part of the Accounts.
- 10.4. The Council seeks to manage its risks through the application of its adopted Risk Management Strategy, the aim of which is 'for the systematic identification and control of risks, hazards and losses, to reduce the impact of risk upon Council decision making. The MTFP supports this aim through the continued provision of financial resources to enable this work to be progressed particularly in relation to insurable risks.
- 10.5. The Deputy Chief Executive and Director of Finance as the Council's

APPENDIX B.

appointed Section 151 officer has identified the risks set out in Appendix D of the 2022/23 General Fund Revenue Budget report, which appears elsewhere on the Cabinet's agenda, as the most significant for the MTFS. The mitigation of these risks is an integral part of the Council's performance management framework.

Capital Programme MTFP 2022/23 -2024/25

	2022/23 £'000	2023/24 £'000	2024/25 £'001
CAPITAL FUNDING			
<u>HOUSING CAPITAL PROGRAMME</u>			
<u>Resources</u>			
Other Housing capital receipts	1,517	1,561	1,598
Major Repairs Reserve	11,228	11,512	11,802
Revenue Contributions	4,736	2,255	2,418
Retained RTB receipts	4,255	4,029	780
Prudential Borrowing	8,433	11,824	4,571
Total	<u>30,169</u>	<u>31,181</u>	<u>21,169</u>

Expenditure / Bids

Housing Core Capital Programme	19,532	21,107	19,219
New Build Programme	10,637	10,074	1,950
Total	<u>30,169</u>	<u>31,181</u>	<u>21,169</u>

	2022/23 £'000	2023/24 £'000	2024/25 £'001
<u>NON-HOUSING CAPITAL PROGRAMME</u>			
<u>Resources</u>			
Earmarked Capital Reserves	36		
Other Capital Receipts	14		
SELEP Getting Building Fund Grant			
Disabled Facilities Grants	500	500	500
Other Earmarked Grant Funding	20	20	
Towns Fund Grant	6,885	3,476	9,555
Direct Revenue Financing	184	155	155
Home Renovation Loan Repayments	5	5	5
Prudential Borrowing	10,959	7,336	3,231
Total	<u>18,603</u>	<u>11,492</u>	<u>13,446</u>

Expenditure / Bids

Non-Housing Core Programme	6,451	4,805	2,821
New Build Programme	267	3,211	1,070
Enterprise Zone			
Town Regeneration Partnership	5,000		
Towns Fund	6,885	3,476	9,555
Total	<u>18,603</u>	<u>11,492</u>	<u>13,446</u>

APPENDIX D

HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY 2021/22 - 2024/25

	2022/23 Estimates £'000	2023/24 Estimates £'000	2024/25 Estimates £'000
<u>Expenditure</u>			
General Management	12,049	12,410	12,720
Special Management	8,703	8,965	9,189
Repairs	11,581	11,868	12,103
Rents, Rates, Taxes & Other Charges	89	92	94
Supporting People Transitional Relief	5	5	5
Provision for Bad & Doubtful Debts	376	383	390
Major Repairs Reserve Contribution	11,228	11,512	11,802
Direct Revenue Financing	4,736	2,255	2,418
Debt Management Expenses	21	22	23
Capital Financing Charges	7,001	7,377	7,664
	55,789	54,889	56,408
<u>Income</u>			
Dwelling Rents	(45,597)	(47,084)	(48,416)
Garage Rents	(1,131)	(1,165)	(1,194)
Other Rents	(65)	(67)	(69)
Service Charges: Tenants	(1,273)	(1,311)	(1,344)
Service Charges: Leaseholders	(2,526)	(2,603)	(2,668)
Other Charges for Services	(1,906)	(1,963)	(2,012)
Transfers from General Fund	(637)	(656)	(672)
Interest on Revenue Balances	(40)	(33)	(35)
	(53,175)	(54,882)	(56,410)
Balance at 1 April	(7,217)	(4,603)	(4,596)
(Surplus) / Deficit for year	2,614	7	(2)
Balance in hand at 31 March	(4,603)	(4,596)	(4,598)

Major Repairs Reserve

	2022/23 Estimates £'000	2023/24 Estimates £'000	2024/25 Estimates £'000
<u>Expenditure</u>			
Capital Programme Financing	11,228	11,512	11,802
	11,228	11,512	11,802
<u>Income</u>			
Transfer from HRA	11,228	11,512	11,802
	11,228	11,512	11,802
Balance at 1 April	0	0	0
Surplus for year	0	0	0
Balance in hand at 31 March	0	0	0

General Fund MTFS 2022/23 - 2024/25

	2022/23 £	2023/24 £	2024/25 £
Previous Years Budget	11,332,381	11,321,025	12,168,201
Inflation	567,560	515,810	509,890
Other Changes	1,169,684	-2,171,518	-288,924
New Pressures	0	0	0
Savings Identified	-6,000	0	0
Movement through Earmarked Reserves	-939,780	2,502,884	-168,696
Movement through General Reserve	-802,820	0	0
Budget Requirement	11,321,025	12,168,201	12,220,471
Funded by:			
Collection Fund Deficit / (Surplus)	1,011,025	0	0
Settlement Funding Assessment	-3,473,019	-3,228,567	-3,199,367
Essex Business Rates Pooling	-180,000	-180,000	-180,000
Section 31 Grant	-604,276	-604,276	-604,276
Previous Years Council Tax Demand	-7,911,815	-8,074,755	-8,155,358
Changes in Tax Base	-162,940	-80,603	-81,470
Changes in Council Tax Charge	0	0	0
Council Tax Demand	-8,074,755	-8,155,358	-8,236,828
Total Funding	-11,321,025	-12,168,201	-12,220,471
Budget Shortfall/(Surplus)	0	0	0
Proposed Council Tax Increase	0.00%	0.00%	0.00%

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: GENERAL FUND BUDGET 2022/23

PORTFOLIO HOLDER: COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

LEAD OFFICERS: SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE (01279) 446228

SENIOR MANAGEMENT BOARD (01279) 446004

CONTRIBUTING OFFICER: MATHEW CROSBY, PRINCIPAL FINANCE MANAGER (01279) 446448

This is a Key Decision

It is on the Forward Plan as Decision Number I012621

The decision is not subject to Call-in Procedures for the following reason:

The decision stands as a recommendation to Full Council.

This decision will affect no ward specifically.

RECOMMENDED that Cabinet recommends to Full Council that:

- A** The General Fund estimates for 2022/23, as set out in Appendix A to the report, are approved.
- B** The proposed transfers between the General Fund and Earmarked Reserves, referred to within the report and set out in Appendix C to the report, are approved.
- C** The proposed Fees and Charges, as set out in Appendix E to the report, are approved.
- D** The Pay Policy Statement, as set out in Appendix G to the report, is approved.
- E** The Council's Band D Council Tax for 2022/23 is set at £288.90 representing a reversal of the proposed 1.99 percent increase as set out in the 2021/2022 MTFS meaning that eligible households will pay £55.75 less than previously forecast in the 2021/22 MTFS.
- F** That the proposals set out in the report are approved allowing a £50 Efficiency Dividend be made to eligible households in 2022/23.

REASON FOR DECISION

- A** The Council must approve an annual budget and Council Tax charge for the forthcoming year under legislation.
- B** To agree a budget proposal for the 2022/23 financial year which supports the delivery of the key themes and objectives set out within the new Corporate Strategy and especially the commitment to become a lower tax authority.

BACKGROUND

1. The 2022/23 General Fund Budget is prepared alongside the Medium Term Financial Strategy (MTFS) with the MTFS covering the period 2022/23 to 2024/25. This report sets the detailed budget requirement for the forthcoming financial year and proposes the resulting Council Tax charge required to deliver the required balanced budget for 2022/23.
2. In formulating spending priorities reflected in the MTFS and the 2022/23 budget, the Administration and Senior Management Board have been mindful of protecting front line services and key operations carried out by the Council whilst mitigating against the impact of the Covid-19 pandemic.
3. The 2022/23 budget and the proposals set out within this report do not contemplate any reductions to such services. The Corporate Strategy 2021/23 approved at Council on 9 December 2021 has set short, medium and long term priorities and ambitions for the Council and the budget proposals continue to underpin their delivery.

Government Grant

4. The 2022/23 draft one year finance settlement was announced on 16 December 2021 and the details have been incorporated into this report.

Proposed General Fund Budget 2022/23

5. In January 2021, the Council approved an MTFS which assumed a 1.99 percent increase in the level of Council Tax in 2022/23 and forecast a budget shortfall of £185,000. The 1.99 percent increase has been removed and the budget shortfall met through department efficiencies whilst protecting discretionary services.
6. The Council's latest MTFS shows projected General Fund expenditure and funding over the three year period 2022/23 to 2024/25. The budget for 2022/23 shows details for every service and reflects continuing pressures on the Council's finances.
7. Meanwhile, work to deliver a balanced budget for 2022/23 has identified a small number of areas of the Council's budget where further savings can be delivered. These are detailed in Appendix B to this report.

8. The table in Appendix A shows a summary of the proposed budget for 2022/23, together with the budget for the current year approved last February. The summary shows the budgets for each service together with other key estimate headings and contributions to and from reserves.
9. The main changes in the proposed 2022/23 budget compared with the January 2021 MTFS are shown in Table 1 below.

Table 1 – Changes in 2022/23 Budget Compared with Assumptions in MTFS (as originally approved in January 2021)

	£'000	£'000
Original MTFS Savings Target (January 2021)		185
Changes from January 2021 assumptions :		
Impact of reversing proposed 1.99% Council Tax increase (HDC element)	160	
Increased National Insurance contributions	100	
Energy price increases	40	
IT Licensing	80	
Budget provision to cover potential ECC funding loss	70	
		450
Updated budget gap		635
Financed By:		
New identified / potential Savings		
Building Control JV	(100)	
Community Safety	(55)	
Planning Fees	(50)	
Crematorium income share	(50)	
Tax base growth	(160)	
Innovation Park	(100)	
Commercialisation Target	(100)	
Other Minor Changes	(20)	
Total Pressures / Savings		(635)
Revised Budget Gap		0

10. The pay award for 2022/23 has not yet been finalised and the budget has therefore allowed for an increase of two per cent.

11. Provision has been included in individual budgets for anticipated price changes in Business Rates, energy costs and external contracts. In accordance with the normal practice, supplies and services budgets have not, in general, been increased to allow for inflationary increases in costs. Instead, managers are required to meet these increases from within their existing budgets, where it is possible to do so, as the Council continues to deliver ongoing efficiencies in the way it conducts its day to day business as set out in as a key ambition within the Corporate Strategy.

Council Tax

12. The MTFS agreed by Full Council in January 2021 was based on a 2022/23 Council Tax increase of 1.99 percent and an assumption that future years' increases would be no greater than the maximum amount permissible as determined by the Government. The draft Local Government Finance Settlement (LGFS) published on 16 December 2021 has confirmed that the maximum permissible increase for 2022/23 will be two per cent (or £5 whichever is the greater). The budget proposals set out in this report and the MTFS plan for a 0 percent Council Tax increase in the HDC element of council tax for 2022/3, 2023/4 and 2024/25
13. The Council's 2022/23 tax base (the number of Band D equivalent dwellings in the area), which is used to determine the level of Council Tax charged to each dwelling by the Council and the preceptors, has been calculated as 27,950 (2021/22 - 27,386).
14. The Council is required to forecast the surplus or deficit on the Council Tax element of the Collection Fund (the account which contains the amounts collected from taxpayers and distributed to local authorities) at 31 March 2022. This amount has been forecast to be £0.4 million surplus.

Business Rates

15. The Council is also required to forecast the surplus or deficit on the Business Rates element of the Collection Fund at 31 March 2022. The deficit has been forecast to be £1.4 million as at 31 March 2022.
16. Cabinet has previously been advised of the high risk of year-on-year income variations in Business Rates income, and the Council has established a reserve to mitigate against such volatility. Funding is proposed to be drawn down from the reserve in 2022/23 to offset the impact of the accumulated deficit detailed in paragraph 14 above.

Income

17. As part of the 2022/23 budget setting process, income has been reviewed and the income budgets for next year have only been increased where it is absolutely necessary or there is a national/legal requirement to do so. The proposals are set out in Appendix E.

Pay Policy Statement

18. Incidental to the Council's staffing budgets is the Council's Pay Policy Statement which must be prepared annually and approved by the Council before the 31 March of the preceding financial year. The statement relates to the remuneration of chief officers and of the lowest-paid employees; and the relationship between the remuneration of chief officers and of all other staff. The statement is attached as Appendix F to the report.

Robustness of Estimates

19. The Council's Director of Finance is required by statute to report to the Council, when it is considering the budget and level of Council Tax, on the robustness of the estimates made. The Council must have regard to the report when making its decisions.
20. The Council's Director of Finance reports that, following consultation with senior officers of the Council, it is his view that the estimates contained in this report are reasonable, robust and based on prudent assumptions. Nevertheless, as outlined in Appendix D to the report, there are a number of risks and opportunities that will require careful and ongoing management.

Discretionary Services Fund

21. The Discretionary Services Fund (DSF) is a reserve which provides time-limited funding to support discretionary services pending the identification of alternative means of provision and/or sources of finance. Over the medium term of the MTFS it is anticipated that through the delivery of both the ambition to drive efficiency and the expansion of commercialisation that those services currently funded from the DSF will be returned to be funded by the General Fund. The DSF will be set at 31 March 2022 to the highest level compared with any time in the previous five years at £2,945,082 providing sufficient funding for almost six years.

New Homes Bonus

22. The actual amount to be received will be included in the final LGFS referred to above. The amount currently forecast for 2022/23 is £1.165 million (2021/22 – £1.079 million) based on the draft settlement announcement. £830,000 will be utilised to support the Efficiency Dividend The remaining £335,000 will be contributed to the Budget Resilience Reserve and be applied to support the general fund budget in 2023/24 and 2024/25

General Fund Reserve

23. Table 2 shows the anticipated position for the uncommitted General Fund Reserve taking into account in-year changes arising from consideration of the budget monitoring position reported to Cabinet in December 2021.

Table 2 – Uncommitted General Fund Reserve

	£millions
Balance at 1 April 2021	3.031
Approved by Cabinet / Council - budget carry forwards from 2020/21	(0.242)
Forecast budget variations in 2021/22	(0.252)
Contribution from Budget Resilience Reserve	0.252
Reimbursement of General Fund re Pensions Upfront Payment	0.803
Projected balance at 31 March 2022	3.592
Final Reimbursement of General Fund re Pensions Upfront Payment 22/23	0.803
Adjusted Balance at 1 April 2022	4.395

24. The Council's Director of Finance is required by statute to report to the Council on the adequacy of its reserves when the Budget and Council Tax are set. The report is attached as Appendix D. It recommends that the minimum level of the uncommitted Reserve (the General Fund balance) is set at £2.5 million to reflect adequate provision to meet known or potential future risks. Uncommitted reserves are currently forecast at £4.395 million.

Earmarked Reserves

25. The Council has both General Fund and HRA earmarked reserves. Full details of all General Fund reserves are contained in Appendix C to this report,

Council Tax Levels

26. The proposed Budget is based on 0 percent increase in the council's element of Band D Council Tax, and reversing the previous forecast increase of 1.99 percent and meaning that the 2022/23 charge will be £288.90. After allowing for the original MTFs assumptions for an increase of 1.99 percent and the £50 efficiency dividend the Band D tax will be £55.75 lower in 2022/23 than previously forecast.

27. The final composite level of Council Tax depends on decisions by Essex County Council and the Essex Police, Fire and Crime Commissioner. Both bodies are due to meet to set their elements of the Council Tax on dates after the Cabinet meeting. Full Council will meet again on 24 February 2022 to approve the composite Council Tax and the formal Council Tax resolution.

Efficiency Dividend/(Tax Rebate)

28. As set out elsewhere on the Cabinet agenda, the Council has delivered significant savings across its general fund budget for many years in response to reduced Government funding. In addition the Council has also, through strong financial management across its services, delivered significant annual underspends which have been utilised to support its reserves and to fund one off initiatives across the town and its communities. Work has been undertaken to thoroughly review the overall reserves position as part of the 2022/23 budget process. In line with the ambition to become a low tax authority and in recognition of the hardship caused by the Covid pandemic the 2022/23 budget proposes to make a one off efficiency dividend payment of up to £50 to local residents' council tax accounts.
29. The general power of competence under Section 1 of the Localism Act 2011 provides the Council with the power to pay the proposed dividend. The rationale is to pay the dividend to those residents that pay Council Tax rather than to all residents. The proposal would be for those in receipt of partial LCTS to receive the dividend only to the value of the share of Council Tax they pay themselves up to the maximum dividend the Council decides to pay. The dividend will only be paid to those who pay their own Council Tax. It would not be paid to those in receipt of a full exemption e.g. students and other exempt properties.
30. Eligibility criteria for the efficiency dividend payment are set out below;
- a) The £50 dividend will be made to residents of the Harlow District Council who, on or before 1 April 2022, are known by the Council to be liable to pay Council Tax on 1 April 2022.
 - b) The dividend will not be made where the Council Tax liabilities are in respect of:
 - i) Student halls of residence and other properties occupied entirely by students;
 - ii) 100 percent reduction under the Local Council Tax Support Scheme; and
 - iii) Other exempt properties.
 - c) The dividend will be credited to the resident's Council Tax account, reducing the 2022-23 council tax liability by £50 (or a proportional amount according to the proportion of Council Tax paid).
 - d) Where a resident is due to pay less than £50 council tax for the year 2022-23, the dividend will be of the amount due.
 - e) Initially the dividends will be made at the time the 2022-23 Council Tax bills are prepared, in the week commencing 28 February 2022. Residents who meet the condition defined in (a) above but who first

become liable after the bills are prepared or whose liability is made known to the Council after that date will have their Council Tax accounts credited by up to £50 later, probably at the end of April.

31. The scheme has been designed specifically to treat all resident Council taxpayers fairly (irrespective of any protected characteristics) and to proportionately benefit those on lower incomes. Those due to pay less than £50 to the Council will receive an amount equivalent to the amount due. Residents who do not pay Council tax will not receive a dividend. While it is technically possible to operate a graduated scheme based on Council tax band, this would make the scheme significantly more difficult to implement and introduce a disproportionate element of complexity to an otherwise easily understood scheme.

IMPLICATIONS

Strategic Growth and Regeneration

As contained within the report.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

Implications are contained within the report.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

None other than as contained within the report.

Author: Andrew Murray, Director of Housing

Communities and Environment

Implications are contained within the report.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

Implications are contained within the report. Consultation with unions will continue on employee related issues.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – General Fund Budget Summary

Appendix B – Efficiency savings (B1), schedule of pressures (B2) and income (B3)

Appendix C – Projected Earmarked Reserves balances

Appendix D – Statement of the Chief Financial Officer

Appendix E – Analysis of Fees and Charges 2022/23

Appendix F – Pay Policy Statement 2022/23

Background Papers

None.

Glossary of terms/abbreviations used

DSF – Discretionary Services Fund
LGFS – Local Government Finance Settlement
MTFS – Medium Term Financial Strategy
NHB – New Homes Bonus

GENERAL FUND BUDGET SUMMARY

	2020/21 Actual	2021/22 Original Budget	2022/23 Budget
	£	£	£
DIRECTORS OF SERVICE			
Chief Executive	5,622	5,740	10,270
Communities and Environment	6,066,957	3,858,310	9,732,649
Finance	3,431,770	(2,033,240)	4,160,300
Governance and Corporate Support	1,808,833	2,202,070	1,476,300
Housing	1,793,189	1,971,780	(930,080)
Strategic Growth and Regeneration	6,021,323	7,358,930	2,433,169
Total	19,127,694	13,363,590	16,882,608
Commercialisation target	0	0	(100,000)
Covid 19	-2,236,263	0	0
Capital charges	(6,614,300)	(1,964,140)	(2,212,760)
Interest Receivable	(171,345)	(75,000)	(75,000)
Interest Payable	115,958	805,490	805,490
Minimum Revenue Provision	512,722	500,000	500,000
Provision for bad debts	76,600	0	0
Essex Council Tax Collection Sharing Agreement	(412,281)	(400,000)	(400,000)
New Homes Bonus Grant	(1,065,626)	(1,079,239)	(1,164,918)
Enterprise Zone Disregard	1,175,875	1,175,875	0
Expenditure Before Use Of Reserves	10,509,034	12,326,576	14,235,420
Contribution to / (from) Earmarked Reserves:			
Budget Stabilisation Reserve	0	1,363,000	333,918
Covid 19 Reserve	258,900	-	-
Enterprise Zone Disregard Reserve	(1,175,875)	(1,175,875)	-
Environment Reserve	(72,910)	520	(35,910)
Environmental Urgent Works and Improvement Res	(36,487)	1,690	8,020
Estates Renewal Reserve	-	-	363,000
Debt Financing Reserve	237,840	237,840	237,840
Discretionary Services Fund	627,806	641,438	(940,570)
Hardship Fund	0	155,000	-
The Harlow & Gilston Garden Town Funding Reserv	(65,937)	(13,540)	(14,170)
Housing Benefits Subsidy Reserve	0	-	(193,000)
Housing TA Reserve	-	150,000	0
Insurance Fund	85,045	122,820	123,250
Invest to Save	990	1,150	(125,160)
MMI	59,000	50,000	50,000
Perpetuity Reserves	(1,571)	(1,069)	(1,275)
Planning LDF	(36,289)	0	(100,000)
Regeneration Reserve	(281,478)	-	-
Regeneration & Enterprise Reserve	2,531,949	(57,470)	(56,540)
Residual Land Transfer Reserve	-	0	(130,988)
Risk Reserve	24,800	-	-
Severence Fund	0	(1,000,000)	(255,000)
Splash Parks Reserve	(11,919)	(465,980)	(145,000)
Standards Reserve	-	0	(50,461)
Grants Reserves (for deferred payments)	7,146,315	(1,984,139)	(1,982,349)
Contribution to / (from) General Fund Reserve	(1,480,180)	802,820	-
Budget Requirement	18,319,033	11,154,781	11,321,025

HARLOW COUNCIL'S ELEMENT OF THE COUNCIL TAX

	2020/21 Actual	2021/22 Original Budget	2022/23 Budget
	£	£	£
Budget Requirement	18,319,033	11,154,781	11,321,025
Less Formula Grant comprising:			
Settlement Funding Assessment	(2,949,190)	(2,949,190)	(2,949,186)
Lower Tier Services Grant	-	(132,794)	(139,873)
Service Grant	-	0	(214,960)
Covid Support Grant	-	(517,920)	0
Homelessness Grant	(168,990)	(168,990)	(169,000)
Collection Fund Deficit / (Surplus)	1,571,060	1,310,204	1,011,025
S31 Grant	(8,960,039)	(604,276)	(604,276)
Essex Business Rates Pooling	(180,000)	(180,000)	(180,000)
Council Tax Requirement	7,631,874	7,911,815	8,074,755
Divided by:			
Taxbase	26,943.00	27,386.00	27,950.00
Band D Council Tax	283.26	288.90	288.90

GENERAL FUND 2022/23 BUDGET

EFFICIENCY SAVINGS

The following table provide details regarding the significant efficiency gains, proposed to be made as part of the 2022/23 General Fund budget. As with any proposed reductions in expenditure there are implications for service provision. There are also implications for the budget if those savings are not met.

ACTIVITY	AMOUNT OF PROPOSED EFFICIENCY SAVINGS	DETAILS
	£	
Building Control Joint Venture	100,000	Proposed saving as a result of planned joint venture arrangement with Hertfordshire Building Control.
Community Safety	55,000	Removal of funding for Community Safety Manager post following previous post holders resignation
Commercialisation target	100,000	In line with the Ambitions set out in the Corporate Strategy new Commercial initiatives including HTS will deliver increased income to HDC
Minor Service changes	20,000	Minor changes across all service budgets
Sub-Total	275,000	
GRAND TOTAL FOR EFFICIENCY SAVINGS	275,000	

**GENERAL FUND 2022/23 BUDGET
PRESSURES**

The following table provide details regarding the funding adjustments to be made as part of the 2022/23 General Fund budget.

ACTIVITY	AMOUNT OF PROPOSED SERVICE INVESTMENT	DETAILS
	£	
Original MTFS Forecast	185,000	As reported to Cabinet January 2021
0% increase in HDC element of Council Tax	160,000	Reversal of previous planned 1.99% increase in HDC element of Council Tax
National Insurance increase	100,000	Reflects increased employers national insurance contributions
Energy Prices	40,000	Increased energy price increases over and above assumptions made in January 21 MTFS forecast
I.T. Licensing	80,000	Increased cost of I.T. licensing
Essex County Council support for Sam's Place	70,000	Loss of funding for Sam's Place
Sub-Total	635,000	
GRAND TOTAL FOR PRESSURES	635,000	

GENERAL FUND 2022/23 BUDGET

INCOME

The following table provide details regarding the significant additional income proposed to be made as part of the 2022/23 General Fund budget. As with any proposed reductions in expenditure there are implications for service provision. There are also implications for the budget if those income targets are not met.

ACTIVITY	AMOUNT OF PROPOSED EFFICIENCY SAVINGS	DETAILS
	£	
Planning Fees Growth	50,000	Increased income from Planning applications based on growth forecasts
Crematorium Income share	50,000	Increased income share based on management agreement with Westerleigh
Tax Base Growth	160,000	Increased tax base growth
Innovation Park	100,000	New rental income from commercial tenants at Harlow Innovation Park
Sub-Total	360,000	
GRAND TOTAL FOR EFFICIENCY SAVINGS	360,000	

Proposed Movements on Earmarked Reserves - 2021/22 and 2022/23

Earmarked Reserve	2021/22			2022/23			
	Balance as at 31 Mar 2021	Add To Reserve Balance	Use of Reserves (see Note 3)	Balance as at 31 Mar 2022	Add To Reserve Balance	Use of Reserves	Balance as at 31 Mar 2023
	£	£	£	£	£	£	£
GENERAL FUND RESERVES							
Perpetuity Reserves	958,559	4,790	(5,860)	957,489	4,760	(6,035)	956,214
Budget Stabilisation Reserve	0	1,363,000		1,363,000	333,918		1,696,918
Bush Fair Capital Improvement Works	42,000			42,000			42,000
Covid-19 Reserve	258,900			258,900			258,900
Debt Financing Reserve	2,939,242	237,840		3,177,082	237,840		3,414,922
Discretionary Services Fund	2,303,644	1,079,239	(437,801)	2,945,082		(940,570)	2,004,512
Environment Reserve (previously Energy Fund) - see Note 5.	36,064	180		36,244	90	(36,000)	334
Environmental Urgent Works & Improvement Reserve	1,596,023	7,980		1,604,003	8,020		1,612,023
Estates Renewal Reserve	0			0	363,000		363,000
The Harlow & Gilston Garden Town Funding Reserve	431,403		(13,540)	417,863		(14,170)	403,693
Hardship Fund	0	155,000		155,000			155,000
Housing Benefits Subsidy Reserve	693,107			693,107		(193,000)	500,107
Housing TA Reserve	0	150,000		150,000			150,000
Insurance claims - GF	756,394	50,000		806,394	50,000		856,394
Insurance Fund - GF (see Note 4.)	1,719,533	122,630		1,842,163	123,250		1,965,413
Invest To Save & Improve Reserve - see Note 5.	229,667	1,150		230,817	840	(126,000)	105,657
New Burdens Grant Reserve	223,240			223,240			223,240
Partnership Fund	200,000			200,000			200,000
Planning Reserve	179,094			179,094		(100,000)	79,094
Regeneration Reserve	277,255			277,255			277,255
Regeneration & Enterprise Reserve	6,665,974		(57,470)	6,608,504		(56,540)	6,551,964
Residual Land Transfer	130,988			130,988		(130,988)	0
Risk Management Reserve - GF	336,241			336,241			336,241
Severance Reserve	2,120,335		(1,000,000)	1,120,335		(255,000)	865,335
Splash Parks Reserve	708,420		(345,580)	362,840		(145,000)	217,840
Standards Committee Contingency Reserve	50,461			50,461		(50,461)	0
Total General Fund	22,856,544	3,171,809	(1,860,251)	24,168,102	1,121,718	(2,053,764)	23,236,056
HRA RESERVES							
Perpetuity Reserves	1,136,200	229,242	(450,433)	915,009	4,560		919,569
Housing Insurance Property Reserve	50,111	10,000		60,111			60,111
Insurance claims - HRA	695,506	50,000		745,506			745,506
Insurance Fund - HRA (see Note 4.)	2,165,257	222,600		2,387,857	11,940		2,399,797
Risk Management Reserve - HRA	508,140			508,140			508,140
Total HRA	4,555,214	511,842	(450,433)	4,616,623	16,500	0	4,633,123

NOTES

- The above is a list of the Council's usable earmarked reserves. Transactions that add to and reduce the balances of each reserve relate to both the General Fund revenue account and the Housing Revenue Account.
- Balances as at 31 March 2022 are stated in the Council's final accounts as at that date. Transactions shown since then represent proposed movements into and out of the earmarked reserves as contained within the proposed budgets.
- Movements into and from reserves in 2021/22 represent proposed revised movements for the year, and do not necessarily equate with the original budget reported in the budget summary for that year.
- The balance shown in respect of the Insurance Fund, above, reflects the cash balance of the fund. The Insurance Fund's Actuary assesses the adequacy of the Fund to meet its annual liabilities (including payments not yet made and an expectation for forthcoming claims not yet received). The amounts added to the Insurance Fund balance in each of the two financial years above include contributions required to ensure that the fund can adequately meet the assessed liabilities. Use of the insurance reserve in both years cannot be accurately estimated because the value required is governed by the number and value of claim excesses that the funds are required to settle.
- The Invest To Save and Improve Reserve and the Environmental Reserve operate under a special mechanism whereby drawings relate to successful efficiency scheme applications made during the year. Amounts added back to the reserves reflect the repayment of these drawings in some instances and are derived from the revenue savings resulting from schemes that have been financed through the reserve.
- The schedule excludes Earmarked Grants reserves, which exist as an accounting mechanism for the carry-over of grants

ASSESSING MINIMUM WORKING BALANCE IN THE GENERAL FUND REVENUE ACCOUNT

The Deputy to the Chief Executive and Director of Finance (s151 Officer) as the Chief Financial Officer has a statutory responsibility to ensure that the Council holds an adequate level of balances, and that there are “clear protocols for their establishment and use”. Guidance notes, published by the Chartered Institute of Public Finance and Accountancy (CIPFA), list a number of factors which should be considered in determining a minimum working balance. The table below lists these factors and officers’ response.

Factor	Response
Budget assumptions.	
The treatment of inflation and interest rates	Included in the report.
Estimates of the level and timing of capital receipts.	<p>This is also covered in the reports on Non Housing Capital Programme and Treasury Management.</p> <p>Major risk includes the revenue implications arising from adverse cash flow management and is referred to in the risk section below.</p> <p>The Non-Housing Capital Programme (NHCP) has been developed to ensure that its revenue costs are affordable within the wider context of the General Fund budget whilst maintaining the overall condition of its operational asset portfolio.</p> <p>The NHCP programme will continue to be monitored regularly by Senior Management Board and Cabinet. Wherever possible expenditure will be incurred only when there is sufficient funding in place. The MTFS includes Minimum Revenue Provision allowance to support the likely borrowing requirements for the NHCP in 2022/23.</p>
The treatment of demand-led pressures.	In-year unplanned budget pressures will be dealt with through the budget monitoring process and reported to Cabinet if necessary. The Council has an excellent track record of effectively managing within its overall approved budget and has

Factor	Response
	<p>anticipated future years' savings proposals within the in-year budget monitoring process wherever possible.</p> <p>An ongoing area of specific concern remains in relation to the changes introduced by the Government from April 2018 in relation to Homelessness responsibilities. There is a growing national and local trend relating to residents presenting as homeless and whilst the General Fund and HRA have estimated the financial impact of these changes it is likely that ongoing pressures will continue to be a factor during 2022/23 and future years.</p>
<p>The treatment of planned efficiency savings / productivity gains.</p>	<p>Service savings of £275,000 are factored into the 2022/23 budget.</p> <p>The Council will utilise appropriate earmarked reserves to help support any opportunity associated with delivering efficiency savings which may require an initial investment.</p> <p>The Council continues to explore all avenues to ensure efficiencies are maximised and delivered.</p>
<p>The financial risks inherent in any significant new funding partnerships, major outsourcing arrangements or major capital developments.</p>	<p>The Council's biggest/ major contracts or partnerships are in respect of its wholly owned subsidiary HTS and with Veolia.</p> <p>Whilst HTS Group is projected to generate financial returns to the Council as sole shareholder these have been factored in to the MTFS and General Fund budget in such a way as to exercise caution.</p> <p>The Council has a contractual arrangement with a private sector operator of the Parndon Wood Cemetery and Crematorium. The contract operates on a profit share basis.</p> <p>Other than the items referred to in the Housing and Non Housing Capital Programme, there are currently no other major capital developments funded by</p>

Factor	Response
	<p>Council's resources.</p> <p>The Council, alongside the HCA, entered into Loan agreements in respect of the Enterprise Zone to enable significant private sector funding to be levered into the project. The first loan advance of £1million was advanced in March 2016 with the second advance of £1.5 million made in March 2017. Both advances were made only when it was demonstrated that there was sufficient capital value in the assets against which the Council will hold a property charge to secure the debt and these loans were seen as low risk at the time of their approval.</p> <p>Cabinet approval has already been agreed for the council lead developments on is EZ land holdings and the financing of these will be met from agreed funding made available through SELEP.</p>
<p>The availability of reserves, government grants and other major funds to deal with major contingencies and the adequacy of provisions.</p>	<p>The Council's MTFs continues to stress the importance of using general reserves only for one-off items of expenditure, i.e. not to support on-going expenditure. In view of the changing funding arrangements and welfare benefits reforms by the Government, the MTFs assumes an on-going minimum General Reserve balance of £2.5million and recommends that the Council operates at a level above this to allow flexibility. The General Reserve is projected to be at a level of £4.1m at 1 April 2022.</p> <p>The General Reserve was utilised in 2020/21 to facilitate the advance payments of the Council's required pension's deficit to the Essex Pensions fund. The reserve will be replenished in over the MTFs period with the advance payment having generated a saving to the Council of £600k over the three years.</p> <p>The Council also holds a Severance reserve to help to meet any severance costs that may arise as a result of service</p>

Factor	Response
	<p>changes or transformation.</p> <p>In light of the Covid Crisis the MTFS report and appendices makes a recommendations for £1million of the Severance reserve along with the 2021/22 planned government Covid grant to be used to establish a new Budget Resilience Fund. This proposal is made in recognition of the possible medium to long term impacts that may arise from the national crisis and to help to manage any budget shocks that may result. The is forecast to hold an estimated balance of £1.1million by the end of 2021/22.</p>
<p>Financial standing and management</p>	
<p>The overall financial standing of the authority (level of borrowing, debt outstanding, Council Tax collection rates, etc).</p>	<p>The Council's level of general reserves is forecast to be above the revised minimum recommended level of £2.5m for 2022/23.</p>
<p>The authority's track record in budget and financial management including the robustness of the medium term plans.</p>	<p>The Council uses a three-year MTFS as a tool for prudent financial planning and management. The 2022/23 -2024/25 MTFS reported to Cabinet shows that the financial plans being proposed result in a sustainable three-year budget proposal.</p> <p>It is vital to recognise that fiscal challenges resulting from the UK's need to fund the economy during the Covid crisis, residual issues in the economy resulting from the exit from the EU do and will continue to pose a serious threat to future local authority funding levels.</p> <p>Meanwhile, the overall assessment of the Council's financial management processes as reviewed by the External Auditors and reported by BDO LLP is that the Council has put in place proper arrangements to secure value for money in its use of resources.</p>
<p>The authority's capacity to manage in-year budget pressures.</p>	<p>The Council's budget monitoring processes are effective and involve monthly monitoring by the Senior Management Board.</p>

APPENDIX D

Factor	Response
	<p>The monthly monitoring also focuses on key risk areas such as income targets.</p> <p>The latest 2021/22 quarterly General Fund revenue budget monitoring report, presented to Cabinet on 3 December forecast potential overspend of £252,000 representing a 0.4% variation against the overall gross expenditure. The corresponding figure for preceding years were:</p> <p>2020/21 was +0.6% 2019/20 was -0.14%, 2018/19 was -0.78% 2017/18 was -2.12% and 2016/17 was -0.95%.</p> <p>Such figures demonstrate an excellent track record of managing in-year budgets, especially in light of the unprecedented government austerity, the uncertain economic environment and funding reductions.</p>
<p>The strength of the financial information and reporting arrangements.</p>	<p>In addition to the budget monitoring process referred to above, the financial information and reporting processes are also underpinned by Budget Monitoring Guidelines, Financial Regulations and Contract Standing Orders.</p> <p>The Council's annual accounts for 2018/19 are expected to be unqualified by the Council's auditors and presented for approval early in 2022. The 2019/20 audit is due to be completed in Q4 2021/22.</p> <p>The external assessment of the Councils delivery under the Value for Money assessment was unqualified.</p>
<p>The authority's virement and end-of-year procedures in relation to budget under/overspends at authority and departmental level.</p>	<p>The latest monthly budget monitoring reports forecast that the Council will adhere to the budgets it has set.</p>
<p>The adequacy of the authority's insurance arrangements to cover unforeseen risks.</p>	<p>In order to reduce insurance costs in future years, a strategy is being developed to target inspections and a programme of</p>

Factor	Response
	works to reduce the Council's exposure to risk. The Council's budget includes on-going provision for this work to continue. A review of the Insurance fund by an independent actuary has indicated that the contributions and balance provide a good level of cover against potential claims exposure. As a result of the good work being undertaken to reduce the Council's exposure to risk in recent years the Council's insurance costs have seen significant reductions which is against the market trend.

Key Financial Risks

In preparing the budget prudent assumptions have been made in respect of investment returns and likely income. However, there are a number of key financial risks which have not been eliminated and these are summarised below:-

- a) The unprecedented circumstances experienced as a result of the national Covid Crisis and the impacts on budgets are difficult to predict. As a result services to the public have been protected and as set out within the report a specific fund was established to help manage any immediate and ongoing budget implications during 2021/22 and in to 2022/23. This will enable work to be undertaken to better understand and assess the medium to long term impacts both on the Council, the town and residents before any budget changes recommended.
- b) The costs associated with any required future workforce reductions will be met from the Council's own resources. In light of the uncertainties surrounding the Government's proposals to radically change the funding arrangements for local authorities the redundancy provisions contained within Earmarked reserves will be kept under review to ensure any future costs can be managed whilst minimising risk to the General Reserve.
- c) The Council's income budgets are especially difficult to predict as a result of the Covid crisis and are subject to fluctuations linked to the performance of the wider economy. Whilst prudent assumptions have been made about income utilising current information and performance, the budgets will continue to be subject to on-going review throughout 2022/23 as part of normal budget monitoring processes. This work will ensure that income budgets are aligned to expected achievable income and will identify any underlying risks of non-achievement of the in-year and future budget plans.

- d) The change for the delivery of Housing/non-housing repairs and Environmental works to HTS (P&E) Ltd in February 2017 incurred planned start-up costs which were transferred to the company in the form of a loan during 2017, as agreed by Cabinet. Loan repayments are being maintained on a monthly basis and do not currently present a risk to the Council.
- e) The major change in relation to Housing Self-Financing brings with it risk for the Council. The HRA became self-reliant from April 2012 and any significant variations to the Business Plan will have to be managed locally by the Council. To mitigate risk, including the costs of the major debt settlement undertaken in March 2012, the HRA minimum working balance was increased to £2.5 million to enable any volatility to be better managed in the future. Recommendations remain in place to maintain the working balance at £4.6 million to reflect the sector norm of holding at least £500 per managed property. The balance is also expected to help accommodate any possible initial requirements that may be placed on the Council in its landlord function as a result of final outcomes of the Grenfell Enquiry. Provision of resources to undertake the identification and development of plans for new house-building have also been factored into the HRA Business Plan.
- f) The HRA has been impacted directly in a very similar way as the General Fund in so much as income streams have been further impacted during 2021/22. This is largely due to lower recharges to service users, lower rent income due to economic conditions and higher void levels than planned during the crisis. These issues are under constant review and will be managed in the same way as underlying budgetary issues in the general fund budget. However there is the risk that the working balance may reduce as a result in the short term.
- g) The budget assumes that the general level of reserves at 31 March 2021 will be nearly £4.3 million before any impact of budget carry-forward request from 2021/22 which will be reported in the normal way as part of the year-end reporting to Cabinet.
- h) Subject to future Government funding announcements the Council's medium-term General Fund Revenue Budget forecast shows that there is currently a balanced budget proposal for 2022/23.

Conclusion: Although the Council has taken steps through the 2022/23 budget-setting process to reduce its exposure to a number of significant risks, it still faces risks that could potentially adversely affect its financial position. Many of these risks may be manageable on their own. Indeed some of the 'risk' factors above could have a positive effect on the Council, e.g. if locally generated income exceeds the amount budgeted. The Council has also improved its internal arrangements, e.g. in respect of responding to money market reforms by further tightening of investment security within its Treasury

Management arrangements. It also has a very good track record of managing its annual budgets.

Against this assessment of risk it is recommended that the minimum working balance for the General Reserve during 2022/23 should remain at £2,500,000 and that the Council should seek to operate above this level to provide flexibility during a period of financial uncertainty and pressure specifically in relation to future Government funding changes. This will ensure that the Council has adequate provision to meet unexpected events and financial demands should they arise.

ANALYSIS OF FEES AND CHARGES(all fees include VAT where applicable)

SERVICE		2021/22	2022/23	Proposed Fee
		Current Fee	Proposed Increase	
		with effect from 01/04/2022		
		£.p	%	£.p
<u>Community Wellbeing</u>				
Pets Corner	Sponsorship scheme			
	Individual sponsors			
	Package A	50.00	0.00	50.00
	Package B	35.00	0.00	35.00
	Package C	25.00	0.00	25.00
	Corporate sponsorship			
	Corporate sponsorship A	250.00	0.00	250.00
	Corporate sponsorship B	500.00	0.00	500.00
	School visits			
	Harlow Schools (45 minutes) - per pupil	2.20	0.00	2.20
	Harlow Schools (1.5 hours) - per pupil	4.35	0.00	4.35
	Non Harlow Schools (45 mins) - per pupil	3.25	0.00	3.25
	Non Harlow Schools (1.5 hours) - per pupil	5.40	0.00	5.40
	Pre School Nurseries (30 minutes) - fixed price up to maximum of 15 children	28.00	0.00	28.00
	Reindeer Hire			
	Harlow Schools	255.00	0.00	255.00
	Non Harlow Schools	320.00	0.00	320.00
	Sales of Animals	Various	0.00	Various
	Events	4.95	0.00	4.95
	Birthday Parties			
	Price (per head)	7.75	0.00	7.75
	Party bag (per head)	2.50	0.00	2.50
Community Enforcement Team	Antisocial Behaviour Act 2003			
	Section 43 (a) (fly-posting and graffiti)	80.00	0.00	80.00
	Antisocial Behaviour Crime and Policing Act 2014			
	Section 48-52 (failure to comply with CPN)	80.00	0.00	80.00
	Section 66-68 (Breach of Public Space Protection Order)	80.00	0.00	80.00
	Environmental Protection Act 1990			
	Section 5/5b (failure to produce authority to transport waste)	300.00	0.00	300.00
	Section 33 (1) (a) (fly tipping)	200.00	0.00	200.00
	Section 34 (2) (a) - 34 (6) (waste deposit offence - duty of care)	300.00	0.00	300.00
	Section 34 (5) (failure to produce waste documents)	300.00	0.00	300.00
	Section 46/47/47ZA/47AB (failure to comply with a waste receptacles notice)	100.00	0.00	100.00
	Section 87 and 88 (depositing litter)	80.00	0.00	80.00
Harlow Museum	Schools			
	Guided tours			
	Non Harlow schools (per child)	new charge		3.00
	Self-guided tours			
	Non Harlow schools (per child)	new charge		2.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Outreach session			
Harlow schools (per child)	new charge		2.50
Non Harlow schools (per child)	new charge		3.25
Loan Boxes			
Per box for 6 weeks	new charge		18.00
Talks and lectures			
Standard lecture	new charge		4.00
Garden hire			
Wedding / private party			
1 x day per hour	new charge		70.00
3 x full days	new charge		2,500.00
Museum hire			
Meeting room (per hour)	new charge		35.00
Lecture room (per hour)	new charge		50.00
Other			
General tours (per group)	new charge		45.00
Archaeological digs			
per adult	new charge		6.00
per child	new charge		3.00
Memorial bench plaques	new charge		150.00

Environment and Planning
Building Control

Table A - New Dwellings

Dwelling houses and flats not exceeding 300m2 (total floor area)

Full Plans Submission

Houses or Bungalows less than 4 storeys

Plan Charge

1 Plot	236.12	0.00	236.12
2 Plots	279.04	0.00	279.04
3 Plots	321.98	0.00	321.98
4 Plots	364.93	0.00	364.93
5 Plots	407.85	0.00	407.85
Flats			
1	214.66	0.00	214.66
2	236.12	0.00	236.12
3	300.51	0.00	300.51
4	300.51	0.00	300.51
5	343.46	0.00	343.46
Conversion to:-			
Single dwelling house	236.12	0.00	236.12
Single Flat	214.66	0.00	214.66
Inspection Charge			
1 Plot	472.24	0.00	472.24
2 Plots	837.15	0.00	837.15
3 Plots	1,030.34	0.00	1,030.34
4 Plots	1,313.68	0.00	1,313.68
5 Plots	1,631.37	0.00	1,631.37
Flats			

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
1	300.51	0.00	300.51
2	643.97	0.00	643.97
3	824.37	0.00	824.37
4	1,081.86	0.00	1,081.86
5	1,459.65	0.00	1,459.65
Conversion to:-			
Single dwelling house	343.46	0.00	343.46
Single Flat	300.51	0.00	300.51
<i>Building Notice</i>			
Houses or Bungalows less than 4 storeys			
1 Plot	800.98	0.00	800.98
2 Plots	1,370.35	0.00	1,370.35
3 Plots	1,671.73	0.00	1,671.73
4 Plots	2,113.74	0.00	2,113.74
5 Plots	2,609.33	0.00	2,609.33
Flats			
1	533.21	0.00	533.21
2	1,068.98	0.00	1,068.98
3	1,350.26	0.00	1,350.26
4	1,752.10	0.00	1,752.10
5	2,341.45	0.00	2,341.45
Conversion to:-			
Single dwelling house	600.18	0.00	600.18
Single Flat	533.21	0.00	533.21
<i>Regularisation Charge</i>			
Houses or Bungalows less than 4 storeys			
1 Plot	831.79	0.00	831.79
2 Plots	1,363.95	0.00	1,363.95
3 Plots	1,645.68	0.00	1,645.68
4 Plots	2,058.89	0.00	2,058.89
5 Plots	2,726.11	0.00	2,726.11
Flats			
1	581.35	0.00	581.35
2	1,082.21	0.00	1,082.21
3	1,516.89	0.00	1,516.89
4	1,946.20	0.00	1,946.20
5	2,575.85	0.00	2,575.85
Conversion to:-			
Single dwelling house	643.97	0.00	643.97
Single Flat	581.37	0.00	581.37
Notifiable Electrical Work (in addition to the above where applicable)	274.67	0.00	274.67
Table B - Work To A Single Dwelling			
Limited to work not more than 3 storeys above ground level			
Full Plans Submissions			
Extension & New Build			
Plan checking charge			

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Single storey extension with floor area not exceeding 40m2	218.95	0.00	218.95
Single storey extension with floor area exceeding 40m2 but not exceeding 100m2	262.74	0.00	262.74
Extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	284.63	0.00	284.63
Extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	306.53	0.00	306.53
Erection of a non exempt domestic extension comprising of a garage, carport or store not exceeding 100m2	197.05	0.00	197.05
Erection of a non exempt detached non habitable domestic building with total floor area not exceeding 50m2	175.16	0.00	175.16
Conversions			
First floor & second floor loft conversions	240.84	0.00	240.84
Other work	175.16	0.00	175.16
Alterations			
Re Roofing, Installation of Solar Panels or Photovoltaic cells	109.47	0.00	109.47
Replacement of windows, roof lights, roof windows or external glazed doors	131.37	0.00	131.37
Cost of work not exceeding £5,000	153.26	0.00	153.26
Cost of work exceeding £5,000 & not exceeding £25,000	197.05	0.00	197.05
Cost of work exceeding £25,000 & not exceeding £100,000	306.53	0.00	306.53
Inspection Charge			
Single storey extension with floor area not exceeding 40m2	350.32	0.00	350.32
Single storey extension with floor area exceeding 40m2 but not exceeding 100m2	394.11	0.00	394.11
Extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	437.90	0.00	437.90
Extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	481.69	0.00	481.69
Erection of a non exempt domestic extension comprising of a garage, carport or store not exceeding 100m2	262.74	0.00	262.74
Erection of a non exempt detached non habitable domestic building with total floor area not exceeding 50m2	218.95	0.00	218.95
Conversions			
First floor & second floor loft conversions	350.32	0.00	350.32
Other work	262.74	0.00	262.74
Alterations			
Re Roofing, Installation of Solar Panels or Photovoltaic cells	87.58	0.00	87.58

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Replacement of windows, roof lights, roof windows or external glazed doors	131.37	0.00	131.37
Cost of work not exceeding £5,000	175.16	0.00	175.16
Cost of work exceeding £5,000 & not exceeding £25,000	306.53	0.00	306.53
Cost of work exceeding £25,000 & not exceeding £100,000	525.49	0.00	525.49
Building Notice Charges			
Extension & New Build			
Single storey extension with floor area not exceeding 40m2	612.18	0.00	612.18
Single storey extension with floor area exceeding 40m2 but not exceeding 100m2	680.49	0.00	680.49
Extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	748.81	0.00	748.81
Extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	817.12	0.00	817.12
Erection of a non exempt domestic extension comprising of a garage, carport or store not exceeding 100m2	475.56	0.00	475.56
Erection of a non exempt detached non habitable domestic building with total floor area not exceeding 50m2	407.24	0.00	407.24
Conversions			
First floor & second floor loft conversions	612.18	0.00	612.18
Other work	475.56	0.00	475.56
Alterations			
Re Roofing, Installation of Solar Panels or Photovoltaic cells	202.31	0.00	202.31
Replacement of windows, roof lights, roof windows or external glazed doors	270.62	0.00	270.62
Cost of work not exceeding £5,000	338.93	0.00	338.93
Cost of work exceeding £5,000 & not exceeding £25,000	543.87	0.00	543.87
Cost of work exceeding £25,000 & not exceeding £100,000	885.43	0.00	885.43
Regularisation Charges			
Extension & New Build			
Single storey extension with floor area not exceeding 40m2	671.45	0.00	671.45
Single storey extension with floor area exceeding 40m2 but not exceeding 100m2	720.72	0.00	720.72
Extension with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	784.58	0.00	784.58
Extension with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	848.44	0.00	848.44
Erection of a non exempt domestic extension comprising of a garage, carport or store not exceeding 100m2	529.13	0.00	529.13

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Erection of a non exempt detached non habitable domestic building with total floor area not exceeding 50m2	465.27	0.00	465.27
Conversions			
First floor & second floor loft conversions	656.86	0.00	656.86
Other work	529.13	0.00	529.13
Alterations			
Re Roofing, Installation of Solar Panels or Photovoltaic cells	273.69	0.00	273.69
Replacement of windows, roof lights, roof windows or external glazed doors	337.55	0.00	337.55
Cost of work not exceeding £5,000	401.41	0.00	401.41
Cost of work exceeding £5,000 & not exceeding £25,000	592.99	0.00	592.99
Cost of work exceeding £25,000 & not exceeding £100,000	912.30	0.00	912.30
Notifiable Electrical Work (in addition to the above where applicable)	321.65	0.00	321.65
Table C - All Other Non Domestic Work			
Limited to work not more than 3 storeys above ground level			
Full Plans Submission			
Extension & New Build			
Plan checking charge			
Single storey building with a floor area not exceeding 40m2	262.73	0.00	262.73
Single storey building with a floor area exceeding 40m2 but not exceeding 100m2	306.52	0.00	306.52
Building with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	328.42	0.00	328.42
Building with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	350.31	0.00	350.31
Alterations			
Cost of work not exceeding £5,000	197.05	0.00	197.05
Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	197.05	0.00	197.05
Renewable energy systems not exceeding £20,000	218.95	0.00	218.95
Installation of new shop front not exceeding £5,000	218.95	0.00	218.95
Cost of work exceeding £5,000 & not exceeding £25,000	240.84	0.00	240.84
Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	218.95	0.00	218.95
Installation of a raised storage platform not exceeding 250m2 within an existing building	306.52	0.00	306.52
Cost of works exceeding £25,000 & not exceeding £100,000	350.31	0.00	350.31
Fit out building up to 100m2	372.21	0.00	372.21
Inspection charges			
Extension & New Build			

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Single storey building with a floor area not exceeding 40m2	350.31	0.00	350.31
Single storey building with a floor area exceeding 40m2 but not exceeding 100m2	394.10	0.00	394.10
Building with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	437.89	0.00	437.89
Building with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	481.68	0.00	481.68
Alterations			
Cost of work not exceeding £5,000	131.37	0.00	131.37
Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	87.58	0.00	87.58
Renewable energy systems not exceeding £20,000	87.58	0.00	87.58
Installation of new shop front not exceeding £5,000	87.58	0.00	87.58
Cost of work exceeding £5,000 & not exceeding £25,000	262.73	0.00	262.73
Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	175.16	0.00	175.16
Installation of a raised storage platform not exceeding 250m2 within an existing building	175.16	0.00	175.16
Cost of works exceeding £25,000 & not exceeding £100,000	525.47	0.00	525.47
Fit out building up to 100m2	218.95	0.00	218.95
Regularisation Charge			
Extension & New Build			
Single storey building with a floor area not exceeding 40m2	784.57	0.00	784.57
Single storey building with a floor area exceeding 40m2 but not exceeding 100m2	884.91	0.00	884.91
Building with some part 2 or 3 storeys in height and a total floor area not exceeding 40m2	967.02	0.00	967.02
Building with some part 2 or 3 storeys in height and a total floor area exceeding 40m2 but not exceeding 100m2	1,049.12	0.00	1,049.12
Alterations			
Cost of work not exceeding £5,000	410.53	0.00	410.53
Replacement of windows, roof lights, roof windows or external glazed doors (not exceeding 20 units)	346.67	0.00	346.67
Renewable energy systems not exceeding £20,000	364.91	0.00	364.91
Installation of new shop front not exceeding £5,000	364.91	0.00	364.91
Cost of work exceeding £5,000 & not exceeding £25,000	638.60	0.00	638.60
Replacement of windows, roof lights, roof windows or external glazed doors (exceeding 20 units)	510.88	0.00	510.88
Installation of a raised storage platform not exceeding 250m2 within an existing building	565.61	0.00	565.61
Cost of works exceeding £25,000 & not exceeding £100,000	1,112.98	0.00	1,112.98
Fit out building up to 100m2	684.21	0.00	684.21

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Works not included in Tables A, B and C. Charged derived from hourly rate	80.81	0.00	80.81
Dropped Crossing Application Fee	102.00	0.00	102.00
Copy decision notices, etc	0.10	0.00	0.10
Covenant application for a new dwelling	153.00	0.00	153.00
Covenant Control application for window replacement, minor alterations, sheds and trees	61.20	0.00	61.20
Covenant Control application for extensions (including front porch)	125.46	0.00	125.46
Retrospective decision for window replacement, minor alterations, sheds and trees	93.84	0.00	93.84
Retrospective decision for extensions (including front porches)	188.70	0.00	188.70
Copy of the covenant plans	18.36	0.00	18.36
Planning			
Forward Planning Documents			
Adopted Replacement Harlow Local Plan 2006 - Written Statement and proposals Map	37.00	0.00	37.00
Adopted Replacement Harlow Local Plan 2006 - Written Statement and proposals Map CD-ROM	0.00	0.00	0.00
Adopted Replacement Harlow Local Plan 2006 - Written Statement Only	22.00	0.00	22.00
Adopted Replacement Harlow Local Plan 2006 - Proposals Core Strategy Issues and Options Consultation Document	15.50	0.00	15.50
Core Strategy Issues and Options Consultation Document	24.00	0.00	24.00
Core Strategy Issues and Options Consultation Document (0.00	0.00	0.00
Core Strategy Issues and Options Sustainability Appraisal incorporating SEA Directive	49.00	0.00	49.00
Core Strategy Issues and Options Consultation Summary Report	48.00	0.00	48.00
Emerging Strategy Consultation Document	24.00	0.00	24.00
Emerging Strategy Sustainability Appraisal	24.00	0.00	24.00
Emerging Strategy Consultation Summary Report	24.00	0.00	24.00
Open Spaces, Sport and Recreation SPD	5.15	0.00	5.15
Affordable Housing SPD	5.15	0.00	5.15
Harlow Design Guide SPD	47.00	0.00	47.00
Statement of Community Involvement Review 2014	6.00	0.00	6.00
Annual Monitoring Report	0.00	0.00	0.00
Great Crested Newt Study Report 2007	14.50	0.00	14.50
Green Infrastructure Plan for the Harlow Area 2005	23.50	0.00	23.50
Harlow Area Landscape and Environment Study 2005	107.00	0.00	107.00
Stort Valley Feasibility Study 2007	21.00	0.00	21.00
Strategic Flood Risk Assessment 2011	18.00	0.00	18.00
Local Wildlife Site Review 2011	13.50	0.00	13.50
Gypsy and Traveller Accommodation Assessment Update 2017			

SERVICE	2021/22	2022/23	
	Current Fee	Proposed Increase	Proposed Fee
	with effect from 01/04/2022		
	£.p	%	£.p
Essex Gypsy and Traveller Accommodation Assessment (ORS 2014)	40.00	0.00	40.00
Essex Gypsy and Traveller Accommodation Assessment (Fordham Research 2009)	56.00	0.00	56.00
Essex Gypsy and Traveller Accommodation Assessment (EPOA 2006)	5.50	0.00	5.50
Harlow Area Study - Master planning Principles and Sustainability Criteria 2005	32.00	0.00	32.00
London Commuter Belt (East) / M11 Sub-region Strategic Housing Market Assessment 2010	73.00	0.00	73.00
London Commuter Belt Sub-region Strategic Housing Market Analysis: Viability Assessment 2010	100.00	0.00	100.00
Harlow Urban Capacity Study 2006	21.00	0.00	21.00
Harlow Area Investment and Renewal Framework	37.50	0.00	37.50
Harlow Economic and Labour Market Statistics	12.00	0.00	12.00
Harlow Regeneration and Social Inclusion Strategy 2010-2015	8.00	0.00	8.00
Retail Study and Town Centre Health Check 2007	37.50	0.00	37.50
Retail Study Update 2010	24.00	0.00	24.00
Retail Study Addendum 2011	10.00	0.00	10.00
Generating and Appraising Spatial Options for the Harlow Area 2010	47.00	0.00	47.00
Harlow Infrastructure Study - Stage 1 Report 2008	30.50	0.00	30.50
Harlow Infrastructure Study Stage 2 - Final Report 2009	36.00	0.00	36.00
Harlow Transportation Study 2005	21.00	0.00	21.00
Rye Meads Water Cycle Strategy 2009	47.00	0.00	47.00
Harlow Play and youth Activity Strategy 2009	13.30	0.00	13.30
Harlow Playing Pitch Strategy 2009	26.00	0.00	26.00
Harlow Playing Pitch Strategy - Assessment Report 2009	26.00	0.00	26.00
Harlow Indoor Sports Hall Facilities 2012	15.00	0.00	15.00
Harlow Swimming Pool Facilities 2011	15.00	0.00	15.00
Harlow Playing Fields Assessment 2015	40.00	0.00	40.00
Harlow Employment Land Review 2013	24.50	0.00	24.50
Harlow Future Prospects Study 2013	48.00	0.00	48.00
Harlow Spatial Options Study 2014	24.00	0.00	24.00
Green Belt Review Stages 1 & 2 2015 (available mid-2015/2016)	24.00	0.00	24.00
Green Wedge Review 2014	40.00	0.00	40.00
Harlow Open Spaces and Green Infrastructure Study 2013	80.00	0.00	80.00
Greater Essex Demographics Forecasts Phase 1 & 2	32.50	0.00	32.50
Greater Essex Demographics Forecasts Phase 3	32.50	0.00	32.50
Greater Essex Demographics Forecasts 4 2013	32.50	0.00	32.50
Greater Essex Demographics Forecasts Phase 5	32.50	0.00	32.50
Greater Essex Demographics Forecasts Phase 6	32.50	0.00	32.50
Greater Essex Demographics Forecasts Phase 7	32.50	0.00	32.50
LCB Sub-region Strategic Housing Market Analysis Update 2013	10.00	0.00	10.00
Strategic Housing Land Availability Assessment 2014	20.00	0.00	20.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Strategic Housing Market Assessment 2015	20.00	0.00	20.00
Strategic Housing Market Assessment 2017	20.00	0.00	20.00
Affordable housing update 2017	10.00	0.00	10.00
Old Harlow Conservation Area Appraisal and Management Plan	31.00	0.00	31.00
Old Harlow Garden Village Conservation Area Appraisal and Management Plan	21.00	0.00	21.00
London Road North Master Plan	40.00	0.00	40.00
London Road North Design Code	27.00	0.00	27.00
London Road North Order and Schedule	18.00	0.00	18.00
London Road North Statement of Reasons	15.00	0.00	15.00
London Road South Design Code part 1	12.00	0.00	12.00
London Road South Design Code part 2	8.00	0.00	8.00
London Road South Order and Schedule	15.00	0.00	15.00
London Road South Statement of Reasons	14.00	0.00	14.00
Templefields North East Design Code	12.00	0.00	12.00
Templefields North East Order and Schedule	12.00	0.00	12.00
Templefields North East Statement of Reasons	6.00	0.00	6.00
Strategic Flood Risk Assessment 2016	44.00	0.00	44.00
Harlow Surface Water Management Plan 2013	60.00	0.00	60.00
Retail Frontages Study 2018	24.00	0.00	24.00
Sports Facilities Study 2017	130.00	0.00	130.00
Harlow Strategic Site Assessment 2016	82.00	0.00	82.00
Harlow Local Development Plan Pre-Submission Publication May 2018	62.00	0.00	62.00
Pre-Submission Policies Map	30.00	0.00	30.00
Pre-Submission Sustainability Appraisal	40.00	0.00	40.00
Pre-Submission Habitats Regulation Assessment	26.00	0.00	26.00
Development Management Documents			
Decision notices (cost per sheet)	0.10	0.00	0.10
Coloured copy A4	0.50	0.00	0.50
A3	0.20	0.00	0.20
A3 colour	1.00	0.00	1.00
A2	1.00	0.00	1.00
A2 colour	2.00	0.00	2.00
A1	1.50	0.00	1.50
A1 colour	4.00	0.00	4.00
A0	2.00	0.00	2.00
A0 colour	8.00	0.00	8.00
Miscellaneous Development Management Work			
Planning History Search (per hour)	51.60	0.00	51.60
Development Management Planning Fees			
1) The erection of dwelling houses (other than development within category 6)			
a) where the application is for outline planning permission			
- not exceeding 2.5 hectares (for each 0.1 hectare)	462.00	0.00	462.00
- exceeding 2.5 hectares	11,432.00	0.00	11,432.00
- + for each 0.1 hectare in excess of 2.5 hectares to maximum total £125,000	138.00	0.00	138.00

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
	with effect from 01/04/2022		
	£.p	%	£.p
b) in other cases			
- 50 or fewer dwelling houses for each house	462.00	0.00	462.00
- in excess of 50 dwellings and £100 for each house to max of £250,000	22,859.00	0.00	22,859.00
- + for each dwelling to max of £250,000	138.00	0.00	138.00
2) The erection of buildings (other than buildings in categories 1,3,4,5 or 7)			
a) where the application is for outline planning permission			
- not exceeding 2.5 hectares (for each 0.1 hectare)	462.00	0.00	462.00
- exceeding 2.5 hectares	11,432.00	0.00	11,432.00
- + for each 0.1 hectare in excess of 2.5 hectares to maximum £125,000	138.00	0.00	138.00
b) in other cases			
- where no floor space is created	234.00	0.00	234.00
- where the area of gross floor space does not exceed 40sqm	234.00	0.00	234.00
- where the area of gross floor space exceeds 40sqm but not 75sqm	462.00	0.00	462.00
- where the area of gross floor space exceeds 75sqm but not 3750sqm for each 75 sqm	462.00	0.00	462.00
- where the area of gross floor space exceeds 3750sqm	22,859.00	0.00	22,859.00
- + for each 75sqm to maximum £250,000	138.00	0.00	138.00
3) The erection of land used for the purposes of agriculture (other than buildings within category 4)			
a) where the application is for outline planning permission			
- not exceeding 2.5 hectares (for each 0.1 hectare)	462.00	0.00	462.00
- exceeding 2.5 hectares	11,432.00	0.00	11,432.00
- + for each 0.1 hectare in excess of 2.5 hectares to maximum £125,000	138.00	0.00	138.00
b) in other cases			
- where the area of gross floor space does not exceed 465sqm	96.00	0.00	96.00
- where the area of gross floor space exceeds 465sqm but not 540sqm	462.00	0.00	462.00
- where the area of gross floor space exceeds 540sqm but not 4215sqm	462.00	0.00	462.00
- + for each 75sqm	462.00	0.00	462.00
- where the area of gross floor space exceeds 4215sqm	22,859.00	0.00	22,859.00
- + for each 75sqm to maximum £250,000	138.00	0.00	138.00
4) The erection of glasshouses on land used for the purposes of agriculture			
- where the area of gross floor space does not exceed 465sqm	96.00	0.00	96.00
- where the area of gross floor space exceeds 465sqm	2,580.00	0.00	2,580.00
5) The erection, alteration or replacement of plant or machinery			
- not exceeding 5 hectares (for each 0.1 hectare)	462.00	0.00	462.00
- exceeding 5 hectares	22,859.00	0.00	22,859.00
- + for each 0.1 hectare in excess of 5 hectares to maximum £250,000	138.00	0.00	138.00

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
	with effect from 01/04/2022		
	£.p	%	£.p
6) The enlargement, improvement of other alteration of existing dwelling houses			
- 1 dwelling house	206.00	0.00	206.00
- 2 or more	407.00	0.00	407.00
7) the carrying out of operations within the curtilage of an existing dwelling house			
the carrying out of operations within the curtilage of an existing dwelling house	206.00	0.00	206.00
or			
- the construction of car parks, service roads etc	234.00	0.00	234.00
8) The carrying out of any operations connected with exploratory drilling			
- not exceeding 7.5 hectares (for each 0.1 hectare)	508.00	0.00	508.00
- exceeding 7.5 hectares	38,070.00	0.00	38,070.00
- + for each 0.1 hectare in excess of 7.5 hectares to maximum £250,000	151.00	0.00	151.00
9) The carrying out of any operations not coming within any of the above			
- not exceeding 15 hectares (for each 0.1 hectare)	257.00	0.00	257.00
- exceeding 15 hectares	38,520.00	0.00	38,520.00
- + for each 0.1 hectare in excess of 15 hectares to a maximum of £65,000	151.00	0.00	151.00
- in any other case (for each 0.1 hectare) to maximum of £1,690	234.00	0.00	234.00
10) The change of use of a building to use as one or more separate dwelling houses			
- where the change of use is to use 50 or fewer dwelling houses	462.00	0.00	462.00
- where the change of use is to use more than 50 dwelling houses	22,859.00	0.00	22,859.00
- + for each additional dwelling house to maximum £250,000	138.00	0.00	138.00
11) The use of land for the disposal of refuse or waste			
- not exceeding 15 hectares (for each 0.1 hectare)	234.00	0.00	234.00
- exceeding 15 hectares	34,934.00	0.00	34,934.00
- + for each 0.1 hectare in excess of 15 hectares to maximum £250,000	138.00	0.00	138.00
12) The making of a material change in the use of a building or land	462.00	0.00	462.00
Development Management Advertisement Application Fees			
Advertisements displayed on business premises, etc	132.00	0.00	132.00
Advertisements for the purpose of directing members of the public, etc	132.00	0.00	132.00
Other advertisements	462.00	0.00	462.00
Pre-Application Charges			
Initial fee written response			
Dwellings			
HSE queries	new charge		100.00
Single new dwelling	150.00	33.33	200.00

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Houses for Multiple Occupation	231.00	29.87	300.00
2-9 new dwellings	346.00	44.51	500.00
Small scale major (10-50 dwellings)	495.00	0.00	PPA
Large scale major (upwards of 50 units)	PPA	0.00	PPA
Non-residential			
Change of use (up to 100 sqm)	231.00	29.87	300.00
Minor commercial (creation of 0-999 sqm of floor space or over 0.1 ha)	240.00	108.33	500.00
Major commercial (creation of 1000 sqm of floor space or over 1.0 ha)	495.00	0.00	PPA
Initial fee meeting with notes			
Dwellings			
HSE queries	new charge		140.00
Single new dwelling	400.00	0.00	400.00
Houses for Multiple Occupation	n/a	0.00	400.00
2-9 new dwellings	436.00	49.08	650.00
Small scale major (10-50 dwellings)	1,252.00	0.00	PPA
Large scale major (upwards of 50 units)	1,523.00	0.00	PPA
Non-residential			
Change of use (up to 100 sqm)	n/a	0.00	n/a
Minor commercial (creation of 0-999 sqm of floor space or over 0.1 ha)	304.00	113.82	650.00
Major commercial (creation of 1000 sqm of floor space or over 1.0 ha)	644.00	0.00	PPA
Follow up charge officer hourly rate			
Dwellings			
HSE queries	new charge		variable*
Single new dwelling	variable*	0.00	variable*
Houses for Multiple Occupation	variable*	0.00	variable*
2-9 new dwellings	variable*	0.00	variable*
Small scale major (10-50 dwellings)	variable*	0.00	variable*
Large scale major (upwards of 50 units)	variable*	0.00	variable*
Non-residential			
Change of use (up to 100 sqm)	variable*	0.00	variable*
Minor commercial (creation of 0-999 sqm of floor space or over 0.1 ha)	variable*	0.00	variable*
Major commercial (creation of 1000 sqm of floor space or over 1.0 ha)	variable*	0.00	variable*
Planning Officer*	85.00	0.00	85.00
Senior Planning Officer*	100.00	0.00	100.00
Principal Planning Officer*	150.00	0.00	150.00
Additional specialist advice (Optional)			
Advice from another officer included in the written response or meeting (charged per hour if it requires more intensive research)	100.00	0.00	100.00
Another officer attending the meeting			
Director	500.00	40.00	700.00
Assistant Director	400.00	50.00	600.00
Planning Manager	300.00	66.67	500.00

SERVICE	2021/22	2022/23	
	Current Fee	Proposed Increase	Proposed Fee
	with effect from 01/04/2022		
	£.p	%	£.p
Other			
High Hedges	400.00	0.00	400.00
Condition Discharge - householder development	34.00	0.00	34.00
Condition Discharge - All other development	116.00	0.00	116.00
Non-Material Change - householder	34.00	0.00	34.00
Non-material Change - all other	234.00	0.00	234.00
Prior Approvals	96.00	0.00	96.00
Prior Approvals	206.00	0.00	206.00
Prior Approvals	462.00	0.00	462.00
Application for approval of reserved matters	Full fee or if full feed paid	0.00	Full fee or if full feed paid
	462.00		462.00
Approval/Variation of condition following planning permission	234.00	0.00	234.00
Confirmation of compliance with conditions - householder	34.00	0.00	34.00
Confirmation of compliance with conditions - other	116.00	0.00	116.00
Lawful Development Certificates			
Existing use or operation	same as full	0.00	same as full
Existing use or operation - lawful not to comply with any condition or limitation	234.00	0.00	234.00
Proposed use or operation	Half normal fee	0.00	Half normal fee
Domestic Refuse			
Sales of Bins			
180l Wheelie Bins	46.75	4.81	49.00
Delivery	at cost	0.00	at cost
Flat Block Refuse Bins Charge to Developers			
1100 litre Bin	512.50	7.32	550.00
960 litre Bin	512.50	7.32	550.00
240 litre bin	44.70	5.15	47.00
Delivery	at cost	0.00	at cost
House Refuse Waste Bins Charge to Developers			
180l Wheelie Bins	46.75	4.81	49.00
Delivery	at cost	0.00	at cost
Special Refuse			
Bulky Waste			
1 to 5 items	26.80	4.48	28.00
6 to 8 items	40.30	6.70	43.00
White goods - second visit when item is not correctly presented for the free collection	26.80	4.48	28.00
Recycling			
Sales of Bins			
240l Wheelie Bins	44.70	5.15	47.00
Kitchen Caddies large	18.40	5.98	19.50
Kitchen Caddies small	5.40	7.41	5.80
Delivery	at cost	0.00	at cost
Flat block Recycling Bins - Charges to Developers			
1100 litre bin	512.50	7.32	550.00
240 litre bin	44.70	5.15	47.00
Sales of Kitchen Caddies	5.40	7.41	5.80

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Delivery	at cost	0.00	at cost
House Recycling Waste Bins Charge to Developers			
240 litre bin	44.70	5.15	47.00
Kitchen Caddies large	18.40	5.98	19.50
Kitchen Caddies small	5.40	7.41	5.80
Green Waste			
premium fortnightly collection (wheeled bin)	42.00	0.00	42.00
green waste service set up charge	30.00	0.00	30.00
green waste service rejoin charge	10.00	0.00	10.00
bookable service (per bag)	0.97	3.09	1.00
Christmas Trees	2.20	4.55	2.30
Abandoned Vehicles			
Costs Recoverable	33.60	0.00	33.60
Voluntary Surrender of Vehicles	33.60	4.17	35.00
Street Scene			
Abandoned Shopping Trolleys	111.40	2.33	114.00
Allotments			
Rents - per square metre	0.18	0.00	0.18
Concessions - per square metre	0.09	0.00	0.09
Peppercorn rent for self managed sites	0.51	0.00	0.51
Nature Reserve			
Sale of firewood/Charcoal			
Bulk bag 1-10 bags, charge per bag	65.00	0.00	65.00
Bulk bag 11+ bags, charge per bag	55.00	0.00	55.00
Charcoal - over 100kilos - per kilo	1.75	2.86	1.80
Charcoal - up to 100kilos - per kilo	2.40	4.17	2.50
Hackney Carriages & Private Hire			
HC & PH Drivers Licence			
New Driver (annual)			
Admin fee - non refundable	120.00	0.00	120.00
Fee on completion of application	120.00	0.00	120.00
New driver (3 year)			
Admin fee - non refundable	120.00	0.00	120.00
Fee on completion of application	285.00	0.00	285.00
Renewal (annual)	124.00	0.00	124.00
Renewal (3 year)	295.00	0.00	295.00
Renewal Licence issued for less than 1 year	67 + 5/Full month	0.00	67 + 5/Full month
HC Vehicle Licence			
New Vehicle	298.00	0.00	298.00
Renewal	298.00	0.00	298.00
Rebate on surrender per month	-18.00	0.00	-18.00
PH Vehicle Licence			
New Vehicle	298.00	0.00	298.00
Renewal	298.00	0.00	298.00
Rebate on surrender per month	-18.00	0.00	-18.00
Transfer of Vehicle Licence	0.00	0.00	0.00
Replacement Items			

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
- badge	0.00	0.00	0.00
- plate	0.00	0.00	0.00
- platemate	0.00	0.00	0.00
Annual Private Hire Operator Licence			
operators licence	297.00	0.00	297.00
Five Year Private Hire Operator Licence			
operators licence	710.00	0.00	710.00
Knowledge Test			
Knowledge test	53.00	0.00	53.00
Retest full	53.00	0.00	53.00
Retest partial	21.00	0.00	21.00
Other Fees			
DBS first driver check	44.00	0.00	44.00
DBS each subsequent check	64.00	0.00	64.00
Officer Hourly rate	55.00	5.45	58.00
Administration Hourly rate	30.00	6.67	32.00
Environmental Health			
Animal Welfare Fees			
Animal Boarding			
1 to 6 boarded animals (application fee)	155.00	3.23	160.00
1 to 6 boarded animals (grant fee)	75.00	4.00	78.00
7 and over boarded animals (application fee)	230.00	4.35	240.00
7 and over boarded animals (grant fee)	100.00	3.00	103.00
Dog Breeding			
1 to 6 bitches (application fee)	155.00	3.23	160.00
1 to 6 bitches (grant fee)	75.00	2.67	77.00
7 and over bitches (application fee)	230.00	4.35	240.00
7 and over bitches (grant fee)	100.00	3.00	103.00
Selling animals as pets			
Application Fee	230.00	4.35	240.00
Grant Fee	100.00	3.00	103.00
Hiring our horses			
Application Fee	230.00	3.48	238.00
Grant Fee	100.00	3.00	103.00
Keeping animals for exhibition			
Application Fee	155.00	1.94	158.00
Grant Fee	100.00	3.00	103.00
Variation to licence			
Animal boarding	90.00	2.22	92.00
Selling animals as pets	90.00	2.22	92.00
Keeping animals for exhibition	90.00	2.22	92.00
Inspection fee	110.00	4.55	115.00
Variation of licence			
Dog Breeding	90.00	3.33	93.00
Hiring our horses	90.00	3.33	93.00
Inspection fee	110.00	4.55	115.00
Appeal of a risk rating score	140.00	7.14	150.00
Variations to reduce the licensable activities or numbers of animals	90.00	2.22	92.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Transfer of licence	90.00	2.22	92.00
Dangerous wild animal licence (+ vets fees)	180.00	5.56	190.00
Export Certificate	60.00	16.67	70.00
Special treatment registration	135.00	3.70	140.00
Wasp nest treatment (one treatment)	50.00	0.00	50.00
Wasp nest treatment (two treatments)	60.00	0.00	60.00
Fleas	50.00	0.00	50.00
Rats	50.00	0.00	50.00
Mice	50.00	0.00	50.00
Pest Control concessionary rate (wasps/fleas/rats/mice)	11.50	0.00	11.50
Stray dogs			
stray dogs	25.00	0.00	25.00
admin charge	25.00	0.00	25.00
kennelling charges	at cost	0.00	at cost
Zoo License (not including veterinary fee)	690.00	5.07	725.00
Veterinary Fees	at cost	0.00	at cost
Contaminated land enquiry	200.00	5.00	210.00
Officer Hourly rate	55.00	5.45	58.00
Admin Charge - Hourly rate	30.00	6.67	32.00
Large HMO Additional Licensing Scheme			
application full fee	610.00	6.56	650.00
application reduced fee	480.00	3.13	495.00
annual renewal full fee	225.00	6.67	240.00
annual renewal reduced fee	188.00	3.72	195.00
re-inspection full fee	180.00	8.33	195.00
re-inspection reduced fee	168.00	4.17	175.00
Additional charges small and large HMOs - Additional Licensing Scheme			
admin hourly rate	30.00	6.67	32.00
officer Hourly rate	55.00	5.45	58.00
application form incomplete	32.00	9.38	35.00
avoided licence application until found by Council investigation	255.00	9.80	280.00
avoided licence application reminder letter	52.00	5.77	55.00
missed appointment house inspection	120.00	12.50	135.00
licence holder change once granted	130.00	3.85	135.00
sending a final reminder	32.00	9.38	35.00
recommencing licensing process following final reminder	50.00	10.00	55.00
recovery fee - dishonoured cheque	38.00	18.42	45.00
LAPPC charges			
Application fee			
Standard process (includes solvent emission activities)	1,650.00	0.00	1,650.00
Additional fee for operating without a permit	1,188.00	0.00	1,188.00
PVR I, SWOBs and Dry Cleaners	155.00	0.00	155.00
PVR I & II combined	257.00	0.00	257.00
VRs and other Reduced Fee Activities	362.00	0.00	362.00
Reduced fee activities: Additional fee for operating without a permit	71.00	0.00	71.00

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Mobile plant**	1,650.00	0.00	1,650.00
for the third to seventh applications	985.00	0.00	985.00
for the eight and subsequent applications	498.00	0.00	498.00
<i>Where an application for any of the above is for a combined Part B waste application, add an extra £310 to the above amounts</i>			
Annual Subsistence Charge			
Standard process Low	772 (+104)*	0.00	772 (+104)*
Standard process Medium	1161 (+156)*	0.00	1161 (+156)*
Standard process High	1748 (+207)*	0.00	1748 (+207)*
PVRI,SWOBs and Dry Cleaners Low	79.00	0.00	79.00
PVRI,SWOBs and Dry Cleaners Medium	158.00	0.00	158.00
PVRI,SWOBs and Dry Cleaners High	237.00	0.00	237.00
PVR I & II combined Low	113.00	0.00	113.00
PVR I & II combined Medium	226.00	0.00	226.00
PVR I & II combined High	341.00	0.00	341.00
VRs and other Reduced Fee Low	228.00	0.00	228.00
VRs and other Reduced Fee Medium	365.00	0.00	365.00
VRs and other Reduced Fee High	548.00	0.00	548.00
Mobile plant, for first and second permits Low**	626.00	0.00	626.00
Mobile plant, for first and second permits Medium**	1,034.00	0.00	1,034.00
Mobile plant, for first and second permits High**	1,551.00	0.00	1,551.00
for the third to seventh permits Low	385.00	0.00	385.00
for the third to seventh permits Medium	617.00	0.00	617.00
for the third to seventh permits High	924.00	0.00	924.00
for the eight and subsequent permits Low	198.00	0.00	198.00
for the eight and subsequent permits Medium	314.00	0.00	314.00
for the eight and subsequent permits High	473.00	0.00	473.00
Late Payment Fee	52.00	0.00	52.00
<i>* the additional amounts in brackets must be charged where a permit is for a combined Part B and waste installation</i>			
<i>Where a Part B installation is subject to reporting under the E-PRTR Regulation, add an extra £104 to the above amounts</i>			
Transfer and Surrender			
Standard process transfer	169.00	0.00	169.00
Standard process partial transfer	497.00	0.00	497.00
New operator at low risk reduced fee activity (extra one-off subsistence charge - see Art 15(2) of charging system)	78.00	0.00	78.00
Surrender: all Part B activities	0.00	0.00	0.00
Reduced fee activities: transfer	0.00	0.00	0.00
Reduced fee activities: partial transfer	47.00	0.00	47.00
Temporary transfer for mobiles			
First transfer	53.00	0.00	53.00
Repeat following enforcement or warning	53.00	0.00	53.00
Substantial Change			
Standard process	1,050.00	0.00	1,050.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Standard process where the substantial change results in a new PPC activity	1,650.00	0.00	1,650.00
Reduced fee activities	102.00	0.00	102.00
LAPPC mobile plant charges (Not using simplified permits)			
Application fee			
1 to 2 Permits	1,650.00	0.00	1,650.00
3 to 7 Permits	985.00	0.00	985.00
8 and Over	498.00	0.00	498.00
Subsistence fee			
1 to 2 Permits Low	646.00	0.00	646.00
1 to 2 Permits Medium	1,034.00	0.00	1,034.00
1 to 2 Permits High	1,506.00	0.00	1,506.00
3 to 7 Permits Low	385.00	0.00	385.00
3 to 7 Permits Medium	617.00	0.00	617.00
3 to 7 Permits High	924.00	0.00	924.00
8 and Over Low	198.00	0.00	198.00
8 and Over Medium	316.00	0.00	316.00
8 and Over High	473.00	0.00	473.00
LA-IPPC Charges			
<i>Every subsistence charge below includes the additional £104 charge to cover LA extra costs in dealing with reporting under the E-PRTR Regulation</i>			
Application - LA element	3,363.00	0.00	3,363.00
Additional fee for operating without a permit - LA element	1,188.00	0.00	1,188.00
Annual Subsistence Low - LA element	1,447.00	0.00	1,447.00
Annual Subsistence Medium - LA element	1,611.00	0.00	1,611.00
Annual Subsistence High - LA element	2,334.00	0.00	2,334.00
Late Payment Fee	52.00	0.00	52.00
Substantial Variation	1,368.00	0.00	1,368.00
Transfer	235.00	0.00	235.00
Partial Transfer	698.00	0.00	698.00
Surrender	698.00	0.00	698.00
Town Centre Management			
Pitch fees - Town Centre Trading Pitches			
Regular Pitches			
Trading Pitches up to 10m²			
Monday - Sunday (1 day per week) calculated monthly	80.00	0.00	80.00
Trailers up to 6 metres (New)			
Monday - Sunday (1 day per week) calculated monthly	150.00	0.00	150.00
Monday - Sunday (each additional day) calculated monthly	102.00	0.00	102.00
Electricity (New)			
Monday - Sunday (1 day per week) calculated monthly	9.00	0.00	9.00
Ad Hoc Pitches			
Promotional Pitches			
Monday - Thursday (per day)	153.00	0.00	153.00
Friday - Saturday (per day)	246.00	0.00	246.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Weekly	948.00	0.00	948.00
Small Promotional Pitches			
Monday - Thursday (per day)	123.00	0.00	123.00
Friday - Saturday (per day)	185.00	0.00	185.00
Weekly	622.00	0.00	622.00
Not for profit pitches (charities)			
Monday - Sunday (per day)	33.00	0.00	33.00
Weekly	128.00	0.00	128.00
Monthly	375.00	0.00	375.00
Access Charge	52.00	0.00	52.00
Cancellation Fee	20% of Fee	0.00	20% of Fee
Miscellaneous Licences			
Street Trading			
Street trading licence	430.00	4.65	450.00
Street Trading (renew)			
Street trading licence	430.00	4.65	450.00
Licensing			
Miscellaneous Licences (new)			
Sex Shops	1,450.00	10.34	1,600.00
Miscellaneous Licences (renew)			
Sex Shops	1,250.00	4.00	1,300.00
Miscellaneous Licences (transfer)			
Sex Shops	675.00	0.00	675.00
Miscellaneous Licences (variation)			
Sex Shops	1,250.00	0.00	1,250.00
Highways Act (new)			
Tables & chairs			
- table	22.00	0.00	22.00
- chair	15.00	0.00	15.00
Highways Act (renew)			
Tables & chairs			
- table	21.00	0.00	21.00
- chair	14.00	0.00	14.00
Variation - No consultation	50.00	0.00	50.00
Variation - Consultation	100.00	0.00	100.00
Charity Collections (new)			
Lottery	40.00	0.00	40.00
Street collection	0.00	0.00	0.00
House to house collection	0.00	0.00	0.00
Charity Collections (renew)			
Lottery	20.00	0.00	20.00
Street collection	0.00	0.00	0.00
House to house collection	0.00	0.00	0.00
Street Trading (new)			
Street trading licence	430.00	4.65	450.00
Street Trading (renew)			
Street trading licence	430.00	4.65	450.00
Premises Licences and Club Premises Certificates (application fee)			

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
	with effect from 01/04/2022		
	£.p	%	£.p
Band			
a	100.00	0.00	100.00
b	190.00	0.00	190.00
c	315.00	0.00	315.00
d	450.00	0.00	450.00
e	635.00	0.00	635.00
city/town centre pub			
band d	900.00	0.00	900.00
band e	1,905.00	0.00	1,905.00
Premises Licences and Club Premises Certificates (annual fee)			
Band			
a	70.00	0.00	70.00
b	180.00	0.00	180.00
c	295.00	0.00	295.00
d	320.00	0.00	320.00
e	350.00	0.00	350.00
city/town centre pub			
band d	640.00	0.00	640.00
band e	1,050.00	0.00	1,050.00
application for minor variation	89.00	0.00	89.00
Scrap Metal Dealers			
Collectors fee	325.00	6.15	345.00
Site fee	425.00	5.88	450.00
Variation Fee - Major	45.00	11.11	50.00
Variation Fee - Minor	20.00	10.00	22.00
Recovery charges for works in default	at cost	0.00	at cost
Other Fees			
temporary event notice	21.00	0.00	21.00
theft, loss etc of temporary event notice	10.50	0.00	10.50
Theft, loss etc of premises licence or summary	10.50	0.00	10.50
Application for a provisional statement where premises being built	315.50	0.00	315.50
Notification of change of name or address	10.50	0.00	10.50
Application to vary licence to specify individual as premises supervisor	23.00	0.00	23.00
Application for transfer of premises licence	23.00	0.00	23.00
Interim authority notice following death etc. of licence holder	23.00	0.00	23.00
Theft, loss etc of certificate or summary	10.50	0.00	10.50
Notification of change of name or alteration of rules of club	10.50	0.00	10.50
Change of relevant registered address of club	10.50	0.00	10.50
Right of freeholder etc to be notified of licensing matter	21.00	0.00	21.00
Gambling Act - Licences			
Bingo premises licence (New)	3,300.00	0.00	3,300.00
Bingo premises licence (Variation)	1,650.00	0.00	1,650.00
Bingo premises licence (Renewal)	925.00	0.00	925.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Bingo premises licence (Application for Provisional Statement)	3,300.00	0.00	3,300.00
Bingo premises licence (Transfer)	1,130.00	0.00	1,130.00
Bingo premises licence (Re-instatement or Licence application Provisional Statement holders)	1,130.00	0.00	1,130.00
Adult Gaming Centre premises licence (New)	1,850.00	0.00	1,850.00
Adult Gaming Centre premises licence (Variation)	925.00	0.00	925.00
Adult Gaming Centre premises licence (Renewal)	925.00	0.00	925.00
Adult Gaming Centre premises licence (Application for Provisional Statement)	1,850.00	0.00	1,850.00
Adult Gaming Centre premises licence (Transfer)	1,130.00	0.00	1,130.00
Adult Gaming Centre premises licence (Re-instatement or Licence Application Provisional Statement holders)	1,130.00	0.00	1,130.00
Betting premises (track) licence (New)	2,365.00	0.00	2,365.00
Betting premises (track) licence (Variation)	1,180.00	0.00	1,180.00
Betting premises (track) licence (Renewal)	925.00	0.00	925.00
Betting premises (track) licence (Application for Provisional Statement)	2,365.00	0.00	2,365.00
Betting premises (track) licence (Transfer)	895.00	0.00	895.00
Betting premises (track) licence (Re-instatement or Licence application Provisional Statement holders)	895.00	0.00	895.00
Betting premises (other) licence (New)	2,780.00	0.00	2,780.00
Betting premises (other) licence (Variation)	1,420.00	0.00	1,420.00
Betting premises (other) licence (Renewal)	565.00	0.00	565.00
Betting premises (other) licence (Application for Provisional Statement)	2,780.00	0.00	2,780.00
Betting premises (other) licence (Transfer)	1,130.00	0.00	1,130.00
Change of circumstances	50.00	0.00	50.00
Betting premises (other) licence (Re-instatement or Licence application Provisional Statement holders)	1,130.00	0.00	1,130.00
Gambling Act - Permits			
Prize Gaming Permit New	300.00	0.00	300.00
Prize Gaming Permit existing operator	100.00	0.00	100.00
Prize Gaming Permit Renewal	300.00	0.00	300.00
Family Entertainment Centre Gaming Machine Permit New	300.00	0.00	300.00
Existing operator	100.00	0.00	100.00
Renewal	300.00	0.00	300.00
Club gaming and Club Machine permit new	200.00	0.00	200.00
Existing operator	100.00	0.00	100.00
Renewal	200.00	0.00	200.00
annual fee	50.00	0.00	50.00
Variation	100.00	0.00	100.00
Licensed Premises Gaming Machine Permit New	150.00	0.00	150.00
Existing Operator	100.00	0.00	100.00
Annual Fee	50.00	0.00	50.00
Variation	100.00	0.00	100.00
Transfer	25.00	0.00	25.00
Change of Name	25.00	0.00	25.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Copy of Permit	15.00	0.00	15.00
Copy of license	25.00	0.00	25.00
Market			
Pitch fees - Marked trading pitches on East Gate or Broad Walk			
Monthly Pitch Rentals 1 day per week			
Monday fee for first pitch (formerly £21/day)	46.00	0.00	46.00
Monday fee for subsequent pitch (formerly £15.50/day)	59.00	0.00	59.00
Tuesday, Friday, Saturday fee for first pitch	80.00	0.00	80.00
Tuesday, Friday, Saturday fee each additional pitch	59.00	0.00	59.00
Trader licensed for not more than 1 day per week on Tuesday or Friday first pitch	46.00	0.00	46.00
Trader licensed for not more than 1 day per week subsequent pitch	59.00	0.00	59.00
Electricity			
1 day per week calculated monthly	9.00	11.11	10.00
Trailers - Vehicles up to 6 metres			
1 day per week calculated monthly	150.00	0.00	150.00
Trailers - Vehicles up to 6.01 - 8 metres			
1 day per week calculated monthly	160.00	0.00	160.00
Finance			
Car Parks			
Post Office Road			
0-2 hours	1.25	0.00	1.25
2-3 hours	1.75	0.00	1.75
3-4 hours	2.75	0.00	2.75
more than 4 hours	7.75	0.00	7.75
Wych Elm			
0-2 hours	1.65	0.00	1.65
2-3 hours	1.95	0.00	1.95
3-4 hours	3.15	0.00	3.15
more than 4 hours	7.75	0.00	7.75
Post Office Road Commercial			
0-2 hours	1.25	0.00	1.25
2-3 hours	1.75	0.00	1.75
3-4 hours	2.75	0.00	2.75
more than 4 hours	7.75	0.00	7.75
Bush Fair, The Stow and Old Harlow Car Parks			
0-1 hour	0.00	0.00	0.00
1-2 hours	0.85	0.00	0.85
2-3 hours	1.75	0.00	1.75
3-4 hours	3.60	0.00	3.60
more than 4 hours	6.55	0.00	6.55
Weekends	0.00	0.00	0.00
Town Park			
0-1 hour	0.00	0.00	0.00
1- 5 hours	1.10	0.00	1.10
5+ Hours	6.20	0.00	6.20
Sat - Sunday 0-2 hours	0.00	0.00	0.00

SERVICE		2021/22	2022/23	Proposed Fee
		Current Fee	Proposed Increase	
		with effect from 01/04/2022		
		£.p	%	£.p
	more than 2 hours	1.25	0.00	1.25
Staff Car Parking	Car parking permit per year	250.00	0.00	250.00
	Individual vouchers (Members)	1.20	0.00	1.20
Parking Permits	Special Permits			
	Business	60.00	0.00	60.00
	Tye Green Bowls Club	60.00	0.00	60.00
	Market Traders			
	5 trading days per week	275.00	0.00	275.00
	4 trading days per week	220.00	0.00	220.00
	3 trading days per week	165.00	0.00	165.00
	2 trading days per week	110.00	0.00	110.00
	1 trading day per week	55.00	0.00	55.00
	Post Office Road season			
	1 year	640.00	0.00	640.00
	6 months	350.00	0.00	350.00
	3 months	175.00	0.00	175.00
	Wych Elm season			
	1 year	640.00	0.00	640.00
	6 months	350.00	0.00	350.00
	3 months	175.00	0.00	175.00
Bus Station	Departure fees	0.55	0.00	0.55
	Timetables	0.10	0.00	0.10
	Wallets	1.00	0.00	1.00
	Maps	Various	0.00	Various
Latton Bush Centre	Commercial			
	Meeting Room			
	Session	85.00	0.00	85.00
	Day	145.00	0.00	145.00
	Evening and weekends only (per hour, max 2 hours)	22.50	0.00	22.50
	Griffin Suite			
	Session	160.00	0.00	160.00
	Day	275.00	0.00	275.00
	Evening and weekends only (per hour, max 2 hours)	35.00	0.00	35.00
	Dining Hall			
	Session	140.00	0.00	140.00
	Day	230.00	0.00	230.00
	Evening and weekends only (per hour, max 2 hours)	22.50	0.00	22.50
	Latton Hall			
	Session	230.00	0.00	230.00
	Day	405.00	0.00	405.00
	Evening and weekends only (per hour, max 2 hours)	35.00	0.00	35.00
	Harlow Registered Charities only			
	Meeting Room			
	Session	45.00	0.00	45.00
	Day	80.00	0.00	80.00

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Evenings and weekends only (per hour, max 2 hours)	22.50	0.00	22.50
Griffin Suite			
Session	80.00	0.00	80.00
Day	120.00	0.00	120.00
Evenings and weekends only (per hour, max 2 hours)	35.00	0.00	35.00
Dining Hall			
Session	85.00	0.00	85.00
Day	120.00	0.00	120.00
Evenings and weekends only (per hour, max 2 hours)	22.50	0.00	22.50
Latton Hall			
Session	145.00	0.00	145.00
Day	210.00	0.00	210.00
Evenings and weekends only (per hour, max 2 hours)	35.00	0.00	35.00
LBC Tenants			
Meeting Room			
Session	65.00	0.00	65.00
Day	110.00	0.00	110.00
Evenings and weekends only (per hour, max 2 hours)	22.50	0.00	22.50
Griffin Suite			
Session	120.00	0.00	120.00
Day	210.00	0.00	210.00
Evenings and weekends only (per hour, max 2 hours)	35.00	0.00	35.00
Dining Hall			
Session	105.00	0.00	105.00
Day	175.00	0.00	175.00
Evenings and weekends only (per hour, max 2 hours)	22.50	0.00	22.50
Latton Hall			
Session	175.00	0.00	175.00
Day	300.00	0.00	300.00
Evenings and weekends only (per hour, max 2 hours)	35.00	0.00	35.00
All rooms booked on day only by Tenants per hour	17.00	0.00	17.00
Private Functions (Children's Parties/Wakes/Churches)			
Weekends only per 4 hour session			
Latton Hall Session (am or pm)	145.00	0.00	145.00
Dinning Hall Session (am or pm)	85.00	0.00	85.00
Latton Hall Full Day	210.00	0.00	210.00
Dining Hall Full Day	120.00	0.00	120.00
Equipment Hire			
Flipchart Stand	0.00	0.00	0.00
Flipchart Pad & Pens	5.00	0.00	5.00
OHP	0.00	0.00	0.00
PowerPoint Projector	0.00	0.00	0.00
DVD Video & Screen	0.00	0.00	0.00
PA System per Mic	0.00	0.00	0.00
Free Standing Projector Screen	0.00	0.00	0.00
Laptop Computer	0.00	0.00	0.00
Wireless Internet Access	0.00	0.00	0.00

SERVICE		2021/22	2022/23	Proposed		
		Current Fee	Proposed Increase	Fee		
		with effect from 01/04/2022				
		£.p	%	£.p		
Street Naming and Numbering	Add Alias Name to Numbered Property	40.00 per property	0.00	40.00 per property		
	Naming of Building, Flat Block or Industrial Area	110.00 per block or area	0.00	110.00 per block or area		
	New Development of 1-5 plots	70.00 per plot	0.00	70.00 per plot		
	New Development of 6-50 plots	10.00 per plot + 300.00	0.00	10.00 per plot + 300.00		
	New Development of 51+ plots	5.00 per plot + 550.00	0.00	5.00 per plot + 550.00		
	The schedule has been issued	50.00/plot	0.00	50.00/plot		
	Renaming of existing property	100.00 per property	0.00	100.00 per property		
	Confirmation of postal address for solicitors or conveyancers	40.00	0.00	40.00		
	Confirmation of postal address for residents/occupants	15.00	0.00	15.00		
	Provision of new street name	300.00	0.00	300.00		
	Renaming of a street where requested by residents	450.00	0.00	450.00		
	Property & Facilities Team	Skips	50.00	0.00	50.00	
		Hoardings	50.00	0.00	50.00	
Scaffolding		50.00	0.00	50.00		
Access inc Town Centre		52.00	0.00	52.00		
Tree surveys relating to land sales		new charge		At cost + 10% admin fee		
<u>Governance</u>						
Land Charges	Form LLC1					
	official search in one part of register	5.30	5.09	5.57		
	official search in whole of register	21.22	4.71	22.22		
	and in addition in respect of each parcel of land above one	5.30	5.09	5.57		
	CON29R Standard Enquiries					
	one parcel of land	117.69	5.36	124.00	£17.92 of this figure set by ECC - may increase	
	several parcels of land:					
	- first parcel	117.69	5.36	124.00	£17.92 of this figure set by ECC - may increase	
	- each additional parcels	19.10	4.87	20.03		
	CON29R & LLC1 Together					
	one parcel of land	138.90	5.27	146.22	£17.92 of this figure set by ECC - may increase	
	several parcels of land:					
	- first parcel	138.90	5.27	146.22	£17.92 of this figure set by ECC - may increase	
	- each additional parcels	24.40	4.92	25.60		
	CON29O Optional Enquiries					
	each printed enquiry	15.26	4.85	16.00		
	Q22 Common Land Question	16.80	0.00	16.80	Fee set by ECC - may increase	
	Additional Enquiries					
	Solicitors Own	22.85	4.90	23.97		
Freedom of Information	Freedom of Information					
	appropriate limit (18 hours)	450.00	0.00	450.00		
	Environmental Information Regulations					
	simple enquiries that require a basic answer	0.00	0.00	0.00		
more complex enquiries and requires information to be specifically collated (per hour)	25.00	0.00	25.00			

SERVICE		2021/22	2022/23	Proposed Fee
		Current Fee	Proposed Increase	
		with effect from 01/04/2022		
		£.p	%	£.p
Contact Harlow	Rail Passes	at cost + £1	0.00	at cost + £1
	Disabled WC Keys	2.50	0.00	2.50
	Leisure card	0.00	0.00	0.00
Communications	Harlow Times Advertising			
	Inside Full Page			
	Full Rate	900.00	0.00	900.00
	10% Discount	810.00	0.00	810.00
	20% Discount	720.00	0.00	720.00
	Half Page			
	Full Rate	450.00	0.00	450.00
	10% Discount	405.00	0.00	405.00
	20% Discount	360.00	0.00	360.00
	Quarter Page			
	Full Rate	225.00	0.00	225.00
	10% Discount	202.00	0.00	202.00
	20% Discount	180.00	0.00	180.00
	Eighth Page			
	Full Rate	112.00	0.00	112.00
10% Discount	100.00	0.00	100.00	
20% Discount	89.00	0.00	89.00	
The Playhouse	Box Office Booking and Exchange Fee			
	Promotions (not Playhouse Supporters)	1.50	0.00	1.50
	Hires (not Playhouse Supporters)	1.50	0.00	1.50
	Postage Charge			
	Postage charge to customers requesting that tickets are delivered to them	1.50	0.00	1.50
	Workshop Space Rental			
	Various	Various	0.00	Various
	Theatre Hire Fees for Harlow based amateurs			
	Main Auditorium			
	Performance Fees			
	Performance Fee (for 4.5 hour period)	800.00	0.00	800.00
	Second Performance in a Day (for 4.5 hour period)	670.00	0.00	670.00
	Additional Hourly Fees			
	Hourly theatre hire	150.00	0.00	150.00
	Additional staff (per person per hour)	25.00	0.00	25.00
Blocking rehearsal (per hour)	110.00	0.00	110.00	
Weekly Rates				
Up to 37 hours over 6 days	5,560.00	0.00	5,560.00	
Studio Theatre				
Performance Fees				
Performance Fee (for 4.5 hour period)	410.00	0.00	410.00	
Second performance call in a day (4.5 hours)	350.00	0.00	350.00	
Additional Hourly Fees				
Hourly theatre hire	93.00	0.00	93.00	
Additional Staff per person, per hour	25.00	0.00	25.00	

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Use as Dressing Room	42.00	0.00	42.00
Theatre Hire Fees			
Main Auditorium			
Performance Fees			
Performance Fee (for 4.5 hour period)	1,290.00	0.00	1,290.00
Second Performance in a Day (for 4.5 hour period)	980.00	0.00	980.00
Additional Hourly Fees			
Hourly theatre hire	250.00	0.00	250.00
Additional staff (per person per hour)	32.00	0.00	32.00
Blocking rehearsal (per hour)	155.00	0.00	155.00
Weekly Rates			
Up to 37 hours over 6 days	7,900.00	0.00	7,900.00
Studio Theatre			
Performance Fees			
Performance Fee (for 4.5 hour period)	600.00	0.00	600.00
Second performance call in a day (4.5 hours)	470.00	0.00	470.00
Additional Hourly Fees			
Hourly theatre hire	105.00	0.00	105.00
Additional Staff per person, per hour	32.00	0.00	32.00
Use as Dressing Room	42.00	0.00	42.00
Equipment Hire			
Sound			
Standard (Day)			
Sennheiser ew 300 G3 Headset Mic	20.00	0.00	20.00
Sennheiser ew 300 G3 Hand Held	20.00	0.00	20.00
AA Batteries (Box of 10)	3.50	0.00	3.50
Shure Beta 91A	8.00	0.00	8.00
Shure Beta 58	8.00	0.00	8.00
Shure Beta 57	8.00	0.00	8.00
Shure SM58	6.00	0.00	6.00
Audix D6	8.00	0.00	8.00
AKG C451	10.00	0.00	10.00
AKG C214 Stereo Pair	12.00	0.00	12.00
AKG C1000	8.00	0.00	8.00
Sennheiser E604	8.00	0.00	8.00
Sennheiser E906	8.00	0.00	8.00
KLARK Teknik DI Boxes	8.00	0.00	8.00
Yamaha Rio 16/8	30.00	0.00	30.00
Behringer P19 Package (8 Mixers)	60.00	0.00	60.00
Behringer P16 Package (5 Mixers)	45.00	0.00	45.00
Behringer P19 Package (1 Mixer)	10.00	0.00	10.00
Standard (Week)			
Sennheiser ew 300 G3 Headset Mic	60.00	0.00	60.00
Sennheiser ew 300 G3 Hand Held	60.00	0.00	60.00
Shure Beta 91A	16.00	0.00	16.00
Shure Beta 58	16.00	0.00	16.00
Shure Beta 57	16.00	0.00	16.00
Shure SM58	12.00	0.00	12.00
Audix D6	16.00	0.00	16.00

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
AKG C451	20.00	0.00	20.00
AKG C214 Stereo Pair	24.00	0.00	24.00
AKG C1000	16.00	0.00	16.00
Sennheiser E604	16.00	0.00	16.00
Sennheiser E906	16.00	0.00	16.00
KLARK Teknik DI Boxes	16.00	0.00	16.00
Yamaha Rio 16/8	60.00	0.00	60.00
Behringer P19 Package (8 Mixers)	120.00	0.00	120.00
Behringer P16 Package (5 Mixers)	90.00	0.00	90.00
Behringer P19 Package (1 Mixer)	20.00	0.00	20.00
Enhanced (Day)			
Sennheiser ew 300 G3 Headset Mic	20.00	0.00	20.00
Sennheiser ew 300 G3 Hand Held	20.00	0.00	20.00
AA Batteries (Box of 10)	3.50	0.00	3.50
Shure Beta 91A	Included	0.00	Included
Shure Beta 58	Included	0.00	Included
Shure Beta 57	Included	0.00	Included
Shure SM58	Included	0.00	Included
Audix D6	Included	0.00	Included
AKG C451	Included	0.00	Included
AKG C214 Stereo Pair	Included	0.00	Included
AKG C1000	Included	0.00	Included
Sennheiser E604	Included	0.00	Included
Sennheiser E906	Included	0.00	Included
KLARK Teknik DI Boxes	Included	0.00	Included
Yamaha Rio 16/8	30.00	0.00	30.00
Behringer P19 Package (8 Mixers)	60.00	0.00	60.00
Behringer P16 Package (5 Mixers)	45.00	0.00	45.00
Behringer P19 Package (1 Mixer)	10.00	0.00	10.00
Enhanced (Week)			
Sennheiser ew 300 G3 Headset Mic	60.00	0.00	60.00
Sennheiser ew 300 G3 Hand Held	60.00	0.00	60.00
Shure Beta 91A	Included	0.00	Included
Shure Beta 58	Included	0.00	Included
Shure Beta 57	Included	0.00	Included
Shure SM58	Included	0.00	Included
Audix D6	Included	0.00	Included
AKG C451	Included	0.00	Included
AKG C214 Stereo Pair	Included	0.00	Included
AKG C1000	Included	0.00	Included
Sennheiser E604	Included	0.00	Included
Sennheiser E906	Included	0.00	Included
KLARK Teknik DI Boxes	Included	0.00	Included
Yamaha Rio 16/8	60.00	0.00	60.00
Behringer P19 Package (8 Mixers)	120.00	0.00	120.00
Behringer P16 Package (5 Mixers)	90.00	0.00	90.00
Behringer P19 Package (1 Mixer)	20.00	0.00	20.00
Lights			
Standard (Day)			

SERVICE

	2021/22	2022/23	
	Current Fee	Proposed Increase	Proposed Fee
	with effect from 01/04/2022		
	£.p	%	£.p
Strand Cantata F 1.2kw fresnel	8.50	0.00	8.50
Strand SL 15/32 profile / S4 Jnr zoom 25/50	8.50	0.00	8.50
PAR can PAR64 (62/61/60) 1kw	6.50	0.00	6.50
UV Cannons	11.00	0.00	11.00
UV Tubes	11.00	0.00	11.00
Showtec Suntrip Active MKII	6.00	0.00	6.00
Quartet Fresnel 650w	7.00	0.00	7.00
Quartet Profile 650w	7.00	0.00	7.00
Birdies (batten of 4)	10.00	0.00	10.00
Follow Spots (w/o operators)	5.00 / show	0.00	5.00 / show
Standard (Week)			
Strand Cantata F 1.2kw fresnel	17.00	0.00	17.00
Strand SL 15/32 profile / S4 Jnr zoom 25/50	17.00	0.00	17.00
PAR can PAR64 (62/61/60) 1kw	13.00	0.00	13.00
UV Cannons	22.00	0.00	22.00
UV Tubes	22.00	0.00	22.00
Showtec Suntrip Active MKII	12.00	0.00	12.00
Quartet Fresnel 650w	14.00	0.00	14.00
Quartet Profile 650w	14.00	0.00	14.00
Birdies (batten of 4)	20.00	0.00	20.00
Follow Spots (w/o operators)	5.00 / show	0.00	5.00 / show
Enhanced (Day)			
Strand Cantata F 1.2kw fresnel	Included	0.00	Included
Strand SL 15/32 profile / S4 Jnr zoom 25/50	Included	0.00	Included
PAR can PAR64 (62/61/60) 1kw	Included	0.00	Included
UV Cannons	11.00	0.00	11.00
UV Tubes	33.00	0.00	33.00
Showtec Suntrip Active MKII	6.00	0.00	6.00
Quartet Fresnel 650w	Included	0.00	Included
Quartet Profile 650w	Included	0.00	Included
Birdies (batten of 4)	Included	0.00	Included
Follow Spots (w/o operators)	Included	0.00	Included
Enhanced (Week)			
Strand Cantata F 1.2kw fresnel	Included	0.00	Included
Strand SL 15/32 profile / S4 Jnr zoom 25/50	Included	0.00	Included
PAR can PAR64 (62/61/60) 1kw	Included	0.00	Included
UV Cannons	22.00	0.00	22.00
UV Tubes	44.00	0.00	44.00
Showtec Suntrip Active MKII	12.00	0.00	12.00
Quartet Fresnel 650w	Included	0.00	Included
Quartet Profile 650w	Included	0.00	Included
Birdies (batten of 4)	Included	0.00	Included
Follow Spots (w/o operators)	Included	0.00	Included
Intelligent Lighting			
Standard (Day)			
Clay Paky Alpha Spot (1500w) Each (8 available)	75.00	0.00	75.00
Clay Paky Alpha Spot 1200 HPE (1200w) Each (2 x available)	75.00	0.00	75.00

SERVICE

	2021/22	2022/23	Proposed
	Current Fee	Proposed Increase	Fee
with effect from 01/04/2022			
	£.p	%	£.p
Moving Light Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 4x Mac Auras)	250.00	0.00	250.00
Sidelight Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 6 x Sidelight Floor parcans)	250.00	0.00	250.00
Showtec LED PAR Can (36x3w RGB)	7.50	0.00	7.50
Showtec LED Expressions / Mac Auras	15.00	0.00	15.00
Standard (Week)			
Clay Paky Alpha Spot (1500w) Each (8 available)	150.00	0.00	150.00
Clay Paky Alpha Spot 1200 HPE (1200w) Each (2 x available)	150.00	0.00	150.00
Moving Light Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 4x Mac Auras)	500.00	0.00	500.00
Sidelight Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 6 x Sidelight Floor parcans)	500.00	0.00	500.00
Showtec LED PAR Can (36x3w RGB)	15.00	0.00	15.00
Showtec LED Expressions / Mac Auras	30.00	0.00	30.00
Enhanced (Day)			
Clay Paky Alpha Spot (1500w) Each (8 available)	Included	0.00	Included
Clay Paky Alpha Spot 1200 HPE (1200w) Each (2 x available)	Included	0.00	Included
Moving Light Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 4x Mac Auras)	Included	0.00	Included
Sidelight Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 6 x Sidelight Floor parcans)	Included	0.00	Included
Showtec LED PAR Can (36x3w RGB)	Included	0.00	Included
Showtec LED Expressions / Mac Auras	Included	0.00	Included
Enhanced (Week)			
Clay Paky Alpha Spot (1500w) Each (8 available)	Included	0.00	Included
Clay Paky Alpha Spot 1200 HPE (1200w) Each (2 x available)	Included	0.00	Included
Moving Light Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 4x Mac Auras)	Included	0.00	Included
Sidelight Package (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 6 x Sidelight Floor parcans)	Included	0.00	Included
Showtec LED PAR Can (36x3w RGB)	Included	0.00	Included
Showtec LED Expressions / Mac Auras	Included	0.00	Included
Special FX			
Standard (Day)			
Le Maitre 6ch desk	13.00	0.00	13.00

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Pyros	p.o.a	0.00	p.o.a
Mirror ball	11.00	0.00	11.00
Large smoke machine ¹	11.00	0.00	11.00
Antari Ice low smoke machine ¹	8.00	0.00	8.00
Bubble machine ¹	8.00	0.00	8.00
Hazer ¹	35.00	0.00	35.00
Star cloth	43.25	0.00	43.25
Mini Mist Portable Smoke Machine ¹	25.00	0.00	25.00
¹ Subject to fair use			
Standard (Week)			
Le Maitre 6ch desk	26.00	0.00	26.00
Pyros	p.o.a	0.00	p.o.a
Mirror ball	16.25	0.00	16.25
Large smoke machine ¹	22.00	0.00	22.00
Antari Ice low smoke machine ¹	16.00	0.00	16.00
Bubble machine ¹	16.00	0.00	16.00
Hazer ¹	70.00	0.00	70.00
Star cloth	86.50	0.00	86.50
Mini Mist Portable Smoke Machine ¹	50.00	0.00	50.00
¹ Subject to fair use			
Enhanced (Day)			
Le Maitre 6ch desk	13.00	0.00	13.00
Pyros	p.o.a	0.00	p.o.a
Mirror ball	21.50	0.00	21.50
Large smoke machine ¹	11.00	0.00	11.00
Antari Ice low smoke machine ¹	8.00	0.00	8.00
Bubble machine ¹	8.00	0.00	8.00
Hazer ¹	Included	0.00	Included
Star cloth	Included	0.00	Included
Mini Mist Portable Smoke Machine ¹	25.00	0.00	25.00
¹ Subject to fair use			
Enhanced (Week)			
Le Maitre 6ch desk	26.00	0.00	26.00
Pyros	p.o.a	0.00	p.o.a
Mirror ball	26.75	0.00	26.75
Large smoke machine ¹	22.00	0.00	22.00
Antari Ice low smoke machine ¹	16.00	0.00	16.00
Bubble machine ¹	16.00	0.00	16.00
Hazer ¹	Included	0.00	Included
Star cloth	Included	0.00	Included
Mini Mist Portable Smoke Machine ¹	50.00	0.00	50.00
¹ Subject to fair use			
Tabs & Cloths			
Standard (Day)			
Black legs 20' x 6'	15.00	0.00	15.00

SERVICE

	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Black tabs 22' x 22'	32.50	0.00	32.50
Red tabs	32.50	0.00	32.50
White Cyc	50.00	0.00	50.00
Black Gauze	50.00	0.00	50.00
Navy Blue Gauze	50.00	0.00	50.00
Standard (Week)			
Black legs 20' x 6'	30.00	0.00	30.00
Black tabs 22' x 22'	65.00	0.00	65.00
Red tabs	65.00	0.00	65.00
White Cyc	100.00	0.00	100.00
Black Gauze	100.00	0.00	100.00
Navy Blue Gauze	100.00	0.00	100.00
Enhanced (Day)			
Black legs 20' x 6'	15.00	0.00	15.00
Black tabs 22' x 22'	97.50	0.00	97.50
Red tabs	32.50	0.00	32.50
White Cyc	1 Included	0.00	1 Included
Black Gauze	50.00	0.00	50.00
Navy Blue Gauze	50.00	0.00	50.00
Enhanced (Week)			
Black legs 20' x 6'	30.00	0.00	30.00
Black tabs 22' x 22'	130.00	0.00	130.00
Red tabs	65.00	0.00	65.00
White Cyc	1 Included	0.00	1 Included
Black Gauze	100.00	0.00	100.00
Navy Blue Gauze	100.00	0.00	100.00
Scenic Cloths			
Standard (Day)			
Various	POA	0.00	POA
Standard (Week)			
Various	POA	0.00	POA
Enhanced (Day)			
Various	POA	0.00	POA
Enhanced (Week)			
Various	POA	0.00	POA
Staging			
Standard (Day)			
Steeldeck 8' x 4'	7.50	0.00	7.50
Steeldeck 8' x 2'	5.50	0.00	5.50
Steeldeck 6' x 3'	5.50	0.00	5.50
Steeldeck 4' x 4'	5.50	0.00	5.50
Steeldeck Handrails	2.50	0.00	2.50
Steeldeck comes with 1',2' or 3' Legs	FOC	0.00	FOC
Dance floor	54.00	0.00	54.00
Cabaret Chair	1.00	0.00	1.00
1' 2' 3' Treads	5.50	0.00	5.50
Standard (Week)			
Steeldeck 8' x 4'	16.00	0.00	16.00
Steeldeck 8' x 2'	11.00	0.00	11.00

SERVICE

	2021/22	2022/23	
	Current Fee	Proposed Increase	Proposed Fee
	with effect from 01/04/2022		
	£.p	%	£.p
Steeldeck 6' x 3'	11.00	0.00	11.00
Steeldeck 4' x 4'	11.00	0.00	11.00
Steeldeck Handrails	4.00	0.00	4.00
Steeldeck comes with 1',2' or 3' Legs	FOC	0.00	FOC
Dance floor	108.00	0.00	108.00
Cabaret Chair	2.50	0.00	2.50
1' 2' 3' Treads	11.00	0.00	11.00
Enhanced (Day)			
Steeldeck 8' x 4'	10 Included	0.00	10 Included
Steeldeck 8' x 2'	2 Included	0.00	2 Included
Steeldeck 6' x 3'	5.50	0.00	5.50
Steeldeck 4' x 4'	2 Included	0.00	2 Included
Steeldeck Handrails	2.50	0.00	2.50
Steeldeck comes with 1',2' or 3' Legs	FOC	0.00	FOC
Dance floor	54.00	0.00	54.00
Cabaret Chair	1.00	0.00	1.00
1' 2' 3' Treads	One pair Included	0.00	One pair Included
Enhanced (Week)			
Steeldeck 8' x 4'	10 Included	0.00	10 Included
Steeldeck 8' x 2'	2 Included	0.00	2 Included
Steeldeck 6' x 3'	11.00	0.00	11.00
Steeldeck 4' x 4'	2 Included	0.00	2 Included
Steeldeck Handrails	4.00	0.00	4.00
Steeldeck comes with 1',2' or 3' Legs	FOC	0.00	FOC
Dance floor	108.00	0.00	108.00
Cabaret Chair	2.50	0.00	2.50
1' 2' 3' Treads	One pair Included	0.00	One pair Included
Musical Instruments			
Standard (Day)			
Yamaha G1 baby grand	75.00	0.00	75.00
Piano Tuning	75.00	0.00	75.00
Standard (Week)			
Yamaha G1 baby grand	150.00	0.00	150.00
Piano Tuning	0.00	0.00	0.00
Enhanced (Day)			
Yamaha G1 baby grand	75.00	0.00	75.00
Piano Tuning	75.00	0.00	75.00
Enhanced (Week)			
Yamaha G1 baby grand	150.00	0.00	150.00
Piano Tuning	0.00	0.00	0.00
A.V.			
Standard (Day)			
Christie LX601i LCD Projector 6000 Lumens, XGA, 1.5-3.0:1 Lens	175.00	0.00	175.00
Fast fold screen 9ft x 12ft (front and rear)	54.00	0.00	54.00
VGA cable 25 m	5.50	0.00	5.50
AV Package (Christie Projector, MacBook Pro & Cabling)	225.00	0.00	225.00
Standard (Week)			

SERVICE	2021/22	2022/23	Proposed Fee
	Current Fee	Proposed Increase	
with effect from 01/04/2022			
	£.p	%	£.p
Christie LX601i LCD Projector 6000 Lumens, XGA, 1.5-3.0:1 Lens	350.00	0.00	350.00
Fast fold screen 9ft x 12ft (front and rear)	108.00	0.00	108.00
VGA cable 25 m	11.00	0.00	11.00
AV Package (Christie Projector, MacBook Pro & Cabling)	450.00	0.00	450.00
Enhanced (Day)			
Christie LX601i LCD Projector 6000 Lumens, XGA, 1.5-3.0:1 Lens	200.00	0.00	200.00
Fast fold screen 9ft x 12ft (front and rear)	54.00	0.00	54.00
VGA cable 25 m	5.50	0.00	5.50
AV Package (Christie Projector, MacBook Pro & Cabling)	250.00	0.00	250.00
Enhanced (Week)			
Christie LX601i LCD Projector 6000 Lumens, XGA, 1.5-3.0:1 Lens	400.00	0.00	400.00
Fast fold screen 9ft x 12ft (front and rear)	108.00	0.00	108.00
VGA cable 25 m	11.00	0.00	11.00
AV Package (Christie Projector, MacBook Pro & Cabling)	500.00	0.00	500.00
Housing Homelessness			
Bed and Breakfast charges (per week)			
Nightly lets			
Room	131.17	3.10	135.24
Studio / One bedroom property	131.17	3.10	135.24
Two bedroom property	147.57	3.10	152.15
Three + bedroom property	188.68	3.10	194.53
Supporting People			
Housing Related Support Charges (weekly charges)			
Intensive Housing Management	2.04	0.00	2.04
Dispersed Community Alarms	4.47	0.00	4.47
Harlow Community Support	7.45	0.00	7.45
Sheltered Housing Support	8.32	0.00	8.32
Alarm System - Monitoring only	1.95	0.00	1.95
Careline Alarms - non tenants (annual charge)	232.44	0.00	232.44
Summers Farm Close midday meal	6.10	0.00	6.10
Leah Manning Centre			
Self-Referrals			
Full Day	40.00	5.28	42.11
Half Day	24.00	0.00	24.00
Two Course Dinner and Tea/Coffee	5.00	4.00	5.20
Transport	7.00	5.71	7.40
Hourly Rate	10.00	0.00	10.00
Hall Hire (Per hour)			
Weekdays	32.00	0.00	32.00
Weekends	53.00	0.00	53.00

Harlow Council Pay Policy 2022/2023

PAY POLICY 2022/23

Introduction and Purpose

1. This Pay Policy Statement sets out the council's approach to pay policy in accordance with the requirements of Section 38 (1) of the Localism Act 2011 which required English and Welsh Councils to produce a Pay Policy Statement from 2012/13¹ and for each financial year thereafter and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013 and the Local Government Transparency Code 2014.
2. Section 112 of the Local Government Act 1972 gives local authorities the power to appoint officers on such reasonable terms and conditions as the authority thinks fit, the pay policy sets out how the council exercises this power.
3. The pay policy statement:-
 - Must be approved formally by the Full Council.
 - Must be approved by the end of March each year.
 - May be amended during the course of the financial year.
 - Must be published on the Council's website.
 - Must be complied with
4. The statutory pay policy statement must include the Council's policy on:
 - The level and elements of remuneration for each Chief Officer.
 - The remuneration of its lowest-paid employees (together with its definition of "lowest-paid employees" and its reasons for adopting that definition).
 - The relationship between the remuneration of its Chief Officers and other Officers.
 - Other specific aspects of Chief Officers' remuneration: remuneration on recruitment, increases and additions to remuneration, use of performance-related pay and bonuses, termination payments, and transparency.
5. Remuneration is defined widely, to include not just pay but also charges, fees, allowances, benefits in kind, increases in/enhancements of pension entitlements, and termination payments.
6. Local Government, and Harlow Council is going through a period of unprecedented and rapid change as a result of a number of political, economic, social drivers and challenges, national and local most notable of

¹ Approved at Cabinet 31 January 2012

which has been the Covid-19 pandemic. We recognise the need for flexibility to be able to respond to a changing landscape and our pay policy arrangements have been developed to reflect this.

7. The Council proposes to include information on other discretionary policies relating to remuneration and pensions.
8. The discretionary pay policy may include statements:-
 - a) To confirm that the JNC conditions of service for Chief Executives and Chief Officers are incorporated in those Officers' employment contracts and other related local agreements that have been included.
 - b) To confirm what any additional arrangements if any that may not amount to formal terms and conditions, but which relate to a Chief Officer's employment and which are a charge on the public purse. This may include volunteering, membership of external bodies etc.

Legislative Framework

9. Previous legislation already requires Councils to publish statements relating to remuneration:-
 - a) The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006 requires Councils to formulate, review, and publish its policy on making discretionary payments on early termination of employment.
 - b) The Local Government Pension Scheme (Administration) Regulations 2014 requires Councils to publish its policy on increasing an employee's total pension scheme membership and on awarding additional pension.
 - c) The Local Government (Discretionary Payments) Regulations 1996 (as amended) requires Councils to publish its policy on amount and payment of injury allowances following loss of employment.
10. In determining the pay and remuneration of all of its employees. The Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Small Business, Enterprise and Employment Act 2015, The Agency Workers (Amendment) Regulations 2019, and where relevant, Transfer of Undertakings (Protection of Employment) (Amendment) (Regulations) 2014 (TUPE Regulations 2014) and the Employment Rights (Miscellaneous Amendments) Regulations 2019. The Restriction of Public Sector Exit Payments Regulations 2020 (see 46 below).
11. With regard to the equal pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination in its pay structures and that all pay differentials are objectively justified through the use of an equality-proofed job evaluation mechanism, which directly relates salaries to the requirements, demands and responsibilities of the role. The Council has committed and is undertaking the analysis of the

operation of its current job evaluation process with TU support.

Objectives

12. The Authority clearly recognises the complex, challenging and competing drivers underpinning public sector remuneration, especially at the senior and subject matter specialist levels seeking to be able to recruit and retain high quality staff in a way which is externally competitive and internally fair, whilst acknowledging the financial constraints as pay and benefits are met from public funds.
13. In such a competitive recruitment 'market' remuneration levels need to enable the attraction of a suitably wide pool of talent, and the retention of suitably skilled and qualified individuals once in post. It should be recognised that the Council will often be seeking to recruit in competition with other public and private sector employers.
14. This pay policy applies in a consistent way from the lowest to the highest grade. This Pay Policy Statement covers all employees.

Publication of Remuneration Packages

15. The Council will continue to publish the salary ranges covering all employees on the official website for the Council. Where employees have been transferred into the Council under the Transfer of Undertakings (Protection of Employment) (Amendment) (Regulations) 2014 (TUPE Regulations 2014) their remuneration packages reflect their protected rates of pay.

Effect of this Policy

16. Nothing in this Pay Policy Statement enables unilateral changes to employees' terms and conditions of contract. Changes to terms and conditions of employment must follow consultation and negotiation with individuals and recognised trades unions as set out in agreements and in line with legislation.

Council's General Approach to Remuneration

Posts below Directors (was Head of Service)

17. The majority of employees are covered by the National Joint Council for Local Government Services, the National Agreement on Pay and Conditions of Service. This covers the lowest paid (grade 2) through to the Director (was Head of Service) level. Rates of pay for this group are reviewed annually via negotiations between the employer and trade union sides of the National Joint Council following which the council's pay and grading structure is adjusted to reflect these agreements.
18. The Council does not operate a system of performance related pay at this time. All employees, including the lowest paid and Chief Officers move through their salary banding through incremental progression, subject to satisfactory performance.

19. On 27 July 2021 a one year final offer pay award of 1.75% was made by the National Employers to those on NJC Terms and Conditions for the majority of staff (2.75% for the very lowest paid grades - not applicable to Council employees as Living Wage status sets the Council's pay rates above) backdated to 1 April 2021 for the year 2021/22. This was rejected by the three NJC Unions and ballots for strike action followed in late 2021. Confirmation from Unison NJC Committee on 14 January 2022 advised that they would not proceed to industrial action however, the outcomes of the GMB and Unite ballot have not yet been finalised. The pay award for 2021/22 is still pending no agreement has yet been made. Given this position discussions for 2022/23 have not yet commenced.
20. The Council remains committed to adherence with national pay bargaining in respect of the national pay spine and any annual cost of living increases negotiated.
21. The Council's pay spine currently commences at national spinal column point, SCP 1, grade 2 £18,260 pa - uplifted due to Living Wage rate agreement to £19,098.89 - and ends at local SCP 55. After grade 2 it is then divided into a further 18 grades numbered 3 to 20, containing 3 incremental points each. The Council continues with its commitment to the Real Living Wage set by the Living Wage Foundation (see paragraph 24 below).
22. Posts are allocated to a pay grade through a process of job evaluation. The Council uses the NJC for Local Government Job Evaluation Scheme. The Council has committed and is undertaking the analysis of the operation of its current job evaluation process with TU support.
23. The lowest paid group of employees are on grade 2 (representing 1.71% of the workforce), their FTE rate of pay was £18,260, £9.46 per hour as at 1 April 2020 (after August 2020 implementation), pay award pending. The Council having due regard to the "Living Wage", which following the most recent announcement of November 2021, increased the rate by a further 40p per hour (after the increase to £9.50 per hour in November 2020) to £9.90 per hour. This resulted in a further uplift on the bottom rate of changing the lowest annual salary to £19,098.89 per annum. All roles impacted by the change in the Living Wage Foundation rate including apprentices employed by the Council whose rate of pay from April 2018 has been set to the Living Wage Foundation rate, received this uplift in November 2021. The Council will continue to have due regard to further Living Wage Foundation changes.

24. A number of allowances are payable for this group, depending on the roles carried out. Some are flat rate and others are linked directly to salary. These allowances are only paid for those on grades up to 20.
25. In exceptional circumstances with appropriate senior management approval the Council may pay a market supplement in addition to the salary for the role where, in the absence of such a payment, it would not be possible to recruit and retain suitable employees. The value of the market supplement takes into account the labour market pay information for similar jobs. Any market supplements are to be reviewed on an annual basis and are varied or cease as necessary according to the labour market evidence for the role in question. Such a supplement is lawful under the Equality Act 2010 where there is evidence to justify that market factors are the “material reason” for the post attracting a higher rate of pay than other posts graded similarly. The Council will review this policy in 2022/23 to ensure it continues to be effective

Senior Managers (Assistant Directors and above)

26. In determining its grading structure and setting remuneration levels for any posts which fall outside its scope, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
27. During 2021/22 it was necessary there was a need to re-align resources at the council as a result of changing priorities and to enable agility particularly at the most senior levels in the council. The Council was currently suffering significant issues with the recruitment to vacant posts across its services and particularly at a senior level. There had been a widening of the pay gap between Heads of Service at Tier Two and their direct reports at Tier Three as a result of previous restructuring and downsizing in the historic Corporate Management Team (CMT). In conjunction with these changes, additional responsibilities taken on by a smaller management team at Tier Two was hampering the ability to accommodate strategic work. As a result of consultation with staff and the local trade union, supported by EELGA a new tier of Assistant Director was introduced to the organisation on 1 January 2022 following a realignment of the Services and reporting into the Director – previous Head of Service - roles.
28. There are 3 increment salary ranges for new roles of Assistant Director and Director posts (save for the additional duties completed by Deputy to the Chief Executive role, see point 30, below) and the Chief Executive, further information is available on the official website.
29. The Deputy to the Chief Executive provides appropriate senior level office cover in the absence/non-availability of the Chief Executive. The functions of this role are in addition to the Director duties required and therefore provide for 2 further increments on the Director salary range for these duties. Where the Deputy to the Chief Executive holds an additional official role i.e. Section 151 Officer, any linked special responsibility allowance is encapsulated within the additional increments payable for deputising for the Chief Executive.

30. Other allowances are not usually paid, apart from Returning Officer remuneration (the Chief Executive) Deputy Returning Officer remuneration (to be appointed) and an allowance to be paid currently to one Director, or an appropriate senior officer as designated, for undertaking the role Monitoring Officer.

Assistant Directors and Directors (includes Monitoring Officer and Section 151 Officer).

31. The value of the scale points in the Director’s and Assistant Directors grades will be uprated by the pay awards notified from time to time by the National Joint Council for Local Government Services. The 2021 pay claim is still being discussed, see paragraph 22 for more detail.
32. Information on ‘Senior Management’ responsibilities and remuneration will be published on the Council’s website in line with Local Government Transparency Code 2015 and the Accounts and Audit Regulations 2015.

Chief Executive

33. National advice states that a Head of Paid Service salary range should not be more than 20 times the FTE salary range of a Band 2 ‘Green Book’ employee. It is the Council’s policy that the FTE salary range for the post of Chief Executive will not be greater than the nationally advised level. The Chief Executive’s salary is significantly within this multiple. Notwithstanding the above, the value of the scale point in the Chief Executive’s grade will be uprated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.
34. The Chief Executive also receives a relevant Returning Officer/Deputy Returning Officer fee in respect of District Council, County Council, Parliamentary and European Elections and for other national referenda or elections.
35. The Joint Negotiating Committee for Chief Executives and Chief Officers have been offered a full and final offer of 1.5% (covering the period 1 April 2021 – 31 March 2022), on which the staff sides of both groups have rejected. We await further announcements from them about next steps; the Council will continue to have due regard to any further Joint Negotiating Committee for Chief Officers’ pay agreement(s) for 2021/22 and 2022/23, as applicable.

Pay Multiples.

36.

	2022/23*
Ratio of the Chief Executive’s FTE salary to the median FTE salary of the Council (£29,688 inclusive of Living Wage)	4.68 : 1
Ratio of the Chief Executive’s FTE salary to the lowest paid FTE employees (£19,098.89 at £9.90 per hour - Living Wage rate).	7.28 : 1

*Pay Award pending at time of publication, ratios calculated on current pay rate in January 2022.

Part Time/ Full time.

37. All annual salaries and annual allowances are paid pro rata to part time employees based on the hours contracted to work.

General Principles Applying to Remuneration of Chief Officers and Employees

38. On recruitment, individuals will ordinarily be placed on the lowest scale point within the pay grade for the post to which they are appointed. Appointment to a higher scale point will only be with the approval of the Assistant Director and HR Manager (Chief Executive for senior positions). A relocation allowance may also be granted in certain exceptional cases aligned to HMRC requirements, when new starters need to move to the area, with the approval of the Chief Executive or nominated Officer.
39. Individuals will normally receive an annual increment, in line with their individual terms and conditions of employment, subject to the top of their grade not being exceeded. In exceptional circumstances, individuals will receive accelerated increments with the approval of the Assistant Directors and HR Manager. Again, this is subject to the top of their grade not being exceeded.
40. The Council does not apply performance-related pay or bonuses.
41. The minimum point of a pay grade will not be lower than the maximum point of the preceding pay grade.

Pensions and Termination Payments

42. All employees, with a contract of employment are enrolled into the Local Government Pension Scheme (managed by Essex County Council). Details of contributions rates are set out below, these are set by the Administering Authority ECC. Eligible workers who have opted out of the scheme will be automatically re-enrolled providing they meet the auto enrolment criteria which occurs every three years.
43. The Council has the option to adopt a number of statutory discretions under the:-
 - (a) The Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2006.
 - (b) The Local Government Pension Scheme (Administration) Regulations 2014.
 - (c) The Local Government (Discretionary Payments) Regulations 1996 (as amended) (Organisational Change Policy).
44. Current policies are available on the Council's official website. The Council commits to review and revise as necessary, the written policy statements on how it will exercise the various discretions provided by the LGPS scheme.

Any discretions are subject to change, either in line with any change in regulations or by due consideration of the Council under the Chief Executive. These provisions do not confer any contractual rights. The Council will exercise discretion to minimise exposure to additional costs.

45. The exception to this is the multipliers and calculation of weekly pay used for voluntary and compulsory redundancy payments this policy follows the position adopted by most Councils basing the calculation on 1.5 x actual salary. This scheme may be amended from time to time subject to Chief Executive approval.
46. The Council's policies on Flexible Retirement (subject to review at time of publication), Organisational Change and Redundancy Payments are available on the Council's official website. Since the publication and agreement of the last Pay Policy (2021/22) the Restriction of Public Sector Exit Payments Regulations 2020 (which had come into force on 4 November 2020), were revoked by Government on 19 March 2021. The Council had no affected cases.

Pension Contribution bandings from April 2021

47. Following the Essex Local Government Scheme (LGPS) triennial valuation review in 2019 and subsequent notification the Council changed the current employer's superannuation rate to 20.1% from 1 April 2020, this is expected to remain in place until March 2023. The following employee contribution rates in accordance with actual pensionable pay continue to apply from April 2022. At the time of going to press no further change/updates have been advised, although Essex LGPS advise generally that pay band ranges will be increased each April in line with the cost of living. Any changes implemented by Essex LGPS will be followed:-

<u>Actual Pensionable Pay</u>	<u>Employee contribution rate</u>	<u>50/50 Section</u>
£0 - £14,600	5.5%	2.75%
£14,601 - £22,900	5.8%	2.9%
£22,901 - £37,200	6.5%	3.25%
£37,201 - £47,100	6.8%	3.4%
£47,101 - £65,900	8.5%	4.25%
£65,901 - £93,400	9.9%	4.95%
£93,401 - £110,000	10.5%	5.25%
£110,501 - £165,000	11.4%	5.7%
More than £165,101	12.5%	6.25%

Allowances (below Directors)

48. Ad hoc allowances are paid as and when a duty is carried out and will be paid monthly in arrears.
49. Where possible allowances will be paid as a monthly allowance, for example where staff follow a set pattern of work.
50. Professional membership fees when associated with the role being undertaken for the Council are reimbursed to employees at the rate of

100% of fees incurred and only one membership per employee is reimbursed in any financial year.

51. In accordance with the People Resource Plan (PRP) to enhance employee wellbeing and to assist with employee retention it is necessary to consider the total rewards package available to the Council's employees. The Council currently offer many benefits including the Local Government Pension Scheme (LGPS), flexi scheme (for 98 per cent of the Council's employees), childcare vouchers (aligned to government requirements for access), a dedicated Harlow Council employee benefits discount scheme which includes access to a cycle to work scheme and an Employee Assistance Programme (EAP), that provides access to extra support to manage life's everyday challenges. It offers free, confidential information and support, including counselling and a wellbeing centre by telephone, email, and online to help employees gain a better work-life balance. Over the forthcoming year it is intended to continue to promote the non-cash benefits employees receive.

Publication of information relating to remuneration and review

52. The Council will publish details of positions with remuneration of £50,000 or above in accordance with the Accounts and Audit Regulations 2015 and the Local Government Transparency Code issued by the Secretary of State for Communities and Local Government.
53. This Pay Policy Statement will be published on the Corporation's public website. If it should be necessary to amend this 2022/23 Policy during the year it applies, an appropriate resolution will be made by Full Council. Any amendments will also be published on the Council's public website.
54. This statement meets the requirements of the: Localism Act 2011; the Department for Communities and Local Government (DCLG) guidance on "Openness and accountability in local pay: Guidance under section 40 of the Localism Act" (including any supplementary Guidance issued); "The Local Government Transparency Code 2015"; and the Accounts and Audit Regulations 2015.
55. From 2018, the Council is required under the Equality Act 2010 to publish information every year showing the pay gap between male and female employees. The organisation's most recent report was published in March 2021, and showed a diminution in the mean and median hourly-rate gender pay gap and an increase in the proportion of women in the upper quartile of employees by pay rates.

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REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: HOUSING REVENUE ACCOUNT BUSINESS PLAN2021-2051

PORTFOLIO HOLDERS: COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

COUNCILLOR SIMON CARTER,
PORTFOLIOHOLDER FOR HOUSING

COUNCILLOR DAN SWORDS,
PORTFOLIO HOLDER FOR
REGENERATION

LEAD OFFICERS: SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE(01279) 446228

ANDREW MURRAY, DIRECTOR OF HOUSING(01279) 446676

CONTRIBUTING OFFICERS: SENIOR MANAGEMENT BOARD

This is a Key Decision

It is on the Forward Plan as Decision Number I012622

The decision is not subject to Call-in Procedures for the following reason:

The decision stands as a recommendation to Full Council

This decision will affect no ward specifically.

RECOMMENDED that Cabinet recommends to Full Council that:

- A** The Housing Revenue Account (HRA) Business Plan, as set out in Appendix A to this report, is approved.
- B** Authority is delegated to the Director of Housing, in consultation with the Portfolio Holder for Housing, to make minor amendments to the Plan, if necessary, following consultation.

REASON FOR DECISION

- A** The HRA Business Plan 2021-2051 is a formal update on the Council's landlord service over the next 30 years. Housing stock holding councils need to demonstrate that their business is sustainable over the long term.

BACKGROUND

1. This new Business Plan is presented in response to the new Corporate Strategy outlining the Council's short, medium and long term housing landlord ambitions. It recognises the need to establish a strong recovery tackling housing need, providing support for tenants/leaseholders and recommencing the Housing Investment Programme to keep our stock to the highest quality, with safe and improving housing conditions.
2. The HRA Business Plan set out in Appendix A of this report complements and is influenced by Housing landlord strategies and policies and other reports submitted to this meeting for approval including:
 - a) HRA Budget 2022/23
 - b) Capital Programmes 2021/22-2023/24
 - c) The Capital and Treasury Report 2022/23, which includes the Capital Strategy (attached as Appendix A to the report), giving information on the forecast capital programme to 2026/27; the Treasury Management Strategy (attached as Appendix C to the report) and the Investment Strategy (attached as Appendix D to the report)

What are the Plans Key Themes?

3. The key principles which underpin the HRA Business Plan are:
 - a) Increase rents by Consumer Prices Index (CPI) plus one per cent until 2024/25. After that, assume that the annual increase will be reduced to CPI plus half of one percent.
 - b) Review the current rent-setting policy, with a view to setting rents at target rent levels as properties are relet and options for setting rents at affordable rent levels where properties are acquired or newly built (with the aim of assisting the viability of schemes).
 - c) Renew the Public Works Loan Board debt of £209 million upon maturity of each loan, with options for repayment to be kept under review.
 - d) Set the minimum HRA working balance at 31 March 2022 at £4.563 million, representing the "industry norm" of £500 per property.
 - e) Retain and enhance the housing asset management plans as outlined below:
 - i) maintain compliance of the Council's housing stock to the housing regulatory requirements. Continue with the replacement regime (based on stock condition survey data) for internal and external property components such as kitchens, bathrooms,

central heating systems, roofs and external structure of homes, taking into account carbon neutral ambitions

- ii) prioritise resources to safeguard the wellbeing and safety of the Council's tenants in their homes with regard to increased statutory and legislative landlord requirements for fire safety, electrical (communal) safety, asbestos management and lift maintenance
 - iii) prioritise energy efficiency initiatives that alleviate fuel poverty aligned to carbon neutral ambitions
 - iv) prioritise resources for disabled adaptations to meet statutory requirements to be reviewed annually
 - v) prioritise resources to garage-related works and re-prioritise the approved Garage and Hardstand Strategy to ensure delivery of the proposed works within affordable budgets
 - vi) realise further efficiencies from responsive repairs programmes and scopes of works with Harlow Trading Services (Property and Environment) Ltd through the Business and Improvement Plans and the revised Service Agreement
 - vii) increase investment over the next six years by £25.939m to allow catch-up on stock condition requirements
 - viii) develop and roll out a three year housing delivery programme to underpin the aspirations for the delivery of affordable, social rented and new build housing, in accordance with local plan priorities, regeneration priorities, and affordability/viability
 - ix) commence a programme of estate renewal to ensure Harlow's estates are fit for the future, aligned to town regeneration priorities
- f) Assume annual increases in rents for garages of at least five per cent per year and increases/decreases in service charges related to changes in expenditure.

ISSUES/PROPOSALS

How has the Plan Been Changed?

4. The Business Plan incorporates the latest forecasted income and expenditure projections produced in consultation with tenant and leaseholder representatives. The Council is committed to resident involvement and believes that this is a way in which residents can be involved in the management of their homes.

Taking the Plan Forward

5. Set out in the plan are the short, medium and long term ambitions envisaged to achieve our aspirations for housing. Delivery plans for the landlord service will be aligned to these ambitions, as outlined in Appendix A.
6. The Plan is a working document subject to ongoing updates and reporting, and effectively establishes the HRA Medium Term Financial Strategy.
7. The Council's Housing Standards Board and Tenant and Leaseholder Panels will jointly monitor service delivery against the national housing standards regulated by the Social Housing Regulator and the reinvigorated Housing Regulator.

IMPLICATIONS

Strategic Growth and Regeneration

The ambitions in this Business Plan will have a transformative impact upon the town and will be a significant factor in the regeneration process when combined with other broader programmes. The liaison with the Planning service will be key in ensuring timely delivery of the objectives of the Business Plan.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

The financial implications are set out within the HRA Business Plan.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

Service implications are contained in the report and accompanying Business Plan.

Author: Andrew Murray, Director of Housing

Communities and Environment

The Business Plan has been developed in consultation with tenants and leaseholders, ensuring an inclusive approach to forward planning for the Council's Housing Services.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Support

None specific.

Author: Simon Hill, Director of Governance and Corporate Services

Appendix

Appendix A – HRA Business Plan 2021-2051

Background Papers

None.

Glossary of terms/abbreviations used

HRA – Housing Revenue
AccountCPI – Consumer Prices
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APPENDIX A



**Harlow Council
Housing Services
Business Plan**

2021 – 2051

Housing Services Business Plan 2021 – 2051

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Further Reading

HOUSING



The COVID-19 pandemic has seen a direct economic and social impact on people's lives and future prosperity. The Council's focus in this strategy will therefore be on establishing a strong recovery for Housing Services, tackling housing need, providing support for tenants/leaseholders and re-establishing the delivery of the Housing Investment Programme (HIP) to keep our stock to the highest quality, safe, and improving housing conditions. The Council will work with its partner Harlow Trading Service (HTS) Housing & Regeneration Ltd, the private sector and registered social landlords to pursue this aim.

The Council continues to receive additional government grant to help and support those who find themselves sleeping rough with our Partner "Streets2Homes". Together, we are finding more settled housing solutions. We will continue to support tenants and leaseholders in financial difficulties with help and access to Government support.

The Council has a principle role in all this through its substantial proportion of the housing stock. We are determined that our homes are safe and well maintained. We want everyone to have a home they can afford and where they wish, to raise a family in neighbourhoods where there is social cohesion and community wellbeing.

We have an ambition to build more council homes. We want all of our homes to be sustainable and affordable to heat, meeting the latest building standards. To achieve all this we will talk to our tenants, leaseholders and residents, to explain what we are doing and why. We will find out more about the people who live in our properties so that our services meet their needs. This is an ambitious plan, but we have the drive and ambition to see it delivered.

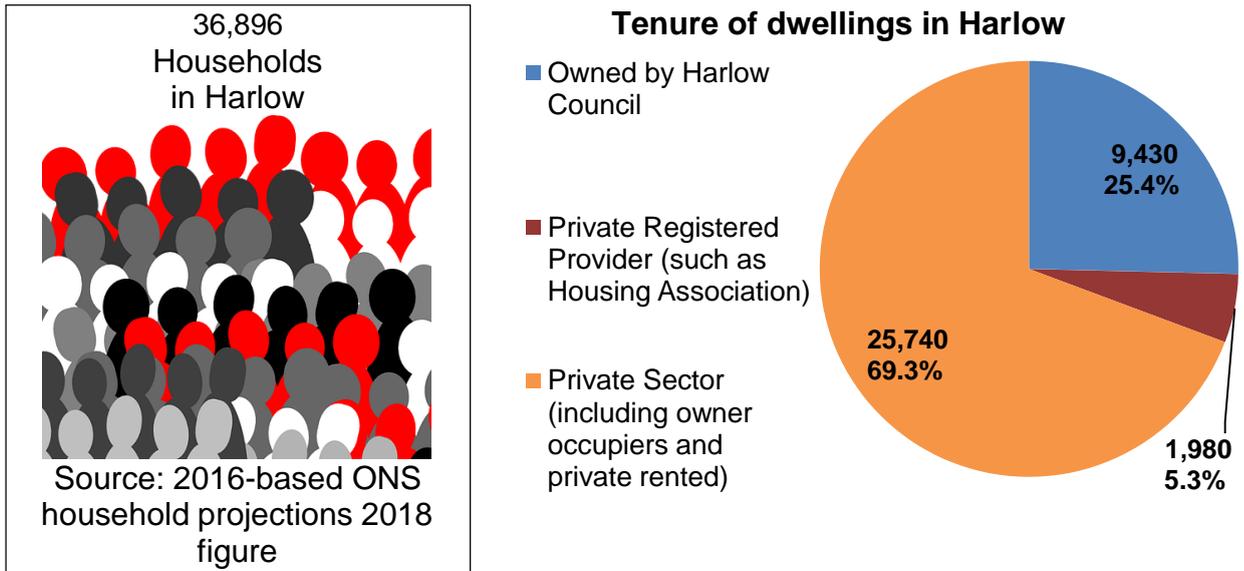
Councillor Simon Carter
Portfolio Holder for Housing

1. Introduction

- 1.1 Local Authority housing has its own ring-fenced Housing Revenue Account (HRA). This operates as a “business” of its own, separate to Councils’ other operations. The HRA takes its income from rents and service charges and spends its money exclusively on building and maintaining housing and providing services to tenants and leaseholders.
- 1.2 The Housing Revenue Account (HRA) Business plan is one of the central components of the Council’s overall business planning and is underpinned by:
 - The Corporate Strategy
 - Housing Strategy
 - Housing Need strategies
 - The Medium Term Financial Strategy
 - Service and Team Planning
 - Governance arrangements
 - Performance Management
- 1.3 To ensure the Council remains on target, its progress against our strategic ambitions will be monitored through the Council’s Performance Management Framework, which sets out the mechanisms and the range of tools utilised by Officers and Councillors in gathering and reporting the Council’s quarterly performance on service milestones, key performance indicators and the Council’s finances. The Council publishes a statement of its performance each quarter. These reports are presented to Cabinet and when agreed are published here: <http://www.harlow.gov.uk/performance-reports>
- 1.4 National priorities have been changed by successive Governments since the first Business Plan was presented to Full Council back in February 2012. Then, under self-financing, Harlow Council took on a debt of £208.837 million, in settlement of what was a centrally distributed subsidy system. This replaced the negative subsidy under the previous system where around a third of the rental income was paid to the government.
- 1.5 In 2015, Government measures required changes to the self-financing regime, of which only the central setting of rent levels was implemented, requiring Councils to mandatorily reduce dwelling rents by 1% annually from 2016/17 to 2019/20.
- 1.6 Councils may now, however, under the ‘Rent Standard 2020’, increase rents by no more than CPI+1% annually until 2024/25. It should be noted that CPI+1% will mean that tenants’ rents will increase by 4.1% in 2022/23. RPI (which is applied to costs in the Business Plan) will be 4.9%. So, although the Rent Standard may seem more generous, Harlow, along with all other stock-holding Councils, will likely experience a financial strain on their HRA Business Plans caused by an erosion of 0.8% between income and expenditure.

1.7 Notwithstanding this, the updated Business Plan is designed to reflect the position and achieve the Housing themes outlined in the Council’s Corporate Strategy in a positive manner. The Corporate Strategy was approved in December 2021 and continues to develop.

1.8 Although slightly out of date, the diagram below shows that Harlow Council is a significant player in the local housing offer, owning, managing and maintaining more than 25% of the properties in the District. This is why it is so important that the Council sets an excellent standard in the delivery of its Housing Service and the management and maintenance of its stock.



1.9 This document sets the Council’s Housing Delivery Plans in the context of National and Local priorities and the themes expressed in the Council’s Corporate Strategy. It then moves on to explain how the HRA Business Plan Financial model underpins the delivery plans, together with potential issues, risks and opportunities in delivering the desired outcomes. However, firstly, the next chapter describes the importance that the Council places on consultation and engagement with its tenants, leaseholders and other interested parties to ensure that they can play an active role in developing the business and ensuring that their rents and service charges are spent wisely and in their best interests.

2. Consultation and Engagement

2.1 Consultation

2.1.1 A key aim of the Council's Corporate Strategy is to develop wider community engagement. Therefore, the Housing Service wishes to facilitate improved engagement with tenants and leaseholders regarding their housing service.

2.1.2 The Council recognises the genuine shared commitment to embrace tenant and leaseholder participation, working together, placing them at the "heart" of what the Council does and shaping and improving services to ensure the Council's housing regulatory role is delivered effectively.



2.1.3 The Tenant and Leaseholder Engagement Strategy takes into account the regulatory arrangements and its implications for the Council, tenants and leaseholders. The strategy forms part of the Council's approach to the social housing regulation built around the concept of "co-regulation". The enhanced Housing Regulator sets the rules and guidelines for co-regulation, requires the Council to demonstrate robust self-regulation incorporating effective tenant and leaseholder involvement through its governance structures.

2.1.4 It is recognised by the Council, there is a requirement to widen representation and develop a strong "tenant voice". This will enable the Council to demonstrate enhanced accountability using traditional and modern methods of engagement.

2.1.5 The tenant and leaseholder engagement strategy's key objectives are to:

- Widen representation and involvement.
- Continuously review ways of communication and participation.
- Enhance joint working with the development of shared priorities.
- Establish effective and robust performance management across tenant and leaseholder participation activity.

2.1.6 The updated Business Plan has been produced in consultation with tenant and leaseholder representatives. The Council is committed to tenant and leaseholder participation and believes that this is a way in which they can be involved in the management of their homes.

2.1.7 The HRA Business Plan will be reviewed by tenants and leaseholders together with the other landlord's housing related policies and priorities. This will ensure tenant and leaseholder involvement in the:

- Making of decisions about how housing-related services are delivered, including the setting of service standards.
- Scrutiny of their landlord's performance and the making of recommendations to their landlord about how performance might be improved.
- Management of their homes, where applicable.
- Management of repair and maintenance services.

2.1.8 The Council's Housing Standards Board and Tenant and Leaseholder Standards Panels will jointly monitor service delivery against the consumer standards applicable to the Council and regulated by the Regulator for Social Housing.

2.2 Engagement

2.2.1 Housing Services' landlord survey identified the need to further enhance the way it interacts with customers. Almost 30% of respondents stated they would prefer to interact through an electronic method of communication such as the internet.

2.2.2 The new online customer portal went live in August 2020, providing access, including repairs, to a range of housing services. On line requests to the portal allow access to tenant and leaseholder charge accounts, providing advanced visibility of information, easier access to council services and reducing the number of manual transactions being processed. Associated business processes created to deal with the contact are allowing more effective responses to customer enquiries as part of the Council's wider

Customer Access Strategy.

2.2.3 There are a number of areas where improvements can be made to the information available to Council tenants and leaseholders. There are IT interfaces that can share this information automatically, and these will continue to be enhanced. The ambition is to increase the number of events which will enable the Council to provide the customer with more information about Council services.

2.2.4 Housing services are in the process of updating and realigning their Customer Service Access plans to align to the new Corporate Strategy. These plans include enhancing customer repairs, taking forward tenant profiling, and reinvigorating the Corporate Customer Service Access Strategy.

2.3 Landlord Survey

2.3.1 Housing Services conducts its Tenant Landlord Survey every two years and a Leaseholder Survey once a year. However, the completion of alternative surveys is important to both the Housing Service and Tenant and Leaseholder Engagement as the results can be used to measure and assist in shaping and developing future services.

2.3.2 The surveys cover questions around the overall tenant and leaseholder satisfaction with Housing Services as a whole. These also ask how satisfied tenants and leaseholders are when receiving housing and communal repairs, cleaning and grounds maintenance, modern homes or major works, service charges, leaseholder management fees and tenant and leaseholder engagement and empowerment. The Surveys also gauge tenants and leaseholders perception on different aspects of the Housing Service which include moving home, reporting anti-social behaviour, garages, contact and communication with Housing Services, complaints and value for money.

2.3.3 The Housing Service continues to review and update the way it engages with its Tenants and Leaseholders. Surveys of this nature allow the Council to develop a set of priorities based on consultation for future planning. The last survey showed satisfaction levels of 2018/19 was 71.43%. Due to the Covid pandemic and the recovery of services, both surveys will not resume until 22/23.

2.3.4 The main channels for consultation with tenant and leaseholder stakeholders are:

- Housing Standards Board
- Property and Tenancy Standards Board
- Leaseholder Standards Panel
- Harlow Times
- Housing Digital Tenancy Portal

2.3.5 Consultation with Councillors and Officers takes place through the Senior Management Board, Portfolio Holder Meetings and Cabinet.



3. Context: National and Local

3.1 National Context - General

3.1.1 Covid-19 has had a huge impact across society. We are facing higher than usual inflation, increases in the cost of living, along with procurement and supply chain issues which are having a direct impact on the landlord service. For a Housing Service, this becomes particularly important where:

- The Council has to set rents for the most vulnerable tenants in the community.
- Service charges to tenants and leaseholders are likely to increase due to increases in energy costs and the wider impact of inflation.
- Tenants and leaseholders may have experienced hardship due to “furlough” and loss of jobs.
- The Housing Service has not been able to access homes as easily as it previously could.
- There is a backlog of repairs.
- Energy costs and building costs have increased significantly.
- Access to building materials is not straightforward.
- There is a shortage of labour in the building industry.

3.1.2 It is against this backdrop that the current HRA Business Plan has been formulated, recognising that small steps will be made at first and that recovery plans are still in place to bring the service back to “normal”. In future years, the plan becomes more ambitious, delivering more to achieve the goals set out in the Corporate Strategy.

3.1.3 The increasing concern regarding climate change will also impact on the Housing Service. Homes need to become more energy efficient and the service needs to make changes in order to operate in a way that will render it carbon neutral by 2030.

3.1.4 In March 2020, the Government introduced a temporary £20.00 per week uplift for Universal Credit (UC) claimants in response to the coronavirus pandemic until the end of October 2021. The Government has subsequently announced in the Budget that it is making changes to the “taper” rate of UC with effect from December 2021, in relation to the amount deducted from claimants’ UC entitlements where the claimant is earning above their work allowance and will change from 63% to 55%, meaning that claimants will keep 45p (previously 37p) in every pound earned over the allowance. It is also increasing the Work Allowance by £500, which overall could mean an increase of £1,200 per annum in income.

3.1.5 The Office of National Statistics (ONS) reported in 2021 that national employment between the ages of 16 and 64 was 75.5%. Latest figures for Harlow, (June 2021) show employment rates at 74.2%.

3.2 National Context - Housing

3.2.1 The government continues to outline the commitments that social housing residents should be able to expect from their landlord. Some of these commitments have already been legislated, for example:

- Benefit Reform.
- Tackling Homelessness.
- Tackling Housing Need.

3.2.2 Others are expected to be legislated in the near future, for example:

- Building Safety.
- Raising standards and increasing the resident voice.
- Improvements in transparency and accountability, with a new housing regulation and a strengthened Housing Ombudsman.
- Increased regulation on consumer standards.
- A new national Rent Policy, placing standards on rent setting and affordability.

3.2.3 [The charter for social housing residents](#) (the new Housing White Paper) has been informed by a process of consultation and engagement with social housing residents following the fire at Grenfell Tower. It sets out a range of measures with the aim of rebalancing the relationship between social landlords – both local authorities and housing associations – and tenants. This is still yet to be legislated.

3.2.4 While much of the responsibility for delivering the expectations set out in the White Paper rests with social landlords, its implementation will be underpinned by a strengthened consumer regulation regime that we have been asked to take on as a “beefed up” Regulator for Social Housing (RSH). The new regime will build on our existing reactive “consumer regulation role and standards”, which Harlow Council will be subject to, and includes new Building Safety responsibilities.

3.2.5 What are the changes?

The White Paper sets out clear expectations that social tenants should be able to expect good quality homes and services. The new remit, once implemented, will be proactive and involve regular **regulatory engagement**. The expected key regulatory changes following broad areas:

- changes needed to the consumer standards that all social landlords will be required to meet,
- the proactive consumer regulation activity (including, for example, a programme of inspections as outlined in the White Paper) through which we will monitor and assess whether those standards are being met; and
- agreeing a set of tenant satisfaction measures that will both inform our regulation and help tenants hold their landlords to account.

3.2.6 Until the new legislation is brought in, the existing [consumer standards](#) continue to apply.

3.3 Local Context – Harlow

3.3.1 Harlow is a former new town, designated under the ‘New Towns Act 1946’.

3.3.2 The Act created a number of new satellite towns around London, which had suffered bomb damage during the Second World War and housed many in sub-standard dwellings. The town had the good fortune to be designed through the vision of Sir Frederick Gibberd (1908-1984), who was not only an architect and planner but also a landscape architect. Working with pretty much a blank canvas of small, sparsely populated, villages with houses, church and farms, Gibberd was able to design new communities among green wedges. Harlow is a relatively small town and one of the most densely populated areas in the East of England. In Harlow there is a larger proportion of terraced houses than is the norm, and 14 high rise flat blocks – The Lawn being the first high-rise residential tower block to be built in England, in 1951. Most of the immediate post-war housing was built by the public sector: a Development Corporation passed to the newly designated Harlow District Council its stock when it was wound up. The Council takes its housing landlord role very seriously. The financial challenges that it and all other Councils face mean that difficult choices have to be made.

3.3.3 The town is made up of suburban communities as well as shopping centres (note: the hatches are part of the smaller communities with schools and churches) and industrial and distribution centres. Harlow is at the centre of the London Stansted Cambridge Corridor. Harlow has many things going for it: an internationally important public sculpture collection including works by Auguste Rodin (1840-1917), Henry Moore (1898-1986), Barbara Hepworth (1903-1975), Gerda Rubenstein (b.1931); artistic communities such as Parndon Mill and Gatehouse Arts; green spaces including Parndon Wood - winner of many Green Flag Awards - the Town Park, and the Gibberd Garden; as well as the fact that nowhere in Harlow is far from some wonderful and tranquil wood, pond or stream or open space.

3.3.4 Harlow is an urban and green town mixing high-quality, varied housing and occupancy types for all incomes. The Council is strongly committed to maintaining its “landlord role”. The financial challenges that it and all other Councils face mean that priorities and difficult choices have to be made about the roles it undertakes.

3.3.5 A summary of the key characteristics for Harlow reveal:

- Harlow has excellent rail links – 20 minutes to London Stansted Airport, 35 minutes to London Liverpool Street and 40 minutes to Oxford Circus.
- Harlow’s population is projected to grow to 103,000 by 2039.
- The number of homes in Harlow is projected to increase by a further 16,100 by 2033.
- Wage levels are lower for residents than workers.
- The rate of NVQ Level 3+ qualification is lower than the national average.
- Located at the heart of the London Stansted Cambridge Corridor, with the space and the potential to unlock growth in key sectors across the corridor.
- Benefitting from strategic transport connections, with London, Cambridge and Stansted less than 40 minutes away and access to the M11 and M25. Housing potential growth - it is expected from the new Local Plan for 9,200 homes to be included within Harlow itself. It is also expected for a further 6,100, integrating a new coherent expanded urban area which includes (not all of Harlow is

- included in the Garden Town) the Harlow and Gilston Garden Town.
- UK Health Security Agency new £480m science hub and headquarters, bringing 3,245 new jobs to the town and signalling its growing importance as a location for life sciences.
- £250m investment in Harlow Enterprise Zone, building on Harlow's ICT (Information and Communications Technology) and the Medi-tech (Medical Technology) Centre creating 1,000 new jobs.
- A new Harlow hospital is to be built by 2026 to ensure the hospital is fit for the future and healthcare provision meets the needs of residents.
- A new £81 million junction on the M11 motorway is under construction and is set to be complete in 2022 to improve connectivity and ease traffic around the town.

Current Challenges:

- Low skills levels, with poor higher education engagement, low confidence levels, and a rate of NVQ 3+ qualification below the national average.
- Significant funding for infrastructure achieved in principle for including new crossings of the River Stort, West Anglia Mainline upgrades and road improvements.
- Some large housing estates in poor condition, requiring significant regeneration to maintain an inclusive and cohesive community.
- Significant funding is being sought for the town centre with recent residential conversions limiting the potential to create a mixed-use asset at the heart of the town.
- The town's largest employer, Princess Alexandra Hospital, is on a constrained site near the town centre that is not fit for purpose.
- Harlow has a young population, with those under ten accounting for 13% of the population. Excluding London Boroughs, this represents the 19th highest rate in England and Wales.
- Harlow has a more diverse population than ten years ago. Around 16% of Harlow's population are from the black and minority ethnic groups. This is slightly lower than the national average.
- Harlow's homes were all built around the same time and are aging together. Around a third of Harlow's rented homes are social rented from the Council, the third highest in England and Wales. This remains a huge contextual issue for Harlow as it shapes its regeneration plans.
- 51% of Harlow's homes are terraced houses; the fourth highest rate in England and Wales; and 24% are flats.
- House prices have increased recently, albeit from a low base and average incomes are lower than in many neighbouring areas, making homes even more unaffordable for many.

Recent achievements

3.3.6 The Council has delivered key housing achievements which include:

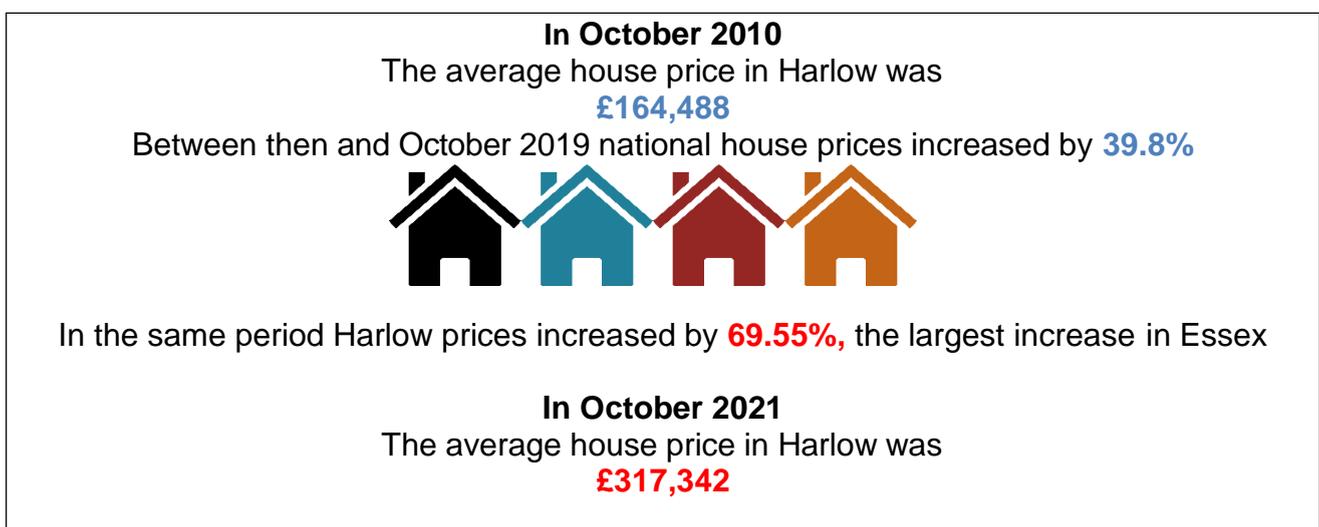
- Over £150 million in modern home investment to improve the homes of residents.
- New affordable housing for Harlow residents which include the replacement of estates at the Briars, Copshall Close and Aylets Field Estate Regeneration.
- 15 new council home on derelict garage sites.
- Repurchase of 46 houses within the town to assist with meeting housing need on the Council's housing register for family sized homes.

Stock condition challenges

- 3.3.7 The Council uses its Stock conditions surveys to manage its assets for assessing and planning its repair and maintenance programmes.
- 3.3.8 It is important it concludes the amount of resources that are required to sufficiently maintain its homes to a “modern homes” standard in order for a programmes and budgets to be identified for planned maintenance over the business plan period within resources forecasted.
- 3.3.9 As part of this year’s HRA Business Plan review, the housing service has reviewed its stock condition information. These have been aligned to new enhanced housing regulatory standards, as well as drawing conclusions on the amount of work required from the backlog identified left from Covid-19 restrictions. Over the coming seven years, in order to maintain its homes to modern construction/environmental standards, a profiled resource allocation to meet the stock requirements. Outlined in Appendix ii(a) are the identified resource allocations to include required annual allocations to meet these stock requirements.
- 3.3.10 The quantified “catch up” stock condition survey has been forecasted at £25.6 million and includes requirements for **enhanced** housing regulatory actions (e.g. fire safety/building safety/decent homes criteria), conclusions on ongoing repair requirements, an analysis of information on building components life cycles/building location and, importantly, any proposals for future use including remodelling or structural alterations. Continued review of these assumptions will be made annually and be aligned to wider town/estate regeneration priorities, estate renewal programmes, and wider environmental improvements. The profiled maintenance programme, detailed in Appendices ii and iii, includes estimated costs aligned to the wider 30 year projected life cycle maintenance required spend and will be reviewed annually against any national and local housing policy change.

Housing Need Challenges

- 3.3.11 Financial challenges continue to affect Harlow residents, including many Council tenants. In addition, many young adults find it hard to move into their own home. Average house prices are around seven times average earnings. This context demonstrates the ongoing lack of genuinely affordable housing in Harlow, with too many successful Harlow residents leaving the town, in part because they cannot find suitable housing:



3.3.12 The number of people renting in the private sector is increasing nationally and locally. The private sector remains a core component of the national housing supply. The high cost of buying a home and the sources of social housing means that many families have to rent privately in the medium to long term. Nearly 50% of growth in the private rented sector, in the last two years, has come from families with children with half of tenants aged 35 years or older.

3.3.13 There are currently 5,124 applicants on the Council's Housing Needs Register comprising:

Homeseeker Applicants	3,671	71.6%
Homeseeker Applicants (accepted homeless)	109	2.2%
Transfer Applicants	1,344	26.2%

3.3.14 During the year ending 31 March 2021, the Council housed 443 households which comprised:

Homeseeker Applicants	204	46%
Homeseeker Applicants (accepted homeless)	80	18%
Transfer Applicants	159	36%

3.3.15 In June 2021, the Council commenced its emergence from lockdown under Covid-19. A recovery plan for tackling housing need has been established to deal with the backlog of voids, lettings, and putting in place of Covid-19 revised business processes. The impact of Covid-19 has meant there continues to be fewer resources to meet local priorities.

3.3.16 Whilst there continues to be less resource to meet local priorities, the council will continue to work towards making more housing available in Harlow, with a wider choice of housing types which are genuinely affordable, by helping to improve the choices for those in housing need as well as improving health and wellbeing by improving housing conditions.

3.4 Analysis of Housing Stock

3.4.1 As at 1 April 2021, Harlow Council had a housing stock of 9,158 Council dwellings as shown in the table below. Of these, 11 homes are managed under the shared ownership scheme. A further 2,603 leasehold flats purchased under the 'Right To Buy' scheme are maintained by the Council. Harlow has one of the highest levels of social housing in the East of England, above the national average of 16.7% This is because of being one of the earliest New Towns in the country and the characteristics that prevail in terms of lower income levels and demographics.

Analysis of Housing Stock	Number
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Analysis by Type of Dwelling	
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Houses & Bungalows	5,579
Flats and Maisonettes	3,547
Other	32
Total	9,158

Analysis by Number of Bedrooms	
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Bedsitters	397
1 bedroom	2,042
2 bedrooms	3,538
3 bedrooms	2,830
4 bedrooms	321
5 bedrooms	25
Housing Multiple Occupancies	5
Total	9,158

4. Our Vision (Corporate Strategy)

Housing – Strategic Ambitions

- 4.1 Good quality affordable housing of all tenures that is appropriate for people at different points in their lives is a cornerstone of the Council’s new Corporate Strategy.
- 4.2 The Housing Portfolio contributes to a number of the key strategic themes as part of the overall vision to level up the Town, this includes continuing to invest in our homes, tackle housing need, and inequality by delivering housing strategies.
- 4.3 Set out below are the short, medium and long term ambitions envisaged to achieve Harlow’s aspirations for Housing

Short-term Ambitions	Medium-term Ambitions	Long-term Ambitions
<ul style="list-style-type: none"> • Identify preliminary council owned sites for all tenures appropriate for new housebuilding. • Identify housing needs to inform the type of housing that would be required for new housebuilding. • Improve the cleanliness of the communal areas in flat blocks. • Improve the customer experience with the Council’s repairs service • Continue to make the best use of and invest in our homes, tackling local priorities, prioritising energy efficiency schemes that can make a difference in tackling climate change and fuel poverty in line with the Government’s Green Paper. 	<ul style="list-style-type: none"> • In conjunction with Regeneration develop a house building plan for identified council owned sites. • Continue to tackle poverty and inequality by delivering housing strategies. • Deliver plans and strategies for affordable housing. This will include carbon reduction methods such as new boilers, roof installations (retrofitting). 	<ul style="list-style-type: none"> • Ensure all neighbourhoods are desirable places in which to live with homes that are safe, secure, and appropriate for people at different points in their lives. • Ensure future housing plans and strategies are aligned to the new national Housing White Paper.

Short-term Ambitions	Medium-term Ambitions	Long-term Ambitions
<ul style="list-style-type: none"> • Enable an improved conversation between the Council and tenants/leaseholders to help shape the continued development of housing services, allowing people to take a more active role in policy making. • Tackling homelessness, by providing more choices for those in housing need increasing the promotion of wider housing options and use of the private sector. • Ensure homes are decent, compliant, safe, affordable, and accessible to promote good physical and mental health and wellbeing and which are fit for the future. 		

Strategic Outcomes

4.4 The following Strategies will support the delivery and outcomes of our strategic aspirations for Housing. These are:

- **Tenant and Leaseholder Engagement Strategy.** Work with residents and deliver services in an open, transparent, and accountable way.
- **Allocations and Homelessness Strategies.** Ensure action plans are delivered, prioritised, and focussed to meet local housing need.
- **Affordable Housing Strategy.** Grow by building new homes that are affordable and meet local housing need. More residents in their own home whether its Council or private.

- **Sub Regional Strategy.** Play a leading and influential role regionally and nationally within the housing sector. Actively seek partnership opportunities with other housing providers.
- **Housing Regulatory Plan.** Invest in and deliver good housing regulatory governance, improving services.
- **Housing Revenue Account Business Plan.** Invest in securing and keeping the best talent in housing services. Use housing assets effectively and support sound financial health and sustainability.
- Focus on the **Supported Housing Service** to ensure a “needs led” service taking advantage of ant changes to the Social Care legislation and funding associated.

5. Delivery Plans



5.1 The statutory basis outlining responsibilities required of a housing landlord are contained within the 'Housing Act 1996', and subsequent legislation.

5.2 The housing service delivers Council landlord and associated housing related services formally regulated:

- Tenancy and Property
- Asset Management
- Compliance
- Income maximisation and tenancy support
- Managing the housing estates
- Managing empty properties
- Processing Right to Buy applications
- Tenant and leaseholder engagement
- Leasehold management
- Garage and hardstand management
- Enforcing tenancy conditions
- Tackling Anti-Social Behaviour
- Providing Housing Related Support (HRS) services

5.3 As landlord for 9,158 homes the Council has a responsibility to ensure that it:

- meets statutory regulatory requirements
- performs well in its landlord duties (e.g. rent collection, empty property management, and repairs)
- has housing that is safe and well maintained and managed
- listens to the tenants and leaseholders
- provides housing support where appropriate

5.4 The Housing service has the following delivery themes as part of the Council's corporate strategy:

Theme 1 - Identify preliminary council owned sites for all tenures appropriate for new housebuilding. Identify housing needs to inform the type of housing that would be required for new housebuilding. In conjunction with Regeneration, develop a house building plan for identified council owned sites.

5.4.1 The Council is strongly committed to the development of new housing in Harlow that is affordable and offers choice to all residents. Affordable includes:

- Social-rented
- Affordable-rented
- Shared Ownership
- Low Cost Home Ownership

5.4.2 Key worker housing Offering a mix of tenure will allow people in housing need to access their preferred and most appropriate option and allow the Council to build more homes owing to improved cost viability of a New Build Programme.

5.4.3 All homes built by the Council will meet criteria that will ensure that they are future-proofed and desirable places to live:

- Accessibility - built to "Lifetime Living" standards (i.e. flat, accessible entrance, wide door and corridor space, etc.)
- Appropriate materials used to ensure durability and prevent high repairing liability
- Carbon-neutral
- Designing out Anti-Social Behaviour (adequate lighting, no dark areas, anti-graffiti, etc.)
- "Tenure Blind" – whatever the tenure, passers-by will not be able to ascertain whether a property is Social Housing, Affordable or Owned
- Adequate greening (planting of trees and shrubs) with maintenance plans built in.

5.4.4 The Council is already in the process of building new Council homes – the schemes at 4, The Hill and Bushey Croft will deliver 18 new social-rented homes by the end of 2021/22. It is proposed also to establish an "Estate Renewal Working Group", which will be chaired by the Portfolio Holder for Regeneration and Director of Strategic Governance which will involve the Portfolio Holder for Housing, officers from the Housing, Environment and Finance portfolios, to form part of a wider town regeneration strategy.

5.4.5 A future House Building Programme is being extrapolated to deliver a significant number of new homes over the next few years. This will include opportunities for land acquisition as sites come to the markets. A comprehensive New Build Programme is to be reported to Cabinet in March 2022. The Council intends to increase the number of Council homes that it builds. This will assist in meeting the 2023/4 Corporate Strategy ambition over the next three years helping both to meet the local housing need and commence the regenerating of estates respectively.

5.4.6 The Bushey Croft scheme was awarded Homes England grant and bids will be made in the future for grant funding for new schemes. However, grant funding precludes the use of Right to Buy One for One Receipts (RTB 141), so the financial viability of schemes, use of grant funding and use of RTB 141 receipts will all have to be balanced carefully to ensure the best financial outcome for the authority.



Theme 2 - Improve the cleanliness of the communal areas in flat blocks.

5.4.7 The Council is currently undertaking a review of both the Cleaning standards and the current scope and coverage of the Caretaking and Cleansing service. The aim of the review is to improve and extend the service to all areas identified as requiring intervention. Three pilot sites have been identified for the extension of the service in 2022/23. Planning and consultation with residents will commence in 2022 with the aim of introducing the service from 1 October 2022. In addition to extending the service, a pilot on three existing sites is being undertaken in 2021/22 to review the current scope and frequency.

Theme 3: Improve the customer experience with the Council's repairs service.

5.4.8 The Council and HTS (Property and Environment) Ltd continue to move towards a developing a set of shared objectives to provide further enhancements to the service they provide for repairs and maintenance to tenants and leaseholders. Throughout 2022/23, further enhancements to the customer service will be jointly implemented by both organisations, allowing customers to report repairs online, providing enhanced information about the status of a repair and improvements to the way repairs are scheduled and the time taken to complete them. A review of the KPIs associated with the HTS (Property and Environment) Ltd service agreement is in progress to ensure that they are aligned to the recommendations contained with the Best Value Review reported in 2020. Intensive training of call centre staff is being developed and monitoring processes associated with customer satisfaction reviewed and updated.



Theme 4: Continue to make the best use of and invest in our homes, tackling local priorities, prioritising energy efficiency schemes that can make a difference in tackling climate change and fuel poverty in line with the Government's Green Paper.

5.4.9 Climate change continues to become an increasing priority. Whilst it is difficult to set targets there is a requirement for setting “overarching principles”. Many of the energy efficiency measures that have been discussed look at reducing CO₂ emissions, however climate change is affecting our weather patterns and we are seeing more frequent high winds and gales, heavy rains and floods in Harlow. This continues to cause significant damage to some of our buildings. The Housing service will look at measures that can be taken to reduce the effects of climate change to its housing stock:-

- Prioritising the Energy Efficiency of the Council's housing stock in regard to replacement and renewal of the Council's Communal and District Heating Systems, including the charging of heat and hot water on an individual household basis via the installation of heat meters within properties and improving the energy efficiency of the poorest performing properties which pose a risk of fuel poverty to our tenants
- The Council is committed to this programme of work with schemes identified for replacement in the 2021/22 Capital Programme
- Alongside this work, the Council has also continued to ensure its progress towards full compliance with its obligations under the 'Heat Network (Metering and Billing) Regulations 2014' – with the levying of individual heating charges to each property instead of a share of the total costs
- The Council fully recognises the scale and significance of this change for its residents, and has closely monitored the impact of this upon households. It has provided additional advice and support when necessary in regard to issues of vulnerability and/or affordability. This approach will continue into 2022/23 as the next phase of transition to individual heating charging takes place

- In addition, continued asset management value continues to be derived from the 2015/16 Harlow Home Energy Study by Rickaby Thompson Associates. This gave rise to, a programme of targeted improvement works ensuring that the Council will have – as required from April 2018 via the Energy Act 2011 and Fuel Poverty Regulations 2014 – no properties subject to re-letting restrictions via an Energy Performance Certificate (EPC) rating below band E by April 2018



Theme 5: Tackling homelessness by providing more choices for those in housing need by increasing the promotion of wider housing options and use of the private sector.

- 5.4.10 The number of Homeless applications and Harlow's housing shortage continues to remain high, with the number of local residents on the Council's Housing Needs Register continuing to increase showing the demand for housing need locally. There are arguments to remove Band 4 from the Housing Needs Register (HNR) in view of the unlikelihood of the applicants achieving a property. The Council's view is that, whilst it may hold out unrealistic expectations for many, it provides a better idea of unmet demand for the Housing Strategy and local plan.
- 5.4.11 The Council continues to receive grant funding to support and assist with the duties prescribed by the Homeless Reduction Act, and is awaiting notification as to whether it has been successful in receiving further determination for grant funding under the Homeless Prevention Grant 2022/23. The Homelessness Grant is no longer ring fenced to homelessness, nor is it guaranteed. It is expected to be significantly reduced over time and could ultimately be withdrawn as the government attempts to reduce the reliance on government funding and achieves its target of removing rough sleeping by 2025.
- 5.4.12 It is recognised locally that London Boroughs, and other councils, continue to place their homeless in temporary accommodation in Harlow. This continues to put added pressure on local support services and planning regulations making best use of limited buildings.

5.4.13 The number of homeless households being placed in Temporary Accommodation (T/A) has steadily risen in Harlow. In March 2020 there were 258 and by October 2021 there were 277. However, this number has also been adversely affected by the Covid pandemic and the moratorium on evictions in both the social and private housing sectors. Whilst there continues to be a lack of housing in both the social and private sectors the Council continues to annual review its procurement arrangements for temporary accommodation to ensure best value and suitability and continues to explore alternative options for applicants who are owed an accommodation duty under current homelessness legislation.

5.4.14 Based on current volumes, there is an expectation both locally and nationally that T/A numbers will continue to rise by 20% in the next 12 months. It is envisaged that demand on the service will continue to increase due to Covid-19 emergency laws covering evictions that came to an end on 31 May 2021, the furlough scheme that came to an end at the end of September 2021 and other financial relief coming to an end, such as mortgage holiday breaks and the enhanced £20 per week uplift of UC payments which came to an end in October 2021.

5.4.15 In October 2021, the Government, through the ring fenced Homeless Prevention Grant, provided a top up grant of £116,246. The purpose of the grant is to help and support low-income vulnerable private renters with Covid-19 related rent arrears to avoid and reduce the risk of them being evicted and becoming homeless. The grant enables the Council to provide targeted funding to those who need it most.

5.4.16 To qualify for assistance, the households are required to satisfy the requirements under the Homelessness Reduction Act 2017 for the Prevention duty to be owed to them. The household must also meet either the vulnerability threshold or have a priority need and fall within the purpose of this grant. Low income households are classified as those that are entirely reliant on means tested benefits or are in paid employment but have an element of UC being awarded to them.

Rough Sleepers

5.4.17 Since the commencement of the Government's Rough Sleeper Initiative (RSI), the council has successfully secured grant funding for the last four years to work intensively within the local area to tackle rough sleeping. In 2021/22 the Council secured RSI funding totalling £394,994. The Council are currently in the process of submitting a further RSI bid for funding for 2022/23.

5.4.18 Harlow Council has seen over a 90% reduction in the number of people sleeping rough in the town since the annual autumn count in 2020 which was 4. Due to the ongoing work with our partners Streets2Homes (S2H), the additional funding received from the Government to enhance the initiatives available to this group has reduced the numbers currently (October 2021) to nil.

5.4.19 The following initiatives within the government funding commenced in April 2021:

- Continued employment of a Rough Sleeper Co-Ordinator to manage and monitor the progress of the initiative and to lead and coordinate the enhanced Severe Weather Provision.
- Grant funding to S2H to recruit additional Outreach / Tenancy Support Workers.
- Providing personalised housing budgets to individuals to assist them in securing accommodation.
- Continue to support the S2H hostel at Bromley Cottages, with in-reach, outreach and Tenancy support.



5.4.20 Harlow's Homelessness Partnership Group, which was established in 2010, is in the process of being reviewed with a new approach to partnership working with the Probation Service, S2H , Registered Providers, The Department for Work and Pensions (DWP) and the Citizens Advice Bureau (CAB). The aim is to work both strategically and operationally in partnership to tackle homelessness and target scarce resources to meet local priorities.

5.4.21 In terms of Harlow's strategic housing need, the total new housing requirement set out in the Harlow Local Plan is 9,200 dwellings (2011 – 2033), of which 3,200 should be Social/Affordable (2016-2033). These include social rented, affordable rented, intermediate housing, low cost home ownership, intermediate housing, and shared ownership. It is estimated there is a need for mixed sized dwellings for all areas. In Harlow there is a lower need for four or more bedrooms. The need for intermediate affordable housing is more heavily concentrated on smaller dwellings. Smaller properties may also encourage those in larger and family sized dwellings who are under occupying to downsize to a smaller property. With an increasingly ageing population and those who are affected by mobility restrictions, vulnerabilities and poverty, there continues to be an increasing need for suitable accessible properties and housing support services.

5.4.22 The HNR shows that 1,230 (as at September 2021) of all households registered are categorised as having an urgent or high need to be allocated a social housing property. The main reasons households want to move is due to both overcrowding and affordability. The HNR currently has approximately 5,124 applicants (as at September 2021).

Discharging to the Private Sector

5.4.23 Due to the limited supply of suitable housing within Harlow, the Council needs to consider all available accommodation options for applicants who are owed an accommodation duty. Therefore in line with the Localism Act 2011 and the amended Section 193 of the Housing Act 1996 which gave local authorities the power to discharge the housing duty by way of a private rented sector offer, such as an assured shorthold tenancy for a minimum 12 month period, the council will be looking to incorporate this option into its range of different prevention tools.

5.4.24 Extending the Council's options to discharge its homeless duty into the private rented sector will enable it to build on providing a range of different housing options available to assist and prevent households that are faced with homelessness.

5.4.25 Accessing the private sector in this way potentially reduces the number of households placed in temporary accommodation and therefore reduces the cost of this provision. It also provides applicants and their families a more settled life style, as some households can remain in temporary accommodation for extended periods of time, due to the lack and availability of permanent accommodation.

Implementing the Domestic Abuse Act 2021

5.4.26 The Domestic Abuse Act received Royal Assent on the 29 April 2021. The Act aims to ensure that victims of domestic abuse have the confidence to come forward and report their experiences, safe in the knowledge that the state will do everything it can, both to support them and their children and pursue the abuser.

5.4.27 The impact the Act will have on housing and accommodation offered is:

- To provide all eligible applicants who are homeless as a result of being a victim of domestic abuse, to have "priority need" for homelessness assistance
- To ensure that where a local authority, for reasons connected with domestic abuse, grants a new secure tenancy to a social tenant who had or has a secure lifetime or assured tenancy (other than an assured shorthold tenancy)

Enhancing Harlow's own Temporary Accommodation

5.4.28 The Council continues to face very considerable challenges and pressures in relation to its statutory obligations for meeting local housing need, including homelessness. The Council has committed to ending the use of external private temporary accommodation in the form of office conversions or permitted developments to ensure the suitability of the accommodation it provides. This has resulted in progressively increased pressure upon the Council's provision of temporary accommodation, and the budget related to this.

5.4.29 In order to assist with these pressures, there is a project to convert an existing temporary accommodation unit at Hare Street Springs into 3 x 2 bedrooms and 1 x 1 bedroom self-contained flats. The new designs will continue in line with the existing external dimensions of the current appearance of the property. The project is currently in its planning stages, including incorporating energy efficiency and carbon reducing measures, with a view to commence works in 2022.

5.4.30 The Council continues to assess further opportunities to enhance its portfolio of Temporary Accommodation as they are identified.

Theme 6 - Ensure homes are decent, compliant, safe, affordable, and accessible to promote good physical and mental health and wellbeing and which are fit for the future. Deliver plans and strategies for affordable housing. This will include carbon reduction methods such as new boilers, roof installations (retrofitting).

5.4.31 The Council continues to use data gathered through a number of sources to establish Programmes of work to its housing stock in order to maintain compliance with the Government's Decent Homes Standard and fulfil its wider regulatory and statutory duties as a responsible landlord.

5.4.32 The Council's Housing Investment Programme (HIP) centres upon establishing a set of internal, external and compliance related works packages. These work packages target resources to ensure homes meet the Government's Decent Homes Standard, the Council fulfils its statutory and regulatory duties and that local priorities are tackled. High standards of workmanship in all the programmes are expected to ensure that they are delivered on time, within the budget envelope allocated and to a consistently high customer experience standard – as reflected within contractual Key Performance Indicators (KPIs) for all Service Providers.

5.4.33 The Modern Homes Programme has reached over 8,000 homes to date, illustrating the continued ambition and scale of delivery, transforming Council housing in Harlow. There is a robust inspection and performance management framework established which ensures that standards are met, contractors meet performance standards, and value for money can be demonstrated.

5.4.34 In addition to maintaining decency, additional asset management priorities shape investment within the housing stock over the next five year period as follows:

- Annual and mid-term reviews are undertaken to ensure the core capital programme of works delivers on the key principles of the Asset Management Strategy. From the stock condition data collected, a comprehensive programme of works has been developed that will deliver a programme of internal decent homes works to kitchens, bathrooms, heating upgrades and electrical rewires. The external programme of work will focus on flat block refurbishment works which include roofing, window and door replacement, internal and external fixtures and fittings and redecoration
- The annual review concluded that the scope of works is fit for purpose, having been developed over a period of years and takes account of statutory and regulatory requirements. The scope continues to deliver on all key principles of the Housing Investment Programme. However, following updated stock condition surveys, there has been a requirement to reprioritise sites and blocks within the programme. Generally the requirement to re prioritise works has been due to deterioration/wear and tear on the blocks
- Continued focus and planning on the Council's compliance (health and safety) obligations, including Fire Safety requirements, is a key priority for the authority. Attention continues to focus on high risk buildings which include the 14 high rise blocks, mid-rise blocks (2-5 floors), Houses in Multiple Occupation and Supported Housing stock. Landlords' responsibilities are increasing following the introduction of the Building Safety Bill in July 2021 and the regular Fire Safety updates received. Work Programmes are reviewed monthly and reported on quarterly to the Safety Committee. Fire Risk Assessments are undertaken every three years with reviews completed annually in order to prioritise work programmes.
- The Council's Asset Management Strategy recognises that housing assets can also become liabilities which ultimately impact on both the tenant and landlord. An area of significant risk to the Council is the increased number of properties being identified with structural subsidence. The reason for this increase is primarily due to adverse weather conditions over recent years and the effect of maturing trees on properties which have historically been planted in close proximity to the dwellings. The Council is undertaking a tree survey over the next three years which will help identify future 'hot spots'.
- Targeting works, priorities and resources identified in the approved Garage and Hardstand Strategy.
- Enhancing the portfolio of the Council's own Temporary Accommodation with a view to increasing its quantity and quality and reducing the reliance upon Bed and Breakfast and other more expensive external options.
- Maintaining the Council's significant investment in adaptations to the homes of some of our most vulnerable customers (disabled, long term illness etc.) to ensure that tenancies remain sustainable.
- The pandemic and the requirement now for self-contained temporary accommodation has resulted in the under occupation of various units across the town. An options appraisal on the remainder of shared Temporary Accommodation units is now being undertaken and will dictate how the programme of works is scoped.

5.4.35 The Council achieved full compliance with the Decent Homes Standard in March 2015 and this position was maintained up until March 2020. Due to the pandemic and periods of national lockdown and suspension of all internal works, the Council failed to attain full compliance in March 2021. With continued investment, increased supply chain capacity and performance improvement plans in place, the Council is on track to attain full compliance by May 2022.

5.4.36 As a result of government legislation to reduce rents by 1% each year from 2016 until 2020, the Council planned its housing stock investment and programme delivery (HIP) to meet, rather than as had originally been the intention to exceed, the Decent Homes Standard. However, it is proposed to return to the ambition of exceeding Decent Homes Standard for Harlow residents from 2022/23 onwards and therefore increased investment of £25.939m has been included in the Business Plan, to be spent over the next six years in order to catch up to this position.

5.4.37 Effective contractor management continues to be vital to ensuring optimum value for money is obtained for the Council's capital investment, with tight cost, quality and payment control secured through a continuous rolling monthly process of works handover, sign-off and valuation, holding contractors to account.

5.4.38 The detailed HIP covering 2021/22 and the next five years and a full list of short, medium and long-term priorities for asset management are identified in Appendix ii.

Continued focus and planning on the Council's compliance with health and safety obligations

5.4.39 As a responsible social landlord, Harlow Council has no greater asset management priority than ensuring the health, safety and welfare of its tenants via full compliance with its statutory, regulatory and legal obligations across the full range of issues related to fire, gas, electrical and water safety as well as asbestos management.

5.4.40 The Council continues to focus on validating and seeking comprehensive assurance that its approach to fire safety is robust. This has been the case in regard to positive feedback, as regular joint inspections to the Council's 14 High Rise Tower Blocks and other multi-storey Flat Blocks continue to be undertaken by Essex Fire and Rescue Service and Council Officers.

5.4.41 The Council, though, has continued to further prioritise and increase its asset management focus on both further fire safety-related activities and other compliance (health and safety) areas, including:

- The decommissioning of the warm air ducts and replacement of the central heating systems at the four remaining towers - due for completion in January 2022
- Continued operation of a comprehensive programme of electrical safety inspections and upgrading of communal electrical installations via ring-fenced, dedicated compliance capital funding
- Damp work is predominately funded from the housing repairs budget and is also funded from wider programmes within the wider external works programmes

Works identified in the Garage Strategy

5.4.42 The Council's Housing Garage and Hardstanding Strategy was first updated in 2007.

- 5.4.43 The strategy recognised the large portfolio and prioritised it according to retention, disposal, and redevelopment of further affordable housing. An investment appraisal was completed in 2014 which identified and strengthened sites for retention and/or disposal.
- 5.4.44 The budgetary resources available to this area of work were significantly reduced in 2016/17 in preference to works within domestic tenanted properties, and this position continues with an annual budget of £315,000 set for 2022/23 and £338,450 for 23/24.
- 5.4.45 This budget has been used for a programme of works – both refurbishment of existing garages as well as demolition and their replacement with hardstanding areas – derived from the original Garage Strategy across the town. Derelict garage sites also form part of the Council’s wider regeneration approach which seeks to maximise scarce land resources, identifying sites for a House Building Programme.

Maintaining the Council’s significant investment in adaptations to the homes of some of our most vulnerable customers (disabled, long term illness etc.) to ensure that tenancies remain sustainable

- 5.4.46 Work to disabled adaptations continues to be marked by levels of demand which substantially exceed the budgetary resources available.
- 5.4.47 As a result, a budget of £700,000 was allocated to these works for 2022/23 with £750,000 is to be maintained within the Council’s medium term financial planning for its Housing Investment Programme for each year through to (and including) 2026-27.
- 5.4.48 Service Reviews, covering all aspects of service and delivery structure and process, continue, in order to seek to ensure that the Council - and the vulnerable tenants and their families for whom adaptations work is so vital - is obtaining maximum Value for Money and efficiency, making best use of the stock. This will in particular focus moving forward upon an expanded role for and involvement from, the Council’s Housing Management function within decision-making and customer communication in individual disabled adaptation cases.

Supporting the development of HTS (Property and Environment) Ltd

- 5.4.49 The Corporate Strategy supports the commercial expansion of HTS Group Ltd to achieve its ambition to become a leading services provider in the East of England and to supply strong revenue to its Shareholder the Council.
- 5.4.50 An updated Business Plan for HTS Group Ltd is to be presented to the Shareholder in February 2022 which will align to the Council’s Corporate Strategy. The framework includes an investment plan aligning to the growth strategy outlined in the scoping reports approved by the Shareholder in October 2021 together with improvement plans for the repairs and environmental maintenance services.

5.4.51 The Business Plan will be reviewed by both the Board and the Shareholder and will strengthen the professional, managerial capacity, and Board membership to enable enhanced delivery of the Business Plan ambitions. The HRA Business Plan will be regularly reviewed to ensure Capital and Revenue programmes of work are maximised, offer value for money, within the legal standing order and procurement restraints.

5.4.52 The Shareholder also expects further progress for the Recovery Plans established for both housing and environmental maintenance. The plans must demonstrate the required improvements to the “customer experience” and delivery for the work required. This should set targets for tangible enhancements to the customer repair/access management processes over the next twelve months with a six month review period.

5.4.53 The Shareholder recognises further work is to be undertaken to assess the impact of moving HTS (Property and Environment) Ltd Annual Service Charge (ASC) to a more tax efficient model including the removal of service rebates alongside the introduction of other commercial charges. It will also annually review the ASC and services agreement to ensure corporate strategy ambitions, and any emerging priorities. It will also assist HTS Group Ltd in becoming more commercial taking advantage from market sources to fund expansion plans and new projects.

5.4.54 HTS (Property and Environment) Ltd will continue to be allocated on an annual basis work packages to the value of £5.8m encompassing areas including internal works to ensure homes remain decent and compliant, electrical testing and upgrades, Disabled Adaptations, and Garage Refurbishment / Demolitions. These allocations of works will be reviewed annually within in the affordability of the HRA Business Plan forecasted crossed models.

5.4.55 This Business Case process has been further refined and enhanced in order to ensure that the Council can evidence a continuous improvement in the quality of service delivery and Value for Money provided by HTS (Property and Environment) Ltd in accordance with the Council’s original objectives in implementing the Local Authority Trading Company structure.



Theme 7 - Continue to tackle poverty and inequality by delivering housing strategies. All neighbourhoods to be desirable places in which to live with homes that are safe, secure, and appropriate for people at different points in their lives.

Tenancy Strategy

5.4.56 The Council is required to have a Tenancy Strategy setting out its approach to tenure.

5.4.57 This was approved in 2019 and, together with a new Allocations Policy, helps to determine the priorities used for allocating Council housing. The policy has given greater freedom to establish local approaches to those who can join the Housing Needs Register and what priority the Council can award. The Council no longer manages an open waiting list to which any person can apply.

5.4.58 The Council wishes to promote mutual exchanges whereby tenants can swap with another tenant with permission from the landlord. This assists in tackling housing need and pressures on the Council's Housing Needs Register.

5.4.59 The Council also offers financial support to existing Council tenants wanting to move to a smaller Council home. The aim of the scheme is to free-up larger accommodation in the town for families in need. The scheme is voluntary with financial incentives offered depending on the number of the bedrooms released. Existing Council tenants wishing to downsize are given a higher priority when bidding for homes.

Providing Supported Housing

5.4.60 Harlow Council's Supported Housing Service consists of 16 sheltered housing schemes, one extra care scheme for the frail elderly, and a community support function for 800 private clients living across the town.

5.4.61 The Sheltered Housing Service plays an important role in this 'Wellbeing' Strategy.

5.4.62 Reductions in housing support place increasing pressure on supported housing services. However, the Council wants Harlow to be a great place to grow older with people living happy, healthy and independent lives with the Council playing a leading role in tackling the underlying root causes of poor health and the issues that affect wellbeing.

5.4.63 Older People can expect to live longer, maintaining their independence for longer, seeking care and support services later in life. In Harlow this age profile is projected to increase dramatically.

5.4.64 Therefore, it is appropriate to continuously review and reshape services to meet the changing needs with an emphasis on housing support services.

5.4.65 Implementation of the five year Supported Housing Plan has the following themes:

- Increase the number of telecare alarm units installed by 1% per annum
- Introduce pre-tenancy assessments ensuring appropriate allocation to meet tenant need
- A recommendation that all properties specifically identified to house older people over the age of 55 should have emergency alarms installed as an integral part of the tenancy
- Conversion of the farmhouse at Sumners Farm Close into four one bed disabled access flats, linked to the main independent living scheme

- Continue to procure and provide an out of hours mobile response service for tenants living in sheltered housing and in receipt of telecare services

Delivering Housing Related Support (HRS)

5.4.66 The Council realises the importance of delivering HRS services as part of the older people's health and wellbeing agenda, particularly in promoting independence and avoiding inappropriate hospital admissions. Supported Housing has an effective framework moving forward, dealing with reducing resources both within the Council's General Fund and HRA. This is in addition to being able to balance priorities against the wider priorities of the Council's landlord services, including sustaining tenancies through the work of the Tenancy Support Service with the Housing Management Team, dealing with the most vulnerable tenants that require support and assistance.

Tackling Anti-Social Behaviour

5.4.67 Tackling anti-social behaviour continues to be a high priority for the Council. Early intervention is key and, by ensuring resources are targeted appropriately, it enables the Council to deal efficiently and effectively with complaints. Taking a multi-agency approach (involving the Police, Social Care, schools and other support agencies) is attributed to the continued success in reducing the number of complaints and need for enforcement action. Promoting Tenants Moves Incentive scheme and mutual exchanges to support Housing Need and make best use of stock.

5.4.68 The main priorities are:

- Promoting the support provided by the Council to assist, particularly to down-size.
- Make efficient and effective use of existing Council housing stock.
- Increased priority given to Council tenants wishing to move to smaller properties.
- Demonstrating value for money.
- Increasing housing options to meet housing need.

Universal Credit (UC)

5.4.69 The Council continues to be a Trusted Partner of the UC Full Service Landlord Portal, enabling Officers to verify claims for housing costs quickly and requesting managed payments more easily.

5.4.70 Since its implementation, the number of Council tenants claiming UC has continued to grow, with the number increasing dramatically from February 2020 as a result of the coronavirus pandemic. As at the end of August 2021, 2852 tenants were recorded as having made a claim for UC, amounting to 31.98% of Council tenancies. This compared to 1820 tenants (or 20.17% of tenancies) registered as claiming UC at the end of February 2020.

5.4.71 The HRA Business Plan 2021-2051 includes a provision for bad and doubtful debts, which it is hoped, is more than ample for any negative impact of UC.

Collecting Rent and Service Charges

5.4.72 The Council's "can't pay / won't pay" approach actively helps residents with dedicated money advice, early intervention, a range of support, not just financial but including wellbeing, through the Welfare Panel, and targeted income management, along with the promotion to take up direct debit payments. The Council continues to have clear and transparent processes and procedures for dealing with arrears recovery, will continue to work in line with its "can't pay/won't pay" ethos when managing debt in relation to support and enforcement.

5.4.73 The Council continues to improve on rent and service collection rates with performance still in the "top quartile" of high performing landlords, which is one of the highest collection rates in the region. In September 2021, rent collection rates have increased to 98.02% which is above previous year profile.

1. 98.69% of rent collected in 2020/21
2. 99.27% of leasehold service charges were collected in 2020/21.



5.4.76 Set out in Appendix i is the HRA Business Plan Delivery Plan which shows in detail the tasks to be undertaken under each of the above themes.

6. The Finances

- 6.1 The HRA Business Plan has been costed in light of all of the aspirations, corporate themes and delivery of a day to day housing service as described above, ensuring affordability, deliverability and ambition are appropriately balanced. The plan is financially sustainable in terms of both the 30-Year operating account and the 30-Year Capital Programme.
- 6.2 Appendix iii(a) shows the Operating Account, which takes into account the 2021/22 revised budget and the 2022/23 budget. The following points are worthy of note:
- The 2022/23 rent increase is 4.1% (being CPI+1%)
 - The Retail Price Index (RPI) for 2022/23 is 4.9%. However, the 2022/23 budget in the Business Plan increases by more than this, mainly due to a need to provide for pension costs from then onwards
 - After Year 2, both income and expenditure are increased by assumed CPI and RPI uplifts. Rents are assumed to increase by CPI+1% for 2023/24 and 2024/25, then CPI+0.5% thereafter. This is because the Government will issue a new rent standard commencing in 2025/26
 - In the first two years, there are large revenue contributions to fund the capital programme (£10.898m in 2021/22 and £4.668m in 2022/23). By the end of 2022/23, the balance on the account is close to the minimum required (4.653m), so thereafter, the revenue contributions fall to the level that can be afforded by the Operating Account (around £2.5m a year)
 - The minimum balance is set by reference to an “industry norm” of £500 per dwelling. Predicted balances on the account stay at this level from 2022/23 through to 2050/51
 - Capital charges steadily increase as new loans are taken out to fund the Capital Programme
- 6.3 Appendix iii(b) shows the Capital Programme. This takes into account the investment in a New Build Programme in 2021/22 and over the next three years, the core Housing Investment Programme (HIP) and £25.939 million of catch-up works to be delivered over the next six years. The points to highlight are:
- There was no borrowing in 2021/22, but borrowing will begin in 2022/23 (£8.502million), peaking at £11.826 million in 2023/24. This borrowing in the early years is directly related to the New Build Programme. A more detailed Cabinet report will be brought to the March Cabinet detailing the New Build Programme.
 - In later years, borrowing continues, albeit at a lower level. The Council will need to borrow every year except in 2032/33
 - A programme will need to be developed to use Right to Buy One for One Replacement receipts (RTB 141). Otherwise, the Council will need to repay them to Government
 - A careful balance needs to be struck between opting for Homes England grant or using RTB 141 to ensure that the Council maximises its resources in the future
- 6.4 Appendix iii(c) sets out all of the assumptions made in putting together the HRA Business Plan numbers, together with a commentary on why these assumptions were made and the risks and mitigations associated with them. The last column of the table indicates where there has been a change in the assumption from that included in the 2020/21 HRA Business Plan.

6.5 It should be noted that borrowing will rise from £208.837m in 2021/22 to £264.239m in 2050/51. There is very little scope for repayment, but this will be kept under review. It is worthy of note that, whilst it may be preferable to repay debt, a debt of £264.239m equates to £29,000 per property in 2050/51. Today, the average tenanted property value is £140,000, so the average value far outstrips the level of debt envisaged.

7. Issues, Risks and Opportunities

7.1 Financial

7.1.1 The main issues and risks identified in making the assumptions set out in Appendix iii(c) are:

- That the Government sets its rent standard at less than CPI + 0.5% with effect from 2025/26 – the HRA operating account is quite constrained as described above, and this will put more pressure on it
- That RPI outstrips CPI again as it has for 2022/23 – if this happens, then it will also further constrain the HRA operating account
- That tenants and leaseholders struggle to pay the 4.1% increase in their rent, or struggle to pay the higher service charges brought about by increases in costs around energy in particular
- That, owing to a calculated higher Major Works investment to maintain the stock at Decent Homes Standard, the Council has to increase its depreciation charge to the account in the future – this will constrain flexibility around the operating account and could lead to the Council being unable to borrow to fund its Capital Programme. Depreciation adjustments are in accordance with Council Financial Regulations
- That there is a fine balance between using RTB 141 receipts and using Homes England Grant Funding to support new developments – the Council needs to maximise its resources and not repay RTB 141 monies, with interest
- That interest rates are higher than predicted when replacement loans or new loans are required
- That debt is not repaid over the 30 years, although the debt outstanding is adequately asset-backed

An assessment and mitigation for each of these risks is included in the Appendix.

7.2 Housing Service

7.2.1 The generic service risk register is outlined in Appendix IV. In summary, the main strategic risks for the housing service are:

- *Lack of adequate council housing*, if the council does not provide adequate council housing it will not be able to fulfil housing need. Continued investment is also required in existing council housing stock to fulfil housing needs, maintain decent homes standards, and improve housing conditions
- *Provision of repairs maintenance, landscape, and street scene services*. If HTS (Property and Environment) Ltd is unable to provide its contracted services then Harlow Council may not be able to comply with its regulatory obligations as a landlord. Repairs, maintenance, landscape and street scene services are currently contracted to HTS (Property and Environment) Ltd, the term of the contract was extended in 2019/20 and a revised Business Plan is being developed to be approved by Cabinet in February of 2022.

7.2.2 The Corporate risk register and reporting is included in the quarterly performance monitoring as part of the Joint Finance and Performance Report is presented to Cabinet with progress.

7.3 The Housing White Paper

7.3.1 The new “Charter for Social Housing Residents” sets out the actions the Government wish to ensure that residents in social housing are safe, are listened to, living in good quality homes and have access to redress when things go wrong.

Overarching requirements

- Strengthen the consumer standard including safety
- Identify a nominated Officer to lead on Health & Safety requirements
- Identify a Senior Officer responsible for compliance of the consumer standard
- Remove “serious detriment test”
- Introduce Local Authority routine inspections every 4 years
- Improve resident engagement

Chapter 1 – Safe in your home:

- Introduce mandatory Smoke and Carbon Monoxide alarms
- Introduce a responsible person to lead on Fire Safety Measures
- Provide residents with 2 way communication on home safety
- Identify accountable person, through the Building Safety Bill for each higher risk building to produce and implement a resident engagement strategy to promote engagement with tenants & leaseholders on safety of the building

Chapter 2 – Know how your landlord is performing:

- Regulator to introduce a set of tenant satisfaction measures
- Report annually to each tenant a breakdown on how income is spent and tenant satisfaction levels
- Produce an annual report on tenant satisfaction levels and comparisons
- Regulator to produce an additional core set of tenant satisfaction measures, which will be Repairs, Building Safety, Engagement and ASB
- Identify a responsible person to ensure the organisation is complying with consumer standards

Chapter 3 – Complaints:

- Run an awareness campaign on the Council’s complaints process, i.e. social media, leaflets, newsletters
- Local Authority to comply with Housing Ombudsman’s complaint handling code, aligning new Corporates complaints process.

Chapter 4 – Treated with respect:

- Remove “serious detriment test” and introduce routine inspections every 4 years
- Inspections to be 3 stages, 1. Desk top review carried out annually. 2. Risk based routine inspections. 3. Re-active investigations/inspections
- Regulator to review all consumer standards to ensure up-to-date

- Local authorities to establish a policy on how to tackle Domestic Abuse

Chapter 5 – Voice heard by your landlord:

- Improve engagement and show thinking in terms of strategy and actions

Chapter 6 – Good quality homes & neighbourhood to live in:

- Review decent homes standard to see if it needs updating, to now include ASB and CCTV
- Provide mental health training for staff
- Create a policy to deal with managing cases of domestic abuse
- Ensure allocations policy provides the armed forces with priority access to the Housing Needs register

Chapter 7 – 1st Step to ownership:

- Funding developments
- 10 Year repair free for major repairs for shared ownership

7.3.2 Proposals in the White Paper, when it becomes legislated, will make clear the standards the Council would need to adhere to. It is unclear when there will be a legislative timetable to include this and wider building safety requirements. The Business Plan will need to be reviewed at that time in terms of resource requirements.

7.4 Opportunities

7.4.1 Rent Review

Under the former rent restructuring mechanism, a Formula Rent was calculated for each property with the aim for actual rents to eventually match the Formula Rent. This was abandoned in 2015/16, but Councils are allowed discretion to set rents at Formula Rent level whenever a property is relet. Harlow Council has not used this option to date. The average weekly Formula Rent for 2021/22 is £94.96, compared to the current social rent of £93.62, so a difference of £1.34. If all rents were set at target, this would equate to an additional £632k per annum. Clearly, it would take time to achieve this level of income, but, with turnover being around 5% per annum, this would equate to additional income of £32k in the first full year, building up as time goes on.

7.4.2 The Council would need to set a new rent policy in order to move to target rents, so it is proposed to undertake a review of the rent policy during 2022/23.

7.4.3 At the same time, consideration will be given to setting some rents on newly acquired or newly built properties at affordable rent levels. This will improve viability on schemes and create a “mixed tenure”.

Discharge into the Private Sector

7.4.4 As set out in paragraph 5.4.5 above, the Council has an option to discharge its homeless duty into the private rented sector. It is recommended that this option is exercised by Harlow, as accessing the private sector in this way potentially reduces the number of households placed in temporary accommodation and therefore reduces the cost of this provision. It also provides applicants and their families a more settled life style, as some households can remain in temporary accommodation for extended periods of time due to the lack and availability of permanent accommodation.

7.4.5 The Council will commence a major programme of house building, aligned to regenerating Harlow's estates. This will attract further private investment and provides a once-in-a-generation opportunity to spread opportunity and level up Harlow. Furthermore, it will provide the opportunity to house more Harlow families in high-quality new homes.

8. HRA Business Plan Summary and Conclusion

- 8.1 In summary, the 2021-2051 Housing Business Plan sets out the intentions of the Housing Services teams to ensure that the short term, medium term and long term objectives as expressed in the Council's Corporate Strategy are met.
- 8.2 It is robust and affordable across the 30-year planning timeframe and financial and performance targets have been agreed by all relevant stakeholders.
- 8.3 Although it will be reviewed and updated on an annual basis, the underlying principles and priorities contained within it will remain, and proactive management will ensure that budget and performance targets, stock condition and targets for the supply of new homes are met.
- 8.4 Of paramount importance is good consultation with tenants and leaseholders to ensure that they understand, can influence and agree with the direction of travel of the business.

Appendix i: HRA Business Plan Delivery Plan

Housing Delivery Plan 2022-2023

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
Identify preliminary council owned sites for all tenures appropriate for all housebuilding	Review current House Building Programme schemes	Publish revised House Building Programme and determine financing	Actions around the House Building Programme reviewed	Regeneration	01/01/2022	21/03/2022
	Establish house building programme	New house building programme published	Produce an annual House Building Programme for house building	Regeneration	01/02/2022	Annual
Improve the cleanliness of tower blocks communal areas	Review current scope and inspection regime	Specifications, standards, and resources applied (HTS)	Inspection regime established	Wendy Makepeace	01/04/2022	Annual
	Evaluate widening scope	Business case evaluated	Revised contracts awarded	Wendy Makepeace	01/10/2022	01/02/2023
Improve the customer experience with the Repairs Service	Facilitate an effective improvement and efficiency programme	Implement enhanced programme aligned to Customer Repairs and Access Strategy	Improvement actions identified and resources allocated	Wendy Makepeace	01/04/2022	Annual

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
	Work towards improving access.	Implement revised action plan for customer access to the repairs service	Updated action plan	Wendy Makepeace	01/06/2022	Annual
Continue to make the best use of and invest in our homes, tackling local priorities, prioritising energy efficiency schemes that can make a difference in tackling climate change and fuel poverty in line with the Government's Green Paper.	Invest in the housing stock.	Publish an annual Housing Investment Programme (HIP) and invest in improvements to housing conditions. Maintaining the housing stock and raising housing standards	Produce an Annual Housing Investment Programme (HIP) for improvements to housing stock	Andrew Murray	01/04/2022	31/03/2023
			Contracts awarded for the Housing Capital Programme	Andrew Murray	01/04/2022	31/03/2023

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
			Programme and Project Management Processes established and reviewed at monthly PPMG meetings	Andrew Murray	01/04/2022	31/03/2023
			Annual Workplans published to Tenants and Leaseholders	Andrew Murray	01/04/2022	31/03/2023
			The Housing Revenue Account Business Plan is updated and approved by Cabinet	Andrew Murray	01/04/2022	31/03/2023
			Performance Management Framework established	Andrew Murray	01/04/2022	31/03/2023
		Prioritising energy efficiency schemes and fire safety programmes	District heating replacement programmes complete	Andrew Murray	01/04/2022	31/03/2023

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
			Revised energy billing processes in place	Andrew Murray	01/04/2022	31/03/2023
			Housing Capital programme allocations published	Andrew Murray	01/04/2022	31/03/2023
		Implement the programme of Fire Safety works, prioritised against fire risk assessments (FRA) with resources from the approved Housing Capital programme	Fire safety works identified and allocations made in the Housing Capital Programme	Andrew Murray	01/04/2022	31/03/2023
Enable an improved conversation between the Council and tenants/leaseholders to help shape the continued development of housing services, allowing people to take a more active role in policy making.	Encourage and facilitate effective tenant and leaseholder engagement.	Continue to Implement the Tenant and Leaseholder Engagement Strategy	Tenant and Leaseholder Strategy reviewed	Andrew Murray	01/04/2022	31/03/2023

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
			Biennial Tenant Satisfaction survey results published	Andrew Murray	01/04/2022	31/03/2023
		Housing works programmes communicated in advance of commencement and monitored	HIP programmes 20/21 published and reviewed quarterly at Property Services Panel	Andrew Murray	01/04/2022	31/03/2023
		Ensure Tenants and Leaseholders have opportunities to choose, be consulted, and receive feedback	Report to Housing Standards Board quarterly	Andrew Murray	01/04/2022	31/03/2023

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
		Working with Tenant and Leaseholder representatives as part of the Housing Regulatory requirements to continue to improve performance	Performance reported quarterly	Andrew Murray	01/04/2022	31/03/2023
Tackling homelessness, by providing more choices for those in housing need increasing the promotion of wider housing options and use of the private sector.	Work towards improving choices for those in housing need	Implement revised Action Plan from Homelessness strategy	Aligning new Rough Sleeper Strategy to strategic Temporary Accommodation Plan/review	Andrew Murray	01/04/2022	31/10/2022
			Updated Action Plan	Andrew Murray	01/04/2022	31/03/2023
			Revised Homelessness Strategy published	Andrew Murray	01/04/2022	31/03/2023
			Government grant allocated	Andrew Murray	01/04/2022	31/03/2023

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
		Increase promotion of wider housing options and use of private sector	Business process reviewed	Andrew Murray	01/04/2022	31/03/2023
		Continue to develop, working in partnership, with local agencies to implement the Homelessness Strategy and Action plan. targeting resources and joint working	Partnership framework reported quarterly in line with the Homelessness strategy	Andrew Murray	01/04/2022	31/03/2023
			Review current market options and availability	Andrew Murray	01/04/2022	31/03/2023

Strategic Ambition (short term)	Theme	Actions 2022/23	Milestones 2022/23	Owner	Start Date	Due (Completion) Date
Tackle homelessness and housing needs by improving choices	Increase the range and type of Supported Housing. Homelessness and allocations	Continue to Implement the five year Plan for Housing Related Support (HRS) to provide an effective framework for reducing resources both within the Council's General Fund (GF) and Housing Revenue Account (HRA) to balance priorities against reduced resources and the wider priorities of the Local Council Landlord Service	Align Supported Housing Plan to new Government Guidance	Andrew Murray	01/04/2022	31/12/2022
			Supported Housing Action Plan reviewed quarterly	Andrew Murray	01/04/2022	31/03/2023

Appendix ii(a): Housing Investment Programme

Programme	Revised 2021/22 £000s	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s	Budget 2025/26 £000s	Budget 2026/27 £000s
ASC Fixed Prices	1,056	1,089	1,116	1,139	1,161	1,185
Internal Works	3,509	3,500	3,000	2,600	2,600	2,800
External works including Energy Efficiency	4,471	4,830	6,440	5,300	5,300	5,000
Energy Efficiency / Fuel Poverty	290	100	100	100	100	100
Fire Safety	6,264	3,600	1,000	1,000	1,000	1,000
Communal Boiler Renewal	450	1,250				
Disabled Adaptations	1,624	700	750	750	750	750
Compliance (Water Gas and Electric)	2,576	2,000	1,000	1,000	1,000	1,000
Joyners Field Cladding	63	1,737				
Garage Refurbishment	662	172	181	202	197	173
HTS - Environmental Estate Works	17					
Property Conversions (HTS)	200	300				
Contingency		160	220	228	228	221
Asbestos Removal	215	100	100	200	200	100
CDM	74	50	50	50	50	50
Damp	151	100	100	100	100	100
Structural	1,245	500	1,000	500	500	500
IT	320	344	50	50	50	80
Disabled Adaptations (non HTS)	37					
Prentice Place	477					
Void works to 20/21 house purchases	384					
Catch Up Stock Need		2,000	3,000	6,000	6,000	6,000
2021/22 schemes reprofiled to 2023/24		-3,000	3,000			
Total Housing Investment Programme	24,083	19,532	21,107	19,219	19,236	19,059

Appendix ii(b): Housing Asset Management – Short, Medium and Long Term Work Plan

The following priorities form the basis of the Housing Asset Management Plan:

Short Term: Up to 5 years

Maintain compliance of the Council's Housing Stock with the Government's Decent Homes Standard

Continuation of the Council's External Works Programme against a revised specification and standards resulting from the impact of Government legislation, to include delivery of the annual programme of large-scale works schemes at a number of flat blocks. A review of the scope, operation and impact of the works programme will be undertaken annually to ensure the programme is aligned to the Housing Investment programme.

Ensure the Council, as a responsible landlord, continues to meet its duties in complying with all statutory, legislative and regulatory requirements in regard to Health and Safety. This will include:

- Completion of all recommended and required works resulting from the Fire Risk Assessments and the commissioning of annual review of all Fire Risk Assessments for all flat blocks, prioritised by the number of floors within the block.
- Annual review of the provision of information and advice to customers in regard to the risks associated with and best practice approach to the management of asbestos containing materials within their home;
- Update the specification of works associated with the programme of installing and servicing/testing of Smoke Detector and Carbon Monoxide following changes to the new statutory requirements.
- Full upgrading of all communal and domestic electricity supply installations to modern, required standards backed by an up to date Electrical Installation Condition Report;

Contribute to tackling fuel poverty within the Council's tenant base through improvements in the Energy Efficiency of the housing stock, to include:

- Targeted Improvement Works to the worst performing, most energy inefficient housing units (Energy Performance Certificate rated E, F and G) in order to bring these to rating D/C or above ensuring the Council is compliant with the requirements of the Energy Act 2011 (which states that no properties can be re-let which have an energy rating below Band E after April 2018)
- Completion of the programme of replacement and improvement works for the Council's portfolio of ageing (+30 years) District (10) and Communal (15) Heating Systems, including the installation of heat meters
- Continuing to explore the opportunities available for potential sources of external funding to Energy Efficiency
- Ensure full removal of the remaining inefficient, obsolete Warm Air Unit (WAU) Heating Systems from the Council's estate of High Rise Tower Blocks and their replacement with modern, efficient and controllable gas 'wet' systems – and associated decommissioning of the related SE Ducts (targeted for completion by end July 2022)
- Aligned to the projects currently being undertaken, continue with the implementation of heat meters in all properties where heating and hot water is provided by a communal heating system to allow residents to be individually charged for their own consumption, rather than an equal proportion of the entire block.

Continue to meet the Council's statutory obligations to provide Disabled Adaptations to tenant customers in need, whilst also seeking to improve our practice and approach, through:

- Continued investment in the annual capital programme of Aids and Adaptations
- Regular updating of the Council's Disabled Adaptations Policy in order to ensure continued compliance with the latest legislative requirements, clarity for tenant customers and effective integration/linkage with the Council's Allocations and Lettings Process (in regard to optimum use of the housing stock which has already been adapted).

Improve the quality of the Council's existing portfolio of Temporary Accommodation

- Conversion of the shared house at Hare Street Springs into self-contained units with a pilot scheme on renewables to align with the energy agenda

Continue to invest in the Council's stock of Garages and Hard Standings within Harlow

Medium Term: 5-15 Years

- We continue to invest annually with an allocation of funding within the Housing Capital programme. Through a revised approach due to budget constraints the work focuses on repairs and maintenance where possible as opposed to large-scale refurbishment/replacement.

Continue to identify potential sites for redevelopment to align with the Council's key objectives to build housing, providing affordable homes for rent in Harlow and meet housing need.

- Identify potential sites for the Regeneration service to incorporate into the New Build Programme to be reported to Cabinet in March 2022
- Ensure these sites are appropriate and realistic for development and that they could be delivered with value for money (e.g. avoiding as far as possible sites with water mains and other service issues that would drive up the delivery cost).

Ensure HTS (Property and Environment) Ltd. and associated Companies deliver effectively the priorities and ambitions set out by the Council within its new Corporate Strategy. These priorities included cashable and non-cashable efficiencies and the following:

- Introduce enhanced processes (time allocation, right first time, customer satisfaction) for the completion of responsive repairs through constant review of Scope of Works;
- Ensure that the Council meets all its statutory, legislative (including via the Right To Repair) and regulatory (in accordance with The Homes and Communities Agency's Homes Standard) obligations;
- Realise efficiency savings and gains through the new Scope of Works for the services provided by HTS (Property and Environment) Ltd, optimum use of ICT systems and reformed delivery structures;
- Operation of enhanced, robust Business Case methodologies for the allocation of Capital Works Projects to HTS (Property and Environment) Ltd in accordance with Schedule 2 of the Service Agreement with the Council.

Enhance the Councils methodology to assess the performance of its existing assets based on a financial evaluation of cashflows relating to the assets in order to understand how assets perform within the Business Plan. The assessment covers housing and garage stock and has been overlaid with non-financial sustainability analysis which will provide a framework for investment decisions

Medium Term: 5-15 Years

Enhance and refine the process associated with the programme of cyclical painting which addresses immediate priorities of worst condition

The Council's Medium Term Asset Management Plan aim is to make best use of its assets by carrying out a review of the property stock and housing land, comparing investment appraisal, likely demand, and unit expenditure. Specifically the following:

- Evaluate the use and need for bin storage including a replacement and refurbishment programme to stores, shed areas and drying areas
- Tackle unsatisfactory levels of dampness (condensation)
- Hardstanding review aligned to parking requirements
- Explore opportunities for EV installations within estates

Address Estate Management issues, including:

- Vandalism and graffiti of public realm
- Review all estate based schemes to ensure "Design out Crime" is factored in when developing the scope of works to address hot spot ASB areas
- Develop a programme of works to improve the infrastructure within estates ensuring ongoing environmental improvements
- Review lighting requirements within communal areas and garage blocks
- Limited maintenance and management of public realm
- Garage and Parking Strategy – to deal with Medium and Long Term priorities for replacement parking.

Sustainability and Energy Saving Schemes – supporting Government initiatives and ensuring the Council benefits from resources available

Temporary Accommodation – continue to ensure a supply of good quality accommodation to meet identified demand

Continue to identifying opportunities for New Build and exploring options for its funding, delivery and long term ownership

Long Term: 15 to 30 Years

In the Long Term, the Asset Management Plan will seek to increase and/or replace the housing stock and related assets. Specifically to:

- Improve the quality of the public realm and overall neighbourhood management;
- Enhance overall building stock and overcome weaknesses in any typology;
- Overcome any early failure of building components;
- Enhance local property market conditions by meeting the demands of existing and new residents and thereby increasing the value of the properties
- Fulfil the wider housing quality and choice agenda; and continue a programme of new build with annual review.

Appendix iii(a) - Harlow Council's HRA 30-Year Revenue Account Forecast

		Income			Expenditure												
Year	Year	Net rent Income £,000	Other Income £,000	Total Income £,000	Management £,000	Depreciation £,000	Responsive and Cyclical £,000	Other Revenue Spend £,000	Total expenses £,000	Capital Charges £,000	Net Operating (Expenditure) £,000	Repayment of loans £,000	RCCO £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
1	2021.22	43,789	7,476	51,265	(19,267)	(10,736)	(11,963)	(598)	(42,564)	(6,891)	1,809	0	(10,898)	(9,090)	16,243	63	7,217
2	2022.23	45,595	7,538	53,133	(20,757)	(11,228)	(11,580)	(463)	(44,028)	(7,023)	2,082	0	(4,736)	(2,654)	7,217	40	4,603
3	2023.24	47,084	7,764	54,849	(21,380)	(11,512)	(11,868)	(475)	(45,235)	(7,399)	2,215	0	(2,255)	(40)	4,603	33	4,596
4	2024.25	48,416	7,959	56,374	(21,914)	(11,802)	(12,103)	(484)	(46,303)	(7,687)	2,384	0	(2,418)	(33)	4,596	35	4,598
5	2025.26	49,425	8,158	57,582	(22,462)	(12,057)	(12,343)	(493)	(47,355)	(7,828)	2,399	0	(2,434)	(35)	4,598	39	4,602
6	2026.27	50,418	8,361	58,780	(23,024)	(12,299)	(12,587)	(503)	(48,413)	(8,169)	2,198	0	(2,237)	(39)	4,602	43	4,606
7	2027.28	51,430	8,571	60,001	(23,599)	(12,547)	(12,835)	(513)	(49,495)	(8,253)	2,253	0	(2,297)	(43)	4,606	45	4,608
8	2028.29	52,461	8,785	61,246	(24,189)	(12,799)	(13,088)	(523)	(50,600)	(8,291)	2,355	0	(2,400)	(45)	4,608	46	4,609
9	2029.30	53,512	9,004	62,516	(24,794)	(13,055)	(13,346)	(534)	(51,730)	(8,304)	2,483	0	(2,529)	(46)	4,609	47	4,610
10	2030.31	54,582	9,230	63,812	(25,414)	(13,317)	(13,609)	(545)	(52,884)	(8,426)	2,501	0	(2,548)	(47)	4,610	47	4,610
11	2031.32	55,673	9,460	65,133	(26,049)	(13,583)	(13,876)	(556)	(54,065)	(8,431)	2,637	0	(2,685)	(47)	4,610	48	4,611
12	2032.33	56,783	9,697	66,480	(26,701)	(13,855)	(14,148)	(567)	(55,271)	(8,432)	2,777	(9)	(2,816)	(48)	4,611	49	4,612
13	2033.34	57,915	9,939	67,854	(27,368)	(14,131)	(14,425)	(579)	(56,503)	(8,461)	2,890	0	(2,939)	(49)	4,612	50	4,613
14	2034.35	59,068	10,188	69,255	(28,052)	(14,413)	(14,707)	(591)	(57,763)	(8,560)	2,932	0	(2,982)	(50)	4,613	51	4,614
15	2035.36	60,242	10,442	70,684	(28,754)	(14,700)	(14,994)	(603)	(59,051)	(8,610)	3,023	0	(3,074)	(51)	4,614	52	4,615
16	2036.37	61,437	10,703	72,141	(29,472)	(14,992)	(15,286)	(616)	(60,367)	(8,658)	3,115	0	(3,167)	(52)	4,615	53	4,616
17	2037.38	62,655	10,971	73,626	(30,209)	(15,290)	(15,584)	(629)	(61,712)	(8,710)	3,204	0	(3,257)	(53)	4,616	54	4,617
18	2038.39	63,896	11,245	75,141	(30,965)	(15,593)	(15,887)	(642)	(63,087)	(8,781)	3,273	0	(3,327)	(54)	4,617	55	4,618
19	2039.40	65,159	11,526	76,686	(31,739)	(15,902)	(16,195)	(656)	(64,492)	(8,850)	3,344	0	(3,399)	(55)	4,618	56	4,619
20	2040.41	66,446	11,815	78,260	(32,532)	(16,217)	(16,509)	(670)	(65,927)	(8,919)	3,414	0	(3,470)	(56)	4,619	57	4,620
21	2041.42	67,756	12,110	79,866	(33,345)	(16,537)	(16,828)	(684)	(67,395)	(8,993)	3,478	0	(3,536)	(57)	4,620	58	4,621
22	2042.43	69,090	12,413	81,503	(34,179)	(16,864)	(17,153)	(699)	(68,894)	(9,059)	3,549	0	(3,607)	(58)	4,621	59	4,622
23	2043.44	70,449	12,723	83,172	(35,034)	(17,196)	(17,483)	(714)	(70,427)	(9,109)	3,636	0	(3,696)	(59)	4,622	61	4,623
24	2044.45	71,832	13,041	84,873	(35,909)	(17,534)	(17,820)	(730)	(71,993)	(9,136)	3,745	0	(3,805)	(61)	4,623	62	4,625
25	2045.46	73,240	13,367	86,607	(36,807)	(17,879)	(18,162)	(745)	(73,593)	(9,161)	3,853	0	(3,915)	(62)	4,625	63	4,626
26	2046.47	74,674	13,701	88,376	(37,727)	(18,229)	(18,510)	(762)	(75,229)	(9,185)	3,962	0	(4,025)	(63)	4,626	64	4,627
27	2047.48	76,134	14,044	90,178	(38,670)	(18,586)	(18,865)	(778)	(76,900)	(9,208)	4,070	0	(4,135)	(64)	4,627	66	4,629
28	2048.49	77,620	14,395	92,015	(39,637)	(18,950)	(19,225)	(795)	(78,608)	(9,229)	4,179	0	(4,244)	(66)	4,629	67	4,630
29	2049.50	79,133	14,755	93,888	(40,628)	(19,320)	(19,592)	(813)	(80,353)	(9,248)	4,286	0	(4,353)	(67)	4,630	68	4,631
30	2050.51	80,673	15,124	95,797	(41,644)	(19,697)	(19,965)	(831)	(82,137)	(9,266)	4,394	0	(4,462)	(68)	4,631	70	4,633

Appendix iii(b) - Harlow's 30 Year Capital Programme

		Expenditure			Financing							
Year	Year	Major Works & Imps £,000	New Build Development Costs £,000	Total Expenditure £,000	Borrowing £,000	RTB 141 Receipts £,000	Other RTB Receipts £,000	Other £,000	MRR £,000	RCCO £,000	Total Financing £,000	
1	2021.22	24,083	3,094	27,177	0	224	1,449	2,296	12,310	10,898	27,177	
2	2022.23	19,532	10,637	30,169	8,434	4,255	1,517	0	11,228	4,736	30,169	
3	2023.24	21,107	10,074	31,181	11,824	4,029	1,560	0	11,512	2,255	31,181	
4	2024.25	19,219	1,950	21,169	4,572	780	1,598	0	11,802	2,418	21,169	
5	2025.26	19,236	0	19,236	3,108	0	1,637	0	12,057	2,434	19,236	
6	2026.27	19,059	0	19,059	2,847	0	1,676	0	12,299	2,237	19,059	
7	2027.28	18,507	0	18,507	1,947	0	1,717	0	12,547	2,297	18,507	
8	2028.29	17,212	0	17,212	255	0	1,758	0	12,799	2,400	17,212	
9	2029.30	17,551	0	17,551	166	0	1,801	0	13,055	2,529	17,551	
10	2030.31	17,896	0	17,896	187	0	1,844	0	13,317	2,548	17,896	
11	2031.32	18,247	0	18,247	90	0	1,889	0	13,583	2,685	18,247	
12	2032.33	18,605	0	18,605	0	0	1,935	0	13,855	2,816	18,605	
13	2033.34	20,442	0	20,442	1,391	0	1,982	0	14,131	2,939	20,442	
14	2034.35	20,842	0	20,842	1,418	0	2,030	0	14,413	2,982	20,842	
15	2035.36	21,249	0	21,249	1,396	0	2,079	0	14,700	3,074	21,249	
16	2036.37	21,663	0	21,663	1,374	0	2,130	0	14,992	3,167	21,663	
17	2037.38	22,085	0	22,085	1,356	0	2,181	0	15,290	3,257	22,085	
18	2038.39	23,108	0	23,108	1,953	0	2,234	0	15,593	3,327	23,108	
19	2039.40	23,556	0	23,556	1,966	0	2,289	0	15,902	3,399	23,556	
20	2040.41	24,012	0	24,012	1,981	0	2,345	0	16,217	3,470	24,012	
21	2041.42	24,477	0	24,477	2,002	0	2,402	0	16,537	3,536	24,477	
22	2042.43	24,949	0	24,949	2,018	0	2,460	0	16,864	3,607	24,949	
23	2043.44	24,203	0	24,203	791	0	2,521	0	17,196	3,696	24,203	
24	2044.45	24,669	0	24,669	748	0	2,582	0	17,534	3,805	24,669	
25	2045.46	25,143	0	25,143	704	0	2,645	0	17,879	3,915	25,143	
26	2046.47	25,625	0	25,625	661	0	2,710	0	18,229	4,025	25,625	
27	2047.48	26,115	0	26,115	618	0	2,776	0	18,586	4,135	26,115	
28	2048.49	26,615	0	26,615	576	0	2,844	0	18,950	4,244	26,615	
29	2049.50	27,122	0	27,122	535	0	2,914	0	19,320	4,353	27,122	
30	2050.51	27,639	0	27,639	495	0	2,985	0	19,697	4,462	27,639	

Appendix iii(c) - Harlow Council's 30 Year Financial Forecast – Key Assumptions

Cost/Income Type	Assumption	Rationale	Risk	Effect/Mitigation	Different From 2020/21 Plan?
Stock Numbers and Average Rents	Stock numbers (starting stock 9,158) and average rents and the breakdown have been obtained from the Orchard system	The rent system is the place where accurate records of both pieces of information would be held	N/A	N/A	No
Rent Inflation	Consumer Prices Index (CPI) +1% for Years 1-4, then CPI + 0.5% thereafter. For 2022/23, CPI is 3.1% and therefore the rent increase will be 4.1%	The Government has announced the CPI +1% policy, but, after four years (from 2025/26), this may change	We have already experienced changes in Government Policy that have had a huge detrimental impact on the HRA Business Plan	Any change in rent uplift policy has a significant and long- term impact on the plan, but, as it will be reviewed annually, this risk will be mitigated as necessary	No
Management, Maintenance and Other Cost Inflation	Retail Prices Index (RPI). For 2022/23, RPI is 4.9%	RPI is usually used for cost inflation, but measures will have to be taken to find efficiencies if RPI outstrips CPI again in the future	If RPI does outstrip rent increases (as is the case for 2022/23), then services may have to be reduced/cut	If the approach taken in the Business Plan is not sustainable, then the HRA could become unviable, but this will be reviewed as necessary	No
Rental Income	Rental Income starts at £43.931m in 2021/22. Service Charge Income is £6.300m	These figures come from the rent system	There is a risk that, for 2022/23, a rent increase of 4.1% plus significant energy increases could prove unaffordable for some tenants and leaseholders	The position will need to be monitored closely in order to ensure rent and service charge collection remains stable	No

Cost/Income Type	Assumption	Rationale	Risk	Effect/Mitigation	Different From 2020/21 Plan?
Management and Maintenance Costs	Management and Maintenance Costs in 2021/22 are predicted to be £31.471m. In 2022/23, the budget will be £32.427m	The 2021/22 figures are taken from the base budget plus carry forwards plus Quarter 2 monitoring , 2022/23 Figures reflect the Straw Budget	N/A	N/A	No
Capital Programme – Major Works	For 2021/22 - £24m reducing to circa £19m for the following six years	This is based on achieving a catch-up programme over the next six years without stretching resources beyond the point of physical deliverability and without the need to borrow to fund the programme	N/A	N/A	Yes – the previous plan did not include catch-up works of £25.939m
Capital Programme – Estate Renewal and New Build	The Council will increase the number of Council homes that it builds aligned to the wider town wide regeneration strategy.	The Council has a priority to build new Council Housing and this House Building Programme kick starts its delivery ambition over the next three years	N/A	N/A	Yes – the mix of schemes has been updated and a detailed New Build Programme will be reported to Cabinet in March 2022

Cost/Income Type	Assumption	Rationale	Risk	Effect/Mitigation	Different From 2020/21 Plan?
Capital Programme – Acquisition	No acquisitions are assumed in the HRA Business Plan	The Council prefers to spend its capital resources on New Build rather than acquisition in order that there are more properties available to those in need	N/A	N/A	Yes – the previous plan included acquisitions
Depreciation	£10.736m in 2021/22 rising by inflation each year	Based on depreciating The stock over 54 years using a Weighted Relative Useful Life methodology	The Major Repairs Reserve is currently running at a lower level than the value of the Major Repairs Programme	The Council will consider its depreciation policy at the point of renewal of the current valuation contract and may undertake valuation based on componentisation and individual asset lives	No
Right to Buy (RTB) Sales/Other Stock Reductions	RTB Sales - 43 per year. No properties will be demolished	RTB Sales based on previous three years' average	Low risk to the Business Plan unless there is a significant increase or decrease	N/A	Yes – the previous figure for RTB sales was 40 per year
Operation of the Government's Right to Buy One for One Replacement Scheme (RTB 141)	RTB 141 receipts have been applied to support new build	This not only uses RTB 141 receipts appropriately, but also assists in the viability of schemes and prevents repayment to Government	The Council needs to ensure that it is using up its RTB 141 receipts in order to prevent returning them to Government (with interest)	The Council has purchased a RTB model in order to be able to plan ahead and respond should this problem arise	No

Cost/Income Type	Assumption	Rationale	Risk	Effect/Mitigation	Different From 2020/21 Plan?
Interest Rate on Borrowing	Each loan has a fixed interest rate which is reflected in the plan. Replacement and new loans attract an interest rate of 3.5%	Current loan interest rates are fixed. The 3.5% medium term interest rate applied to new loans is considered reasonable.	Interest rates may have gone up at the point when refinancing is required	As the loan portfolio is diverse, additional interest on one loan at a time is likely to be manageable within the Business Plan (unless interest rate increases are significant)	No
Interest Rate on Balances	0.41% in 2021/22 rising to 0.5% from Year 2	This is the sort of rate that has been received on investments for some considerable time	Low risk to the Business Plan	N/A	No
Repayment of Debt	Current loans are repaid when they become due, but a new loan (30-year maturity) is taken out as soon as any current loan matures (at 3.5% interest rate). New loans are taken out as necessary to fund the current Capital Programme and not repaid	The value of a housing portfolio should outstrip the debt outstanding and therefore there is no need to repay principal. The current debt of £208.837m equates to £22,804 per property	There is always a risk associated with not repaying principal and it would be preferable to do so.	If housing values fall significantly, then there could be a problem with the loans outstanding. These currently stand at £208.837m. The HRA Stock Valuation is currently £1,282.120m	No
Minimum Revenue Balance	£4.563m	Based on £500 per dwelling for unforeseen emergencies	Low risk to the Business Plan	N/A	Yes – the previous minimum revenue balance was set at £1.4m

Appendix iv: Housing Services Risk Register

Risk Description	Possible Triggers	Possible Consequences	Risk Mitigation/Control	Officer	Action(s)	Resource
1. Staff personal safety	Lone working	Death or ill health	<ul style="list-style-type: none"> ✓ Operate Staff Alert List Partnership links with MAPPA, Police and Social Services Issue of mobile phones to staff working out of the office 	SHMT	1.1 All SHMT managers to carry out lone worker risk assessments for their lone workers	Staff Time
	Potential violent customers	Increase in sickness absence			1.2 Risk assessments of all new applicants to be carried out at the point of letting.	Staff time
	Hazardous premises	Loss of confidence	<ul style="list-style-type: none"> ✓ Bespoke assessment of safe working practices where required ✓ Safety Committee 		1.3 All HPMT managers need to ensure that all lone workers are signed up and on the system.	Staff Time
		Deterioration in staff morale	<ul style="list-style-type: none"> ✓ Accident/incident reporting and investigation 			
		Increase in compensation claims from staff	<ul style="list-style-type: none"> ✓ DSE assessments 		1.4 Carry out a full Departmental review, section by section, to understand risks	Staff Time
		Reputational damage				
Impact on service delivery						

2. Failure to meet contractual obligations	Lack of appropriate performance & contract management	Accidents/damage caused by lack of or poor health and safety practice of contractors	<ul style="list-style-type: none"> ✓ Effective procurement and contract management procedures in place including regular contractor meetings 	SHMT	2.1 Complete asset database	Staff time
	Not complying with procurement requirements	Failure to deliver statutory and contractual obligations	<ul style="list-style-type: none"> ✓ Materials and installations are specified to meet relevant standards 		2.2 Update stock condition information	Staff time
	Not monitoring contract renewal dates	<p>Deterioration in service delivery</p> <p>Increase in number of complaints / compensation / negligence / liability / claims</p> <p>Poor service performance against Delivery Plans</p> <p>Deterioration in staff morale</p> <p>Not legally compliant</p> <p>Financial cost to Council</p>	<ul style="list-style-type: none"> ✓ Monitoring of workmanship by Clerk of Works, Surveyors & Property Officers ✓ Regular review of the contracts register 		2.3 Review of Repairs and Maintenance contracts	Staff time

<p>3. Failure to comply with housing regulatory, statutory standards</p>	<p>Lack of adequate training or failure to comply with policies & procedures</p> <p>Lack of appropriate performance management</p> <p>Low staff morale</p> <p>Inadequate supervision and management procedures</p> <p>Fraud & corruption by staff, contractors or tenants (e.g. tampering with electric supply/meter)</p>	<p>Failure to deliver statutory and contractual obligations</p> <p>Deterioration in service delivery</p> <p>Increase in number of complaints / compensation / negligence / liability / claims resulting in financial cost and/or reputational damage to Council</p> <p>Poor service performance against PAP&SAP Measures</p> <p>Deterioration in staff morale</p> <p>Not legally compliant</p> <p>Breach of Data Protection Act</p>	<ul style="list-style-type: none"> ✓ Effective supervision and management controls in place including; one to ones, team meetings, appraisals, training, recruitment & selection, capability etc. ✓ Performance management framework being developed and implemented ✓ Corporate audit plans in place and service specific management audits in place ✓ Promotion of corporate policies, including; Anti-Fraud & Corruption Strategy, Bribery Act 201, Internal Audit guidance notes, Whistleblowing Policy, Money laundering Policy, Employee Code of Conduct ✓ Compliance with Standing orders, Code of Financial Practice ✓ Separation of duties and declarations of interests ✓ Effective budgetary control 	<p>SHMT</p>	<p>3.1 Continuously update all policies and procedures to ensure that they are up-to-date, relevant and compliant.</p>	<p>Staff time</p>
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			✓ Electronic devices have integrated security systems so that systems cannot be accessed if they are stolen			
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<p>4. Significant loss of staff & systems</p>	<p>Significant reduction in staff numbers for example due to; strike, sickness, pandemic etc.</p> <p>Staff unable to attend usual place of work for example due to; closure of building, petrol strike, severe weather etc.</p> <p>Staff unable to access electronic systems necessary to conduct their duties for example due to; Failure of WDC system or support, Power failure, System problems, including hacking/ cyber security threats & cybercrime.</p>	<p>Failure to meet statutory obligations</p> <p>Inability to provide services at normal levels</p> <p>Pressure on remaining staff leading to deterioration in staff morale</p> <p>Legal action</p> <p>Additional costs to employ temporary staff</p> <p>Reputational damage</p> <p>Death or ill health</p>	<ul style="list-style-type: none"> ✓ The Service Area Crisis Plan has been updated to ensure sufficient plans are in place to maintain service in the event of significant loss of staff or systems ✓ Mobile (home) working practices in place ✓ Proactive assessment of upcoming events including reviewing Weather warnings sent by Community Protection and putting in place appropriate mitigations 	<p>SHMT</p>	<p>4.1 Investigate the opportunity of implementing agile working arrangements so that we are more flexible work force and business processes.</p> <p>4.2 All critical business continuity processes reviewed annually.</p>	<p>Staff time</p> <p>Staff time</p>
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<p>5. Risk of fire in council blocks of flats.</p>	<p>Fire in communal area of a block which spreads to other parts of the building.</p> <p>Damage by fire to a building</p> <p>General acts or omissions by anyone.</p> <p>Accidental or deliberate ignition of fuel.</p> <p>Electrical fault</p> <p>Gas explosion.</p>	<p>Loss of confidence and reputational damage</p> <p>Improvement notices.</p> <p>Prohibition notices.</p> <p>Fines, compensation and imprisonment.</p> <p>Ill-health and /or death.</p> <p>Damage to property.</p>	<ul style="list-style-type: none"> ✓ Fire risk assessments updated and reviewed. ✓ Compliance services testing programmes (gas/electric/fire/asbestos/evacuation procedures and firefighting equipment). ✓ Communications to tenant and leaseholders. ✓ Fire risk assessment priorities and resourced. 	<p>SHMT</p>	<p>5.1 Continue to operate testing programmes.</p> <p>5.2 Monitor and review fire risk assessment programmes.</p> <p>5.3 Review content and performance of FRA's.</p>	<p>Staff time</p> <p>Staff time</p> <p>Staff time</p>
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6. Unsustainable Business Plan	Significant variances in the assumptions that underpin the Business Plan.	Reduction in services. Reduction in delivery of house building.	<ul style="list-style-type: none"> ✓ Regular review of Business Plan performance which is reported to Cabinet quarterly. ✓ Business Plan is updated annually and reported to Cabinet and Council for approval. ✓ All significant decisions are evaluated and impact on the Business Plan is considered, reviewed, and sensitivity analysis applied. 	SHMT	6.1 To update the Stock condition information as required to ensure that the Business Plan is based on robust data and future liabilities are fully understood.	Staff time
7. Government changing the laws on self-financing and rent policy.	Unable to deliver agreed Business Plan commitments.	Business Plan becomes unsustainable.	<ul style="list-style-type: none"> ✓ Keep abreast of National policy developments and any changes in Government thinking. ✓ Any change in the Law that affects all Councils. 	Andrew Murray	7.1 Ensure that properties are maintained to sufficient standards to mitigate the risk of failing and to be responsive to any further legislative (White Paper) requirements.	Staff time
8. Unable to respond to emergency careline call from lifeline users.	IT system failure Power failure Loss of control centre (Tunstalls)	Death or ill-health Reputational damage Litigation	<ul style="list-style-type: none"> ✓ Business Continuity arrangements formalised with external providers (Tunstalls) ✓ Corporate ICT available. ✓ Business resilience reviews (TSA accreditation) external accreditation established. 	SHMT	8.1 Regular review of core performance monitoring against targets 8.2 Contract review period	Staff time Staff time

Glossary

ASC – Annual Service Charge
 BMG Research – Public and private sector research organisation (surveys)
 CAB – Citizens' Advice Bureau
 CPI – Consumer Prices Index
 DSE – Display Screen Equipment
 DWP – Department for Work and Pensions
 EPC – Energy Performance Certificate
 FRA – Fire Risk Assessment
 GF – General Fund
 HCA – Homes and Communities Agency
 HIP – Housing Investment Programme
 HNR – Housing Needs Register
 HRA – Housing Revenue Account
 HRS – Housing Related Support
 HTS – Harlow Trading Services Ltd, a Local Authority Trading Company wholly owned by the Council
 IT/ICT – Information Technology/Information and Communications Technology
 KPIs – Key Performance Indicators
 MAPP – Multi Agency Protection Panel
 MHCLG (now DLUHC) - Ministry of Housing, Communities and Local Government (now Department for Levelling Up, Housing and Communities (DLUHC))
 MRR – Major Repairs Reserve
 NVQ – National Vocational Qualification
 ONS – Office of National Statistics
 PAP – Pre Action Protocol for housing conditions
 PPMG – Projects and Programmes Management Group
 RCCO – Revenue Contribution to Capital Outlay
 RSH – Regulator for Social Housing
 RSI – Rough Sleepers Initiative
 RTB – Right to Buy
 RTB 141 – Right to Buy One For One – refers to the Government's RTB 141 Scheme, where Councils can keep receipts from RTB sales if they replace sold homes with new homes
 S2H – Streets 2 Homes
 SAP - Standard assessment protocol energy rating
 SHMT – Senior Housing Management Team
 T/A – Temporary Accommodation
 TSA – Tenant Services Authority
 UC – Universal Credit

Rent Definitions

Affordable Rent

The Government describes affordable rents as “up to 80% of market rent”. For a long time, these were mainly applied to Housing Associations, but, when councils commenced building or acquiring new homes again (as a result of the RTB 141 scheme), it was recognised that, in order to ensure financial viability, there was likely to be a need to set rents at a level higher than Social Rent. Most councils do not set them as high as 80% of market rent (and this definition in itself is not simple to work out), since this compromises affordability for most tenants, but mainly for those in receipt of Housing Benefit/UC. They instead set them by reference to the Local Housing Allowance and local income levels.

Social Rent

The rent levels applied to HRA properties which have not been newly acquired or newly built since 2012 – Social Rent levels are determined by Central Government using a formula to ensure affordability, both for tenants and for Government (through Housing Benefit/UC allowances) – these rents are lower than affordable rents. Councils can opt to set rents for newly acquired/newly built homes at Social Rent levels (as is the case with Harlow), but this is likely to compromise financial viability.

Market Rent

The rent levels set by Private Sector landlords – these are likely to follow local purchase prices and therefore can vary greatly according to demand/proximity to amenities/refurbishment levels, etc. – even in one Local Authority area. This is why it is so difficult to set Affordable Rents at “up to 80% of Market Rent”.

Further Reading

MHCLG (now DLUHC). Policy statement on rents for social housing. February 2019
The Charter for Social Housing Residents (Housing White Paper)
Domestic Abuse Act 2021. Homelessness Reduction Act 2017.
'HRA Budget 2022/23'. Report to Cabinet, 27 January 2022.
'Capital Programmes 2021/22 – 2023/24'. Report to Cabinet, 27 January 2022.
'Capital and Treasury Report 2022/23'. Report to Cabinet, 27 January 2022.
Harlow's Tenant and Leaseholder Engagement Strategy

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: HOUSING REVENUE ACCOUNT BUDGET 2022/23

PORTFOLIO HOLDERS: COUNCILLOR JAMES LEPPARD, PORTFOLIO
HOLDER FOR FINANCE

COUNCILLOR SIMON CARTER, PORTFOLIO
HOLDER FOR HOUSING

LEAD OFFICERS: SIMON FREEMAN, DEPUTY TO THE CHIEF
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This is a Key Decision

It is on the Forward Plan as Decision Number I012623

The decision is not subject to Call-in Procedures for the following reason:

The decision stands as a recommendation to Full Council

This decision will affect no ward specifically.

RECOMMENDED that Cabinet recommends to Full Council to:

- A** Approve the Housing Revenue Account (HRA) estimates as set out in Appendix 1 to the report.
- B** Approve a working balance of £4.563 million for the HRA (set out in paragraph 26 of the report).
- C** Approve that tenant rents are increased by Consumer Price Index (CPI) plus 1 per cent (4.1 per cent) with effect from 4 April 2022. This equates to an average weekly rent of £97.49, an increase of £3.87 (set out in paragraph 3 of the report).
- D** Approve that the rents and personal charges for temporary accommodation are increased with effect from 4 April 2022 as set out in paragraph 4 of the report.
- E** Approve that garage rents within the 'retain and invest' category are increased by 5 per cent with effect from 1 April 2022. This equates to an average weekly rent of £11.76, an increase of £0.56. Also approve the proportionate increases for other garages, car ports and car spaces (set out in paragraph 5 of the report).

- F** Approve that tenant service charges are increased to recover full cost with effect from 4 April 2022 (see paragraphs 6 to 8 of the report and Appendix 2 attached to the report).
- G** Approve that other housing related support charges for sheltered accommodation are increased to recover full cost with effect from 4 April 2022 (see paragraphs 9 to 13 of the report and Appendix 2 attached to the report).
- H** Approve the tenant heating charges with effect from 4 April 2022. These equate to an average weekly heating charge of £10.96, an increase of £1.23. For tenants in sheltered accommodation, this equates to an average weekly charge of £6.75, an increase £1.68 (see paragraphs 14 to 16 of the report and Appendix 2 attached to the report).
- I** Approve that the leasehold service charges are increased with effect from 1 April 2022 to ensure that all leaseholder costs are recovered (see paragraphs 17 to 21 of the report and Appendix 2 attached to the report).
- J** Approve that all other tenant charges are increased with effect from 4 April 2022 in order to recover cost (see Appendix 2 attached to the report).
- K** Approve that Harlow's Rent Policy is reviewed during 2022/23 with a view to moving towards the National Social Housing Rents Standard (2019) for when properties become empty and for types of rent to be charged on newly acquired or newly built properties (see paragraphs 42 to 44 of the report).
- L** Approve the options for tackling homelessness and prevention as outlined in paragraphs 45 to 48 of the report.

REASON FOR DECISION

- A** The Housing Revenue Account (HRA) reflects the statutory requirement under Section 74 of the Local Government & Housing Act 1989 to account separately for local authority housing services. It is a ring fenced account containing the costs of managing the Council's housing stock which is offset by tenants' rents, tenants' and leaseholders' service charges and other contributions. The Council has a statutory responsibility to set a balanced HRA budget and avoid any deficits.

BACKGROUND

1. The HRA Business Plan 2021-2051 is included elsewhere on this agenda. The 2022/23 budget presented in this report has been reflected in the new Business Plan.

HRA Business Plan Assumptions 2022/23

2. The assumptions in the Business Plan 2021-2051 are as follows.

- a) Implementation of the Rent Standard 2019, increasing dwelling rents annually by CPI plus 1 per cent. Uplifts are based on CPI in the previous September. From April 2022, rents will increase by 4.1 per cent.
- b) The rental income estimates assume that in 2022/23 there will be 43 right-to-buy sales and that the percentage number of voids will be 1.27 per cent of total stock, or an average of 116 vacant properties.
- c) Increases in garage rents by five per cent annually.
- d) Full recovery of all utility and other premises costs from tenants and leaseholders through service charges.
- e) Implementation of the staff pay award in accordance with current Government policy with effect from 1 April 2022.
- f) Depreciation continues to be calculated based on the Existing Use Value for Social Housing (EUVSH) spread over the estimated life of the asset.
- g) Renewal of the Public Works Loan Board (PWLB) debt of £208.837 million when it becomes due and additional borrowing taken when necessary as reflected in the current capital programme.
- h) Maintaining a minimum HRA working balance with effect from 31 March 2022 of £4.563 million, complying with the “industry standard” of £500 per property.
- i) Retaining and enhancing the housing asset management plans as outlined below:
 - i) Maintain compliance of the Council’s housing stock with the housing regulatory requirements. Continue with the replacement regime (based on stock condition survey) for internal and external property components such as kitchens, bathrooms, central heating systems, roofs and external structure of homes. Undertake catch-up works.
 - ii) Prioritise resources to safeguard the well-being and safety of the Council’s tenants in their homes with regard to increased statutory and legislative landlord requirements for fire safety, electrical (communal) safety, asbestos management and lift maintenance.
 - iii) Prioritise energy efficiency initiatives that alleviate fuel poverty.
 - iv) Prioritise resources for disabled adaptations to meet statutory requirements and keep under review annually.
 - v) Reduce resources to garage-related works and re-prioritise the approved Garage and Hardstand Strategy to remain within available resources.

- vi) Realise further efficiencies from responsive repairs programmes and scopes of works.
- vii) Develop a housing programme to outline the aspirations for the delivery of new housing in accordance with housing need, local plan priorities, regeneration priorities, and affordability/viability.

ISSUES/PROPOSALS

Rents – Tenants

3. The Rent Standard 2019, introduced on 1 April 2020, allows all registered providers of social housing to increase rents by CPI plus 1 per cent. CPI in September 2021 was 3.1 per cent and therefore, from 4 April 2022, housing rents will increase by 4.1 per cent. The average rent will increase from £93.62 to £97.49 per week.

Rents - Temporary Accommodation

4. It is proposed that the following rents in respect of Homelessness Services will be increased with effect from 4 April 2022:
 - a) The rent charged for temporary accommodation in the HRA for a single room will increase from £36.59 to £37.52 per week and from £52.27 to £53.89 for a double room. In addition, the weekly personal charge and recharge for council tax will increase from £21.59 to £22.03 per room.
 - b) The rent charged for nightly lets will increase from £131.17 to £135.24 per week for a one bed studio/property, from £147.57 to £152.14 for a two bed property and from £188.68 to £194.53 for a three bed property.
 - c) The rent charged for bed and breakfast accommodation will increase from £131.17 to 133.14 per week.
 - d) The rent charged for non HRA temporary accommodation will increase from £131.17 to £135.24 per week for a one bed studio/property, £147.57 to £152.14 for a two bed property and from £188.68 to £194.53 for a three bed property.

Rents – Garages

5. It is proposed to increase the rent on garages held as "retain and invest" and related charges by 5 per cent. The rent of a standard garage would rise by £0.56 per week to £11.76.

Service Charges – Tenants

6. Service charges are made in addition to rents. In total nine separate service charges are applied and the Council has published a range of service standards to support the implementation of service charges. These are regularly reviewed in consultation

with tenants to ensure the principles of service charges in terms of transparency, improved service delivery and greater accountability are delivered in practice.

7. The key features to the calculation of service charges are:
 - a) Actual, not estimated, costs of service charges are recovered from both tenants and leaseholders, subject to the availability of reasonable data. This means that any difference between the actual cost and estimated cost will be collected or refunded two years after the closure of accounts, for example, any difference in 2021/22 charges will be collected/refunded in 2023/24
 - b) Charges should be consistent to tenants and leaseholders and be fully recovered wherever possible
8. A schedule of proposed service charges is set out in Appendix 2.

Service Charges – Supported Housing

9. The Council's Supported Housing service consists of 16 sheltered housing schemes, one extra care scheme for the frail elderly, and a community support function for 800 private clients living independently across the town.
10. Housing Related Support (HRS) forms part of the Government's Health and Social Care agenda that promotes older persons' wellbeing and independence. The Act does not stipulate specific services to fulfil this requirement. The Council, in addition to its role as landlord, delivers HRS services to older vulnerable people.
11. Officers continue to work with service users of HRS, consulting widely with them and their families to ensure awareness has been raised of the funding gaps, signposting benefit entitlement, as well as possible financial support from other agencies, in order to protect service users whilst increasing service income.
12. A schedule of proposed HRS charges is set out in Appendix 2.
13. In October 2020, the Ministry of Housing, Communities and Local Government (MHCLG) published a new National Statement of Expectations for supported housing. This sets out the Government's expectation of the standard, quality and value for money in supported housing for vulnerable people. Initially, MHCLG funded five pilot schemes to improve quality, enforcement, oversight and value for money in supported housing. There is no announcement for Harlow but it is anticipated that there will be developments in the future.

Service Charges - Heating

14. Heating charges are made in respect of blocks of flats and clustered properties where communal heating and hot water is provided via a District Heating System. The Council supplies the gas used to run the communal boilers and re-charges residents for the energy they use within their homes.

15. The Council remains committed to tackling fuel poverty for residents. The cost of energy that is passed on to tenants is assessed each year to ensure the Council is not putting its residents at risk of fuel poverty.
16. Gas prices are increasing and it is estimated that, with effect from 4 April 2022, the average weekly charge to tenants will be £10.96, an increase of £1.23. For tenants in sheltered accommodation the average weekly charge will be £6.75, an increase of £1.78.

Service Charges - Leaseholders

17. Similarly, with leaseholders, it is the responsibility of the Council to recover all costs including maintenance costs and major works. All leaseholders are provided with an estimate of their annual services charges at the beginning of the financial year. Once the actual costs are known, following the closure of the accounts, the leaseholders are given an amended invoice showing actual cost and they are charged or refunded accordingly.
18. Current legislation allows landlords to recover the costs of administering leasehold services from its leaseholders. It is recommended that the annual management fee be increased from £204.44 to £219.34.
19. The charge for the registration of a sublet will increase to £91.75 (£88.99 in 2021/22). The charge applies to individuals who acquire a leasehold property for the purpose of sub-letting. Under the terms of the leases, all landlords must advise the Council of any under lease and these must be registered appropriately, for which a fee may be charged.
20. Tenants who exercise their Right to Buy (RTB) make a one off contribution into an In Perpetuity Fund for grounds maintenance, amenity cleaning and litter picking. The contribution to the fund is intended to cover future maintenance for 80 years. It is proposed that this charge will increase in line with September 2021 CPI which was 3.1 per cent. This equates to a contribution of £5,787, an increase of £174.
21. It is proposed that other leasehold legal charges are also increased by September CPI with effect from 1 April 2022. A schedule of proposed increases in leaseholder legal costs is set out in Appendix 2.

Revised HRA Budget 2021/22

22. The Quarter 2 HRA finance report to Cabinet highlighted the following predicted variations to the approved budget:
 - a) An overspend of £193,000 in General Management;
 - b) An underspend of £139,000 in Repairs and Maintenance;
 - c) A shortfall of £233,000 in rent income;
 - d) An increase of 246,000 in Charges for Services and Facilities; and

e) Other, smaller, operational variations totalling £42,000.

23. In addition, the report highlighted that predicted slippage in the HRA Capital Programme at Quarter 2 would reduce the requirement for a Revenue Contribution to Capital Expenditure by £3.446 million.
24. The Quarter 2 predictions have been taken into account in preparing the 2022/23 estimates and updating the 2021-51 HRA 30-Year Business Plan.

HRA Estimates 2022/23

25. The draft HRA estimates 2022/23 are set out in Appendix 1 to the report and they have been prepared on the same basis as the business plan assumptions which have been set out in paragraph 2. It should be noted that the increase in General Management costs in 2022/23 is mainly due to the reinstatement of the required pension fund deficit contributions (£1.3m per annum). In 2020/21, a one-off payment was made covering three years, but, from 2022/23 onwards, it is considered prudent to account for future contributions by setting aside an annual sum for this purpose pending the results of the expected Actuarial review and report.

Working Balances

26. Section 25 of the Local Government Act 2003 requires the Director of Finance to report on the adequacy of reserves. In January 2020, Cabinet approved the recommendation to increase the minimum HRA working balance to £4 million in order to meet its obligations arising from recommendations from the Grenfell Tower Public Inquiry. Since an “industry norm” of £500 per property is generally accepted, it is recommended that this should be increased to £4.563 million.
27. Based on the budget figures set out at Appendix 1 to the report, the movements in HRA working balances are shown in Table 1 below.

Table 1 - Estimated Movement in Working Balances

Operating Account	2020/21 Actual £'000s	2021/22 Original £'000s	2021/22 Revised £'000s	2022/23 Estimates £'000s
Balance as at 1 April	15,751	5,992	16,243	7,217
Surplus/(Deficit) for Year	492	(3,484)	(9,026)	(2,614)
Balance as at 31 March	16,243	2,508	7,217	4,603

Major Repairs Reserve

28. Authorities are required, under the Accounts & Audit Regulations 2015, to maintain a Major Repairs Reserve (MRR) which controls an element of the capital resources required to be used on HRA assets or for capital financing purposes. The regulations

require the MRR to be credited with an amount equivalent to the total depreciation charge for all HRA assets.

29. The regulations require that the MRR can be used either to finance the capital programme or to repay housing debt. The HRA Business Plan 2021-2051 assumes that all the contributions will be used to finance the capital programme.
30. The Housing Capital Programme (HCP) can be found as a separate item on this agenda. It is estimated that there will be a nil balance on the MRR at 31 March 2022, as £12.310 million will be used to finance the Housing Capital Programme in 2021/22.
31. Similarly, in 2022/23 the estimated sum of £11.228 million will be used to finance the HCP. The balance on the MRR as at 31 March 2023 will again be nil. The movement in the MRR is set out in Table 2 below.

Table 2 - Estimated Movement in Major Repairs Reserve

Operating Account	2020/21 Actual £'000s	2021/22 Original £'000s	2021/22 Revised £'000s	2022/23 Estimates £'000s
Balance as at 1 April	0	0	1,574	0
MRR Contribution	10,416	10,736	10,736	11,228
Financing of Capital Exp	(8,842)	(10,736)	(12,310)	(11,228)
Balance as at 31 March	1,574	0	0	0

Housing Capital Receipts

32. During the year, housing capital receipts are received from the sale of council houses under RTB, as well as from the sale of housing land and other buildings. The Local Government Act 2003 and subsequent statutory instruments specify how these receipts can be used by the Council. There are particular rules which apply to right to buy receipts and it is for this reason that they must be kept separately from other housing capital receipts.

Retained Right to Buy Capital Receipts

33. Set out in Table 3 below is the estimated amount of capital receipts that the Council will retain under the Government's RTB one for one receipts agreement. These monies can be used to either finance purchases and/or for New Build. As Table 3 shows, the Council's priority is to use them for the New Build programme.

Table 3 - Movement in Retained Right to Buy Receipts

Operating Account	2020/21 Actual £'000s	2021/22 Original £'000s	2021/22 Revised £'000s	2022/23 Estimates £'000s
Balance as at 1 April	(9,012)	(6,844)	(7,068)	(10,509)
Adjustment in Year	0	0	96	0
Receipts Retained from RTB	(1,870)	(3,220)	(3,761)	(4,064)
Receipts Used to Finance Purchases	3,664	0	0	0
Receipts Used to Finance New Builds	150	2,330	224	4,255
Balance as at 31 March	(7,068)	(7,734)	(10,509)	(10,318)

34. Retained RTB receipts have to be spent within five years. Otherwise, they have to be repaid to the Government along with interest at four per cent above base rate. As Table 3 sets out, these monies will be used to part finance the New Build programme.

Other Housing Capital Receipts

35. Housing capital receipts are also received from the sale of land and other housing buildings. Set out in Table 4 below is the movement of other housing receipts.

Table 4 - Movement in Other Housing Capital Receipts

Narrative	2020/21 Actual £'000s	2021/22 Estimates £'000s	2021/22 Revised £'000s	2022/23 Estimates £'000s
Balance as at 1 April	(200)	(1,083)	(1,083)	0
Adjustment in Year	0	0	(96)	0
Other Housing Capital Receipts Received	(883)	(1,257)	0	0
Other Housing Capital Receipts Used	0	1,257	1,179	0
Balance as at 31 March	(1,083)	(1,083)	0	0

36. There is currently minimal restriction on the use of other housing capital receipts. They can be used for any capital purpose other than to match fund RTB one for one replacement receipts.

Housing Capital Programme (HCP)

37. The summarised HCP is set out in Table 5 below.

Table 5 - HCP 2021-22 to 2026-27

Narrative	2021/22 Revised £'000s	2022/23 Budget £'000s	2023/24 Budget £'000s	2024/25 Budget £'000s	2025/26 Budget £'000s	2026/27 Budget £'000s
Core Programme	24,083	19,532	21,107	19,219	19,236	19,059
House Purchase Scheme	0	0	0	0	0	0
New Build Schemes	3,094	10,637	10,074	1,950	0	0
Total HCP	27,177	30,169	31,181	21,169	19,236	19,059
Funded By:						
RTB One For One Receipts	(224)	(4,255)	(4,029)	(780)		
RTB Capital Receipts	(1,449)	(1,517)	(1,561)	(1,598)	(1,637)	(1,676)
Other Capital Receipts	(1,179)	0	0	0	0	0
Major Repairs Reserve	(12,310)	(11,228)	(11,512)	(11,802)	(12,056)	(12,299)
Other Reserves	(477)	0	0	0	0	0
Grant	(640)	0	0	0	0	0
Direct Revenue Financing	(10,898)	(4,736)	(2,255)	(2,418)	(2,434)	(2,237)
Borrowing	0	(8,433)	(11,824)	(4,571)	(3,109)	(2,847)
TOTAL FUNDING	(27,177)	(30,169)	(31,181)	(21,169)	(19,236)	(19,059)

38. Delivery of the capital programme will depend on affordability and it is essential that all schemes built into the budget and Business Plan are viable.

Significant Risks/Opportunities

Risks

39. The Covid-19 pandemic has had a significant impact on the HRA budget in 2020/21 and 2021/22 and, whilst recovery plans are still in place and improving the situation, it has become clear in recent weeks that this could worsen again. For the HRA, the risks would include:

- a) Higher than projected void rates leading to a reduction in rent and service charge income;
- b) Tenants and leaseholders receiving a reduced level of service, resulting in a reduction in service charge income;
- c) Most of the services that tenants and leaseholders receive are provided by Harlow Trading Services (Property and Environment) Ltd (HTS) under contract. Under the terms of the contract, these payments will still have to be made because HTS is not responsible for the reduction in service;
- d) Higher than projected inflation due to supply issues; and

e) Increased homelessness pressures.

40. There is a risk that some tenants and leaseholders may struggle to pay the 4.1 percent increase in their rent, or struggle to pay the higher service charges brought about by increases in costs around energy in particular. The situation will need to be carefully monitored.
41. The proposals in the Housing White Paper, when it becomes legislated, will make clear the standards the Council would need to adhere to. It is unclear when there will be a legislative timetable to include this and wider building safety requirements. Budgets and the Business Plan will need to be reviewed at that time in terms of resource requirements.

Opportunities

Review of Rent Policy

42. Under the former rent restructuring mechanism, a Formula Rent was calculated for each property with the aim for actual rents to eventually match the Formula Rent. This was abandoned in 2015/16, but Councils are allowed discretion to set rents at Formula Rent level whenever a property is relet. Harlow Council has not used this option to date. The average weekly Formula Rent for 2021/22 is £94.96, compared to the current social rent of £93.62, so a difference of £1.34. If all rents were set at target, this would equate to an additional £632,000 per annum. Clearly, it would take time to achieve this level of income, but, with turnover being around five percent per annum, this would equate to additional income of £32,000 in the first full year, building up as time goes on.
43. The Council would need to set a new rent policy in order to move to target rents, so it is proposed to undertake a review of the rent policy during 2022/23 and bring back recommendations to Cabinet.
44. At the same time, consideration will be given to setting some rents on newly acquired or newly built properties at affordable rent levels. This will improve viability on schemes and create a “mixed tenure”.

Homelessness Prevention

45. Due to the limited supply of suitable housing within Harlow, the Council needs to consider all available accommodation options for applicants who are owed an accommodation duty.
46. Therefore in line with the Localism Act 2011 and the amended Section 193 of the Housing Act 1996 which gave local authorities the power to discharge the housing duty by way of a private rented sector offer, such as an assured shorthold tenancy for a minimum 12 month period, it is recommended that the council look to incorporate this option into its range of different prevention tools.
47. In extending the Council’s options to discharge its homeless duty into the private rented sector, it will enable the Council to build on providing a range of different

housing options available to assist and prevent households that are faced with homelessness.

48. Accessing the private sector in this way will potentially reduce the number of households placed in temporary accommodation and therefore reduce the cost of this provision. It will also provide applicants and their families a more settled life style, as some households can remain in temporary accommodation for extended periods of time, due to the lack and availability of permanent accommodation.

Consultation

49. Over the last year, Tenant and Leaseholder Panels have been suspended and there have been no meetings of the Housing Standards Board. Representatives are being provided with electronic and hard copies of the reports in order to obtain feedback whilst keeping the Housing Standards Board updated.
50. Dialogue with Tenant and Leaseholder representatives continue during these unprecedented times, allowing them to make contributions, provide feedback, and ask questions relating to Cabinet reports. In addition, briefing papers relating to the Cabinet reports have been presented to the Housing Standards Board.

Conclusion

51. The HRA budget estimates for 2022/23 reflect the complex and ongoing fluid environment that stock owning local authorities are experiencing. Significant risks and uncertainties have been outlined in the report and will be kept under review and reported in subsequent reports. Updates will be advised to Cabinet as part of its performance management/budget monitoring process.

IMPLICATIONS

Strategic Growth and Regeneration

As contained within the report.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

As contained within the report.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

As contained within the report

Author: Andrew Murray, Director of Housing

Communities and Environment

No specific implications.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

As contained in the report.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix 1 – HRA Estimates 2022/23

Appendix 2 – Service & Housing Related Support Charges 2022/23

Background Papers

None.

Glossary of terms/abbreviations used

CPI – Consumer Price Index

EUVSH – Existing Use Value for Social Housing

HCP – Housing Capital Programme

HRA – Housing Revenue Account

HRS – Housing Related Support

HTS – Harlow Trading Services (Property and Environment) Ltd

MHCLG – Ministry of Housing, Communities and Local Government (now Department for Levelling Up, Housing and Communities (DLUHC))

MRR – Major Repairs Reserve

PWLB – Public Works Loan Board

RTB – Right to Buy

HARLOW COUNCIL

APPENDIX 1

HOUSING REVENUE ACCOUNT ESTIMATES 2022/23

HEADING	2020/21 Actual £'000	2021/22 Original £'000	2021/22 Revised £'000	2022/23 Estimates £'000
<u>Expenditure</u>				
General Management	12,805	10,295	10,719	12,049
Special Management	7,929	8,418	8,542	8,703
Repairs	10,231	11,262	11,963	11,581
Rents, Rates & Taxes	121	87	241	89
Supporting People	3	5	5	5
Provision for Bad Debts	167	357	357	376
Depreciation	10,416	10,736	10,736	11,228
Direct Revenue Financing	0	6,559	10,898	4,736
Debt Management Exp	5	17	17	21
Capital Charges: Other	6,928	7,261	6,875	7,001
Total Expenditure	48,605	54,997	60,353	55,789
<u>Income</u>				
Dwelling Rents	(42,987)	(43,763)	(43,791)	(45,597)
Garage Rents	(965)	(1,081)	(1,026)	(1,131)
Other Rents	(84)	(65)	(82)	(65)
Service Charges: Tenants	(1,015)	(1,175)	(1,174)	(1,273)
Service Charges: Leaseholders	(2,022)	(2,434)	(2,418)	(2,526)
Other Charges for Services	(1,078)	(2,340)	(1,900)	(1,906)
Transfers from General Fund	(852)	(623)	(873)	(637)
Interest on Revenue Balances	(94)	(32)	(63)	(40)
Total Income	(49,097)	(51,513)	(51,327)	(53,175)
Balance at 1 April	15,751	5,991	16,243	7,217
Surplus / (Deficit) for year	492	(3,483)	(9,026)	(2,614)
Balance in Hand at 31 March	16,243	2,508	7,217	4,603

Harlow Council

APPENDIX 2 - SERVICE AND HOUSING RELATED SUPPORT CHARGES 2022/23

TYPE OF SERVICE/SUPPORT	Highest Weekly Charge	Lowest Weekly Charge	Average Weekly Charge	Average Weekly Charge
Charges	Highest (£)	Lowest (£)	Average (£)	Ave all tenants (£)
Amenity Cleansing – Gullies	1.36	0.01	0.09	0.07
Amenity Cleansing – Bins	1.46	0.06	0.32	0.03
Caretaking	28.21	0.93	7.81	0.68
Cleaning	17.88	0.19	5.74	0.83
Door Entry Management	1.63	1.63	1.63	0.13
Grounds Maintenance	2.96	0.01	0.43	0.35
Landlord's Lighting	3.78	0.41	1.21	0.44
Window Cleaning- General Needs	0.28	0.08	0.13	0.01
Window Cleaning- Sheltered	0.66	0.12	0.26	0.01
Sumners Farm Close Cleaning	8.24	8.24	8.24	0.04
TOTAL Estimate for 2022/23 (2021/22 £2.50)				2.58
Adjustment in respect of 2020/21				(0.17)
Actual charge for 2022/23				2.43
Heating Charges				
District Heating: Fuel Only (annual)	718.54	350.09	537.22	
Sheltered Accommodation				
Meal Charges Sumners Farm Close	6.10			
Housing Related Support Charges				
Dispersed Community Alarms	4.47			
Harlow Community Support	7.45			
Sheltered Housing Support	8.32			
Alarm System Monitoring	1.95			
Intensive Housing Management	2.04			
Leaseholder Service Charges Only (annual)				
Amenity Cleansing – Gullies	70.61	0.27	4.65	
Amenity Cleansing – Bins	76.03	3.38	16.60	
Caretaking	1,467.09	48.26	406.37	
Cleaning	929.78	9.92	298.26	
Door Entry Management	84.96	84.96	84.96	
Grounds Maintenance	160.70	0.71	23.41	
Landlord's Lighting	196.42	21.34	63.11	
Lifts	298.03	134.51	259.76	
Annual Management Fee	219.34			
Contribution to Perpetuity Fund Savoy Wood	102.86			
Enquiry Release Information	32.66			
Insurance Policy Key Facts	11.71			
Insurance	156.67			
Interest Free Loan Admin fee	300.00			
Lease Extension Fee	175.74			
Mandatory and Discretionary Loan Fee	145.95			
Non Compliance Letters	50.20			
Re-mortgage Fee	21.80			
Sublet - Registration Fee	91.75			
Solicitors Enquires without Insurance	111.17			
Solicitors Enquires with Insurance	152.19			
Solicitors additional information	40.43			
Voluntary Charge Fee	300.00			

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: CAPITAL PROGRAMMES 2021/22 – 2023/24

PORTFOLIO HOLDERS: COUNCILLOR JAMES LEPPARD, PORTFOLIO
HOLDER FOR FINANCE

COUNCILLOR SIMON CARTER, PORTFOLIO
HOLDER FOR HOUSING

LEAD OFFICERS: SIMON FREEMAN, DEPUTY TO THE CHIEF
EXECUTIVE AND DIRECTOR OF FINANCE
(01279) 446228

ANDREW MURRAY, DIRECTOR OF HOUSING
(01279) 446676

SENIOR MANAGEMENT BOARD, (01279) 446004

This is a Key Decision

It is on the Forward Plan as Decision Number I012625

The decision is not subject to Call-in Procedures for the following reasons:

The decision stands as a recommendation to Full Council

This decision will affect no ward specifically.

RECOMMENDED that Cabinet recommends to Full Council to:

- A** Approve the 2022/23 Housing Capital Programme (HCP) totalling £30.169 million as set out in Appendix 1.
- B** Approve of the inclusion in the Housing Capital Programme of an additional £25.939 million over 6 years for a Housing “Catch up Stock Need” as set out in Table 2.
- C** Approve the updated New Build programme as set out in Table 3, noting the removal of £155,000 expenditure incurred for both the Stackfield and Brenthall Towers schemes which are not proceeding.
- D** Approve the 2022/23 Non Housing Capital Programme totalling £18.603 million (attached as Appendix 2 to the report), noting the additional £2.19 million investment in response to Business Cases received as detailed in Table 11.

REASON FOR DECISION

- A** Approval of the capital programme is a responsibility reserved for the Full Council and reflects its investment priorities and health and safety obligations. This is necessary because the approved programme gives authority for the

procurement and resourcing of individual projects so that investment priorities can be delivered.

BACKGROUND

1. In January 2021, the Council approved the 2021/22 Housing and Non Housing Capital Programmes, together with the 2021/22 to 2023/24 Medium Term Financial Strategy and the 2021/22 Housing Revenue Account (HRA) Budgets.
2. On December 3 2021, the Housing and Non Housing Capital programmes were reviewed and Cabinet approved a number of changes to both programmes.
3. The HCP has been prepared in conjunction with the updated Housing Asset Management Plan (AMP) and the HRA Business Plan.
4. Both Capital programmes have been prepared in line with the Council's corporate strategy and Housing Revenue Account Business Plan priorities with the focus on Housing, Regeneration and Environment including projects that contribute towards the Council's Carbon Reduction Plan.
5. The AMP is compiled from the stock condition survey which identifies the capital expenditure required to maintain the housing stock over the next 30 years. Expenditure is broken down over individual components which form the core capital programme.
6. The HRA Business Plan shows the HCP has been prepared in accordance with the following principles:
 - a) That the HCP core projects are financed from contributions from the Major Repairs Reserve. Any shortfall will be financed from available housing capital receipts, direct revenue contributions and borrowing.
 - b) A £640,000 grant has been approved by Homes England towards the Bushey Croft development, with the initial payment of £480,000 being received during December 2021. The remaining expenditure incurred for this scheme will be financed from borrowing.
 - c) All other new build projects are financed from retained right to buy receipts and borrowing.

ISSUES/PROPOSALS

Housing Capital Programme Revised Budget 2021/22

7. Table 1 sets out a summary of the changes to the 2021/22 Housing Capital Programme.

Table 1 – Quarter 2 Movement in the Housing Capital Programme

Budget Stage	Budget	
	£000s	Cabinet Date
2021/22 Original budget	26,319	21/01/2021
2020/21 Quarter 3 budgets reprofiled	11,354	25/03/2021
2020/21 Year end budgets reprofiled	1,250	12/07/2021
2021/22 Current Budget	38,923	
2021/22 Budgets reprofiled at Quarter 2	(11,377)	02/12/2021
Quarter 2 - Removal of the Stackfield new build project	(132)	02/12/2021
Quarter 2 - Removal of Brenthall Towers new build project	(735)	02/12/2021
Quarter 2 - Increase in 4 the Hill new build budget (from 2022/23)	180	02/12/2021
Quarter 2 - Addition of Prentice Place	477	02/12/2021
Quarter 2 - Other minor variances	(3)	02/12/2021
2021/22 Revised Budget	27,332	

8. It can be seen from Table 1 that the Covid-19 pandemic continues to have a significant impact on the delivery of the Housing Capital Programme. This has resulted in a requirement to re-profile £11.377 million into future years of which £7.611 million relates to the core programme and £3.766 million to New Build developments.
9. The Housing Capital Programme requires continued investment in Council dwellings to continue to improve and make safe the Council’s housing stock. The Housing Investment Programme (HIP) has been updated to recognise priorities required by the enhanced fire, health and safety regulations.
10. Table 2 below identifies the 6 year profiling of the “Catch up Stock Need” which is a budget pressure identified in order to meet ongoing demands.

Table 2 - Catch up Stock Need

Programme	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s	Budget 2025/26 £000s	Budget 2026/27 £000s	Budget 2027/28 £000s	Total
Catch up stock need	2,000	3,000	6,000	6,000	6,000	2,939	25,939

11. Table 3 below details proposals for the New Build development programme. The new housebuilding schemes are in the early stages and are currently pending planning or Finance approval, so may be subject to change.

Table 3 - New Build Schemes

Previously approved schemes	Revised 2021/22 £000s	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s	Budget 2025/26 £000s	Budget 2026/27 £000s
Bushey Croft	2,533					
4 The Hill	386	220				
Pipeline schemes	174	10,417	10,074	1,950		
Total New Build Budget	3,094	10,637	10,074	1,950	0	0

12. In December 2021 the Stackfield project was removed from the New Build development scheme. A budget of £40,000 was included in the 2021/22 revised estimates for expenditure incurred to date; this has now been removed as it can

no longer be capitalised. Similarly a budget of £115,000 was included in the 2021/22 revised estimates for expenditure incurred on the Brenthall Towers scheme.

13. The Bushey Croft development continues to progress well. Works on the construction of the new car park are scheduled to take place during the Christmas break and architects landscaping designs for biodiversity works are being prepared. There is a six week delay to this programme with completion anticipated during April/May 2022.
14. The development at 4 the Hill suffered a six week delay due to a shortage of labour and materials and is now anticipated to complete during the spring of 2022.

Housing Capital Programme Estimates 2022/23

15. The Council's Housing Investment Programme (HIP) continues to deliver a set of internal / external works packages to meet the identified short, medium and long term asset management priorities outlined in the HRA Business plan. The Housing Asset Management Plans have been aligned to the new Corporate Strategy approved by cabinet in December 2021 recognising the ongoing need for continued significant investment in developing work packages targeted to continuing to improve housing conditions, meet the increased regulatory requirements, and make sure local priorities are tackled. It is however necessary to both reflect the overall investment that can be afforded as well as the ongoing stock condition “catch up need”.
16. The increased budget allocation for fire safety has been established following the fire at Grenfell Tower in London Updated risk assessments continue to be aligned to the three year programme and Government guidance.
17. In January 2021 Cabinet approved the Medium Term Financial Plan (MTFP) for the period 2021/22 to 2023/24. Set out in Table 4 is the movement in the 2022/23 Housing Capital Programme estimates since the MTFP was approved.

Table 4 - Housing Capital Programme Adjustment to MTFP 2022/23

Budget Stage	Budget £000	Cabinet
Original Estimates 2022/23 as per MTFP	20,920	21/01/2021
Core programme re-profiling from 2021/22	11,377	02/12/2021
Re-profiling to 2023/24	(3,000)	
Catch Up Stock Need	2,000	
New build revised pipeline 2022/23	(1,128)	
	30,169	

18. A minimum of £5.8 million of the core Housing Capital programme is allocated to HTS Property and Environment Ltd each year. Proposed HTS works include disabled adaptations, compliance, garage refurbishments and internal and structural works.

Financing HCP Core Projects 2021/22

19. In accordance with business plan assumptions the core element of the HCP should be financed from the MRR. Table 5 shows the contributions to the MRR as well as the amount available to fund the core element of the Housing Capital Programme.

Table 5 - Estimated Movement in Major Repairs Reserve

Narrative	2020/21 Actuals £000s	2021/22 Original £000s	2021/22 Revised £000s	2022/23 Estimates £000s
Balance as at 1 April	0	0	1,574	0
MRR Contribution	10,416	10,736	10,736	11,228
Financing of Capital Expenditure	(8,842)	(10,736)	(12,310)	(11,228)
Balance as at 31 March	1,574	0	0	0

20. It can be seen from Table 5 that there is £12.31 million available to fund the core HCP in 2021/22 and the balance on the reserve will be fully utilised.
21. If the MRR contributions are insufficient to finance the whole of the core element of the Housing Capital Programme it is assumed in the business plan that any available housing capital receipts will be used as shown in Table 6.

Table 6 - Movement in Other Housing Capital Receipts

Narrative	2020/21 Actual £000s	2021/22 Estimates £000s	2021/22 Revised £000s	2022/23 Estimates £000s
Balance as at 1 April	(200)	0	(1,083)	0
Adjustment in Year			(96)	
Other Housing Capital Receipts Received	(883)	(1,257)	0	0
Other Housing Capital Receipts Used	0	1,257	1,179	0
Balance as at 31 March	(1,083)	0	0	0

22. It can be seen from Table 6 that it is estimated that all other available housing capital receipts will be used to finance the core Housing Capital Programme.
23. Appendix 1 shows that the MRR and available Capital receipts will not be sufficient to fund the core Housing Capital Programme. Programme of Development Grant Funding totalling £477,000 will be used to finance the Prentice Place scheme and the balance of the Housing Capital Programme will be funded by a Direct Revenue Contribution from the Housing Revenue Account (HRA).

Financing HCP New Build Projects 2021/22

24. The HRA Business Plan also assumes that new build projects will be financed from retained Right to Buy (RTB) receipts and borrowing. The exception is

Bushey Croft for which a £640,000 Homes England grant has been awarded. Financing of the new build programme is set out in table 7 below.

Table 7 Financing of the Housing Capital Programme New Build Projects

Project Area	Revised 2021/22 £000s	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s
New Build Programme	3,094	10,637	10,074	1,950
Financed by				
Right to Buy Capital Receipts	(224)	(4,255)	(4,029)	(780)
Right to Buy Receipts arriving in year	(1,449)			
Direct Revenue Financing	(781)			
Homes England Grant	(640)			
Borrowing		(6,381)	(6,044)	(1,170)
Total Financing	(3,094)	(10,637)	(10,074)	(1,950)

25. Under the current rules 40 percent of the new build cost can be financed from retained RTB receipts, which must be used within 5 years from the end of the financial year in which receipts were retained. The balance will be financed from borrowing unless other resources are available.
26. If grants, such as the Homes England Grants, are received towards financing a new build development such as Bushey Croft retained RTB receipts cannot be used in conjunction. The exception to this rule is where the grant is specifically related to individual properties; these properties are then excluded from RTB receipt funding but retained receipts could be used against other properties within the same development.
27. As properties are sold under RTB retained receipts accumulate and set out in Table 8 is an estimate of the retained receipts which will be available at 31st March 2022

Table 8 - Movement in Retained Right to Buy (RTB) Receipts

Narrative	2020/21 Actual £000s	2021/22 Estimates £000s	2021/22 Revised £000s	2022/23 Estimates £000s
Balance as at 1 April	(9,012)	(6,844)	(7,068)	(10,509)
Adjustment in Year			96	
Receipts Retained from RTB	(1,869)	(3,220)	(3,761)	(4,064)
Receipts Used to Finance New Builds	149	2,330	224	4,255
Receipts Used to Finance Acquisitions	3,664			
Balance as at 31 March	(7,068)	(7,734)	(10,509)	(10,318)

Non Housing Capital Programme (NHCP)

28. The NHCP has been prepared in conjunction with the Medium Term Financial Strategy approved by Cabinet in January 2021 and the Asset Management Plan.

NHCP Revised 2021/22

29. Set out in Table 9 is a summary of the changes to the Non Housing Capital Programme approved by Cabinet in December 2021.

Table 9 NHCP Movements Approved Quarter 2

Budget Stage	Budget £000s	Cabinet Date
2021/22 Original budget	17,820	21/01/2021
2020/21 Quarter 3 budgets reprofiled	1,524	25/03/2021
2021/22 Addition for Elections Equipment	18	09/09/2021
2020/21 Year end budgets reprofiled	3,984	12/07/2021
2021/22 Current Budget	23,346	
2021/22 Budgets reprofiled at Quarter 2	(12,374)	
Quarter 2 - Addition of Towns Fund Grant funded expenditure	784	
Quarter 2 - Additional investment in Paddling Pools and Splash park	218	
Quarter 2 - Increase in Moot House frontage improvements	29	
Quarter 2 - Increase to grant funded Energy Efficient Hand Dryers	18	
Quarter 2 - Bush Fair Pavillion re-profiled to 2023/24	(56)	
Quarter 2 - Town Park paddling pool works identified by AMP not require	(91)	
Quarter 2 - Asbestos removal underspend	(50)	
Quarter 2 - other minor variances	(28)	
2021/22 Revised Budget	11,796	02/12/2021

30. Explanations of changes were reported in the Quarter 2 Capital Programmes report and once again it is clear that Covid-19 has had a significant impact on the delivery of the capital programme. Contractors continue to encounter difficulties in sourcing both labour and materials resulting in inflated costs when resources are available.
31. Ongoing difficulties around the Elm Hatch development resulted in the Quarter 2 re-profiling of £4.092 million to future years. Revised plans are currently being prepared with particular attention being paid to the impact of housing and the existing hatch development on the view of the Grade II listed St Andrews Church.
32. A detailed analysis of the revised budget is set out in Appendix 2 with further re-profiling likely to be required at Quarter 3.

NHCP Estimates 2022/23

33. In January 2021 Cabinet approved the Medium Term Financial Plan (MTFP) for the period 2021/22 to 2023/24. Set out in Table 10 are the changes to the 2022/23 NHCP estimates since the MTFP was approved.

Table 10 - NHCP Adjustment to Estimates in the MTFP 2022/23

Budget Stage	Budget £000s	Cabinet
Original Estimate per the MTFP	4,413	21/01/2021
2021/22 re-profiled budgets	12,374	02/12/2021
of which budgets re-profiled to 2023/24 onwards	(3,825)	
Business Cases for additional investment 2022/23	1,419	
Towns Fund Grant Expenditure	6,885	
Other Amendments including re-profiling to future years	(2,662)	
	18,603	

34. The £6.885 million Towns Fund grant expenditure included in Table 10 above is part of the overall £23.7 million grant the Council were successfully awarded in order to deliver a Regeneration programme. This incorporates Broad Walk and Staple Tye improvements, a bus station interchange and hub building, an Institute of Technology programme to be delivered by Harlow College and the Cambridge Road junction. Works on some of these schemes are expected to commence during 2021/22 with overall completion anticipated in 2025/26. During November 2021 the council received the first £1.25 million of this grant allocation.
35. Details of the re-profiled schemes from 2021/22 were reported in the Quarter 2 Capital Programme Report to the December Cabinet. In addition, as capital schemes progress, minor amendments are made which will impact on the overall cost of the project.
36. There is a need for continuing capital investment and as part of the budget process bids are requested for new projects to be included in the NHCP. Set out in Table 11 is a list of new bids some of which reflect the Corporate Strategy requirement for a reduction in the Council's carbon emissions.

Table 11 - Non Housing Capital Programme Business Cases 2022/23

Scheme	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s
Town Park Water Gardens landscaping & biodiversity	15		
Town Park Showground - lighting phase 1	75		
Harlow Playhouse Boiler (addition to £100k reprofiled at period 6 2021/22)	292		
Harlow Playhouse External Lighting	49	61	
Harlow Playhouse Sound system	69	319	
Latton Bush Centre - Griffin suite refurbishment	38		
Accommodation Review - Building Services and Facilities	500		
Accommodation Review - ICT	200	100	100
The Oxleys Bank Stabilisation - Phase 2	80		
Multi-Use Games Areas	11	6	
Green Infrastructure - planting	65	87	98
HR Upgrade Phase 3	25		
Total	1,419	573	198

37. A comprehensive business case has been prepared to support each bid with each bid has been supported by the Senior Management Board (SMB)

38. The Council made two successful bids to the South East Local Enterprise Partnership (SELEP) Getting Building Fund to continue the investment in the Enterprise Zone totalling £3.56 million. To date the Council have received £2.26 million of this grant towards the Nexus and Modus internal developments, with the balance anticipated to be received later this financial year.

Financing NHCP Projects

39. Part of the NHCP is financed from non- housing capital receipts and Table 12 shows the estimated availability of those receipts.

Table 12 - Movement in Non-Housing Capital Receipts

Narrative	2020/21 Actual £000s	2021/22 Estimate £000s	2022/23 Estimate £000s
Capital Receipts B/Fwd	1,895	2,349	2,349
Capital Receipts Received	1,472	1,913	14
Capital Receipts Used	(1,018)	(1,913)	(14)
Capital Receipts C/Fwd	2,349	2,349	2,349

40. The remaining elements of the NHCP in 2022/23 will be financed by Disabled Facilities and Towns Fund grants, revenue contributions, earmarked reserves, loan repayment and borrowing.

Risks

41. The following risks should be noted.

Housing Capital Programme

42. The cost of any fire safety works required once the final report from the Grenfell Tower Public Inquiry is published, which may impact on the HRA minimum working balance.
43. Potential scheme delays resulting from a shortage in the labour market and availability of materials, both of which are currently impacting the Housing and Non Housing Capital programmes.

Non-Housing Capital Programme

44. Key risks in the Non-Housing Capital Programme are centred around the implications of the completed stock condition survey on the asset management programme. The survey found that there is a substantial backlog of work required in order to refurbish and maintain council assets and as such, many schemes have been re-profiled to future years to alleviate some pressure, though staff recruitment continues to prove difficult which may still impact the delivery of projects.
45. There is risk in respect of asset disposals, whereby if disposals do not take place resulting in a capital receipt, there will be increased pressure on the Council's borrowing requirement.

IMPLICATIONS

Strategic Growth and Regeneration

As contained within the report.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

As contained within the report.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

As contained within the report

Author: Andrew Murray, Director of Housing

Community Wellbeing

No specific implications.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

As contained in the report.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix 1 – Housing Capital Programme 2021/22 to 2026/27

Appendix 2 – Non Housing Capital Programme 2021/22 to 2026/27

Background Papers

None.

Glossary of terms/abbreviations used

AMP – Asset Management Plan

EZ- Enterprise Zone

GF – General Fund

HCP – Housing Capital Programme

HIP – Housing Investment Programme

HR – Human Resources

HRA – Housing Revenue Account

HSB- Housing Standards Board

HTS – HTS (Property and Environment) Ltd

MHCLG – Ministry for Housing, Communities and Local Government

MTFS- Medium Term Financial Strategy

NHCP – Non Housing Capital Programme

RTB – Right to Buy

SELEP – South East Local Enterprise Partnership

Appendix 1 - Housing Capital Programme 2021/22 to 2026/27

Programme	Revised 2021/22 £000s	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s	Budget 2025/26 £000s	Budget 2026/27 £000s
ASC Fixed Prices	1,056	1,089	1,116	1,139	1,161	1,185
Internal Works	3,509	3,500	3,000	2,600	2,600	2,800
External works including Energy Efficiency	4,471	4,830	6,440	5,300	5,300	5,000
Energy Efficiency / Fuel Poverty	290	100	100	100	100	100
Fire Safety	6,264	3,600	1,000	1,000	1,000	1,000
Communal Boiler Renewal	450	1,250				
Disabled Adaptations	1,624	700	750	750	750	750
Compliance (Water Gas and Electric)	2,576	2,000	1,000	1,000	1,000	1,000
Joyners Field Cladding	63	1,737				
Garage Refurbishment	662	172	181	202	197	173
HTS - Environmental Estate Works	17					
Property Conversions (HTS)	200	300				
Contingency		160	220	228	228	221
Asbestos Removal	215	100	100	200	200	100
CDM	74	50	50	50	50	50
Damp	151	100	100	100	100	100
Structural	1,245	500	1,000	500	500	500
IT	320	344	50	50	50	80
Disabled Adaptations (non HTS)	37					
Prentice Place	477					
Void works to 20/21 house purchases	384					
Catch Up Stock Need		2,000	3,000	6,000	6,000	6,000
2021/22 schemes reprofiled to 2023/24		(3,000)	3,000			
Total Core Programme	£ 24,083	£ 19,532	£ 21,107	£ 19,219	£ 19,236	£ 19,059

Table 3 - New Build Schemes

Previously approved schemes	Revised 2021/22 £000s	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s	Budget 2025/26 £000s	Budget 2026/27 £000s
Bushey Croft	2,533					
4 The Hill	386	220				
Pipeline schemes	174	10,417	10,074	1,950		
Total New Build Budget	3,094	10,637	10,074	1,950	0	0
Total Housing Capital Programme	27,177	30,169	31,181	21,169	19,236	19,059

Financed by

Direct Revenue Financing	10,898	4,736	2,255	2,418	2,434	2,237
Major Repairs Reserve	12,310	11,228	11,512	11,802	12,056	12,299
Borrowing		8,433	11,824	4,571	3,109	2,847
1-4-1 Receipts used	224	4,255	4,029	780		
Other Capital Receipts	1,179					
Right to Buy Receipts arriving in year	1,449	1,517	1,561	1,598	1,637	1,676
Other Grants & Contributions	640					
POD/GAF Funding re Prentice Place	477					
Total Financing	27,177	30,169	31,181	21,169	19,236	19,059

Appendix 2 - Non Housing Capital Programme 2021/22 to 2026/27

Project Area	Revised 2021/22 £000s	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s	Budget 2025/26 £000s	Budget 2026/27 £000s
Environment and Planning Services	1,218	813	688	613	515	515
Latton Bush Centre	217	625	687	1,131	1,313	
Commercial Properties	201	675	420	53	114	30
Highways and Car Parks	147	75	243	75	765	75
Drainage	118	210	86	40	40	40
Community Buildings	610	645	580	326	49	
Other Finance and Asset Management Schemes	417	279	660	50	115	100
Civic Centre	436	730	795	266	110	
Contingency	12	50	50	50	58	50
Garages	310	143	136	136	136	136
Governance	53	38	15	15	15	15
Finance	231	36	36	36	36	
Community Wellbeing	2,365	2,131	410	30	30	30
Elm Hatch	105	268	3,210	1,070		
Enterprise Zone (Nexus)	1,663					
Enterprise Zone (Modus)	2,909					
Town Centre Limited Liability Partnership		5,000				
Towns Fund	784	6,885	3,476	9,555	3,000	
TOTAL	11,796	18,603	11,492	13,446	6,296	991

FINANCED BY	Revised 2021/22 £000s	Budget 2022/23 £000s	Budget 2023/24 £000s	Budget 2024/25 £000s	Budget 2025/26 £000s	Budget 2026/27 £000s
Capital Receipts	115					
Asset Disposal Programme	1,798	14				
Earmarked Reserves	708	36				
Revenue Contributions	348	184	155	155	155	152
Grants	6,275	7,405	3,996	10,055	3,500	500
Loans	5	5	5	5	5	5
Borrowing						
Elm Hatch	105	268	3,210	1,070		
Ocassio House		1,250				
Town Regeneration Partnership		5,000				
Prudential Borrowing	2,442	4,441	4,126	2,161	2,636	334
Total	11,796	18,603	11,492	13,446	6,296	991

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: CAPITAL AND TREASURY REPORT 2022- 23

PORTFOLIO HOLDER: COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

LEAD OFFICERS: SIMON FREEMAN, DEPUTY TO THE CHIEF EXECUTIVE AND DIRECTOR OF FINANCE (01279) 446228

SENIOR MANAGEMENT BOARD (01279) 446004

CONTRIBUTING OFFICER: MATHEW CROSBY, PRINCIPAL FINANCE MANAGER (INTERIM)(01279) 446448

This is a Key Decision

It is on the Forward Plan as Decision Number I012624

The decision is not subject to Call-in Procedures for the following reasons:

The decision stands as a recommendation to Full Council

This decision will affect no ward specifically.

RECOMMENDED that Cabinet recommends to Full Council that:

- A** The following Capital and Treasury Reports be approved:
- i) The Capital Strategy Report (attached as Appendix A to the report).
 - ii) The Investment Strategy Report 2022/23 (attached as Appendix D to the report).
 - iii) The Minimum Revenue Provision Statement 2022/23 (attached as Appendix E to the report).
- B** The proposed revised Treasury Management Strategy Statement 2022/23 (attached as Appendix C to the report) be approved for implementation with effect from 1 April 2022.

REASON FOR DECISION

- A** The Capital Strategy Report 2022/23 (attached as Appendix A to the report) covers the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code 2017, including the prudential indicators. The report should be approved by Full Council before the start of the new financial year.

- B** The Treasury Management Strategy Statement 2022/23 (Appendix B) covers the requirements of the CIPFA Treasury Management Code of Practice 2017, including the treasury management indicators.
- C** The Investment Strategy Report 2022/23 (Appendix C) covers the requirements of the Department for Levelling Up, Housing and Communities (DLUHC) (formerly that Ministry of Housing, Communities and Local Government or MHCLG) Investment Guidance 2018, including the investment indicators.
- D** The Minimum Revenue Provision Statement 2022/23 (Appendix D) covers the requirements DLUHC Guidance on Minimum Revenue Provision.

BACKGROUND

1. This report brings together a number of documents in order to comply with new Government and accountancy professional (CIPFA) guidance.
2. The Council is required to produce an overarching document, a Capital Strategy Statement, which sets out the Council's longer term plan for capital expenditure, and the way in which it is to be funded. The approval of the Strategy (as set out in Appendix A to the report) is a requirement of Council.
3. A medium term strategy for the Capital Programme 2022/23 – 2024/25 is given in Appendix B A separate report to this meeting focusses on approval of the current and immediate forthcoming year: 'Capital Programmes 2022/23-2024/25'.
4. At the heart of this document are statements governing treasury management, now split into three separate documents (as set out in appendices B, C and D).
5. Treasury management is defined as “the management of the Council's investments and cash flows, its banking, money market and capital market transactions: the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.”
6. The primary requirements of the current guidance are as follows:
 - a) Creation and maintenance of a Treasury Management Policy Statement
 - b) Creation and maintenance of Treasury Management Practices (TMP)
 - c) Receipt of an annual Treasury Management Strategy Statement (TMSS)
 - d) Presentation of a mid-year review of the TMSS and an annual report (stewardship report) to Full Council

- e) Delegation by the Council for responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions
- f) Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For the Council the current TMSS specifies the responsibility for the delegated scrutiny role is delegated to the Cabinet Policy Development Working Group, as well as to the Audit and Standards Committee as may be required
- g) Submission of an Investment Strategy (as set out in Appendix C to the report)
- h) Submission of a Minimum Revenue Provision Statement (as set out in Appendix D to the report).

ISSUES/PROPOSALS

- 7. All reports have been prepared in compliance with respective guidance.
- 8. Members are invited to refer/approve these documents as appropriate.

IMPLICATIONS

Strategic Growth and Regeneration

None specific.

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

Any specific implications are set out within the report and supporting appendices. The strategies are key documents underpinning key aspects of financial management across the Council which enable sound financial management to be applied and for resources and assets to be protected.

Author: Simon Freeman, Deputy to the Chief Executive and Director of Finance

Housing

None specific.

Author: Andrew Murray, Director of Housing

Communities and Environment

None specific.

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

None specific.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – Capital Strategy Report

Appendix B – The Treasury Management Strategy Statement 2022/23

Appendix C – The Investment Strategy Report 2022/23

Appendix D – The Minimum Revenue Provision Statement 2022/23

Background Papers

None.

Glossary of terms/abbreviations used

See Annex A for glossary of terms.

Capital Strategy Report 2022/23

Introduction

1. The capital strategy report gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability.
2. Decisions made this year on capital and treasury management will have financial consequences for the Council for many years into the future. They are therefore subject to both a national regulatory framework and to local policy framework, summarised in this report.

Capital Expenditure and Financing

3. Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes, in addition, spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £5,000 are not capitalised and are charged to revenue in year.
4. The Council's policy on capitalisation can be found in the Accounting Policies in the annual Statement of Accounts.
5. In 2022/23, the Council is planning capital expenditure of £48.8 million as summarised in Table 1:

Table 1: Prudential Indicator – Estimates of Capital Expenditure

	Actual 2020/21 £,000s	Revised 2021/22 £,000s	Budget 2022/23 £,000s	Budget 2023/24 £,000s	Budget 2024/25 £,000s	Budget 2025/26 £,000s	Budget 2026/27 £,000s
Non-Housing Capital Programme							
Core Programme	2,271	6,335	6,451	4,805	2,821	3,296	991
Elm Hatch	63	105	268	3,210	1,070		
Enterprise Zone	7,040	4,572					
HTS Equity Share & Loan	2,131						

	Actual 2020/21 £,000s	Revised 2021/22 £,000s	Budget 2022/23 £,000s	Budget 2023/24 £,000s	Budget 2024/25 £,000s	Budget 2025/26 £,000s	Budget 2026/27 £,000s
Towns Fund Schemes		784	6,885	3,476	9,555	3,000	
Town Centre Limited Liability Partnership			5,000				
Sub total	11,504	11,796	18,603	11,492	13,446	6,296	991
Housing Capital Programme							
Core Programme	8,264	23,223	19,532	21,107	19,219	19,236	19,059
Prentice Place	395	477					
House Purchases	12,216	384					
New Build	380	3,094	10,637	10,074	1,950		
Sub Total	21,556	27,177	30,169	31,181	21,169	19,236	19,059
Total	33,060	38,973	48,772	42,672	34,615	25,532	20,050

6. It can be seen from Table 1 that in 2022/23 a significant element of the Non-Housing Capital Programme (NHCP) relates to the investment in the new Town Regeneration Partnership which will act as catalyst to regenerate the town centre in addition to the delivery of the Government's Town Fund projects.
7. The Housing Capital Programme (HCP) is split between the core programme such as compliance, lift maintenance and the house purchase and new build projects. In line with business plan assumptions the core programme is financed from the Major Repairs Reserve (MRR).available capital receipts and direct revenue financing. The house purchase and new build programme is financed from right to buy receipts and borrowing.
8. Further details of projected capital expenditure are contained in the 'Capital Programme Strategy Statement' (see Appendix B to this Report).

Governance

9. Service Managers commence a process annually in September to bid for projects in the Council's Non Housing Capital Programme. Bids are collated by the Finance Service who calculate the financing costs (which can be nil if the project is fully externally financed) and formulate capital project appraisals. The Deputy to the Chief Executive and Director of Finance presents capital proposals to the Senior Management Board (SMB) for review. The review is based on a comparison of corporate priorities and

service priorities and considers projected capital costs, financing costs and any resulting ongoing service costs. Recommendations from SMB formalise the Capital Programme for approval by Cabinet and to Full Council in January / February each year.

10. For full details of the Council's latest Capital Programme, see the report entitled 'Capital Programmes 2022/23', which is presented separately in the agenda to Cabinet (27 January 2022) and, upon publication, is available on the Council's website pages.
11. Capital expenditure may only be financed either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, and leasing).
12. The planned financing of the above expenditure is set out in Table 2 as follows:

Table 2: Prudential Indicator – Financing Capital Expenditure

	Actual 2020/21 £,000s	Revised 2021/22 £,000s	Budget 2022/23 £,000s	Budget 2023/24 £,000s	Budget 2024/25 £,000s	Budget 2025/26 £,000s	Budget 2026/27 £,000s
NHCP							
Earmarked Grant Funding	(20)	(20)	(20)	(20)			
Capital Receipts	(1,006)	(1,913)	(14)				
Earmarked Capital Reserves	(80)	(708)	(45)				
Direct Revenue Financing	(210)	(328)	(166)	(136)	(136)	(136)	(136)
Disabled Facilities Grant	(283)	(621)	(500)	(500)	(500)	(500)	(500)
Salix Decarbonisation Grant	(68)	(351)					
Towns Fund – Eastgate Grant	(61)	(939)					
Towns Fund – Various Sites		(784)	(6,885)	(3,476)	(9,555)	(3,000)	
SELEP Getting Building Fund Grant		(3,560)					
Home Renovation Loan Repayments	(12)	(5)	(5)	(5)	(5)	(5)	(5)
Other Contributions	(151)	(20)	(9)	(19)	(19)	(19)	(16)

	Actual 2020/21 £,000s	Revised 2021/22 £,000s	Budget 2022/23 £,000s	Budget 2023/24 £,000s	Budget 2024/25 £,000s	Budget 2025/26 £,000s	Budget 2026/27 £,000s
Borrowing Requirement	(9,613)	(2,548)	(10,959)	(7,335)	(3,231)	(2,636)	(334)
Sub total	(11,504)	(11,796)	(18,603)	(11,492)	(13,446)	(6,296)	(991)
HCP							
Direct Revenue Financing		(10,898)	(4,736)	(2,255)	(2,418)	(2,434)	(2,237)
Major Repairs Reserve	(8,842)	(12,310)	(11,228)	(11,512)	(11,802)	(12,056)	12,299
1-4-1 Receipts Used	(3,802)	(224)	(4,255)	(4,029)	(780)		
Other Capital Receipts	(12)	(1,179)					
Right to Buy Receipted Arriving in Year		(1,449)	(1,517)	(1,560)	(1,598)	(1,637)	(1,676)
Other Grants and Contributions		(1,117)					
Borrowing Requirement	(8,899)		(8,443)	(11,824)	(4,571)	(3,109)	(2,847)
Sub Total	(21,556)	(27,177)	(30,169)	(31,181)	(21,169)	(19,236)	(19,059)
Total	(33,060)	(38,973)	(48,772)	(42,672)	(34,615)	(25,532)	(20,050)

Borrowing and Capital Financing Requirement

13. Borrowing and leasing is an intermediate source of finance, since loans and leases must be repaid. The 2003 England and Wales Regulations place on local authorities in England and Wales a duty to charge to the revenue account a 'minimum revenue provision' (MRP) which is deemed to be prudent for the repayment of debt'. Set out in Appendix E is the Councils statement on the calculation of MRP and Table 3 shows the estimated MRP over the next five years

Table 3: Minimum Revenue Provision

	Actual 2020/21 £,000s	Revised 2021/22 £,000s	Budget 2022/23 £,000s	Budget 2023/24 £,000s	Budget 2024/25 £,000s	Budget 2025/26 £,000s	Budget 2026/27 £,000s
General Fund	513	420	569	639	687	749	749

14. The capital financing requirement (CFR) is the Council's cumulative debt outstanding and is split between the HRA and General Fund. The CFR increases with new capital expenditure financed by borrowing and reduces

with MRP. The CFR is expected to increase by £18.8 million during 2022/23. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

Table 4: Capital Financing Requirement

	Actual 2020/21 £,000s	Revised 2021/22 £,000s	Budget 2022/23 £,000s	Budget 2023/24 £,000s	Budget 2024/25 £,000s	Budget 2025/26 £,000s	Budget 2026/27 £,000s
General Fund CFR	71,756	73,884	84,275	90,971	93,515	95,402	95,736
HRA CFR	196,269	196,269	204,702	216,526	221,097	224,206	227,503
Total CFR	268,025	270,153	288,977	307,497	314,611	319,608	322,789

Asset Management and Non-Housing Capital Receipts

15. The Council has reviewed its Asset Management Strategy and has undertaken a detailed stock condition survey of all of its non-housing property assets. The strategy and associated action plan combined with the results of the stock condition survey have been applied to develop a future non housing capital investment programme.
16. The strategy also sets out the intention to dispose or transfer those assets which no longer fulfil an operational, community or commercial objective. This is essential especially where there is a clear investment requirement which would outweigh the long term benefits of undertaking that investment.
17. The objective of the strategy is to recognise the Council's asset portfolio as a resource which whilst providing operational and community benefits. The Strategy sets out a framework for governance of the portfolio which seeks to achieve greater engagement with users and elected councillors in order to ensure that capital investment decisions are aligned with the agreed corporate priorities as set out in the Council's Corporate Plan.

Asset disposals

18. When an asset is no longer required it may be sold and the capital receipts used to repay debt or finance new capital expenditure. The Council plans to receive £14,000 in non-housing capital receipts in the coming financial year 2022/23, as shown in Table 5:

Table 5: Movements in Non-Housing Capital Receipts

	Actual 2020/21 £,000s	Original 2021/22 £,000s	Revised 2021/22 £,000s	Estimates 2022/23 £,000s
Balance at 1 April	(1,895)	(1,919)	(2,349)	(2,234)
Non-Housing Receipts Received	(1,472)	(300)	(1,798)	(14)
Non-Housing Receipts Used	1,018	650	1,913	14
Balance in Hand at 31 March	(2,349)	(1,569)	(2,234)	(2,234)

19. Further details of projected asset disposals are included in the ‘Capital Programme Statement’ (Appendix B).

Treasury Management

20. Treasury management is concerned with keeping sufficient but not excessive cash available to meet the Council’s spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by temporary borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council is typically cash rich in the short-term as revenue income is received before it is spent, but cash poor in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.
21. Due to decisions taken in the past, the Council currently (as at 31 December 2021) has borrowing of £211.837m at an average interest rate of 3.492%. Investments held at the same date were worth £33.714m and earned an average income return of 0.349%.

Borrowing strategy

22. The Council’s main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between low cost short-term loans (currently available at around 0.1%) and long-term fixed rate loans where the future cost is known but higher (currently 1.5% to 2.5%). The Council also utilises its ability to “internally borrow” which is very attractive when it has surplus funds available and it is unable to achieve any significant return through its Treasury Management activities with external interest rates for investments being at historic lows.
23. Projected levels of the Council’s total outstanding debt are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the CFR

	Actual 31/03/2021 £,000	Forecast 31/03/2022 £,000	Budget 31/03/2023 £,000	Budget 31/03/2024 £,000	Budget 31/03/2025 £,000
Gross Debt	216,551	215,898	235,086	254,036	261,627
Capital Financing Requirement	268,025	270,153	288,977	307,497	314,611

25 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from table 6, the Council expects to comply with this in the medium term.

Affordable Borrowing Limit

26 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year and to keep it under review. In line with statutory guidance, a lower “operational boundary” is also set as a warning level should debt approach the limit

Table 7: Prudential Indicators: Authorised limit and operational boundary

	2021/22 Limit £,000	2022/23 Limit £,000	2023/24 Limit £,000	2024/25 Limit £,000
Authorised limit – borrowing	315,500	320,200	325,200	325,200
Operational boundary – borrowing	305,500	310,200	315,200	315,200

27 Further details on borrowing are given in paragraphs 16 to 27 of the ‘Treasury Management Strategy’ (Appendix C).

Investment strategy

- 28 Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons or for pure financial gain are not generally considered to be part of treasury management.
- 29 The Council’s policy on treasury investments is to prioritise security and liquidity over yield; that is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent in the near term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, which might include bonds, shares and property, to balance the risk of loss against the risk of receiving returns below inflation. Both near-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

- 30 Further details on treasury investments are in paragraphs 28 to 51 of the 'Treasury Management Strategy' (Appendix C).

Governance

- 31 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Deputy to the Chief Executive and Head of Finance & Property Services and staff, who must act in line with the treasury management strategy approved by Full Council. Half-yearly reports on treasury management activity are presented to Cabinet. The Cabinet Overview Working Group is responsible for scrutinising treasury management decisions.

Investments for Service Purposes

- 32 The Council makes investments to assist local public services, including making loans to promote economic growth and lending to its wholly owned companies within the HTS Group, which provides extensive building maintenance, grounds and environmental maintenance services to the Council. In light of the public service objective the Council is willing to take more risk than with treasury investments: however it still plans for such investments to at least break even after all costs.
- 33 All decisions to date have been made subject to formal reporting and approval by Cabinet. Further details on service investments are in paragraphs 6 to 17 of the 'Appendix D'.

Commercial Activities

- 34 With central government financial support for local public services declining, some Councils are investing in commercial property purely or mainly for financial gain. Harlow Council has not followed this course of action to date.
- 35 New Guidance requires Councils to disclose any property that it holds primarily or partially to generate a profit. Councils are no longer allowed to borrow from the Public Works Loan Board at favourable rates to finance commercial investments.
- 36 Harlow Council has only four such assets, namely, the golf course, two cottages and a former farmhouse. These generate an income of just under £82,000 a year (see Appendix D, 'Investment Strategy').
- 37 Both the Nexus and Modus buildings at the Harlow Enterprise Zone have been completed. They are wholly owned assets constructed to stimulate economic growth and regeneration and will be let to commercial tenants. Whilst they will deliver an income stream to the Council a key determinant in the decision to

proceed with the buildings was the regeneration and economic benefits it would bring to Harlow. The Council has been successful in obtaining additional grant funding of £3.6 million to further develop the Enterprise Zone

Liabilities

- 38 In addition to debt of £216.4m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £65.039m as at 31 March 2021). The Council is also covers the risk of having to pay for small-value insurance claims for which self-insurance is in place and managed through earmarked reserves.

Governance

- 39 Decisions on incurring new discretionary liabilities are taken by Senior Management Board in consultation with the Deputy to the Chief Executive and Director of Finance. It is the responsibility of Senior Managers to consult the Deputy to the Chief Executive and Director of Finance on any matter liable to affect the Council's finances materially (for values above £50,000). In the event of any substantial liabilities arising during the course of the financial year, these are highlighted in the finance and performance monitoring reports, presented quarterly to Cabinet and onwards to Full Council.
- 40 Further details guarantees are set out in the Investment Strategy 2022/23 (Appendix D, paragraph 26), whilst further details of contingent liabilities are contained in Note 32 of the Statement of Accounts 2020/21.

Revenue Budget Implications

- 41 Although capital expenditure is not charged to revenue it does have revenue implications. Both the interest payable on loans and the repayment of debt (MRP) is charged to revenue. This is offset by any investment income receivable. The net capital financing charge compared to the net revenue stream (which for the General Fund is council tax, business rates and general government grants and for the Housing Revenue Account is predominantly housing rent income). Set out in Table 8 is the prudential indicator which compare the net capital financing charge with the net income stream:

Table 8: Proportion of financing costs to net revenue stream

	2020/21 Actual £,000	2021/22 Revised £.000	2022/23 Budget £,000	2023/24 Budget £,000	2024/25 Budget £,000
General Fund					
Financing costs	421	805	1.305	1.354	1.383
Proportion of net revenue stream	3.97%	7.22%	11.7%	11.8%	12.0%
HRA					
Financing costs	6,928	7,261	7.261	7.460	7.535
Proportion of net revenue stream	14.25%	13.20%	14.09%	14.07%	13.95%

Sustainability

- 42 Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for up to 50 years into the future. Capital investment decision making is not only about ensuring the initial allocation of capital funds meets the corporate and service priorities but ensuring the asset is fully utilised, sustainable and affordable throughout its whole life, which also includes the affordability of its debt financing costs. In approving the inclusion of schemes and projects within the Capital Programme the Deputy to the Chief Executive and Head of Finance & Property Services will need to have been satisfied that the proposed capital programme is prudent, affordable and sustainable.

Knowledge and Skills

- 43 The Council employs professionally qualified and experienced staff across a range of disciplines including finance, legal and property that follow Continuous Professional Development (CPD). The Council encourages apprenticeships and study programmes for staff with the ambition to achieve a professional qualification.
- 44 Recognising the scale of the Council's staffing, where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Arlingclose Limited as treasury management advisers, Wilks Head and Eve LLP as property valuation advisers, as well as other reputable firms of property consultants to support it in assessing the condition of its asset, advising on property transactions and any new developments. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

- 45 Internal and external training is offered to elected Members to ensure they have up to date knowledge and expertise to understand and challenge capital and treasury decisions taken by the administration, the Senior Management Board and the Deputy to the Chief Executive and Director of Finance.

Changes to CIPFA Prudential and Treasury Management Codes and DHLHC MRP Guidance

- 46 CIPFA published a second consultation on proposed changes to the Prudential Code and Treasury Management Code in October 2021 with a closing date for responses of 16th November 2021. Final versions of the codes were published on 20th December 2021 although some of the associated guidance notes are not yet published.
- 47 Although the new codes took effect immediately on publication authorities may defer introducing the revised reporting requirements until the financial year 2023/24. The 2022/23 strategies are thus based on the previous reporting requirements.
- 48 The codes explicitly prohibit new borrowing to invest for the primary purpose of commercial return. Borrowing for service purposes that are as a secondary objective expected to return an income is however permitted. As Harlow Council do not plan any new expenditure for the primary purpose of commercial return this change will not have a significant impact for the Council.
- 49 Harlow Council may be required to give full consideration to the sale of existing commercial assets as an alternative to taking out new loans. An immediate sale of any commercial properties will be a requirement however.
- 50 The Council will be required to demonstrate that existing commercial investments are proportionate to the to the Council's capacity to bear losses. As commercial investments represent only a small fraction of Harlow's income this would not be expected to cause any significant difficulties.
- 51 The Council may be required to demonstrate that investments in long term pooled funds are required for treasury management purposes. As current pooled fund investments are within the £10m the council is required to hold at all times for MiFID purposes this should not be an issue for Harlow.
- 52 The counterparty criteria for investments may be required to include Harlow's policy and practices relating to ESG (Environmental, Social and Governance) considerations.
- 53 DLUHC published a consultation on Minimum Revenue Provision in November 2021 with a closing date for responses of 8th February 2022. The consultation

is in the early stages and the suggestions are likely to be subject to some revision before being finalised.

- 54 The consultation suggests prohibiting the practice of making no MRP or very small amounts of MRP on certain assets on the basis that they are expected to retain their value. If formerly written into the guidance this is likely to have a revenue impact on Harlow Council who do not currently make MRP on capital investment aligned with Harlow's Enterprise Zone or regeneration projects.
- 55 The consultation suggests prohibiting the practice of applying capital receipts to reducing the MRP charge in a single year rather than to reduce the overall CFR. This may include preventing authorities from using the capital receipts from periodic loan repayments in lieu of making MRP on loans to other organisations and individuals. As Harlow Council currently adopt this practice if this suggestion is put into formal guidance this is likely to have a revenue impact on the authority.

Treasury Management Strategy Statement 2022/23

Summary of the Report

1. This Treasury Management Strategy Statement (TMSS) sets out the treasury management issues in accordance with proper practice.
2. The Council uses treasury management advisors to help its decision making, keeping officers up to date with economic developments and providing training and support. Arlingclose Limited has been the Council's appointed advisor since December 2012.
3. The ongoing impact on the UK from coronavirus together with higher inflation, the likelihood of higher interest rates and the country's trade position post-Brexit will be major influences on the Authority's treasury management strategy for 2022/23.
4. As a steward of public finance, the Council will continue to take all practical steps to protect its investment portfolio. In this respect emphasis remains in this order of priority:
 - **Security:** which includes the following:
 - Reducing risk in order to protect the return of capital sums, particularly in relation to the Council's investments;
 - Where balances are expected to be invested for more than one year attempting as far as possible, within the parameters of this document, a total return equal to or higher than the prevailing rate of inflation.
 - **Liquidity:** availability of cash when needed (adequate but not excessive liquidity).
 - **Yield:** a return commensurate with the level of risk.
5. Harlow Council has embarked on a number of major projects which will deplete surplus cash held. It is anticipated that during 2022/23 the Council will need to undertake external borrowing.

Introduction

6. Treasury management is the management of the Council's cash flows, borrowing and investments and the associated risks. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing

interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

7. Treasury risk management at the Council is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's 'Treasury Management in the Public Services: Code of Practice 2017 Edition' (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the 'Local Government Act 2003' to have regard to the CIPFA Code.
8. Investments held for service purposes or for commercial profit are considered in a different report, the 'Investment Strategy' (Appendix D).
9. **Interest rate forecast:** The Council's treasury management adviser Arlingclose is forecasting that Bank Rate will rise in calendar Q2 2022 to subdue inflationary pressures and the perceived desire by the BoE (Bank of England) to move away from emergency levels of interest rates.
10. For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.4%, and that new long-term loans will be borrowed at an average rate of 3%.

Local Context

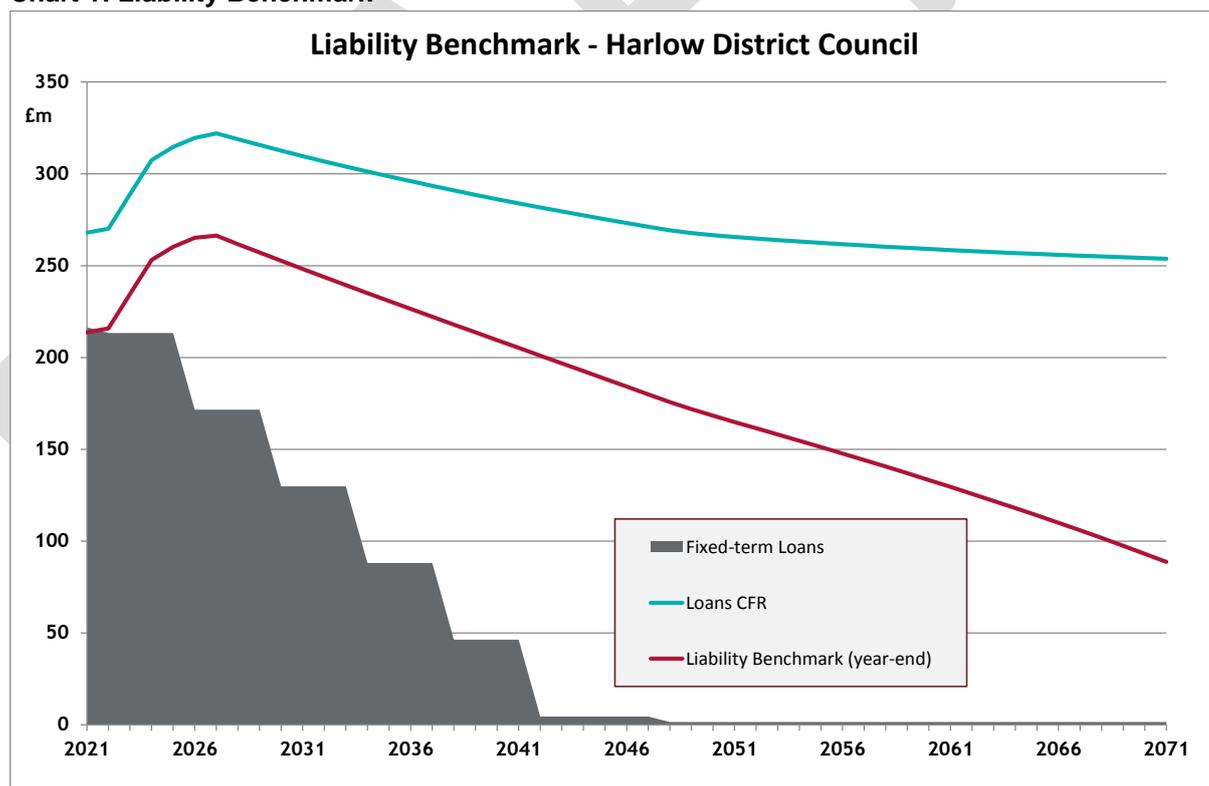
11. On 31 December 2021, the Council held £211.837m of borrowing and £33.714m of investments.
12. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
13. The Council has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to £22.6m over the forecast period to 2025.
14. CIPFA's 'Prudential Code for Capital Finance in Local Authorities' recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2022/23.
15. **Liability benchmark:** To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes that cash and investment balances are kept to a minimum level of £10m at each year-end to maintain sufficient liquidity but minimise credit risk.

Table 1: Liability Benchmark

	Actual 31/03/2021 £,000	Estimate 31/03/2022 £,000	Estimate 31/03/2023 £,000	Estimate 31/03/2024 £,000	Estimate 31/03/2025 £,000
Total CFR	268,025	270,153	288,977	307,497	314,611
Less: Balance Sheet Resources	64,352	64,352	64,352	64,352	64,352
Net Loans Requirement	203,673	205,801	224,625	243,145	250,259
Plus: Liquidity Allowance	10,000	10,000	10,000	10,000	10,000
Liability Benchmark	213,673	215,801	234,625	253,145	260,259

Following on from the medium-term forecasts in table 1 above, the long-term liability benchmark assumes no capital expenditure funded by borrowing and expenditure and reserves increasing by inflation of 2.5% a year. This is shown in the chart below:

Chart 1: Liability Benchmark



This chart shows if current loans are not replaced on maturity the borrowing will be well below the liability benchmark in the long term. This means that further loans will need to be borrowed to ensure minimum cash balances are available to the council.

Borrowing Strategy

16. The Council currently holds £211.837m of loans, being the same as the previous year, as part of its strategy for funding previous years' capital programmes but mainly for the requirement to finance the Government's self financing changes for housing in 2021. The 2022/23 capital programme indicates that the Council expects to borrow up to £19.4m in 2022/23. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £320 million.
17. **Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.
18. **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it remains likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. Where longer-term loans are utilised, they will be considered in the context of ensuring interest rates will be adequately balanced by income streams associated with the capital investment being financed.
19. By doing so, the Council is able to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. The benefits of internal/ short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2022/23 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
20. The Council has previously raised all of its long-term borrowing from the PWLB. PWLB loans are no longer available to Councils planning to buy investment assets primarily for yield. The Council intends to avoid this activity in order to retain its access to PWLB loans.
21. Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. Forward starting loans are not available from the PWLB so would have to be borrowed from a private sector provider or potentially from the newly created 'UK Infrastructure Bank'. These types of loans may only be available through a bidding process for certain types of infrastructure or may not be at rates competitive to the PWLB.

22. In addition, the Council may borrow short-term loans to cover unplanned cash flow shortages, although this eventuality is highly unlikely to occur because the spread of investments provides for sufficient cash liquidity to meet forecast cash flows.
23. **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loans Board)
 - any institution approved for investments (see below)
 - any other UK public sector body
 - any other bank or building society authorised to operate in the UK
 - UK public and private sector pension funds (except Essex County Council Pension Fund)
 - capital market bond investors
 - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues.
24. **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as debt liabilities:
- Leasing
 - Hire purchase
 - Private Finance Initiative
 - Sale and leaseback
25. **Municipal Bonds Agency:** UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities. This is a more complicated source of finance than the PWLB for two reasons: borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Cabinet and Full Council.
26. **Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

27. **Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. Due to the current interest rate environment there is usually a high premium cost association with repaying a loan early: for example repaying a £42m PWLB loan due for repayment in 2030 with interest paid at 3.2% would lead to a premium of approximately £9m needing to be paid.

Treasury Investment Strategy

28. The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £11.2m and £40.9m. The expenditure profile of the Council is linked closely to its capital investment plans and is expected to impact on the level of available resources for investment reducing to lower levels in 2022/23.
29. **Objectives:** The CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.
30. **Negative interest rates:** In the event that the Bank of England sets the Bank Rate at or below zero security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.
31. **Strategy:** Given the increasing risk and very low returns from short-term unsecured bank investments, the Council will retain diversification into more secure and/or higher yielding asset classes during 2022/23 where cash is identified as available for longer-term investment. This diversification will represent a continuation of the current strategy.
32. **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the cash limits (per counterparty) and the time limits shown.
33. With reduce cash surpluses anticipated to be available, the cash limits assume an investment portfolio between £10m and £20m.

34. Harlow Council's typical day-to-day investments are with local authorities for up to one year.

Table 3: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£1m 5 years	£2m 20 years	£2m 50 years	£1m 20 years	£1m 20 years
AA+	£1m 5 years	£2m 10 years	£2m 25 years	£1m 10 years	£1m 10 years
AA	£1m 4 years	£2m 5 years	£2m 15 years	£1m 5 years	£1m 10 years
AA-	£1m 3 years	£2m 4 years	£2m 10 years	£1m 4 years	£1m 10 years
A+	£1m 2 years	£2m 3 years	£1m 5 years	£1m 3 years	£1m 5 years
A	£1m 13 months	£2m 2 years	£1m 5 years	£1m 2 years	£1m 5 years
A-	£1m 6 months	£2m 13 months	£1m 5 years	£1m 13 months	£1m 5 years
None	£0.5m 6 months	n/a	£2m 25 years	£50,000 5 years	£1m 5 years
Pooled funds and real estate investment trusts		£4m per fund or trust			

This table must be read in conjunction with the notes below

35. **Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.
36. **Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.
37. **Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

38. **Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may, in principle, be made in unlimited amounts for up to 50 years, although tying up the Council's cashflow for such an extensive period is particularly unlikely and an unforeseen occurrence.
39. **Local Authorities:** The Council's day-to-day investment transactions have moved more towards investments with other local authorities rather than banks. Councils have a legal duty to pass a balanced budget, have revenue raising powers, and a lender of last resort in the form of the Public Works Loan Board. In unusual circumstances, the lender is able to recoup the principal sum lent under the Local Government Act 2003, sections 6 and 13. In spite of continued reductions in central government funding, making the setting of budgets and budget monitoring even more challenging, the risk of default remains very low. Where a Council issues a notice under Section 114(3) of the Local Government Finance Act 1988 – as is currently the case with Slough Borough Council – then section 115(6) of the Act prevents local authority lending. There is concern in the local government community about some authorities that have engaged in excessive levels of commercial activity, in particular in light of the pressure the pandemic has put on the economy. This Council will exercise a degree of caution and will not lend where it feels the risk is too great. The Council may consider using an investment platform (iDealTrade) which contains quantitative information about borrowers.
40. **Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made either following an external credit assessment or to a maximum of £50,000 per company as part of a diversified pool in order to spread the risk widely.
41. **Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.
42. **Pooled funds:** Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts,

while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

43. Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.
44. **Operational bank accounts:** The Council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £4m (except in exceptional circumstances to avoid negative returns and as previously agreed over the Christmas period, defined as 20 December to 4 January inclusive, when the limit will be £6m). The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.
45. **Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
 - any existing investments that can be recalled or sold at no cost will be, and
 - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
46. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.
47. **Other information on the security of investments:** The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on

potential government support, reports in the quality financial press and analysis and advice from the Council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

48. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.
49. **Investment limits:** The maximum that will be lent to any one organisation (other than the UK Government) will be £4m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.
50. The cash limits assume an investment portfolio between £10m and £20m.

Table 4: Investment limits

	Cash limit
Any single organisation*, except the UK Central Government	£2m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£2m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£5m per broker
Foreign countries	£2m per country
Registered providers and registered social landlords	£5m in total
Unsecured investments with building societies	£2m in total
Loans to unrated corporates	£2m in total
Money market funds	£20m in total
Real estate investment trusts	£5m in total

* 'Single organisation' in this context does not mean a single money market fund or other pooled fund as these are inherently diversified and spread investments across a number of organisations.

51. **Liquidity management:** The Council uses a purpose-built cash flow forecasting spreadsheet to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium-term financial plan and cash flow forecast.

Treasury Management Indicators

52. The Council measures and manages its exposures to treasury management risks using the following indicators.

53. **Interest rate exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£400,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£400,000

54. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced new market rates.

55. **Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of borrowing will be:

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	25%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	100%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

56. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

57. **Principal sums invested for periods longer than a year:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2021/22	2022/23	2023/24
Limit on principal invested beyond year end	£5m	£5m	£5m

Related Matters

58. The CIPFA Code requires the Council to include the following in its treasury management strategy.
59. **Policy on apportioning interest to the Housing Revenue Account:** On 1 April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other. Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments, adjusted for credit risk.
60. **Policy on the use of Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the 'Localism Act 2011' removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
61. The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
62. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
63. In line with the CIPFA Code, the Council will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
64. **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including

advisers, brokers and fund managers, allowing it access to a smaller range of services but with the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Council's treasury management activities, the Deputy to the Chief Executive and Head of Finance & Property Services believes this to be the most appropriate status.

Financial Implications

65. The budget for investment income in 2022/23 is £84,000, based on an average investment portfolio of £21 million at an interest rate of 0.4%. The budget for debt interest paid is £7.191 million, based on an average debt portfolio of £217.9 million at an average interest rate of 3.31%. If actual levels of investments and borrowing, or actual interest rates, differ from those forecast, performance against budget will be correspondingly different.

Other Options Considered

66. The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Deputy to the Chief Executive and Head of Finance & Property, having consulted the Portfolio Holder (Resources), believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Lower chance of losses from credit related defaults, but any such losses may be greater
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults, but any such losses may be smaller
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs may be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long-term costs may be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs may be less certain

Investment Strategy Report 2022/23

Introduction

1. The Council invests its money for three broad purposes:
 - because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
 - to support local public services by lending to other organisations (**service investments**), and
 - to earn investment income (known as **commercial investments** where this is the main purpose).
2. This investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories.

Treasury Management Investments

3. The authority typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy.
4. **Contribution:** The contribution that these investments make to the objectives of the Authority is to support effective treasury management activities.
5. **Further details:** Full details of the Authority's policies and its plan for 2022/23 for treasury management investments are covered in a separate document, the treasury management strategy.

Service Investments: Loans

6. **Contribution:** The Council lends money to its subsidiary and a local business, to support local public services and stimulate local economic growth.

7. HTS (Property and Environment) Ltd is a wholly owned subsidiary of Harlow Council which began trading on 1 February 2017. The Council provided a start-up loan to the business of £1.209m repayable over five years, two months, approved on 21 July 2016. The balance outstanding as at 31 March 2021 was £0.234m.
8. In addition a further £0.670m was loaned to HTS on 15th February 2021 for the purchase of vehicles, plant and machinery. The balance outstanding as at 31 March 2021 was £0.525m.
9. HTS (Housing & Property) Ltd is a wholly Owned subsidiary of Harlow Council and has been provided with Loans of £1,011,000 to enable the acquisition of Property for rent, These loans are repayable over a 40 year period on a commercial interest basis set at 4% per annum. These loans were advanced during the period October to December 2020 and represent a LTV (Loan to Value) ratio of 70% which provides security that the value of the assets would be sufficient to cover any outstanding loan balance.
10. Harlow Property Limited was provided with two loans to support the development of a part of the Harlow Enterprise Zone, approved on 23 January 2014. The amounts loaned were £1m on 15 March 2016 and a further £1.5m on 3 March 2017. Interest accrues on these loans. The total outstanding as at 31 March 2021 was £3.074m and they are secured through the placement of a property charge over the wider property portfolio at KAO Park valued at the time at over £40 million.
11. **Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

Table 1: Loans for service purposes in £ millions

Category of borrower	31.3.2021 Actual			2022/23
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries HTS P&E	0.234	-	0.234	0.234
Subsidiaries VPFE	0.670	-	0.670	0.670
Subsidiaries HTS H&P	1.011	-	1.011	1.011
Local businesses	3.074	-	3.074	3.220
TOTAL	4.989	-	4.989	5.135

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The Council considers that

this loss should be zero because HPL loans are a charge secured against property which considerably exceeds the value of the loan.

12. **Risk assessment:** The authority assesses the risk of loss before entering into and whilst holding service loans. In particular cash flow forecasts and business plans have been completed for subsidiary companies to show that there is expected to be adequate cash flow to repay loans. Where appropriate legal advice has been sought. As these loans are small relative to the size of the authority the overall risk they pose is limited.

Service Investment Equity

13. **Contribution:** The Council has acquired 450,000 £1 shares in HTS (Housing & Property) Ltd. The Investment is to enable HTS (H&P) Ltd to provide rented accommodation within the Harlow District.
14. **Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recovered. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

Table 2: Loans for service purposes

Category of company	31.3.2021 Actual			2022/23
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries HTS H&P	£450,000	-	£450,000	£450,000

15. **Risk assessment:** The authority assesses the risk of loss before entering into and whilst holding shares. Cash flow forecasts and business plans have been completed to show that the enterprise expect to generate income in future. Risk assessments will also have been undertaken by other partners in the town centre LLP. Where appropriate legal advice has been sought and detailed contractual arrangements have been created. This includes a legal charge on property. As these shareholdings are small relative to the size of the authority the overall risk they pose is limited.
16. **Liquidity:** The 2018 MHCLG Investment Guidance requires Harlow Council to determine the maximum periods for which funds for service equity investments are committed and how we will stay within these limits. These shareholdings are long term investments designed to be held for an indefinite time frame and are therefore not considered a liquid investment. The Council help minimise the risk to overall liquidity by staying with the limits specified in table 2.

17. **Non-specified investments:** Shares are the only investment type that the Authority has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Authority's upper limits on non-specified investments. The Authority has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

Commercial Investments: Property

18. The Department for Levelling Up, Housing and Communities (DLUHC) (formerly that Ministry of Housing, Communities and Local Government or MHCLG) defines property to be an investment if it is held primarily or partially to generate a profit.
19. **Contribution:** The Council currently holds four commercial and residential properties with the intention of making a profit that will be spent on local public services. These include a Golf Club, and three other properties. Annual income from all these assets is about £81,980. There are no outstanding loans specifically related to these assets.

Table 3: Property held for investment purposes in £ millions

Property	Actual	31.3.2021 Actual		31.3.2022 expected	
	Value	Gains or (losses)	Value in accounts	Gains or (losses)	Value in accounts
Golf Club	0.782	-	0.782	-	0.782
Stewards Farm	0.322	-	0.322	-	0.322
Barrow Farm Cottage	0.153	-	0.153	-	0.153
Canons Cottage	0.116	-	0.116	-	0.116
TOTAL	1.373	-	1.373	-	1.373

20. The Nexus building at the Harlow Enterprise Zone is a wholly owned asset which is being let to commercial tenants. Whilst it does deliver an income stream to the Council a key determinant in the decision to proceed with the building was the regeneration and economic benefits it would bring to Harlow. The Council has been successful in obtaining additional grant funding of £3.6m to further develop the Enterprise Zone.
21. **Security:** In accordance with government guidance, the Authority considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs. As these are historically purchased properties their valuation now exceeds their purchase price: the underlying assets thus provide security for the capital investment. Should the 2021/22 year end accounts preparation and audit process value

these properties below their purchase cost, then an updated investment strategy will be presented to full council detailing the impact of the loss on the security of investments and any revenue consequences arising therefrom.

22. **Risk Assessment:** The authority has no plans to purchase new commercial investment properties so a risk assessment for this process is not currently required.
23. **Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. Harlow Council recognise that these investments are considered long term and use other types of investment to meet immediate liquidity needs. If these properties were required to be sold there would not be a capital loss as their value now exceeds the original price paid.

Loan Commitments and Financial Guarantees

24. Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.
25. In 1987 and 1992 the Council agreed to undertake joint liability with a number of other local authorities to guarantee loans of £66.3 million and £17.3 million to Home Housing Association (previously called North Housing Association) in support of their private initiative for the provision of housing in Harlow and surrounding authorities. The guarantee is for a 50-year period ending 2037. The Council's proportion of the total liability is £4.5 million. The Council considers that the probability of the guarantee being called upon is low.

Proportionality

26. The income from commercial investments for the financial year 2022/23 is expected be around £82,000 and it is expected to remain at approximately this level over the next four years. This is a tiny fraction of the amount the council spends on services each year. The Council is therefore not reliant on commercial investment income to fund its services and would be able to continue to meet its service delivery objectives even if there was a significant drop in this income.

Capacity, Skills and Culture

27. **Elected members and statutory officers:** Strategic investment decisions are subject to the advice from officers or treasury management advisors. Elected members are also invited to formal or informal training. The process is

subject to scrutiny through the Cabinet Policy Development Working Group, Cabinet and Full Council.

Investment Indicators

28. The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure as a result of its investment decisions.

29. **Total risk exposure:** The first indicator shows the Council's total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

Table 4: Total investment exposure in £millions

Total investment exposure	31.03.2021 Actual	31.03.2022 Forecast	31.03.2023 Forecast
Treasury management investments	12.170	27.049	15.500
Service investments: Loans	4.989	4.989	5.135
Service investments: HTS H&P Shares	-	.450	.450
Service Investment TC LLP	-	-	5.000
Commercial investments: Property	1.373	1.373	1.373
TOTAL INVESTMENTS	18.532	33.861	27.458

30. **How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council's investments are funded by usable reserves and income received in advance of expenditure.

Table 5: Investments funded by borrowing in £millions

Investments funded by borrowing	31.03.2021 Actual	31.03.2022 Forecast	31.03.2023 Forecast
Town Centre LLP	-	-	5.000
Treasury management investments	Nil	Nil	Nil
TOTAL FUNDED BY BORROWING	Nil	Nil	Nil

31. **Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

Table 6: Investment rate of return (net of all costs)

Investments net rate of return	2020/21 Actual	2021/22 Forecast	2022/23 Forecast
Treasury management investments	0.52%	0.44%	0.57%
Service investments: Loans	4.69%	4.52%	4.51%
Commercial investments: Property	6%	6%	6%

DRAFT

Minimum Revenue Provision Statement 2022/23

1. Where the Council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The 'Local Government Act 2003' requires the Council to have regard to the Ministry of Housing, Communities and Local Government's 'Guidance on Minimum Revenue Provision' (the MHCLG Guidance), with revisions relating to MRP most recently issued in 2018.
2. The broad aim of the MHCLG Guidance is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.
3. The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year, and recommends a number of options for calculating a prudent amount of MRP. The following statement incorporates options recommended in the Guidance.
4. For capital expenditure incurred before 1 April 2008, and for supported capital expenditure incurred on or after that date, MRP will be determined in accordance with the former regulations that applied on 31 March 2008. For Harlow Council, the adjusted Capital Financing Requirement upon which the MRP is calculated is negative in each year prior to April 2008. The MRP on this portion of CFR is therefore zero. (*Option 1 in England & Wales*)
5. For unsupported capital expenditure incurred after 31 March 2008, with the exception of pump-priming economic development (defined below), MRP will be determined by charging the expenditure over the expected useful life of the relevant asset in equal instalments, starting in the year after the asset becomes operational. (*Option 3, the "Asset Life method", in England and Wales*)
6. Economic development is defined as the following capital expenditure projects: Harlow Enterprise Zone and Town Centre.
7. For assets acquired by finance leases, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.
8. Minimum Revenue Provision will not be made in relation to the following specific circumstances:

- Capitalised loan advances to other organisations or individuals. Instead of MRP, the capital receipts arising from the capitalised loan repayments will be used as provision to repay debt. However, revenue MRP contributions would still be required equal to the amount of any impairment of the loan advanced.
 - Any capital investment made in projects aligned with Harlow’s Enterprise Zone where third party funding is guaranteed to meet the costs of that investment (repayment of debt principal and interest) and borrowing has been aligned with the life of the designated enterprise zone.
 - Any capital investment made in regeneration projects where those projects are deemed to be viable including the financing and repayment of any associated debt.
 - The Housing Revenue Account (HRA) is not subject to a statutory requirement to make a minimum revenue provision payment, and is not currently doing so.
9. Capital expenditure incurred during 2021/22 will not be subject to a MRP charge until 2022/23.
10. Based on the Council’s latest estimate of its Capital Financing Requirement (CFR) on 31 March 2022, the budget for MRP has been set as follows:

	31.03.2020 Estimated CFR £m	2020/21 Estimated MRP £
Capital expenditure before 01.04.2008	5.455	0
Capital expenditure after 31.03.2008	57.799	305,000
Total General Fund	63.254	305,000
Assets in the Housing Revenue Account	187.370	0
Total Housing Revenue Account	187.370	0
Total	250.624	305,000

Annex A

Glossary of Terms and Definitions

BoE: Bank of England

Capital Financing Requirement

The Capital Financing Requirement reflects the Council's underlying need to borrow for capital purposes. Thus, if new capital expenditure is incurred and not financed from sources other than by borrowing, the CFR will increase by the amount of that expenditure. Borrowing, up to the value of the CFR, may be either from internal cash balances or externally, such as from the Public Works Loan Board.

Callable Deposit

Placing a deposit with a bank or building society at a set rate for a set amount of time. However, the borrower has the right to repay the funds on pre agreed dates before maturity. This decision is based upon how market rates have moved since the deal was agreed. If rates have fallen, the likelihood of the deposit being repaid rises, as cheaper money can be found by the borrower.

CFR: see 'Capital Financing Requirement'

CIPFA: Chartered Institute of Public Finance and Accountancy.

CIPFA Treasury Management Code of Practice

This represents official practitioners' guidance, which is produced by CIPFA. The government expects Councils and other public service authorities to adopt and comply with the code. The recommendations made in the Code provide a basis for all these public service organisations to create clear treasury management objectives and to structure and maintain sound treasury management policies and practices.

Commercial Paper

Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations and other borrowers. Such instruments are unsecured and usually discounted, although some may be interest bearing.

Counterparty

A counterparty is a party with which a transaction is done.

CPD: Continuous Professional Development

Credit Default Swaps

A CDS is a contract between two counterparties in which the buyer of the contract makes quarterly payments to the seller of the contract in exchange for a payoff if there is a credit event (e.g. default) of the reference entity (i.e. the third party on whom the contract is based). The contract essentially provides a means of insurance to the buyer of the CDS against default by a borrower. The "spread" (effectively the premium paid by the CDS buyer) provides an indication of the perceived risk of a default occurring.

Credit Rating

A credit rating is an estimate of the quality of a debt from the lender viewpoint in terms of the likelihood of interest and capital not being paid and of the extent to which the lender is protected in the event of default.

An individual, a firm or a government with a good credit rating can borrow money from financial institutions more easily and cheaply than those who have a bad credit rating.

Credit Ratings are evaluated by Credit Rating agencies.

Credit rating agency

'Credit rating agency', or 'rating agency', or CRA, is a firm that issues opinions on companies' ability to pay back their bonds. These opinions are often abbreviated on an alphanumeric scale ranging from AAA to C (or equivalent). The three CRAs used by the Council are Fitch, Moody's and Standard and Poor's.

Debt Management Office

The Debt Management Office (DMO) is an executive agency of HM Treasury responsible for carrying out the government's debt management policy and managing the aggregate cash needs of the Exchequer. It is also responsible for lending to local authorities and managing certain public sector funds.

Derivative

A contract whose value is based on the performance of an underlying financial asset, index or other investment. e.g. an option is a derivative because its value changes in relation to the performance of an underlying stock.

DLCLG: Department of Levelling Up, Communities and Local Government. Formerly the Ministry of Housing, Communities and Local Government or MHCLG.

Equity

A share in a company with limited liability. It generally enables the holder to share in the profitability of the company through dividend payments and capital gain.

ESG: Environmental, Social and Governance

Forward Deal

The act of agreeing today to deposit funds with an institution for an agreed time limit, on an agreed future date, at an agreed rate.

Fund Manager

The individual responsible for making decisions related to any portfolio of investments in accordance with the stated goals of the fund.

HCP: Housing Capital Programme

HM Treasury: Her Majesty's Treasury, a central government department

HRA: Housing Revenue Account

HTS: Harlow Trading Services

Lender Option Borrower Option

'Lender Option Borrower Option' (LOBO) is a floating rate instrument which allows the lender to designate an adjustment rate at periodic reset dates and lets the borrower decide whether to pay the rate or redeem the bond.

Liquidity

Liquidity refers to an asset that can be turned into cash or the ability to quickly sell or buy an asset

LOBO: see 'Lender Option Borrower Option'

LTV: Loan to Value

MRR: Major Repairs Reserve

Markets in Financial Instruments Directive II

New client classification rules were introduced from 3 January 2018 as a result of the UK's implementation of the second Markets in Financial Instruments Directive (MiFID II). Local authorities were transferred to 'client status' unless it requested to institutions to continue to be treated as a professional client in respect of all the regulated financial services that are provided.

MHCLG: Ministry for Housing, Communities and Local Government. This has now been renamed to DLUHC or the Department for Levelling Up, Housing and Communities.

MiFID II: see Markets in Financial Instruments Directive II

Money Market Fund

Money Market Funds are mutual funds that invest in short-term debt instruments. They provide the benefits of pooled investment, as investors can participate in a more diverse and high-quality portfolio than they otherwise could individually. Like other mutual funds, each investor who invests in a money market fund is considered a shareholder of the investment pool, a part owner of the fund. Money market funds are actively managed within rigid and transparent guidelines to offer safety of principal, liquidity and competitive sector-related returns.

MRP: Minimum Revenue Provision, for the repayment of debt.

Municipal Bonds Agency

The Municipal Bonds Agency or MBA was established in 2014 by the Local Government Association as an alternative to the PWLB. It issues bonds on the capital markets and lends the proceeds to local authorities.

NHCP: Non Housing Capital Programme

PWLB: see 'Public Works Loan Board'

Public Works Loan Board

The Public Works Loan Board (PWLB) is a UK Government statutory body whose function is to lend money from the National Loans Fund to Councils and other public bodies and to collect the repayments.

Q1, Q2, Q3 and Q4: Quarter 1, Quarter 2, Quarter 3 and Quarter 4

Rating Agency: see 'Credit Rating Agency'

Repurchase Agreement

'Repurchase agreement', or repo, is a contract where the seller of certain securities agrees to buy them back from the purchaser at a specified time for an agreed price.

SMB: Senior Management Board

TC LLP: Town Centre Limited Liability Partnership

Treasury Bills

Treasury bills short-dated form of UK government debt, issued by the Debt Management Office, via a weekly tender, on a Friday. Lenders would use the services of a specialist broker to access the market. These usually have a maturity of one, three or six months and provide a return to the investor by virtue of being issued at a discount to their final redemption value. There is also an active secondary market for T-bills which means that

lending may be available for a range of dates. Interest rates tend to be higher than the DMADF.

TMSS: see 'Treasury Management Strategy'

Treasury Management Strategy

Also known as the 'Treasury Management Strategy Statement or TMSS this is the Council's overall policy and framework by which it will carry out that policy in relation to its borrowing and investment needs in the coming financial year. This strategy in particular focuses on treasury management needs as opposed to investments made for service or commercial reasons.

REPORT TO: CABINET

DATE: 27 JANUARY 2022

TITLE: TREASURY MANAGEMENT STRATEGY
STATEMENT 2021/22: MID-YEAR REVIEW

PORTFOLIO HOLDER: COUNCILLOR JAMES LEPPARD,
PORTFOLIO HOLDER FOR FINANCE

LEAD OFFICER: SIMON FREEMAN, DEPUTY TO THE CHIEF
EXECUTIVE AND DIRECTOR OF FINANCE
(01279) 446228

This is not a Key Decision

It is on the Forward Plan as Decision Number I013456

The decision is not subject to Call-in Procedures for the following reason:

The decision stands as a recommendation to Council

This decision will affect no ward specifically.

RECOMMENDED that Cabinet:

- A** The Mid-Year Review of the Treasury Management Strategy, attached as Appendix A to the report, be noted and referred to Council for consideration.

REASON FOR DECISION

- A** Compliance with the CIPFA Treasury Management Code of Practice requires that Council is presented with a mid-year report on the Treasury Management Strategy Statement (TMSS).

BACKGROUND

1. Treasury Management is defined as “The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
2. The Council operates within the framework of CIPFA’s ‘Prudential Code for Capital Finance in Local Authorities’ (Prudential Code), the ‘Treasury Management Code of Practice’ and the Ministry of Housing Communities and Local Government (MHCLG) Investment Guidance.
3. The primary requirements of the code are as follows:
 - a) Creation and maintenance of a Treasury Management Policy

Statement;

- b) Creation and maintenance of the Treasury Management Practices (TMPs);
 - c) Receipt by the Council of an annual Treasury Management Strategy (TMS), including Annual Investment Strategy and Minimum Revenue Provision Policy for the year ahead, a Mid-Year Review of the Treasury Management Strategy and an Annual Report (stewardship report);
 - d) Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices for the execution and administration of treasury management decisions;
 - e) Delegation by the Council of the role of scrutiny of the treasury management strategy and policies to a specified names body. For this Council the current TMS specifies that responsibility for the delegated scrutiny role is delegated to the Cabinet Policy Development Working Group.
4. As part of the primary requirements for reporting to Council, the mid-year review of the TMS has been prepared in compliance with CIPFA's Code of Practice and attached to this report as Appendix A. Economic commentary has been provided by the Council's Treasury Management Advisors, Arlingclose Ltd.
5. On an on-going basis, officers continue to work within the scope of the TMS in order to contain counterparty risk as far as practically possible. Treasury management activities operate under a high-profile reporting mechanism, and any significant issues that may arise through the year are reported in accordance with protocols set out in the TMS.

IMPLICATIONS

Strategic Growth and Regeneration

None specific

Author: Andrew Bramidge, Director of Strategic Growth and Regeneration

Finance

As contained in the report.

Author: Simon Freeman, Deputy Chief Executive and Director of Finance

Housing

None specific

Author: Andrew Murray, Director of Housing

Communities and Environment

None specific

Author: Jane Greer, Director of Communities and Environment

Governance and Corporate Services

None specific.

Author: Simon Hill, Director of Governance and Corporate Services

Appendices

Appendix A – TMSS – Mid-Year Review

Background Papers

None.

Glossary of terms/abbreviations used

CIPFA – Chartered Institute of Public Finance and Accountancy

MHCLG – Ministry for Housing, Communities and Local Government

TMPs – Treasury Management Practices

TMS – Treasury Management Strategy

TMSS – Treasury Management Strategy Statement

HARLOW COUNCIL
TREASURY MANAGEMENT STRATEGY
MID-YEAR REVIEW 2021/22

Summary of the Report

1. This report provides an update on economic conditions impacting on the Council and focuses on major issues affecting borrowing and Investments.
2. A full commentary is provided within this report by the Council's treasury management advisors, Arlingclose Ltd.
3. At all times the Council will take steps to protect its investment portfolio by placing Security (the reduction of risk in order to protect the return of capital sums) and liquidity (being able to have immediate access to a reasonable amount of funds so that cash flow obligations may be met) above yield (i.e. the interest paid on investments).
4. In setting the Council's strategy for 2022/23, a full report will be presented to Cabinet and Council in January / February 2022. This will be in conjunction with the 2022/23 budget proposals and Capital Strategy.
5. The Treasury Management Strategy for 2021/22 has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice (The CIPFA Code) which requires the Council to approve Treasury management half-year and annual reports.
6. The Council is supported by treasury management advisors, Arlingclose Ltd., in decision making.

Background

7. The Council's Treasury Management Strategy Statement for 2021/22 was approved at a meeting of Council on 28 January 2021. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
8. The Council operates within the framework of CIPFA's 'Prudential Code for Capital Finance in Local Authorities' (Prudential Code) the 'Treasury Management Code of Practice' and the Ministry of Housing Communities and Local Government (MHCLG) Investment Guidance.
9. The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Council's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 28 January 2021.

External Context: Based upon commentary provided by the Council's Treasury Management advisors, Arlingclose Ltd. (October 2021)

10. **Economic background:** The economic recovery from the coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.

11. The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish.
12. Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.
13. **Credit review:** The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

Local Context

14. On 31st March 2021, the Council had net investments of £12.1m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

	31.3.21 Actual £m
General Fund CFR	71.756
HRA CFR	196.269
Total CFR	268.025
Less: *Other debt liabilities	(-)1,513
External borrowing	(-)214.837
Internal borrowing	51,675
Less: Usable reserves	(-)78.730
Less: Working capital	14.952
Net investments	(-)12.103

* finance leases, PFI liabilities and transferred debt that form part of the Council's total debt

15. Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Council pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk.

16. The treasury management position on 30th September 2021 and the change over the six months is shown in Table 2 below.

Table 2: Treasury Management Summary

	31.3.21 Balance £m	Movement £m	30.9.21 Balance £m	30.9.21 Rate %
Long-term borrowing	211.837		211.837	3.492%
Short-term borrowing	3.000	(-)3.000	-	0.070%
Total borrowing	214.837	(-)3.000	211.837	
Long-term investments	(-)4.000	-	(-)4.000	1.909%
Short-term investments	-	-	-	-
Cash and cash equivalents		-		0.031%
Total investments	(-)12.171	(-)6.708	(-)18.879	
Net Borrowing	202.666	(-)9.708	192.958	

Borrowing Update

17. Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.
18. The Council is not planning to purchase any investment assets primarily for yield within the next three years and so is able fully access the PWLB

Borrowing Strategy during the period

19. At 30 September 2021 the Council held £211.837m of loans, a decrease of £3m to 31 March 2021, as part of its strategy for funding previous years' capital programmes. Outstanding loans on 30th September are summarised in Table 3 below.

Table 3: Borrowing Position

	31.3.21 Balance £m	Net Movement £m	30.9.21 Balance £m	30.9.21 Weighted Average Rate %	30.9.21 Weighted Average Maturity (years)
Public Works Loan Board	211.837		211.837	3.492	15.08
Local authorities (short-term)	3.000	(-)3.000	-	-	-
Total borrowing	214.837	(-)3.000	211.837		

20. The Council's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds

are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.

21. In keeping with these objectives, no new borrowing was undertaken, while £3m of existing loans were allowed to mature without replacement. This strategy enabled the Council to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

Treasury Investment Activity

22. The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the six month period, the Council's investment balances ranged between £14.7m and £33.7m due to timing differences between income and expenditure. The investment position is shown in table 4 below.

Table 4: Treasury Investment Position

	31.3.21 Balance £m	Net movement £m	30.9.21 Balance £m	30.9.21 Income Return %
Banks & building societies (unsecured)	1.495	0.404	1.899	0.050
Money Market funds	6.675	6.305	12.980	0.013
Other Pooled funds				
Cash Plus funds	2.000	0.000	2.000	0.173
Property funds (CCLA)	2.000	0.000	2.000	3.645
Total Investments	12.170	6.709	18.879	

23. Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.
24. In furtherance of these objectives, and given the increasing risk and falling returns from short-term unsecured bank investments, the Council is not routinely placing unsecured deposits with individual banks and building societies preferring instead to spread risk in Money Market Funds, a Cash Plus Fund and a Property Fund. It has found local authority investment to be a secure means of investment.
25. Ultra-low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.1% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees.
26. Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

Non-Treasury Investments

27. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return. This is replicated in the Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG), in which the definition of investments is further broadened to also include all such assets held partially for financial return.

Service Investments: Loans

28. The Council lends money to its subsidiary and a local business to support local public services and stimulate local economic growth.
29. HTS (Property and Environment) Ltd is a wholly owned subsidiary of Harlow Council which began trading on 1 February 2017. The Council provided a start-up loan to the business of £1.209m repayable over sixty two months and approved on 21 July 2016. The balance outstanding as at 31 March 2021 was £0.234m.
30. In addition £0.670m was loaned to HTS on 15 February 21 for the purchase of vehicles and plant and machinery. The balance outstanding at 31 March 2021 for principal and interest was £0.525m.
31. As part of a property scheme the Council also loaned HTS £1.011m for the purchase of five houses. A balance of £0.957m for principal and interest was outstanding at 31 March 2021. Interest is charged at 4% over 40 years. This scheme also involved an equity share investment of £0.450m by the Council.
32. Harlow Property Limited was provided with two loans to support its developments within the Harlow Enterprise Zone, approved on 23 January 2014. The advances made were £1m on 15 March 2016 and a further £1.5m on 3 March 2017. Interest accrues on these loans. The total outstanding as at 31 March 2021 was £3.074m with security held against the increase in the property values.
33. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The Council considers that this loss should be zero because (1) the Council is the sole shareholder of HTS, (2) HPL loans are a charged secured against property which considerably exceeds the value of the loan.

Commercial Investments: Property

34. The Ministry of Housing, Communities and Local Government (MHCLG) defines property to be an investment if it is held primarily or partially to generate a profit.
35. The Council has historically held nine commercial and residential properties with the intention of making a profit that will be spent on local public services. These include a Golf Club, and three other properties with a total value of £1.419m. Annual income from all of these assets is about £125,000.

Loan Commitments and Financial Guarantees

36. Although not strictly counted as investments, since no money has changed hands yet, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness.
37. In 1987 and 1992 the Council agreed to undertake joint liability with a number of other local authorities to guarantee loans of £66.3m and £17.3m to Home Housing Association (previously called North Housing Association) in support of their private initiative for the provision of housing in Harlow and surrounding authorities. The guarantee is for a 50-year period ending 2037. The Council's proportion of the total liability is £4.5m. The Council considers that the probability of the guarantee being called upon is low.

Compliance

38. The Deputy Chief Executive and Director of Finance (S151 Officer), reports that all treasury management activities undertaken during the first six months of 2021/22 complied fully with the CIPFA Code of Practice and the Council's approved Treasury Management Strategy.

Revisions to CIPFA Codes

39. In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation.
40. In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:
- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the Council.
 - Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
 - Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.
 - For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the Council's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
 - Prudential Indicators
 - New indicator for net income from commercial and service investments to the budgeted net revenue stream.
 - Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the Council's full debt maturity profile.
 - Excluding investment income from the definition of financing costs.
 - Incorporating ESG issues as a consideration within TMP 1 Risk Management.
 - Additional focus on the knowledge and skills of officers and elected members involved in decision making

Arlingclose's Economic Outlook for the remainder of 2021/22 (based on the October 2021 interest rate forecast)

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50							
Downside risk	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

41. Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank of England's desire to move from emergency levels as by fears of inflationary pressure.
42. Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.
43. The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.
44. While Q2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life support.
45. Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.
46. The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

**MINUTES OF THE LICENSING COMMITTEE
HELD ON**

18 January 2022

7.30 - 8.27 pm

PRESENT

Committee Members

Councillor Nick Churchill (Chair)
Councillor Clive Souter (Vice-Chair)
Councillor David Carter
Councillor Joel Charles
Councillor Jodi Dunne
Councillor John Steer
Councillor Gareth Williams

Officers

Hannah Criddle, Governance Support Officer
Michael Pitt, Assistance Director Environment
Adam Sherwood, Principal Licensing Officer
Denise Westwood, Assistant FCilex

32. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Maggie Hulcoop, Andrew Johnson and Nancy Watson.

33. **DECLARATIONS OF INTEREST**

None.

34. **MINUTES**

RESOLVED that the minutes of the meeting on 16 November 2021 are agreed and signed as a correct record by the Chair.

35. **MATTERS ARISING**

None.

36. **WRITTEN QUESTIONS AND PETITIONS**

None.

37. **COMMITTEE WORK PLAN**

Michael Pitt, Assistant Director Environment, advised that the report of the DfT Standards – Over Arching Taxi and Private Hire Policy Recommend Consultation would be carried over to a meeting in the next municipal year.

Michael Pitt also advised that a report on the response to consultation on the Gambling Policy would be added to the work plan for March 2022.

RESOLVED that the work plan was noted.

38. **DFT STANDARDS - POLICY REQUIRED ON STRETCHED LIMOUSINES**

The Committee received a report on the updated Department for Transport Standards policy for stretched limousines and chauffeur vehicles.

RESOLVED that:

- A** The Licensing Committee recommend to Full Council adoption of the amended licensing policy as set out under proposals below at paragraphs 11 to 14.
- B** Subject to A, the amended policy be implemented on approval by Full Council.

39. **THE RELATIONSHIP BETWEEN LICENSING AND COMMUNITY SAFETY POLICY AREAS**

The Committee received a report on the relationship between Licensing and Community Safety policy areas.

The Committee noted that a further update report would be brought back to the Committee and suggested that this be added as a further recommendation to the report.

RESOLVED that:

- A** The Licensing Committee note the content of the report, and approve the proposal that to optimise synergy of operation the Licensing Team work closely with the Community Safety Team to develop a Community Safety Strategy in the forthcoming municipal year.
- B** A further report be presented to the Licensing Committee to update on the relationship and work between the Licensing Team and Community Safety Team.

40. **UPDATE FOLLOWING STREET DRINKING REPORT IN SEPTEMBER 2021**

The Committee received an update report on street drinking and licensing controls.

RESOLVED that:

A The Licensing Committee note the content of the report.

B A further report be presented to the Licensing Committee to update on progress towards reducing street drinking in the town centre.

41. **REFERENCES FROM OTHER COMMITTEES**

None.

42. **MATTERS OF URGENT BUSINESS**

None.

CHAIR OF THE COMMITTEE