

**SUPPLEMENTARY REPORTS FOR  
COUNCIL  
7.30pm on Thursday 23rd February 2023  
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 2023/24 - 2025/26 (Pages 5 - 17)

Cabinet recommended to Full Council that:

- A** The General Fund element of Medium Term Financial Strategy for 2023/24 to 2025/26 (attached as appendix B to the report) is adopted.
- B** The Housing Revenue Account (HRA) element of the Medium Term Financial Strategy for 2023/24 to 2025/26 (as attached as Appendix C to the report) is adopted.
- C** The planned Council Tax freeze for 2023/24 for the Harlow Council element of the 2023/24 Council Tax demand is approved.
- D** That the anticipated New Homes Bonus for 2023/24 of £572,205 be used to increase the funds available within the Budget Stabilisation Reserve to a projected balance of £1.35million when combined with other proposals set out in this and the General Fund Budget report.
- E** That movements in reserves set out in the report are approved.

- b) Referral from Cabinet - General Fund Budget 2023/24 (Pages 18 - 93)

Cabinet recommended to Full Council that:

- A** The General Fund estimates for 2023/24, 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 F to the report, is approved.
- E** The Council's Band D Council Tax for 2023/24 is set at £288.90 representing a 0% increase as set out in the 2023/24 MTFS.

c) Referral from Cabinet - Housing Revenue Account Business Plan 2022-2052 (Pages 94 - 194)

Cabinet recommended 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 and finalisation of the Plan and Appendices, following consultation.

d) Referral from Cabinet - Housing Revenue Account Budget 2023/24 (Pages 195 - 206)

Cabinet recommended to Full Council that:

- A** Approve the Housing Revenue Account (HRA) estimates as set out in Appendix 1 to the report.
- B** Approve a working balance of £3.529 million for the HRA (set out in paragraph 23 of the report).
- C** Approve that tenant rents are increased by 7 percent with effect from 3 April 2023. This equates to an average weekly rent of £104.18 an increase of £6.82 (set out in paragraph 3 of the report).
- D** Approve that the rents and personal charges for temporary accommodation are increased with effect from 3 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 percent with effect from 1 April 2023. This equates to an average weekly rent of £12.35, 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 3 April 2023 (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 3 April 2023 (see paragraphs 9 to 13 of the report and Appendix 2 attached to the report).
- H** Approve that the leasehold service charges are increased with effect from 1 April 2023 to ensure that all leaseholder costs are recovered (see paragraphs 16 to 19 of the report and Appendix 2 attached to the report).
- I** Approve that all other tenant charges are increased with effect from 3 April 2023 in order to recover cost (see Appendix 2 attached to the report).

e) Referral from Cabinet - Capital and Treasury Report 2023 (Pages 207 - 250)

Cabinet recommended to Full Council that:

- A** The following Capital and Treasury Reports be approved:
  - i) The Capital Strategy Report (Appendix A to the report).
  - ii) The Treasury Management Strategy Statement 2023/24 (Appendix B to the report)
  - iii) The Investment Strategy Report 2023/24 (Appendix C to the report).
  - iv) The MRP Statement 2023/24 (Appendix D to the report)

f) Referral from Cabinet - Capital Programmes 2022/23 - 2024/25 (Pages 251 - 262)

Cabinet recommended to Full Council that it:

- A** Approve the 2023/24 Housing Capital Programme (HCP) totalling £38.891 million as set out in Appendix 1.
- B** Approve of the inclusion in the Housing Capital Programme of an additional £18 million over 3 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.

- D** Approve the 2023/24 Non-Housing Capital Programme totalling £13.471 million (attached as Appendix 2 to the report), noting the additional £2.789 million investment in response to Business Cases received as detailed in Table 11.

10. Reports from Officers

- a) Council Tax Resolution 2023/24 (Pages 263 - 266)

It is recommended that the Council Tax Resolution for 2023/24, as set out in Appendix A to the report, is approved.

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** MEDIUM TERM FINANCIAL STRATEGY 2023/24 – 2025/26

**PORTFOLIO HOLDER:** COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

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

**This is a Key Decision**

**It is on the Forward Plan as Decision Number I013862**

**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 element of Medium Term Financial Strategy for 2023/24 to 2025/26 (attached as appendix B to the report) is adopted.
- B** The Housing Revenue Account (HRA) element of the Medium Term Financial Strategy for 2023/24 to 2025/26 (as attached as Appendix C to the report) is adopted.
- C** The planned Council Tax freeze for 2023/24 for the Harlow Council element of the 2023/24 Council Tax demand is approved.
- D** That the anticipated New Homes Bonus for 2023/24 of £572,205 be used to increase the funds available within the Budget Stabilisation Reserve to a projected balance of £1.35million when combined with other proposals set out in this and the General Fund Budget report.
- E** That movements in reserves set out in the report are approved.

**REASON FOR DECISION**

- A** To provide an updated financial position for the Council allowing Cabinet to consider the implications and potential options available and provide strategic direction in the preparation and presentation of proposal for the balanced draft

budget for 2023/24 in support of the overall financial plans of the Council and the delivery of its priorities.

- B** To continue to deliver the commitment to manage Harlow's element of the annual Council Tax demand and to become a low tax authority.

## **BACKGROUND**

1. The Medium Term Financial Strategy (MTFS) was approved in January 2022 as part of the overall suite of reports which ultimately resulted in the setting of both the Harlow element of the Council Tax and the Housing Revenue Account (HRA) rent levels for 2022/23 financial year. The strategy currently provides the parameters for the Council's revenue spending and capital investment plans for the next three years.
2. This revision of the MTFS incorporates the significant local, national and worldwide economic factors that are having a major impact on the financial planning activities for the Council in the short and medium term.
3. These factors include:
  - 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 sees a one year financial settlement announcement and a lack of any longer term indications to provide clarity for planning purposes;
  - c) Significant inflationary pressures expected in 2023/24 and 2024/25 coupled with interest rate rises impacting on future debt financing costs.
  - d) The Governments further intervention in rent setting policy for 2023/24 and possibly 2024/25.
4. The MTFS is informed by and aligned to 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:
  - a) Economic Growth;
  - b) Social Cohesion;
  - c) Safeguarding the Environment; and
  - d) An Efficient Council.

## ISSUES/PROPOSALS

### Proposed amendments to the previously approved MTFS (February 2022)

#### General Fund

5. Proposed changes in key assumptions underpinning the financial forecasts mainly relate to changes at a national level.
6. Proposed key amendments to the Strategy are set out below:
  - a) Reflection of the significant inflationary pressures being faced by the Council in the costs of service delivery and general running costs of services (Appendix A sets out the key budgetary parameters applied in the budget development for 2023/24)
  - b) In light of the significant impacts of the Covid-19 crisis it is recognised that there may be further budgetary impacts across the period of the MTFS dependent on local recovery and the local economic impacts.
  - c) The planning period covered by the MTFS remains restricted to three years.
  - d) 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 wherever possible.
7. Aligned to the amendments above the key areas of work that will be undertaken to inform the MTFS and its development moving forward 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. This work will be largely aligned to the work taking place across the North Essex authorities group during 2023/24.
  - 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) A number of independent reviews of HTS have been undertaken and will lead to significant changes in the governance, Service Agreement and Business Plan of HTS.
  - d) The development of the Regeneration aspirations to include the detailed plans to deliver the initial Towns Fund and Levelling Up Fund schemes coupled with the wider town centre regeneration and estates renewal initiatives.

- e) The delivery of new council homes through the comprehensive New Build Programme as set out in reports earlier in the 2022/23 year.
8. The resulting General Fund Medium Term Financial Strategy set out in Appendix B shows that, subject to the assumptions that have been made, a balanced General Fund Budget for 2023/24 can be delivered with no ongoing dependency on reserves. The proposals also enable further contributions to the Budget Stabilisation Reserve to be made to support any ongoing volatility that may arise due to factors beyond the council's control.
  9. 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) the protection of services cannot be guaranteed in future years.
  10. The Draft Council Tax Referendum Principles 2023/24 announced by the Secretary of State alongside the draft 2023/24 Local Government Finance Settlement announcement confirmed that the intention is to set a limit on council tax increases for 2023/24 at three per cent or £5 whichever is the greater. The proposal set out in this report and the General Fund Budget Report 2023/24 elsewhere on the agenda propose a council tax freeze (Zero per cent increase) and therefore the budget proposals will not require a referendum to be held. The Council remain committed to becoming a 'Low Tax' authority.

### **Housing Revenue Account (HRA)**

11. The HRA is the Council's account which must capture the costs and the revenues required to fulfil its responsibilities as a provider of social rented housing.
12. 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 £3.5 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 and for 2023/24 this will be at the rent cap of 7 percent.
  - d) There must be sufficient investment in the housing stock to ensure that it is maintained in compliance with the housing regulatory requirements.
  - e) Fifty percent of the useable proceeds from Right-to-Buy sales will be used to fund the Non-Housing Capital Programme.



13. The HRA 30 Year Business Plan is set out elsewhere on the agenda and 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. It contains 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.
14. Financial projections for the HRA covering the period 2023/24 to 2025/26 are set out in Appendix C to this report.

### **Capital - Housing Revenue Account and General Fund**

15. The Capital Programme plays a vital part in delivering the Corporate Strategy with the long-term investment provided through its delivery plays an essential role in realising the Council's ambitions for the district. The cost of the Capital Programme is normally spread over the lifetime of investments, so does not have such an immediate impact on the revenue budget position. However, there are revenue consequences to the Capital Programme.
16. In February 2022, the Council approved an overall Capital Programme of £161.6 million which included £88.1 million in respect of the HRA and £22.6m for the New Housebuilding Programme for the five-year period 2022/23 through to 2026/27. The detailed programme set out within the Capital Programme report has increased the allocation for the delivery of new houses to £34.8million.
17. The revised capital programme is the focus of a report elsewhere on the agenda but given the significant financial pressures faced by the Council outlined in this report the current priorities in the Capital Programme have been reviewed to ensure that the affordable levels of capital investment are being targeted at the highest priority areas across the Council's asset base, both Housing and Non Housing. The revised three year programme proposals set out in the Capital Programme report and summarised in Appendix D total an investment of over £137 million.
18. Linked to the MTFs and specifically the Council's capital plans are two further statutory strategies which will also be updated and are included in the Forward Plan for the February Cabinet meeting –
  - a) Capital Strategy – this is a mandatory requirement introduced by CIPFA's Prudential Code in 2017. It is a rolling three-year strategy that 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. There will be some significant revisions to the Capital Strategy in 2023/24 to reflect the Chartered Institute of Finance and Accountancy's (CIPFA) updated Prudential Code released in late 2021; compliance will require some refinements to the current Prudential Indicators within the 2022/23 Strategy.

b) Treasury Management Strategy (TMS) – The successful identification, monitoring and control of financial risk is central to prudent financial management and the TMS is a key document, which helps to achieve that. The current – 2022/23 – TMS was prepared in accordance with CIPFA’s Treasury Management Code (2017 Edition). However, CIPFA updated its Code in late 2021 (alongside the updated Prudential Code highlighted above), therefore – as with the Capital Strategy – some revisions will be required to the 2023/24 TMS to ensure compliance with the new Code.

19. Both strategies have been revised and are again featured elsewhere on the agenda. The summary of the Capital programme is presented at Appendix D to this report.

## **Conclusions**

20. The preparation of the 2023/24 refresh of the MTFS is being conducted at what is the most difficult period in terms of financial uncertainty for many years. Prudent assumptions have been made in the forecasts presented in this report and supporting appendices such that the financial planning for the general fund, HRA and capital programme are affordable, realistic and deliverable.

21. 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.

22. The MTFS will continue to be reviewed at least annually alongside the annual refresh of the Corporate Strategy which is planned to take place during the autumn of 2023.

## **IMPLICATIONS**

### **Strategic Growth and Regeneration**

As contained within the report.

**Author: Andrew Bramidge, Chief Executive**

### **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 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 and Corporate Services**

The General Fund Revenue Budget 2024/24 to be reported in February 2023 will detail the main human resource implications associated with the final proposed Council budget. Subsequent years will be addressed in a similar way at the time.

**Author: Simon Hill, Director of Governance and Corporate Support**

## **Appendices**

Appendix A – Budget Parameters 2023-24

Appendix B - General Fund MTFS 2023/24 to 2025/26

Appendix C – Housing Revenue Account (HRA) MTFS 2023/24 to 2025/26

Appendix D – Capital MTFS 2023/24 – 2025/26

## **Background Papers**

None.

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

CIPFA – Chartered Institute of Public Finance and Accountancy.

HRA – Housing Revenue Account.

HTS – Harlow Trading Services Ltd.

MTFS – Medium Term Financial Strategy.

SFA – Settlement Funding Assessment.

TMS – Treasury Management Strategy.

### General Fund Budget Parameters 2023/24

|   | Current Assumptions (included in 2022/23 budget and 2022/23 – 2024/25 MTFS)  | Proposals for 2023/24 Budget (Likely Case)  |
|---|--|---|
| <b>Costs</b>                                  |  |   |
| Pay inflation                                 | 2.0% per annum onwards in line with government Announcements.  | Assumes 4.0% pay award.<br><br>Impact of 2022 pay claim to be included £500k  |
| National Insurance                            | Health funding increase @ +1.25%   | No further increase   |
| General inflation                             | Only applied where contractually/statutorily required  | Uplift contractual inflation to 10%<br>Gas and Electricity at increased by 150%.  |
| 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 | 2022 Valuation results incorporated in to the MTFP and budget.  |
| <b>Income</b>                                 |  |   |
| Fees & charges                                | Income budgets to increase in line with price inflation where possible and budgets increased accordingly                         | No Change other than an assumption that at least £300k of parking income post Covid is lost ongoing across Council owned car parks. |
| Council Tax                                   | CT Levels Frozen   | Council Tax Freeze  |

|   |  |  |
|---|--|--|
| increase (for financial planning purposes only)   | in 22/23 and across planning period subject to affordability.  | proposed.  |
| <b>Other Assumptions</b>                          |  |  |
| Government Funding Revenue Support Grant increase | One year deal for 2022/23 reflected in MTFP and small 1% annual reduction assumed thereafter pending BRR review announcements  | Budget reflects the draft settlement which provides increase in core funding (£132k), continuation of the Service Grant (£121k) and a new “one-off” Funding Guarantee grant of £691k) Awaiting final settlement early Feb. |
| <b>Borrowing</b>                                  |  |  |
| Prudential borrowing                              | <b>HRA</b> - No repayment of Self Financing Debt due to rent reduction imposed by Gov.<br><b>Non HRA</b> - Non Housing MRP increased to provide provision for £3m of annual borrowing to cover the requirements of the stock condition survey results. | No Change.<br><br>PWLB borrowing rules changed to exclude any PWLB borrowing if any element of capital programme is solely for the purposes of generating commercial returns   |
| Transfer to/from Reserves - Insurance Fund        | Proposals set out in the MTFS to create additional Budget Stabilisation Reserve in light of uncertainties created by Covid crisis.   | Budget Stabilisation Reserve increased through additional planned contributions and top up of Regeneration reserve from new income stream from Harvey Centre acquisition.  |
| General Reserves                                  | No change, Minimum General fund balance to be maintained at £2.5m over the   | No Change  |

|  |   |  |
|--|---|--|
|  | current MTFS<br>Period to manage<br>increased risks to<br>be managed<br>locally under<br>Government<br>plans. |  |
|--|---|--|

**General Fund MTFS 2023/24 - 2024/25**

|  | 2023/24<br>£       | 2024/25<br>£       | 2025/26<br>£       |
|--|--------------------|--------------------|--------------------|
| <b>Previous Years Budget Requirement<br/>(Before Reserves)</b> | <b>14,235,420</b>  | <b>13,149,323</b>  | <b>14,178,203</b>  |
| Inflation  | 1,534,329          | 928,880            | 7,970              |
| Other Changes  | -2,520,268         | 100,000            | 150,000            |
| New Pressures  | 1,870,600          |                    |                    |
| Savings Identified   | -1,970,758         |                    |                    |
| <b>Net Expenditure</b>   | <b>13,149,323</b>  | <b>14,178,203</b>  | <b>14,336,173</b>  |
| Movement through Earmarked Reserves                            | -1,336,553         | -1,261,553         | -1,186,553         |
| Movement through General Reserve                               | 0                  | 0                  | 0                  |
| <b>Budget Requirement</b>                                      | <b>11,812,770</b>  | <b>12,916,650</b>  | <b>13,149,620</b>  |
| Funded by:   |                    |                    |                    |
| Collection Fund Deficit / (Surplus)                            | 1,897,144          | 1,897,144          | 1,897,144          |
| Settlement Funding Assessment                                  | -3,362,388         | -3,362,388         | -3,362,388         |
| Essex Business Rates Pooling                                   | -180,000           | -180,000           | -180,000           |
| Service Grant  | -126,113           | -126,113           | -126,113           |
| Funding Guarantee  | -686,112           |                    |                    |
| Other Non-Ringed Fenced Grants                                 | -1,126,562         | -1,126,562         | -1,126,562         |
| Previous Years Council Tax Demand                              | -8,074,755         | -8,228,739         | -8,236,828         |
| Changes in Tax Base  | -153,984           | -8,089             | -90,715            |
| Changes in Council Tax Charge                                  | 0                  | 0                  | 0                  |
| Council Tax Demand   | -8,228,739         | -8,236,828         | -8,327,543         |
| <b>Total Funding</b>   | <b>-11,812,770</b> | <b>-11,134,747</b> | <b>-11,225,462</b> |
| <b>Budget Shortfall/(Surplus)</b>                              | <b>0</b>           | <b>1,781,903</b>   | <b>1,924,158</b>   |

Proposed Council Tax Increase

0%

0%

0%

## APPENDIX C

### HOUSING REVENUE ACCOUNT MTFs 2023/24 - 2025/26

|                                    | 2023/24<br>Estimates<br>£'000 | 2024/25<br>Estimates<br>£'000 | 2025/26<br>Estimates<br>£'000 |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b><u>Expenditure</u></b>          |                               |                               |                               |
| Management                         | 20,460                        | 21,893                        | 22,657                        |
| Repairs                            | 14,488                        | 13,012                        | 13,388                        |
| Other Expenditure                  | 502                           | 537                           | 556                           |
| Major Repairs Reserve Contribution | 12,417                        | 13,222                        | 13,683                        |
| Direct Revenue Financing           | 3,583                         | 2,704                         | 2,802                         |
| Capital Financing Charges          | 7,131                         | 7,704                         | 7,910                         |
|                                    | <u>58,581</u>                 | <u>59,072</u>                 | <u>60,996</u>                 |
| <b><u>Income</u></b>               |                               |                               |                               |
| Rent Income                        | (48,499)                      | (51,535)                      | (53,196)                      |
| Other Income                       | (6,961)                       | (7,449)                       | (7,709)                       |
| Interest on Revenue Balances       | (69)                          | (88)                          | (91)                          |
|                                    | <u>(55,529)</u>               | <u>(59,072)</u>               | <u>(60,996)</u>               |
| Balance at 1 April                 | (6,581)                       | (3,529)                       | (3,529)                       |
| (Surplus) / Deficit for year       | 3,052                         | 0                             | 0                             |
| Balance in hand at 31 March        | <u>(3,529)</u>                | <u>(3,529)</u>                | <u>(3,529)</u>                |

#### Major Repairs Reserve

|                             | 2023/24<br>Estimates<br>£'000 | 2024/25<br>Estimates<br>£'000 | 2025/26<br>Estimates<br>£'000 |
|-----------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b><u>Expenditure</u></b>   |                               |                               |                               |
| Capital Programme Financing | 12,417                        | 13,222                        | 13,683                        |
|                             | <u>12,417</u>                 | <u>13,222</u>                 | <u>13,683</u>                 |
| <b><u>Income</u></b>        |                               |                               |                               |
| Transfer from HRA           | 12,417                        | 13,222                        | 13,683                        |
|                             | <u>12,417</u>                 | <u>13,222</u>                 | <u>13,683</u>                 |
| Balance at 1 April          | 0                             | 0                             | 0                             |
| Surplus for year            | 0                             | 0                             | 0                             |
| Balance in hand at 31 March | <u>0</u>                      | <u>0</u>                      | <u>0</u>                      |



## Capital Programme MTFs 2023/24 -2025/26

|   | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|------------------|
| <b>CAPITAL FUNDING</b>                  |                  |                  |                  |
| <b><u>HOUSING CAPITAL PROGRAMME</u></b> |                  |                  |                  |
| <b><u>Resources</u></b>                 |                  |                  |                  |
| Other Housing capital receipts          | 1,710            | 1,838            | 1,905            |
| Major Repairs Reserve                   | 12,631           | 13,222           | 13,683           |
| Revenue Contributions                   | 3,583            | 2,704            | 2,802            |
| Other contributions                     | 300              | 300              | 300              |
| Retained RTB receipts                   | 5,320            | 6,946            |                  |
| Prudential Borrowing                    | 15,347           | 14,959           | 546              |
| <b>Total</b>                            | <b>38,891</b>    | <b>39,969</b>    | <b>19,236</b>    |

|                                  |               |               |               |
|----------------------------------|---------------|---------------|---------------|
| <b><u>Expenditure / Bids</u></b> |               |               |               |
| Housing Core Capital Programme   | 25,491        | 22,604        | 19,236        |
| New Build Programme              | 13,400        | 17,365        |               |
| <b>Total</b>                     | <b>38,891</b> | <b>39,969</b> | <b>19,236</b> |

|   | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
|---|------------------|------------------|------------------|
| <b><u>NON-HOUSING CAPITAL PROGRAMME</u></b> |                  |                  |                  |
| <b><u>Resources</u></b>                     |                  |                  |                  |
| Earmarked Capital Reserves                  | 547              | 560              | 385              |
| Elm Hatch Borrowing                         | 3,310            | 1,143            |                  |
| Disabled Facilities Grants                  | 500              | 500              | 500              |
| Towns Fund Grant                            | 5,033            | 10,403           | 3,000            |
| Home Renovation Loan Repayments             |                  | 5                | 5                |
| Prudential Borrowing                        | 4,081            | 4,580            | 3,326            |
| <b>Total</b>                                | <b>13,471</b>    | <b>17,191</b>    | <b>7,216</b>     |

|                                  |               |               |              |
|----------------------------------|---------------|---------------|--------------|
| <b><u>Expenditure / Bids</u></b> |               |               |              |
| Non-Housing Core Programme       | 5,128         | 5,645         | 4,216        |
| New Build Programme              | 3,310         | 1,143         |              |
| Towns Fund                       | 5,033         | 10,403        | 3,000        |
| <b>Total</b>                     | <b>13,471</b> | <b>17,191</b> | <b>7,216</b> |

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** GENERAL FUND BUDGET 2023/24

**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:** JACQUELINE VAN MELLAERTS, ASSISTANT DIRECTOR FINANCE (01279) 446251

**This is a Key Decision**

**It is on the Forward Plan as Decision Number I013863**

**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 2023/24, 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 F to the report, is approved.
- E** The Council's Band D Council Tax for 2023/24 is set at £288.90 representing a 0% increase as set out in the 2023/24 MTFS.

## **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 2023/24 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 2023/24 General Fund Budget is prepared alongside the Medium Term Financial Strategy (MTFS) with the MTFS covering the period 2023/24 to 2025/26. 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 2023/24.
2. In formulating spending priorities reflected in the MTFS and the 2023/24 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 2023/24 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. Any Elimination or reduction in current vacancies will have no adverse impact on service quality or delivery.

### **Government Grant**

4. The 2023/24 draft one year finance settlement was announced on 19 December 2022. The final one-year settlement was announced on 6 February 2023 and the details have been incorporated into this report. The Council is expected to receive a Funding Guarantee Grant of £686,112 and a Service Grant of £126,113. There were no overall total funding changes to the Council from the draft to the final settlement, but the split between grant allocations were amended.

### **Proposed General Fund Budget 2023/24**

5. In February 2022, the Council approved an MTFS which assumed a 0% increase in the level of Council Tax in 2022/23 and allowed a £50 efficiency dividend made to eligible households.
6. The Council's latest MTFS shows projected General Fund expenditure and funding over the three year period 2023/24 to 2025/26. The budget for 2023/24 shows details for every service and reflects continuing pressures on the Council's finances.

7. Meanwhile, work to deliver a balanced budget for 2023/24 has identified a 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 2023/24, 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 pay award for 2023/24 has not yet been finalised and the budget has therefore allowed for an increase of 4%.
10. 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**

11. The MTFS agreed by Full Council in February 2022 was based on a 0% Council Tax increase in the HDC element of Council Tax for 2022/23, 2023/24 and 2024/25. The draft Local Government Finance Settlement (LGFS) published on 19 December 2022 has confirmed that the maximum permissible increase for 2023/24 will be 3% (or £5 whichever is the greater). The budget proposals set out in this report and the MTFS plan for a 0% Council Tax increase in the HDC element of council tax for the period of the MTFS.
12. The Council's 2023/24 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 28,483 (2022/23 - 27,950).
13. 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 2023. This amount has been forecast to be £17,300 deficit.

### **Business Rates**

14. The Council is also required to forecast the surplus or deficit on the Business Rates element of the Collection Fund at 31 March 2023. The deficit has been forecast to be £1.879m as at 31 March 2023. The deficit will be offset in 2023/24 by previously received section 31 grants that have been specifically earmarked for this purpose.

15. 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 to offset the impact of the accumulated deficit detailed in paragraph 14 above when required.

### **Income – Fees & Charges**

16. As part of the 2023/24 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**

17. 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**

18. 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.
19. 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**

20. 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 forecasted value for the Discretionary services are £444k which will be funded from earmarked reserves in 2023/24. If discretionary services are to consistently cost the same as 2023/24 forecasts, they'll be approximately 3.6 years left in the reserve to cover this activity. The MTFS assumes £75k will be brought into the base budget year on year to cover the cost of discretionary services in future years.

## New Homes Bonus

21. The actual amount to be received will be included in the final LGFS referred to above. The amount currently forecast for 2023/24 is £572,205 (2022/23 – £1.165 million) based on the draft settlement announcement. As previously advised in February 2022, new homes bonus will be contributed to the Budget Resilience Reserve and be applied to support the general fund budget.

## General Fund Reserve

22. 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 2022.

**Table 2 – Uncommitted General Fund Reserve**

|   | £millions    |
|---|--------------|
| <b>Balance at 1 April 2022</b>            | <b>3.371</b> |
| Forecast budget variations in 2022/23     | (0.666)      |
| <b>Projected balance at 31 March 2023</b> | <b>2.705</b> |

23. 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 forecasted at £2.705 million.

## Earmarked Reserves

24. The Council has both General Fund and HRA earmarked reserves. The earmarked reserves have been categorised to provide further explanation of their purpose.

25. The categories are as follows:

Mitigation – Earmarked specifically to mitigate future financial risks to the Council.

Service – Set aside for services to be used on specific investment Initiatives or projects.

Capital – Earmarked to contribute towards the Capital Programme.

26. Full details of all General Fund and HRA reserves and their categorisation are contained in Appendix C to this report.

## **Council Tax Levels**

27. The proposed Budget is based on 0% increase in the HDC element of Band D Council Tax, meaning that the 2023/24 charge will be £288.90.
28. 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 reports were published for this Cabinet meeting. Full Council will meet on 23 February 2023 to approve the composite Council Tax and the formal Council Tax resolution.

## **IMPLICATIONS**

### **Strategic Growth and Regeneration**

As contained within the report.

**Author: Andrew Bramidge, Chief Executive**

### **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 Support**

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 2023/24

Appendix F – Pay Policy Statement 2023/24

## **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

|  | 2021/22 Actual    | 2022/23           | 2023/24           |
|--|-------------------|-------------------|-------------------|
|  | £                 | Budget            | Budget            |
|  | £                 | £                 | £                 |
| <b>DIRECTORS OF SERVICE</b>                        |                   |                   |                   |
| Chief Executive                                    | 28,466            | 10,270            | 45,680            |
| Communities and Environment                        | 8,906,437         | 9,732,649         | 10,760,003        |
| Finance  | 1,185,119         | 4,610,300         | 2,114,264         |
| Governance and Corporate Support                   | 849,699           | 1,476,300         | 1,422,496         |
| Housing  | 1,320,918         | (930,080)         | (1,010,803)       |
| Strategic Growth and Regeneration                  | 4,087,708         | 2,433,169         | 1,211,187         |
| <b>Total</b>                                       | <b>16,378,347</b> | <b>17,332,608</b> | <b>14,542,827</b> |
| Commercialisation target                           | 0                 | (100,000)         | (100,000)         |
| Covid 19   | -590,154          | 0                 | 0                 |
| Capital charges                                    | 2,512,366         | (2,212,760)       | (2,594,260)       |
| Contingency  | -                 | 0                 | 500,000           |
| Interest Receivable                                | (183,174)         | (525,000)         | (525,000)         |
| Interest Payable                                   | 245,998           | 805,490           | 1,772,295         |
| Minimum Revenue Provision                          | 806,148           | 500,000           | 625,666           |
| Provision for bad debts                            | 304,200           | 0                 | 0                 |
| Essex Council Tax Collection Sharing Agreement     | (106,292)         | (400,000)         | (500,000)         |
| New Homes Bonus Grant                              | (1,079,239)       | (1,164,918)       | (572,205)         |
| <b>Expenditure Before Use Of Reserves</b>          | <b>18,288,200</b> | <b>14,235,420</b> | <b>13,149,323</b> |
| Contribution to / (from) Earmarked Reserves:       |                   |                   |                   |
| Budget Stabilisation Reserve                       | 147,167           | 333,918           | 864,934           |
| Covid 19 Reserve                                   | (20,110)          | -                 | -                 |
| Environment Reserve                                | (3,535)           | (35,910)          | 3,401             |
| Environmental Urgent Works and Improvement Reserve | (160,470)         | 8,020             | (96,221)          |
| Estates Renewal Reserve                            | -                 | 363,000           | 170,000           |
| Debt Financing Reserve                             | 237,840           | 237,840           | 237,840           |
| Discretionary Services Fund                        | 641,438           | (940,570)         | (444,892)         |
| Hardship Fund                                      | 155,000           | -                 | -                 |
| The Harlow & Gilston Garden Town Funding Reserve   | (13,540)          | (14,170)          | (14,170)          |
| Housing Benefits Subsidy Reserve                   | 0                 | (193,000)         | -                 |
| Housing TA Reserve                                 | 150,000           | 0                 | -                 |
| Insurance Fund                                     | 108,411           | 123,250           | 123,170           |
| Invest to Save                                     | 860               | (125,160)         | 840               |
| MMI  | 50,000            | 50,000            | 50,000            |
| Pension Reserve                                    | -                 | 0                 | -                 |
| Perpetuity Reserves                                | (2,279)           | (1,275)           | (1,275)           |
| Planning LDF                                       | -                 | (100,000)         | -                 |
| Regeneration Reserve                               | (174,491)         | -                 | -                 |
| Regeneration & Enterprise Reserve                  | (577,069)         | (56,540)          | (625,385)         |
| Residual Land Transfer Reserve                     | -                 | (130,988)         | -                 |
| Risk Reserve                                       | 16,300            | -                 | -                 |
| Severance Fund                                     | (1,000,000)       | (255,000)         | -                 |
| Splash Parks Reserve                               | (392,395)         | (145,000)         | -                 |
| Standards Reserve                                  | -                 | (50,461)          | -                 |
| Grants Reserves (for deferred payments)            | (5,855,064)       | (1,982,349)       | (1,604,795)       |
| Contribution to / (from) General Fund Reserve      | 802,820           | -                 | -                 |
| <b>Budget Requirement</b>                          | <b>12,399,083</b> | <b>11,321,025</b> | <b>11,812,770</b> |

## HARLOW COUNCIL'S ELEMENT OF THE COUNCIL TAX

|                                     | 2021/22 Actual   | 2022/23          | 2023/24          |
|-------------------------------------|------------------|------------------|------------------|
|                                     | £                | Budget           | Budget           |
|                                     | £                | £                | £                |
| Budget Requirement                  | 12,399,083       | 11,321,025       | 11,812,770       |
| Less Formula Grant comprising:      |                  |                  |                  |
| Settlement Funding Assessment       | (2,949,190)      | (2,949,186)      | (3,362,388)      |
| Lower Tier Services Grant           | (132,832)        | (139,873)        | 0                |
| Service Grant                       | -                | (214,960)        | (126,113)        |
| Funding Guarantee                   | -                | 0                | (686,112)        |
| Covid Support Grant                 | (517,920)        | 0                | 0                |
| Homelessness Grant                  | (168,990)        | (169,000)        | (575,532)        |
| Collection Fund Deficit / (Surplus) | 8,139,550        | 1,011,025        | 1,897,144        |
| S31 Grant                           | (8,857,886)      | (604,276)        | (551,030)        |
| Essex Business Rates Pooling        | -                | (180,000)        | (180,000)        |
| <b>Council Tax Requirement</b>      | <b>7,911,815</b> | <b>8,074,755</b> | <b>8,228,739</b> |
| Divided by:                         |                  |                  |                  |
| Taxbase                             | 27,386.00        | 27,950.00        | 28,483.00        |
| <b>Band D Council Tax</b>           | <b>288.90</b>    | <b>288.90</b>    | <b>288.90</b>    |

**GENERAL FUND 2023/24 BUDGET**  
**EFFICIENCY SAVINGS**

The following table provide details regarding the significant efficiency gains, proposed to be made as part of the 2023/24 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<br>EFFICIENCY SAVINGS | DETAILS  |
|---|--|--|
|   | £  |  |
| Organisational establishment reviews      | 899,258                                  | Review of long term vacant posts within establishment                  |
| Educational Attainment                    | 3,500                                    | Reduction in requirement   |
| Youth Council                             | 3,000                                    | Reduction in training and other efficiencies                           |
| Apprenticeship posts                      | 114,000                                  | Reduction in apprenticeship vacant posts within establishment          |
| Corporate Efficiencies                    | 11,000                                   | Reduction in IT maintenance costs following 365 migration              |
| Regen Costs offset by Regen Reserve       | 470,000                                  | Regeneration team to be funded from earmarked reserve for regeneration |
| Homelessness (Alternative grants)         | 120,000                                  | Efficient use of homelessness grants                                   |
| <b>GRAND TOTAL FOR EFFICIENCY SAVINGS</b> | <b>1,620,758</b>                         |  |

**GENERAL FUND 2023/24 BUDGET  
PRESSURES**

The following table provide details regarding the funding adjustments to be made as part of the 2023/24 General Fund budget.

| ACTIVITY                         | AMOUNT OF PROPOSED SERVICE INVESTMENT | DETAILS  |
|----------------------------------|---------------------------------------|--|
|                                  | £                                     |  |
| Car Park Income                  | 300,000                               | Additional pressure on parking income                              |
| Pensions Review                  | 100,000                               | Pressure on pension contributions following triannual valuation    |
| Pay award (2022/23)              | 500,000                               | Estimate of the impact of the award above the 2% assumed in budget |
| Insurance premiums               | 226,000                               | Expected increase in pressure on insurance premiums                |
| Audit Fees                       | 150,000                               | Additional pressure expected following national PSAA procurement   |
| Webcasting                       | 17,600                                | Additional costs on leasing requirements                           |
| IT licensing                     | 102,000                               | Additional inflationary pressures on IT licensing                  |
| Town Park Maintenance            | 30,000                                | Additional maintenance required                                    |
| Waste - Recycling                | 35,000                                | Inflationary pressures   |
| Environment Staffing             | 20,000                                | Required to meet succession planning                               |
| Playhouse                        | 5,000                                 | Improved broadband connection costs                                |
| Pets Corner                      | 5,000                                 | Improved broadband connection costs                                |
| Economic Development             | 25,000                                | Delivery of agreed action plan of economic development strategy    |
| Building Control                 | 40,000                                | Reduced partnership savings  |
| Garden Town                      | 150,000                               | Partnership contribution   |
| Team Reviews                     | 20,000                                | Address revaluation of staff posts                                 |
| Leah Manning Centre              | 120,000                               | Additional pressure on Income from centre                          |
| Telecare Installations           | 25,000                                | Increase installation and charges                                  |
| <b>GRAND TOTAL FOR PRESSURES</b> | <b>1,870,600</b>                      |  |

## GENERAL FUND 2023/24 BUDGET

### INCOME

### Appendix B3

The following table provide details regarding the significant additional income proposed to be made as part of the 2023/24 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 INCOME SAVINGS | DETAILS  |
|--|-----------------------------------|--|
|  | £                                 |  |
| Roundabout Sponsorship                         | 20,000                            | Additional Income expected from sponsorship                              |
| Accommodation Review                           | 20,000                            | Expected income from accommodation review of HDC offices                 |
| Commercial Yield                               | 80,000                            | Expected Income from commercial properties                               |
| Crematorium Income                             | 15,000                            | Additional Income expected   |
| Recycling Income                               | 15,000                            | Additional Income expected   |
| Collection Improvement - ECC Sharing Agreement | 100,000                           | Additional Income expected from ECC sharing agreement on collection fund |
| Reintroduce Staff Parking Charges              | 30,000                            | Additional Income expected on parking charges for staff                  |
| <b>GRAND TOTAL FOR INCOME SAVINGS</b>          | <b>280,000</b>                    |  |

### Proposed Movements on Earmarked Reserves - 2022/23 and 2023/24

| Earmarked Reserve  |            | Actual                    | Actual                    | 2022/23                |                    | Revised                   | 2023/24                |                    | Forecast                  |
|--|------------|---------------------------|---------------------------|------------------------|--------------------|---------------------------|------------------------|--------------------|---------------------------|
|  |            | Balance as at 31 Mar 2021 | Balance as at 31 Mar 2022 | Add To Reserve Balance | Use of Reserves    | Balance as at 31 Mar 2023 | Add To Reserve Balance | Use of Reserves    | Balance as at 31 Mar 2024 |
|  |            | £                         | £                         | £                      | £                  | £                         | £                      | £                  | £                         |
| <b>GENERAL FUND RESERVES</b>                               |            |                           |                           |                        |                    |                           |                        |                    |                           |
| Bush Fair Capital Improvement Works                        | Capital    | 42,000                    | 42,000                    |                        |                    | 42,000                    |                        |                    | 42,000                    |
| Splash Parks Reserve                                       | Capital    | 708,420                   | 316,025                   |                        | (316,025)          | 0                         |                        |                    | 0                         |
| <b>Total Capital Contibution Reserves</b>                  |            | <b>750,420</b>            | <b>358,025</b>            | <b>0</b>               | <b>(316,025)</b>   | <b>42,000</b>             | <b>0</b>               | <b>0</b>           | <b>42,000</b>             |
| Perpetuity Reserves  | Mitigation | 958,559                   | 956,280                   | 4,760                  | (6,035)            | 955,005                   | 4,760                  | (6,035)            | 953,730                   |
| Budget Stabilisation Reserve                               | Mitigation | 0                         | 147,167                   | 333,918                |                    | 481,085                   | 864,934                |                    | 1,346,019                 |
| Covid-19 Reserve   | Mitigation | 258,900                   | 238,790                   |                        |                    | 238,790                   |                        |                    | 238,790                   |
| Debt Financing Reserve                                     | Mitigation | 2,939,242                 | 3,177,082                 | 237,840                |                    | 3,414,922                 | 237,840                |                    | 3,652,762                 |
| Housing Benefits Subsidy Reserve                           | Mitigation | 693,107                   | 693,107                   |                        | (193,000)          | 500,107                   |                        |                    | 500,107                   |
| Insurance claims - GF                                      | Mitigation | 756,394                   | 806,394                   | 50,000                 |                    | 856,394                   | 50,000                 |                    | 906,394                   |
| Insurance Fund - GF (see Note 4.)                          | Mitigation | 1,719,533                 | 1,827,944                 | 123,170                |                    | 1,951,114                 | 123,170                |                    | 2,074,284                 |
| Risk Management Reserve - GF                               | Mitigation | 336,241                   | 352,541                   |                        |                    | 352,541                   |                        |                    | 352,541                   |
| Severance Reserve  | Mitigation | 2,120,335                 | 1,120,335                 |                        | (255,000)          | 865,335                   |                        |                    | 865,335                   |
| Standards Committee Contingency Reserve                    | Mitigation | 50,461                    | 50,461                    |                        | (50,461)           | 0                         |                        |                    | 0                         |
| <b>Total Mitigation Reserves</b>                           |            | <b>9,832,772</b>          | <b>9,370,101</b>          | <b>749,688</b>         | <b>(504,496)</b>   | <b>9,615,293</b>          | <b>1,280,704</b>       | <b>(6,035)</b>     | <b>10,889,962</b>         |
| Discretionary Services Fund                                | Service    | 2,303,644                 | 2,945,082                 | 67,013                 | (940,570)          | 2,071,525                 |                        | (444,892)          | 1,626,633                 |
| Enterprise Zone Disregard Reserve                          | Service    | 36,064                    |                           |                        |                    | 0                         |                        |                    | 0                         |
| Environment Reserve (previously Energy Fund) - see Note 6. | Service    | 0                         | 32,529                    | 70                     | (36,000)           | (3,401)                   | 3,401                  |                    | 0                         |
| Environmental Urgent Works & Improvement Reserve           | Service    | 1,596,023                 | 1,435,553                 | 7,180                  |                    | 1,442,733                 | 7,180                  | (103,401)          | 1,346,512                 |
| Estates Renewal Reserve                                    | Service    | 0                         | 0                         | 363,000                | (363,000)          | 0                         | 170,000                |                    | 170,000                   |
| The Harlow & Gilston Garden Town Funding Reserve           | Service    | 431,403                   | 417,863                   |                        | (14,170)           | 403,693                   |                        | (14,170)           | 389,523                   |
| Hardship Fund  | Service    | 0                         | 155,000                   |                        |                    | 155,000                   |                        |                    | 155,000                   |
| Housing TA Reserve   | Service    | 0                         | 150,000                   |                        |                    | 150,000                   |                        |                    | 150,000                   |
| Invest To Save & Improve Reserve - see Note 5.             | Service    | 229,667                   | 230,527                   | 840                    | (126,000)          | 105,367                   | 840                    |                    | 106,207                   |
| New Burdens Grant Reserve                                  | Service    | 223,240                   | 223,240                   |                        |                    | 223,240                   |                        |                    | 223,240                   |
| Partnership Fund   | Service    | 200,000                   | 200,000                   |                        |                    | 200,000                   |                        |                    | 200,000                   |
| Planning Reserve   | Service    | 179,094                   | 179,094                   |                        | (100,000)          | 79,094                    |                        |                    | 79,094                    |
| Regeneration Reserve                                       | Service    | 277,255                   | 102,764                   |                        | (75,000)           | 27,764                    |                        |                    | 27,764                    |
| Regeneration & Enterprise Reserve                          | Service    | 6,665,974                 | 6,088,905                 | 366,666                | (5,242,013)        | 1,213,558                 |                        | (625,385)          | 588,173                   |
| Residual Land Transfer                                     | Service    | 130,988                   | 130,988                   |                        | (130,988)          | 0                         |                        |                    | 0                         |
| <b>Total Service Reserves</b>                              |            | <b>12,273,352</b>         | <b>12,291,545</b>         | <b>804,769</b>         | <b>(7,027,741)</b> | <b>6,068,573</b>          | <b>181,421</b>         | <b>(1,187,848)</b> | <b>5,062,146</b>          |
| <b>Total General Fund</b>                                  |            | <b>22,856,544</b>         | <b>22,019,671</b>         | <b>1,554,457</b>       | <b>(7,848,262)</b> | <b>15,725,866</b>         | <b>1,462,125</b>       | <b>(1,193,883)</b> | <b>15,994,108</b>         |
| <b>HRA RESERVES</b>  |            |                           |                           |                        |                    |                           |                        |                    |                           |
| Perpetuity Reserves  | Mitigation | 1,136,200                 | 1,053,201                 | 5,270                  |                    | 1,058,471                 | 5,280                  |                    | 1,063,751                 |
| Housing Insurance Property Reserve                         | Mitigation | 50,111                    | 60,111                    | 10,000                 |                    | 70,111                    | 10,000                 |                    | 80,111                    |
| Insurance claims - HRA                                     | Mitigation | 695,506                   | 745,506                   | 50,000                 |                    | 795,506                   | 50,000                 |                    | 845,506                   |
| Insurance Fund - HRA (see Note 4.)                         |            | 2,165,257                 | 2,281,913                 | 223,190                |                    | 2,505,103                 | 224,300                |                    | 2,729,403                 |
| Risk Management Reserve - HRA                              | Mitigation | 508,140                   | 568,140                   |                        |                    | 568,140                   |                        |                    | 568,140                   |
| <b>Total HRA Reserves</b>                                  |            | <b>4,555,214</b>          | <b>4,708,871</b>          | <b>288,460</b>         | <b>0</b>           | <b>4,997,331</b>          | <b>289,580</b>         | <b>0</b>           | <b>5,286,911</b>          |

#### 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 2022/23 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 received by the Council for specific expenditure in future years.

**ASSESSING MINIMUM WORKING BALANCE IN THE GENERAL FUND REVENUE ACCOUNT**

The Deputy 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  |
|--|---|
| <b>Budget assumptions.</b>                             |   |
| The treatment of inflation and interest rates          | Included within 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 2023/24 and this will be kept under review during the year with planned expenditure being reviewed and reduced if necessary.</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  |

| Factor   | Response  |
|--|---|
|  | <p>necessary. The Council has an excellent track record of effectively managing within its overall approved budget.</p> <p>An ongoing area of specific concern remains in relation to the ongoing economic conditions following Covid and the war in Ukraine. The report sets out clearly the intention to set further resources aside to manage ongoing in year volatility through the application of those resources if necessary as has been the case in 2022/23.</p>  |
| <p>The treatment of planned efficiency savings / productivity gains.</p>   | <p>Service savings/efficiencies of £1.95m are factored into the 2023/24 budget.</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 currently 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 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</p> |

**APPENDIX D**

| <b>Factor</b>   | <b>Response</b>   |
|---|---|
|   | <p>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. These loans are due for repayment in full in March 2023.</p> <p>Cabinet approval has already been agreed for the council lead developments on its EZ land holdings and the financing of these will be met from agreed funding made available through SELEP.</p> <p>The successful bids made in respect of the Towns Fund and Levelling Up Fund will draw nearly £44m of capital funding in to the regeneration of the town centre. These projects will be closely managed so as to ensure that the schemes are delivered within that grant funding envelope.</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 £2.7m at 1 April 2023.</p> <p>The report sets out proposals to increase the Budget Stabilisation Reserve to a level of £1.4m to help meet the budget volatility risk due to inflationary and other pressures during 23/24</p>  |
| <p><b>Financial standing and management</b></p>   |   |
| <p>The overall financial standing of the authority (level of borrowing, debt outstanding, Council Tax</p>                                     | <p>The Council's level of general reserves is forecast to be £2.7m and therefore above the minimum recommended level of £2.5m</p>   |



| Factor   | Response  |
|--|---|
| collection rates, etc).  | for 2023/24.  |
| The authority's track record in budget and financial management including the robustness of the medium term plans. | <p>The Council uses a three-year MTFS as a tool for prudent financial planning and management. The 2023/24 -2025/26 MTFS reported to Cabinet shows that the financial plans being proposed result in a balanced 2023/24 budget.</p> <p>It is vital to recognise that fiscal challenges resulting from the UK's need to fund the economy during the Covid crisis, and the economic volatility created across a number of economic markets as a result of the war in Ukraine continue to pose a serious threat to future local authority funding levels and the inflationary pressures being borne by local authority services.</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> |
| The authority's capacity to manage in-year budget pressures.   | <p>The Council's budget monitoring processes are effective and involve monthly monitoring by the Senior Management Board.</p> <p>The monthly monitoring also focuses on key risk areas such as income targets.</p> <p>The latest 2022/23 quarterly General Fund revenue budget monitoring report, presented to Cabinet on 1 December forecast potential overspend of £666,000 representing a 1.2% variation against the overall gross expenditure. The corresponding figure for preceding years were:</p> <p>2020/21 was +0.6%<br/>                 2019/20 was -0.14%,<br/>                 2018/19 was -0.78%<br/>                 2017/18 was -2.12% and</p>   |

| Factor   | Response  |
|--|---|
|  | <p>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. The 2019/20 audit recommenced in Q3 2022/23.</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 and where there is variation the resources that have prudently been set aside to manage such volatility will be applied to support the 2022/23 budgetary position as planned.</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 works to reduce the Council's exposure to risk. The Councils 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 Councils insurance costs have seen significant reductions which is against the market trend.</p> |

**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 coupled with the impacts of the war in Ukraine on the world economy are difficult to predict. The 2023/24 budget proposals contain plans to mitigate the impacts through increasing budgetary provision where possible particularly in relation to Pay, Energy/fuel and the medium to longer term impacts of covid on income streams. Services to the public will be protected as far as possible and contributions are once again planned to provide a specific budget fund to deal with in year budget volatility as far as possible.
- 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 Governments 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 2023/24 budget proposals include reductions in some income budgets where there is clear evidence that the levels of income achieved pre covid are not likely to return.
- d) 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 £3.5 million reflecting a sum of £389 per council dwelling and broadly aligned to the sector norm.
- e) 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 2022/23. 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.

- f) The budget assumes that the general level of reserves at 31 March 2023 will be £2.7 million.
- g) 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 2023/24.

**Conclusion:** Although the Council has taken steps through the 2023/24 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 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 2023/24 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  | 2022/23     | 2023/24           | Proposed Fee |
|--|-------------|-------------------|--------------|
|  | Current Fee | Proposed Increase |              |
| with effect from 01/04/2023  |             |                   |              |
|  | £.p         | %                 | £.p          |
| <u>Communities and Environment</u>   |             |                   |              |
| <b>Pets Corner</b>   |             |                   |              |
| <b>Sponsorship scheme</b>  |             |                   |              |
| <b>Individual sponsors</b>   |             |                   |              |
| Package A  | 50.00       | 0.00              | 50.00        |
| Package B  | 35.00       | 0.00              | 35.00        |
| Package C  | 25.00       | 0.00              | 25.00        |
| <b>Corporate sponsorship</b>   |             |                   |              |
| Corporate sponsorship A  | 250.00      | 0.00              | 250.00       |
| Corporate sponsorship B  | 500.00      | 0.00              | 500.00       |
| <b>School visits</b>   |             |                   |              |
| 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        |
| <b>Reindeer Hire</b>   |             |                   |              |
| Harlow Schools   | 255.00      | 9.80              | 280.00       |
| Non Harlow Schools   | 320.00      | 9.38              | 350.00       |
| <b>Sales of Animals</b>  |             |                   |              |
|  | Various     | 0.00              | Various      |
| <b>Events</b>  |             |                   |              |
|  | 4.95        | 0.00              | 4.95         |
| <b>Birthday Parties</b>  |             |                   |              |
| Price (per head)   | 7.75        |                   | n/a          |
| Party bag (per head)   | 2.50        |                   | n/a          |
| Bronze package (per head)  |             | new charge        | 4.00         |
| Silver package (per Head)  |             | new charge        | 6.50         |
| Gold package (per head)  |             | new charge        | 8.50         |
| Pony Party package (per head)  |             | new charge        | 10.50        |
| <b>Community Enforcement Team</b>  |             |                   |              |
| <b>Antisocial Behaviour Act 2003</b>   |             |                   |              |
| Section 43 (a) (fly-posting and graffiti)                                    | 80.00       | 0.00              | 80.00        |
| <b>Antisocial Behaviour Crime and Policing Act 2014</b>                      |             |                   |              |
| 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        |

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| <b>Environmental Protection Act 1990</b>                                    |                             |                   |              |
| 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        |
| <b>Harlow Museum</b>  |                             |                   |              |
| <b>Schools</b>  |                             |                   |              |
| <b>Guided tours</b>   |                             |                   |              |
| Non Harlow schools (per child)  | 3.00                        | 0.00              | 3.00         |
| <b>Self-guided tours</b>  |                             |                   |              |
| Non Harlow schools (per child)  | 2.00                        | 0.00              | 2.00         |
| <b>Outreach session</b>   |                             |                   |              |
| Harlow schools (per child)  | 2.50                        | 0.00              | 2.50         |
| Non Harlow schools (per child)  | 3.25                        | 0.00              | 3.25         |
| <b>Loan Boxes</b>   |                             |                   |              |
| Per box for 6 weeks   | 18.00                       | 0.00              | 18.00        |
| <b>Talks and lectures</b>   |                             |                   |              |
| Standard lecture  | 4.00                        | 0.00              | 4.00         |
| <b>Garden hire</b>  |                             |                   |              |
| Wedding / private party   |                             |                   |              |
| 1 x day per hour  | 70.00                       | 0.00              | 70.00        |
| 3 x full days   | 2,500.00                    | 0.00              | 2,500.00     |
| <b>Museum hire</b>  |                             |                   |              |
| Meeting room (per hour)   | 35.00                       | 0.00              | 35.00        |
| Lecture room (per hour)   | 50.00                       | 0.00              | 50.00        |
| <b>Other</b>  |                             |                   |              |
| <b>General tours (per group)</b>  | 45.00                       | 0.00              | 45.00        |
| <b>Research Fee</b>   |                             |                   |              |
| new charge  |                             |                   | 10.00        |
| <b>Photocopying / Scanning (per copy)</b>                                   |                             |                   |              |
| new charge  |                             |                   | 0.10         |
| <b>Archaeological digs</b>  |                             |                   |              |
| per adult   | 6.00                        | 0.00              | 6.00         |
| per child   | 3.00                        | 0.00              | 3.00         |
| <b>Memorial bench plaques</b>   | 150.00                      | 0.00              | 150.00       |

APPENDIX E

| SERVICE                                      |   | 2022/23                     | 2023/24           | Proposed |
|--|---|-----------------------------|-------------------|----------|
|  |   | Current Fee                 | Proposed Increase | Fee      |
|  |   | with effect from 01/04/2023 |                   |          |
|  |   | £.p                         | %                 | £.p      |
| Domestic Refuse                              | <b>Sales of Bins</b>  |                             |                   |          |
|  | 180l Wheelie Bins   | 49.00                       | 10.20             | 54.00    |
|  | Delivery  | at cost                     | 0.00              | at cost  |
|  | <b>Flat Block Refuse Bins Charge to Developers</b>                                      |                             |                   |          |
|  | 1100 litre Bin  | 550.00                      | 9.09              | 600.00   |
|  | 960 litre Bin   | 550.00                      | 9.09              | 600.00   |
|  | 240 litre bin   | 47.00                       | 10.64             | 52.00    |
|  | Delivery  | at cost                     | 0.00              | at cost  |
|  | <b>House Refuse Waste Bins Charge to Developers</b>                                     |                             |                   |          |
|  | 180l Wheelie Bins   | 49.00                       | 10.20             | 54.00    |
|  | Delivery  | at cost                     | 0.00              | at cost  |
| Special Refuse                               | <b>Bulky Waste</b>  |                             |                   |          |
|  | 1 to 5 items  | 28.00                       | 7.14              | 30.00    |
|  | 6 to 8 items  | 43.00                       | 6.98              | 46.00    |
|  | White goods - second visit when item is not correctly presented for the free collection | 28.00                       | 7.14              | 30.00    |
| Recycling                                    | <b>Sales of Bins</b>  |                             |                   |          |
|  | 240l Wheelie Bins   | 47.00                       | 10.64             | 52.00    |
|  | Kitchen Caddies large   | 19.50                       | 10.26             | 21.50    |
|  | Kitchen Caddies small   | 5.80                        | 10.34             | 6.40     |
|  | Delivery  | at cost                     | 0.00              | at cost  |
|  | <b>Flat block Recycling Bins - Charges to Developers</b>                                |                             |                   |          |
|  | 1100 litre bin  | 550.00                      | 9.09              | 600.00   |
|  | 240 litre bin   | 47.00                       | 10.64             | 52.00    |
|  | Sales of Kitchen Caddies  | 5.80                        | 10.34             | 6.40     |
|  | Delivery  | at cost                     | 0.00              | at cost  |
|  | <b>House Recycling Waste Bins Charge to Developers</b>                                  |                             |                   |          |
|  | 240 litre bin   | 47.00                       | 10.64             | 52.00    |
|  | Kitchen Caddies large   | 19.50                       | 10.26             | 21.50    |
|  | Kitchen Caddies small   | 5.80                        | 10.34             | 6.40     |
| <b>Green Waste</b>                           |   |                             |                   |          |
| premium fortnightly collection (wheeled bin) | 42.00   | 14.29                       | 48.00             |          |
| green waste service set up charge            | 30.00   | 10.00                       | 33.00             |          |
| green waste service rejoin charge            | 10.00   | 0.00                        | 10.00             |          |
| bookable service (per bag)                   | 1.00  | 10.00                       | 1.10              |          |

APPENDIX E

| SERVICE                          |   | 2022/23                     | 2023/24           |                   |
|----------------------------------|---|-----------------------------|-------------------|-------------------|
|                                  |   | Current Fee                 | Proposed Increase | Proposed Fee      |
|                                  |   | with effect from 01/04/2023 |                   |                   |
|                                  |   | £.p                         | %                 | £.p               |
|                                  | Christmas Trees                               | 2.30                        | 8.70              | 2.50              |
| Abandoned Vehicles               | <b>Costs Recoverable</b>                      | 33.60                       | 10.12             | 37.00             |
|                                  | <b>Voluntary Surrender of Vehicles</b>        | 35.00                       | 8.57              | 38.00             |
| Street Scene                     | <b>Abandoned Shopping Trolleys</b>            | 114.00                      | 9.65              | 125.00            |
| Allotments                       | <b>Rents - per square metre</b>               | 0.18                        | 0.00              | 0.18              |
|                                  | <b>Concessions - per square metre</b>         | 0.09                        | 0.00              | 0.09              |
|                                  | <b>Peppercorn rent for self managed sites</b> | 0.51                        | 0.00              | 0.51              |
| Nature Reserve                   | <b>Sale of firewood</b>                       |                             |                   |                   |
|                                  | Bulk bag 1-10 bags, charge per bag            | 65.00                       | 10.77             | 72.00             |
|                                  | Bulk bag 11+ bags, charge per bag             | 55.00                       | 9.09              | 60.00             |
| Other Fees                       | <b>Staff fees</b>                             |                             |                   |                   |
|                                  | Admin Hourly rate                             |                             | New charge        | 35.00             |
|                                  | Officer Hourly rate                           |                             | New charge        | 65.00             |
| Hackney Carriages & Private Hire | <b>HC &amp; PH Drivers Licence</b>            |                             |                   |                   |
|                                  | 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)                           |                             |                   |                   |
|                                  | Admiin 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 |
|                                  | <b>HC Vehicle Licence</b>                     |                             |                   |                   |
| 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            |                   |
| <b>PH Vehicle Licence</b>        |   |                             |                   |                   |
| New Vehicle                      | 298.00  | 0.00                        | 298.00            |                   |
| Renewal                          | 298.00  | 0.00                        | 298.00            |                   |



| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| Rebate on surrender per month                  | -18.00                      | 0.00              | -18.00       |
| <b>Transfer of Vehicle Licence</b>             | 0.00                        | 0.00              | 0.00         |
| <b>Replacement Items</b>                       |                             |                   |              |
| - badge  | 0.00                        | 0.00              | 0.00         |
| - plate  | 0.00                        | 0.00              | 0.00         |
| - platemate                                    | 0.00                        | 0.00              | 0.00         |
| <b>Annual Private Hire Operator Licence</b>    |                             |                   |              |
| operators licence                              | 297.00                      | 0.00              | 297.00       |
| <b>Five Year Private Hire Operator Licence</b> |                             |                   |              |
| operators licence                              | 710.00                      | 0.00              | 710.00       |
| <b>Knowledge Test</b>                          |                             |                   |              |
| Knowledge test                                 | 53.00                       | 0.00              | 53.00        |
| Retest full                                    | 53.00                       | 0.00              | 53.00        |
| Retest partial                                 | 21.00                       | 0.00              | 21.00        |
| <b>Other Fees</b>                              |                             |                   |              |
| DBS first driver check                         | 44.00                       | 0.00              | 44.00        |
| DBS each subsequent check                      | 64.00                       | 0.00              | 64.00        |
| Officer Hourly rate                            | 58.00                       | 12.07             | 65.00        |
| Administration Hourly rate                     | 32.00                       | 9.38              | 35.00        |
| <b>Environmental Health</b>                    |                             |                   |              |
| <b>Animal Welfare Fees</b>                     |                             |                   |              |
| <b>Animal Boarding</b>                         |                             |                   |              |
| 1 to 6 boarded animals (application fee)       | 160.00                      | 6.25              | 170.00       |
| 1 to 6 boarded animals (grant fee)             | 78.00                       | 2.56              | 80.00        |
| 7 and over boarded animals (application fee)   | 240.00                      | 4.17              | 250.00       |
| 7 and over boarded animals (grant fee)         | 103.00                      | 3.88              | 107.00       |
| <b>Dog Breeding</b>                            |                             |                   |              |
| 1 to 6 bitches (application fee)               | 160.00                      | 9.38              | 175.00       |
| 1 to 6 bitches (grant fee)                     | 77.00                       | 3.90              | 80.00        |
| 7 and over bitches (application fee)           | 240.00                      | 8.33              | 260.00       |
| 7 and over bitches (grant fee)                 | 103.00                      | 3.88              | 107.00       |
| <b>Selling animals as pets</b>                 |                             |                   |              |
| Application Fee                                | 240.00                      | 4.17              | 250.00       |
| Grant Fee                                      | 103.00                      | 1.94              | 105.00       |
| <b>Hiring our horses</b>                       |                             |                   |              |
| Application Fee                                | 238.00                      | 0.00              | 238.00       |
| Grant Fee                                      | 103.00                      | 0.00              | 103.00       |
| <b>Keeping animals for exhibition</b>          |                             |                   |              |

## APPENDIX E

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| Application Fee   | 158.00                      | 0.00              | 158.00       |
| Grant Fee   | 103.00                      | 0.00              | 103.00       |
| <b>Variation to licence</b>   |                             |                   |              |
| Animal boarding   | 92.00                       | 3.26              | 95.00        |
| Selling animals as pets   | 92.00                       | 3.26              | 95.00        |
| Keeping animals for exhibition  | 92.00                       | 3.26              | 95.00        |
| Inspection fee  | 115.00                      | 2.61              | 118.00       |
| <b>Variation of licence</b>   |                             |                   |              |
| Dog Breeding  | 93.00                       | 4.30              | 97.00        |
| Hiring our horses   | 93.00                       | 0.00              | 93.00        |
| Inspection fee  | 115.00                      | 0.00              | 115.00       |
| <b>Appeal of a risk rating score</b>  | 150.00                      | 6.67              | 160.00       |
| <b>Variations to reduce the licensable activities or numbers of animals</b> | 92.00                       | 3.26              | 95.00        |
| Transfer of licence   | 92.00                       | 3.26              | 95.00        |
| <b>Dangerous wild animal licence (+ vets fees)</b>                          | 190.00                      | 5.26              | 200.00       |
| <b>Export Certificate</b>   | 70.00                       | 14.29             | 80.00        |
| <b>Special treatment registration</b>                                       | 140.00                      | 7.14              | 150.00       |
| <b>Wasp nest treatment (one treatment)</b>                                  | 50.00                       | 0.00              | 50.00        |
| <b>Wasp nest treatment (two treatments)</b>                                 | 60.00                       | 0.00              | 60.00        |
| <b>Fleas</b>  | 50.00                       | 0.00              | 50.00        |
| <b>Rats</b>   | 50.00                       | 0.00              | 50.00        |
| <b>Mice</b>   | 50.00                       | 0.00              | 50.00        |
| <b>Pest Control concessionary rate (wasps/fleas/rats/mice)</b>              | 11.50                       | 0.00              | 11.50        |
| <b>Stray dogs</b>   |                             |                   |              |
| stray dogs  | 25.00                       | 0.00              | 25.00        |
| admin charge  | 25.00                       | 0.00              | 25.00        |
| kennelling charges  | at cost                     | 0.00              | at cost      |
| <b>Zoo License (not including veterinary fee)</b>                           | 725.00                      | 3.45              | 750.00       |
| <b>Veterinary Fees</b>  | at cost                     | 0.00              | at cost      |
| <b>Contaminated land enquiry</b>  | 210.00                      | 4.76              | 220.00       |
| <b>Officer Hourly rate</b>  | 58.00                       | 12.07             | 65.00        |
| <b>Admin Charge - Hourly rate</b>   | 32.00                       | 9.38              | 35.00        |
| <b>Large HMO Additional Licensing Scheme</b>                                |                             |                   |              |
| application full fee  | 650.00                      | 3.85              | 675.00       |
| application reduced fee   | 495.00                      | 0.00              | 495.00       |
| annual renewal full fee   | 240.00                      | 4.17              | 250.00       |

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| annual renewal reduced fee  | 195.00                      | 0.00              | 195.00       |
| re-inspection full fee  | 195.00                      | 7.69              | 210.00       |
| re-inspection reduced fee   | 175.00                      | 0.00              | 175.00       |
| <b>Additional charges small and large HMOs - Additional Licensing Scheme</b>  |                             |                   |              |
| admin hourly rate   | 32.00                       | 9.38              | 35.00        |
| officer Hourly rate   | 58.00                       | 12.07             | 65.00        |
| application form incomplete   | 35.00                       | 8.57              | 38.00        |
| avoided licence application until found by Council investigation  | 280.00                      | 7.14              | 300.00       |
| avoided licence application reminder letter   | 55.00                       | 9.09              | 60.00        |
| missed appointment house inspection   | 135.00                      | 7.41              | 145.00       |
| licence holder change once granted  | 135.00                      | 0.00              | 135.00       |
| sending a final reminder  | 35.00                       | 8.57              | 38.00        |
| recommencing licensing process following final reminder   | 55.00                       | 5.45              | 58.00        |
| recovery fee - dishonoured cheque   | 45.00                       | 6.67              | 48.00        |
| <b>LAPPC charges</b>  |                             |                   |              |
| <b>Application fee</b>  |                             |                   |              |
| 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     |
| PVRI,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        |
| 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> |                             |                   |              |
| <b>Annual Subsistence Charge</b>  |                             |                   |              |
| 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       |

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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> |                             |                   |              |
| <b>Transfer and Surrender</b>  |                             |                   |              |
| 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        |
| <b>Temporary transfer for mobiles</b>  |                             |                   |              |
| First transfer   | 53.00                       | 0.00              | 53.00        |
| Repeat following enforcement or warning  | 53.00                       | 0.00              | 53.00        |
| <b>Substantial Change</b>  |                             |                   |              |
| Standard process   | 1,050.00                    | 0.00              | 1,050.00     |
| Standard process where the substantial change results in a new PPC activity  | 1,650.00                    | 0.00              | 1,650.00     |

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| Reduced fee activities  | 102.00                      | 0.00              | 102.00       |
| <b>LAPPC mobile plant charges (Not using simplified permits)</b>  |                             |                   |              |
| <b>Application fee</b>  |                             |                   |              |
| 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       |
| <b>Subsistence fee</b>  |                             |                   |              |
| 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       |
| <b>LA-IPPC Charges</b>  |                             |                   |              |
| <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       |
| <b>Town Centre Management</b>   |                             |                   |              |
| <b>Pitch fees - Town Centre Trading Pitches</b>   |                             |                   |              |
| <b>Regular Pitches</b>  |                             |                   |              |
| <b>Trading Pitches up to 10m<sup>2</sup></b>  |                             |                   |              |
| Monday - Sunday (1 day per week) calculated monthly   | 80.00                       | 0.00              | 80.00        |
| <b>Trailers up to 6 metres (New)</b>  |                             |                   |              |

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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       |
| <b>Electricity (New)</b>                                 |                             |                   |              |
| Monday - Sunday (1 day per week) calculated monthly      | 9.00                        | 0.00              | 9.00         |
| <b>Ad Hoc Pitches</b>                                    |                             |                   |              |
| <b>Promotional Pitches</b>                               |                             |                   |              |
| Monday - Thursday (per day)                              | 153.00                      | 0.00              | 153.00       |
| Friday - Saturday (per day)                              | 246.00                      | 0.00              | 246.00       |
| Weekly   | 948.00                      | 0.00              | 948.00       |
| <b>Small Promotional Pitches</b>                         |                             |                   |              |
| 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       |
| <b>Not for profit pitches (charities)</b>                |                             |                   |              |
| Monday - Sunday (per day)                                | 33.00                       | 0.00              | 33.00        |
| Weekly   | 128.00                      | 0.00              | 128.00       |
| Monthly  | 375.00                      | 0.00              | 375.00       |
| <b>Access Charge</b>                                     | 52.00                       | 0.00              | 52.00        |
| <b>Cancellation Fee</b>                                  | 20% of Fee                  | 0.00              | 20% of Fee   |
| <b>Miscellaneous Licences</b>                            |                             |                   |              |
| <b>Street Trading</b>                                    |                             |                   |              |
| Street trading licence                                   | 450.00                      | 5.56              | 475.00       |
| <b>Street Trading (renew)</b>                            |                             |                   |              |
| Street trading licence                                   | 450.00                      | 5.56              | 475.00       |
| <b>Licensing</b>   |                             |                   |              |
| <b>Miscellaneous Licences (new)</b>                      |                             |                   |              |
| Sex Shops  | 1,600.00                    | 6.25              | 1,700.00     |
| <b>Miscellaneous Licences (renew)</b>                    |                             |                   |              |
| Sex Shops  | 1,300.00                    | 5.77              | 1,375.00     |
| <b>Miscellaneous Licences (transfer)</b>                 |                             |                   |              |
| Sex Shops  | 675.00                      | 0.00              | 675.00       |
| <b>Miscellaneous Licences (variation)</b>                |                             |                   |              |
| Sex Shops  | 1,250.00                    | 0.00              | 1,250.00     |
| <b>Highways Act (new)</b>                                |                             |                   |              |
| Tables & chairs  |                             |                   |              |
| - table  | 22.00                       | 0.00              | 22.00        |
| - chair  | 15.00                       | 0.00              | 15.00        |

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| Flat Fee - new application  | 175.00                      |                   | 175.00       |
| <b>Highways Act (renew)</b>   |                             |                   |              |
| 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       |
| <b>Charity Collections (new)</b>  |                             |                   |              |
| 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         |
| <b>Charity Collections (renew)</b>  |                             |                   |              |
| 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         |
| <b>Street Trading (new)</b>   |                             |                   |              |
| Street trading licence  | 450.00                      | 0.00              | 450.00       |
| <b>Street Trading (renew)</b>   |                             |                   |              |
| Street trading licence  | 450.00                      | 0.00              | 450.00       |
| <b>Premises Licences and Club Premises Certificates (application fee)</b> |                             |                   |              |
| <b>Band</b>   |                             |                   |              |
| 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       |
| <b>city/town centre pub</b>   |                             |                   |              |
| band d  | 900.00                      | 0.00              | 900.00       |
| band e  | 1,905.00                    | 0.00              | 1,905.00     |
| <b>Premises Licences and Club Premises Certificates (annual fee)</b>      |                             |                   |              |
| <b>Band</b>   |                             |                   |              |
| 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       |

## SERVICE

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| <b>city/town centre pub</b>  |                             |                   |              |
| 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        |
| <b>Scrap Metal Dealers</b>   |                             |                   |              |
| Collectors fee   | 345.00                      | 4.35              | 360.00       |
| Collectors Renewal Fee   | 175.00                      | 8.57              | 190.00       |
| Site fee   | 450.00                      | 4.44              | 470.00       |
| Site renewal fee   | 275.00                      |                   | 295.00       |
| Variation Fee - Major  | 50.00                       | 0.00              | 50.00        |
| Variation Fee - Minor  | 22.00                       | 0.00              | 22.00        |
| Recovery charges for works in default  | at cost                     | 0.00              | at cost      |
| <b>Other Fees</b>  |                             |                   |              |
| 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        |
| <b>Gambling Act - Licences</b>   |                             |                   |              |
| 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       |
| 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     |



## APPENDIX E

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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     |
| <b>Gambling Act - Permits</b>  |                             |                   |              |
| 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       |

| SERVICE   | 2022/23     | 2023/24           |              |
|---|-------------|-------------------|--------------|
|   | Current Fee | Proposed Increase | Proposed Fee |
| with effect from 01/04/2023   |             |                   |              |
|   | £.p         | %                 | £.p          |
| 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        |
| Copy of Permit  | 15.00       | 0.00              | 15.00        |
| Copy of license   | 25.00       | 0.00              | 25.00        |
| <b>Market</b>   |             |                   |              |
| <b>Pitch fees - Marked trading pitches on East Gate or Broad Walk</b>             |             |                   |              |
| <b>Monthly Pitch Rentals 1 day per week</b>                                       |             |                   |              |
| 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        |
| <b>Electricity</b>  |             |                   |              |
| 1 day per week calculated monthly   | 10.00       | 0.00              | 10.00        |
| <b>Trailers - Vehicles up to 6 metres</b>   |             |                   |              |
| 1 day per week calculated monthly   | 150.00      | 0.00              | 150.00       |
| <b>Trailers - Vehicles up to 6.01 - 8 metres</b>                                  |             |                   |              |
| 1 day per week calculated monthly   | 160.00      | 0.00              | 160.00       |
| <b>Car Parks</b>  |             |                   |              |
| <b>Post Office Road</b>   |             |                   |              |
| 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         |
| <b>Wych Elm</b>   |             |                   |              |
| 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         |
| <b>Post Office Road Commercial</b>  |             |                   |              |

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| 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         |
| <b>Bush Fair, The Stow and Old Harlow Car Parks</b> |                             |                   |              |
| 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         |
| <b>Town Park</b>                                    |                             |                   |              |
| 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         |
| more than 2 hours                                   | 1.25                        | 0.00              | 1.25         |
| <b>Staff Car Parking</b>                            |                             |                   |              |
| <b>Car parking permit per year</b>                  | 250.00                      | 0.00              | 250.00       |
| <b>Individual vouchers (Members)</b>                | 1.20                        | 0.00              | 1.20         |
| <b>Parking Permits</b>                              |                             |                   |              |
| <b>Special Permits</b>                              |                             |                   |              |
| Business  | 60.00                       | 0.00              | 60.00        |
| <b>Tye Green Bowls Club</b>                         | 60.00                       | 0.00              | 60.00        |
| <b>Market Traders</b>                               |                             |                   |              |
| 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        |
| <b>Post Office Road season</b>                      |                             |                   |              |
| 1 year  | 640.00                      | 0.00              | 640.00       |
| 6 months  | 350.00                      | 0.00              | 350.00       |
| 3 months  | 175.00                      | 0.00              | 175.00       |
| <b>Wych Elm season</b>                              |                             |                   |              |
| 1 year  | 640.00                      | 0.00              | 640.00       |
| 6 months  | 350.00                      | 0.00              | 350.00       |
| 3 months  | 175.00                      | 0.00              | 175.00       |

## APPENDIX E

| SERVICE   |   | 2022/23                     | 2023/24           |              |
|---|---|-----------------------------|-------------------|--------------|
|   |   | Current Fee                 | Proposed Increase | Proposed Fee |
|   |   | with effect from 01/04/2023 |                   |              |
|   |   | £.p                         | %                 | £.p          |
| Bus Station                                       | <b>Departure fees</b>   | 0.55                        | 0.00              | 0.55         |
|   | <b>Timetables</b>   | 0.10                        | 0.00              | 0.10         |
|   | <b>Wallets</b>  | 1.00                        | 0.00              | 1.00         |
|   | <b>Maps</b>   | Various                     | 0.00              | Various      |
| The Playhouse                                     | <b>Box Office Booking and Exchange Fee</b>                                |                             |                   |              |
|   | Promotions (not Playhouse Supporters)                                     | 1.50                        | 0.00              | 1.50         |
|   | Hires (not Playhouse Supporters)  | 1.50                        | 0.00              | 1.50         |
|   | <b>Postage Charge</b>   |                             |                   |              |
|   | Postage charge to customers requesting that tickets are delivered to them | 1.50                        | 0.00              | 1.50         |
|   | <b>Workshop Space Rental</b>  |                             |                   |              |
|   | Various   | Various                     | 0.00              | Various      |
|   | <b>Theatre Hire Fees for Harlow based amateurs</b>                        |                             |                   |              |
|   | <b>Main Auditorium</b>  |                             |                   |              |
|   | <b>Performance Fees</b>   |                             |                   |              |
|   | 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       |
|   | <b>Additional Hourly Fees</b>   |                             |                   |              |
|   | 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       |
|   | <b>Weekly Rates</b>   |                             |                   |              |
|   | Up to 37 hours over 6 days  | 5,560.00                    | 0.00              | 5,560.00     |
|   | <b>Studio Theatre</b>   |                             |                   |              |
|   | <b>Performance Fees</b>   |                             |                   |              |
|   | 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            |              |
| <b>Additional Hourly Fees</b>                     |   |                             |                   |              |
| Hourly theatre hire                               | 93.00   | 0.00                        | 93.00             |              |
| Additional Staff per person, per hour             | 25.00   | 0.00                        | 25.00             |              |
| Use as Dressing Room                              | 42.00   | 0.00                        | 42.00             |              |
| <b>Theatre Hire Fees</b>                          |   |                             |                   |              |
| <b>Main Auditorium</b>                            |   |                             |                   |              |
| <b>Performance Fees</b>                           |   |                             |                   |              |
| 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            |              |

## SERVICE

| SERVICE                                      | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| <b>Additional Hourly Fees</b>                |                             |                   |              |
| 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       |
| <b>Weekly Rates</b>                          |                             |                   |              |
| Up to 37 hours over 6 days                   | 7,900.00                    | 0.00              | 7,900.00     |
| <b>Studio Theatre</b>                        |                             |                   |              |
| <b>Performance Fees</b>                      |                             |                   |              |
| 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       |
| <b>Additional Hourly Fees</b>                |                             |                   |              |
| 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        |
| <b>Equipment Hire</b>                        |                             |                   |              |
| <b>Sound</b>                                 |                             |                   |              |
| <b>Standard (Day)</b>                        |                             |                   |              |
| 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        |
| <b>Standard (Week)</b>                       |                             |                   |              |
| Sennheiser ew 300 G3 Headset Mic             | 60.00                       | 0.00              | 60.00        |
| Sennheiser ew 300 G3 Hand Held               | 60.00                       | 0.00              | 60.00        |

APPENDIX E

SERVICE

|                                  | 2022/23                     | 2023/24           |              |
|----------------------------------|-----------------------------|-------------------|--------------|
|                                  | Current Fee                 | Proposed Increase | Proposed Fee |
|                                  | with effect from 01/04/2023 |                   |              |
|                                  | £.p                         | %                 | £.p          |
| 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        |
| 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        |
| <b>Enhanced (Day)</b>            |                             |                   |              |
| 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        |
| <b>Enhanced (Week)</b>           |                             |                   |              |
| 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     |

APPENDIX E

SERVICE

|   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| 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        |
| <b>Lights</b>                               |                             |                   |              |
| <b>Standard (Day)</b>                       |                             |                   |              |
| 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  |
| <b>Standard (Week)</b>                      |                             |                   |              |
| 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  |
| <b>Enhanced (Day)</b>                       |                             |                   |              |

## SERVICE

| SERVICE  | 2022/23                     | 2023/24           | Proposed |
|--|-----------------------------|-------------------|----------|
|  | Current Fee                 | Proposed Increase | Fee      |
|  | with effect from 01/04/2023 |                   |          |
|  | £.p                         | %                 | £.p      |
| 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 |
| <b>Enhanced (Week)</b>   |                             |                   |          |
| 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 |
| <b>Intelligent Lighting</b>  |                             |                   |          |
| <b>Standard (Day)</b>  |                             |                   |          |
| Clay Paky Alpha Spot (1500w) Each  | 75.00                       | 0.00              | 75.00    |
| Clay Paky Alpha Spot 1200 HPE (1200w) Each<br>(2 x available)  | 75.00                       | 0.00              | 75.00    |
| Moving Light Package   | 250.00                      | 0.00              | 250.00   |
| Sidelight Package<br>(6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500<br>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    |
| <b>Standard (Week)</b>   |                             |                   |          |
| Clay Paky Alpha Spot (1500w) Each<br>(8 available)   | 150.00                      | 0.00              | 150.00   |
| Clay Paky Alpha Spot 1200 HPE (1200w) Each<br>(2 x available)  | 150.00                      | 0.00              | 150.00   |
| Moving Light Package   | 500.00                      | 0.00              | 500.00   |



APPENDIX E

SERVICE

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 4x Mac Auras)<br>Sidelight Package |                             | 0.00              |              |
| (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 6 x Sidelight Floor parcans)       | 500.00                      |                   | 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        |
| <b>Enhanced (Day)</b>  |                             |                   |              |
| Clay Paky Alpha Spot (1500w) Each<br>(8 available)   | Included                    | 0.00              | Included     |
| Clay Paky Alpha Spot 1200 HPE (1200w) Each<br>(2 x available)                              | Included                    | 0.00              | Included     |
| Moving Light Package   | Included                    | 0.00              | Included     |
| (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 4x Mac Auras)<br>Sidelight Package | Included                    | 0.00              | Included     |
| (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 6 x Sidelight Floor parcans)       |                             |                   |              |
| Showtec LED PAR Can (36x3w RGB)  | Included                    | 0.00              | Included     |
| Showtec LED Expressions / Mac Auras  | Included                    | 0.00              | Included     |
| <b>Enhanced (Week)</b>   |                             |                   |              |
| Clay Paky Alpha Spot (1500w) Each<br>(8 available)   | Included                    | 0.00              | Included     |
| Clay Paky Alpha Spot 1200 HPE (1200w) Each<br>(2 x available)                              | Included                    | 0.00              | Included     |
| Moving Light Package   | Included                    | 0.00              | Included     |
| (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 4x Mac Auras)<br>Sidelight Package | Included                    | 0.00              | Included     |
| (6x Stage Alpha Spot 1500, 2x FOH Alpha Spot 1500 HPE & 6 x Sidelight Floor parcans)       |                             |                   |              |
| Showtec LED PAR Can (36x3w RGB)  | Included                    | 0.00              | Included     |
| Showtec LED Expressions / Mac Auras  | Included                    | 0.00              | Included     |
| <b>Special FX</b>  |                             |                   |              |
| <b>Standard (Day)</b>  |                             |                   |              |
| Le Maitre 6ch desk   | 13.00                       | 0.00              | 13.00        |
| Pyros  | p.o.a                       | 0.00              | p.o.a        |
| Mirror ball  | 11.00                       | 0.00              | 11.00        |

APPENDIX E

SERVICE

| SERVICE                                       | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| Large smoke machine <sup>1</sup>              | 11.00                       | 0.00              | 11.00        |
| Antari Ice low smoke machine <sup>1</sup>     | 8.00                        | 0.00              | 8.00         |
| Bubble machine <sup>1</sup>                   | 8.00                        | 0.00              | 8.00         |
| Hazer <sup>1</sup>                            | 35.00                       | 0.00              | 35.00        |
| Star cloth                                    | 43.25                       | 0.00              | 43.25        |
| Mini Mist Portable Smoke Machine <sup>1</sup> | 25.00                       | 0.00              | 25.00        |
| <sup>1</sup> Subject to fair use              |                             |                   |              |
| <b>Standard (Week)</b>                        |                             |                   |              |
| 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 <sup>1</sup>              | 22.00                       | 0.00              | 22.00        |
| Antari Ice low smoke machine <sup>1</sup>     | 16.00                       | 0.00              | 16.00        |
| Bubble machine <sup>1</sup>                   | 16.00                       | 0.00              | 16.00        |
| Hazer <sup>1</sup>                            | 70.00                       | 0.00              | 70.00        |
| Star cloth                                    | 86.50                       | 0.00              | 86.50        |
| Mini Mist Portable Smoke Machine <sup>1</sup> | 50.00                       | 0.00              | 50.00        |
| <sup>1</sup> Subject to fair use              |                             |                   |              |
| <b>Enhanced (Day)</b>                         |                             |                   |              |
| 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 <sup>1</sup>              | 11.00                       | 0.00              | 11.00        |
| Antari Ice low smoke machine <sup>1</sup>     | 8.00                        | 0.00              | 8.00         |
| Bubble machine <sup>1</sup>                   | 8.00                        | 0.00              | 8.00         |
| Hazer <sup>1</sup>                            | Included                    | 0.00              | Included     |
| Star cloth                                    | Included                    | 0.00              | Included     |
| Mini Mist Portable Smoke Machine <sup>1</sup> | 25.00                       | 0.00              | 25.00        |
| <sup>1</sup> Subject to fair use              |                             |                   |              |
| <b>Enhanced (Week)</b>                        |                             |                   |              |
| 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 <sup>1</sup>              | 22.00                       | 0.00              | 22.00        |
| Antari Ice low smoke machine <sup>1</sup>     | 16.00                       | 0.00              | 16.00        |

SERVICE

| SERVICE                                       | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| Bubble machine <sup>1</sup>                   | 16.00                       | 0.00              | 16.00        |
| Hazer <sup>1</sup>                            | Included                    | 0.00              | Included     |
| Star cloth                                    | Included                    | 0.00              | Included     |
| Mini Mist Portable Smoke Machine <sup>1</sup> | 50.00                       | 0.00              | 50.00        |
| <sup>1</sup> Subject to fair use              |                             |                   |              |
| <b>Tabs &amp; Cloths</b>                      |                             |                   |              |
| <b>Standard (Day)</b>                         |                             |                   |              |
| Black legs 20' x 6'                           | 15.00                       | 0.00              | 15.00        |
| 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        |
| <b>Standard (Week)</b>                        |                             |                   |              |
| 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       |
| <b>Enhanced (Day)</b>                         |                             |                   |              |
| 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        |
| <b>Enhanced (Week)</b>                        |                             |                   |              |
| 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       |
| <b>Scenic Cloths</b>                          |                             |                   |              |
| <b>Standard (Day)</b>                         |                             |                   |              |
| Various                                       | POA                         | 0.00              | POA          |

APPENDIX E

SERVICE

| SERVICE                               | 2022/23                     | 2023/24           | Proposed          |
|---------------------------------------|-----------------------------|-------------------|-------------------|
|                                       | Current Fee                 | Proposed Increase | Fee               |
|                                       | with effect from 01/04/2023 |                   |                   |
|                                       | £.p                         | %                 | £.p               |
| <b>Standard (Week)</b>                |                             |                   |                   |
| Various                               | POA                         | 0.00              | POA               |
| <b>Enhanced (Day)</b>                 |                             |                   |                   |
| Various                               | POA                         | 0.00              | POA               |
| <b>Enhanced (Week)</b>                |                             |                   |                   |
| Various                               | POA                         | 0.00              | POA               |
| <b>Staging</b>                        |                             |                   |                   |
| <b>Standard (Day)</b>                 |                             |                   |                   |
| 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              |
| <b>Standard (Week)</b>                |                             |                   |                   |
| Steeldeck 8' x 4'                     | 16.00                       | 0.00              | 16.00             |
| Steeldeck 8' x 2'                     | 11.00                       | 0.00              | 11.00             |
| 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             |
| <b>Enhanced (Day)</b>                 |                             |                   |                   |
| 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 |
| <b>Enhanced (Week)</b>                |                             |                   |                   |

## SERVICE

| SERVICE  | 2022/23                     | 2023/24           | Proposed          |
|--|-----------------------------|-------------------|-------------------|
|  | Current Fee                 | Proposed Increase | Fee               |
|  | with effect from 01/04/2023 |                   |                   |
|  | £.p                         | %                 | £.p               |
| 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 |
| <b>Musical Instruments</b>                                     |                             |                   |                   |
| <b>Standard (Day)</b>  |                             |                   |                   |
| Yamaha G1 baby grand   | 75.00                       | 0.00              | 75.00             |
| Piano Tuning   | 75.00                       | 0.00              | 75.00             |
| <b>Standard (Week)</b>   |                             |                   |                   |
| Yamaha G1 baby grand   | 150.00                      | 0.00              | 150.00            |
| Piano Tuning   | 0.00                        | 0.00              | 0.00              |
| <b>Enhanced (Day)</b>  |                             |                   |                   |
| Yamaha G1 baby grand   | 75.00                       | 0.00              | 75.00             |
| Piano Tuning   | 75.00                       | 0.00              | 75.00             |
| <b>Enhanced (Week)</b>   |                             |                   |                   |
| Yamaha G1 baby grand   | 150.00                      | 0.00              | 150.00            |
| Piano Tuning   | 0.00                        | 0.00              | 0.00              |
| <b>A.V.</b>  |                             |                   |                   |
| <b>Standard (Day)</b>  |                             |                   |                   |
| 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<br>(Christie Projector, MacBook Pro & Cabling)      | 225.00                      | 0.00              | 225.00            |
| <b>Standard (Week)</b>   |                             |                   |                   |
| 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<br>(Christie Projector, MacBook Pro & Cabling)      | 450.00                      | 0.00              | 450.00            |
| <b>Enhanced (Day)</b>  |                             |                   |                   |

APPENDIX E

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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<br>(Christie Projector, MacBook Pro & Cabling)      | 250.00                      | 0.00              | 250.00       |
| <b>Enhanced (Week)</b>   |                             |                   |              |
| 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<br>(Christie Projector, MacBook Pro & Cabling)      | 500.00                      | 0.00              | 500.00       |
| <b>Governance and Corporate Support</b>                        |                             |                   |              |
| <b>Land Charges</b>  |                             |                   |              |
| <b>Form LLC1</b>   |                             |                   |              |
| official search in one part of register                        | 2.00                        | 14.00             | 2.28         |
| official search in whole of register                           | 22.22                       | 14.00             | 25.33        |
| and in addition in respect of each parcel of land above one    | 5.57                        | 14.00             | 6.35         |
| <b>CON29R Standard Enquiries</b>                               |                             |                   |              |
| one parcel of land   | 124.00                      | 14.00             | 141.36       |
| several parcels of land:                                       |                             |                   |              |
| - first parcel   | 124.00                      | 14.00             | 141.36       |
| - each additional parcels                                      | 20.03                       | 13.98             | 22.83        |
| <b>CON29R &amp; LLC1 Together</b>                              |                             |                   |              |
| one parcel of land   | 146.22                      | 14.00             | 166.69       |
| several parcels of land:                                       |                             |                   |              |
| - first parcel   | 146.22                      | 14.00             | 166.69       |
| - each additional parcels                                      | 25.60                       | 13.98             | 29.18        |
| <b>CON290 Optional Enquiries</b>                               |                             |                   |              |
| each printed enquiry   | 16.00                       | 14.00             | 18.24        |
| Q22 Common Land Question                                       | 16.80                       | 0.00              | 16.80        |
| <b>Additional Enquiries</b>                                    |                             |                   |              |
| Solicitors Own   | 23.97                       | 14.06             | 27.34        |
| <b>Freedom of Information</b>                                  |                             |                   |              |
| <b>Freedom of Information</b>                                  |                             |                   |              |
| appropriate limit (18 hours)                                   | 450.00                      | 0.00              | 450.00       |

## APPENDIX E

| SERVICE                  |  | 2022/23                     | 2023/24           |              |
|--------------------------|--|-----------------------------|-------------------|--------------|
|                          |  | Current Fee                 | Proposed Increase | Proposed Fee |
|                          |  | with effect from 01/04/2023 |                   |              |
|                          |  | £.p                         | %                 | £.p          |
|                          | <b>Environmental Information Regulations</b>   |                             |                   |              |
|                          | 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        |
| <b>Contact Harlow</b>    | <b>Rail Passes</b>   | at cost + £1                | 0.00              | at cost + £1 |
|                          | <b>Disabled WC Keys</b>  | 2.50                        | 0.00              | 2.50         |
|                          | <b>Leisure card</b>  | 0.00                        | 0.00              | 0.00         |
| <b>Communications</b>    | <b>Harlow Times Advertising</b>  |                             |                   |              |
|                          | <b>Inside Full Page</b>  |                             |                   |              |
|                          | Full Rate  | 900.00                      | 10.00             | 990.00       |
|                          | 10% Discount   | 810.00                      | 10.00             | 891.00       |
|                          | 20% Discount   | 720.00                      | 10.00             | 792.00       |
|                          | <b>Half Page</b>   |                             |                   |              |
|                          | Full Rate  | 450.00                      | 10.00             | 495.00       |
|                          | 10% Discount   | 405.00                      | 10.00             | 445.50       |
|                          | 20% Discount   | 360.00                      | 10.00             | 396.00       |
|                          | <b>Quarter Page</b>  |                             |                   |              |
|                          | Full Rate  | 225.00                      | 10.00             | 247.50       |
|                          | 10% Discount   | 202.00                      | 10.00             | 222.20       |
|                          | 20% Discount   | 180.00                      | 10.00             | 198.00       |
|                          | <b>Eighth Page</b>   |                             |                   |              |
|                          | Full Rate  | 112.00                      | 10.00             | 123.20       |
|                          | 10% Discount   | 100.00                      | 10.00             | 110.00       |
|                          | 20% Discount   | 89.00                       | 10.00             | 97.90        |
| <b>Housing GF</b>        |  |                             |                   |              |
| <b>Homelessness</b>      | <b>Bed and Breakfast charges (per week)</b>  |                             |                   |              |
|                          | Nightly lets   |                             |                   |              |
|                          | Room   | 135.24                      | 7.00              | 144.71       |
|                          | Studio / One bedroom property  | 135.24                      | 7.00              | 144.71       |
|                          | Two bedroom property   | 152.15                      | 7.00              | 162.80       |
|                          | Three + bedroom property   | 194.53                      | 7.00              | 208.15       |
| <b>Supporting People</b> | <b>Housing Related Support Charges (weekly charges)</b>                                |                             |                   |              |
|                          | Intensive Housing Management   | 2.04                        | 6.86              | 2.18         |
|                          | Dispersed Community Alarms   | 4.47                        | 6.94              | 4.78         |

APPENDIX E

| SERVICE  | 2022/23     | 2023/24           |              |
|--|-------------|-------------------|--------------|
|  | Current Fee | Proposed Increase | Proposed Fee |
| with effect from 01/04/2023                          |             |                   |              |
|  | £.p         | %                 | £.p          |
| Sheltered Housing Support                            | 8.32        | 6.97              | 8.90         |
| Alarm System - Monitoring only                       | 1.95        | 6.67              | 2.08         |
| <b>Careline Alarms - non tenants (annual charge)</b> | 232.44      | 0.00              | 232.44       |
| <b>Summers Farm Close midday meal</b>                | 6.10        | 4.10              | 6.35         |
| <b>Leah Manning Centre</b>                           |             |                   |              |
| <b>Self-Referrals</b>                                |             |                   |              |
| Full Day   | 42.11       | 0.00              | 42.11        |
| Half Day   | 24.00       | 0.00              | 24.00        |
| Two Course Dinner and Tea/Coffee                     | 5.20        | 0.00              | 5.20         |
| Transport  | 7.40        | 0.00              | 7.40         |
| Hourly Rate  | 10.00       | 0.00              | 10.00        |
| <b>Hall Hire (Per hour)</b>                          |             |                   |              |
| Weekdays   | 32.00       | 0.00              | 32.00        |
| Weekends   | 53.00       | 0.00              | 53.00        |
| <b>Latton Bush Centre</b>                            |             |                   |              |
| <b>Commercial</b>                                    |             |                   |              |
| <b>Meeting Room</b>                                  |             |                   |              |
| 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        |
| <b>Griffin Suite</b>                                 |             |                   |              |
| 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        |
| <b>Dining Hall</b>                                   |             |                   |              |
| 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        |
| <b>Latton Hall</b>                                   |             |                   |              |
| 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        |
| <b>Harlow Registered Charities only</b>              |             |                   |              |
| <b>Meeting Room</b>                                  |             |                   |              |
| Session  | 45.00       | 0.00              | 45.00        |
| Day  | 80.00       | 0.00              | 80.00        |
| Evenings and weekends only (per hour, max 2 hours)   | 22.50       | 0.00              | 22.50        |
| <b>Griffin Suite</b>                                 |             |                   |              |



## APPENDIX E

| SERVICE  | 2022/23     | 2023/24           | Proposed |
|--|-------------|-------------------|----------|
|  | Current Fee | Proposed Increase | Fee      |
| with effect from 01/04/2023                                  |             |                   |          |
|  | £.p         | %                 | £.p      |
| 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    |
| <b>Dining Hall</b>   |             |                   |          |
| 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    |
| <b>Latton Hall</b>   |             |                   |          |
| 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    |
| <b>LBC Tenants</b>   |             |                   |          |
| <b>Meeting Room</b>  |             |                   |          |
| 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    |
| <b>Griffin Suite</b>   |             |                   |          |
| 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    |
| <b>Dining Hall</b>   |             |                   |          |
| 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    |
| <b>Latton Hall</b>   |             |                   |          |
| 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    |
| <b>All rooms booked on day only by Tenants per hour</b>      | 17.00       | 0.00              | 17.00    |
| <b>Private Functions (Children's Parties/Wakes/Churches)</b> |             |                   |          |
| 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   |
| <b>Equipment Hire</b>  |             |                   |          |
| Flipchart Stand  | 0.00        | 0.00              | 0.00     |

APPENDIX E

| SERVICE   |  | 2022/23                             | 2023/24           |                          |
|---|--|-------------------------------------|-------------------|--------------------------|
|   |  | Current Fee                         | Proposed Increase | Proposed Fee             |
|   |  | with effect from 01/04/2023         |                   |                          |
|   |  | £.p                                 | %                 | £.p                      |
|   | 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                     |
| <b>Street Naming and Numbering</b>              | <b>Add Alias Name to Numbered Property</b>                           | 40.00 per property                  | 0.00              | 40.00 per property       |
|   | <b>Naming of Building, Flat Block or Industrial Area</b>             | 110.00 per block or area            | 0.00              | 110.00 per block or area |
|   | <b>New Development of 1-5 plots</b>                                  | 70.00 per plot                      | 0.00              | 70.00 per plot           |
|   | <b>New Development of 6-50 plots</b>                                 | 10.00 per plot + 300.00             | 0.00              | 10.00 per plot + 300.00  |
|   | <b>New Development of 51+ plots</b>                                  | 5.00 per plot + 550.00              | 0.00              | 5.00 per plot + 550.00   |
|   | <b>The schedule has been issued</b>                                  | 50.00/plot                          | 0.00              | 50.00/plot               |
|   | <b>Renaming of existing property</b>                                 | 100.00 per property                 | 0.00              | 100.00 per property      |
|   | <b>Confirmation of postal address for solicitors or conveyancers</b> | 40.00                               | 0.00              | 40.00                    |
|   | <b>Confirmation of postal address for residents/occupants</b>        | 15.00                               | 0.00              | 15.00                    |
|   |  | <b>Provision of new street name</b> | 300.00            | 0.00                     |
|   | <b>Renaming of a street where requested by residents</b>             | 450.00                              | 0.00              | 450.00                   |
| <b>Property &amp; Facilities Team</b>           | <b>Skips</b>   | 50.00                               | 0.00              | 50.00                    |
|   | <b>Hoardings</b>   | 50.00                               | 0.00              | 50.00                    |
|   | <b>Scaffolding</b>   | 50.00                               | 0.00              | 50.00                    |
|   | <b>Access inc Town Centre</b>  | 52.00                               | 0.00              | 52.00                    |
|   | <b>Tree surveys relating to land sales</b>                           | At cost + 10% admin fee             |                   | At cost + 10% admin fee  |
| <b><u>Strategic Growth and Regeneration</u></b> |  |                                     |                   |                          |
| <b>Building Control</b>                         |  |                                     |                   |                          |
|   | <b>Table A - New Dwellings</b>                                       |                                     |                   |                          |
|   | Dwelling houses and flats not exceeding 300m2 (total floor area)     |                                     |                   |                          |
|   | <i>Full Plans Submission</i>   |                                     |                   |                          |
|   | 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                   |

## APPENDIX E

| SERVICE                                 | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| 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                                   |                             |                   |              |
| 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     |

## SERVICE

| SERVICE   | 2022/23                     | 2023/24           | Proposed |
|---|-----------------------------|-------------------|----------|
|   | Current Fee                 | Proposed Increase | Fee      |
|   | with effect from 01/04/2023 |                   |          |
|   | £.p                         | %                 | £.p      |
| 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   |
| <b>Table B - Work To A Single Dwelling</b>  |                             |                   |          |
| Limited to work not more than 3 storeys above ground level  |                             |                   |          |
| <b>Full Plans Submissions</b>   |                             |                   |          |
| Extension & New Build   |                             |                   |          |
| <b>Plan checking charge</b>   |                             |                   |          |
| 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   |

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| 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       |
| <b>Inspection Charge</b>  |                             |                   |              |
| 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   |                             |                   |              |

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| Re Roofing, Installation of Solar Panels or Photovoltaic cells  | 87.58                       | 0.00              | 87.58        |
| 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       |
| <b>Building Notice Charges</b>  |                             |                   |              |
| <b>Extension &amp; New Build</b>  |                             |                   |              |
| 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       |
| <b>Conversions</b>  |                             |                   |              |
| First floor & second floor loft conversions   | 612.18                      | 0.00              | 612.18       |
| Other work  | 475.56                      | 0.00              | 475.56       |
| <b>Alterations</b>  |                             |                   |              |
| 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       |

## SERVICE

| SERVICE   | 2022/23                     | 2023/24           | Proposed |
|---|-----------------------------|-------------------|----------|
|   | Current Fee                 | Proposed Increase | Fee      |
|   | with effect from 01/04/2023 |                   |          |
|   | £.p                         | %                 | £.p      |
| <b>Regularisation Charges</b>   |                             |                   |          |
| 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   |
| 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   |
| <b>Table C - All Other Non Domestic Work</b>  |                             |                   |          |
| Limited to work not more than 3 storeys above ground level  |                             |                   |          |
| <b>Full Plans Submission</b>  |                             |                   |          |
| Extension & New Build   |                             |                   |          |
| <b>Plan checking charge</b>   |                             |                   |          |

## APPENDIX E

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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       |
| <b>Alterations</b>   |                             |                   |              |
| 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       |
| <b>Inspection charges</b>  |                             |                   |              |
| <b>Extension &amp; New Build</b>   |                             |                   |              |
| 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       |
| <b>Alterations</b>   |                             |                   |              |
| 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        |



| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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       |
| <b>Works not included in Tables A, B and C. Charged derived from hourly rate</b>                               | 80.81                       | 0.00              | 80.81        |

| SERVICE                 |  | 2022/23                     | 2023/24           |              |
|-------------------------|--|-----------------------------|-------------------|--------------|
|                         |  | Current Fee                 | Proposed Increase | Proposed Fee |
|                         |  | with effect from 01/04/2023 |                   |              |
|                         |  | £.p                         | %                 | £.p          |
|                         | <b>Dropped Crossing Application Fee</b>  | 102.00                      | 0.00              | 102.00       |
| <b>Covenant Control</b> | <b>Copy decision notices, etc</b>  | 0.10                        | 0.00              | 0.10         |
|                         | <b>Covenant application for a new dwelling</b>   | 153.00                      | 0.00              | 153.00       |
|                         | <b>Covenant Control application for window replacement, minor alterations, sheds and trees</b> | 61.20                       | 0.00              | 61.20        |
|                         | <b>Covenant Control application for extensions (including front porch)</b>                     | 125.46                      | 0.00              | 125.46       |
|                         | <b>Retrospective decision for window replacement, minor alterations, sheds and trees</b>       | 93.84                       | 0.00              | 93.84        |
|                         | <b>Retrospective decision for extensions (including front porches)</b>                         | 188.70                      | 0.00              | 188.70       |
|                         | <b>Copy of the covenant plans</b>  | 18.36                       | 0.00              | 18.36        |
| <b>Planning</b>         | <b>Forward Planning Documents</b>  |                             |                   |              |
|                         | 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 I                                       | 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 C                                       | 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         |

APPENDIX E

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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                                     |                             |                   |              |
| 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        |

## APPENDIX E

| SERVICE   | 2022/23                     | 2023/24           |              |
|---|-----------------------------|-------------------|--------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee |
|   | with effect from 01/04/2023 |                   |              |
|   | £.p                         | %                 | £.p          |
| 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        |
| 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        |

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| 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        |
| <b>Development Management Documents</b>  |                             |                   |              |
| 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         |
| AO colour  | 8.00                        | 0.00              | 8.00         |
| <b>Miscellaneous Development Management Work</b>                               |                             |                   |              |
| Planning History Search (per hour)   | 51.60                       | 0.00              | 51.60        |
| <b>Development Management Planning Fees</b>                                    |                             |                   |              |
| 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       |
| 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                    |                             |                   |              |

APPENDIX E

SERVICE

|   | 2022/23<br>Current Fee      | 2023/24<br>Proposed<br>Increase | Proposed<br>Fee |
|---|-----------------------------|---------------------------------|-----------------|
|   | with effect from 01/04/2023 |                                 |                 |
|   | £.p                         | %                               | £.p             |
| - 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          |

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| - 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       |
| 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    |

| SERVICE  | 2022/23                     | 2023/24           |              |
|--|-----------------------------|-------------------|--------------|
|  | Current Fee                 | Proposed Increase | Proposed Fee |
|  | with effect from 01/04/2023 |                   |              |
|  | £.p                         | %                 | £.p          |
| - + 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       |
| <b>Development Management Advertisement Application Fees</b>           |                             |                   |              |
| 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       |
| <b>Pre-Application Charges</b>   |                             |                   |              |
| <b>Initial fee written response</b>                                    |                             |                   |              |
| <b>Dwellings</b>   |                             |                   |              |
| HSE queries  | 100.00                      |                   | 100.00       |
| Single new dwelling  | 200.00                      | 0.00              | 200.00       |
| Houses for Multiple Occupation   | 300.00                      | 0.00              | 300.00       |
| 2-9 new dwellings  | 500.00                      | 0.00              | 500.00       |
| Small scale major (10-50 dwellings)                                    | PPA                         | 0.00              | PPA          |
| Large scale major (upwards of 50 units)                                | PPA                         | 0.00              | PPA          |
| <b>Non-residential</b>   |                             |                   |              |
| Change of use (up to 100 sqm)  | 300.00                      | 0.00              | 300.00       |
| Minor commercial (creation of 0-999 sqm of floor space or over 0.1 ha) | 500.00                      | 0.00              | 500.00       |
| Major commercial (creation of 1000 sqm of floor space or over 1.0 ha)  | PPA                         | 0.00              | PPA          |
| <b>Initial fee meeting with notes</b>                                  |                             |                   |              |
| <b>Dwellings</b>   |                             |                   |              |
| HSE queries  | 140.00                      |                   | 140.00       |
| Single new dwelling  | 400.00                      | 0.00              | 400.00       |
| Houses for Multiple Occupation   | 400.00                      | 0.00              | 400.00       |
| 2-9 new dwellings  | 650.00                      | 0.00              | 650.00       |
| Small scale major (10-50 dwellings)                                    | PPA                         | 0.00              | PPA          |
| Large scale major (upwards of 50 units)                                | PPA                         | 0.00              | PPA          |
| <b>Non-residential</b>   |                             |                   |              |
| 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) | 650.00                      | 0.00              | 650.00       |



## SERVICE

| SERVICE   | 2022/23                                 | 2023/24           | Proposed                                |
|---|---|-------------------|---|
|   | Current Fee                             | Proposed Increase | Fee                                     |
|   | with effect from 01/04/2023             |                   |   |
|   | £.p                                     | %                 | £.p                                     |
| Major commercial (creation of 1000 sqm of floor space or over 1.0 ha)   | PPA                                     | 0.00              | PPA                                     |
| <b>Follow up charge officer hourly rate</b>   |   |                   |   |
| <b>Dwellings</b>  |   |                   |   |
| HSE queries   | variable*                               |                   | 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*                               |
| <b>Non-residential</b>  |   |                   |   |
| 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                                  |
| <b>Additional specialist advice (Optional)</b>  |   |                   |   |
| 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  | 700.00                                  | 0.00              | 700.00                                  |
| Assistant Director  | 600.00                                  | 0.00              | 600.00                                  |
| Planning Manager  | 500.00                                  | 0.00              | 500.00                                  |
| <b>Other</b>  |   |                   |   |
| 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<br>462.00 | 0.00              | Full fee or if full feed paid<br>462.00 |

| SERVICE   | 2022/23                     | 2023/24           |                 |
|---|-----------------------------|-------------------|-----------------|
|   | Current Fee                 | Proposed Increase | Proposed Fee    |
|   | with effect from 01/04/2023 |                   |                 |
|   | £.p                         | %                 | £.p             |
| 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          |
| <b>Lawful Development Certificates</b>  |                             |                   |                 |
| 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 |

# Harlow Council Pay Policy 2023/2024

# **PAY POLICY 2023/24**

## **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 2012/13<sup>1</sup> 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.

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<sup>1</sup> Approved at Cabinet 31 January 2012

6. Local Government, and Harlow Council is going through a period of unprecedented and rapid change as a result of several political, economic, social drivers and challenges, local and national most notable of which in recent years has been the Covid-19 pandemic followed by the cost-of-living crisis. 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 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, The Transfer of Undertakings (Protection of Employment) Regulations 2006, The Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 and the Employment Rights (Miscellaneous Amendments) Regulations 2019.

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 using 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) Regulations 2006/ The Collective Redundancies and Transfer of Undertakings (Protection of Employment) (Amendment) 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 the Council's 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 currently. All employees, including the lowest paid and Chief Officers move through their salary banding through incremental progression, subject to satisfactory performance.
19. On 2 November 2022 the National Joint Council for Local Government Services pay agreement was confirmed for 2022/2023. The pay agreement was for a flat rate payment of £1,925 on each scale point with effect from 1 April 2022. In addition, the agreement set that from 1 April 2023, all employees covered by this National Agreement, regardless of their current leave entitlement or length of service, will receive a permanent increase of one day (pro rata for part-timers) to their annual leave entitlement alongside the permanent deletion of Spinal Column Point (SCP) 1 from the NJC pay spine.
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. The Unions are still finalising their formal pay claim ahead of a submission to the National Joint Council (NJC) expected by the end of January 2023.
21. The Council's pay spine for 2022 commences at national spinal column point, SCP 1, grade 2 £20,505 pa - uplifted due to Living Wage rate agreement to £21028.07- 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 continuing 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 1.25% of the workforce), their FTE rate of pay was £20,505, £10.63 per hour as at 1 April 2022. The Council having due regard to the "Living Wage", which following the most recent announcement of September 2022, increased the rate by a further £1 per hour to £10.90 per hour. This resulted in a further uplift on the bottom rate increasing the lowest annual salary to £21,028.07 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 September 2022. The Council will continue to have due regard to further Living Wage Foundation changes.

24. Allowances are payable for this group, depending on the roles carried out an example being standby allowance. Some are flat rate and others are linked directly to salary. Allowances are uprated in line with relevant pay agreement percentages each year and are reviewed periodically as agreed by the Assistant Director Governance, HR and Legal. These allowances are usually 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 considers the labour market pay information for similar jobs. Any market supplements are to be reviewed by management 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 further in 2023/24 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. There are 3 increment salary ranges for the 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.
28. 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.
29. Other allowances are not usually paid, apart from Returning Officer remuneration (the Chief Executive) Deputy Returning Officers remuneration (to be appointed) and an allowance to be paid to Directors, an appropriate senior officer as designated, for undertaking the role of Monitoring Officer, or where there is a vacancy and extra duties result.



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

- 30. The value of the scale points in the Director's and Assistant Directors grades will be updated by the pay awards notified from time to time by the National Joint Council for Local Government Services. The 2022 pay award resulted
- 31. 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**

- 32. The Joint Negotiating Committee (JNC) for Chief Executives of Local Authorities announced on 28 November 2022 a 1 year pay agreement of £1,925 with effect from 1 April 2022. This pay agreement covers the period 1 April 2022 to 31 March 2023. The value of the scale points in the Chief Executive's grade will be updated by the pay awards notified from time to time by the Joint Negotiating Committee for Chief Executives of Local Authorities.
- 33. 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.
- 34. 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. With the 10.1% increase of the Living Wage by £1 per hour in 2022 for the lowest paid, and the flat rate increase of £1925 on all SCP's being applied to the pay line the pay gap between the lowest paid and Median to the CE rate of pay has closed further down from 4.68 and 7.28 respectfully from the previous year's results.

**Pay Multiples.**

35.

|   | 2023/24* |
|---|----------|
| Ratio of the Chief Executive's FTE salary to the median FTE salary of the Council (£32,133 inclusive of Living Wage)          | 4.11:1   |
| Ratio of the Chief Executive's FTE salary to the lowest paid FTE employees (£21,028.07 at £10.90 per hour -Living Wage rate). | 6.28:1   |

\*Ratios calculated on current pay rate in January 2023.

### **Part Time/ Full time.**

36. 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**

37. 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 area Assistant Director and Assistant Director Governance, HR & Legal (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.
38. 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 area Assistant Director and Assistant Director Governance, HR & Legal subject to the top of their grade not being exceeded.
39. The Council does not apply performance-related pay or bonuses.
40. The minimum point of a pay grade will not be lower than the maximum point of the preceding pay grade.
41. The Chief Executive is appointed by Full Council following selection by the Appointments panel of a minimum of three elected councillors – including the Leader and Opposition Leader and appropriate Cabinet Member as appointed by the Leader. The panel will be advised by the Assistant Director Governance, HR & Legal and relevant external recruitment specialists duly appointed.

### **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. The Council does not augment additional pension membership.
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, thus providing up to a maximum of 45 weeks contractual pay. This scheme may be amended from time to time subject to Chief Executive approval.
46. Any severance packages with a value in excess of £100,000 will be approved by Council before they are agreed. This policy applies to severance packages pursuant to a settlement agreement or COT 3 agreement via ACAS. However, it does not apply in relation to the cost of early access to, and/or enhancement of a retirement pension, where the employee's employment is terminated on grounds of ill health.
47. Provisions in the Finance (No.2) Act 2017 changed the rules on the taxation of termination payments to remove the distinction between contractual and non-contractual payments in lieu of notice, effective from April 2018. The Council continues to comply with these requirements. The Council will usually expect notice period to be worked however
48. Employers are liable to pay Class 1A national insurance contributions on termination payments above £30,000 that are subject to income tax by the employee. The Council is fully compliant with this requirement.
49. All employees, including chief officers, who receive a redundancy payment are subject to the Redundancy Payments (Continuity of Employment in Local Government etc) (Modifications) Order 1998.

50. The Council's policies on Flexible Retirement, Organisational Change (subject to update at time of publication) and Redundancy Payments are available on the Council's official website.

### **Pension Contribution bandings from April 2021**

51. 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, the next review outcome from the actuary is expected in 2023 with the revised rate being implemented once confirmed. In addition annual pay band range adjustments in line with the cost of living are also expected. At the time of going to press no further change/updates have been advised. The following employee contribution rates in accordance with actual pensionable pay continue to apply from April 2022.

| <u>Actual Pensionable Pay</u> | <u>Employee</u> | <u>50/50 Section</u> |
|-------------------------------|-----------------|----------------------|
| £0 - £15,000                  | 5.5%            | 2.75%                |
| £15,001 - £23,600             | 5.8%            | 2.9%                 |
| £23,601 - £38,300             | 6.5%            | 3.25%                |
| £38,301 - £48,500             | 6.8%            | 3.4%                 |
| £48,501 - £67,900             | 8.5%            | 4.25%                |
| £67,901 - £96,200             | 9.9%            | 4.95%                |
| £96,201 - £113,400            | 10.5%           | 5.25%                |
| £113,401 - £170,100           | 11.4%           | 5.7%                 |
| More than £170,101            | 12.5%           | 6.25%                |

### **Allowances (below Directors)**

52. Ad hoc allowances are paid as and when a duty is carried out and will be paid monthly in arrears.
53. Where possible allowances will be paid as a monthly allowance, for example where staff follow a set pattern of work.
54. 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.
55. In accordance with the People Resource Plan (PRP) (under review in 2023/24) 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 and to review its recognition for long service.

### **Publication of information relating to remuneration and review**

56. 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.
57. This Pay Policy Statement will be published on the Corporation's public website. If it should be necessary to amend this 2023/24 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.
58. 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.
59. 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 see [Gender Pay Gap Report 2021 \(published March 2022\)](#) for more information.

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** HOUSING REVENUE ACCOUNT BUSINESS PLAN 2022-2052

**PORTFOLIO HOLDERS:** COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE  
COUNCILLOR ALASTAIR GUNN, 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

**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 and finalisation of the Plan and Appendices, following consultation.

**REASON FOR DECISION**

- A** The HRA Business Plan 2022-2052 is a formal update on the Council's landlordservice 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 Corporate Strategy outlining the Council's short, medium and long term housing landlord ambitions. It recognises the need to establish a sustainable financial future, the meeting of local priorities, tackling housing need, and the continuation of the provision of support for tenants/leaseholders. Keeping our stock to the highest quality, safe, regulatory compliant, and improving housing conditions.
2. The HRA Business Plan set out in Appendix A of this report complements and is influenced by other corporate and housing strategies and policies. Other reports submitted to this meeting for approval including:
  - a) HRA Budget 2023/24
  - b) Capital Programmes 2023
  - c) The Capital and Treasury Report 2023/24, which includes the Capital Strategy (attached as Appendix A to the report), giving information on the forecast capital programme to 2027/28; 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) Implementation of the Rent Standard (2022), increasing dwelling rents by a maximum of 7 per cent from April 2023.
  - b) The rental income estimates assume that in 2023/24 there will be 50 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 2023.
  - f) Depreciation continues to be calculated based on the Existing Use Value for Social Housing (EUSSH) spread over the estimated life of the asset.
  - g) Renewal of the Public Works Loan Board (PWL) 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 2023 of £3.529 million, complying with the “industry average” of £389 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, damp/mould 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) Target 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) Continue to develop a “House Building 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**

### **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.
8. The Housing Service is in the process of varying its current tenancy conditions. Consultation commenced on the 12 December 2022 and will apply to all existing and new tenancies. A draft of the proposed agreement has been sent to all Council tenants as part of the statutory consultation process prescribed by the Housing Act 1985. The proposed new agreement addresses changes in legislation including some parts of the Localism Act 2011, The Prevention of Social Housing Fraud Act 2014 and The Anti-Social Behaviour, Crime and Policing Act 2014 as well as strengthening provisions linked to fire safety. The consultation period initially ran until 8 January 2023 but has been extended to take into account possible delays due to the industrial action by postal workers during this period. Tenants have been able to respond and comment in a variety of ways, including via the Council's website, via a designated e-mail address, through their Harlow MyHome accounts, or in writing. As at 26 January 2023 this had resulted in 108 responses (38 responses providing comments regarding the proposals, 30 stating no comments or affirming that they agree with the proposed changes and a further 40 responses which relate to tenants personal issues or requesting permissions. The consultation process is intended to conclude on 5 February, allowing an additional 4 weeks in response to the postal issues.

## **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, Chief Executive**

### **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 Services**

None specific.

**Author: Simon Hill, Director of Governance and Corporate Services**

### **Appendix**

Appendix A – HRA Business Plan 2022-2052

### **Background Papers**

None.

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

HRA – Housing Revenue Account

CPI – Consumer Prices Index

**APPENDIX A**



# **Harlow Council Housing Services Business Plan**

**2022 – 2052**

# Housing Services Business Plan 2022 – 2052

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Whilst 2022/23 was ever more challenging, the Housing Service continues to confront the impacts of emerging from Covid-19, wider national impact and adapt to ensure that the support and safety of residents and staff remains the priorities, making best use of limited resources.

With the cost of living/energy crisis continuing and at the top of everyone's agenda, guidance from government and support of residents, we continue to overcome the obstacles and challenges this brings, and provide much-needed services.

Despite this, I am optimistic for the future as we continue to secure government funding to support regeneration, guide development and growth to secure jobs, new housing, further investment through Local Plans and the Corporate Strategy and the challenges that remain following the Grenfell Inquiry.

The Council continues to take maintaining its homes in a safe manner, dealing proactively with damp/mould where it exists, tackling fire safety, compliance, and increasing the energy efficiency of its homes. We continue to invest in these priorities, waiting to hear from Government on how to move forward on the possible introduction of building the new Social Housing Regulation Bill, enhanced regulation arrangements, and any new Tenant / Leaseholder Satisfaction Measures, the review of the Consumer Standards with emphasis on empowering residents/introduction of inspections. The Housing Revenue Account Business Plan continues to outline the short, medium, and long-term priorities within the resources available.

Feedback from Tenants/Leaseholders remains central to the Service when improving service delivery, customer access/contact, and assist in updating action plans and priorities.

In 2022/23, the council also:

- Continue to reduce empty property turnaround times. These have reduced from their high level of 45 days to 25 days in Quarter 3 of 2022/23 (January 2023).
- Helped residents manage finances through available current support services/agencies.
- Celebrated the partnership with Essex County Council and Agincare providing a positive environment for tenants maintaining their independence.

The Careline scheme providing security to vulnerable residents achieving national accreditation.

Income recovery in 2021/22 was difficult due to COVID-19, however, Housing has achieved a strong year end position by exceeding in the top quartile for performance. Work is ongoing due to uncertainties with the pandemic and the cost-of-living crisis.

The priorities for housing and what is important locally are:

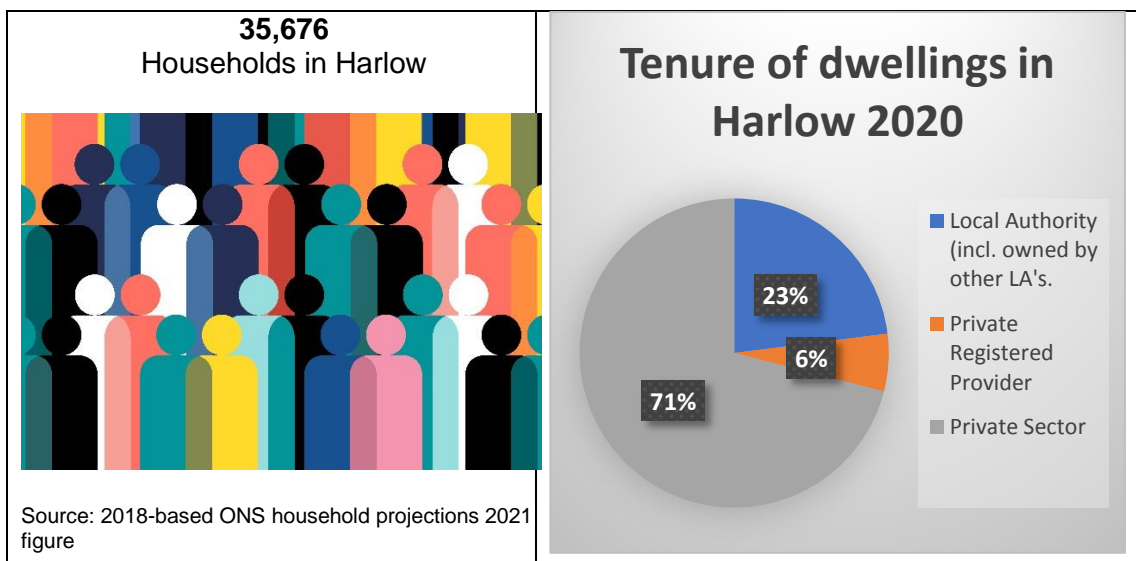
- Making more housing available. This includes the house building programme, and discharging in the private sector.
- Tackling the growing need for supported housing.
- Improving choices for those in housing need.
- Improving housing standards, resident's health and wellbeing with energy efficient, modern home facilities, tackling local priorities and statutory requirements.
- Continue to use the Engagement/Involvement Service to promote awareness and provide opportunities to empower residents.

Councillor Alastair Gunn, 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 the 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 on: <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 Under the ‘Rent Standard 2020’, Councils were permitted to increase rents by no more than Consumer Prices Index (CPI)+1% annually from 2020/21 until 2024/25. However, for 2023/24, the Government capped the rent increase at a maximum 7%. This was due to inflation running at high levels throughout 2022, creating a cost-of-living crisis for most people in Britain. Had this rent cap not been introduced, rents could potentially have increased by 11.1%. The Retail Prices Index (RPI) (which is usually applied to costs in the Business Plan) showed a 12.6% increase. In producing this Business Plan, Harlow has chosen to constrain cost increases to a blended 8% inflation rate. However, in common with many other stock-holding Councils, the fact that RPI outstrips CPI for a second year running, coupled with the fact that some costs (i.e., energy) have increased by significantly more than 12.6%, Harlow has experienced a real financial strain on its HRA Business Plan this year.

- 1.7 This document sets the Council's Housing Delivery Plans in the context of the changing national and local context. The themes expressed align to the Council's Corporate Strategy and helps to develop funding priorities and risk management. 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 its delivery continues to develop.
- 1.8 The diagram below shows that Harlow Council remains 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 a standard in the delivery of its Housing Service and the management and maintenance of its stock.



- 1.9 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 an 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 current 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.



The engagement strategy will be reviewed in the first quarter of 2023.

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 “principles” and “progress” are reviewed by tenants and leaseholders together with the other landlord’s housing related policies and priorities. This will ensure tenant and leaseholder involvement in:

- Determining priorities.
- 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 Property and Tenancy Panels will jointly monitor performance, and service delivery against the consumer standards applicable to the Council and regulated by the Regulator for Social Housing.

## **2.2 What are our Tenants telling us?**

### **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 Engagements 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 last “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. The new Council Customer Services Strategy approved in 2022 helps build a platform to move forward with this requirement, developing a plan and funding priorities.

- 2.3.4 The housing service “online customer portal” continues to develop, providing access to a range of housing services. Online requests to the portal allow repairs, garage applications as well as 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 continue to be developed to deal with the contact allowing more effective responses to customer enquiries as part of the Council’s wider Customer Access Strategy.
- 2.3.5 There are a number of areas where improvements can be made to the information available to Council tenants and leaseholders. There are repairs IT interfaces that can share important information automatically. This will be a key service improvement target for HTS (Property and Environment) Ltd to develop in 2023 so that we will continue to enhance the information to the Council and its tenants. The ambition is to increase the number of events which will enable the Council to provide the customer with more information about Council services.
- 2.3.6 Housing services are in the process of updating and realigning their Customer Service Access plans to align to the new Customer Access Strategy. These plans include enhancing customer repairs, taking forward tenant profiling, and reinvigorating the Corporate Customer Service Access Strategy.
- 2.3.7 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
- 2.3.8 Consultation with Councillors and Officers takes place through the Senior Management Board, Portfolio Holder Meetings and Cabinet.
- 2.3.9 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 was 71.43%. It is intending to align any new survey to the requirements of the new Social Housing Bill which it is expected to receive “Royal Assent” in January 2023.



### **3. Context: National and Local**

#### **3.1 National Context – General**

3.1.1 We are still facing significantly 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 cap rent increases.
- 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.
- 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 priority for building safety, energy efficiency, and climate change will continue to impact on the Housing Service with reduced resources. Homes need to be safe, secure, and become more energy efficient. The service needs to make plans in order to operate in a way that will render it carbon neutral by 2030 and will require national funding due to the scale of change required.

#### **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. The long-awaited Social Housing Regulation Bill aims to enhance the consumer standards and housing

regulatory framework focussing on the following themes:

- Building Safety.
- Raising standards and increasing the “tenant voice”.
- Improvements in information provision.
- New tenant satisfaction measures
- Increased accountability, with a “beefed up” housing regulation and a strengthened Housing Ombudsman.
- Increased regulation on consumer standards.

3.2.2. While much of the responsibility for delivering the expectations set out in the new Social Housing Regulation Bill 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.

3.2.3 What are the changes?

The Bill 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.

3.2.4 Until the new legislation is brought in, the existing [consumer standards](#) continue to apply. It is expected for information to be provided by the RSH in April 2023. The immediate focus of the RSH was to seek assurances from social housing providers around their processes and procedures to deal with incidences of damp.

3.2.5 No one in our town should have to live in a home plagued with damp and mould. That should not be a high bar to set and that is why we will be taking real action to address cases. However, it is recognised that it is not always possible to fully eradicate the presence of damp and mould due to a complex multitude of factors. Harlow Council do not have any C1 (serious harm) cases. There are at present outstanding 21 inspections that could possibly meet C2 (less serious/urgent). These are being actively followed up with specialist interventions.

3.2.6 The Council seeks to maintain its stock to decent homes standards in cases of damp and mould, through a combination of planned inspection, and reactive approaches. The Council takes a proactive approach as part of our HRA Business Plan Housing Investment Programme (HIP) including works packages to address building failures, stock condition issues, and energy efficiency

improvements.

- 3.2.7 The Council already recognises the required to prioritise “building safety”. The Housing Investment Programme annually allocates resources, recognises enhancing building safety remains one of the key landlord responsibilities. Enhancing fire safety and reducing the ongoing incidence of damp and mould requires, at times, further investment in its stock.
- 3.2.8 Stock is identified for "annual" planned capital investment from targeted stock condition surveys, in order to develop work programmes. We do also actively encourage tenants to report any cases of mould that they find in their home to allow early assessment with sensitive communication being undertaken with residents. Tenancy visits by housing officers, also give an opportunity to report and discuss damp and mould management issues with support provided, as required. This in order to gain information on the issues being identified whether they relate to the “building fabric” or the need to manage condensation related mould. Advice is given with a “joint commitment” between the council and the tenant in a supportive manner to manage the situation and resolve any ongoing issues. Working with our LATC (HTS (Property and Environment) Ltd), when damp/mould is reported, HTS (Property and Environment) Ltd will undertake immediate repairs at the earliest opportunity, and report where more intensive action is required. Specialist companies are then used, if required, for further intensive work and remedial action taken.
- 3.2.9 We are reviewing identified cases of damp and mould in our properties and will do all it takes to deal with all issues appropriately and immediately. The Council has immediately reviewed procedures and have put in place immediate changes. We are currently working with our LATC (HTS (Property and Environment) Ltd) to better interrogate their responsive repairs data provision over the last three years. This is to be sure a greater level of information, reporting, and possible interventions where repairs for damp and mould has been reported. This will enable us to better understand damp and mould occurrences on an individual property basis through data analysis and make the most appropriate intervention where required.
- 3.2.10 Immediate changes to such enquiries have included:
- A dedicated "Damp work" queue as part of our wider CRM corporate systems. For reports made as a follow up to the Surveyors inspection.
  - Social Media Interrogation (Facebook) – We have a dedicated "Communications" role who have been instructed to review any Facebook inserts of damp reports. Reports are provided to the Housing Portfolio Holder on a regular basis. Reporting templates have been updated to allow earlier re-direction where required from social media in the first instance and photos provided before it will be actioned which will ensure that only those who want to report damp.
  - Any reports made to HTS (Property and Environment) Ltd responsive repairs Centre. Who will send out a damp leaflet following the advice if no improvement then tenant contacts the Councils surveying teams for interventions.
- 3.2.11 It is also intended for a “targeted” cross tenure stock condition survey to be

pursued to update stock condition information, and to align landlord responsibilities to wider strategic housing responsibilities in the private rented sector. Further details of delivery is outlined in section 5.4.4. Corporately the Council's Delivery Plans are being reviewed. The review is due to be completed in April 2023, and the draft HRA Business Plan Delivery Plan will be aligned accordingly.

### **3.3 Local Context – Harlow**

3.3.1 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 Meditech (Medical Technology) Centre creating 1,000 new jobs.
- A proposal is being considered for a new Harlow hospital 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 has been completed which will 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 which 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*

3.3.2 The Council has delivered key housing achievements which include:

- An ongoing commitment to improve properties with an annual Housing Investment Programme for both internal and external works.
- The recent works undertaken at the Hides resulted in the Council being shortlisted for the Inside Housing – Housing Development Award 2022.
- Achieved external quality accreditation for its Supported housing service.
- Built and let 18 new council homes in 2022.
- Rolled out an extensive re-roofing programme and made significant reduction in the backlog.
- Concluded Fire Safety works to decommission tower blocks of internal ducting.
- Concluded a programme of water tank refurbishments.
- Concluded the programme of electrical upgrade works to all domestic properties.
- Commenced a roll out of the new Aico Environment sensors.
- Continue to roll out an extensive programme of Fire Safety works.
- We successfully secured grant funding for the fourth year to work intensively to tackle rough sleeping. A 90% reduction has been seen in the number of people sleeping rough in the town. The Council continues to be in the process of building new council homes which has delivered 20 new social housing rented schemes, enhanced approach to partnership working with probation service and streets 2 homes ltd our homelessness partner. Additional nominations from registered providers has supported new homes to be coming available from the housing needs register. A relief of a further additional 65 housing association homes giving local families on the housing needs register additional choice. The expected increase in the use of temporary accommodation has not materialized however it is expected to increase in the coming year.
- The Leah Manning Centre continues to show an increase in service user attendance by 15% when compared to the same period last year.

- The enhancement of Temporary Accommodation continues to progress in line with the planned implementation of the new Quality inspection regime for both the private and public sector improving the quality of accommodation.

### *Stock condition challenges*

- 3.3.3 The Council uses its Stock conditions surveys to manage its assets for assessing and planning its repair and maintenance programmes. In addition to the data collected from surveying inspections and the use of responsive repairs data is used to assist in programming future works programmes.
- 3.3.4 It is important it concludes the amount of resources that are required to sufficiently maintain its homes in order for a programmes and budgets to be identified for planned maintenance over the business plan period within resources forecasted.
- 3.3.5 As part of this year’s HRA Business Plan review, the Housing Service has again reviewed its stock condition information. This information is aligned to new enhanced housing regulatory standards, as well as drawing conclusions on the amount of work required from the identified repairs works backlogs. In order to maintain its homes to modern construction/environmental standards, a profiled resource allocation is required to meet the stock requirements. Outlined in Appendix ii(a) are the identified resources required to meet stock requirements.
- 3.3.6 The quantified “catch up” repairs has been forecasted at £3.1m on responsive repairs with a further £27m identified from the HIP. This 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 refurbishment/remodeling or structural alterations.
- 3.3.7 Continued review of these assumptions will be made annually, aligned to available resources, as well as to wider town/estate regeneration priorities, and estate renewal programmes. 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.
- 3.3.8 As part of the performance monitoring and governance of the HTS (Property and Environment) Ltd contract and stock condition data held, it was identified that there is a large volume of roofing repairs in their “work in progress”, where they have identified beyond economical repair and therefore capital investment required. The programme consists of both houses and flat blocks across the town with an annual budget allocation, and work has continued at a pace to reduce the backlog of cases. The roofing programme of renewals was reviewed in October 2022, with the referrals provided by HTS (Property and Environment) Ltd and a further allocation to roofing programme was made increasing the allocation in order to the backlog of cases by April 2023.

### *Housing Need Challenges*



- 3.3.9 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 mean 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.
- 3.3.10 There are currently 5,556 applicants on the Council's Housing Needs Register as at 6 January 2023, comprising of:

|   |       |
|---|-------|
| Homeseeker Applicants                     | 73.2% |
| Homeseeker Applicants (accepted homeless) | 1.4%  |
| Transfer Applicants                       | 25.4% |

- 3.3.11 During the year ending 31 March 2022, the Council housed 509 households (own stock), which comprised of:

|   |     |
|---|-----|
| Homeseeker Applicants                     | 45% |
| Homeseeker Applicants (accepted homeless) | 18% |
| Transfer Applicants                       | 37% |

- 3.3.12 A Housing Needs "Improvement Plan" for tackling housing need has been established to deal with the backlog of voids, lettings, and putting in place revised business processes.
- 3.3.13 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 31 March 2022, Harlow Council had a housing stock of 9,095 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.

| <b>Analysis of Housing Stock</b> | <b>Number</b> |
|----------------------------------|---------------|
| Analysis by Type of Dwelling     |               |
| Houses & Bungalows               | 5,540         |
| Flats and Maisonettes            | 3,539         |
| Other                            | 16            |
| Analysis by Number of Bedrooms   |               |
| Bedsitters                       | 396           |
| 1 Bedroom                        | 2,038         |

|                              |       |
|------------------------------|-------|
| 2 Bedrooms                   | 3,507 |
| 3 Bedrooms                   | 2,807 |
| 4 Bedrooms                   | 317   |
| 5 Bedrooms                   | 25    |
| Housing Multiple Occupancies | 5     |

#### 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 Housing has short, medium and long-term ambitions envisaged to achieve Harlow's aspirations for Housing,

##### *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 affordableand 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 withother housing providers.
  - **Housing Regulatory Plan.** Invest in and deliver good housing regulatorygovernance, improving services.
  - **Housing Revenue Account Business Plan.** Invest in securing and keeping thebest 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 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 9,077 homes as at 31 December 2022, 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 propertymanagement, 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. The Delivery Plan reported to Cabinet on a quarterly basis is outlined in Appendix i:

**Theme 1** - *Identify preliminary council owned sites for all tenures appropriate for newhousebuilding. 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 has let new Council homes – the schemes at 4 The Hill and Bushey Croft delivering 18 new social-rented homes for families on the Housing Needs Register. An "Estate Renewal Working Fund" has been created to form part of a wider town regeneration strategy.

5.4.5 The updated 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 report on progress for the Housebuilding Programme will be reported to Cabinet in March 2023. The Council continues 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.

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

5.4.6 The Council has completed 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 the consistency of the current cleansing service provided by HTS (Property and Environment) Ltd and consider whether to extend the service to areas identified as requiring intervention. Three pilot sites were identified for consultation but unfortunately despite receiving good feedback about the proposal to extend the scheme, due to the economic crisis residents did not want to proceed at this point in time. In terms of consistency and scope, the schedule of works were changed on a pilot block and was well received by residents. The plan is now to adopt this approach for all blocks. Primarily the changes made were to the frequency of visits and the duration of time spent on site.

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

5.4.7 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, improvements have been targeted to the customer service which 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. An external review of the "service improvement targets" set out in the HTS (Property and Environment) Ltd's Business Plan 2023 is underway. This will involve new KPI's associated with the HTS (Property and Environment) Ltd service agreement and customer measures is in progress to ensure that they are aligned to the Council's Corporate Strategy.



**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.**

5.4.8 Climate change continues to become an increasing priority for the authority.

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 CO<sub>2</sub> 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 Energy Efficiency works - Works have now concluded on the upgrades to all communal and district Heating Systems. Works included the installation of heat meters which allowed for individual charging of heat and hot water and improving the energy efficiency of the poorest performing properties which posed a risk of fuel poverty to our tenants.
- 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.
- Review of all stock’s EPC ratings –focusing on those most at risk by undertaking basic energy efficiency works to provide better insulation works included loft and cavity wall insulation, EWI and new windows and doors.
- Commence roll out of the Aico Environment Sensors.
- Housing Investment Programme – refurbishment continue to focus on developing programmes of works to support energy efficiency measures.
- The Council has submitted an application for the second phase of the Social Housing Decarbonisation fund.
- In addition, continued asset management value continues to be derived from the Harlow Home Energy Study by Rickaby Thompson Associates.
- A new set of principles need to be agreed with the Service Charges panel and potentially with Cabinet as the old principles will no longer be valid from April – all schemes will be Heat Metered. Time and Resource dictate this is not achievable until the earliest April.



***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.***

5.4.9 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.

- 5.4.10 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.
- 5.4.11 The number of homeless households being placed in Temporary Accommodation (T/A) has steadily risen in Harlow. In March 2022 there were 239 and by October 2022 there were 254. 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.
- 5.4.12 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.
- 5.4.13 The Government has recently announced a further allocation in funding through the ring-fenced Homelessness Prevention Grant for years 2023/24 and 2024/25, totalling £1,160,551. This is a two-year grant determination to provide certainty to help plan services, support staff and service users. The purpose of the grant provides control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness, including contributing to ending rough sleeping by increasing activity to prevent single homelessness, reducing families in temporary accommodation through maximising family homelessness prevention, and reducing the use of unsuitable B&Bs for families and ensuring financial viability of services by contributing to the costs of statutory duties, including implementing the Homelessness Reduction Act and supporting with the costs of temporary accommodation.
- 5.4.14 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**

- 5.4.15 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 2022/23 the Council secured RSI funding for a 3 year determination until 24/25 totaling £725,689 for the three year period, whilst this funding will continue to work towards the



governments aspirations for zero rough sleepers by 2027, the funding has been reduced over the three year period, which will have an impact on the outreach work that the council can provide.

5.4.16 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. 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 to 4 in November 2022.

5.4.17 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.



5.4.18 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.

5.4.19 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.

- 5.4.20 The HNR shows that 1,240 (as at 6 January 2023) 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, affordability, medical and social needs. Another main reason is parents with no security of tenure sharing facilities. The HNR currently has approximately 5,556 applicants (as at 6 January 2023).

### **Discharging to the Private Sector**

- 5.4.21 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.
- 5.4.22 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.
- 5.4.23 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**

- 5.4.24 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.
- 5.4.25 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)

– no change.

## Enhancing Harlow's own Temporary Accommodation

- 5.4.26 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. – no change
- 5.4.27 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 1x1 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 2023.
- 5.4.28 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. Works for the future include retrofit of Hare Street Springs.*

- 5.4.29 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.
- 5.4.30 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 (KPI's) for all Service Providers.
- 5.4.31 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.
- 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 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 whilst addressing Fire Safety and Energy Efficiency works as part of the wider specification of works.

- 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 Council. 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. Landlord 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.

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

5.4.33 However, as a result of government legislation to reduce rents by 1% each year from 2016 until 2020, the Council had to reprofile 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 2023/24 onwards and therefore increased investment of £27m which includes the additional roofing programme and continues to be included in the Business Plan, to be spent over the next six years in order to catch up to this position.

- 5.4.34 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 workshandover, sign-off and valuation, holding contractors to account.
- 5.4.35 The detailed HIP covering 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.**

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. The immediate focus for social landlords is to respond to damp and mould proactively and review its processes.

- 5.4.36 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.
- 5.4.37 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 continues and is due to complete in Spring 2023.
  - 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,
  - The identified cases of roofing replacement backlog has been incorporated into additional programmes for 22/23. It is anticipated programmes will be in place in the last quarter of 2022/23.

### **Works identified in the Garage Strategy**

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

- 5.4.39 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.
- 5.4.40 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.
- 5.4.41 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.**

- 5.4.42 Work to disabled adaptations continues to be marked by levels of demand which substantially exceed the budgetary resources available.
- 5.4.43 As a result, a budget of £700,000 was allocated to these works for 2022/23 with £750,000 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.
- 5.4.44 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**

- 5.4.45 The Corporate Strategy supports a comprehensive review of HTS Group Ltd.
- 5.4.46 An updated Business Plan for HTS Group Ltd was presented to the Shareholder in February 2022 which was aligned to the Council’s new Corporate Strategy. The plan identified “improvement plan themes” for the repairs and environmental services. The independent report by Plan B will establish “joint” repairs and maintenance service improvement targets for HTS (Property and Environment) Ltd.
- 5.4.47 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.

- 5.4.48 The Shareholder also expects further progress for the Improvement/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.
- 5.4.49 The Shareholder recognises that further work is to be undertaken to assess the impact of moving HTS (Property and Environment) Ltd’s 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.



***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**

- 5.4.50 The Council is required to have a Tenancy Strategy setting out its approach to tenure. The Housing Service is proposing to vary its current tenancy conditions this year, applying to existing and new tenancies, and a draft of the proposed agreement has been sent to all Council tenants as part of the statutory consultation process prescribed by the Housing Act 1985. The current tenancy conditions were last varied in 2012, and the proposed new agreement addresses changes in legislation within this time, including some parts of the Localism Act 2011, The Prevention of Social Housing Fraud Act 2014 and The Anti-Social Behaviour, Crime and Policing Act 2014 as well as strengthening provisions linked to fire safety. See Appendix v.
- 5.4.51 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.
- 5.4.52 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.

5.4.53 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**

5.4.54 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 600 clients living in their own homes throughout the town.

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

5.4.56 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.

5.4.57 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.

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

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

- Increase the number of telecare alarm units installed year on year.
- 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)**

5.4.60 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**

5.4.61 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.

5.4.62 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)**

5.4.63 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.

5.4.64 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 November 2022, 3,279 tenants were recorded as having made a claim for UC, amounting to 36.88% of Council tenancies. This compared to 1,820 tenants (or 20.17% of tenancies) registered as claiming UC at the end of February 2020.

5.4.65 The HRA Business Plan 2022-2052 includes a provision for bad and doubtful debts.

### **Collecting Rent and Service Charges**

5.4.66 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.

5.4.67 The Council continues to improve on rent and service collection rates.

1. 98.44% of rent collected in 2021/22
2. 98.63% of leasehold service charges were collected in 2021/22.



5.4.68 Set out in Appendix ii (b) is the HRA Business Plan Delivery Plan which shows a short, medium, and long term activities to deliver the Councils Corporate Strategy.

## 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 2022/23 revised budget and the 2023/24 budget. The following points are worthy of note:

- The 2023/24 rent increase is capped at 7%. After this, rent increases for 2024/25 until 2026/27 revert to Consumer Prices Index (CPI) + 1%. From 2027/28 onwards, increases of CPI + 0.5% are assumed (with the expectation that the Government will issue a new rent standard at this time).
- The Retail Price Index (RPI) at September 2022 was 12.6%. All costs and income other than rents would usually be increased in line with this. However, the 2023/24 budget in the Business Plan has been capped at 8% in order to align with the rent increase. In addition, ongoing efficiencies amounting to £611k have been identified in 2022/23, with a further £175k identified in 2023/24.
- A revaluation of the pension fund has led to the removal of £1.333m per annum until 2026/27, when it has been reinstated.
- Provision to pay for £3.1m of backlog revenue repairs has been added to the Repairs and Maintenance budget for 2022/23 and 2023/24.
- In the first two years, there are relatively larger revenue contributions to fund the Capital Programme (£7.191m in 2022/23 and £3.583m in 2023/24). By the end of 2023/24, the balance on the account falls the minimum required (3.529m), so thereafter, the revenue contributions are restricted to the level that can be afforded by the Operating Account.
- The minimum balance is set by reference to an “industry average” of £389 per dwelling. Predicted balances on the account stay at, or close to, this level from 2023/24 through to 2051/52.
- Capital charges steadily increase until 2030/31 as current loans are replaced, and new loans taken out to fund the Capital Programme. From 2032/33, some loan repayments can be afforded.

6.3 Appendix iii(b) shows the Capital Programme. This takes into account the investment in a New Build Programme in 2022/23 and over the following two years. For the first ten years, the core Housing Investment Programme (HIP) remains at the same level as was estimated in 2021/22, with the addition of £2m to catch up on roofing repairs. The points to highlight are:

- No new borrowing is required in 2022/23 but borrowing will begin in 2023/24 (£15.347million). New borrowing will be required over the following three years and is mainly related to the New Build Programme.
- In some of the later years, there will be new borrowing, albeit at a lower level.
- 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 2021/22 HRA Business Plan.
- 6.5 It should be noted that borrowing will rise from £208.837m in 2022/23 to £241.714m in 2050/51. There is some 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 £241.714m equates to £27,000 per property in 2051/52. 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 Appendixiii(c) are:

- That the Government changes its rent standard or applies a rent cap again – the HRA operating account is quite constrained, and this will put more pressure on it.
- That RPI outstrips CPI again as it has for the 2022/23 and 2023/24 – if this happens, then it willalso further constrain the HRA operating account.
- That tenants and leaseholders struggle to pay the 7% increase in their rent, orstruggle to pay the higher service charges brought about by increases in costs (around energy costs in particular).
- That, owing to a calculated higher Major Works investment to maintain the stockat 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 FinancialRegulations.
- That the cost to build new properties is rendered unviable due to increases in building industry costs and interest rates, coupled with the relatively low proposed rent levels.
- 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 try to avoid repaying RTB 141 monies (particularly where the delay in repayment will have incurred 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 mainstrategic risks for the housing service are:

- *Lack of adequate council housing;* If the council does not provide sufficient and adequate council housing it will not be able to fulfil housing need. Continued investment in the existing council housing stock together with building new council homes is required to fulfil housing needs, maintain Decent Homes standards, and improve housing conditions and housing options for tenants.
- *Supply Chain Disruption;* If suppliers are unable to provide contracted services, then Harlow Council may be unable to comply with its obligations with regards to those services. Repairs, maintenance, landscape and streetscene services are currently contracted to HTS Group. If this

supplier become unviable or are unable to provide their contracted level of services, Harlow Council may need to arrange alternative provision to meet its obligation to residents.

- *New Build Schemes*; Due to their being only nine schemes over three years included in the HRA Business Plan 2022-2052, if the programme is not extended beyond this timeline, there is a high risk that there will have to be a repayment of the RTB 141 receipts to Government, with interest. There may also be an issue with match-funding the RTB 141 receipts as the Business Plan is tightly constrained throughout the next 30 years without any allowance for further borrowing.

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 Social Housing Regulation Bill (2023/23)**

7.3.1 The new Bill 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 two 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 tenantsatisfaction 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 with the Corporate 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 – 1<sup>st</sup> 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 the Formula Rent level whenever a property is relet. In setting its 2022/23 budget, Harlow Council agreed to adopt this policy. The average weekly Formula Rent for 2022/23 was £98.86, compared to a social rent of £97.36, so a difference of £1.50. If all rents were set at target, this would equate to an additional £710k per annum. Clearly, it would take time to achieve this level of income, but, assuming a turnover of around 3% per annum, this would equate to additional income of £21k 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 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.

7.4.4 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 2022-2052 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 2023-2024

| Strategic Ambitions   | Strategic Outcomes  | Strategic Themes             | How will Success be Measured?  | Completion Date | Lead Director |
|---|---|------------------------------|--|-----------------|---------------|
| Identify preliminary council owned sites for all tenures appropriate for new house building.  | <b>Housing Revenue Account Business Plan.</b> Invest in securing and keeping the best talent in housing services. Use housing assets effectively and support sound financial health and sustainability. | Social Cohesion              | Publish revised pipeline House Building Programme and determine financing                    | 21/03/2023      | Andrew Murray |
| Tackling homelessness, by providing more choices for those in housing need increasing the promotion of wider housing options and use of the private sector. | <b>Allocations and Homelessness Strategies.</b> Ensure actions plans are delivered, prioritised, and focussed to meet local housing need.   | Social Cohesion              | Implement revised Action Plan from Homelessness strategy                                     | 31/10/2023      | Andrew Murray |
| Tackling homelessness, by providing more choices for those in housing need increasing the promotion of wider housing options and use of the private sector. | <b>Allocations and Homelessness Strategies.</b> Ensure actions plans are delivered, prioritised, and focussed to meet local housing need.   | Social Cohesion              | Aligning new Rough Sleeper Strategy to strategic Temporary Accommodation Plan/review         | 31/10/2023      | Andrew Murray |
| Ensure all procurement activities support the Council's Carbon Reduction Plan.  | Activities that contribute to the Carbon Reduction Plan are reflected across the Council.   | Safeguarding the Environment | Aligning Housing Investment Programme themes and measurements to new Climate Change Strategy | 31/07/2023      | Andrew Murray |

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| Strategic Ambitions   | Strategic Outcomes  | Strategic Themes                                 | How will Success be Measured?  | Completion Date | Lead Director |
|---|---|--|--|-----------------|---------------|
| 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. | <p>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.</p> <p>Good quality affordable housing of all tenures that is appropriate for people at different points in their lives as a cornerstone of a successful and growing Town.</p> <p>The Council's 'community leadership' role strengthen through the production of a Climate Change Strategy for Harlow</p> | Safeguarding the Environment and Social Cohesion | Produce an Annual Housing Investment Programme (HIP) for improvements to housing stock (strategic)                 | 31/03/2023      | Andrew Murray |
| Improve the cleanliness of the communal areas in flat blocks.   | 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.  | Social Cohesion                                  | Inspection regime established (HTS) and to be ensure HTS deliver the scope and specification according to standard | 01/03/2024      | Andrew Murray |

| Strategic Ambitions  | Strategic Outcomes   | Strategic Themes | How will Success be Measured?  | Completion Date | Lead Director |
|--|--|------------------|--|-----------------|---------------|
| Improve the cleanliness of the communal areas in flat blocks.      | 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. | Social Cohesion  | Extension of scope pilot<br><br>One off block cleansing on demand and as required. ongoing | 31/03/2023      | Andrew Murray |
| Improve the customer experience with the Council's repairs service | Tenant and Leaseholder Engagement Strategy. Work with residents and deliver services in an open, transparent, and accountable way.   | Social Cohesion  | Improvement actions identified and resources allocated.                                    | 30/11/2022      | Andrew Murray |
| Improve the customer experience with the Council's repairs service | Tenant and Leaseholder Engagement Strategy. Work with residents and deliver services in an open, transparent, and accountable way  | Social Cohesion  | Independent assessment November 2022<br><br>Service Improvement Targets to be established  | 30/06/23        | Andrew Murray |
| Improve the customer experience with the Council's repairs service | Tenant and Leaseholder Engagement Strategy. Work with residents and deliver services in an open, transparent, and accountable way.   | Social Cohesion  | Action Plan updated  | 31/09/2023      | Andrew Murray |

| Strategic Ambitions  | Strategic Outcomes  | Strategic Themes | How will Success be Measured?   | Completion Date | Lead Director |
|--|---|------------------|---|-----------------|---------------|
| 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. | <b>Tenant and Leaseholder Engagement Strategy.</b> Work with residents and deliver services in an open, transparent, and accountable way. | Social Cohesion  | Tenant and Leaseholder Strategy reviewed.<br><br>Revised tenant and leaseholder engagement strategy to be aligned to the new Social Housing Bill.<br><br>New customer satisfaction measures to be published by Government April 23. | 31/11/2023      | Andrew Murray |
| 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. | <b>Tenant and Leaseholder Engagement Strategy.</b> Work with residents and deliver services in an open, transparent, and accountable way. | Social Cohesion  | Tenant and leaseholder Action Plan updated  | 28/02/2023      | Andrew Murray |
| 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. | <b>Tenant and Leaseholder Engagement Strategy.</b> Work with residents and deliver services in an open, transparent, and accountable way. | Social Cohesion  | Housing Works programmes communicated   | 30/06/2023      | Andrew Murray |

| Strategic Ambitions  | Strategic Outcomes  | Strategic Themes | How will Success be Measured?                                | Completion Date | Lead Director |
|--|---|------------------|--|-----------------|---------------|
| 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. | <b>Tenant and Leaseholder Engagement Strategy.</b> Work with residents and deliver services in an open, transparent, and accountable way. | Social Cohesion  | Report to Housing Standards Board and Panels                 | Quarterly       | Andrew Murray |
| Tackling homelessness, by providing more choices for those in housing need increasing the promotion of wider housing options and use of the private sector.  | <b>Allocations and Homelessness Strategies.</b> Ensure actions plans are delivered, prioritised, and focussed to meet local housing need. | Social Cohesion  | New Govt Grant allocated                                     | 31/03/2023      | Andrew Murray |
| Tackling homelessness, by providing more choices for those in housing need increasing the promotion of wider housing options and use of the private sector.  | <b>Allocations and Homelessness Strategies.</b> Ensure actions plans are delivered, prioritised, and focussed to meet local housing need. | Social Cohesion  | Harlow Homelessness Partnership Framework reported quarterly | 31/03/2022      | Andrew Murray |
| Tackling homelessness, by providing more choices for those in housing need increasing the promotion of wider housing options and use of the private sector.  | <b>Allocations and Homelessness Strategies.</b> Ensure actions plans are delivered, prioritised, and focussed to meet local housing need. | Social Cohesion  | Align Supported Housing Plan to new Government Guidance      | 31/3/24         | Andrew Murray |

## Appendix ii(a): Housing Investment Programme

| Programme                                  | 2023/24        | 2024/25        | 2025/26        | 2026/27        | 2027/2028  |
|--|----------------|----------------|----------------|----------------|------------|
| ASC Fixed Prices                           | £1,090,000     | £1,138,600     | £1,161,400     | £1,184,600     | £2,007,000 |
| Internal Works                             | £4,355,000     | £2,600,000     | £2,800,000     | £4,000,000     | £2,600,000 |
| External works including Energy Efficiency | £3,852,367     | £7,000,000     | £7,000,000     | £5,000,000     | £4,000,000 |
| Energy Efficiency / Fuel Poverty           | £100,000       | £100,000       | £100,000       | £100,000       | £100,000   |
| Lift Replacement                           | £100,000       | £-             | £-             | £-             | £ -        |
| Fire Safety                                | 4,457,700      | £4,600,000     | £3,000,000     | £3,000,000     | £3,000,000 |
| Aids and Adaptations                       | £1,000,000     | £1,000,000     | £1,000,000     | £1,000,000     | £1,000,000 |
| Compliance (Water Gas and Electric)        | £1,459,588     | £1,000,000     | £1,000,000     | £1,000,000     | £ 500,000  |
| Garage Refurbishment                       | £350,000       | £500,000       | £332,650       | £370,500       | £350,000   |
| Garage GF Contribution                     | -£155,000      | -£136,050      | -£136,050      | -£136,050      | -£136,050  |
| Roofing                                    | £2,000,000     | £2,000,000     | £1,500,000     | £1,500,000     | £1,000,000 |
| Contingency                                | £250,000       | £250,000       | £228,000       | £260,000       | £158,000   |
| Asbestos Removal                           | 400,000        | £400,000       | £400,000       | £400,000       | £300,000   |
| CDM  | £100,000       | £100,000       | £50,000        | £50,000        | £50,000    |
| Damp                                       | £600,000       | £600,000       | £ 100,000      | £600,000       | £400,000   |
| Structural                                 | 1,000,000      | £1,000,000     | £500,000       | £500,000       | £540,000   |
| H&S  | £100,000       | £100,000       | £100,000       | £100,000       | £100,000   |
| IT   | £400,000       | £100,000       | £50,000        | £80,000        | £ 30,000   |
| Water Tanks                                | £50,000        | £50,000        | £50,000        | £50,000        |            |
| Energy Delivery Programme - Yr 1 only      | £1,000,000     |                |                |                |            |
| Communal boilers                           | £103,443       |                |                |                |            |
| Planned works - ASC                        | £ 300,000      |                |                |                |            |
| Joyners Field Cladding                     | £1,735,924     |                |                |                |            |
| Property conversion                        | £ 842,103      |                |                |                |            |
|  | £25,491        | £22,604        | £19,236        | £19,059        | 15,998     |
| <b>Total Core Programme</b>                | <b>£25,491</b> | <b>£22,604</b> | <b>£19,236</b> | <b>£19,059</b> | 15,998,950 |

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## **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.**

Ongoing programme of works delivered to homes to ensure they remain compliant with the Decent Homes Standard by replacement of failing components associated with boilers, kitchen and bathroom renewals and electrical rewires. Programmes continued to be developed through use of the stock condition data.

#### **Continuation of the Council’s External Works Programme against a revised specification.**

The programme of works consists of an 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 has been undertaken to ensure the programme is aligned to the Housing Investment programme and customer feedback. Due to the escalating cost of works and feedback a comprehensive review of the scope of works for the programme was undertaken and it was determined through this that the Council would revert to a component failure only programme of works. Key factors in determining the change to the scope of works centered around budget allocation and the increased cost of materials, which has required the Council to review priorities to deal with the increased demand for roofing works.

#### **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:

- Prioritising of works associated with Damp/mould.
- Roofing works – ensuring properties are wind and water tight and that roofing works are treated as a priority.
- Annual review of the repairs scope of works to ensure scope is fit for purpose.
- Review lighting requirements within communal areas and garage blocks to ensure assets remain compliant.
- 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.
- Undertake a programme of works to upgrade/renew communal water tanks.
- Continued roll out of the Fire Safety works for tower blocks.
- Continued a proactive programme of Fire Safety works to Supported Housing schemes.

### **Tackling fuel poverty within the Council's tenant base through improvements in the Energy Efficiency of the housing.**

Targeted Improvement Works to the worst performing, most energy inefficient housing units (Energy Performance Certificate rated E & F) 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 - An application has been submitted for Phase 2 of the Social Housing Decarbonisation fund.
- 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.
- 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.
- Undertake Retrofit pilots within the Milward's estate of a street property.

**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.
- Conversion of a large 6 property into shared temporary accommodation to meet the increase in the demand for temporary accommodation.

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

- 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.
- Garages, parking and energy feasibility study is now in progress with a pilot planned in Potter Street in 2024 which looks at using garage roof space to support the generation of onsite renewable energy through the use of solar panels.
- Development of a programme for the installation of electrical vehicle charging points within estates.

**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
- Ensure 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.**

**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:**

- Enhance and refine the process associated with the programme of cyclical painting which addresses immediate priorities of worst condition aligned to the Housing Investment Plan programme of works.
- Evaluate the use and need for bin storage including a replacement and refurbishment programme to sheds 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 program of works to improve the infrastructure within estates ensuring ongoing environmental improvements.
- 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 and is in a position to apply for grant funding to support energy projects as funding streams are released. Key to this is having a pipeline of projects.
- Temporary Accommodation – continue to ensure a supply of good quality accommodation to meet identified demand. Continue to identify opportunities for New Build and exploring options for its funding, delivery and long term ownership.

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

| Year | Year    | Income          |              |              | Expenditure |               |                         |                     |            |                 |              | Net Operating (Exp.) | Repay of loans | RCCO          | Surplus (Deficit) for the Year | Surplus (Deficit) b/fwd | Interest     | Surplus (Deficit) c/fwd |
|------|---------|-----------------|--------------|--------------|-------------|---------------|-------------------------|---------------------|------------|-----------------|--------------|----------------------|----------------|---------------|--------------------------------|-------------------------|--------------|-------------------------|
|      |         | Net rent Income | Other Income | Total Income | Management  | Depreciation. | Responsive and Cyclical | Other Revenue spend | Total exp. | Capital Charges |              |                      |                |               |                                |                         |              |                         |
|      |         | £,000           | £,000        | £,000        | £,000       | £,000         | £,000                   | £,000               | £,000      | £,000           | £,000        | £,000                | £,000          | £,000         | £,000                          | £,000                   | £,000        | £,000                   |
| 1    | 2022.23 | 45,478          | 6,446        | 51,923       | 19,149      | -11,543       | -12,659                 | -375                | 43,726     | -6,854          | <b>1,343</b> | 0                    | -7,191         | <b>-5,848</b> | <b>12,372</b>                  | <b>56</b>               | <b>6,581</b> |                         |
| 2    | 2023.24 | 48,499          | 6,961        | 55,460       | 20,459      | -12,417       | -14,488                 | -502                | 47,866     | -7,131          | <b>463</b>   | 0                    | -3,583         | <b>-3,120</b> | <b>6,581</b>                   | <b>69</b>               | <b>3,529</b> |                         |
| 674  | 2024.25 | 51,535          | 7,449        | 58,983       | 21,891      | -13,222       | -13,012                 | -537                | 48,663     | -7,704          | <b>2,616</b> | 0                    | -2,704         | <b>-88</b>    | <b>3,529</b>                   | <b>88</b>               | <b>3,529</b> |                         |
|      | 2025.26 | 53,196          | 7,709        | 60,905       | 22,657      | -13,683       | -13,388                 | -556                | 50,285     | -7,910          | <b>2,711</b> | 0                    | -2,802         | <b>-91</b>    | <b>3,529</b>                   | <b>91</b>               | <b>3,529</b> |                         |
| 5    | 2026.27 | 54,484          | 7,941        | 62,424       | 24,980      | -14,015       | -13,707                 | -573                | 53,275     | -8,240          | <b>909</b>   | 0                    | -1,007         | <b>-98</b>    | <b>3,529</b>                   | <b>98</b>               | <b>3,529</b> |                         |
| 6    | 2027.28 | 55,532          | 8,179        | 63,711       | 25,729      | -14,355       | -14,034                 | -590                | 54,708     | -8,271          | <b>732</b>   | 0                    | -800           | <b>-68</b>    | <b>3,529</b>                   | <b>118</b>              | <b>3,579</b> |                         |
| 7    | 2028.29 | 56,599          | 8,424        | 65,023       | 26,501      | -14,703       | -14,179                 | -608                | 55,990     | -8,271          | <b>762</b>   | 0                    | -812           | <b>-50</b>    | <b>3,579</b>                   | <b>132</b>              | <b>3,661</b> |                         |
| 8    | 2029.30 | 57,684          | 8,677        | 66,361       | 27,296      | -15,058       | -14,515                 | -626                | 57,496     | -8,276          | <b>589</b>   | 0                    | -721           | <b>-132</b>   | <b>3,661</b>                   | <b>123</b>              | <b>3,652</b> |                         |
| 9    | 2030.31 | 58,788          | 8,937        | 67,726       | 28,115      | -15,422       | -14,860                 | -645                | 59,041     | -8,400          | <b>284</b>   | 0                    | -500           | <b>-216</b>   | <b>3,652</b>                   | <b>113</b>              | <b>3,549</b> |                         |
| 10   | 2031.32 | 59,912          | 9,205        | 69,117       | 28,958      | -15,794       | -13,859                 | -664                | 59,275     | -8,408          | <b>1,434</b> | 0                    | -1,352         | <b>82</b>     | <b>3,549</b>                   | <b>111</b>              | <b>3,742</b> |                         |
| 11   | 2032.33 | 61,055          | 9,481        | 70,536       | 29,827      | -16,174       | -14,186                 | -684                | 60,872     | -8,399          | <b>1,265</b> | -470                 | -1,000         | <b>-205</b>   | <b>3,742</b>                   | <b>124</b>              | <b>3,661</b> |                         |
| 12   | 2033.34 | 62,217          | 9,766        | 71,983       | 30,722      | -16,563       | -14,237                 | -705                | 62,227     | -8,378          | <b>1,377</b> | -992                 | -500           | <b>-115</b>   | <b>3,661</b>                   | <b>127</b>              | <b>3,674</b> |                         |
| 13   | 2034.35 | 63,400          | 10,059       | 73,459       | 31,644      | -16,961       | -14,573                 | -726                | 63,903     | -8,406          | <b>1,150</b> | -289                 | -1,000         | <b>-140</b>   | <b>3,674</b>                   | <b>122</b>              | <b>3,656</b> |                         |
| 14   | 2035.36 | 64,603          | 10,361       | 74,963       | 32,593      | -17,368       | -14,915                 | -747                | 65,624     | -8,391          | <b>949</b>   | -566                 | -500           | <b>-117</b>   | <b>3,656</b>                   | <b>125</b>              | <b>3,664</b> |                         |

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

| Year | Year    | Income          |              |              | Expenditure |              |                         |                     |            |                 |       | Net Operating (Exp.) | Repay of loans | RCCO | Surplus (Deficit) for the Year | Surplus (Deficit) b/fwd | Interest | Surplus (Deficit) c/fwd |
|------|---------|-----------------|--------------|--------------|-------------|--------------|-------------------------|---------------------|------------|-----------------|-------|----------------------|----------------|------|--------------------------------|-------------------------|----------|-------------------------|
|      |         | Net rent Income | Other Income | Total Income | Management  | Depreciation | Responsive and Cyclical | Other Revenue spend | Total exp. | Capital Charges |       |                      |                |      |                                |                         |          |                         |
| 15   | 2036.37 | 65,826          | 10,671       | 76,497       | 33,571      | -17,784      | -15,265                 | -770                | 67,390     | -8,374          | 733   | -361                 | -500           | -128 | 3,664                          | 126                     | 3,662    |                         |
| 16   | 2037.38 | 67,070          | 10,992       | 78,061       | 34,578      | -18,209      | -15,623                 | -793                | 69,203     | -8,370          | 488   | -119                 | -500           | -131 | 3,662                          | 132                     | 3,663    |                         |
| 17   | 2038.39 | 68,335          | 11,321       | 79,656       | 35,615      | -18,644      | -14,556                 | -817                | 69,632     | -8,358          | 1,666 | -1,278               | -500           | -112 | 3,663                          | 146                     | 3,698    |                         |
| 18   | 2039.40 | 69,621          | 11,661       | 81,282       | 36,684      | -19,088      | -14,896                 | -841                | 71,509     | -8,329          | 1,445 | -406                 | -1,200         | -162 | 3,698                          | 144                     | 3,680    |                         |
| 19   | 2040.41 | 70,929          | 12,011       | 82,940       | 37,784      | -19,543      | -15,243                 | -866                | 73,436     | -8,307          | 1,197 | -833                 | -500           | -136 | 3,680                          | 137                     | 3,680    |                         |
| 20   | 2041.42 | 72,259          | 12,371       | 84,631       | 38,918      | -20,007      | -15,597                 | -892                | 75,415     | -8,286          | 930   | -571                 | -500           | -141 | 3,680                          | 158                     | 3,697    |                         |
| 21   | 2042.43 | 73,612          | 12,742       | 86,354       | 40,085      | -20,482      | -15,960                 | -919                | 77,446     | -8,269          | 639   | -155                 | -500           | -16  | 3,697                          | 181                     | 3,862    |                         |
| 22   | 2043.44 | 74,986          | 13,124       | 88,111       | 41,288      | -20,967      | -16,329                 | -947                | 79,531     | -8,267          | 313   | 0                    | -500           | -187 | 3,862                          | 186                     | 3,861    |                         |
| 23   | 2044.45 | 76,383          | 13,518       | 89,902       | 42,526      | -21,463      | -16,707                 | -975                | 81,671     | -8,267          | -36   | 0                    | -500           | -536 | 3,861                          | 204                     | 3,529    |                         |
| 24   | 2045.46 | 77,804          | 13,924       | 91,727       | 43,802      | -21,969      | -15,410                 | -1,004              | 82,186     | -8,253          | 1,288 | -774                 | -500           | 14   | 3,529                          | 206                     | 3,748    |                         |
| 25   | 2046.47 | 79,247          | 14,341       | 93,589       | 45,116      | -22,487      | -15,765                 | -1,035              | 84,403     | -8,237          | 949   | -165                 | -1,000         | -216 | 3,748                          | 166                     | 3,698    |                         |
| 26   | 2047.48 | 80,714          | 14,772       | 95,486       | 46,470      | -23,016      | -16,128                 | -1,066              | 86,679     | -8,255          | 552   | 0                    | -500           | 52   | 3,698                          | 148                     | 3,898    |                         |
| 27   | 2048.49 | 82,205          | 15,215       | 97,420       | 47,864      | -23,557      | -16,497                 | -1,098              | 89,016     | -8,276          | 128   | 0                    | -500           | -372 | 3,898                          | 158                     | 3,684    |                         |
| 28   | 2049.50 | 83,720          | 15,671       | 99,392       | 49,300      | -24,109      | -15,340                 | -1,131              | 89,880     | -8,295          | 1,217 | 0                    | -1,100         | 117  | 3,684                          | 161                     | 3,963    |                         |
| 29   | 2050.51 | 85,260          | 16,141       | 101,401      | 50,779      | -24,674      | -15,690                 | -1,164              | 92,307     | -8,352          | 742   | 0                    | -900           | -158 | 3,963                          | 158                     | 3,962    |                         |

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

| Year | Year    | Income          |              |              | Expenditure |              |                         |                     |            |                 |     | Net Operating (Exp.) | Repay of loans | RCCO | Surplus (Deficit) for the Year | Surplus (Deficit) b/fwd | Interest | Surplus (Deficit) c/fwd |
|------|---------|-----------------|--------------|--------------|-------------|--------------|-------------------------|---------------------|------------|-----------------|-----|----------------------|----------------|------|--------------------------------|-------------------------|----------|-------------------------|
|      |         | Net rent Income | Other Income | Total Income | Management  | Depreciation | Responsive and Cyclical | Other Revenue spend | Total exp. | Capital Charges |     |                      |                |      |                                |                         |          |                         |
| 30   | 2051.52 | 86,824          | 16,626       | 103,450      | 52,302      | -25,250      | -16,048                 | -1,199              | 94,799     | -8,431          | 219 | 0                    | -800           | -581 | 3,962                          | 157                     | 3,538    |                         |

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

|      |         | Expenditure        |                             |                   | Financing |                  |                    |       |        |       |                 |
|------|---------|--------------------|-----------------------------|-------------------|-----------|------------------|--------------------|-------|--------|-------|-----------------|
| Year | Year    | Major Works & Imps | New Build Development Costs | Total Expenditure | Borrowing | RTB 141 Receipts | Other RTB Receipts | Other | MRR    | RCCO  | Total Financing |
|      |         | £,000              | £,000                       | £,000             | £,000     | £,000            | £,000              | £,000 | £,000  | £,000 | £,000           |
| 1    | 2022.23 | 21,774             | 3,161                       | 24,935            | 0         | 1,228            | 1,646              | 3,541 | 11,329 | 7,191 | 24,935          |
| 2    | 2023.24 | 25,491             | 13,400                      | 38,891            | 15,347    | 5,320            | 1,710              | 300   | 12,631 | 3,583 | 38,891          |
| 3    | 2024.25 | 22,604             | 17,365                      | 39,969            | 14,959    | 6,946            | 1,838              | 300   | 13,222 | 2,704 | 39,969          |
| 4    | 2025.26 | 19,236             | 0                           | 19,236            | 546       | 0                | 1,906              | 300   | 13,683 | 2,802 | 19,236          |
| 5    | 2026.27 | 19,059             | 0                           | 19,059            | 1,772     | 0                | 1,965              | 300   | 14,015 | 1,007 | 19,059          |
| 6    | 2027.28 | 15,998             | 0                           | 15,998            | 0         | 0                | 2,026              | 300   | 12,872 | 800   | 15,998          |
| 7    | 2028.29 | 18,398             | 0                           | 18,398            | 0         | 0                | 2,090              | 300   | 15,196 | 812   | 18,398          |
| 8    | 2029.30 | 18,835             | 0                           | 18,835            | 0         | 0                | 2,155              | 300   | 15,659 | 721   | 18,835          |
| 9    | 2030.31 | 19,281             | 0                           | 19,281            | 447       | 0                | 2,222              | 300   | 15,812 | 500   | 19,281          |
| 10   | 2031.32 | 19,738             | 0                           | 19,738            | 0         | 0                | 2,292              | 300   | 15,794 | 1,352 | 19,738          |
| 11   | 2032.33 | 18,810             | 0                           | 18,810            | 0         | 0                | 2,363              | 300   | 15,147 | 1,000 | 18,810          |
| 12   | 2033.34 | 20,546             | 0                           | 20,546            | 0         | 0                | 2,437              | 300   | 17,309 | 500   | 20,546          |
| 13   | 2034.35 | 20,756             | 0                           | 20,756            | 0         | 0                | 2,512              | 300   | 16,944 | 1,000 | 20,756          |
| 14   | 2035.36 | 20,698             | 0                           | 20,698            | 0         | 0                | 2,591              | 300   | 17,308 | 500   | 20,698          |
| 15   | 2036.37 | 21,223             | 0                           | 21,223            | 0         | 0                | 2,671              | 300   | 17,752 | 500   | 21,223          |
| 16   | 2037.38 | 21,489             | 0                           | 21,489            | 0         | 0                | 2,754              | 300   | 17,935 | 500   | 21,489          |
| 17   | 2038.39 | 21,311             | 0                           | 21,311            | 0         | 0                | 2,840              | 300   | 17,671 | 500   | 21,311          |
| 18   | 2039.40 | 25,023             | 0                           | 25,023            | 0         | 0                | 2,928              | 300   | 20,595 | 1,200 | 25,023          |
| 19   | 2040.41 | 22,764             | 0                           | 22,764            | 0         | 0                | 3,019              | 300   | 18,945 | 500   | 22,764          |
| 20   | 2041.42 | 22,583             | 0                           | 22,583            | 0         | 0                | 3,113              | 300   | 18,671 | 500   | 22,583          |
| 21   | 2042.43 | 23,802             | 0                           | 23,802            | 0         | 0                | 3,209              | 300   | 19,793 | 500   | 23,802          |
| 22   | 2043.44 | 25,641             | 0                           | 25,641            | 0         | 0                | 3,309              | 300   | 21,532 | 500   | 25,641          |

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

|    |         | Expenditure |   |        | Financing |   |       |     |        |       |        |
|----|---------|-------------|---|--------|-----------|---|-------|-----|--------|-------|--------|
|    |         |             |   |        |           |   |       |     |        |       |        |
| 23 | 2044.45 | 23,273      | 0 | 23,273 | 0         | 0 | 3,411 | 300 | 19,061 | 500   | 23,273 |
| 24 | 2045.46 | 28,709      | 0 | 28,709 | 0         | 0 | 3,517 | 300 | 24,392 | 500   | 28,709 |
| 25 | 2046.47 | 29,370      | 0 | 29,370 | 0         | 0 | 3,626 | 300 | 24,444 | 1,000 | 29,370 |
| 26 | 2047.48 | 28,975      | 0 | 28,975 | 1,209     | 0 | 3,738 | 300 | 23,228 | 500   | 28,975 |
| 27 | 2048.49 | 27,332      | 0 | 27,332 | 0         | 0 | 3,854 | 300 | 22,679 | 500   | 27,332 |
| 28 | 2049.50 | 31,437      | 0 | 31,437 | 1,077     | 0 | 3,973 | 300 | 24,988 | 1,100 | 31,437 |
| 29 | 2050.51 | 32,155      | 0 | 32,155 | 2,186     | 0 | 4,096 | 300 | 24,674 | 900   | 32,155 |
| 30 | 2051.52 | 32,888      | 0 | 32,888 | 2,316     | 0 | 4,222 | 300 | 25,250 | 800   | 32,888 |

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

| Cost/Income Type                                 | Assumption  | Rationale  | Risk  | Effect/Mitigation   | Different From 2021/22 Plan?  |
|--|---|--|---|---|---|
| Stock Numbers and Average Rents                  | Stock numbers (starting stock 9,098) 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                                   | For 2023/24, the rent increase is capped at 7%. For 2024/25 until 2026/27, Consumer Prices Index (CPI) +1%, then CPI + 0.5% thereafter. | The Government has capped rent increases at 7% for 2023/24, then announced the reversion to a CPI +1% policy from 2024/25. However, after this, it may change. | We have already experienced changes in Government Policy that have had a huge detrimental impact on the HRA Business Plan (including the rent-capping this year). | 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. | Yes – the rent-capping was a change from the continuation of the CPI +1% policy expected last year. |
| Management, Maintenance and Other Cost Inflation | For 2023/24, inflation has been capped at 8%. Retail Prices Index (RPI) thereafter.   | RPI is usually used for cost inflation, but inflation has had to be capped for 2023/24 due to the rent increase cap.   | If RPI outstrips rent increases again (as was the case for 2022/23 and now 2023/24), 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.                            | Yes – inflation has been capped for 2023/24 due to the rent increase cap.                           |

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

| Cost/Income Type                                 | Assumption  | Rationale  | Risk   | Effect/Mitigation  | Different From 2021/22 Plan?  |
|--|---|--|--|--|---|
| Rental Income                                    | Rental Income starts at £45.478m in 2022/23. Service Charge Income is £5.705m.  | These figures come from the rent system.   | There is a risk that, for 2023/24, a rent increase of 7% 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  |
| 155<br>Management and Maintenance Costs          | Management and Maintenance Costs in 2022/23 are predicted to be £31.947m. In 2023/24, the budget will be £35.043m.                              | The 2022/23 figures are taken from the base budget plus carry forwards plus Quarter 2 monitoring, 2023/24 figures are reflected in the Straw Budget. | N/A  | N/A  | The rationale is no different, but there have been some significant variations to the budget (a reduction in pension costs and an increase in backlog repairs). |
| Capital Programme – Major Works                  | £21.8m in 2022/23, £25.5m in 2023/24 and £22.6m in 2024/25, reducing to circa £19m for the following seven years.                               | The programme has been maintained at the investment level agreed last year.  | N/A  | N/A  | Yes – the plan now includes an additional £2m for roofing.  |
| Capital Programme – Estate Renewal and New Build | Nine new build schemes (of which two are complete) delivering 73 new homes are included in the plan. The total investment required is £33.926m. | The Council has a priority to build new Council Housing and this pipeline kickstarts its delivery ambition over the next three years.                | The unit costs to deliver the schemes is relatively high, interest rates to borrow to fund them is more costly and rents proposed are relatively low.  | The viability of the schemes which have not yet started needs to be updated and affordable to the Council.           | Yes – overall costs appear to have increased.   |

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

| Cost/Income Type  | Assumption   | Rationale   | Risk   | Effect/Mitigation   | Different From 2021/22 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   | No   |
| Depreciation  | £11.543m in 2022/23 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 – 52 in 2022/23, 50 per year thereafter. 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.  | N/A   | Yes – the previous figure for RTB sales was 43 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, which it keeps up to date, in order to be able to plan ahead and understand its financial position in relation to the scheme.                          | No   |

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

| Cost/Income Type           | Assumption   | Rationale   | Risk   | Effect/Mitigation   | Different From 2021/22 Plan?  |
|----------------------------|--|---|--|---|---|
| Interest Rate on Borrowing | Each current loan has a fixed interest rate which is reflected in the plan. Replacement and new loans attract an interest rate of 4.5% during the first three years, then 4% in 2025/26, then 3.5% thereafter.   | Current loan interest rates are fixed. The medium-term interest rates applied to new loans are 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).     | Yes – early years' interest rates are higher than the 3.5% predicted last year. |
| Interest Rate on Balances  | 0.38% in 2022/23, 1% in 2023/24 rising to 2% from 2024/25 onwards  | The 2022/23 rate is the sort of rate that has been received on investments for some considerable time, but rates are now predicted to increase.   | Low risk to the Business Plan.   | N/A   | Yes – the interest rate on balances is now expected to be higher in future.     |
| 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 the predicted interest rate for the year). New loans are taken out as necessary to fund the current Capital Programme and some repayments (totalling £7m) can be made in future. | 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 £22,954 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 £1,365.000m. | Yes – no repayments were predicted last year.                                   |

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

| <b>Cost/Income Type</b> | <b>Assumption</b> | <b>Rationale</b>                                       | <b>Risk</b>                    | <b>Effect/Mitigation</b> | <b>Different From 2021/22 Plan?</b>                            |
|-------------------------|-------------------|--|--------------------------------|--------------------------|--|
| Minimum Revenue Balance | £3.529m.          | Based on £389 per dwelling for unforeseen emergencies. | Low risk to the Business Plan. | N/A                      | Yes – the previous minimum revenue balance was set at £4.563m. |

## 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"> <li>✓ Operate Staff Alert List Partnership links with MAPPA, Police and Social Services Issue of mobile phones to staff working out of the office.</li> <li>✓ Bespoke assessment of safe working practices where required.</li> <li>✓ Safety Committee.</li> <li>✓ Accident/incident reporting and investigation.</li> <li>✓ DSE assessments.</li> </ul> | 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.                         |   |         | Deterioration in staff morale.  | 1.3 All HPMT managers need to ensure that all lone workers are signed up and on the system. | Staff Time |
|                           |                              | Increase in compensation claims from staff. |   |         | Reputational damage.  | 1.4 Carry out a full Departmental review, section by section, to understand risks.          | Staff Time |
|                           |                              | Impact on service delivery.                 |   |         |   |   |            |

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



|   |   |  |  |      |   |            |
|---|---|--|--|------|---|------------|
| <p>3. Failure to comply with housing regulatory, statutory standards.</p> | <p>Lack of adequate training or failure to comply with policies &amp; procedures.</p> <p>Lack of appropriate performance management .</p> <p>Low staff morale.</p> <p>Inadequate supervision and management procedures.</p> <p>Fraud &amp; 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&amp;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"> <li>✓ Effective supervision and management controls in place including; one to ones, team meetings, appraisals, training, recruitment &amp; selection, capability etc.</li> <li>✓ Performance management framework being developed and implemented.</li> <li>✓ Corporate audit plans in place and service specific management audits in place.</li> <li>✓ Promotion of corporate policies, including; Anti-Fraud &amp; Corruption Strategy, Bribery Act 201, Internal Audit guidance notes, Whistleblowing Policy, Money laundering Policy, Employee Code of Conduct.</li> <li>✓ Compliance with Standing orders, Code of Financial Practice.</li> <li>✓ Separation of duties and declarations of interests.</li> <li>✓ Effective budgetary control.</li> <li>✓ Electronic devices have integrated security systems so that systems cannot be accessed if they are stolen.</li> </ul> | SHMT | <p>3.1 Continuously update all policies and procedures to ensure that they are up-to-date, relevant and compliant..</p> | Staff time |
|---|---|--|--|------|---|------------|

|   |  |   |   |      |  |                                     |
|---|--|---|---|------|--|-------------------------------------|
| <p>4. Significant loss of staff &amp; 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 &amp; 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. Death or ill health</p> | <ul style="list-style-type: none"> <li>✓ 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.</li> <li>✓ Mobile (home) working practices in place.</li> <li>✓ Proactive assessment of upcoming events including reviewing Weather warnings sent by Community Protection and putting in place appropriate mitigations.</li> </ul> | SHMT | <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> |
|---|--|---|---|------|--|-------------------------------------|

|  |   |   |  |      |  |   |
|--|---|---|--|------|--|---|
| <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"> <li>✓ Fire risk assessments updated and reviewed.</li> <li>✓ Compliance services testing programmes (gas/electric/fire/asbestos /evacuation procedures and firefighting equipment).</li> <li>✓ Communications to tenant and leaseholders.</li> <li>✓ Fire risk assessment priorities and resourced.</li> </ul>                                    | SHMT | <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> |
| <p>6. Unsustainable Business Plan</p>              | <p>Significant variances in the assumptions that underpin the Business Plan.</p>  | <p>Reduction in services.</p> <p>Reduction in delivery of house building.</p>   | <ul style="list-style-type: none"> <li>✓ Regular review of Business Plan performance which is reported to Cabinet quarterly.</li> <li>✓ Business Plan is updated annually and reported to Cabinet and Council for approval.</li> <li>✓ All significant decisions are evaluated and impact on the Business Plan is considered, reviewed, and sensitivity analysis applied.</li> </ul> | SHMT | <p>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.</p> | <p>Staff time</p>                                     |

|  |  |  |  |               |   |                              |
|--|--|--|--|---------------|---|------------------------------|
| 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"> <li>✓ Keep abreast of National policy developments and any changes in Government thinking.</li> <li>✓ Any change in the Law that affects all Councils.</li> </ul>   | 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<br>Power failure<br>Loss of control centre (Tunstalls) | Death or ill-health<br>Reputational damage<br>Litigation | <ul style="list-style-type: none"> <li>✓ Business Continuity arrangements formalised with external providers (Tunstalls)</li> <li>✓ Corporate ICT available.</li> <li>✓ Business resilience reviews (TSA accreditation) external accreditation established.</li> </ul> | SHMT          | 8.1 Regular review of core performance monitoring against targets<br><br>8.2 Contract review period   | Staff time<br><br>Staff time |

DRAFT



# **Tenancy Agreement**

DRAFT

Updated: January 2023

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# 1. DEFINITIONS

**This section sets out the meaning of some of the words used within this tenancy agreement.**

**Allocations Scheme** – The Council’s allocations scheme (as amended from time to time) setting out how it lets its homes. A copy is available on the Council’s website.

**Anti-social behaviour** - Behaviour or conduct causing or likely to cause nuisance, annoyance, harassment, alarm or distress to a person residing, visiting or otherwise engaging in a lawful activity in the locality of your home.

**Assign/Assignment** – A method for transferring your tenancy to someone else, including by way of mutual exchange with another tenant.

**Communal areas/ Common Parts** – All parts of the property which are shared with other residents, for example, shared hallways, shared stairs, shared landings, shared gardens.

**The Council** – Harlow District Council; also includes officers of the Council and agents or contractors acting on the Council’s behalf.

**Family member** – The definition of family member is that set out in the Housing Act 1985, unless stated otherwise.

**Fixtures and fittings** – All appliances and furnishings (not removable furniture) including those for supplying or using gas, electricity and water.

**Improvement** – Any alteration, addition or structural alteration to your home to make it better or to change it that is made by you or on your behalf, which was not there when you moved in. For example, additional building work inside or outside your home, the erection of aerials or satellite dishes, the installation of new kitchens or bathrooms or fires etc. This also includes new or replacement sheds and/or fences.

**Introductory tenancy** – An introductory tenancy is a periodic weekly tenancy granted under the Housing Act 1996. An “introductory tenant” is a tenant under an introductory tenancy, and the “introductory period” is the duration of the introductory tenancy (usually one year, but this can be extended in some circumstances).

**Joint tenancy** – any tenancy awarded to 2 or more persons.

**Legislation** - A law or a set of laws that have been passed by Parliament; this includes Acts of Parliament (such as the Housing Act 1985) as well as Codes, Orders, Regulations and Rules.

**Locality** – The local area where you live. The area will include property which is privately owned or rented and property which is owned or managed by the Council or housing associations and may include local shops, and facilities, for example schools, and open spaces.

**Lodger** – A lodger is a person who lives in your home but does not have exclusive rights to any part of it.

**Personal property** – All personal items which belong to you or a member of your household including curtains, furniture and floor coverings such as carpet.

**The property/your home** – The dwelling house, flat, maisonette or other dwelling in which you live, including any garden or land which is for your use exclusively, but excluding any communal areas.

**Secure tenancy** – In the context of this tenancy agreement this means a secure periodic weekly tenancy granted under the Housing Act 1985. A “secure tenant” and other similar terms should be construed accordingly.

**Sub-let/sub-tenant** – Letting another person (called the sub-tenant) live in all or part of your home. You are not allowed to sub-let the whole of the property and may only sub-let part of the property with the Council’s prior written permission.

**Succession** – When a tenant dies, and either the existing tenant or someone else living at the property, such as a spouse or family member, takes over the tenancy.

**Tenancy Agreement** – This agreement which is a legally binding contract. It consists of this booklet and your signed agreement.

**Terms and conditions** – Any or all of the sections of this tenancy agreement.

**Tort Notice** – Notice served under the provisions of the Torts (Interference with Goods) Act 1977.

**Written permission** – Confirmation in writing from the Council giving you permission to do something. Any permission sought will not be unreasonably withheld, but may be given subject to reasonable conditions and may be withdrawn if those conditions are not met. Permission must be given in writing to be valid permission and must be obtained prior to the carrying out of the action(s) for which the permission is sought.

**You/tenant** – The tenant and if you are a joint tenant, any one or all of the joint tenants.

**Your household** – You, your family and any other people living in your home including any adult family members, other adults, children under 18 years old, lodgers, sub-tenants and visitors to your home.

## **2. ABOUT YOUR TENANCY AGREEMENT**

2.1 References to Acts and Regulations in this agreement are references to the legislation applicable at the date of this tenancy agreement or as subsequently amended, or such relevant legislation that is in force after repeal of the Acts and Regulations referred to herein.

2.2 References to Council policies and procedures within this agreement are Harlow Council Housing Services Business Plan 2022-2052  
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referenced to the policies and procedures that are applicable at the date of this tenancy agreement or as subsequently amended from time to time, or such relevant policies and procedures that are later introduced as they relate to this tenancy agreement.

- 2.3 This tenancy agreement is a legal contract describing the terms and conditions of your tenancy and your rights and responsibilities as a tenant. You should read the agreement and conditions thoroughly and keep them in a safe place. If there is anything you do not understand please contact your Housing Officer via Contact Harlow or seek legal advice before you sign this contract.
- 2.4 This tenancy agreement describes either your secure tenancy under the terms of the Housing Act 1985, or your introductory tenancy under the Housing Act 1996. Whichever tenancy you have, it is important for you to know your rights and responsibilities.
- 2.5 It is important you understand that if you break any of the terms or conditions of this agreement the Council may take enforcement action against you. This could ultimately result in the termination of your tenancy and you and your household losing your home.
- 2.6 You are responsible for the behaviour of every person in your household including children and people living in or visiting the property. You are responsible for their behaviour in the property, in communal areas and in the locality around the property including shopping centres and other public areas.
- 2.7 Where any term or condition of this tenancy agreement requires you to get written permission from the Council, such permission will not be unreasonably withheld, but it may be given subject to reasonable conditions and may be withdrawn if those conditions are not met and **must** be obtained prior to the carrying out of the action(s) for which the permission is sought.
- 2.8 **TRUSTEES**  
Any tenancy given to someone under the age of 18 is conditional upon a responsible person signing this Agreement on their behalf as a trustee. That person accepts that any Notices or demands for payment served under this Agreement can be served on the trustee until the tenant reaches the age of 18.

### **3. TENANCY FRAUD**

The Council is committed to the identification and prevention of housing and tenancy fraud. Tenancy fraud is when a tenant provides false information to gain a property, sublets the property to someone else, or does not use the property as their only or main home.

The Council will share relevant information with third parties for the purposes of preventing, investigating and tackling tenancy fraud. When sharing personal information, we will comply with all aspects of the UK General Data Protection Regulations (GDPR) and the Data Protection Act (DPA) 2018.

Please see Clause 23 for further information about the Council's obligations as a data controller, how the Council will process your personal data and your rights in relation to the personal data we hold about you.

### 3.1 Tenant Identification

You agree to the Council or its managing agents taking a photograph of you when signing for your tenancy. Copies of your photograph will be kept on your housing file. This is to assist the Council in preventing housing fraud in relation to Council properties.

3.1.1 The Council may conduct periodic home visits to the properties it rents to tenants. If requested by the Council you must provide proof:

- of your identity and the identity of anyone living with you; and
- that you are living in the property as your only or principal home.

### 3.2 False statements

You or someone acting on your behalf must not make a statement which:

- You know is false
- You thought could be false; or
- Involves you in any way supplying information which may deceive an officer of the Council or its agents in allocating you this property.

### 3.3 Unlawful Subletting

Under the Prevention of Social Housing Fraud Act 2013 it is a criminal offence for a secure tenant to sub-let or part with possession of the property in breach of their tenancy agreement.

Section 7.3 of this agreement sets out your tenancy conditions in relation to sub-letting. Where a tenant breaches these conditions the Council may seek possession of the property, and the Council may also prosecute the tenant under the Prevention of Social Housing Fraud Act 2013, which could include seeking an unlawful profit order.

## 4. INTRODUCTORY TENANTS

If you have transferred to this property from another secure Council tenancy, or from another registered social landlord then you will automatically be a secure tenant and should refer to section 5.

This section applies to introductory tenants only.

4.1 If you are an introductory tenant your tenancy agreement will be completed to show the date that your tenancy will become a secure tenancy, provided that there are no breaches of this Agreement.

4.2 An introductory tenancy is a **12-month trial period** (unless it is extended) to allow you to show that you can comply with the terms of a Council tenancy. If

you keep to the terms of this tenancy agreement, and the Council has not started possession proceedings during the introductory period, then you will automatically become a secure tenant at the end of the introductory period.

- 4.3 If you do not comply with the terms of your introductory tenancy, the Council has the right to extend your introductory tenancy by an additional six months. Before taking this action, the Council will give you notice of its intention to do this, and you will have the right to request a review of the decision to extend your introductory tenancy.
- 4.4 If you do not comply with the terms of your tenancy agreement the Council can also apply to the Court for a possession order, and seek your eviction from the property. Before applying to Court the Council has to give you notice and tell you the reasons why it is evicting you and you will have the right to request a statutory review of the decision.

As an introductory tenant you have fewer legal rights than a secure tenant, and it is more straightforward for the Council to evict you if you do not keep to the terms of this tenancy agreement.

- 4.5 While you are an introductory tenant you do not have the right to:
- Take in lodgers
  - Carry out improvements to the property
  - Transfer the tenancy (other than by an assignment under Housing Act 1996 – see 7.1 below)
  - Exchange properties with another tenant
  - Exercise the Right to Buy the property.

## 5. SECURE TENANTS

This section applies to secure tenants only.

- 5.1 As a secure tenant you must comply with the terms and conditions of this tenancy agreement or the Council could take legal action against you.
- 5.2 While you are a secure tenant the Council can only end your tenancy by applying to Court for an order for possession for any of the valid reasons set out in the Housing Act 1985 (these are called Grounds). The Court will only grant a possession order if the Council can prove it has a valid reason to ask for possession. For some of the reasons the Council also has to prove it is reasonable for the Court to make a possession order or that there is suitable alternative accommodation available for you, or both.
- 5.3 Before making an application to Court for possession the Council will usually serve you with a Notice giving the reasons why it is seeking possession. You will have the chance to put your case to the Court if an application for possession is made. In limited circumstances the Council may be able to apply to Court without serving a Notice first, for example if there has been serious

anti-social behaviour or there is an urgent risk to a person or property (this is not an exhaustive list).

#### Absolute grounds for possession

- 5.4 In limited circumstances, specified within the Housing Act 1985, the Council does not have to prove to the Court that it would be reasonable for the Court to make a possession order. These are known as Absolute Grounds for possession, and apply if you or a member of your household have been proven to have committed certain criminal offences or anti-social behaviour. In these cases the Council only has to prove the Ground to the Court. Before applying to Court under an Absolute Ground, the Council has to give you notice and tell you the reasons why it is evicting you and you will have the right to request a statutory review of the decision.

#### Right to buy

- 5.5 In certain circumstances, you have the right to buy your home. You should contact the Council via Contact Harlow if you want to know more about your right to buy.

## **6. JOINT TENANTS**

- 6.1 If your tenancy is in joint names you will both have equal rights and responsibilities under the tenancy agreement.
- 6.2 If you hold a joint tenancy, either of you can end the tenancy by serving the Council with a Notice to Quit. This will end the tenancy for both of you, regardless of who serves the Notice. In these circumstances the remaining occupant may not be entitled to remain in the property.

A joint tenancy is a legal contract between the joint tenants and the Council, and each tenant is jointly and individually liable for complying with the terms of the tenancy agreement. These obligations remain for so long as the joint tenancy exists, even where one tenant leaves the property.

Once a joint tenancy is entered into, the parties to the tenancy cannot simply be removed or amended by the Council. In the event of one joint tenant leaving the property, both tenants should seek their own independent legal advice regarding the tenancy.

## **7. ASSIGNMENT, MUTUAL EXCHANGE, SUB-LETTING AND LODGERS**

### **7.1 Assignment**

Assignment means transferring your tenancy to someone else. Secure and Introductory tenants have the right to assign their tenancy to another person but only

in the limited circumstances as set out in the Housing Act 1985 and the Housing Act 1996, and only with the Councils permission. Generally, you can only pass your tenancy to another person if:

- (a) A Court Order is granted in matrimonial proceedings;
- (b) You exchange properties with another Council or Housing Association Tenant (a mutual exchange – see 7.2 below);
- (c) The other person (“the assignee”) is a person who would be qualified to succeed to the tenancy in the event of your death (see section 8 below).

Note: For an assignment to be legally effective under (b) and (c) above a formal **deed of assignment** must be used. More information on this process can be obtained from your Housing Officer.

## 7.2 Mutual Exchange

7.2.1 If you are a secure tenant you may have the right to swap your property (called a Mutual Exchange) with another tenant of the Council, a housing association or another local council, but you must get the Council’s written permission first and the written permission of any other landlord authority. The Council can only refuse permission or impose conditions on an exchange for the reasons set out in the Housing Act 1985.

7.2.2 If you exchange your property without the Council’s written permission we may take legal action to evict you. You may not be able to return to your original property and may not be offered alternative housing.

## 7.3 Subletting

Subletting means you granting a tenancy to someone else, or parting with possession of the whole, or part of the property.

7.3.1 You **must not** sublet or part with possession of the whole of the property to anyone else.

7.3.2 You **must not** sublet or part with possession of any part of the property unless you have first obtained the Councils written permission.

If you breach this condition you may lose your home and may also be subject to criminal prosecution under the Prevention of Social Housing Fraud Act 2013 (see section 3.3)

## 7.4 Lodgers (Secure Tenants only)

7.4.1 If you are a secure tenant you may take in lodgers, and make a reasonable charge, providing your home does not become overcrowded under the Council’s Allocations Scheme definitions.

7.4.2 If you intend to take in lodgers, you must provide the Council with details of

the proposed lodgers.

7.4.3 You should be aware that you, and not the Council, are responsible for making a lodger leave if you want to end the arrangement.

If you are in receipt of Housing Benefit or Universal Credit and you take a lodger into your home you must inform the relevant authority immediately, as this may affect any benefit you receive.

If you end your tenancy, or the Council obtains a possession order ending your tenancy, your lodger and any other person residing at the property must vacate the property with you.

## **8. SUCCESSION**

### **8.1 Succession**

Succession means the transferring of your tenancy to another person in the event of your death. Whether there is a right of succession will depend on a number of factors, including:

- the type of tenancy held,
- whether the tenancy is a joint tenancy,
- the date that the tenancy commenced, and
- whether a previous succession has taken place.

#### **8.1.1 Joint tenants**

If you are a joint tenant your tenancy will pass to the other joint tenant upon your death. This will count as a succession.

#### **8.1.2 Introductory Tenants**

If you are an introductory tenant, your succession rights are limited to those allowed by sections 131 to 133 of the Housing Act 1996.

In general, this means that if you die whilst your tenancy is an introductory tenancy, your tenancy will pass to:

- (a) Your husband, wife or civil partner if they occupied the property as their only or principal home at the time of your death.
- (b) If you do not have a husband, wife or civil partner the tenancy can pass on to a member of your family who occupied the property as their only or principal home at the time of your death if they also resided with you throughout the 12 months immediately before your death.

#### **8.1.3 Secure Tenants where the tenancy started before 1 April 2012**

For secure tenancies which started before 1 April 2012, succession rights are those allowed by section 87 of the Housing Act 1985. In general this means that on your death your tenancy may pass to:

- (a) Your husband, wife or civil partner if they occupied the property as their only or principal home at the time of your death; or
- (b) If there is no such occupier, a family member if they occupied the property as their only or principal home at the time of your death and resided with you throughout the period of twelve months ending with your death.

#### 8.1.4 **Secure Tenants where the tenancy started on or after 1 April 2012**

For secure tenancies which started on or after 1 April 2012 succession rights are those allowed by section 86A of the Housing Act 1985. This means that on your death your tenancy may pass to:

- (a) Your husband, wife or civil partner (or a person who you lived with as if you were husband and wife or civil partners) if they occupied the property as their only or principal home at the time of your death; or
- (b) If there is no such occupier, under this tenancy agreement the Council also gives the express contractual right to a family member if they occupy the property as their only or principal home at the time of your death and resided with you throughout the period of twelve months ending with your death.

8.2 If the successor to the tenancy is not your spouse, civil partner or person living with you as your spouse or civil partner, and the home is larger than reasonably required for them, the Council may request that they move to alternative accommodation that is suitable for their needs, in line with the Council's policies and the provisions of the Housing Act 1985.

8.3 If you succeeded to the tenancy, whether on the death of the previous tenant or by virtue of an assignment, there is no further right to succeed in the event of your death. In such circumstances the Council may allow the person to remain in the property or provide them with alternative accommodation, depending on the circumstances, in line with its Succession Policy.

## **9. RENT**

The rent you pay the Council includes the property rent and any service charges which apply to your home, including any Housing Related Support Charge.

9.1 **You must** pay your rent and any other charges for the property.

Your rent is due every Monday and must be paid every week. You may pay for any longer period such as fortnightly, four weekly or monthly if you prefer, provided that:

- (i) these payments are agreed with your Rent Officer; and
- (ii) such payments are made in advance.

**However you choose to pay, you must make sure that your rent account is clear at the end of each week.**

9.2 We may (if we consider reasonably necessary) provide the following services for which the tenant will pay a service charge, if applicable:

- Amenity Cleaning;
- Caretaking;
- Cleaning;
- Door Entry System;
- Grounds Maintenance;
- Landlords lighting;
- Housing Related Support (HRS).

The Housing Related Support service charge is a weekly charge payable by tenants living in supported housing schemes and contributes towards the cost of the contact and support provided by the Housing Support and Telecare Officers, monitoring and maintenance of the emergency alarm system and out of hours emergency response service.

9.3 We will provide you with quarterly rent statements detailing relevant changes and rent payments for that period.

9.4 If you are not in employment, or are on a low wage, you may be entitled to assistance with your housing costs through payment of Housing Benefit or Universal Credit or other financial support. If you believe that you may be entitled to financial support in paying your rent, it is your responsibility to:

- make a claim for the relevant financial support;
- ensure that you provide all information required to enable your claim to be processed; and
- notify the relevant authority of any changes of circumstances as required.

9.5 If you are **joint tenants** you are each responsible for payment of all of the rent and/or any arrears. The Council can recover all rent, arrears and other associated charges from any individual joint tenant.

9.6 If you do not pay your rent, or persistently pay it late, the Council may go to Court to obtain either:

- (i) a possession order requiring you to leave the property, or
- (ii) a suspended or postponed possession order allowing you to remain at the property on condition that you make payments towards the arrears, or
- (iii) any other order that the Court considers appropriate.

**If Court proceedings are issued you may be ordered to pay the Councils legal costs. These costs may be added to your rent account.**

9.7 If any money is to be paid to you by the Council, for example as compensation for damage to your property or as a decoration allowance, the Council reserves



the right to pay that money to your rent account if you are in arrears.

- 9.8 You are also responsible for payment of other housing related costs, including existing Court costs, former tenant arrears and recharges which you owe from the past and have still not paid.

You should be aware that if you rent a council garage, the Council may terminate your garage tenancy if you fail to pay the rent for your home, regardless of whether you are in breach of your garage tenancy conditions.

## 10. LIVING IN THE PROPERTY

10.1 **You must** live in the property as your only or main home. If you do not use the property as your only or main home the Council will take action to end your tenancy.

10.2 **You must** tell the Council, in writing, if you will be away from the property for more than 28 days (this is so that the Council knows that you have not abandoned the property).

10.3 **You must** get the Council's prior written permission if you intend to be away from the property for longer than three months.

10.4 Where either 10.2 or 10.3 above apply **you must** advise the Council of:

- the date you intend to leave the property;
- the date you intend to return;
- arrangements you have made for payment of rent and for looking after the property;
- an address and phone number where the Council can contact you.

10.5 You must take all reasonable measures to ensure that when away from your home for any period of time that:

- the property is adequately secured to prevent unwanted access by people not invited by you to live there; and
- the property is adequately heated at all times; and
- you turn the water off at the mains if you will be away for a long period during cold weather; and
- you make proper arrangements for the care and welfare of any animals at the property.

Where it reasonably appears that you have abandoned the property the Council may change the locks and take any other appropriate steps to protect the property, and dispose of any personal property left on the premises. The Council may recharge you the reasonable costs of taking these actions.

10.6 **You must not** allow your premises to become overcrowded, as defined by the Housing Act 1985. You must advise the Council of any additions to your household (for example any children born since the start of the tenancy).

10.7 If it is considered that you require the support or assistance of a Tenancy

Support Officer, or other support provider, to maintain your tenancy, **you must** ensure that you co-operate and maintain regular contact with them.

## 11. ACCESS TO THE PROPERTY

11.1 **You must** allow the Council, or its agents or contractors, access to the property (including accompanying land) at reasonable written notice (usually 24 hours) for the following purposes:

- (i) to carry out repairs, alterations, improvements and maintenance work to the property or a neighbouring property;
- (ii) to carry out annual gas safety checks and servicing;
- (iii) to carry out any other safety checks or surveys as required;
- (iv) to inspect the condition of the property;
- (v) for other management purposes in connection with your tenancy. This may include (but is not limited to) carrying out of tenancy audits, investigating allegations of illegal occupation, dealing with complaints of anti-social behaviour or neighbour disputes.

11.2 If you live in a supported housing scheme we may access your property by forced entry and without notice to you if, after having tried to contact you, we are concerned for your welfare or if you have used your alarm system to indicate that you need emergency assistance.

11.3 **You must not** allow an accumulation of personal property to prevent or obstruct any inspection, or repair works conducted by, or on behalf of the Council or its agents or contractors. This includes belongings stored in loft areas or other storage areas.

### 11.4 **ACCESS IN EMERGENCIES**

In cases of emergency, such as gas, water or sewage leaks, where buildings or electrics are unsafe or where there are welfare concerns, the Council may enter the property **without** giving you written notice and, if necessary, by force, and whether you are there or not, in order to inspect the property and carry out any repairs required to deal with the emergency.

If the Council does have to force entry we will ensure that your property is left secure and in a safe condition.

You may be charged for any reasonable costs incurred in gaining access to, or securing, the property unless you have a good reason for not allowing us into the property.

## 12. LOOKING AFTER THE PROPERTY

- 12.1 **You must** keep your home clean and tidy and ensure that it is decorated to a reasonable standard.
- 12.2 **You must** take reasonable steps to keep the property free from rats, mice, insects and other pests.
- 12.3 **You must** keep the property, or communal areas, free from any build up of belongings or rubbish which may amount to a fire and safety risk, or may put your own or other people's health at risk.
- 12.4 **You must** not store or accumulate rubbish in your home including lofts sheds, personal and communal gardens.
- 12.5 **You must** ensure that the floors of the property are covered with carpets or suitable floor covering to prevent unnecessary noise nuisance.
- 12.6 If your home is a flat above the ground floor **you must** obtain the Council's written permission **before** installing laminate or slot and groove wooden flooring in your home. If such flooring is laid without written permission the Council may require you to remove it.
- 12.7 If written permission is granted for the installation of laminate or slot and groove wooden flooring, this will be subject to you installing adequate insulation to the Council's satisfaction to prevent noise transferring to neighbouring properties.

Should written permission be granted for the installation of laminate or slot and groove wooden flooring, but the Council subsequently decide that the flooring contributes to noise nuisance to neighbours, the Council may require you to remove it. In such cases the Council will not be liable for any costs of its removal or its replacement.

Should works need to be carried out to your home which requires any laminate or slot and groove wooden flooring to be removed, or lifted, the Council will not be liable for the cost of its repair, replacement or re-installation.

Should you choose to install laminate or solid wood flooring within your home it is your responsibility to ensure you obtain insurance cover for these items. Some insurers do not consider these as "contents" and therefore may not cover them under your own standard contents insurance policy. For example, the Council's tenant contents insurance scheme will not cover laminate or wood flooring. It is therefore the tenants responsibility to seek additional insurances for laminate/wood flooring.

The Council's buildings insurance policy will not cover these items and any claim for this will be declined.

- 12.8. **You must not carry out any works** which may be unsafe or dangerous to anyone.

12.9 **You must not** erect structures such as sheds or garages anywhere on the property without having first obtained the Councils written permission

12.10. **You must not** erect CCTV either on or within the boundaries of the property without having first obtained the Councils written permission.

## 13. GARDENS

13.1 If the property includes a garden, or shared garden, **you must** ensure that you keep your garden tidy and free from rubbish and overgrowth. Lawns must be cut, and any hedges trimmed to a reasonable height. Trees, shrubs and hedges must be kept from overgrowing or overhanging into neighbouring properties or public areas so as to cause a nuisance.

13.2 You **must not** store rubbish, furniture, household appliances or any unsightly objects in your garden, or in any shared garden.

13.3 You **must not** cut down any trees or hedges without having first obtained the Councils written permission. You must make paths safe and clear, and any garden or balcony must be kept clean and tidy.

13.4. **You must** ensure that any trees contained within the boundaries of the property are maintained so as not to cause a nuisance or danger to other persons, and so as not to damage any other property.

If you do not maintain your garden, the Council may choose to do the work, but you will be re-charged the reasonable costs of any works carried out. Alternatively, the Council can apply to the Court for an order requiring you to carry out the works, or could take action to repossess your home. In these circumstances the Court would be asked to order you to pay the Councils legal costs of such action.

## 14. ANTI-SOCIAL BEHAVIOUR AND HARASSMENT

We define antisocial behaviour as behaviour or conduct causing, or likely to cause, nuisance, annoyance, harassment, alarm or distress. Whenever necessary, we will take action against anti-social behaviour in or around the areas where we own properties. We consider this a high priority. We will work with other agencies (e.g. the Police) to deal with such behaviour.

**The Council will** help if you report any nuisance, annoyance or harassment. We will investigate your complaint in accordance with our relevant policies and procedures and let you know what action we will take.

14.1 **You are responsible** for the behaviour of every person (including children) living in or visiting the property. You are responsible for their behaviour in the property, on surrounding land, in communal areas such as shared gardens, stairs, lifts, landings, entrance halls, bin stores or parking areas, and in the local area around

the property, including shopping areas, bus shelters, playgrounds and other public areas.

**14.2 You (or anyone living with you or visiting the property) must not act in any way which is, or is likely to cause nuisance, alarm or distress to any other person. This includes behaviour that is harmful, offensive or annoying, or interferes with the quiet enjoyment of any other person. Examples of nuisance include:**

- Noise nuisance, such as loud music, loud televisions, shouting or arguing, banging doors at any time sufficient to cause a nuisance, but in particular between the hours of 23.00pm and 07.00am.
- Using, or threatening to use, violence;
- Offensive drunkenness;
- Using foul and abusive language;
- Selling or being in possession of illegal drugs, drug abuse and leaving drug related litter or needles;
- Dog barking or fouling, or allowing your dog to cause a nuisance or annoyance to others in the locality.
- Using the property for unlawful activity.
- Playing ball games in the streets or close to somebody else's home in a manner which causes, or is likely to cause, a nuisance.
- Damaging or threatening to damage someone else's home or possessions.
- Graffiti of any kind.
- Dumping rubbish.
- Throwing rubbish or items from balconies or windows.
- Displaying offensive material.
- Using technology and/or social media to harass, alarm or distress a person residing, visiting or otherwise engaging in a lawful activity in the locality.

**This list is not exhaustive.**

**14.3 You (or anyone living with you or visiting the property) must not harass any other person. Harassment is the deliberate interference with the peace, comfort, or safety of any person. Examples of harassment include:**

- Insulting or abusive language or behaviour referring to someone's race, sex, disability, religion, sexuality or age, or any other actions or behaviours that meet the definition of a hate crime;
- Using physical, mental, or emotional abuse against anyone;
- Intimidating or threatening behaviour;
- Making false or malicious complaints about the behaviour of any other person.

**This list is not exhaustive.**

**14.4 You (or anyone living with you or visiting the property) must not do any of the following:**

- Inflict domestic violence or threaten violence against any other person;
- Use mental, emotional, racist or sexual abuse to make any member of your household leave the property.

**14.5 You, (or anyone living with you or visiting the property) must not**

damage, deface or put graffiti on Council property.

### **Council employees/agents**

14.6 **You (or anyone living with you or visiting the property) must not** threaten violence against, harass, verbally abuse, intimidate or cause nuisance or annoyance to any Council employee or agent or contractor of the Council at your property, in the locality of your property, in any Council office or building or in any part of the Council area. This includes all forms of communication including electronic communication and social media and/or encouraging any other person to carry out any of these actions on your behalf.

## **15. USE OF THE PROPERTY**

15.1 **You (or anyone living with you or visiting the property) must not** use the property, or any communal area, for any illegal or immoral purposes, including but not limited to:

- Selling, using, storing, manufacturing or growing illegal drugs;
- Storing or handling stolen goods;
- Keeping illegal or unlicensed guns or weapons within the property;
- Prostitution.

15.2 **You (or anyone living with you or visiting the property) must not** run any trade or business from the property without having first obtained the Council's written permission.

15.3 **You (or anyone living with you or visiting the property) must not** tamper with gas or electricity supplies or meters.

15.4 **You (or anyone living with you or visiting the property) must not** keep mopeds, motorbikes or mobility scooters inside your home or within communal areas (including but not limited to entrance halls, stairs, landings and communal gardens). If you wish to keep a mobility aid such as a scooter or motorised wheelchair you must obtain the Council's written permission first.

15.5 **You (or anyone living with you or visiting the property) must not** keep or use bottled gas, paraffin, petrol or any other dangerous material in your home or in communal areas.

15.6 **You (or anyone living with you or visiting the property) must not** obstruct any access to your home, or communal areas by leaving motorbikes, prams, pushchairs, bicycles, other mobility devices, domestic appliances, furniture, toys or any other objects there.

15.7 **You (or anyone living with you or visiting the property) must not** place personal belongings, furniture, furnishings (including rugs or carpeting) or other objects in communal areas.

15.8 **You (or anyone living with you or visiting the property) must not** interfere with security or safety equipment in multi-storey flats, communal blocks of flats,

maisonettes or sheltered housing complexes.

- 15.9 **You (or anyone living with you or visiting the property) must not** interfere with lift systems, wedge lift doors open in multi-storey flats or use the lifts to transport mobility scooters or other machinery that could cause damage to the lift. The lift and associated areas are communal and therefore should be treated with respect.
- 15.10 **You (or anyone living with you or visiting the property) must not** jam, prop or leave shared entrance doors open, or fit any lock to any communal door.
- 15.11 **You (or anyone living with you or visiting the property) must not** throw food, refuse or any other object from any window, balcony or walkway.
- 15.12 **You must** dispose of your household rubbish by the manner we provide for you. **You must not** dump rubbish.
- 15.13 **You must not** leave rubbish outside the front of your property any earlier than the night before it is due to be collected.
- 15.14 **You (or anyone living with you or visiting the property) must not** smoke, vape or use e-cigarettes in any communal areas which are enclosed, or substantially enclosed (as defined by the Smoke Free (Premises and Enforcement) Regulations 2006), for example, landings, staircases, lifts etc.
- 15.15 **It is your responsibility to ensure** that you have sufficient storage within your home before purchasing or bringing any item to your home. Where items are placed in our communal areas, the Council will take necessary steps to ensure the removal of items, which may include service of Tort Notices and/or legal action for breach of this agreement.

## 16. PARKING AND VEHICLES

- 16.1 **You (or anyone living with you or visiting the property) must not** park a vehicle anywhere on your property except on a “hardstanding” (a driveway or paved area intended for parking). You **must not** park a vehicle on your front garden or any grassed area.
- 16.2 **You (or anyone living with you or visiting the property) must not** park any vehicle such as:
- a caravan
  - a trailer
  - a motorhome
  - a boat
  - any vehicle you use for business (other than a car or bike)
- anywhere on the property, estate or on any other land we own without the Council’s prior written permission.
- 16.3 **You (or anyone living with you or visiting the property) must not** park

anywhere that would obstruct emergency services.

- 16.4 **You (or anyone living with you or visiting the property) must not** park on any garage forecourts or access roads, or in a way which obstructs access to any garage or hard standing.
- 16.5 **You (or anyone living with you or visiting the property) must not** undertake car or other vehicle repairs in a manner which causes a nuisance to others or park an illegal or unroadworthy vehicle on the land around the property, or on the roads within the locality of the property.
- 16.6 **You (or anyone living with you or visiting the property) must not** park a vehicle on, or drive across, grassed areas within the locality of the property.
- 16.7 **You (or anyone living with you or visiting the property) must not** drive across a kerb to access the property unless this has been lowered in accordance with the regulations of the Highway Authority.

## 17. KEEPING PETS

- 17.1 If you live in a house, bungalow or ground floor flat, with access to your own garden **you may** keep the following animals in your property **without the Council's prior permission:**

- Up to two cats;
- One dog (except listed dangerous breeds);
- Any small caged animal or bird normally kept as a pet, for example hamsters, guinea pigs, budgies and canaries; or
- Small fish in an aquarium.

**If you want to keep a higher number of the animals listed than is permitted above, a different type of animal than is listed above, or you live in any other type of property you must have first obtained the Council's written permission to keep any animal.**

**If you live in one of the Council's Sheltered Housing Schemes you must have first obtained the Council's permission in order to keep any animal (aside from guide/hearing dogs). Your animal(s) must not be allowed into communal areas (i.e. common rooms, laundry rooms) in case they cause a nuisance or hazard to other residents.**

If you ask for the Council's permission to keep animals, the Council will consider your request based on its own merits. This would include such things as the size of your home and garden and the number of people living in your home as well as the type and number of animals you want to keep. The Council will also consider any likely disturbance or nuisance to neighbours.

- 17.2 **You must** ensure that any animals kept within the property, or brought onto the property, are properly controlled and properly looked after and do not cause a nuisance or annoyance to any person.



- 17.3 **You must** ensure that cats or dogs are neutered, unless otherwise agreed in writing by the Council, to prevent breeding and an increase in stray and unwanted animals, and that they are micro chipped to make it easier for them to be identified if lost. **Dogs must be micro-chipped and information kept up to date as required by the Microchipping of Dogs (England) Regulations 2015.**
- 17.4 **You must not** allow your animals to foul any of our properties, communal areas or surrounding land. You must not allow the accumulation of animal waste within your garden or on any Council owned-land and must clear up and properly dispose of any animal waste caused by your animals.
- 17.5 **You must not** keep any animal that is prohibited by law (e.g. Dangerous Wild Animals Act 1976 or Dangerous Dogs Act 1991).
- 17.6 **You or any member of your household are not permitted** to allow breeding of any animals in your home or to run a business breeding, selling or advertising for the sale of animals in or from your home.
- 17.7 **You must** keep your dog on a lead at all times while on Council property, and in the surrounding areas.
- 17.8 **You must** remove any animal you do not have the Council's permission to keep, or which causes a nuisance. **If you do not, the Council may apply to the Court for an order requiring you remove the animal(s), or could take action to repossess your home. In these circumstances the Court would be asked to order you to pay the Council's legal costs of such action.**
- 17.9 **You, members of your household or visitors must** ensure that any animals kept at your home do not prevent an employee, contractor or agent of the Council or other lawful visitor to your property, from gaining access to your home, and that all animals are kept under control to allow such access and to fulfil the purpose of such access.

## **18. REPAIRS AND MAINTENANCE**

The Council **will** comply with its obligations under Section 11 of the Landlord and Tenant Act 1985 in relation to the Property and the Common Parts. This legislation requires the Council to:

- (a) **Keep in repair the structure and exterior of your home (including drains, gutters and external pipes).**
- (b) **Keep in repair and proper working order the installations of your home for the supply of water gas and electricity and for sanitation (including basins, sinks, baths and other sanitary conveniences but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity).**

**(c) Keep in repair and proper working order the installations of your home for space heating and heating water.**

**The Council will** carry out repairs within a reasonable time. When you report a repair to us, we will tell you the target time for finishing the work. If you require a copy of your repair request this can be sent to you. The Council's repairs priorities, scope of repairs and timescales can be located on the Council's website and are reviewed annually.

**The Council will** clear up after any repair and leave the property in a reasonable condition.

**The Council has the right** to carry out repairs in the property but we will try not to interfere with your home life. This is your right to 'quiet enjoyment'.

**The Council has the right** to enter the property, using force if necessary and without notice to you, if there is a risk of anyone being injured in your home or if any other property is at risk of being damaged.

18.1 You are responsible for some repairs to the property. You can get details of the repairs, which are provided under the heading "Tenant Responsibilities" from Contact Harlow on 01279 446655 or via the Council's website: [www.harlow.gov.uk](http://www.harlow.gov.uk).

18.2 **You must** report to the Council as soon as possible any repairs which are needed if it is the Council's responsibility to carry out those repairs.

If you do not report repairs as quickly as you should and this makes the problem worse or more expensive to repair or causes other problems which the Council then has to repair, you may have to pay the Council the extra costs involved.

18.3 **You must** carry out any repairs which are your responsibility within a reasonable time. If you do not, the Council may choose to do the work and charge you for the reasonable costs of any works carried out or may apply to the Court for an order requiring you to carry out the works. In these circumstances the Court would be asked to order you to pay the Council's legal costs of such action.

18.4 **You must** repair any damage to the property including all fixtures and fittings, caused by you, any member of your household, someone you have allowed into the property, or any animals you own or allow onto the property. It will be your responsibility if you or anyone else living with or visiting you deliberately damages part of the property (including fixtures and fittings). If you change any fixtures or fittings you will be responsible for any future repairs to them

**This clause does not apply to repairs for which the Council is responsible. However, the Council will re-charge you if you, or anyone living with or visiting you, causes such disrepair and will not accept any liability for any losses suffered by anyone affected by disrepair arising in this manner.**

- 18.5 **You must not** make any improvements, additions or structural alterations to the property without obtaining the Council's written permission first. **You must** make applications where appropriate for Planning Permission and Building Regulations compliance. Following completion of the works **you must** notify us to allow a final inspection of the works.
- 18.6 Any work you carry out **must** be carried out to the Council's specifications or to a specification approved by the Council and must meet any and all applicable statutory and regulatory requirements. **You must** ensure that you have obtained any necessary planning permissions and building control approvals.
- 18.7 Any work or repairs you have carried out at the property **must** be carried out by a qualified and suitably experienced person and must not be carried out in a way that has, or could, cause damage to the property or a neighbouring property, or could cause harm, or a risk of harm, to any person.
- 18.8 You must tell us immediately if any damage to the property is likely to injure, harm or cause nuisance or annoyance to any person, or damage another property.

If you make any improvement, addition or structural alteration to the property without obtaining the Council's written permission first we can require you to

- (i) return the property to how it was before, or
- (ii) carry out the works to a satisfactory standard

Should you fail to do this the Council may choose to do the work and re-charge you for it, apply to the Court for an order requiring you to carry out the works, or could take action to repossess your home. In these circumstances the Court would be asked to order you to pay the Council's legal costs of such action.

- 18.9 If the Council needs to undertake any repair or improvement works to your home, you must provide the Council's agents and/or contractors with clear access to all work areas required. You must remove any possessions, including lifting carpets, if requested to do so and ensure that the property is in a clean and tidy condition. The Council may refuse to carry out works until such time as clean, clear and unimpeded access to all work areas is provided.

## **TEMPORARY HOUSING DURING REPAIRS**

In certain circumstances it may be necessary for you to leave the property temporarily to enable repairs to be carried out. Depending on how long the repair is likely to take we may offer you temporary or alternative housing. **You must leave the property for the period we tell you.**

If you have to leave your property, we will help you move out, including arranging suitable temporary accommodation. We will not be able to carry out certain types of repair at your property until you have left.

## 19. RECHARGES

You must pay any reasonable costs incurred by the Council as a consequence of your breach, or failure to perform, any part of this agreement. Those things for which the Council may re-charge include, but are not limited to:

- The costs of removing belongings (including animals) or rubbish from the property if you leave, or abandon the property or as a result of your breach of this agreement;
- The costs of carrying out repairs to the property due to damage for which you are responsible, your failure to maintain the property appropriately, or your neglect, or misuse of the property;
- The costs of rectifying any work to the property which you have carried out without the necessary prior written permission of the Council;
- Changing locks and securing the premises if required due to your abandonment, neglect or misuse of the property, and/or as a result of the Council having to force entry to the property due to your breach of this agreement;
- The costs for removal and storage of items from Communal areas following service of Notices under the Torts (Interference with Good Act) 1977 or any other relevant notice;
- The costs for carrying out garden clearance which is your responsibility;
- The costs for carrying out tree management which is your responsibility;
- The costs for carrying out environmental cleaning of both individual properties and communal areas where it is found to be your responsibility and/or as a result of your breach of this agreement;
- any other reasonable costs which the Council incurs due to your breach of this agreement.

This list is not exhaustive.

## 20. ENDING YOUR TENANCY

If you do not live in the property as your only or main home the Council will take action to end your tenancy by serving you with a Notice to Quit. This also means that you will no longer have a secure tenancy.

### **If you wish to end your tenancy:**

- 20.1 **You must** tell the Council in writing at least **four weeks** before you want to end your tenancy. This four-week period **must** end on a Monday. On the Monday your tenancy ends, **you must** return your keys to the Civic Centre before noon. If you return your keys later than this, we will charge you the full weekly charges for the property until the end of the week in which you return them. If the Monday is a Bank Holiday, you must return your keys to the Civic Centre before noon on the Tuesday after the holiday. We may, in exceptional

circumstances, allow you to end your tenancy without giving four weeks written notice.

If you are Joint Tenants, a Notice to Quit served by either tenant will have the effect of ending the tenancy for both of you. In these circumstances you may not be entitled to remain in the property.

In the event of one joint tenant leaving the property, both tenants should seek their own independent legal advice regarding the tenancy.

- 20.2 **You must** pay your rent and other charges up to the date of the end of your tenancy.
- 20.3 **You must** leave the property in a clean condition, take all your personal belongings and animals with you, and remove all rubbish and furniture from the property (including the garden).
- 20.4 **You must** leave the property, and the council's fixtures and fittings, clean and in a reasonable state of repair. **You must** remove any carpeting.
- 20.5 Before your tenancy ends **you must** remove any alterations you have made to your home for which we have not given you permission and you must repair any damage you have caused in doing this. Prior to your vacation we will inspect the property.

We will charge you the reasonable costs of removing any of your belongings that you leave behind, or for work that is necessary if you fail to leave the property clean and in a good state of repair. The Council may also dispose of any personal belongings left in the property in accordance with the Torts (Interference with Goods) Act 1977 or the Local Government (Miscellaneous Provisions) Act 1982 and you may be charged for the reasonable cost of disposal.

- 20.6 You **must not** leave anybody living in your home when you move out, for example a lodger. If you do, we will take court proceedings to remove them from the property and ask the Court to order you to pay the Council's legal costs.

## **21. BREACH OF THIS TENANCY AGREEMENT**

This Tenancy Agreement is a legal contract between you and the Council. If you breach the terms of this Agreement the Council can take legal action against you, and your tenancy. The Council may make an application to the Court for:

### **(i) An Injunction Order**

This is a Court Order requiring you to comply with the terms of this agreement. If you breach an Injunction order you will be guilty of contempt of Court and may be sent to prison. Examples of situations where the Council may apply for an Injunction order would be if you failed to allow the Council access to the property (as required under Part 11 of this agreement), or if you failed to keep your garden clean and tidy (as required under Part 13 of this agreement). However, the Council may apply for an

injunction order where you breach any of the terms of this agreement,

## **(ii) A Possession Order**

This is a Court order that requires you to leave the property and ends your tenancy. The Council may apply to the Court for a Possession Order if you breach any of the terms of this agreement, or, if you are a Secure Tenant, on certain grounds as provided for in the Housing Act 1985.

If the Council intends to apply for a Possession Order you will be served with a Notice explaining the Council's reasons for taking this action.

**If you are a secure tenant the Court will only make a possession order if a Judge considers it reasonable to do so, unless possession is sought under an Absolute Ground (see Section 5.4), or unless otherwise specified in legislation.**

## **22. TENANT ENGAGEMENT AND INVOLVEMENT**

As a Council Tenant, you have the right to be involved in and influence decisions relating to the Council's housing-related services, to help to ensure that the services provided are tailored to the needs of our customers. This includes:

- Development of the Council's housing-related policies, and priorities
- Decisions regarding how services are delivered, including the setting of service standards
- Management of repair and maintenance services
- Scrutiny of the Council's performance as a landlord, and
- Providing feedback, to help us improve the services we provide

- 22.1 You have the right to nominate yourself to be a member of the Housing Standards Panels or a Resident Inspector. You can obtain more information regarding these from Contact Harlow, on 01279 446655.
- 22.2 The Council will publish an annual timetable of dates, times and locations for Housing Standards Panels and the Housing Standards Board via the Council's website.
- 22.3 The Council will publish its Housing Annual Report in the Spring edition of the Harlow Times magazine. Should you require a copy of this document, this can be made available from Contact Harlow on 01279 446655 or via the Council's website [www.harlow.gov.uk](http://www.harlow.gov.uk).
- 22.4 The Council **does not** have to consult you about increases or decreases to the rent or other charges **but must** tell you in writing at least four weeks before any rent or other charges are changed.
- 22.5 The Council **must** ask your views about making any other changes to this Agreement, and you will be told in writing if such changes are to go ahead.

## **23. SERVICE OF NOTICES**

- 23.1 Pursuant to Section 48(1) of the Landlord and Tenant Act 1987 the Council notifies you that its address for service is Harlow District Council, Civic Centre, The Water Gardens, Harlow, Essex, CM20 1WG.
- 23.2 Pursuant to Section 196 of the Law of Property Act 1925 any Notice required by law to be served on the Tenant or Occupier shall be validly served if it is left at the property, or if it is posted to the address and not returned by the Post Office.
- 23.3 It is a term of this tenancy agreement that any Notice to Quit served on the Tenant or Occupier shall be validly served if it is left at the property.

## **24. THIRD PARTY RIGHTS**

Your home may (like many others) be subject to rights in favour of adjoining or neighbouring owners and occupiers. Some of these rights may have existed before we acquired the land on which your home is built; and some may have been granted by us when we disposed of the land in question, for example under the Right to Buy scheme. We will give you details if we know that any of these rights are to be exercised.

You must comply with any such right and must not obstruct, impede or interfere with anyone who enters upon your home in the exercise of such right. For example, a person may be entitled to enter upon your home in order to repair or maintain adjoining property.

## **25. DATA PROTECTION**

You are required to provide us with certain personal data in order to enter into this agreement, which is a binding contract between you and the Council, and we need to process this personal data in order to provide you with services under this contract and to comply with our contractual obligations. We also need to collect and process your personal data in order to comply with our statutory duties as a local authority social housing provider and provide you with other necessary services.

As a data controller, the Council processes your personal data in compliance with the UK General Data Protection Regulation 2016/679 (GDPR) and the Data Protection Act 2018 which dictate how we collect, process and share the personal data we hold about you, as well as how long we retain it and your rights in relation to the personal data we hold.

The Council is also under a duty to protect the public funds it administers and, to this end, may use your personal data for the prevention and detection of fraud. We may also share this data with other bodies responsible for auditing or administering public funds for this purpose. For more information please read the Council's Data Matching information available at <https://www.harlow.gov.uk/your-council/accessing-information/data-matching>

You can find out more about this within the Council's General Privacy Notice and the Harlow Council Housing Services Business Plan 2022-2052  
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Housing Services Privacy Notice available on the Council's website at <https://www.harlow.gov.uk/your-council/accessing-information/privacy-notice> and <https://www.harlow.gov.uk/housing-services-privacy-notice>.



## 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   |
| KPI's             | 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 Capital Outlay  |
| RSH               | Regulator for Social Housing   |
| RSI               | Rough Sleeper Initiative   |
| RTB               | Right To Buy   |
| RTB 141           | Right to Buy One for One – refers to 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). Social Housing Regulation Bill 2023  
Domestic Abuse Act 2021. Homelessness Reduction Act 2017.  
HRA Budget 2023/24. Report to Cabinet, 16 February 2023.  
Capital Programmes 2023/25. Report to Cabinet, 16 February 2023.  
Capital and Treasury Report 2022/23'. Report to Cabinet, 16 February 2023.  
Harlow's Tenant and Leaseholder Engagement Strategy

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** HOUSING REVENUE ACCOUNT BUDGET 2023/24

**PORTFOLIO HOLDERS:** COUNCILLOR JAMES LEPPARD, PORTFOLIO  
HOLDER FOR FINANCE

COUNCILLOR ALASTAIR GUNN, PORTFOLIO  
HOLDER FOR HOUSING

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

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**CONTRIBUTING OFFICERS:** SENIOR MANAGEMENT BOARD (01279) 446004

**This is a Key Decision**

**It is on the Forward Plan as Decision Number I013865**

**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 £3.529 million for the HRA (set out in paragraph 23 of the report).
- C** Approve that tenant rents are increased by 7 percent with effect from 3 April 2023. This equates to an average weekly rent of £104.18 an increase of £6.82 (set out in paragraph 3 of the report).
- D** Approve that the rents and personal charges for temporary accommodation are increased with effect from 3 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 percent with effect from 1 April 2023. This equates to an average weekly rent of £12.35, 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 3 April 2023 (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 3 April 2023 (see paragraphs 9 to 13 of the report and Appendix 2 attached to the report).
- H** Approve that the leasehold service charges are increased with effect from 1 April 2023 to ensure that all leaseholder costs are recovered (see paragraphs 16 to 19 of the report and Appendix 2 attached to the report).
- I** Approve that all other tenant charges are increased with effect from 3 April 2023 in order to recover cost (see Appendix 2 attached to 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 2022-2052 is included elsewhere on this agenda. The 2023/24 budget presented in this report has been reflected in the new Business Plan.

### **HRA Business Plan Assumptions 2023/24**

2. The assumptions in the Business Plan 2022-2052 are as follows.
  - a) Implementation of the Rent Standard (2022), increasing dwelling rents by a maximum of 7 percent from April 2023.
  - b) The rental income estimates assume that in 2023/24 there will be 50 right-to-buy sales and that the percentage number of voids will be 1.27 percent of total stock.
  - c) Increases in garage rents by 5 percent 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 2023.

- 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 2023 of £3.529 million, complying with the “industry average” of £389 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, damp/mould 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) Target 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) Continue to develop a “House Building 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 percent. However, CPI in September 2022 was 10.1 percent, and, following a consultation period over the Summer, the Government imposed a rent cap of 7 percent for 2023/24 given the cost-of-living crisis being experienced by many people across the Country.

Therefore, from 3 April 2023, housing rents will increase by 7 percent. The average rent will increase from £97.36 to £104.18 per week.

### **Rents - Temporary Accommodation**

4. It is proposed that the following rents in respect of Homelessness Services will be increased with effect from 3 April 2023 which will still fall within the local house allowance and benefit levels.
  - a) The rent charged for temporary accommodation in the HRA for a single room will increase from £37.52 to £41.53 per week and from £53.89 to £59.33 for a double room. In addition, the weekly personal charge and recharge for council tax will increase from £22.03 to £22.38 per room.
  - b) The rent charged for nightly lets will increase from £135.24 to £144.71 per week for a one bed studio/property, from £152.14 to £162.80 for a two bed property and from £194.53 to £208.15 for a three bed property.
  - c) The rent charged for bed and breakfast accommodation will increase from £133.14 to £135.14 per week.
  - d) The rent charged for non HRA temporary accommodation will increase from £135.24 to £144.71 per week for a one bed studio/property, £152.14 to £162.80 for a two-bed property and from £194.53 to £208.15 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 £0.59 per week to £12.35.

### **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 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 to the report.

### **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 to the report.
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 in supply of homeless accommodation.

### **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, however despite the Council's energy being purchased on the wholesale market to ensure the best price, due to the significant increase in energy rates, forecasts should be treated with an element of caution and risk.

### **Service Charges - Leaseholders**

16. All leaseholders are provided with details of their weekly services charges at the beginning of the financial year.
17. The charge for the registration of a sublet will increase to £101.02 (£91.75 in 2022/23). 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.

18. 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 2022 CPI which was 10.1 percent. This equates to a contribution of £6,372 an increase of £585.
19. It is proposed that leasehold legal charges are also increased by September CPI with effect from 1 April 2023. A schedule of proposed increases in leaseholder legal costs is set out in Appendix 2 to the report.

### **Revised HRA Budget 2022/23**

20. The Quarter 2 HRA finance report to Cabinet highlighted the following predicted variations to the approved budget:
  - a) An underspend of £1.429 million in General Management (mainly due to a reduction in the required pension contribution);
  - b) An underspend of £425,000 in Special Management;
  - c) A reduction of £140,000 in the Provision for Bad Debts;
  - d) An increase of £315,000 in the Major Repairs Contribution;
  - e) A reduction of £168,000 in Capital Financing Charges;
  - f) A shortfall of £173,000 in rent income;
  - g) HTS P and E Ltd approved 2022 Business Plan five-year efficiencies saving £255,000; and
  - h) Other, smaller, operational variations totalling £16,000.
21. In addition, the report highlighted that variations in the HRA Capital Programme at Quarter 2 would increase the requirement for a Revenue Contribution to Capital Expenditure by £1.899 million. The Quarter 2 predictions and other variances identified above have been taken into account in preparing the 2023/24 estimates and updating the 2022-52 HRA 30-Year Business Plan.

### **HRA Estimates 2023/24**

22. The draft HRA estimates 2023/24 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.



## Working Balances

23. Section 25 of the Local Government Act 2003 requires the Head of Finance to report on the adequacy of reserves. In January 2022, Cabinet approved the recommendation to set a minimum HRA working balance £4.563 million for the HRA. Since an “industry average” of £389 per property is generally accepted, it is recommended that this can be set at £3.529m. This will be kept under review.
24. 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          | 2021/22<br>Actual<br>£'000s | 2022/23<br>Original<br>£'000s | 2022/23<br>Revised<br>£'000s | 2023/24<br>Estimates<br>£'000s |
|----------------------------|-----------------------------|-------------------------------|------------------------------|--------------------------------|
| Balance as at 1 April      | 15,646                      | 7,217                         | 12,372                       | 6,581                          |
| Surplus/(Deficit) for Year | (3,274)                     | (2,614)                       | (5,791)                      | (3,052)                        |
| Balance as at 31 March     | 12,372                      | 4,603                         | 6,581                        | 3,529                          |

## Major Repairs Reserve

25. 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.
26. The regulations require that the MRR can be used either to finance the capital programme or to repay housing debt. The HRA Business Plan 2022-2052 assumes that all the contributions will be used to finance the capital programme.
27. The Housing Capital Programme (HCP) can be found as a separate item on this agenda. It is estimated that there will be a small balance of £214k on the MRR at 31 March 2023, as £11.329 million will be used to finance the Housing Capital Programme in 2022/23.
28. In 2023/24, the estimated sum of £12.631 million will be used to finance the HCP. The balance on the MRR as at 31 March 2024 will be nil. The movement in the MRR is set out in Table 2 below.

Table 2 - Estimated Movement in Major Repairs Reserve

| Operating Account        | 2021/22<br>Actual<br>£'000s | 2022/23<br>Original<br>£'000s | 2022/23<br>Revised<br>£'000s | 2023/24<br>Estimates<br>£'000s |
|--------------------------|-----------------------------|-------------------------------|------------------------------|--------------------------------|
| Balance as at 1 April    | 1,574                       | 0                             | 0                            | 214                            |
| MRR Contribution         | 11,027                      | 11,228                        | 11,543                       | 12,417                         |
| Financing of Capital Exp | (12,601)                    | (11,228)                      | (11,329)                     | (12,631)                       |
| Balance as at 31 March   | 0                           | 0                             | 214                          | 0                              |

## Significant Risks/Opportunities

### Risks

29. The Covid-19 pandemic has had a significant impact on the HRA budget in 2021/22 and 2022/23 and, whilst recovery plans are still in place and improving the situation, risks remain nationally, regionally, and locally together with the ongoing issues emerging from the increased “cost of living”. For the HRA, the risks would include:
- a) A level of void turnaround settling higher than in previous years. Although overall numbers are reducing, and it is expected these overall numbers to settle at normal business plan levels by the end of March 22/23.
  - b) A reduction in rent and service charge income due to inability to pay.
  - c) A review of the service charge major works process means a re-profiling based on “components”, resulting in a re-profiling over a longer period of service charge income.
  - d) HTS P and E Ltd “service Improvement Plans” not delivering increases to efficiencies and improvements to the “Customer Experience” to repairs and maintenance services that tenants and leaseholders receive with ongoing business recess, management, and supply issues.
  - e) Ongoing business recess, management, and supply issues.
  - f) Increased homelessness pressures continue to increase both locally and nationally with Temporary Accommodation numbers expected to rise by 20 percent in the next 12 months due to the demand in service.
30. There is a risk that some tenants and leaseholders may struggle to pay the 7 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.
31. The proposals in the New Social Housing Regulation Bill, when it becomes legislated, will enhance local standards the Council would need to adhere to. Increased regulatory framework, enhanced Regulator inspection powers, and wider building safety requirements will need for more resources to be used. Further details

are yet to be provided by the Regulator and budgets and the HRA Business Plan will need to be reviewed at that time in terms of resource requirements are known.

## **Opportunities**

### **Review of Rent Policy**

32. Consideration still needs to 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**

33. 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.
34. 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.
35. 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.
36. 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**

37. Whilst face to face Tenant and Leaseholder Panels were initially suspended due to Covid restrictions, the Councils Housing Standards Board and Property and Tenancy Panels have, over the last year reconvened and continue to monitor performance and service delivery against the consumer standards applicable to the Councils housing service and regulated by the Regulator for Social Housing.
38. Dialogue with Tenant and Leaseholder representatives continue 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**

39. The HRA budget estimates for 2023/24 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, Chief Executive**

### **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 2023/24

Appendix 2 – Service & Housing Related Support Charges 2023/24

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

CPI – Consumer Price Index

DLUHC – Department for Levelling Up, Housing & Communities

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

MRR – Major Repairs Reserve

PWLB – Public Works Loan Board

RTB – Right to Buy

**HARLOW COUNCIL**  
**APPENDIX 1**  
**HOUSING REVENUE ACCOUNT ESTIMATES 2023/24**

| <b>HEADING</b>                | <b>2021/22<br/>Actual<br/>£'000</b> | <b>2022/23<br/>Estimates<br/>£'000</b> | <b>2022/23<br/>Revised<br/>£'000</b> | <b>2023/24<br/>Estimates<br/>£'000</b> |
|-------------------------------|-------------------------------------|--|--------------------------------------|--|
| <b><u>Expenditure</u></b>     |                                     |  |                                      |  |
| General Management            | 10,286                              | 12,091                                 | 10,867                               | 11,368                                 |
| Special Management            | 7,866                               | 8,703                                  | 8,277                                | 9,758                                  |
| Repairs                       | 11,476                              | 11,581                                 | 12,659                               | 14,632                                 |
| Rents, Rates & Taxes          | 207                                 | 89                                     | 139                                  | 96                                     |
| Supporting People             | 2                                   | 5                                      | 5                                    | 5                                      |
| Provision for Bad Debts       | 215                                 | 376                                    | 237                                  | 409                                    |
| Depreciation                  | 11,027                              | 11,228                                 | 11,543                               | 12,417                                 |
| Direct Revenue Financing      | 4,881                               | 4,736                                  | 7,191                                | 3,583                                  |
| Debt Management Expenses      | 6                                   | 21                                     | 21                                   | 22                                     |
| Capital Charges:              | 6,795                               | 7,001                                  | 6,833                                | 7,110                                  |
| <b>Total Expenditure</b>      | <b>52,761</b>                       | <b>55,831</b>                          | <b>57,772</b>                        | <b>59,400</b>                          |
| <b><u>Income</u></b>          |                                     |  |                                      |  |
| Dwelling Rents                | (43,524)                            | (45,597)                               | (45,479)                             | (48,501)                               |
| Garage Rents                  | (933)                               | (1,131)                                | (1,077)                              | (1,131)                                |
| Other Rents                   | (89)                                | (65)                                   | (65)                                 | (65)                                   |
| Service Charges: Tenants      | (1,072)                             | (1,273)                                | (2,869)                              | (1,476)                                |
| Service Charges: Leaseholders | (2,216)                             | (2,526)                                | (1,323)                              | (2,924)                                |
| Other Charges for Services    | (676)                               | (1,906)                                | (220)                                | (1,240)                                |
| Transfers from General Fund   | (867)                               | (637)                                  | (892)                                | (941)                                  |
| Interest on Revenue Balances  | (110)                               | (40)                                   | (56)                                 | (69)                                   |
| <b>Total Income</b>           | <b>(49,487)</b>                     | <b>(53,175)</b>                        | <b>(51,981)</b>                      | <b>(56,348)</b>                        |
| Balance at 1 April            | 15,646                              | 7,216                                  | 12,372                               | 6,581                                  |
| Surplus / (Deficit) for year  | (3,274)                             | (2,656)                                | (5,791)                              | (3,052)                                |
| Balance in hand at 31 March   | 12,372                              | 4,560                                  | 6,581                                | 3,529                                  |

Harlow Council

APPENDIX 2 - SERVICE AND HOUSING RELATED SUPPORT CHARGES 2023/24

| TYPE OF SERVICE/SUPPORT                           | Highest Weekly Charge | Lowest Weekly Charge | Average Weekly Charge | Average Weekly Charge |
|---|-----------------------|----------------------|-----------------------|-----------------------|
|   | Highest (£)           | Lowest (£)           | Average (£)           | Ave all tenants (£)   |
| Charges   |                       |                      |                       |                       |
| Amenity Cleansing - Gullies                       | 1.36                  | 0.01                 | 0.09                  | 0.07                  |
| Amenity Cleansing - Bins                          | 1.50                  | 0.07                 | 0.33                  | 0.03                  |
| Caretaking  | 29.38                 | 0.97                 | 8.14                  | 0.75                  |
| Cleaning  | 18.46                 | 0.20                 | 5.92                  | 0.86                  |
| Door Entry Management                             | 1.78                  | 1.78                 | 1.78                  | 0.15                  |
| Grounds Maintenance                               | 3.22                  | 0.01                 | 0.47                  | 0.36                  |
| Landlord's Lighting                               | 8.83                  | 0.41                 | 2.42                  | 0.83                  |
| Window Cleaning- General Needs                    | 0.30                  | 0.08                 | 0.14                  | 0.01                  |
| Window Cleaning- Sheltered                        | 0.72                  | 0.13                 | 0.28                  | 0.01                  |
| Sumners Farm Close Cleaning                       | 8.82                  | 8.82                 | 8.82                  | 0.04                  |
| <b>TOTAL Estimate for 2023/24 (2022/23 £2.58)</b> |                       |                      |                       | <b>3.11</b>           |
| <b>Adjustment in respect of 2021/22</b>           |                       |                      |                       | <b>(0.09)</b>         |
| <b>Actual charge for 2023/24</b>                  |                       |                      |                       | <b>3.02</b>           |
| <b>Sheltered Accommodation</b>                    |                       |                      |                       |                       |
| Meal Charges Sumners Farm Close                   | 6.35                  |                      |                       |                       |
| <b>Housing Related Support Charges</b>            |                       |                      |                       |                       |
| Dispersed Community Alarms                        | 4.78                  |                      |                       |                       |
| Sheltered Housing Support                         | 8.90                  |                      |                       |                       |
| Alarm System Monitoring                           | 2.08                  |                      |                       |                       |
| Intensive Housing Management                      | 2.18                  |                      |                       |                       |
| <b>Leaseholder Service Charges Only</b>           |                       |                      |                       |                       |
| Amenity Cleansing - Gullies                       | 70.69                 | 0.27                 | 4.66                  |                       |
| Amenity Cleansing - Bins                          | 78.14                 | 3.47                 | 17.06                 |                       |
| Caretaking  | 1,527.75              | 50.25                | 423.17                |                       |
| Cleaning  | 960.04                | 10.24                | 307.97                |                       |
| Door Entry Management                             | 92.54                 | 92.54                | 92.54                 |                       |
| Grounds Maintenance                               | 167.40                | 0.74                 | 24.38                 |                       |
| Landlord's Lighting                               | 459.04                | 21.34                | 125.76                |                       |
| Lifts   | 309.61                | 142.09               | 270.47                |                       |
| Annual Management Fee                             | 230.29                |                      |                       |                       |
| Contribution to Perpetuity Fund Savoy Wood        | 113.24                |                      |                       |                       |
| Enquiry Release Information                       | 34.95                 |                      |                       |                       |
| Insurance Policy Key Facts                        | 12.53                 |                      |                       |                       |
| Insurance   | 233.35                |                      |                       |                       |
| Interest Free Loan Admin fee                      | 300.00                |                      |                       |                       |
| Lease Extension Fee                               | 188.04                |                      |                       |                       |
| Mandatory and Discretionary Loan Fee              | 160.69                |                      |                       |                       |
| Non Compliance Letters                            | 53.71                 |                      |                       |                       |
| Re-mortgage Fee                                   | 23.33                 |                      |                       |                       |
| Sublet - Registration Fee                         | 101.02                |                      |                       |                       |
| Solicitors Enquires without Insurance             | 143.10                |                      |                       |                       |
| Solicitors Enquires with Insurance                | 184.12                |                      |                       |                       |
| Solicitors additional information                 | 43.26                 |                      |                       |                       |
| Voluntary Charge Fee                              | 300.00                |                      |                       |                       |

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** CAPITAL AND TREASURY REPORT 2023-24

**PORTFOLIO HOLDER:** COUNCILLOR JAMES LEPPARD, PORTFOLIO HOLDER FOR FINANCE

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

**CONTRIBUTING OFFICER:** LUCY HUME, CORPORATE FINANCE MANAGER (01279) 446253

**This is a Key Decision**

**It is on the Forward Plan as Decision Number I013866**

**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 (Appendix A to the report).
- ii) The Treasury Management Strategy Statement 2023/24 (Appendix B to the report)
- iii) The Investment Strategy Report 2023/24 (Appendix C to the report).
- iv) The MRP Statement 2023/24 (Appendix D to the report)

**REASON FOR DECISION**

- A** The Capital Strategy Report 2023/24 (attached as Appendix A to the report) covers the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code 2021, 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 2023/24 (Appendix B) covers the requirements of the CIPFA Treasury Management Code of Practice 2021, including the treasury management indicators.

- C** The Investment Strategy Report 2023/24 (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.

## **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 2023/24 – 2025/26 is given in Appendix B. A separate report to this meeting focusses on approval of the current and immediate forthcoming year: 'Capital Programmes 2023/24-2025/26'.
4. 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.”
5. 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)

## **ISSUES/PROPOSALS**

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

## **IMPLICATIONS**

### **Strategic Growth and Regeneration**

None specific.

**Author: Andrew Bramidge, Chief Executive**

### **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 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 Support**

None specific.

**Author: Simon Hill, Director of Governance and Corporate Support**

## **Appendices**

Appendix A – Capital Strategy Report 2023/24

Appendix B – The Treasury Management Strategy Statement 2023/24

Appendix C – The Investment Strategy Report 2023/24

Appendix D – MRP Statement

## **Background Papers**

None.

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

None.

## HARLOW COUNCIL

### CAPITAL STRATEGY REPORT 2023/24

#### Introduction

1. This 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. It has been written in an accessible style to enhance members' understanding of these sometimes technical areas.
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 spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
4. In 2023/24, the Council is planning capital expenditure of £52.3m as summarised below:

Table 1: Prudential Indicator: Estimates of Capital Expenditure in £ millions

|                       | 2021/22<br>actual | 2022/23<br>forecast | 2023/24<br>budget | 2024/25<br>budget | 2025/26<br>budget |
|-----------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| General Fund services | 7.7               | 40.3                | 13.5              | 17.2              | 7.2               |
| Council housing (HRA) | 18.5              | 25.8                | 38.8              | 40.0              | 19.3              |
| <b>TOTAL</b>          | 26.2              | 66.1                | 52.3              | 57.2              | 26.5              |

5. The main General Fund capital projects include various works associated with The Civic Centre £866,000, The Harvey Centre £547,000, Latton Bush Centre fire safety £500,000, the renewal of Harlow's Neighbourhoods £350,000, The Playhouse £297,000, Harlow Museum £271,000 and Osler House £200,000.
6. The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and includes the building of 106 new homes over the forecast period.

## Governance:

7. 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.
8. For full details of the Council's capital programme, see the Council's Medium Term Financial Strategy 2023-23 to 24-25.
9. All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council's own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

**Table 2: Capital financing in £ millions**

|                   | 2021/22<br>actual | 2022/23<br>forecast | 2023/24<br>budget | 2024/25<br>budget | 2025/26<br>budget |
|-------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| External sources  | 5.0               | 11.9                | 5.8               | 11.2              | 3.8               |
| Capital receipts  | 1.2               | 2.9                 | 7.0               | 8.8               | 2.2               |
| Revenue resources | 18.1              | 20.0                | 16.8              | 16.5              | 16.6              |
| Debt              | 1.9               | 31.3                | 22.7              | 20.7              | 3.9               |
| <b>TOTAL</b>      | <b>26.2</b>       | <b>66.1</b>         | <b>52.3</b>       | <b>57.2</b>       | <b>26.5</b>       |

10. Debt is only a temporary source of finance, since loans and leases must be repaid, and this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. Planned MRP and use of capital receipts are as follows:

**Table 3: Replacement of prior years' debt finance in £ millions**

|                                 | 2021/22<br>actual | 2022/23<br>forecast | 2023/24<br>budget | 2024/25<br>budget | 2025/26<br>budget |
|---------------------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| Minimum revenue provision (MRP) | 0.8               | £0.8                | 1.1               | 1.1               | 1.2               |

|                  |     |     |     |     |     |
|------------------|-----|-----|-----|-----|-----|
| Capital receipts | Nil | Nil | Nil | Nil | Nil |
|------------------|-----|-----|-----|-----|-----|

11. The Council's full minimum revenue provision statement is available here as appendix D to the Capital and Treasury Report 2023-24
12. The Council's cumulative outstanding amount of debt finance is measured by the Capital Financing Requirement (CFR). This increases with new debt-financed capital expenditure and reduces with MRP. The CFR is expected to increase by £21.8m during 2023/24. Based on the above figures for expenditure and financing, the Council's estimated CFR is as follows:

**Table 4: Prudential Indicator: Estimates of Capital Financing Requirement in £ millions**

|                       | 31.3.2022<br>actual | 31.3.2023<br>forecast | 31.3.2024<br>budget | 31.3.2025<br>budget | 31.3.2026<br>budget |
|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| General Fund services | 72.9                | 104.1                 | 110.6               | 115.3               | 117.6               |
| Council housing (HRA) | 196.3               | 196.3                 | 211.6               | 226.6               | 227.1               |
| <b>TOTAL CFR</b>      | <b>269.2</b>        | <b>£300.4</b>         | <b>322.2</b>        | <b>341.9</b>        | <b>344.7</b>        |

13. Asset management: To ensure that capital assets continue to be of long-term use, the Council has an asset management strategy in place.
14. Asset disposals: When a capital asset is no longer needed, it may be sold so that the proceeds, known as capital receipts, can be spent on new assets or to repay debt. Repayments of capital grants, loans and investments also generate capital receipts. The Council plans to receive £6.7m of capital receipts in the coming financial year as follows:

**Table 5: Capital receipts receivable**

**Table 5a - Movement in Other Housing Capital Receipts**

| Narrative                               | 2021/22<br>Actual<br>£'000s | 2022/23<br>Estimates<br>£'000s | 2022/23<br>Revised<br>£'000s | 2023/24<br>Estimates<br>£'000s |
|---|-----------------------------|--------------------------------|------------------------------|--------------------------------|
| Balance as at 1 April                   | (1,083)                     | 0                              | (1,643)                      | 0                              |
| Adjustment in Year                      | 0                           | 0                              | 0                            | 0                              |
| Other Housing Capital Receipts Received | (560)                       | 0                              | 0                            | 0                              |
| Other Housing Capital Receipts Used     | 0                           | 0                              | 1,643                        | 0                              |
| Balance as at 31 March                  | (1,643)                     | 0                              | 0                            | 0                              |

**Table 5b - Movement in Non-Housing Capital Receipts**

| Narrative                 | 2021/22         | 2022/23           | 2023/24           |
|---------------------------|-----------------|-------------------|-------------------|
|                           | Actual<br>£000s | Estimate<br>£000s | Estimate<br>£000s |
| Capital Receipts B/Fwd    | 2,349           | 1,962             | 1,962             |
| Capital Receipts Received | 655             | 14                |                   |
| Capital Receipts Used     | -1,042          | -14               |                   |
| Capital Receipts C/Fwd    | 1,962           | 1,962             | 1,962             |

**Table 5c - Movement in Retained Right to Buy (RTB) Receipts**

| Operating Account                   | 2021/22          | 2022/23            | 2022/23           | 2023/24             |
|-------------------------------------|------------------|--------------------|-------------------|---------------------|
|                                     | Actual<br>£'000s | Original<br>£'000s | Revised<br>£'000s | Estimates<br>£'000s |
| Balance as at 1 April               | (6,899)          | (10,509)           | (13,018)          | (17,280)            |
| Adjustment in Year                  | 0                | 0                  | 0                 | 0                   |
| Receipts Retained from RTB          | (6,310)          | (4,064)            | (5,490)           | (6,609)             |
| Receipts Used to Finance Purchases  | 0                | 0                  | 0                 | 0                   |
| Receipts Used to Finance New Builds | 191              | 4,255              | 1,228             | 5,320               |
| Balance as at 31 March              | (13,018)         | (10,318)           | (17,280)          | (18,569)            |

**Treasury Management**

15. 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 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.
16. Due to decisions taken in the past, the Council had £220.8m of borrowing at 31<sup>st</sup> December 2022 at an average interest rate of 3.3% and £19.3m treasury investments at the same date earning at an average rate of 2.0%.
17. **Borrowing strategy:** 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 cheaper short-term loans and long-term fixed rate loans where the future cost is known but higher.
18. The Council does not borrow to invest for the primary purpose of financial return and therefore retains full access to the Public Works Loans Board.

19. Projected levels of the Council's total outstanding debt (which comprises borrowing and leases) are shown below, compared with the capital financing requirement (see above).

Table 6: Prudential Indicator: Gross Debt and the Capital Financing Requirement in £ millions

|                               | 31.3.2022<br>actual | 31.3.2023<br>forecast | 31.3.2024<br>budget | 31.3.2025<br>budget | 31.3.2026<br>budget |
|-------------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Debt (incl. PFI & leases)     | 215.3               | 229.0                 | 250.1               | 269.6               | 272.3               |
| Capital Financing Requirement | 269.2               | £300.4                | 322.2               | 341.9               | 344.7               |

20. 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.

21. **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. This benchmark is currently £185.2m and is forecast to rise to £266.9m over the next three years.

Table 7: Borrowing and the Liability Benchmark in £ millions

|                       | 31.3.2022<br>actual | 31.3.2023<br>forecast | 31.3.2024<br>budget | 31.3.2025<br>budget | 31.3.2026<br>budget |
|-----------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Outstanding borrowing | 211.8               | 222.6                 | 244.0               | 263.9               | 266.9               |
| Liability benchmark   | 185.2               | 222.6                 | 244.0               | 263.9               | 266.9               |

22. The table shows that the Council aims to borrow at its liability benchmark in future years to follow the lowest risk course for debt.

23. **Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

Table 8: Prudential Indicators: Authorised limit and operational boundary for external debt in £m

|                              | 2022/23<br>limit | 2023/24<br>limit | 2024/25<br>limit | 2025/26<br>limit |
|------------------------------|------------------|------------------|------------------|------------------|
| Authorised limit - borrowing | 320.2            | 325.2            | 325.2            | 325.2            |

|  |       |       |       |       |
|--|-------|-------|-------|-------|
| Authorised limit - PFI and leases          | 2.0   | 2.0   | £2.0  | 2.0   |
| Authorised limit - total external debt     | 322.2 | 327.2 | 327.2 | 327.2 |
| Operational boundary - borrowing           | 310.2 | 315.2 | 315.2 | 315.2 |
| Operational boundary - PFI and leases      | 1.8   | 1.8   | 1.8   | 1.8   |
| Operational boundary - total external debt | 312.0 | 317.0 | 317.0 | 317.0 |

24. Further details on borrowing are in the Council's treasury management strategy

25. **Treasury investment strategy:** 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.

26. 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, including in 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.

Table 9: Treasury management investments in £millions

|                         | 31.3.2022<br>actual | 31.3.2023<br>forecast | 31.3.2024<br>budget | 31.3.2025<br>budget | 31.3.2026<br>budget |
|-------------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|
| Near-term investments   | 34.6                | 8.0                   | 8.0                 | 8.0                 | 8.0                 |
| Longer-term investments | 2.0                 | 2.0                   | 2.0                 | 2.0                 | 2.0                 |
| <b>TOTAL</b>            | <b>36.6</b>         | <b>10.0</b>           | <b>10.0</b>         | <b>10.0</b>         | <b>10.0</b>         |

27. Further details on treasury investments are the Council's treasury management strategy.

28. **Risk management:** The effective management and control of risk are prime objectives of the Council's treasury management activities. The treasury management strategy therefore sets out various indicators and limits to constrain the risk of unexpected losses and details the extent to which financial derivatives may be used to manage treasury risks.

29. The treasury management prudential indicators are in the Council's treasury management strategy.



30. **Governance:** 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**

31. The Council makes investments to assist local public services. The most significant investment of this nature is the purchase of the Harvey Centre, a shopping centre in Harlow town centre, in December 2022 for £21m. This purchase has been made primarily to enable meaningful regeneration of Harlow Town Centre, of which the shopping centre is a significant part. The Centre is also expected to generate a net financial return in future.
32. Other investments for service purposes include shares in and loans to the Council's wholly owned companies within the HTS Group, which provides extensive building maintenance, grounds and environmental maintenance services to the Council. This promotes economic growth.
33. **Risk management:** In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for these investment to generate a return after costs.
34. **Governance:** All decision to date have been made subject to formal reporting and approval by Cabinet. Where appropriate independent advice has been sought on the purchase and maintenance of service investments. For example the Council have employed property consultants, legal and financial advisors to assist them with the purchase of the Harvey Centre.
35. Further details on service investments are in the Council's investment strategy.

### **Commercial Activities**

36. With central government financial support for local public services declining, some councils have invested in commercial property purely or mainly for financial gain. Harlow Council has not followed this course of action.
37. Harlow Council only has four assets which could be described as being 'primarily' for commercial return. These are a golf course, two cottages and a former farmhouse. They generate an income of around £82,000. These were all purchased prior to changes in guidelines that now prohibit borrowing primarily for the purpose of commercial return.

38. These commercial assets have a modest value and the income generated from them forms only a tiny portion of the Council’s overall income. The risks around these investments are thus regarded as minimal.
39. Further details on commercial investments and limits on their use are in the Council’s investment strategy.

Table 10: Prudential indicator: Net income from commercial and service investments to net revenue stream in £millions

|   | 2021/22<br>actual | 2022/23<br>forecast | 2023/24<br>budget | 2024/25<br>budget | 2025/26<br>budget |
|---|-------------------|---------------------|-------------------|-------------------|-------------------|
| Total net income from service and commercial investments (£m) | 0.2               | 0.2                 | 0.8               | 1.3               | 1.3               |
| Proportion of net revenue stream                              | 1.1%              | 1.1%                | 3.1%              | 5.0%              | 5.0%              |

### **Liabilities**

40. In addition to debt of £220.8m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £36.3m as at 31<sup>st</sup> March 2022). The Council 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.
41. **Governance:** 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.
42. Further details on liabilities and guarantees are in sections 31 and 32 of the 2021/22 statement of accounts.

### **Revenue Budget Implications**

43. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. The net annual charge is known as financing costs; this is compared to the net revenue stream

i.e. the amount funded from council tax, business rates and general government grants.

**Table 11: Prudential Indicator: Proportion of financing costs to net revenue stream**

|                                  | 2021/22<br>actual | 2022/23<br>forecast | 2023/24<br>budget | 2024/25<br>budget | 2025/26<br>budget |
|----------------------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| <b>General Fund</b>              |                   |                     |                   |                   |                   |
| Financing costs (£m)             | 1.2               | 0.8                 | 0.9               | 1.0               | 1.0               |
| Proportion of net revenue stream | 8.5%              | 7.0%                | 7.1%              | 7.0%              | 9.4%              |
| <b>HRA</b>                       |                   |                     |                   |                   |                   |
| Financing costs (£m)             | 6.8               | 6.8                 | 7.1               | 7.7               | 8.2               |
| Proportion of net revenue stream | 13.7%             | 13.2%               | 12.8%             | 13.0%             | 13.5%             |
| <b>Total</b>                     |                   |                     |                   |                   |                   |
| Financing costs (£m)             | 7.8               | 7.7                 | 8.0               | 8.7               | 9.3               |
| Proportion of net revenue stream | 12.7%             | 12.0%               | 11.7%             | 11.9%             | 12.8%             |

44. **Sustainability:** 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**

45. 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.

46. 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 and Wilks Head and Eve LLP as property valuation advisers as

property consultants. Specialist property and legal advisors have been employed to assist with the purchase of the Harvey Centre. 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.

47. 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.

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| <b>HARLOW COUNCIL</b><br><b>TREASURY MANAGEMENT STRATEGY STATEMENT 2023/24</b> |
|--|

**Introduction**

1. Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council has borrowed and 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.
2. 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 2021 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.
3. Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

**External Context**

4. **Economic background:** The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Council's treasury management strategy for 2023/24.
5. The Bank of England (BoE) increased Bank Rate by 0.5% to 3.5% in December 2022. This followed a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The December decision was voted for by a 6-3 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3% and one for a larger rise of 0.75%.
6. The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.
7. The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross

Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

8. CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.
9. The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.
10. Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.
11. Inflation rose consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.
12. **Credit outlook:** Credit default swap (CDS) prices have generally followed an upward trend throughout 2022, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.

13. CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.
14. The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them from to negative from stable.
15. There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.
16. However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.
17. **Interest rate forecast (as at December 2022):** The Council's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2022 and 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.
18. While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.
19. Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.
20. A more detailed economic and interest rate forecast provided by Arlingclose is in Appendix A.
21. For the purpose of setting the budget, it has been assumed that new treasury investments will be made at a rate between 2.5 and 4%, and that new long-term loans will be borrowed at a rate between 3 and 4.5%.

## Local Context

22. On 31<sup>st</sup> December 2022, the Council held £220.8m of borrowing and £19.3m of treasury investments. This is set out in further detail at **Appendix B**. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

Table 1: Balance sheet summary and forecast

|   | 31.3.22<br>Actual<br>£m | 31.3.23<br>Estimate<br>£m | 31.3.24<br>Forecast<br>£m | 31.3.25<br>Forecast<br>£m | 31.3.26<br>Forecast<br>£m |
|---|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Capital financing requirement                 | 269.2                   | 300.4                     | 322.2                     | 341.9                     | 344.7                     |
| Less: Other debt liabilities *                | 1.5                     | 1.3                       | 1.1                       | 0.9                       | 0.7                       |
| <b>Loans CFR</b>                              | <b>267.7</b>            | <b>299.1</b>              | <b>321.1</b>              | <b>341.0</b>              | <b>344.0</b>              |
| Less: External borrowing **                   | 211.8                   | 211.8                     | 211.8                     | 211.8                     | 170.1                     |
| <b>Internal borrowing</b>                     | <b>55.9</b>             | <b>87.3</b>               | <b>109.3</b>              | <b>129.2</b>              | <b>173.9</b>              |
| Less: Balance sheet resources                 | 92.5                    | 86.5                      | 87.1                      | 87.1                      | 87.1                      |
| <b>Treasury investments / (New borrowing)</b> | <b>36.6</b>             | <b>(0.8)</b>              | <b>(22.2)</b>             | <b>(42.1)</b>             | <b>(86.8)</b>             |

\* leases that form part of the Council's total debt

\*\* shows only loans to which the Council is committed and excludes optional refinancing

23. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.
24. The Council has an increasing CFR due to the capital programme, but minimal investments and will therefore be required to borrow up to an additional £86.8m over the forecast period.
25. 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. Table 1 shows that the Council expects to comply with this recommendation during 2023/24.
26. **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 the same forecasts as table 1 above, but that cash and investment balances are kept to a minimum level of £10m at each year. This is the minimum investment balance that the Council are required to have in order to retail professional status with financial service providers.

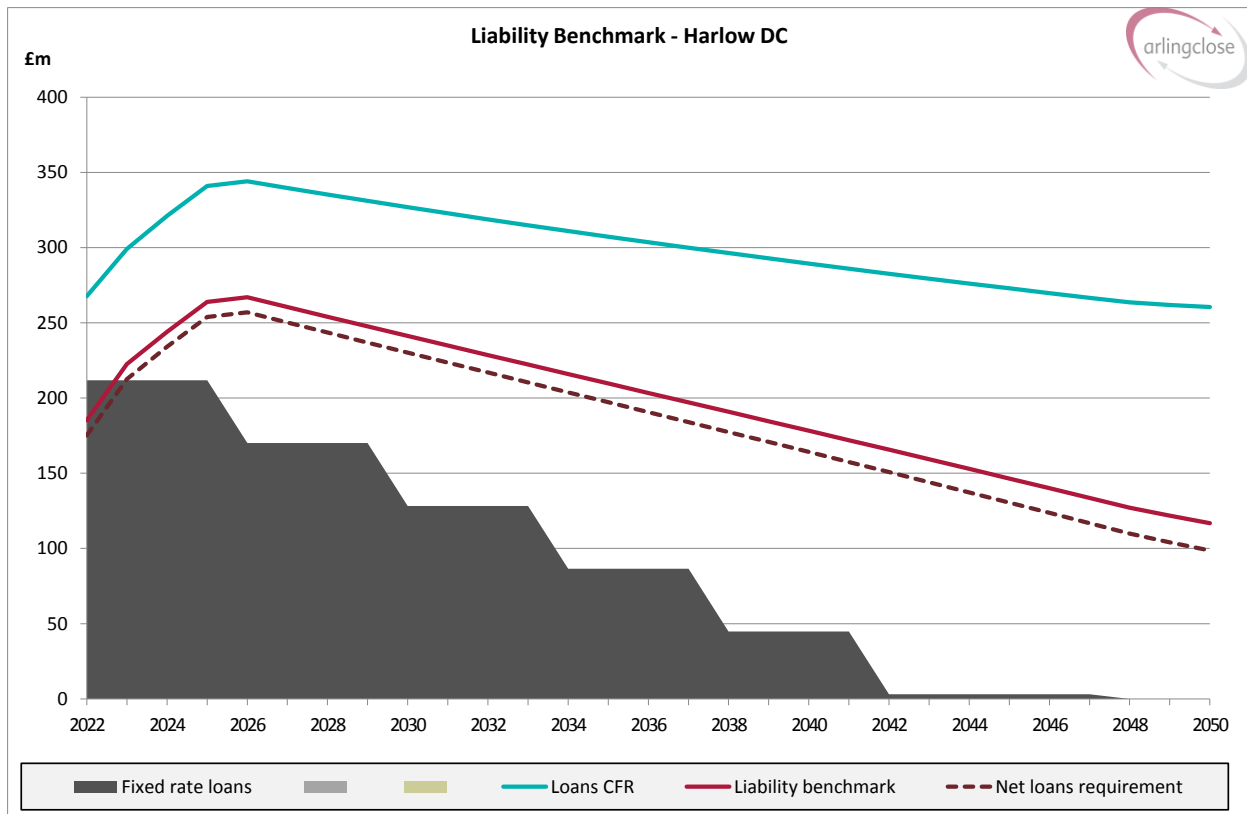


27. The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required.

Table 2: Prudential Indicator: Liability benchmark

|                               | 31.3.22<br>Actual<br>£m | 31.3.23<br>Estimate<br>£m | 31.3.24<br>Forecast<br>£m | 31.3.25<br>Forecast<br>£m | 31.3.26<br>Forecast<br>£m |
|-------------------------------|-------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Loans CFR                     | 267.7                   | 299.1                     | 321.1                     | 341.0                     | 344.0                     |
| Less: Balance sheet resources | 92.5                    | 86.5                      | 87.1                      | 87.1                      | 87.1                      |
| <b>Net loans requirement</b>  | <b>175.2</b>            | <b>212.6</b>              | <b>234.0</b>              | <b>253.9</b>              | <b>256.9</b>              |
| Plus: Liquidity allowance     | 10.0                    | 10.0                      | 10.0                      | 10.0                      | 10.0                      |
| <b>Liability benchmark</b>    | <b>185.2</b>            | <b>222.6</b>              | <b>244.0</b>              | <b>263.9</b>              | <b>266.9</b>              |

28. Following on from the medium-term forecasts in table 2 above, the long-term liability benchmark assumes no capital expenditure funded by borrowing. Minimum revenue provision is assumed on a 4% reducing balance basis on the 2022 general fund CFR and over a 25 year asset life for future debt funded capital expenditure. Over the long term reserves are assumed to increase by inflation of 2.5%. This is shown in the chart below together with the maturity profile of the Council's existing borrowing:



29. This shows a liability benchmark that is consistently above the level of current debt. This means that the authority expects to need to increase its borrowing from current levels on a long term basis. This is in part to fund a capital programme and also to replace existing loans as they mature.

**Borrowing Strategy**

30. At 31<sup>st</sup> December 2022 the Council held £220.8 million of loans, a small decrease on the 211.8 million held at 31<sup>st</sup> March 2022. This is as part of its strategy for funding previous years’ capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow up to an additional £22.2m in 2023/24. The Council may also borrow additional sums to pre-fund future years’ requirements, providing this does not exceed the authorised limit for borrowing of £325.2 million.
31. The Council have borrowed £9.0m as at 31<sup>st</sup> December 2022 in short-term loans from other local authorities to fund part of the £21.0m purchase in the Harvey Centre, a shopping centre in the Central Harlow. Short-term borrowing has been used as it is anticipated the interest rates will fall from current levels and the use of short-term borrowing has avoided the locking in of high interest rates for an extended period. The intention is to replace this short-term debt with long-term debt in future when interest rates are expected to fall, enabling greater certainty of interest costs.

32. **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.
33. **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 lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
34. 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 and 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 2023/24 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.
35. The Council has previously raised all of its long-term borrowing from the PWLB but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; the Council intends to avoid this activity in order to retain its access to PWLB loans.
36. 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.
37. In addition, the Council may borrow further short-term loans to cover unplanned cash flow shortages.
38. **Sources of borrowing:** The approved sources of long-term and short-term borrowing are:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - any institution approved for investments (see below)

- any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - 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 Council bond issues
39. **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 other debt liabilities:
- leasing
  - hire purchase
  - Private Finance Initiative
  - sale and leaseback
40. **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.
41. **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).
42. **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. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

### **Treasury Investment Strategy**

43. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's

treasury investment balance has ranged between £23.2 and £45.7 million, and lower levels are expected in the forthcoming year, unless the internal borrowing taken to fund the Harvey Centre acquisition is externalised.

44. **Objectives:** The CIPFA Code requires the Council to invest its treasury 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. The Council aims to be a responsible investor and will consider Environmental, Social and Governance (ESG) issues when investing.
45. **Strategy:** As demonstrated by the liability benchmark above, the Council expects to be a long-term borrower and new treasury investments will therefore be made primarily to manage day-to-day cash flows using short-term low risk instruments. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income.
46. The CIPFA Code does not permit local authorities to both borrow and invest long-term for cash flow management. But the Council may make long-term investments for treasury risk management purposes, including to manage interest rate risk by investing sums borrowed in advance for the capital programme for up to three years or to manage inflation risk by investing usable reserves in instruments whose value rises with inflation.
47. **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Council's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Council will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
48. **Business models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Council's "business model" for managing them. The Council aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.

49. **Approved counterparties:** The Council may invest its surplus funds with any of the counterparty types in table 3 below, subject to the limits shown.

Table 3: Treasury investment counterparties and limits

| Sector  | Time limit | Counterparty limit | Sector limit |
|---|------------|--------------------|--------------|
| The UK Government                             | 50 years   | Unlimited          | n/a          |
| Local authorities & other government entities | 25 years   | £2m                | Unlimited    |
| Secured investments *                         | 25 years   | £2m                | Unlimited    |
| Banks (unsecured) *                           | 13 months  | £1m                | Unlimited    |
| Building societies (unsecured) *              | 13 months  | £1m                | £2m          |
| Registered providers (unsecured) *            | 5 years    | £1m                | £5m          |
| Money market funds *                          | n/a        | £2m                | Unlimited    |
| Strategic pooled funds                        | n/a        | £2m                | £10m         |
| Real estate investment trusts                 | n/a        | £2m                | £5m          |
| Other investments *                           | 5 years    | £1m                | £2m          |

This table must be read in conjunction with the notes below

\* **Minimum credit rating:** Treasury investments in the sectors marked with an asterisk will only be made with entities whose lowest published long-term credit rating is no lower than A-. 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.

50. For entities without published credit ratings, investments may be made either (a) where external advice indicates the entity to be of similar credit quality; or (b) to a maximum of £50,000 per counterparty as part of a diversified pool e.g. via a peer-to-peer platform.
51. **Government:** Loans to, and 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 Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.
52. **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies 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. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

53. **Banks and building societies (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.
54. **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are 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.
55. **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Council will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
56. **Strategic pooled funds:** Bond, equity and property funds that 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.
57. **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
58. **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank

companies cannot be bailed-in but can become insolvent placing the Council's investment at risk.

59. **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 per bank. 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.
60. **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. The credit rating agencies in current use are listed in the Treasury Management Practices document. 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.
61. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch") 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.
62. **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.
63. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, 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, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested.

- 64. **Investment limits:** The Council’s revenue reserves available to cover investment losses are forecast to be £9.6 million on 31<sup>st</sup> March 2023 and £10.9 million on 31<sup>st</sup> March 2024. In order that no more than 50% of available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £4m million. A group of entities under the same ownership will be treated as a single organisation for limit purposes.
- 65. Credit risk exposures arising from non-treasury investments, financial derivatives and balances greater than £500,000 in operational bank accounts count against the relevant investment limits.
- 66. Limits are also placed on fund managers, investments in brokers’ nominee accounts and foreign countries 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.

Table 4: Additional investment limits

|   | Cash limit      |
|---|-----------------|
| 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 |

- 67. **Liquidity management:** The Council uses 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 Prudential Indicators**

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

69. **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 |

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

71. **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%          |

72. 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.

73. **Long-term treasury management investments:** 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 prudential limits on the long-term treasury management investments will be:

| Price risk indicator                        | 2023/24 | 2024/25 | 2025/26 | No fixed date |
|---|---------|---------|---------|---------------|
| Limit on principal invested beyond year end | £5m     | £5m     | £5m     | £5m           |

74. Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

## **Related Matters**

75. The CIPFA Code requires the Council to include the following in its treasury management strategy.
76. **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).
77. 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.
78. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
79. 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.
80. **Housing Revenue Account:** On 1<sup>st</sup> 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.
81. **Markets in Financial Instruments Directive:** The Council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of

services but without 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**

82. The budget for investment income in 2023/24 is £0.5 million, based on an average investment portfolio of £25 million at an interest rate of 3%. The budget for debt interest paid in 2023/24 is £0.7 million, based on an average debt portfolio of £220 million at an average interest rate of 3%. 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**

83. 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.

| <b>Alternative</b>  | <b>Impact on income and expenditure</b>  | <b>Impact on risk management</b>  |
|---|--|---|
| 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 |
|--|--|--|

## **Appendix A – Arlingclose Economic & Interest Rate Forecast – December 2022**

### **Underlying assumptions:**

- The influence of the mini-budget on rates and yields continues to wane following the more responsible approach shown by the new incumbents of Downing Street.
- Volatility in global markets continues, however, as investors seek the extent to which central banks are willing to tighten policy, as evidence of recessionary conditions builds. Investors have been more willing to price in the downturn in growth, easing financial conditions, to the displeasure of policymakers. This raises the risk that central banks will incur a policy error by tightening too much.
- The UK economy is already experiencing recessionary conditions and recent GDP and PMI data suggests the economy entered a technical recession in Q3 2022. The resilience shown by the economy has been surprising, despite the downturn in business activity and household spending. Lower demand should bear down on business pricing power – recent data suggests the UK has passed peak inflation.
- The lagged effect of the sharp tightening of monetary policy, and the lingering effects of the mini-budget on the housing market, widespread strike action, alongside high inflation, will continue to put pressure on household disposable income and wealth. The short- to medium-term outlook for the UK economy remains bleak.
- Demand for labour appears to be ebbing, but not quickly enough in the official data for most MPC policymakers. The labour market remains the bright spot in the economy and persisting employment strength may support activity, although there is a feeling of borrowed time. The MPC focus is on nominal wage growth, despite the huge real term pay cuts being experienced by the vast majority. Bank Rate will remain relatively high(er) until both inflation and wage growth declines.
- Global bond yields remain volatile as investors price in recessions even as central bankers push back on expectations for rate cuts in 2023. The US labour market remains tight and the Fed wants to see persistently higher policy rates, but the lagged effects of past hikes will depress activity more significantly to test the Fed's resolve.
- While the BoE appears to be somewhat more dovish given the weak outlook for the UK economy, the ECB seems to harbour (worryingly) few doubts about the short-term direction of policy. Gilt yields will be broadly supported by both significant new bond supply and global rates expectations due to hawkish central bankers, offsetting the effects of declining inflation and growth.

### **Forecast:**

- The MPC raised Bank Rate by 50bps to 3.5% in December as expected, with signs that some members believe that 3% is restrictive enough. However, a majority of members think further increases in Bank Rate might be required. Arlingclose continues to expect Bank Rate to peak at 4.25%, with further 25bps rises February, March and May 2023.

- The MPC will cut rates in the medium term to stimulate a stuttering UK economy, but will be reluctant to do so until wage growth eases. We see rate cuts in the first half of 2024.
- Arlingclose expects gilt yields to remain broadly steady over the medium term, although with continued volatility across shorter time periods.
- Gilt yields face pressures to both sides from hawkish US/EZ central bank policy on one hand to the weak global economic outlook on the other. BoE bond sales and high government borrowing will provide further underlying support for yields.

|                                  | Current | Mar-23 | Jun-23 | Sep-23 | Dec-23 | Mar-24 | Jun-24 | Sep-24 | Dec-24 | Mar-25 | Jun-25 | Sep-25 | Dec-25 |
|----------------------------------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <b>Official Bank Rate</b>        |         |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00    | 0.50   | 0.75   | 1.00   | 1.00   | 1.00   | 1.25   | 1.50   | 1.75   | 1.50   | 1.25   | 1.25   | 1.25   |
| Arlingclose Central Case         | 3.50    | 4.00   | 4.25   | 4.25   | 4.25   | 4.25   | 4.00   | 3.75   | 3.50   | 3.25   | 3.25   | 3.25   | 3.25   |
| Downside risk                    | 0.00    | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| <b>3-month money market rate</b> |         |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00    | 0.50   | 0.75   | 1.00   | 1.00   | 1.00   | 1.25   | 1.50   | 1.75   | 1.50   | 1.25   | 1.25   | 1.25   |
| Arlingclose Central Case         | 3.00    | 4.40   | 4.40   | 4.40   | 4.35   | 4.30   | 4.25   | 4.00   | 3.75   | 3.50   | 3.40   | 3.40   | 3.40   |
| Downside risk                    | 0.00    | 0.50   | 0.75   | 0.75   | 0.75   | 0.75   | 0.75   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| <b>5yr gilt yield</b>            |         |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00    | 0.70   | 0.80   | 0.90   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case         | 3.43    | 3.60   | 3.80   | 3.80   | 3.80   | 3.70   | 3.60   | 3.50   | 3.40   | 3.30   | 3.30   | 3.30   | 3.30   |
| Downside risk                    | 0.00    | 0.80   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| <b>10yr gilt yield</b>           |         |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00    | 0.70   | 0.80   | 0.90   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case         | 3.47    | 3.50   | 3.60   | 3.60   | 3.60   | 3.60   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   | 3.50   |
| Downside risk                    | 0.00    | 0.80   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| <b>20yr gilt yield</b>           |         |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00    | 0.70   | 0.80   | 0.90   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case         | 3.86    | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   | 3.85   |
| Downside risk                    | 0.00    | 0.80   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| <b>50yr gilt yield</b>           |         |        |        |        |        |        |        |        |        |        |        |        |        |
| Upside risk                      | 0.00    | 0.70   | 0.80   | 0.90   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |
| Arlingclose Central Case         | 3.46    | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   | 3.60   |
| Downside risk                    | 0.00    | 0.80   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   | 1.00   |

PWLB Standard Rate (Maturity Loans) = Gilt yield + 1.00%  
 PWLB Certainty Rate (Maturity Loans) = Gilt yield + 0.80%  
 UKIB Rate (Maturity Loans) = Gilt yield + 0.60%

## Appendix B – Existing Investment & Debt Portfolio Position

*Amend/add/delete rows where applicable to give a meaningful analysis*

|  | 31/12/2022<br>Actual<br>portfolio<br>£m | 31/12/2022<br>Average rate |
|--|---|----------------------------|
| <b>External borrowing:</b>               |   |                            |
| Public Works Loan Board                  | (211.8)                                 | 3.3%                       |
| Local authorities                        | (9.0)                                   | 3.0%                       |
| LOBO loans from banks                    |   |                            |
| Other loans                              |   |                            |
| <b>Total external borrowing</b>          | <b>(220.8)</b>                          | <b>3.3%</b>                |
| <b>Other long-term liabilities:</b>      |   |                            |
| Private Finance Initiative               |   |                            |
| Leases                                   | (1.3)                                   |                            |
| Transferred Debt                         |   |                            |
| <b>Total other long-term liabilities</b> |   |                            |
| <b>Total gross external debt</b>         | <b>(222.1)</b>                          |                            |
| <b>Treasury investments:</b>             |   |                            |
| The UK Government                        |   |                            |
| Local authorities                        |   |                            |
| Other government entities                |   |                            |
| Secured investments                      |   |                            |
| Banks (unsecured)                        | 3.3                                     | 3.3%                       |
| Building societies (unsecured)           |   |                            |
| Registered providers (unsecured)         |   |                            |
| Money market funds                       | 12.0                                    | 3.2%                       |
| Strategic pooled funds                   |   |                            |
| - CCLA Local Council Property fund       | 2.0                                     | (7.2%)                     |
| - Royal London Cash Plus fund            | 2.0                                     | 0.9%                       |
| Real estate investment trusts            |   |                            |
| Other investments                        |   |                            |
| <b>Total treasury investments</b>        | <b>19.3</b>                             | <b>2.0%</b>                |
| <b>Net debt</b>                          | <b>(201.5)</b>                          |                            |



## HARLOW COUNCIL

### INVESTMENT STRATEGY REPORT 2023/24

#### 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 or buying shares in 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 Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (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. The balance of treasury management investments is expected to fluctuate between £10m and £35m during the 2023/24 financial year.
4. **Contribution:** The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.
5. **Further details:** Full details of the Council's policies and its plan for 2023/24 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 subsidiaries and a local businesses, 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. £0.7m was loaned to this

company on 15 February 2021 for the purchase of vehicles, plant and machinery. The outstanding balance on these loans was £0.4m as at 31 March 2022.

8. HTS (Housing & Property) Ltd is a wholly owned subsidiary of Harlow Council and has been provided with loans of £1,0m 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.
9. 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 £1.0m 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 2022 was £3.2m 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 £40m.
10. **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 | 31.3.2022 actual |                |                        | 2023/24        |
|----------------------|------------------|----------------|------------------------|----------------|
|                      | Balance owing    | Loss allowance | Net figure in accounts | Approved Limit |
| Subsidiaries VPFE    | £0.4m            | -              | £0.4m                  | £0.4m          |
| Subsidiaries HTS H&P | £1.0m            | -              | £1.0m                  | £1.0m          |
| Local businesses     | £3.2m            | -              | £3.2m                  | £2.1m          |
| <b>TOTAL</b>         | <b>£4.6m</b>     | <b>-</b>       | <b>£4.6m</b>           | <b>£3.5m</b>   |

11. Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The Council considers that this loss is zero because HPL loans are a charge secured against property which considerably exceeds the value of the loan.

12. **Risk assessment:** The Council 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 Council, the overall risk they pose is limited.

### Service Investments: Shares

13. **Contribution:** The Council invests in the shares of its subsidiaries HTS (Housing and Property) Ltd to support local public services and stimulate local economic growth. 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: Shares held for service purposes in £ millions

| Category of company  | 31.3.2022 actual |                 |                   | 2023/24        |
|----------------------|------------------|-----------------|-------------------|----------------|
|                      | Amounts invested | Gains or losses | Value in accounts | Approved Limit |
| Subsidiaries HTS H&P | 0.5              | -               | 0.5               | 0.5            |

15. **Risk assessment:** The Council 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 the 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 Council, 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 they 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 Council 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 Council's upper limits on non-specified investments. The Council 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 Council purchased the Harvey Centre, a shopping centre in Harlow town centre, for £21.0m in December 2022. This was partly funded by short term borrowing of £9.0m. Short term borrowing has been used to avoid locking in the currently high interest rates for a long term period. The Council plan to replace the short term loans with longer term loans at a future date when interest rates are expected to be lower, to enable more certainty over long term interest costs.

19. **Contribution:** The purchase of the Harvey Centre is primarily for service reasons, with any yield gained on the Centre being a secondary objective. The Council is thus not in contravention of the CIPFA Codes' prohibition on borrowing to invest primarily for financial return.

20. The Harvey Centre was acquired to support the Council's ambitions to meaningfully regenerate Harlow Town Centre. The asset forms a significant part of the town centre extending to 8.5 acres. The acquisition gives the Council a greater ability to positively shape Harlow's future for its residents and businesses.

21. The Harvey Centre is overall expected to generate a net yield of 11.8%. A small annual income is expected from the Harvey Centre in the short term, income of around £1.1m is expected from approximate the year 2024/25.

22. The Department for Levelling Up, Housing and Communities (DLUHC) defined property to be an investment if it is held primarily or partially to general a profit. The Harvey Centre is thus included within the commercial investment section in this strategy despite being classified as a service investment in the Capital Strategy.

23. In addition to the Harvey Centre the council also holds four commercial and residential properties for the purpose of making a profit that will be spent on local public services. These include a golf club and three other properties. Annual income from these assets is around £82,000.

Table 3: Property held for investment purposes in £ millions

| Property            | Actual        | 31.3.2022 actual  |                   | 31.3.2023 expected |                   |
|---------------------|---------------|-------------------|-------------------|--------------------|-------------------|
|                     | Purchase cost | Gains or (losses) | Value in accounts | Gains or (losses)  | Value in accounts |
| Harvey Centre       | 21.0          | -                 | 21.0              | -                  | 21.0              |
| Golf Club           | 0.8           | -                 | 0.8               | -                  | 0.8               |
| Stewards Farm       | 0.3           | -                 | 0.3               | -                  | 0.3               |
| Barrow Farm Cottage | 0.2           | -                 | 0.2               | -                  | 0.2               |
| Cannons Cottage     | 0.1           | -                 | 0.1               | -                  | 0.1               |
| <b>TOTAL</b>        | <b>22.4</b>   | <b>-</b>          | <b>22.4</b>       | <b>-</b>           | <b>22.4</b>       |

24. **Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

25. Expert property sector and legal advice has been sought in acquiring the Harvey Centre and its purchase price of £21.0m fully reflects its value. Other independent valuations of the Centre have valued at or higher than this value, so even in the unlikely event of having to sell the Centre the council would expect to recoup the purchase price paid.

26. The golf club, Stewards Farm, Barrow Farm Cottage and Cannons Cottage are historically purchased properties and their valuation now exceeds their purchase price: the underlying assets thus provide security for the capital investment.

27. Should the 2022/23 year end accounts preparation and audit process value these properties below their purchase cost, than 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.

28. **Risk assessment:** Full due diligence and assessment of risk has been carried out prior to the purchase of the Harvey Centre. The quality of the tenants, anticipated future performance and fabric of the Centre has all been assessed in detail. The council has sought expert advice from property consultants and legal and financial advisors throughout the process: the quality of this advice has been monitored by the Council.

29. **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 investment are considered long term and use other types of investment to meet immediate liquidity needs.

### **Loan Commitments and Financial Guarantees**

30. 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.
31. 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 Borth 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.

### **Proportionality**

32. The Council expect to receive £322,000 in income from treasury investments and £203,000 in income from loans made and shares owned for service purposes in 2022/23.
33. The income from commercial investments excluding the Harvey Centre 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. The Harvey Centre is expected to provide income to the Council from the final quarter of 2022/23..
34. This investment income is a tiny fraction of the amount the council spends on services each year. The Council is therefore not reliant on 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**

35. **Elected members and statutory officers:** Strategic investment decision 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.
36. **Specialist expertise:** The Council has been assisted in the purchase of the Harvey Centre by Property Consultants, legal advisors and financial advisors. Arlingclose have been the Council's financial advisors.

## **Investment Indicators**

37. 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.

**38. 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 5: Total investment exposure in £millions**

| <b>Total investment exposure</b> | <b>31.03.2022<br/>Actual</b> | <b>31.03.2023<br/>Forecast</b> | <b>31.03.2024<br/>Forecast</b> |
|----------------------------------|------------------------------|--------------------------------|--------------------------------|
| Treasury management investments  | 36.6                         | 10.0                           | 10.0                           |
| Service investments: Loans       | 4.6                          | 4.6                            | 3.5                            |
| Service investments: Shares      | 0.5                          | 0.5                            | 0.5                            |
| Commercial investments: Property | 22.4                         | 22.4                           | 22.4                           |
| <b>TOTAL INVESTMENTS</b>         | <b>64.1</b>                  | <b>37.5</b>                    | <b>36.4</b>                    |
| Guarantees issued on loans       | 4.5                          | 4.5                            | 4.5                            |
| <b>TOTAL EXPOSURE</b>            | <b>68.6</b>                  | <b>42.0</b>                    | <b>40.9</b>                    |

**39. 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. The only investment clearly funded by borrowing is £9m of the total £21.0m purchase of the Harvey Centre which took place in 2022/23.

**40. 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 7: Investment rate of return (net of all costs)**

| <b>Investments net rate of return</b> | <b>2021/22<br/>Actual</b> | <b>2022/23<br/>Forecast</b> | <b>2023/24<br/>Forecast</b> |
|---------------------------------------|---------------------------|-----------------------------|-----------------------------|
| Treasury management investments       | 0.9%                      | 3.6%                        | 4.3%                        |

|                                  |             |             |             |
|----------------------------------|-------------|-------------|-------------|
| Service investments: Loans       | 4.5%        | 4.5%        | 4.5%        |
| Commercial investments: Property | 0.1%        | 1.3%        | 3.5%        |
| <b>ALL INVESTMENTS</b>           | <b>0.9%</b> | <b>2.7%</b> | <b>3.9%</b> |



**Minimum Revenue Provision Statement 2023/24**

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 either in equal instalments, or by using the annuity method, 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 2023/24 will not be subject to a MRP charge until 2024/25.
10. Based on the Council’s latest estimate of its Capital Financing Requirement (CFR) on 31 March 2023, the budget for MRP has been set as follows:

|                                       | 31.03.2023<br>Estimated CFR<br>£m | 2023/24<br>Estimated MRP<br>£ |
|---------------------------------------|-----------------------------------|-------------------------------|
| Capital expenditure before 01.04.2008 | 5.455                             | 0                             |
| Capital expenditure after 31.03.2008  | 68.499                            | 625,666                       |
| <b>Total General Fund</b>             | <b>75.954</b>                     | <b>625,666</b>                |
| Assets in the Housing Revenue Account | 146.646                           | 0                             |
| <b>Total Housing Revenue Account</b>  | <b>146.646</b>                    | <b>0</b>                      |
| <b>Total</b>                          | <b>266.600</b>                    | <b>625,666</b>                |

**REPORT TO:** CABINET

**DATE:** 16 FEBRUARY 2023

**TITLE:** CAPITAL PROGRAMMES 2022/23 – 2026/27

**PORTFOLIO HOLDERS:** COUNCILLOR JAMES LEPPARD, PORTFOLIO  
HOLDER FOR FINANCE

COUNCILLOR ALASTAIR GUNN, 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 I013867**

**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 2023/24 Housing Capital Programme (HCP) totalling £38.891 million as set out in Appendix 1.
- B** Approve of the inclusion in the Housing Capital Programme of an additional £18 million over 3 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.
- D** Approve the 2023/24 Non-Housing Capital Programme totalling £13.471 million (attached as Appendix 2 to the report), noting the additional £2.789 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 2022, the Council approved the 2022/23 Housing and Non Housing Capital Programmes, together with the 2022/23 to 2024/25 Medium Term Financial Strategy and the 2022/23 Housing Revenue Account (HRA) Budgets.
2. On December 1 2022, 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) All other new build projects are financed from retained right to buy receipts and borrowing.

## ISSUES/PROPOSALS

### Housing Capital Programme Revised Budget 2022/23

7. Table 1 sets out a summary of the changes to the 2022/23 Housing Capital Programme.

**Table 1 - Quarter 2 Movement in the Housing Capital Programme**

| <b>Budget Stage</b>                     | <b>Budget<br/>£000s</b> | <b>Cabinet date</b> |
|---|-------------------------|---------------------|
| 2022/23 Original budget                 | 30,169                  | 27/01/2022          |
| 2021/22 Quarter 3 budgets reprofiled    | 6,466                   | 03/03/2022          |
| 2021/22 Year end budgets reprofiled     | 2,762                   | 21/07/2022          |
| <b>2022/23 Current Budget</b>           | <b>39,397</b>           |                     |
| 2022/23 Budgets reprofiled at Quarter 1 | -4,681                  | 22/09/2022          |
| 2022/23 Budgets reprofiled at Quarter 2 | -8,945                  | 01/12/2022          |
| <b>2022/23 Revised Budget</b>           | <b>25,771</b>           |                     |

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 £13.626 million into future years of which £6.769 million relates to the core programme and £6.857 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**

| <b>Programme</b>    | <b>Budget<br/>2023/24<br/>£000s</b> | <b>Budget<br/>2024/25<br/>£000s</b> | <b>Budget<br/>2025/26<br/>£000s</b> | <b>Budget<br/>2026/27<br/>£000s</b> | <b>Total</b> |
|---------------------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--------------|
| Catch up stock need | 0                                   | 6,000                               | 6,000                               | 6,000                               | 18,000       |

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**

| <b>Previously approved schemes</b> | <b>Revised<br/>2022/23<br/>£000s</b> | <b>Budget<br/>2023/24<br/>£000s</b> | <b>Budget<br/>2024/25<br/>£000s</b> |
|------------------------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| Bushey Croft                       | 91                                   | 100                                 |                                     |
| 4 The Hill                         | 20                                   | 200                                 |                                     |
| Perry Road                         | 500                                  | 6,000                               | 7,500                               |
| The Yorkes                         | 500                                  | 1,000                               | 1,515                               |
| Arkwrights garages                 | 500                                  | 1,500                               | 1,500                               |
| Woodleys garages                   | 500                                  | 1,500                               | 750                                 |
| Red Lion lane                      | 150                                  | 450                                 | 650                                 |
| Pytt Field                         | 250                                  | 750                                 | 1,500                               |
| Sherard's House                    | 650                                  | 1,900                               | 3,950                               |
| Pipeline schemes                   | 836                                  |                                     |                                     |
| <b>Total New Build Budget</b>      | <b>3,997</b>                         | <b>13,400</b>                       | <b>17,365</b>                       |

12. The Bushey Croft development is complete and currently in defects period which ends June 2023.
13. The development at 4 the Hill is complete and currently in the 12 month defect period which ends May 2023.
14. Perry Road is awaiting stage 3 design, which a start date on site of approximately October 2023.

15. The Yorkes development is currently out to tender with a start date on site expected in July / August 2023.
16. The Arkwrights garages development is currently out to tender with an expected start date on site of approximately July / August 2023.
17. The Woodleys garages site is awaiting tender documents with an expected start date on site of approximately August / September 2023.
18. Red Lion Lane to be explored for self-build plots with an estimate start date on site August 2023.
19. Pytt Field stage 1 design awaiting comments. Start on site approximately August / September 2023.
20. Sherard's House is awaiting tenders for demolition works to commence and stage 2 design, with an approximate start date on site of November 2023.
21. Pipeline schemes reflect the recent acquisition of land at Parnall Road.

#### **Housing Capital Programme Estimates 2023/24**

22. 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 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".
23. 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.
24. In January 2022 Cabinet approved the Medium Term Financial Plan (MTFP) for the period 2022/23 to 2024/25. Set out in Table 4 is the movement in the 2023/24 Housing Capital Programme estimates since the MTFS was approved.

**Table 4 - Housing Capital Programme Adjustment to MTFP 2023/24**

| <b>Budget Stage</b>                      | <b>Budget<br/>£000s</b> | <b>Cabinet</b> |
|--|-------------------------|----------------|
| Original Estimates 2023/24 as per MTFP   | 31,181                  | 21/01/2022     |
| Core programme re-profiling from 2022/23 | -4,680                  | 22/09/2022     |
| Core programme re-profiling from 2022/23 | -2,736                  | 02/12/2022     |
| Re-profiling                             | 11,801                  |                |
| New build revised pipeline 2023/24       | 3,325                   |                |
|  | <b>38,891</b>           |                |

25. A minimum of £4.5 million of the core Housing Capital programme is allocated to HTS Property and Environment Ltd each year. Proposed HTS works include both internal and external works including compliance and garage refurbishments.

### Financing HCP Core Projects 2022/23

26. 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                     | 2021/22<br>Actual<br>£'000s | 2022/23<br>Original<br>£'000s | 2022/23<br>Revised<br>£'000s | 2023/24<br>Estimates<br>£'000s |
|-------------------------------|-----------------------------|-------------------------------|------------------------------|--------------------------------|
| Balance as at 1 April         | 1,574                       | 0                             | 0                            | 214                            |
| MRR Contribution              | 11,027                      | 11,228                        | 11,543                       | 12,417                         |
| Financing of Capital Exp      | (12,601)                    | (11,228)                      | (11,329)                     | (12,631)                       |
| <b>Balance as at 31 March</b> | <b>0</b>                    | <b>0</b>                      | <b>214</b>                   | <b>0</b>                       |

27. It can be seen from Table 5 that there is £11.543 million available to fund the core HCP in 2022/23 and there will be a small balance of £214,000 on the MRR at 31 March 2023 although as at 31 March 2024 the balance on the reserve will be fully utilised.
28. 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                               | 2021/22<br>Actual<br>£'000s | 2022/23<br>Estimates<br>£'000s | 2022/23<br>Revised<br>£'000s | 2023/24<br>Estimates<br>£'000s |
|---|-----------------------------|--------------------------------|------------------------------|--------------------------------|
| Balance as at 1 April                   | (1,083)                     | 0                              | (1,643)                      | 0                              |
| Adjustment in Year                      | 0                           | 0                              | 0                            | 0                              |
| Other Housing Capital Receipts Received | (560)                       | 0                              | 0                            | 0                              |
| Other Housing Capital Receipts Used     | 0                           | 0                              | 1,643                        | 0                              |
| <b>Balance as at 31 March</b>           | <b>(1,643)</b>              | <b>0</b>                       | <b>0</b>                     | <b>0</b>                       |

29. 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.
30. Appendix 1 shows that the MRR and available Capital receipts will not be sufficient to fund the core Housing Capital Programme 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 2022/23

31. 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**

| <b>Project Area</b>                    | <b>Revised<br/>2022/23<br/>£000s</b> | <b>Budget<br/>2023/24<br/>£000s</b> | <b>Budget<br/>2024/25<br/>£000s</b> |
|--|--------------------------------------|-------------------------------------|-------------------------------------|
| New Build Programme                    | 3,997                                | 13,400                              | 17,365                              |
| Financed By:                           |                                      |                                     |                                     |
| Right to Buy Capital Receipts          | 1,228                                | 5,320                               | 6,946                               |
| Right to Buy Receipts arriving in year |                                      |                                     |                                     |
| Direct Revenue Financing               | 1,773                                |                                     |                                     |
| Homes England Grant                    | 160                                  |                                     |                                     |
| S.106 Agreements                       | 836                                  |                                     |                                     |
| Borrowing                              |                                      | 8,080                               | 10,419                              |
| <b>Total Financing</b>                 | <b>3,997</b>                         | <b>13,400</b>                       | <b>17,365</b>                       |

32. Under the current rules 30 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.
33. 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.
34. 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 31 March 2024.

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

| <b>Operating Account</b>            | <b>2021/22<br/>Actual<br/>£'000s</b> | <b>2022/23<br/>Original<br/>£'000s</b> | <b>2022/23<br/>Revised<br/>£'000s</b> | <b>2023/24<br/>Estimates<br/>£'000s</b> |
|-------------------------------------|--------------------------------------|--|---------------------------------------|---|
| Balance as at 1 April               | (6,899)                              | (10,509)                               | (13,018)                              | (17,280)                                |
| Adjustment in Year                  | 0                                    | 0                                      | 0                                     | 0                                       |
| Receipts Retained from RTB          | (6,310)                              | (4,064)                                | (5,490)                               | (6,609)                                 |
| Receipts Used to Finance Purchases  | 0                                    | 0                                      | 0                                     | 0                                       |
| Receipts Used to Finance New Builds | 191                                  | 4,255                                  | 1,228                                 | 5,320                                   |
| <b>Balance as at 31 March</b>       | <b>(13,018)</b>                      | <b>(10,318)</b>                        | <b>(17,280)</b>                       | <b>(18,569)</b>                         |



## Non-Housing Capital Programme (NHCP)

35. The NHCP has been prepared in conjunction with the Medium-Term Financial Strategy approved by Cabinet in January 2022 and the Asset Management Plan.

### NHCP Revised 2022/23

36. Set out in Table 9 is a summary of the changes to the Non-Housing Capital Programme approved by Cabinet in December 2022.

**Table 9 - Quarter 2 Movement in the Non Housing Capital Programme**

| <b>Budget Stage</b>                     | <b>Budget<br/>£000s</b> | <b>Cabinet date</b> |
|---|-------------------------|---------------------|
| 2022/23 Original budget                 | 18,603                  | 27/01/2022          |
| 2021/22 Quarter 3 budgets reprofiled    | 117                     | 03/03/2022          |
| 2021/22 Year end budgets reprofiled     | 4,066                   | 21/07/2022          |
| <b>2022/23 Current Budget</b>           | <b>22,786</b>           |                     |
| 2022/23 Budgets reprofiled at Quarter 1 | 60                      | 22/09/2022          |
| 2022/23 Budgets reprofiled at Quarter 2 | -3,521                  | 01/12/2022          |
| 2022/23 Budgets further reprofiled      | 21,000                  |                     |
| <b>2022/23 Revised Budget</b>           | <b>40,325</b>           |                     |

37. 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.
38. 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 2023/24

39. In January 2022 Cabinet approved the Medium-Term Financial Plan (MTFP) for the period 2022/23 to 2024/25. Set out in Table 10 are the changes to the 2023/24 NHCP estimates since the MTFP was approved.

**Table 10 - NHCP Adjustment to Estimates in the MTFP 2023/24**

| <b>Budget Stage</b>                      | <b>Budget<br/>£000s</b> | <b>Cabinet</b> |
|--|-------------------------|----------------|
| Original Estimates 2023/24 as per MTFP   | 18,603                  | 21/01/2022     |
| Core programme re-profiling from 2022/23 | -557                    | 02/12/2022     |
| Re-profiling                             | -6,232                  |                |
| Towns Fund revised pipeline 2023/24      | 1,557                   |                |
| New build revised pipeline 2023/24       | 100                     |                |
|  | <b>13,471</b>           |                |

40. Details of the re-profiled schemes from 2022/23 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.

41. 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 2023/24**

| <b>Scheme</b>  | <b>Budget<br/>2023/24<br/>£000s</b> | <b>Budget<br/>2024/25<br/>£000s</b> | <b>Budget<br/>2025/26<br/>£000s</b> | <b>Budget<br/>2026/27<br/>£000s</b> |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Latton Bush Centre - Toiler refurbishment and stairway improvements          | 150                                 |                                     |                                     |                                     |
| Latton Bush Centre - Electrical upgrades                                     | 10                                  |                                     |                                     |                                     |
| Latton Bush Centre - Fire safety works                                       | 500                                 |                                     |                                     |                                     |
| 2& 2A Wych Elm - Electrical upgrades   | 20                                  |                                     |                                     |                                     |
| Various - Security shutter install to selected retail units                  | 18                                  |                                     |                                     |                                     |
| Study Centre - FRA upgrades  | 10                                  |                                     |                                     |                                     |
| Harlow Museum - Various works  | 125                                 |                                     |                                     |                                     |
| Staple Tye Paddling Pool - CCTV installation and chemical storage containers | 19                                  |                                     |                                     |                                     |
| Potter Street Paddling Pool - resurfacing                                    | 25                                  |                                     |                                     |                                     |
| Ladyshot Common Room - Roof replacement                                      | 20                                  |                                     |                                     |                                     |
| Estate Renewal Fund  | 350                                 |                                     |                                     |                                     |
| Civic Centre - Smoke detectors   | 209                                 |                                     |                                     |                                     |
| Civic Centre - Smoke Vents   | 36                                  |                                     |                                     |                                     |
| Civic Centre - Generator diesel tank replacement                             | 30                                  |                                     |                                     |                                     |
| Civic Centre - Boiler replacement and associated works                       | 40                                  | 360                                 |                                     |                                     |
| Town Park - Access Improvements phase 2                                      | 30                                  |                                     |                                     |                                     |
| Northbrooks Tennis Courts - replacement / upgrade                            | 150                                 |                                     |                                     |                                     |
| IT - Hardware upgrade  | 60                                  |                                     |                                     |                                     |
| Webcasting   | 43                                  |                                     |                                     |                                     |
| The Playhouse - Access Health and Safety works                               | 59                                  |                                     |                                     |                                     |
| The Playhouse - WiFi   | 47                                  |                                     |                                     |                                     |
| The Playhouse - Theatrical lighting stock LED replacement                    | 112                                 | 136                                 | 35                                  |                                     |
| Pet's Corner - Site security   | 30                                  |                                     |                                     |                                     |
| Pet's Corner - Aquarium electrics  | 15                                  |                                     |                                     |                                     |
| Pet's Corner - Paddock improvements  | 9                                   |                                     |                                     |                                     |
| Pet's Corner - Internet  | 25                                  |                                     |                                     |                                     |
| Wych Elm Car Park - Electrical and lighting upgrades                         | 100                                 | 30                                  |                                     |                                     |
| The Harvey Centre - Car Park   | 260                                 | 260                                 | 260                                 | 260                                 |
| The Harvey Centre - 1st Floor terrace and units                              | 100                                 | 200                                 |                                     |                                     |
| The Harvey Centre - Specific units   | 112                                 |                                     |                                     |                                     |
| The Harvey Centre - Other works  | 75                                  | 100                                 | 125                                 | 125                                 |
| <b>Total</b>   | <b>2,789</b>                        | <b>1,086</b>                        | <b>420</b>                          | <b>385</b>                          |

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

### **Financing NHCP Projects**

43. 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**

| <b>Narrative</b>              | <b>2021/22<br/>Actual<br/>£000s</b> | <b>2022/23<br/>Estimate<br/>£000s</b> | <b>2023/24<br/>Estimate<br/>£000s</b> |
|-------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|
| Capital Receipts B/Fwd        | 2,349                               | 1,962                                 | 1,962                                 |
| Capital Receipts Received     | 655                                 | 14                                    |                                       |
| Capital Receipts Used         | -1,042                              | -14                                   |                                       |
| <b>Capital Receipts C/Fwd</b> | <b>1,962</b>                        | <b>1,962</b>                          | <b>1,962</b>                          |

44. The remaining elements of the NHCP in 2023/24 will be financed by Disabled Facilities and Towns Fund grants, revenue contributions, earmarked reserves, loan repayment and borrowing.

### **Risks**

45. The following risks should be noted.

### **Housing Capital Programme**

46. 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**

47. 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.

## **IMPLICATIONS**

### **Strategic Growth and Regeneration**

As contained within the report.

**Author: Andrew Bramidge, Chief Executive**

### **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 – Housing Capital Programme 2022/23 to 2026/27

Appendix 2 – Non-Housing Capital Programme 2022/23 to 2026/27

## **Background Papers**

None.

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

AMP – Asset Management Plan

DLUHC – Department for levelling Up, Housing & Communities

EZ- Enterprise Zone

GF – General Fund

HCP – Housing Capital Programme

HIP – Housing Investment Programme

HRA – Housing Revenue Account

HTS – HTS (Property and Environment) Ltd

MTFS- Medium Term Financial Strategy

NHCP – Non-Housing Capital Programme

RTB – Right to Buy

**Appendix 1 - Housing Capital Programme 2022/23 to 2026/27**

| <b>PROGRAMME</b>                            | <b>Revised<br/>2022/23<br/>£,000s</b> | <b>Budget<br/>2023/24<br/>£,000s</b> | <b>Budget<br/>2024/25<br/>£,000s</b> | <b>Budget<br/>2025/26<br/>£,000s</b> | <b>Budget<br/>2026/27<br/>£,000s</b> |
|---|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| HTS Internal Works - ASC                    | 1,089                                 | 1,090                                | 1,139                                | 1,161                                | 1,185                                |
| HTS Internal Works - Compliance             | 3,000                                 | 1,460                                | 1,000                                | 1,000                                | 1,000                                |
| HTS Internal Works - Energy Efficiency      | 1,304                                 |                                      |                                      |                                      |                                      |
| HTS Internal Works - Planned Works          |                                       | 301                                  |                                      |                                      |                                      |
| HTS Internal Works - Aids & Adaptations     | 873                                   |                                      |                                      |                                      |                                      |
| HTS Internal Works - Roofing                | 1,554                                 |                                      |                                      |                                      |                                      |
| HTS Internal Works - Internal               | 3,192                                 | 4,355                                | 2,600                                | 2,600                                | 2,800                                |
| HTS Internal Works - Garages                | 502                                   | 195                                  | 202                                  | 197                                  | 173                                  |
| HTS Internal Works - Sumners Farm Close     | 57                                    | 342                                  |                                      |                                      |                                      |
| <b>TOTAL HTS</b>                            | <b>11,571</b>                         | <b>7,743</b>                         | <b>4,941</b>                         | <b>4,958</b>                         | <b>5,158</b>                         |
| External Works                              | 2,748                                 | 6,805                                | 5,350                                | 5,350                                | 5,050                                |
| Damp & Structural Works                     | 714                                   | 1,600                                | 600                                  | 600                                  | 600                                  |
| Other Works                                 | 723                                   | 1,000                                | 750                                  | 750                                  | 750                                  |
| Fire Safety & Compliance                    | 5,059                                 | 6,840                                | 1,200                                | 1,200                                | 1,100                                |
| Energy Efficiency Works                     | 629                                   | 1,103                                | 100                                  | 100                                  | 100                                  |
| Housing IT                                  | 330                                   | 400                                  | 50                                   | 50                                   | 80                                   |
| Contingency                                 |                                       |                                      | 228                                  | 228                                  | 221                                  |
| Catch Up                                    |                                       |                                      | 6,000                                | 6,000                                | 6,000                                |
| Slippage targets                            |                                       |                                      | 3,385                                |                                      |                                      |
| <b>TOTAL CORE HOUSING CAPITAL PROGRAMME</b> | <b>21,774</b>                         | <b>25,491</b>                        | <b>22,604</b>                        | <b>19,236</b>                        | <b>19,059</b>                        |

**Table 3 - New Build Schemes**

| <b>Scheme</b>                          | <b>Revised<br/>2022/23<br/>£,000s</b> | <b>Budget<br/>2023/24<br/>£,000s</b> | <b>Budget<br/>2024/25<br/>£,000s</b> | <b>Budget<br/>2025/26<br/>£,000s</b> | <b>Budget<br/>2026/27<br/>£,000s</b> |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Bushey Croft                           | 91                                    | 100                                  |                                      |                                      |                                      |
| 4 The Hill                             | 20                                    | 200                                  |                                      |                                      |                                      |
| Perry Road                             | 500                                   | 6,000                                | 7,500                                |                                      |                                      |
| The Yorkes                             | 500                                   | 1,000                                | 1,515                                |                                      |                                      |
| Arkwrights garages                     | 500                                   | 1,500                                | 1,500                                |                                      |                                      |
| Woodleys garages                       | 500                                   | 1,500                                | 750                                  |                                      |                                      |
| Red Lion Lane                          | 150                                   | 450                                  | 650                                  |                                      |                                      |
| Pytt Field                             | 250                                   | 750                                  | 1,500                                |                                      |                                      |
| Sherards House                         | 650                                   | 1,900                                | 3,950                                |                                      |                                      |
| Pipeline schemes                       | 836                                   |                                      |                                      |                                      |                                      |
| <b>TOTAL NEW BUILD BUDGET</b>          | <b>3,997</b>                          | <b>13,400</b>                        | <b>17,365</b>                        | <b>-</b>                             | <b>-</b>                             |
| <b>TOTAL HOUSING CAPITAL PROGRAMME</b> | <b>25,771</b>                         | <b>38,891</b>                        | <b>39,969</b>                        | <b>19,236</b>                        | <b>19,059</b>                        |

| <b>FINANCED BY</b>                     | <b>Revised<br/>2022/23<br/>£,000s</b> | <b>Budget<br/>2023/24<br/>£,000s</b> | <b>Budget<br/>2024/25<br/>£,000s</b> | <b>Budget<br/>2025/26<br/>£,000s</b> | <b>Budget<br/>2026/27<br/>£,000s</b> |
|--|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Direct Revenue Financing               | 7,191                                 | 3,583                                | 2,704                                | 2,802                                | 1,007                                |
| Major Repairs Reserve                  | 11,329                                | 12,631                               | 13,222                               | 13,683                               | 14,015                               |
| Major Works Contributions              | 300                                   | 300                                  | 300                                  | 300                                  | 300                                  |
| 1-4-1 Receipts Used                    | 1,228                                 | 5,320                                | 6,946                                |                                      |                                      |
| Other Grants & Contributions           | 3,241                                 |                                      |                                      |                                      |                                      |
| Borrowing                              |                                       | 15,347                               | 14,959                               | 546                                  | 1,772                                |
| S.106 Agreements                       | 836                                   |                                      |                                      |                                      |                                      |
| Right to Buy Receipts arriving in year | 1,646                                 | 1,710                                | 1,838                                | 1,905                                | 1,965                                |
| <b>TOTAL FINANCING</b>                 | <b>25,771</b>                         | <b>38,891</b>                        | <b>39,969</b>                        | <b>19,236</b>                        | <b>19,059</b>                        |

**Appendix 2 - Non Housing Capital Programme 2022/23 to 2025/26**

| <b>PROJECT AREA</b>             | <b>Revised<br/>2022/23<br/>£,000s</b> | <b>Budget<br/>2023/24<br/>£,000s</b> | <b>Budget<br/>2024/25<br/>£,000s</b> | <b>Budget<br/>2025/26<br/>£,000s</b> | <b>Budget<br/>2026/27<br/>£,000s</b> |
|---------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Latton Bush Centre              | 528                                   | 845                                  | 1,202                                | 1,200                                |                                      |
| Commercial Properties           | 877                                   | 128                                  | 492                                  | 114                                  | 30                                   |
| Highways and Car Parks          | 118                                   | 185                                  | 147                                  | 775                                  | 85                                   |
| Drainage                        | 210                                   | 50                                   | 99                                   | 50                                   | 50                                   |
| Community Buildings             | 473                                   | 535                                  | 440                                  | 647                                  | 39                                   |
| Other Schemes                   | 329                                   | 445                                  | 647                                  | 50                                   | 50                                   |
| Civic Centre                    | 655                                   | 866                                  | 663                                  | 177                                  |                                      |
| Contingency                     | 50                                    | 50                                   | 54                                   | 57                                   | 61                                   |
| Garages                         | 174                                   | 143                                  | 136                                  | 136                                  | 136                                  |
| Environment                     | 1,230                                 | 868                                  | 623                                  | 525                                  | 525                                  |
| Governance                      | 85                                    | 139                                  | 36                                   | 36                                   | 36                                   |
| Communities and Environment     | 2,747                                 | 327                                  | 546                                  | 65                                   | 30                                   |
| Strategic Growth & Regeneration | 21,000                                | 547                                  | 560                                  | 385                                  | 385                                  |
| New Build Schemes               | 95                                    | 3,310                                | 1,143                                |                                      |                                      |
| Enterprise Zone                 | 1,489                                 |                                      |                                      |                                      |                                      |
| Town Centre Ltd                 | 5,000                                 |                                      |                                      |                                      |                                      |
| Towns Fund                      | 5,265                                 | 5,033                                | 10,403                               | 3,000                                |                                      |
| <b>TOTAL</b>                    | <b>40,325</b>                         | <b>13,471</b>                        | <b>17,191</b>                        | <b>7,217</b>                         | <b>1,427</b>                         |

| <b>FINANCED BY</b>            | <b>Revised<br/>2022/23<br/>£,000s</b> | <b>Budget<br/>2023/24<br/>£,000s</b> | <b>Budget<br/>2024/25<br/>£,000s</b> | <b>Budget<br/>2025/26<br/>£,000s</b> | <b>Budget<br/>2026/27<br/>£,000s</b> |
|-------------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Asset Disposal Programme      | 14                                    |                                      |                                      |                                      |                                      |
| Earmarked Reserves            | 476                                   | 547                                  | 560                                  | 385                                  | 385                                  |
| Revenue Contributions         | 210                                   |                                      |                                      |                                      |                                      |
| Grants                        | 7,522                                 | 5,533                                | 10,903                               | 3,500                                | 500                                  |
| Loans                         | 5                                     |                                      | 5                                    | 5                                    | 5                                    |
| Elm Hatch                     | 95                                    | 3,310                                | 1,143                                |                                      |                                      |
| The Harvey Centre             | 21,000                                |                                      |                                      |                                      |                                      |
| Ocassio House                 | 1,250                                 |                                      |                                      |                                      |                                      |
| Town Regeneration Partnership | 5,000                                 |                                      |                                      |                                      |                                      |
| Prudential Borrowing          | 4,753                                 | 4,081                                | 4,580                                | 3,327                                | 537                                  |
| <b>TOTAL FINANCING</b>        | <b>40,325</b>                         | <b>13,471</b>                        | <b>17,191</b>                        | <b>7,217</b>                         | <b>1,427</b>                         |

**REPORT TO:** COUNCIL

**DATE:** 23 FEBRUARY 2023

**TITLE:** COUNCIL TAX RESOLUTION 2023/24

**LEAD OFFICERS:** SENIOR MANAGEMENT BOARD

SIMON FREEMAN, DEPUTY CHIEF EXECUTIVE AND  
DIRECTOR OF FINANCE (01279) 446228

**RECOMMENDED that:**

- A** The Council Tax Resolution for 2023/24, as set out in Appendix A to the report, is approved.

**BACKGROUND**

1. Under the Local Government Finance Act 1992, as amended by the Localism Act 2011, the Council as a billing authority is required to calculate a Council Tax Requirement for the year.
2. Members agreed Harlow Council's Council Tax Requirement as part of the Council Budget earlier on the agenda. Demands for the remaining Essex precepting bodies have also been received and are set out below:-

a) Essex County Council

The County Council met on 9 February 2023 and set its precept at £41,305,192. This results in a Band D Council Tax of £1,450.17 inclusive of a Social Care precept of £197.46.

b) Police and Crime Commissioner for Essex

The Police Fire and Crime Panel met on 7 February 2023 and set the precept of the Police Fire and Crime Commissioner at £6,649,641. This results in a Band D Council Tax of £233.46.

c) Essex Police, Fire and Crime Commissioner Fire and Rescue Authority

The Essex Police, Fire and Crime Commissioner Fire and Rescue Authority met on 7 February 2023 and set the EPFCC Fire and Rescue Authority's precept at £2,286,615. This results in a Band D Council Tax of £80.28.

3. The Council Tax for Harlow is based upon all of the above Council Tax Requirements.
4. Under the Localism Act 2011 a Council Tax referendum is required if an authority's Council Tax increase in 2023/24 exceeds the Council Tax excessiveness principles. The Secretary

of State has set a threshold of 3.0% or £5.00 for the purposes of determining if an increase is excessive for all English billing authorities. Harlow's relevant basic amount of Council Tax (as set out in section 52ZX of the 1992 Act) was £288.90 in 2022/23 and is proposed to be £288.90 in 2023/24 which represents a Zero Council Tax increase. As such the Council is not required to hold a referendum under the principles approved under Section 52ZB Local Government Finance Act 1992.

## ISSUES/PROPOSALS

5. The Council Tax Resolution is set out at Appendix A to the report and, if approved, the total Band D Council Tax will be as follows:-

|                               | <b>2022/23</b><br><b>£</b> | <b>2023/24</b><br><b>£</b> | <b>Increase</b><br><b>£</b> | <b>Increase</b><br><b>%</b> |
|-------------------------------|----------------------------|----------------------------|-----------------------------|-----------------------------|
| Harlow Council                | 288.90                     | 288.90                     | 0.00                        | 0.00%                       |
| Essex County Council          | 1,401.12                   | 1,450.17                   | 49.05                       | 3.50%                       |
|                               |                            |                            |                             |                             |
| PCC for Essex                 | 218.52                     | 233.46                     | 14.94                       | 6.84%                       |
| EPFCC Fire & Rescue Authority | 75.33                      | 80.28                      | 4.95                        | 6.57%                       |
| <b>Total</b>                  | <b>1,983.87</b>            | <b>2,052.81</b>            | <b>68.94</b>                | <b>3.48%</b>                |

## IMPLICATIONS

### Strategic Growth and Regeneration

None Specific

**Author: Andrew Bramidge, Chief Executive.**

### Finance

The resolution enables the 2023/24 Council Tax to be set as required under the legislation.

**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 beyond those contained in the report

**Author: Simon Hill, Director of Governance and Corporate Services**

## Appendices

Appendix A – Council Tax Resolution 2023/24



**1 It be noted that:**

- a The Deputy Chief Executive and Director of Finance in consultation with the Portfolio Holder for Finance calculated the Council Tax Base 2023/24 as 28,483.00 (Item T in the formula in Section 31B of the Local Government Finance Act 1992)
- b The Council Tax Requirement for the Council’s own purposes for 2023/24 as set by Full Council on 23 February 2023 is £8,228,739
- c Essex County Council , the Police Fire and Crime Commissioner for Essex and the Essex Police, Fire and Crime Commissioner Fire and Rescue Authority have issued precepts to the Council in accordance with Section 40 of the 1992 Act as indicated in the table below:

|   | 2023/24 Precept |
|---|-----------------|
| Essex County Council  | £41,305,192     |
| Police Fire and Crime Commissioner for Essex                      | £6,649,641      |
| Essex Police, Fire and Crime Commissioner Fire & Rescue Authority | £2,286,615      |

**2 It be resolved that:**

- a The following amounts be calculated for the year 2023/24 in accordance with Sections 31 to 36 of the 1992 Act:
  - i £116,241,053 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
  - ii £108,012,314 Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - iii £8,228,739 Being the amount by which the aggregate at 2(a) (i) above exceeds the aggregate at 2(a) (ii) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
  - iv £288.90 Being the amount at 2(a) (iii) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year

## APPENDIX A

- b The Council, in accordance with Sections 30 and 36 of the 1992 Act, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2023/24 for each part of its area and for each of the categories of dwellings.

|                 |
|-----------------|
| Valuation Bands |
|-----------------|

### HARLOW DISTRICT COUNCIL

| A      | B      | C      | D      | E      | F      | G      | H      |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 192.60 | 224.70 | 256.80 | 288.90 | 353.10 | 417.30 | 481.50 | 577.80 |

### ESSEX COUNTY COUNCIL

| A      | B        | C        | D        | E        | F        | G        | H        |
|--------|----------|----------|----------|----------|----------|----------|----------|
| 966.78 | 1,127.91 | 1,289.04 | 1,450.17 | 1,772.43 | 2,094.69 | 2,416.95 | 2,900.34 |

### POLICE FIRE AND CRIME COMMISSIONER FOR ESSEX

| A      | B      | C      | D      | E      | F      | G      | H      |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 155.64 | 181.58 | 207.52 | 233.46 | 285.34 | 337.22 | 389.10 | 466.92 |

### ESSEX POLICE, FIRE AND CRIME COMMISSIONER FIRE AND RESCUE AUTHORITY

| A     | B     | C     | D     | E     | F      | G      | H      |
|-------|-------|-------|-------|-------|--------|--------|--------|
| 53.52 | 62.44 | 71.36 | 80.28 | 98.12 | 115.96 | 133.80 | 160.56 |

### AGGREGATE OF COUNCIL TAX REQUIREMENTS

| A        | B        | C        | D        | E        | F        | G        | H        |
|----------|----------|----------|----------|----------|----------|----------|----------|
| 1,368.54 | 1,596.63 | 1,824.72 | 2,052.81 | 2,508.99 | 2,965.17 | 3,421.35 | 4,105.62 |

(All figures are in Pounds)