

**CABINET**  
**Thursday 25 March 2021 at 7.30 pm**  
**Zoom - Online**

This meeting is a virtual meeting which is being hosted on Zoom. Councillors and registered public participants will be sent access details nearer the date of the meeting.

Members of the public who wish to watch the meeting can do so via a livestream which will appear on the Council's YouTube page  
<https://www.youtube.com/user/HarlowCouncil>

**Members**

Councillor Mark Ingall, Leader of the Council  
Councillor Eugenie Harvey, Deputy Leader and Portfolio Holder for Resilience and Recovery  
Councillor Mike Danvers, Portfolio Holder for Resources  
Councillor Tony Durcan, Portfolio Holder for Growth and Prosperity  
Councillor Danny Purton, Portfolio Holder for Environment  
Councillor Chris Vince, Portfolio Holder for Community and Wellbeing  
Councillor Nancy Watson, Portfolio Holder for Governance, Equality and Diversity  
Councillor Mark Wilkinson, Portfolio Holder for Housing

**AGENDA**

1. Apologies for absence
2. Declarations of Interest  
  
Councillors' declarations of interest (if any) in relation to any items on the agenda.
3. Minutes (Pages 4 - 13)  
  
To approve the minutes of the meeting held on 25 February 2021.
4. Matters Arising  
  
Any matters arising from the minutes of the previous meeting.
5. Written Questions from the Public  
  
To receive any questions from members of the public in accordance with Rule 10 of the Council Procedure Rules.

6. Written Questions from Councillors  
To receive any questions from Councillors in accordance with Rule 11 of the Council Procedure Rules.
7. Petitions  
To consider any petitions that have been referred to the Cabinet under the Council's Petition Scheme.
8. Forward Plan (Pages 14 - 20)  
To note the Forward Plan, which lists all upcoming Cabinet decisions and provides notice of key decisions and those expected to be taken in private session.
9. Recent Relevant Decisions Taken by The Leader, Deputy or Portfolio Holder(s)  
To note recent Portfolio Holder decisions taken under delegated powers, as attached.
  - a) Portfolio Holder for Housing - 15 March 2021 (Page 21)
10. Implementation of an Article 4 Direction relating to Houses of Multiple Occupation (Pages 22 - 49)
11. Joint Finance and Performance Report, Quarter 3 2020/21  
(Pages 50 - 84)
12. Housing Revenue Account, Quarter 3 Finance Report 2020/21  
(Pages 85 - 92)
13. Capital Programmes, Quarter 3 Finance Report 2020/21  
(Pages 93 - 102)
14. Development Scheme - 4 The Hill (Pages 103 - 105)
15. Policy and Procedure for Disposal of Land Within Housing Estates  
(Pages 106 - 118)
16. Award of Framework Agreement for Legal Services in Support of Special Projects (Pages 119 - 125)
17. Communications from Committees/Working Groups/Parties and Panels
  - a) Referral from Scrutiny Committee - Delivery of Council House Building Programme (Pages 126 - 176)

- b) Referral from Scrutiny Committee - Policing and Community Safety Annual Review (Pages 177 - 178)

18. Minutes of Panels/Working Groups

To note the following draft minutes of Cabinet appointed bodies. Minutes remain draft until approved by the relevant body.

- a) Minutes of meeting Tuesday, 2 February 2021 of Covid-19 Recovery Working Group (Pages 179 - 181)

19. Matters of Urgent Business

Such other business which, in the opinion of the Chair, should be received as a matter of urgency by reason of special circumstances to be specified in the minutes.

**MINUTES OF THE CABINET  
HELD ON**

25 February 2021

7.40 - 9.13 pm

**PRESENT**

**Committee Members**

Councillor Mark Ingall, Leader of the Council  
Councillor Eugenie Harvey, Deputy Leader and Portfolio Holder for Resilience and Recovery  
Councillor Mike Danvers, Portfolio Holder for Resources  
Councillor Tony Durcan, Portfolio Holder for Growth and Prosperity  
Councillor Danny Purton, Portfolio Holder for Environment  
Councillor Chris Vince, Portfolio Holder for Community and Wellbeing  
Councillor Nancy Watson, Portfolio Holder for Governance, Equality and Diversity  
Councillor Mark Wilkinson, Portfolio Holder for Housing

**Other Councillors**

Councillor David Carter  
Councillor Simon Carter  
Councillor Joel Charles  
Councillor Tony Edwards  
Councillor Michael Hardware  
Councillor Andrew Johnson  
Councillor Russell Perrin

**Also Present**

Scot Morrison – Pinsent Masons

**Officers**

Brian Keane, Chief Executive  
Andrew Bramidge, Head of Environment and Planning  
Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive  
Jane Greer, Head of Community Wellbeing  
Simon Hill, Head of Governance  
Andrew Murray, Head of Housing  
Adam Rees, Governance Support Officer  
Lisa Thornett, Corporate Governance Support Officer

94. **APOLOGIES FOR ABSENCE**

None.

95. **DECLARATIONS OF INTEREST**

Councillor Simon Carter declared a pecuniary interest, in Item 13 (HTS (Property and Environment) Limited Contract Awards 2021/22) as a remunerated Council appointed Director of HTS (Property and Environment) Ltd. He would leave the meeting for consideration of the item.

Councillor Joel Charles declared a pecuniary interest, in Item 13 (HTS (Property and Environment) Limited Contract Awards 2021/22) as a remunerated Council appointed Director of HTS (Housing and Regeneration) Ltd and HTS Group Ltd. He would leave the meeting for consideration of the item.

96. **MINUTES**

**RESOLVED** that the minutes of the meeting held on 21 January 2021 are agreed as a correct record and signed by the Leader.

97. **MATTERS ARISING**

None.

98. **WRITTEN QUESTIONS FROM COUNCILLORS**

The questions, together with the answers, are appended to the minutes.

99. **WRITTEN QUESTIONS FROM THE PUBLIC**

The questions, together with the answers, are appended to the minutes.

100. **PETITIONS**

None.

101. **FORWARD PLAN**

Simon Hill, Head of Governance, explained that the Award of Framework Agreement for Legal Services in Support of Special Projects had been delayed due to the amount of interest when the tender was first advertised. It was now in a position to be considered at Cabinet on 25 March 2021.

Andrew Bramidge, Head of Environment and Planning, explained that the Implementation of an Article 4 Direction relating to Houses of Multiple Occupation, had been agreed in principle by Cabinet, following a recommendation by the Cabinet Overview Working Group.

**RESOLVED** that the Forward Plan is noted.

102. **RECENT RELEVANT DECISIONS TAKEN BY THE LEADER, DEPUTY OR PORTFOLIO HOLDER(S)**

**RESOLVED** that the following decision is noted.

- a) Portfolio Holder for Community and Wellbeing - 22 January 2021

103. **HARLOW INVESTMENT FUND**

Cabinet received a report which sought approval of in principle for the Council to invest £5 million in the Harlow Town Centre Investment Fund.

Proposed by Councillor Mark Ingall (seconded by Councillor Mike Danvers) it was:

**RESOLVED** that Cabinet agrees that:

- A** In principle that the Council will invest £5 million in the Harlow Town Centre Investment Fund.
- B** The Chief Executive, in consultation with the Leader of the Council, enters into an agreement to subscribe to purchase shares in the Harlow Investment Fund Limited Partnership and such other entities as may be required.
- C** The Chief Executive, in consultation with the Leader of the Council, will nominate a representative to the Board of the General Partner.
- D** Agreement of all operational matters and approval of the draft Board documents are delegated to the Chief Executive in consultation with the Leader of the Council.

104. **SUPPLEMENTARY PLANNING DOCUMENT (AFFORDABLE HOUSING)**

Cabinet received a report which sought approval to publish the draft Affordable and Specialist Housing Supplementary Planning Document for consultation.

Proposed by Councillor Danny Purton (seconded by Councillor Mark Wilkinson) it was:

**RESOLVED** that:

- A** Cabinet approved that the Draft Affordable and Specialist Housing Supplementary Planning Document (attached as Appendix A to the report), is published for the purposes of consultation under Section 12(b) of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended).
- B** Authority be delegated to the Head of Environment and Planning, to make and approve any minor or inconsequential amendments to the Draft Affordable and Specialist Housing Supplementary Planning Document arising from the statutory consultation.

105. **FIRE SAFETY WORKS - EDMUNDS TOWER, HUGH'S TOWER AND THE LAWN**

Cabinet received a report which sought approval of a contract award for fire safety works at Hughs Tower, Edmunds Tower, and the Lawn.

Proposed by Councillor Mark Wilkinson (seconded by Councillor Eugenie Harvey) it was:

**RESOLVED** that:

- A** The most advantageous tender in consideration of price and quality combined as submitted by Contractor A is accepted in the sum of £1,445,493.51 for the delivery of updated Fire Compartmentation between floors, in service duct and ventilation system, internal and front entrance fire doors programme, subject to contract and Leaseholder consultation.

106. **HTS (PROPERTY AND ENVIRONMENT) LIMITED CONTRACT AWARDS 2021/22**

*Councillors Simon Carter and Joel Charles left the meeting whilst this item was considered.*

Cabinet received a report which sought approval for the award of business cases to HTS (Property and Environment) Ltd for the 2021/22 financial year.

Proposed by Councillor Mark Wilkinson (seconded by Councillor Mark Ingall) it was:

**RESOLVED** that:

- A** The following Business Case is awarded to HTS (Property and Environment) Limited, subject to clarification and agreement on the terms and conditions, and that a contract is entered into for the activity, not exceeding the value below:

i) Internal Works - £2,015,000

ii) External Works - £1,000,000

107. **COMMUNICATIONS FROM COMMITTEES/WORKING GROUPS/PARTIES AND PANELS**

None.

108. **MINUTES OF PANELS/WORKING GROUPS**

**RESOLVED** that the minutes of the following meetings are noted.

- a) Minutes of meeting Tuesday, 12 January of Harlow Local Highways Panel
- b) Minutes of meeting Thursday, 14 January 2021 of Covid-19 Recovery Working Group

109. **MATTERS OF URGENT BUSINESS**

It was noted that Essex County Council were holding a public Zoom consultation on proposals for Harlow Library on Friday 26 February at 4pm. It was agreed that details on how to attend the meeting would be circulated to all Councillors.

LEADER OF THE COUNCIL

# Cabinet – 25 February 2021

## Questions from Councillors

### 1 Councillor Tony Edwards to Councillor Mike Danvers (Portfolio Holder for Resources):

Over the last eight years how much has the Harlow Council element of the Band D Council Tax increased by and how much has the Essex element (including the Police and Fire precept) increased by?

### Reply from Councillor Mike Danvers (Portfolio Holder for Resources):

From 2014/15 to 2021/22 the Harlow Council element of Council Tax on a Band D property increased from £259.12 to £288.90. This represents an increase of £29.77, a weekly increase of £0.57. This is an 11.49 percent increase.

Over the same period, the element for other Precepting Bodies has increased from £1,297.44 to £1,623.33. This is an increase of £325.89, a weekly increase of £6.27. This is a 25.12 percent increase. Please also see the table below which sets out the increase for both Band C and D properties.

#### 8 Year Council Tax Increases

	Precepting Bodies		Harlow	
	Band D	Band C	Band D	Band C
<b>2014/15</b>	£1,297.44	£1,153.28	£259.13	£230.34
<b>2021/22</b>	£1,623.33	£1,442.96	£288.90	£256.80
<b>8 Year increase (£)</b>	<b>£325.89</b>	<b>£289.68</b>	<b>£29.77</b>	<b>£26.46</b>
<b>8 year increase (£ per week)</b>	<b>£6.27</b>	<b>£5.57</b>	<b>£0.57</b>	<b>£0.51</b>
<b>8 Year increase (%)</b>	<b>25.12%</b>	<b>25.12%</b>	<b>11.49%</b>	<b>11.49%</b>

Precepting Bodies = (1)Essex County council, (2) Police and Crime Commissioner for Essex,(3) Essex Police, Fire and Crime Commissioner Fire & Rescue Authority

**2 Councillor Tony Edwards to Councillor Mike Danvers (Portfolio Holder for Resources):**

How much will it cost Harlow Council Tax payers to implement the Conservative stated proposal to re-bill residents in the event of change in the Council Tax?

**Reply from Councillor Mike Danvers (Portfolio Holder for Resources):**

The direct costs to the Council are estimated to be £60,000 to re run a council tax billing process during the year.

**Supplementary question from Councillor Tony Edwards:**

Is the cost really £60,000.

**Supplementary reply from Councillor Mike Danvers (Portfolio Holder for Resources):**

Yes, and it would be a completely unnecessary cost.

# Cabinet – 25 February 2021

## Questions from the Public

**1 Mick Patrick to Councillor Mark Wilkinson (Portfolio Holder for Housing):**

The Government has given £180 million in the 2020/2021 Budget for Housing Debt Hardship Discretionary payments. How much of this has been allocated to Harlow and how much has been paid out to Harlow tenants within Harlow's Budget to date?

**Reply from Councillor Mark Wilkinson (Portfolio Holder for Housing):**

The Council was allocated £294,598 by the Government towards the costs of Discretionary Housing Payments in 2020/21. To date the Council has used £225,562.41 of this allocation.

**2 Mick Patrick to Councillor Mark Wilkinson (Portfolio Holder for Housing):**

Given the present Covid pandemic and the mass of tenants in all sectors that are in arrears caused by unemployment or big loss of income, what plans has Harlow Council put onto place to avoid Evictions or Homelessness and have mediation services been put in place for all sectors of Tenancy?

**Reply from Councillor Mark Wilkinson (Portfolio Holder for Housing):**

Harlow Council recognises the significant impacts the Covid-19 pandemic has had, and continues to have on many tenants and leaseholders abilities to meet their financial obligations, including rent and service charges.

Throughout this period, Officers have sought to work with tenants/leaseholders to understand any specific difficulties that the pandemic has caused (whether through loss of employment, a reduction in income or illness) to provide practical support, and advice based on individual particular circumstances.

The Government has also introduced constraints to the current enforcement / evictions processes. This has included a ban on evictions in England recently extended to the end of March 2021 together with changes to the Court application process that landlords are required to follow. Further initiatives they are planning include independent "mediation" services, a "Debt Respite Scheme (Breathing Space)" which seeks to ensure a rounded approach is undertaken for what they classify "problem debts" allowing a breathing space during any enforcement action that may need to be undertaken.

**Supplementary question from Mick Patrick:**

Does the Council have any figures on the number of tenants that are currently in the judicial system awaiting for the end of the moratorium for the process of eviction?

**Supplementary reply from Councillor Mark Wilkinson (Portfolio Holder for Housing):**

I will arrange for a written response to be provided.

**3 Alan Leverett to Councillor Mark Wilkinson (Portfolio Holder for Housing):**

In the private sector, house sales are booming as people try to complete the sale and purchase of a home whilst there is a stamp duty holiday.

In response to my question about Prentice Place at the last Full Council meeting, Cllr Durcan stated that the procedures used to re-let vacant council homes ceased when the last Covid lockdown was announced. I have to say I think residents on Harlow Council's Housing Register in desperate need of a new home would have been most surprised that the council have not adopted the safe practices used in the private sector, particularly as many of these vacant homes will have been empty for some time whilst being made available for occupation again.

How many council homes are standing empty as a result of this pause in re-letting homes?

**Reply from Councillor Mark Wilkinson (Portfolio Holder for Housing):**

Harlow Council agreed to temporarily reduce its lettings activities in January 2021 due to cases of Covid-19 in the town increasing at then an alarming rate with Harlow having one of the highest case rates in the country.

Whilst urgent lettings continue to be made, based upon an evidenced urgent/emergency housing need, non-urgent lettings were temporarily reduced with visits inside homes stopped. These additional steps taken by the council both protected our residents and staff from the spread of this virus. The health and wellbeing of our residents and staff remains our number one priority and our service provision continues to be regularly reviewed alongside Harlow's latest infection rates with any further decisions by the government on easing the lockdown restrictions in a safe manner.

Covid-19 safe practices under public health guidance were established in June 2020 and again will be used to address the 31 properties that are awaiting an offer to be made to the applicant and an additional 30 properties awaiting accompanied viewings.

**4 Alan Leverett to Councillor Mark Wilkinson (Portfolio Holder for Housing):**

With the likelihood that many applicants for a council home are in the younger age group and therefore some months away from being fully vaccinated, will the council be making any changes to the re-letting procedures which will enable it to start offering homes to those on its Housing Register?

**Reply from Councillor Mark Wilkinson (Portfolio Holder for Housing):**

Offering homes to those applicants on the Council's Housing Register is/continue to be based on evidenced housing need based on principles, processes, and priorities outlined in the Housing allocations Policy. This is always kept regularly under review, to be able to respond to national/local priorities where appropriate.

**Supplementary question from Alan Leverett:**

Will the Council consider using virtual viewing methods similar to those which have been seen in the private sector?

**Supplementary reply from Councillor Mark Wilkinson (Portfolio Holder for Housing):**

The Council is looking at all available options.

# Harlow Council Forward Plan

Published on 24 February 2021

This plan contains all decisions that the Council's Cabinet expects to take over the coming year. Where relevant, each decision has been identified as a Key Decision or as involving consideration in private session.

The definition of a Key Decision is given in Article 12 of the Council's Constitution but is also set out here for clarity.

A 'Key Decision' means a Cabinet/Portfolio Holder decision which is likely:

- a) to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates. For this purpose, expenditure or savings are deemed to be significant if they exceed £50,000
- b) to be significant in terms of its effects on communities living in an area comprising two or more wards in Harlow.

Each decision listed in this Forward Plan has been assigned an exemption status as follows:

**Open** – members of the press and public are expected to be allowed to attend during consideration of this matter.

**Confidential** – members of the press and public are expected to be excluded during consideration of this matter. The reasons for this exclusion will be stated in column 5, and relate to a lawful power to exclude the press and public when specific classes of information are being discussed, as contained in the [Local Government Act 1972](#).

A Decision Notice for each Key Decision is published within five days of it being made. Decision Notices and documents to be considered by decision makers are open for inspection on the Council's website [www.harlow.gov.uk](http://www.harlow.gov.uk) and at the Civic Centre, The Water Gardens, Harlow, CM20 1WG. Representations on an upcoming key decision can be made by writing to the Chief Executive, using the address above.

The current members of the Cabinet are as listed on the Council's website at the following page <http://moderngov.harlow.gov.uk/mgCommitteeDetails.aspx?ID=121>

Ref.	Decision title	Decision Maker	Expected Date of Decision and Ward(s) affected	Key Decision and private consideration status	Documents to be considered by decision maker	Portfolio Holder and Lead Officer
I012 226	Harlow Investment Fund	Cabinet	25 Feb 2021	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Leader of the Council (Councillor Mark Ingall)  Senior Management Board
I012 336	Supplementary Planning Document (Affordable Housing)	Cabinet	25 Feb 2021	Key decision: <b>No</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Environment (Councillor Danny Purton)  Andrew Bramidge
I012 121	Fire Safety Works - Edmunds Tower, Hugh's Tower and The Lawns	Cabinet	25 Feb 2021  Little Parndon and Hare Street; Mark Hall; Netteswell	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Housing (Councillor Mark Wilkinson)  Andrew Murray

Ref.	Decision title	Decision Maker	Expected Date of Decision and Ward(s) affected	Key Decision and private consideration status	Documents to be considered by decision maker	Portfolio Holder and Lead Officer
I012 370	HTS (Property and Environment) Limited Contract Awards 2021/22	Cabinet	25 Feb 2021	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Housing (Councillor Mark Wilkinson)  Andrew Murray
I011 777	Implementation of an Article 4 Direction relating to Houses of Multiple Occupation	Cabinet	25 Mar 2021  All Wards	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Environment (Councillor Danny Purton), Portfolio Holder for Housing (Councillor Mark Wilkinson)  Andrew Bramidge
I011 385	Joint Finance and Performance Report, Quarter 3 2020/21	Cabinet	25 Mar 2021	Key decision: <b>No</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Resources (Councillor Mike Danvers)  Simon Freeman

Ref.	Decision title	Decision Maker	Expected Date of Decision and Ward(s) affected	Key Decision and private consideration status	Documents to be considered by decision maker	Portfolio Holder and Lead Officer
I011 386	Housing Revenue Account, Quarter 3 Finance Report 2020/21	Cabinet	25 Mar 2021	Key decision: <b>No</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Housing (Councillor Mark Wilkinson), Portfolio Holder for Resources (Councillor Mike Danvers)  Andrew Murray, Simon Freeman
I011 387	Capital Programmes, Quarter 3 Finance Report 2020/21	Cabinet	25 Mar 2021	Key decision: <b>No</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Resources (Councillor Mike Danvers), Portfolio Holder for Housing (Councillor Mark Wilkinson)  Andrew Murray, Simon Freeman
I012 481	Development Scheme - 4 The Hill	Cabinet	25 Mar 2021  Old Harlow	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Growth and Prosperity (Councillor Tony Durcan)  Jane Greer

Ref.	Decision title	Decision Maker	Expected Date of Decision and Ward(s) affected	Key Decision and private consideration status	Documents to be considered by decision maker	Portfolio Holder and Lead Officer
I012 496	Policy and Procedure for Disposal of Land Within Housing Estates	Cabinet	25 Mar 2021	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Resources (Councillor Mike Danvers)  Simon Freeman
I011 721	Award of Framework Agreement for Legal Services in Support of Special Projects	Cabinet	25 Mar 2021  All Wards	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Governance, Equality and Diversity (Councillor Nancy Watson)  Simon Hill
I011 388	Debt Write Offs	Cabinet	25 Mar 2021	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Resources (Councillor Mike Danvers)  Simon Freeman

Ref.	Decision title	Decision Maker	Expected Date of Decision and Ward(s) affected	Key Decision and private consideration status	Documents to be considered by decision maker	Portfolio Holder and Lead Officer
I012 337	Referral from Scrutiny Committee - Policing and Community Safety Annual Review	Cabinet	25 Mar 2021	Key decision: <b>No</b> Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Community and Wellbeing (Councillor Chris Vince)  Jane Greer
I012 338	Referral from Scrutiny Committee - Delivery of Council House Building Programme	Cabinet	25 Mar 2021	Key decision: <b>Yes</b> Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Growth and Prosperity (Councillor Tony Durcan)  Jane Greer
I012 484	Use of Compulsory Purchase Orders to Advance the Development of Harlow and Gilston Garden Town	Cabinet	June 2021  Little Parndon and Hare Street; Mark Hall; Netteswell	Key decision: <b>Yes</b> Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Environment (Councillor Danny Purton)  Andrew Bramidge

Ref.	Decision title	Decision Maker	Expected Date of Decision and Ward(s) affected	Key Decision and private consideration status	Documents to be considered by decision maker	Portfolio Holder and Lead Officer
I012 482	Equality and Diversity Policy	Cabinet	June 2021	Key decision: <b>No</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Governance, Equality and Diversity (Councillor Nancy Watson)  Simon Hill
I012 131	Referral from Cabinet Policy Development Working Group - Housing Strategy	Cabinet	September 2021	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Growth and Prosperity (Councillor Tony Durcan)  Jane Greer
I009 925	Regeneration Strategy	Cabinet	To be confirmed Subject to CPDWG approval	Key decision: <b>Yes</b>  Likely exemption status: <b>Open</b>	Officer's report	Portfolio Holder for Growth and Prosperity (Councillor Tony Durcan)  Jane Greer

# PORTFOLIO HOLDERS DECISION NOTICE

**15 March 2021**

(Published 15 March 2021)

This document lists the decision taken by the Portfolio Holder for Housing on 15 March 2021.

A decision may be implemented with immediate effect, unless it is eligible for call-in as identified below, whereupon a decision will not be implemented until five working days have elapsed.

Decision Taker	Decision	Reasons for Decision	Any Options Rejected	Declared Conflict of Interest?	Eligible for Call-In?
<b>Councillor Mark Wilkinson</b>  Portfolio Holder for Housing	<u>Annual Report to Tenants and Leaseholders 2019-20</u>  Approval is given to the publication of Harlow Council's Draft Annual Report to Tenants and Leaseholders 2019/20 as set out in Appendix A to the report.	The Council is required to publish an annual report to its Tenants and Leaseholders each year as part of Housing regulatory requirements.	None.	None.	Yes

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** IMPLEMENTATION OF AN ARTICLE 4  
DIRECTION RELATING TO HOUSES OF  
MULTIPLE OCCUPATION

**PORTFOLIO HOLDERS:** COUNCILLOR DANNY PURTON, PORTFOLIO  
HOLDER FOR ENVIRONMENT

COUNCILLOR MARK WILKINSON,  
PORTFOLIO HOLDER FOR HOUSING

**LEAD OFFICER:** ANDREW BRAMIDGE, HEAD OF  
ENVIRONMENT & PLANNING (01279) 446410

**CONTRIBUTING OFFICER:** COLIN ENDEAN, SENIOR PLANNING  
OFFICER (01279) 446563

**This is a Key Decision**  
**It is on the Forward Plan as Decision number I011777**  
**Call-in Procedures may apply**  
**This decision will affect all wards.**

**RECOMMENDED that:**

- A** Under the Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) Harlow Council implements the Direction made on 26 March 2020 under Article 4 (1), to which Schedule 3 applies, concerning small Houses in Multiple Occupation (HMOs) and relating to all land within the administrative area of Harlow Council.
- B** This Article 4 Direction shall come into effect on Monday 12 April 2021.
- C** A review of the Council's HMO policy in its newly adopted Local Plan is undertaken in 2022, with a completion of no later than 30 November 2022.

**REASON FOR DECISION**

- A** The period from 2015 to 2020 saw a significant increase in the number of Houses in Multiple Occupation (HMO) in Harlow. At the end of 2019 there were 319 licensed HMOs in Harlow compared to approximately 140 in 2015.

Given that virtually all HMOs were originally constructed as single family dwellings, it can be extrapolated that there has been a consequent reduction in this type of accommodation across the town.

In February 2020, Cabinet considered a report on the growth of HMOs within the town and made the following decisions:

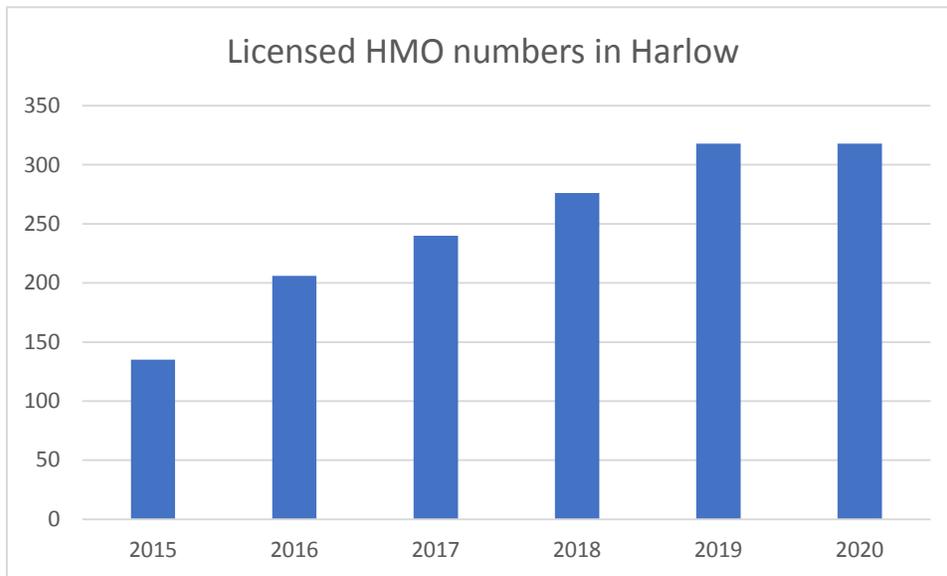
- i) Covenants restricting the use of properties to single family dwellings be enforced, where applicable, with any variation to this being agreed by the Head of Environment and Planning, in consultation with Portfolio Holder for the Environment.
- ii) Cabinet approved the making of a non-immediate Direction under Article 4 of the Town and Country Planning (General Permitted Development) (England) Order 2015 across the whole District to remove permitted development rights from properties for conversion to Houses in Multiple Occupation.
- iii) Cabinet agreed that the final decision on the implementation of the Article 4 Direction will be taken by Cabinet following the completion of the 12 month notification period.

This report now recommends the implementation of the Article 4 Direction following the completion of the 12 month notification period as set out in Decision iii) above.

## **BACKGROUND**

1. There is no doubt that there has been a significant increase in the number of HMOs in Harlow over recent years. At the end of 2019 there were 319 licensed HMOs in Harlow, a figure which had more than doubled over the previous four years. Since the February 2020 Cabinet report, HMO numbers have stabilised and there are currently 318 licensed HMOs in Harlow. It is likely that a combination of tighter covenant control and the Council's stated intention of introducing an Article 4 Direction have contributed to this. The Covid pandemic has also probably meant that there have been fewer new developments.
2. By comparison, there are 212 licensed HMOs in Stevenage and 66 in Basildon (March 2021 figures).

**Table One – Licensed HMO numbers in Harlow**



3. An Article 4 Direction is intended to ensure that the development of HMOs happens within the context of the Council’s planning policy. In essence it removes permitted development rights for small HMOs and requires planning applications to be submitted for decision in the normal way. Large HMOs (those housing more than six people) are already subject to this requirement. An Article 4 Direction does not close down HMOs or prevent their development in itself. It simply ensures that any developments are in line with the Council’s planning policy.

## **ISSUES/PROPOSALS**

### **Covenant Control**

4. From March 2020, Harlow Council has taken a more robust line on the release or variation of covenants which restrict former Council and Corporation properties to a use as single family dwellings only. This followed the decision of Cabinet in February 2020.
5. A new policy has been established for reviewing whether or not to lift or vary a covenant restriction. The published criteria are:
  - a) Location – when deciding if the location is acceptable, the main factors we consider may include the views of neighbours, the proximity and number

of existing HMO's, potential parking problems, housing density and other social issues.

- b) Tenants – landlords will be expected to legally guarantee that tenants will have employment in or connection to the local economy or a connection to an existing family group or close family member in Harlow. This will be written into any deed of variation for the modification of the covenant.
  - c) Accommodation – the property must meet our published minimum amenity standards for HMOs in terms of individual and communal facilities and these should include bicycle storage. Tenancy agreements need to clearly set out the responsibilities for maintaining the internal and external facilities.
6. Since the new policy was introduced last year, there have been 13 applications for covenant release. Of these, six have been approved for conversion to HMO – many of these were in the pipeline before the introduction of the new policy and so that has also been taken into consideration in these cases. Conversely, it should also be noted that there have been several examples of property owners deciding not to proceed with an application when they were informed of the Council's new policy.
7. Information on covenant control is presented as contextual information in this report and is not directly related to the Article 4 implementation.

### **Local Plan Policy**

8. All large HMOs (i.e. those housing more than six people) are required to seek planning consent prior to conversion. Small HMOs (i.e. those housing six or fewer people) can benefit from Permitted Development Rights which enables conversions to take place without the requirement to obtain planning permission. An Article 4 Direction, when implemented, removes the permitted development rights from small HMOs, thus requiring all property owners seeking conversion to HMO use to seek full planning permission.
9. Planning applications for large HMO's in recent years have in the majority been refused planning permission for the change of use. The grounds for refusal have centred in the main on parking and amenity issues; there was however no dedicated Local Plan policy against which planning applications for large HMO's could be judged with consistency. New policy in the Harlow Local Development Plan (HLDP) which was adopted in December 2020 has rectified this, and, with the confirmation of the Article 4 Direction the policy will also be applied to small HMO's when assessing a planning application for the change of use.

10. Policy H3 in the HLDP, as set out in Appendix 1 to the report, specifically sets out the Council's policy against which planning applications for HMO's (small and large). The policy sets out the following criteria which a proposed change of use must meet:
  - a) The number of HMOs would not exceed one out of a row of five units;
  - b) It is supported by a design rationale based on an understanding and analysis of local context and character taking into consideration the adopted Harlow Design Guide Supplementary Planning Document (SPD);
  - c) The development makes adequate provision for refuse storage and collection;
  - d) Parking is provided at a level of one space per bedroom, plus one secure covered cycle space per bedroom, or set at the current adopted parking standards; and
  - e) Effective measures are proposed to minimise the effects of noise and disturbance.
  
11. With respect to criteria a the Planning Inspector stated in his report following the examination in public into the HLDP:
  - a) "An increasing number of properties in the district have been converted to Houses in Multiple Occupation (HMOs) and in response Policy H3 seeks to introduce a limit on the number of HMOs to one in a row of five units. HMOs provide valuable accommodation and increase housing choice but an undue concentration in any area may have a detrimental impact and reduce the availability of family housing."
  
12. The Inspector modified Policy H3 to ensure the Plan was "sound" by stating that although the five in a row limit (see 10a) above) is justified as the right balance at the outset, to ensure the Plan is effective it is necessary to require an early review of the policy which should be two years from the date of adoption.
  
13. Before the adoption of the HLDP a planning appeal (July 2020) was dismissed by a Planning Inspector for the change of use from a small HMO to a large HMO. The Inspector in this appeal gave significant weight to the emerging Policy H3, stating the proposal was in conflict with H3 in that insufficient parking was provided contrary to criteria (d) of the policy. There is therefore evidence of the effectiveness of the policy even before the adoption of the Plan.

## **Equalities Impact Assessment**

14. It has been considered important to assess whether any potential Article 4 Direction would have an adverse impact upon any particular segment of the Harlow community.
15. To undertake this assessment an Equalities Impact Assessment was commissioned through a procurement exercise. Three tenders were received for this work and McKenzie LLP was appointed to undertake this assessment having demonstrated considerable experience in this field.
16. Their report is set out in Appendix 2 to the report, but they have concluded that the introduction of an Article 4 Direction in relation to HMOs would have no adverse impact upon any particular community. As such, it is considered that there are no significant equalities implications in relation to this proposed action.
17. The report has identified some actions in relation to data collation and these will be taken forward as part of the review of the Local Plan policy on HMOs as required by the Planning Inspector within two years of the adoption of the Plan.

## **Article 4 Direction**

18. Following the February 2020 Cabinet decision, a 21 day consultation was undertaken in line with statutory procedures. This consultation was launched in March 2020 and specified that any Article 4 Direction was not intended to come into force until 12 April 2021.
19. A total of 19 responses to the consultation were received. Of these, one was in support of the proposal, highlighting in particular the negative impacts of the clustering of HMOs. It should be noted that this is precisely one of the issues that the Council's new planning policy is intended to address.
20. The remaining 18 responses all expressed opposition to the proposal to establish an Article 4 Direction. Of these, eight were from HMO landlords and one from an HMO Managing Agent. Many of the comments related to the covenant policy rather than the proposed Article 4 Direction. Comments that were addressing the Article 4 proposal emphasised the need for HMO housing in the town and that these properties are providing a valuable service to people for whom there are few other alternatives.
21. A further nine responses were received from HMO tenants. All of whom expressed concern at being forced to leave their accommodation as a result of policies being put in place by Harlow Council. There had clearly been some misunderstanding about the nature of an Article 4 Direction. As with all Planning policy, this cannot be retrospective meaning existing HMOs will be unaffected by the implementation of an Article 4 Direction. No existing HMO tenant will have to

leave their accommodation as a direct result of the introduction of an Article 4 Direction and as such the concerns raised by tenants in this consultation are unfounded.

22. The arguments raised by existing HMO landlords are understood and to a large extent accepted. HMOs do provide a valuable source of accommodation for many people and it is acknowledged that this is important in Harlow. The purpose of the proposed Article 4 Direction though is to ensure that there is a greater balance of housing across the town and the intention is to reduce the growth of HMOs and to ensure that their development is controlled through the Council's planning policy, rather than through Permitted Development Rights.

### **Next Steps**

23. Upon the agreement of the recommendations set out at the beginning of this report, an Article 4 Direction will come into effect on 12 April 2021.
24. Following this, formal notification of the Direction will be given to the Secretary of State at the Ministry of Housing, Communities and Local Government as required by legislation.
25. In line with the Local Plan Inspector's requirement, the Council will undertake a review of the HMO policy in the Local Plan during 2022. This will also include a review of the effectiveness and appropriateness of the Article 4 Direction and include a recommendation as to the need to continue with this or not.

## **IMPLICATIONS**

### **Environment & Planning**

As set out in the report.

**Author: Andrew Bramidge, Head of Environment & Planning**

### **Finance (Includes ICT and Properties and Facilities)**

None specific.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

### **Housing**

The new process is aimed at controlling the numbers of Houses in Multiple Occupation (HMO's) in the Town, raising housing standards generally. This together with associated processes are essential in the raising of housing standards in the private sector recognising the important role HMO's will need to continue to play in supporting the supply of housing at Harlow.

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

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

As contained with the report.

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

**Governance (includes HR)**

As contained within the report.

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

**Appendices**

Appendix 1 – Local Plan policy in relation to HMOs

Appendix 2 – Equalities Impact Assessment

**Background Papers**

None.

**Glossary of terms/abbreviations used**

HLDP – Harlow Local Development Plan

HMO – House in Multiple Occupation

### H3 Houses in Multiple Occupation

The creation or conversion of a dwelling to a House in Multiple Occupation (HMO) must meet the following criteria:

- (a) the number of HMOs would not exceed one out of a row of five units;
- (b) it is supported by a design rationale based on an understanding and analysis of local context and character taking into consideration the adopted Harlow Design Guide Supplementary Planning Document (SPD);
- (c) the development makes adequate provision for refuse storage and collection;
- (d) parking is provided at a level of one space per bedroom, plus one secure covered cycle space per bedroom, or set at the current adopted parking standards;
- (e) effective measures are proposed to minimise the effects of noise and disturbance.

The effectiveness of this policy and the one-in-five restriction should be reviewed two years after the adoption of this Local Plan.

#### Justification

14.13 HMOs provide an additional housing type which helps meet the needs of the community and provides more choice and mix. It is recognised, however, that HMOs can create a range of issues which cumulatively impact on the surrounding area. Evidence suggests that an excess of HMOs along a street can have a detrimental impact on the amenities of the area. This policy aims to minimise the loss of larger family housing, which is often used for HMOs and is in relatively short supply due to the type of housing stock originally built in Harlow.

14.14 Many areas of Harlow have limited off-street parking and open frontages, which reflect the original New Town design. The intensification of HMOs in a street can have a detrimental impact in the neighbourhood because of a lack of parking provision. As such, this policy aims to maintain the character of residential areas, protect the amenities of local residents and ensure sufficient off-street parking is provided.

#### Implementation

14.15 HMOs are defined as dwellinghouses which are inhabited by three or more unrelated people, as their only or main residence, who share one or more basic amenity (such as a kitchen). There are two types of HMOs:

- small HMOs, housing between three and six unrelated persons; and
- large HMOs, housing more than six unrelated persons.

14.16 Current national permitted development rights allow the change of a dwellinghouse to a small HMO without planning permission. The change of a dwellinghouse (or a small HMO) to a large HMO does, however, require planning permission.

14.17 Planning applications for HMOs will be assessed according to their impact on the character and street-scene of the area in which they are situated. A row is defined as five or more adjacent dwellings whose frontages face the same continuous section of highway between junctions. A row may include, but is not limited to, terraced, semi-detached and detached dwellings, as interpreted by the Council.

14.18 The Council will ensure that such development will be of an acceptable and safe standard and that habitable rooms comply with the latest minimum size codes. Applicants should satisfy themselves that they have obtained the relevant consents and licenses from the Council before commencement.

## Equality Impact Analysis:

<b>Policy / Project / Function:</b>	<b>Town Wide Article 4 Direction: Houses in Multiple Occupancy</b>
<b>Date of Analysis:</b>	12 <sup>th</sup> March, 2021
<b>Analysis Rating:</b>  (See Completion Notes)	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"><input type="checkbox"/> Red</div> <div style="text-align: center;"><input type="checkbox"/> Red Amber</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Amber</div> <div style="text-align: center;"><input type="checkbox"/> Green</div> </div>
<b>Type of Analysis Performed:</b>  Please Tick ✓	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; justify-content: space-between;"><span>Systematic Policy Analysis</span><input checked="" type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"><span>Consultation</span><input checked="" type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"><span>Meeting</span><input checked="" type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"><span>Other (external research)</span><input checked="" type="checkbox"/></div> </div>
<b>Please list any other policies that are related to or referred to as part of this analysis ?</b>	<p>Article 4 of the <i>Town and Country Planning General Permitted Development Order 1995</i></p> <p><i>The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) - England Regulations 2006.</i></p>
<b>Who does the policy, project or function affect ?</b>  Please Tick ✓  * This could extend to property owners seeking to convert houses and flats into HMOs, potential property investors, future HMO residents and businesses located within the vicinity of HMOs.	<div style="display: flex; flex-direction: column; gap: 10px;"> <div style="display: flex; justify-content: space-between;"><span>Employees</span><input type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"><span>Service Users</span><input type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"><span>Applicants</span><input type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"><span>Members of the Public *</span><input checked="" type="checkbox"/></div> <div style="display: flex; justify-content: space-between;"><span>Other (List Below)</span><input type="checkbox"/></div> </div>

## Equality Impact Analysis:

<p><b>1.1 What are the aims and intended outcomes of the policy, project or function being assessed ?</b></p>	<p>In the last five years, the number of domestic properties developed across Harlow as ‘<i>Houses of Multiple Occupation</i>’ (HMOs) has grown by 128%. This growth has resulted in a corresponding increase in the number of complaints relating to HMOs and wider concerns in respect of social, environmental and economic impacts.</p> <p>The Council is proposing to restrict the future development of HMOs in Harlow by a combined use of greater licencing enforcement, legal covenants and planning regulation. (See page three of this document ‘<i>Project Background</i>’ for more detailed information.)</p>
<p><b>1.2 Is any Equality Data available relating to the use or implementation of this policy, project or function ?</b></p>	<p>Yes <input type="checkbox"/></p> <p>No <input checked="" type="checkbox"/></p>
<p><b>1.3 List any Consultation e.g. with employees, service users, or members of the public that has taken place relating to this activity.</b></p> <p><small>* Specific, bespoke consultation in respect of this activity has taken place with:</small></p> <p><i>Streets to Homes</i> – a local third sector organisation working with homeless people.</p> <p><i>Rainbow Services</i> – a Harlow based Charity which tackles disadvantage, deprivation and social exclusion.</p> <p><i>Integration Support Services</i> – another Harlow based organisation set up to help migrants, refugees, asylum seekers and BME community members in the area.</p>	<p>Following the decision to implement the Article 4 Direction relating to future HMO developments, a 21 day public consultation was undertaken in March 2020.</p> <p>Whilst originally proposed in March 2020, this direction / policy may not come into force across the district until April 2021 – effectively providing a further 12 month period of notice. A summary of the responses to Public Consultation is provided as an appendix to this document.</p> <p>As part of this Equality Analysis, specific consultation was also undertaken with a number of different Council departments and local third sector organisations with the aim of ascertaining the potential community impacts of the implementation of this direction. (*Please see opposite.)</p>
<p><b>1.4 Financial Analysis</b></p> <p>If applicable, state any relevant cost implications (e.g. expenses, returns or savings) as a direct result of the implementation of this policy, project or function.</p>	<p><b>Costs (£m)</b></p> <p>Implementation <input type="text" value="£"/></p> <p>Projected Returns <input type="text" value="£"/></p> <p>Projected Savings <input type="text" value="£"/></p>

## **1.5 Project Background:**

### **1.5.1 Houses in Multiple Occupation - Background and National Perspectives:**

A *House in Multiple Occupation* (HMO) is a property rented out to at least three people who are not from one 'household' (for example, a family) and who share common facilities such as a bathroom and kitchen. Sometimes called a 'House Share', HMOs form an integral part of the private rental housing sector in the UK and typically provide cheaper accommodation for people for whom housing options may be limited for *Socio and Economic* reasons.

At a national level, whilst HMOs<sup>1</sup> are commonly known to be occupied by students, there is also evidence of a growing number of young professionals and migrant workers sharing HMOs. It is also reported that HMOs may also be occupied by some of the most vulnerable people in society.

Demand and growth of HMOs<sup>2</sup> at a national level has increased significantly in the last decade and this growth appears to have resulted in some adverse impacts on local communities. For example, in respect of inadequate rubbish storage, noise nuisance, parking congestion and health and safety concerns.

### **1.5.2 Houses in Multiple Occupation – District of Harlow:**

The last five years has also seen a significant increase<sup>3</sup> in the number of HMOs in Harlow. At the end of 2019, there were 319 licensed HMOs in the district compared to just 140 in 2015 - an increase of 128%. Also, and as per the national picture, there has been a corresponding increase in the number of complaints concerning HMO properties and wider concerns regarding the social and economic impacts of HMO growth in the area.

The representation and growth of HMOs in Harlow also appears to be disproportionately higher than neighbouring districts. For example, in 2020, a total of 211 licenced HMOs was recorded in Stevenage and only 42 in Basildon.

1 and 2: House of Commons Briefing Paper: Houses in Multiple Occupation & Planning restrictions July 2017 and Gov.co.UK HMOs

3: Harlow Council – Article 4 Briefing Paper

**Project Background (continued):**

**1.5.3 Complaints Relating to HMOs in the District of Harlow:**

The table below illustrates complaints recorded by the Environmental Health team at Harlow Council relating to HMOs: (Note a 83% percentage increase in noise related complaints.)

Year:	Complaint Type:			Total:
	Waste / Rubbish	Housing Standards	Noise Nuisance	Total Complaints
2015	14	6	29	<b>49</b>
2016	23	7	22	<b>52</b>
2017	18	8	26	<b>52</b>
2018	17	9	25	<b>51</b>
2019	13	12	53	<b>78</b>

**1.5.4 Reported Density of HMOs in Harlow:**

*Your Harlow* (a local online newspaper) recently reported one street in the district as having HMOs at No 86, 87, 90, 96, 97, 98, 101, 104, 105, 106, 107, 117, 118, 131, 132, 136, 138. This (according to the report) could mean that “Up to 140 people are living in 17 houses very close to each other resulting in up to a hundred cars in a small area.”

**1.5.5 The Importance of HMOs within the Harlow Rented Housing Portfolio.**

The Council recognises that HMOs are an important part of the housing mix<sup>3</sup> and that for some people, there are few alternative housing options. The Council also acknowledges that the majority of HMOs are well managed. However, in a relatively small number of cases, poorly run HMOs can result in significant problems for neighbours and tenants of HMO properties.

### 1.6.1 Overall Aims of the Project Being Analysed:

From April 2021, the Council is proposing to introduce new rules and regulations relating to HMO growth with three primary aims:

- Create an environment in which well-managed HMOs can exist in Harlow whilst the Council retains sufficient powers / resources to better manage existing HMOs and restrict future inappropriate HMO conversions.
- Adopt measures to prevent further overall disproportionate growth of HMOs in the district.
- Tackle / reverse any adverse social and economic impacts linked to the increased number of HMOs in the area.

### 1.6.2 Council Plans to Implement the New Rules and Regulations:

Three discrete approaches are proposed from April 2021 onwards. (Note these are **not** intended to be used retrospectively):

- **Enforcement of Covenants** placed on properties originally build by the Development Corporation. These Covenants would effectively restrict the use of former Development Corporation properties to single family dwelling use only.
- **Licencing – Monitoring and Enforcement:** Currently, all large HMOs (six residents or more) are required to secure a mandatory licence from the Council designed to ensure that the HMO meets minimum amenity standards. For example, having a suitable fire safety system, minimum room sizes and being managed by a ‘fit and proper’ person. Since 2015, smaller HMOs in Harlow have also been required to comply with similar standards through a HMO *Additional Licensing Scheme*. From April 2021, the *Environmental Health* team in the Council is proposing to increase its staffing resources to allow greater monitoring and management of all licensed HMO properties in the district.
- **Planning Regulation:** Under existing rules, large HMOs (6+ residents) are required to seek full planning consent prior to converting a single dwelling into a HMO. Smaller HMOs currently do not have to apply from planning under existing *Permitted Development Rights* rules. The proposed *Article 4* direction, if implemented, will remove the existing *Permitted Development Rights* from small HMOs, thus requiring all property owners seeking conversion of their properties (to a HMO) to seek full planning permission prior to conversion.

## 1. 7 Purpose of this Document:

1.7.1 **Equality Analysis:** This document details an analysis of the potential impact the implementation of this activity may have on different sections of society – especially people who share ‘Characteristics’ protected by *The Equality Act 2010*. The aim of this analysis being to identify, mitigate or justify any risks of adverse impact towards people on the grounds of their:

- Sex
- Ethnicity / Race
- Age
- Religion / Belief
- Sexual Orientation
- Marriage / Civil Partnership Status
- Disability
- Transgender Status
- Pregnancy / Maternity Status.

1.8.1 **Statutory Compliance:** This document also seeks to establish if the Council is meeting its statutory obligations under the *Public Sector Equality Duty 2011* to:

- Eliminate any form of unlawful discrimination (including direct or indirect discrimination, harassment, victimisation and any other conduct prohibited under the Act).
- Advance equality of opportunity between people who share a relevant characteristic and people who do not, and
- Foster good relations between people who share a protected characteristic and people who do not.

1.8.2 **Demonstrate Due Regard for Equality:** Due regard means such regard as it is appropriate in all the circumstances. The three aims of the general equality duty must be considered and reflected upon during: 1: Decision-making processes 2: Design of policies 3: Delivery of services.

## 2.1 National Equality Profiling Data HMO Landlords and Residents:

Currently, there is no comprehensive national (equality related) data for the private sector housing rental market. The absence of this information ultimately prevents any accurate identification of both the volume or profile of people living in HMOs in Britain. Broad data does exist indicating some facts relating to the private rental sector more generally, For example, the latest report issued by the *Office For National Statistics* to 2017 indicates:

(Our underlining and the potential relevance to this activity)

- The number of households in the private rented sector in the UK increased from 2.8 million in 2007 to 4.5 million in 2017, an increase of 1.7 million (63%) households.
- Younger households are more likely to rent privately than older households; in 2017 those in the 25 to 34 years age group represented the largest group (35%).
- Households in the private rented sector are getting older. Between 2007 and 2017, the proportion of households renting aged 45 to 54 has increased from 11% to 16% while those aged 16 to 24 dropped from 17% to 12%.
- As at financial year ending (FYE) 2017, 62% of households in the private rented sector in the UK had spent under three years in the same accommodation and only a small proportion (4%) had been in the same residence for 20 years or longer.

More anecdotally<sup>4</sup> it is established that people living in HMOs tend to be young and single forming households and more transient - only living in the premises for a short time.

In more deprived areas, HMO residents tend to be low-income households, migrant workers, full-time students or single people working in low-paid jobs. In the case of London, where property prices and rental are particularly high, HMOs are known to provide an accommodation source for young professionals.

4: Evidence Gathering - Houses in Multiple Occupation Gov.UK

## 2.2 Local Equality Profiling Data: HMO Landlords and Residents within the District of Harlow:

2.2.1 There is a public register of people holding a HMO licence in the district. (See extract below):

HMO Mandatory Licensing Public Register						
Key for extra conditions: R= Rubbish issues, FP= Fire Protection, A= Amenity, ASB= Anti-social behaviour, S= Structural, P= Prohibition						
Licence Ref.	Address of Licence Holder	Name of Licence holder	Name of Person Managing	Address of Manager	Address of HMO	Location
08/01203	Red Pines, Danesbury Park, Benego, Hertford SG14 3HX	Mr L Haestier	Mr L Haestier	Red Pines, Danesbury Park, Benego, Hertford SG14 3HX	426, Milwards, Harlow CM19 4SR	2 Storey, End of Terra
05/02532	Stort House, River way Harlow, Essex CM20 2DW	Mr P Mapp	Mr R Silins and Mr A Simko	Mr A Simko 49 Bromley Close, Harlow, Essex CM18 6NA & Mr R Silins 139 Church End, Harlow	6 Five Acres CM18 6UX	2 storey, Mid Terrace
16/00486	Stort House, River way Harlow, Essex CM20 2DW	Mr P Mapp	Mr R Silins and Mr A Simko	Mr A Simko 49 Bromley Close, Harlow, Essex CM18 6NA & Mr R Silins 139 Church End, Harlow	121 Brockles Mead, Harlow CM18 6NA	2 storey, Mid Terrace
16/00536	13 Rowney Gdns, Sawbridgeworth, Herts CM21 0AT	Ms G Jennings	Ms G Jennings	13 Rowney Gdns, Sawbridgeworth, Herts CM21 0AT	53 Pittmans Field, Harlow CM20 3LB	2 storey, End terrace
18/00434	3 Old Park Ridings, Winchmore Hill, London N21 2EX	Mr G Payne	Mrs K Nickolds	Nickolds HMO Management, 6 Slacksbury Hatch, Harlow, Essex CM19 4ET	116 Red Willow, Harlow CM19 5PD	2 Storey, Mid-Terrace
16/00124	24 High Street, Saffron Walden, Essex CB10 1AX	Heritage HMO & Property Solutions	Mrs K Nickolds	Nickolds HMO Management, 6 Slacksbury Hatch, Harlow, Essex CM19 4ET	51 Collins Meadow, Harlow	3 Storey, Mid-Terrace
17/00483	Caines Farm, Caines Lane, Hastingwood, Harlow CM17 9LD	Mr C Lewin	Mrs K Nickolds	Nickolds HMO Management, 6 Slacksbury Hatch, Harlow, Essex CM19 4ET	35 Glebelands, Harlow CM20 2PA	2 storey, End Terrace
02/01571	1, Alders Walk, Sawbridgeworth, Hertfordshire CM21 9NQ	Mr P Dolan	Mr P Dolan	1, Alders Walk, Sawbridgeworth, Hertfordshire CM21 9NQ	5, Whitewaits, Harlow CM20 3LJ	2 storey, Mid Terrace
04/00516	Red Pines, Danesbury Park, Benego, Hertford SG14 3HX	Mr L Haestier	Mr L Haestier	Red Pines, Danesbury Park, Benego, Hertford SG14 3HX	296, Berecroft, Harlow CM18 7SH	2 storey, Mid Terrace
03/01987	PO Box 12303, Stone Cross, Harlow CM20 1AA	Mr P Dolan	Mr P Dolan	PO Box 12303, Stone Cross, Harlow CM20 1AA	104 Ladysshot, Harlow, Essex CM20 3EW	3 Storey, Mid-Terrace
02/00097	PO Box 12303, Stone Cross, Harlow CM20 1AA	Mr P Dolan	Mr P Dolan	PO Box 12303, Stone Cross, Harlow CM20 1AA	107 Ladysshot, Harlow, Essex CM20 3EW	3 Storey, Mid-Terrace
02/01552	P.O.Box 12303, Harlow Essex CM20 9NS	Mr M Dolan	Mr M Dolan	P.O.Box 12303, Harlow Essex CM20 9NS	4, Tunnmeade, Harlow CM20 3HJ	2 storey, end of terrac
06/02198	PO Box 12303, Stone Cross, Harlow CM20 1AA	Mr P Dolan	Mr P Dolan	PO Box 12303, Stone Cross, Harlow CM20 1AA	63, Longfield, Harlow CM18 6LA	2 storey, Mid Terrace

Fig 1.0 Extract HMO Mandatory Public Licencing Register – Harlow Council March 2021

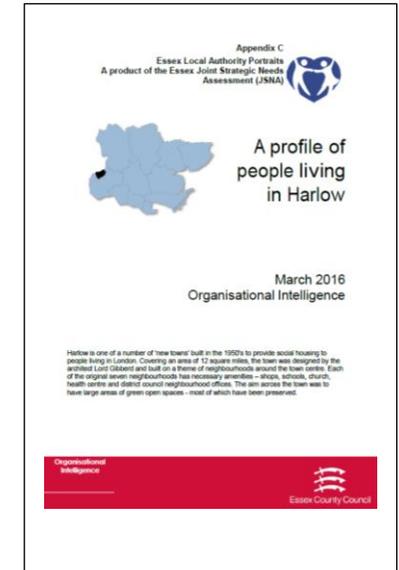
There is no formal Equality profiling data collected for HMO landlords in Harlow. From the current record of 340 licences, with the obvious exception of *Sex* (and in some cases *Marital Status*) it is not possible to understand anything more e.g. *Ethnicity, Age*, of HMO landlords in the area.

2.2.2 There is also no data available to indicate the profile of HMO residents. If this is recorded at a local level, for example, by a landlord as part of a tenancy application, it is not subsequently requested or made available to the Council. Equality profiling data is also not currently captured / analysed by the Council in respect of HMO related complaints made by residents, the public or HMO landlords.

## 2.3 Equality Data – Harlow District:

Using data produced by Essex County Council in March 2016, we do know that:

- Harlow is the fourth smallest district in Essex in terms of total population numbers, accounting for 6% of the total population in Essex.
- Harlow has a lower proportion of over 65's compared to the county as a whole - although an 21% increase is expected between 2015 and 2025 equating to 2,800 more people. This ageing population will put greater demand on health, social care services and housing needs.
- The **working population - essential for economic growth, require adequate housing**, access to jobs and businesses and the Harlow proportion is forecast to decrease by 3% by 2024.
- Harlow is ranked **101 out of 326 local authorities in England on overall deprivation**. (Where '1' is the highest level of deprivation).
- Just 57.0% of households in Harlow are people that own their own homes (either with a mortgage or outright). This is the lowest district figure and significantly less than nationally (64.2%) or in Essex (72.0%). There is a very high proportion of social tenants (31.2%), who may be impacted by low housing stock levels, **but a low proportion of private tenants** (11.7%).
- **3.07 per 1,000 households were homeless or in priority need in Harlow in 2014/15**, the fourth highest rate in Essex. The rate of homeless households in temporary accommodation at 4.09 per 1,000 households was the second highest in the County.
- The population of Harlow is 81,944 and is made up of approximately 52% females and 48% males. The average age of people in Harlow is 38, while the median age is lower at 37.
- 86.6% of people living in Harlow were born in England. Other top answers for country of birth were 1.0% Ireland, 1.0% Scotland, 0.9% India, 0.6% Zimbabwe, 0.6% Wales, 0.5% Ghana, 0.5% Nigeria, 0.4% Pakistan, 0.4% Philippines.



## 2.4 Anecdotal Equality Data / Experience of Harlow HMOs and HMO Residents / Landlords:

Whilst arguably unreliable and useful in equal measure, we are including in this report, the anecdotal experiences shared with us as part of this Equality Impact Analysis exercise.

- Council professionals interviewed from various teams stated that in their experience, that was no obvious predominance of any particular group of people (e.g. migrant workers, women, ethnic minorities, men etc) as HMO residents.
- A former employer in the town did historically lead to some HMOs being used by migrant workers but this is no longer the case.
- There may be some slight trends relating to HMO resident age. This applies in respect of young career professionals using HMOs and older (often divorced) single people.
- Whilst there is no equality data captured in respect of complaints ('complainants' or people being complained about) there was no obvious link to any particular sections of the community identified by the Council professionals who deal with HMO related complaints.

Clearly, other people have slightly different experiences (see below).

Residents of the Berecroft Estate say there has been a big rise in the number of HMOs over recent years and it is causing the community to become fragmented.

Zulqarcheema is the Secretary of the Residents' Association.

He says while he recognises there are many HMOs lived in by nurses and students that do not cause any issues, there are many lived in by migrant workers who have recently come to the country and these are the ones causing the problems: "They're transient and it's not the same fixed so there's a considerable amount of people going in and out.

"Because they are not familiar with how or when the rubbish is collected, they'll just throw the rubbish out or dump it anywhere."

He says there are other problems too: "They're away from home, bored and so they're going to drink and because they're not familiar with the area they dump the bottles.

"As a community that breaks us up a bit because they're not involved in the community. They're just here to do a job and then leave."

John lives on the estate with his wife, but plans to move away because of the issues to do with the HMOs.

## 2.5 Comparison of this Assessment to Similar Equality Impact Assessments Undertaken by Other Local Authorities:

As part of a wider quality assurance exercise, we have reconciled the findings of this report to comparable Equality Impact Assessments (EqIAs) performed by other local authorities relating to HMO licensing, restriction and *Article 4* directions. This includes an analysis of EqIAs undertaken by:

- Cheshire East Council – HMO Planning and Regulation
- Bath and Somerset – Article 4 HMOs
- Havering Council – Article 4 HMOs
- Plymouth Council HMO Licensing
- Southwark Council – HMOs Management Henshaw Street
- Northampton Council HMO

From the above six EqIA documents, we report similar findings in that an absence of robust Equality profiling data (nationally or locally) is preventing the accurate identification of any adverse, neutral or positive Equality related impacts.

This draft report is submitted to Council for wider circulation and comment. It is dated: 12<sup>th</sup> March, 2021 and was led / overseen by:



Mike Burnitt  
Senior Partner  
McKenzie LLP

## Equality Impact Assessment Test:

**What impact will the implementation of this policy, project or function have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Protected Characteristic:	Neutral Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification where a <i>Genuine Determining Reason</i> exists
<p><b>Sex</b> (Men and Women)</p>	<p>✓</p>			<p>There is no evidence to suggest this activity would have any adverse impacts on HMO landlords, potential landlords, residents or potential residents on the grounds of their Sex.</p> <p>Whilst the existing register of landlords does indicate the majority of existing licences are held by men, we conclude that the proposed use of this activity would, ostensibly, be neutral on the grounds of Sex.</p> <p>There is no data (nationally or locally) relating to resident profiles to indicate whether HMOs are likely to be used by one Sex more than another.</p> <p>On balance, we conclude a neutral impact in respect of Sex.</p>

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## Equality Impact Assessment Test:

**What impact will the implementation of this policy, project or function have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Protected Characteristic:	Neutral Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification where a <i>Genuine Determining Reason</i> exists
<b>Race</b> (All Racial Groups)			✓	<p>Whilst there is no statistical data indicating the profile of HMO residents by Ethnicity, we conclude that a risk of potential adverse impact may exist towards people of different ethnicities if the future growth of HMOs is restricted in Harlow.</p> <p>One of the third sector organisations contacted during this activity – <i>Rainbow Services</i>, stated they had reported a marked increase in the number of requests for food parcels from HMO residents in the area during the <i>Covid 19</i> pandemic. The (anecdotal) accounts of the profile of the HMO residents concerned were reported as “<i>A predominance of Eastern European, Black and African people and Migrant workers.</i>”</p> <p><i>Rainbow Services</i> has very kindly offered to undertake a small piece of separate analysis in respect of the profile of their HMO service users by postcode and known <i>Ethnicity</i>. When this analysis is complete, we will add the information as an appendix to this document.</p> <p>Whilst this adverse impact is not proven, <u>it also cannot be wholly discounted</u> due to an absence of accurate Equality profiling data.</p> <p>We therefore conclude, on balance, a risk of adverse impact.</p>

## Equality Impact Assessment Test:

**What impact will the implementation of this policy, project or function have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Protected Characteristic:	Neutral Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification where a <i>Genuine Determining Reason</i> exists
<p><b>Disability</b> (Mental, Physical and Carers of Disabled people)</p>	<p>✓</p>	<p>✓</p>		<p>There is no evidence (nationally or locally) to indicate that people with disabilities are more likely to live in HMOs. (This is unlike, for example, social housing, where a clear level of disproportionality exists). We therefore conclude that the implementation of this activity is unlikely to have any adverse impacts on people with disabilities.</p> <p>We also conclude that the very nature of HMO accommodation would not lend itself easily to people with physical disabilities and would be less likely to be able to be adapted to meet a disabled person’s physical needs.</p> <p>In respect of the positive impact shown, we have identified that should a more controlled approach to HMO growth be implemented and this results in a reduction in parking / congestion related issues, this could represent a potential positive impact for people who have physical disabilities and require to park their vehicle in close proximity of their home.</p>

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## Equality Impact Assessment Test:

What impact will the implementation of this policy, project or function have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?

Protected Characteristic:	Neutral Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification where a <i>Genuine Determining Reason</i> exists
<b>Religion or Belief</b>	✓			No potential impacts identified (positive or negative).
<b>Sexual Orientation</b> (Heterosexual, Homosexual and Bisexual)	✓			No potential impacts identified.
<b>Pregnancy and Maternity</b>	✓			No potential impacts identified.
<b>Transgender</b>	✓			No potential impacts identified.
<b>Marital Status</b> (Married and Civil Partnerships)			✓	Anecdotal evidence given by both Council employees and third sector organisations concur in that there is likely to be more single people living in HMOs in Harlow. The implementation of this activity could therefore have an adverse impact on single residents (NB: on a technical note, not a specific legal consideration in respect of this 'Characteristic'.)

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## Equality Impact Assessment Test:

What impact will the implementation of this policy, project or function have on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?

Protected Characteristic:	Neutral Impact:	Positive Impact:	Negative Impact:	Evidence of impact and if applicable, justification where a <i>Genuine Determining Reason</i> exists
<b>Age</b> (People of all ages)			✓	<p>Statistical evidence(nationally and locally) indicate that younger people are more likely to rent privately than older people.</p> <p>Anecdotal evidence provided by both Council employees and third sector organisations consulted with as part of this activity, indicate a predominance of younger people residing in HMOs in the Harlow district. This includes young working professional couples.</p> <p>We therefore conclude that an adverse impact in respect of Age is, on balance, more likely than it is not, in the implementation of this activity.</p>
<b>Socio and Economic Status:</b>			✓	<p>A risk of adverse impact exists in the implementation of this activity towards people in the district of lower <i>Socio and Economic</i> status who are, on balance, are more likely to require access to a HMO as an affordable housing option.</p> <p>This is particularly relevant given that Harlow is currently ranked 101 out of 326 local authorities in England for overall deprivation.</p>

### Initial Actions Identified as a Result of Undertaking this Equality Impact Analysis:

1: Launch an external and confidential on-line survey with all existing licenced HMOs with the aim of gathering the *Age, Sex, Disability* and *Ethnicity* of Licence Holders. The survey should additionally request information known about existing HMO residents by *Age, Sex, Disability* and *Ethnicity*. This could be effectively marketed as ‘Supplementary census information’ with the genuine aim of informing future approaches to inclusivity. An alternative paper based option could be sent to all licence holders.

This suggestion is made as a *first step* in collecting profiling data for HMOs. Whilst we are mindful of potentially low return rates, it represents a start and does begin to contribute to the Council’s statutory obligations under the *Public Sector Equality Duty 2011* to have ‘Due regard’ for Equality which, with the obvious exception of this Equality Impact Analysis, is difficult to evidence in respect this particular activity. As this suggested action is ours, (McKenzie LLP), we will design and host the on-line part of this survey for the first 12 months at no cost to the Council.)

2: Add mandatory Equality questions (with the option of ‘*Prefer not to say*’) to all future HMO licencing or planning application documents.

3: In addition to the suggested survey, undertake further community consultation – possibly by undertaking field work to gain a better understanding of the profile of HMO residents in the Harlow district.

4: Perform a more detailed and formal consultation with identified third sector providers in the area to greater inform this Equality Impact Analysis.

5: Review the current list and profile (if known) of homeless people in the area. Use this as a benchmark to analyse further changes post implementation of this activity.

6: Repeat the on-line survey with HMO licence holders annually.

7: Record a lifecycle of all future HMO planning applications by (*Age, Sex, Disability* and *Ethnicity* of applicants). This should show applications, acceptances and rejections.

8: Develop a system for capturing Equality data relating to HMO complaints – particularly in respect of the *Age, Sex, Disability* and *Ethnicity* of both complainants and people/groups being complained about.

## Suggested Other Actions:

**As a result of performing this analysis, what actions are proposed to remove or reduce any risks of adverse outcomes identified on employees, service users or other people who share characteristics protected by *The Equality Act 2010* ?**

Identified Risk:	Recommended Actions:	Responsible Lead:	Completion Date:	Review Date:
(To be completed by Council representatives and elected members where relevant)				

<b>Completion Notes:</b>	
<b>Analysis Ratings:</b>	<p>After completing this document, rate the overall analysis as follows:</p> <p><b>Red:</b> As a result of performing this analysis, it is evident that a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i>. It is recommended that the use of the activity or policy be suspended until further work or analysis is performed.</p> <p><b>Red Amber:</b> As a result of performing this analysis, it is evident that a risk of discrimination exists (direct, indirect, unintentional or otherwise) to one or more of the nine groups of people who share <i>Protected Characteristics</i>. However, a genuine determining reason may exist that could legitimise or justify the use of this activity or policy and further professional advice should be taken.</p> <p><b>Amber:</b> As a result of performing this analysis, it is evident that a risk of discrimination (as described above) exists and this risk may be removed or reduced by implementing the actions detailed within the <i>Action Planning</i> section of this document.</p> <p><b>Green:</b> As a result of performing this analysis, the policy or activity does not appear to have any adverse effects on people who share <i>Protected Characteristics</i> and no further actions are recommended at this stage.</p>
<b>Equality Data:</b>	<p>Equality data is internal or external information that may indicate how the activity or policy being analysed can affect different groups of people who share the nine <i>Protected Characteristics</i> – referred to hereafter as ‘<i>Equality Groups</i>’.</p> <p>Examples of <i>Equality Data</i> include: (this list is not definitive)</p> <ol style="list-style-type: none"> <li>1: Application success rates by <i>Equality Groups</i></li> <li>2: Complaints by <i>Equality Groups</i></li> <li>3: Service usage and withdrawal of services by <i>Equality Groups</i></li> <li>4: Grievances or decisions upheld and dismissed by <i>Equality Groups</i></li> </ol>
<b>Legal Status:</b>	<p>This document is designed to assist organisations in “<i>Identifying and eliminating unlawful Discrimination, Harassment and Victimisation</i>” as required by <i>The Equality Act Public Sector Duty 2011</i>. An Equality Impact Analysis is not, in itself, legally binding and should not be used as a substitute for legal or other professional advice.</p>
<b>Genuine Determining Reason</b>	<p>Certain discrimination may be capable of being justified on the grounds that:</p> <ul style="list-style-type: none"> <li>(i) <i>A genuine determining reason exists</i></li> <li>(ii) <i>The action is proportionate to the legitimate aims of the organisation</i></li> </ul> <p>Where this is identified, it is recommended that professional and legal advice is sought prior to completing an Equality Impact Analysis.</p>

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** JOINT FINANCE AND PERFORMANCE REPORT,  
QUARTER 3 2020/21

**PORTFOLIO HOLDER:** COUNCILLOR MIKE DANVERS, PORTFOLIO  
HOLDER FOR RESOURCES

**LEAD OFFICER:** SIMON FREEMAN, DEPUTY TO THE CHIEF  
EXECUTIVE AND HEAD OF FINANCE AND  
PROPERTY  
(01279) 446200

**CONTRIBUTING OFFICERS:** SENIOR MANAGEMENT BOARD (01279) 446004  
POLICY AND PERFORMANCE TEAM

**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I011385**

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

The recommendations are within the scope of the original budget and Corporate Plan approved by Full Council in February 2020.

**This decision will affect no ward specifically.**

**RECOMMENDED that Cabinet:**

- A** Notes the projected outturn position set out in sections three and four of Appendix A to this report for the third quarter (ending 31 December 2020) of 2020/21 as follow:
- i) An adverse variation on controllable budgets of £856,000 representing 1.49 per cent of the gross General Fund Budget.
  - ii) A total projected underspend of £79,000 representing -0.14 per cent of the gross General Fund Budget.
  - iii) The Council performed on or above target for 40 out of 46 (87 per cent) of its monthly and quarterly Key Performance Indicators (KPIs). The number of KPIs has reduced from 49 to 46 following the decision by Housing Services to report 3 of its KPIs within its HRA Q3 report. Housing Services have also advised that there is no data for its remaining KPI until Q4.
  - iv) The Council also successfully completed 24 (16 per cent) of its revised service milestones.

## **REASON FOR DECISION**

- A To ensure that Cabinet reviews performance against the Council's approved General Fund Budget and Corporate Plan for 2020/21 and acknowledges the small variation to the forecast outturn position.

## **BACKGROUND**

1. This report sets out the Council's corporate priorities, financial and performance position as at the end of December 2020 following the significant impact of the Coronavirus. The report is the third in the formal reporting process for the 2020/21 financial year.

## **ISSUES/PROPOSALS**

### **Summary of Quarter Three Financial Performance 2020**

2. A review of the third quarter of 2020/21 indicates that, in total, the controllable General Fund Budget is projected to overspend by £856,000 or 1.49 percent which is an improvement over Quarter 2 which was indicating an overspend on controllable budgets of £1,455,000 or 2.5 per cent when compared to the approved gross General Fund Budget. Section three of Appendix A to this report summarises the major budget variations many of which are related to the current Covid crisis.
3. Taking into consideration the budgets which are not directly under service area control the overall position at the end of December 2020 is that the General Fund is forecast to underspend by £79,000 or -0.14 per cent when compared to the approved gross General Fund Budget.
4. Careful management of budgets continues to be exercised across all services in order to guard against expenditure pressures and to offset income reductions especially in respect of those areas of the Council's services directly impacted by the Covid crisis.
5. The major variations across both controllable and non-controllable budgets are set out in Appendix A to the report. The situation will be closely monitored during the remainder of the financial year. It is highly likely that the position will change in the final quarter of the year and subject to the impacts of the current ongoing local and national restrictions put in place by the Government, the longer term impact of the crisis on behaviours of local residents and businesses and any further support that may be made available by the government through future announcements.

### **Summary of Quarter Three Operational Performance 2020/21**

6. The Council's operational performance is set out in section four of Appendix A to the report.

7. The number of the Council's Key Performance Indicators (KPIs) has reduced from 49 to 46 following a decision by Housing Services to report 3 of its KPIs within its HRA Q3 report. For Q3 2020/21, the Council performed on or above target for 40 out of 46 (87%) of its revised Covid-19 monthly and quarterly Key Performance Indicators. Housing Services have also advised that there is no data for its remaining KPI until Q4.
8. As a result of a decision by Housing Services to report 23 of its Milestones within its Q3 Housing Revenue Account (HRA) report, the number of Corporate Milestones has reduced from 176 to 153. Twenty four milestones (16 per cent) were successfully completed, 98 milestones (64 per cent) have started and are on track and three milestones (2 per cent) have not started as the due dates are in the future. Three milestones (2 per cent) were significantly off track, 7 milestones (5 per cent) were slightly delayed and 18 milestones (12 per cent) were cancelled or suspended due to Covid 19.
9. Thirty one (67 per cent) of the Council's Key Performance Indicators (KPIs) performed significantly better than their targets. Some of the performance indicators that have contributed to this achievement are set out in section 4 of Appendix A to this report.
10. Five out of the 46 (11 per cent) Key Performance Indicators did not perform as well as expected. The indicators detailed below have an Improvement Action Plan which outlines the performance situation and the steps for improvement.
  - a) BV008 - Invoices paid within 30 days
  - b) BV009 - Council Tax Collected
  - c) BV010 - National Non-Domestics Rates (NNDR) Collected
  - d) CS25Q - Percentage of Customer Complaints responded to within target time
  - e) HTS3.11 - Tree Works carried out within 80 Working Days

### **Significant Risks/Opportunities**

11. The Council continues to operate in a period of major change driven by both worldwide economic conditions and legislative changes being introduced by the Government at the end of 4th Quarter 2019/2020. There has also been significant impact from Covid-19. Key changes that will or continue to impact on the Council include:
  - a) Variations in income from fees and charges and other specific grants.
  - b) Ongoing low staff turnover rates which put at risk the achievement of the vacancy savings targets allocated to each service within the Council's budget.

- c) The uncertainty regarding the future financial settlements including the end of the current four year funding deal beyond the current spending review period from 2020/21 onwards.
  - d) Short and medium term impacts of Brexit following the UK's exit of the European Union on 31 December 2020.
  - e) Effects of Covid-19 pandemic. The Council has been working with key partners and businesses throughout lockdown and is now well into recovery phase, working with all key stakeholders affected by the pandemic.
12. Significant opportunities continue to arise and develop to benefit the town and its residents. The Council must ensure it continues to work with all stakeholders to realise those benefits. Examples where opportunities arise include:
- a) Harlow and Gilston Garden Town.
  - b) Enterprise Zone delivery and skills plan to support development of a skilled workforce.
  - c) Public Health England relocation to Harlow including partnership working to address employment skills development and supply chain opportunities. Public Health England (PHE) and NHS Test and Trace, as well as the Joint Biosecurity Centre (JBC) was brought under a single new organisation The National Institute for Health Protection (NIHP) from 18 August 2020. Discussions are ongoing to ensure plans are not affected by the recent government announcement.
  - d) Road and transport infrastructure including M11 Junction 7a which is now in build phase.
13. At end of 3<sup>rd</sup> Quarter 2020 there are no exceptional strategic risks (rated 20 or higher – high likelihood, high impact) recorded in the Council's Risk Register.
14. The Senior Management Board continues to review strategic risks on a regular basis and a full review of risks was undertaken for the first Quarter 2020. The Senior Management Board will continue to assess future impact and the necessary controls required to keep risks at acceptable levels compared to the council's risk appetite.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

As contained within the report.

**Author: Andrew Bramidge, Head of Environment and Planning**

**Finance and Property (Includes ICT)**

As contained within the report.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

**Housing**

As contained within the report.

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

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

As contained within the report.

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

**Governance (Includes HR)**

As contained within the report.

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

**Appendices**

Appendix A – Joint Finance and Performance Report, Quarter 3 2020/21

**Background Papers**

None.

**Glossary of terms/abbreviations used**

IAP – Improvement Action Plan

HRA – Housing Revenue Account

KPIs – Key Performance Indicators

**Harlow Council**

**Joint Finance and Performance Report  
for the Period Ending**

**31/12/2020**

## The Council's aim for 2020-21:-

**"to improve Harlow for residents, businesses and visitors"**

### The Council's priorities:

1. Resilience and Recovery



2. More and Better Housing



3. Regeneration and a Thriving Economy



4. Wellbeing and Social Inclusion



5. A Clean and Green Environment



6. Successful Children and Young People



## Introduction

The Central Government requires all Councils to collect and report data relating to their function as a Local Authority in areas such as waste, planning, benefits, and housing.

The Council monitors its performance against its Corporate Priorities, Principles and Goals through its Performance Management Framework. The Framework sets out the mechanisms and the range of tool utilised by Officers and Councillors in gathering and reporting the Council's performance data.

The Council's Priorities, Principles, Goals 2021/22 are set out in its [Corporate Plan 2021 - 2022](#), available on the Council's website.

To view the Council performance data and reports, please visit our website at <https://www.harlow.gov.uk/your-council/spending-and-performance/performance>

## Covid 19 Recovery Group

The Council established a Cross Party Members Working Group to co-ordinate its response to the Coronavirus pandemic, including the responsibility for the corporate priority specific action plan and performance. The Groups meetings can be found here

<https://moderngov.harlow.gov.uk/ieListMeetings.aspx?CIId=299&Year=0>

## Operational Performance

This report provides a summary of the Council's operational performance of its Key Performance Indicators (KPIs), Service Milestones, Finance and Risk for the quarterly period ending 31 December 2020 (Quarter 3 2020/21).

Officers have provided the following commentary on the performance of their Service Milestones and Key Performance Indicators (KPIs) for which they are responsible.

### Community Wellbeing, Jane Greer

#### **Financial Performance:**

The reduction of income continues due to a number of services being closed or running a reduced service over a period of several months. There has been a corresponding reduction in costs due to facilities being closed and events not taking place this year.

#### **Service Performance:**

The ongoing pandemic has resulted in the Community Wellbeing Team having to adapt to ensure that as many services as possible are able to continue, albeit in a different and Covid safe way. For example, The School Readiness Project and Youth Council have been able to provide "virtual" sessions, and Leah Manning centre continue to provide telephone and other support to residents.

#### **Service Milestones:**

The majority of the service milestones are on track, with proposals in place for those that require

further action.

**Service Risk:**

A review of risks has recently been completed and is reported elsewhere in this document.

### Environment and Planning, Andrew Bramidge

A shortfall in performance on the delivery of tree works has continued into the third quarter and is likely to be maintained through to the end of the year. The recruitment of a specialist consultancy has in fact identified a larger number of works to be completed – during Q3 HTS completed the highest number of jobs in a quarter for three years (218), but was still unable to meet the KPI. The situation is unlikely to be recovered fully until 2021/22.

Street cleansing and grass cutting services and performance were maintained during Q3.

Although Veolia's performance had started to recover by the end of Q2, this suffered again in November with the second national lockdown and a number of staff having to shield and others having to self-isolate due to Covid. This position will continue into Q4 with the third national lockdown.

The Planning team continue to exceed performance indicators with faster determination of planning applications. A relatively stable staff team during the course of this year has helped considerably as well as the implementation of new performance management processes.

The Local Plan work was completed in Q3 with the Plan being adopted by Full Council in December 2020.

### Housing, Andrew Murray

Demand for housing has increased during the first nine months of the year due to increased responsibilities following implications of Covid 19.

An additional 39 rough sleepers were accommodated in Sept 2020, taking vulnerable individuals off the street, and working with them to find suitable settled accommodation. This work continues, providing help and support. Numbers in T/A have increased by 26 to 277 in December 2020.

Increased resources for housing needs are required which means continued prioritisation against limited resources and increased demand for housing. The position remains fluid and it is still difficult to predict future demand and will depend on a number of factors both nationally and locally. The service continues to focus on the prevention of homelessness, as well as types of ongoing support required.

In addition, the implications of Covid 19 and associated restrictions has meant there is a reduction in the anticipated income for Telecare installations which will mean there will be a need to re-align budget estimates for 2021/22.

### **Financial Performance:**

During quarter 3, services which would normally generate income continue to be affected by the ongoing pandemic. The Playhouse did manage to present (for a brief period) its pantomime and children's Christmas show before the tier changes prior to the end of the quarter. Both were in profit at the point of closure. Land charges income is also adversely affected by restrictions preventing personal searches.

The service however will show significant underspending at Q3. This is as a result of a number of factors. Elections scheduled for 2020/21 financial year were cancelled. There are a number of staffing vacancies, which are in the process of being filled, but recruitment during a pandemic has proved problematical. Some posts have not attracted applicants of sufficient quality to appoint.

### **Service Performance:**

During quarter 3 the service continued to provide effective support to the ongoing response and recovery work of the Council outside of their normal roles. This has included Governance staff supporting the Community Hub and associated pandemic response and Playhouse staff working on a number of online and community activities, other staff across the service have worked 'behind the scenes' supporting the ongoing effort. HR have completed the phase 1 implementation of a new HR/Payroll system which will lead to policy and procedural changes during the next 12 months. HR also continues to support staff working from home and their managers. Within Legal, the challenge has been increasing workloads with staff vacancies and council house purchase conveyancing. Local Land searches have also significantly increased during a Stamp Duty 'holiday'. Workloads within the Contact Centre remain high as the Council offices have remained closed and the Council shifts transactions away from face to face enquiries to online and telephone. Contact staff are amongst the few staff that have been present in the offices throughout the pandemic.

### **Service Milestones:**

The Service completed 11 out of its 62 milestones for 2020/21 on or before the due dates during the quarter. A further 36 milestones are due during the last quarter.

There are a number of service milestones which, at the end of quarter 3, it is apparent cannot be completed this year. These are detailed elsewhere in this report and are all pandemic delay related. They will be transferred to service planning for 2021/22 where they are still required.

### **Service Risk:**

A review of the Corporate Risk for Information Governance has put forward a revised residual risk rating, covered elsewhere in this report.

## Finance and Property, Simon Freeman

At Quarter 3 of the financial year the service continues to perform well even under the significant restrictions that have been experienced as a result of the National Covid crisis. Normal activity has continued to operate as expected and where necessary adjustments to comply with changing national restrictions and guidelines have been implemented. In addition it should be recognised that the service has also had a significant additional workload to accommodate in direct response to the crisis since April 2020.

The key area of performance that is off target is the collection statistics for Council Tax and Business Rates. This is not unexpected due to the current climate and formal recovery action has been placed on hold at the current time due to the closure of the Courts during the initial lockdown, government guidelines associated with recovery and the recognition locally of the impacts the crisis is having on residents. This situation is replicated across many other local authorities and the moves by the government to allow deficits to be carried across three financial years as opposed to just one is a clear indication that this matter is being recognised nationally.

The financial performance of the service is significantly affected by the crisis as reflected in this report and the table of service variations. Two key issues impacting the service budget and reflected within the major variations table are firstly the loss of income from the closure and subsequent reduction in usage of the town's car parks and secondly the extremely difficult market conditions that have been created in terms of letting the new council owned building Nexus at the Science Park. Whilst there will be no improvement in this situation in the current financial year there has been the income compensation scheme and other government funding provided to support the Council which is also shown in the non-service variations in the variations table and totals £1.5m to date. There is also good progress in relation to Nexus with one lease now secured and a second being very close to completion. This will see rental income being achieved during 2021/22 and will result in approximately 50% of the building being let.

## HTS (Property & Environment) Ltd, John Phillips

HTS continues to make progress in tackling the backlog built up following the full lockdown period. Quarter 2 KPI performance resulted in the average success rate of 95 per cent against a target of 96 per cent.

HTS operations were initially reduced to run emergencies only in compliance with Government guidelines. These services were then extended to cover urgent jobs as the lockdown was eased. Subsequently, with further relaxation of restriction, HTS began to increase operations to manage the backlog of non-urgent jobs. Consequently, the second quarter saw an improvement with only 1.75 per cent of the KPIs going into Red and 5 per cent into Amber. HTS has implemented Improvement Action Plans (IAP) for KPIs falling into Red to improve performance and has been on target for recovery.

Some notable highlights in performance include:

1. Standard request for housing repairs (attend within 20 days) - **Excellent recovery to 94% performance following 65% performance during Q1 Covid-19 period.**

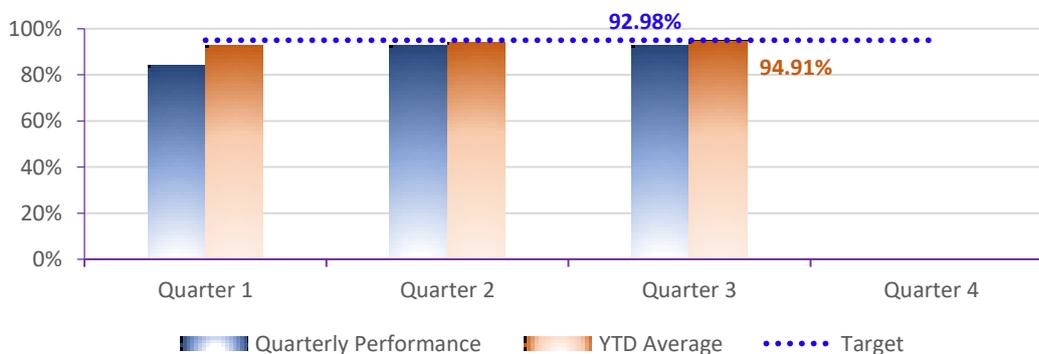
2. Voids works – **Excellent recovery to 100% performance following 67% performance during Q1 Covid-19 period.**
3. Average time (in hours) to remove fly tips – **Excellent performance at 1.60 hours per job to clear dumped rubbish against the target of 3.5 hours.**
4. Graffiti / Fly posting removal of racist or obscene nature - **Excellent performance maintained at 100%**

In addition, HTS delivered a number of social actions benefiting the wider community with some listed below:

- HTS supported the move of the Harlow Save Credit Union office from the Town Centre library into new premises in the Harvey Centre through September into early October within a 5-week period, all in time for them to be able to launch their Christmas campaign.
- HTS are facilitating Coronavirus testing by allowing a testing station to be sited at their Mead park offices car park with the appropriate welfare facilities for people as a positive contribution to the health and wellbeing of its staff and to the wider community, increasing from an initial 2 days to 4 days per week.
- Playgrounds were re-opened following safety inspections by HTS to support Harlow Council and allowing children and families across Harlow to start using the 43 playgrounds again.
- Board memberships and regular attendance on two not-for-profit organisations throughout the period.

HTS performance in Quarter 3 resulted in 93% against the full suite of KPIs, maintaining an average of 95% year to date. There was an increase in operational activity to complete outstanding jobs however compliance with further National Lockdown in November '20 slowed progress. The learnings from the first National Lockdown during Q1 supported revised working practices which lessened the impact on services in this quarter.

HTS Major & Minor KPI Performance Analysis

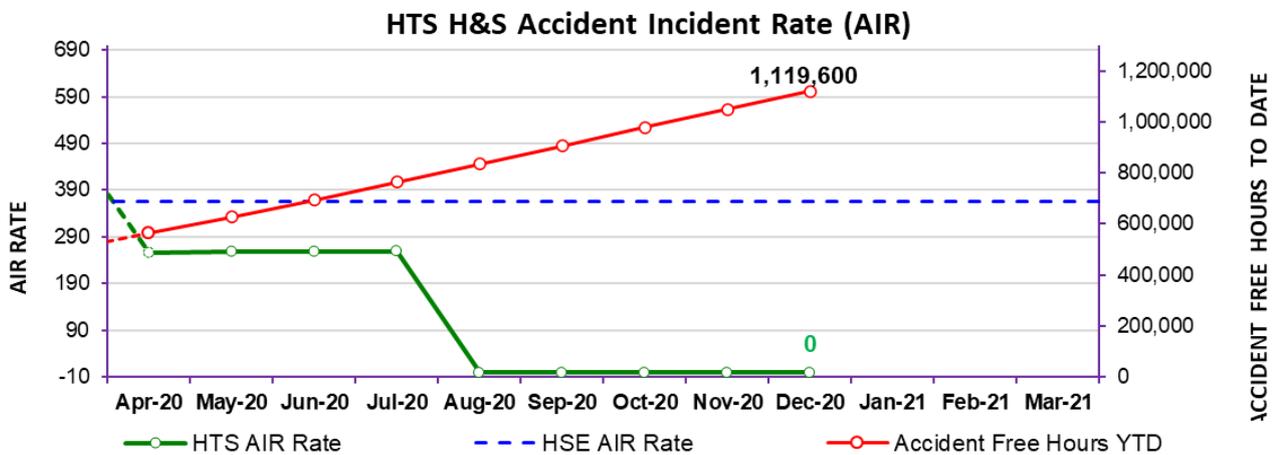


The performance success was most notable in Housing repairs which resulted in improvements across Emergencies, Urgent and standard jobs completions as well as maintaining 100% statutory gas compliance. The shortfall in KPI performance of street scene has already been addressed with an increase in the number of waves carried out post (Keep Britain Tidy) survey. The tree works Improvement plan has also made significant progress in increasing operation capacity and

completing a higher number of jobs compared to Q2. At current pace of activity, HTS expects to hit KPI target by end of Q1 2021.

Some other successes in performance include:

5. Voids works – **Excellent performance at 100% performance**
6. Average time (in hours) to remove fly tips – **Excellent performance at 1.47 hours per job to clear dumped rubbish against the target of 3.5 hours.**
7. Graffiti / Fly posting removal of racist or obscene nature - **Excellent performance maintained against target**
8. An exceptional **173 Plaudits** received in this quarter
9. Excellent HTS Health & Safety rating maintained at **“0” AIR** with over a **Million hours** of accident free operations. See chart below for a summary:



## Section One: Key Considerations

The key issues relating to the Council's finances, performance, risks and corporate projects (excluding the HRA):

### FINANCE

The forecast outturn position for 2020/21 is that the controllable General Fund revenue budget will overspend by £856,000 on its gross controllable costs. This represents an overspend of 1.49% of the Council's approved gross budget for the General Fund. Taking into consideration the budgets which are not controllable by services, there is an overall forecast underspend of £79,000 or -0.14%.

Key risks in relation to financial management are currently:

- The risks and volatility associated with the current Covid crisis and its impact on the council's budgets and the local economy over the next one to three years.
- The future impacts of council tax and business rates collection performance on 2021/22 and future years.
- The uncertainty regarding the future financial settlements, the impact Government policy relating to the recovery from the crisis and the state of national finances will have on public sector funding.

£9

### RISK

At end of Quarter 3 2020/21, there are no exceptional strategic risks (rated 20 or higher – high likelihood, high impact) recorded on the Council's Risk Register.

### PERFORMANCE

The following indicators had poor performance in Quarter 3 2020/21:

- BV008 Invoices paid within 30 days (%)
- CS25Q Percentage of Customer Complaints responded to within target time
- HTS3.11d Tree Works carried out within 80 Working Days
- BV009 Council Tax collected (%)
- BV010 NNDR collected (%)

### CORPORATE PLAN

As a result of a decision by Housing Services to report 23 of its Milestones within its Q3 HRA report, the Corporate Milestones have reduced from 176 to 153.

The position of the Corporate Milestones as at 31 December 2020 is broken down as follows:

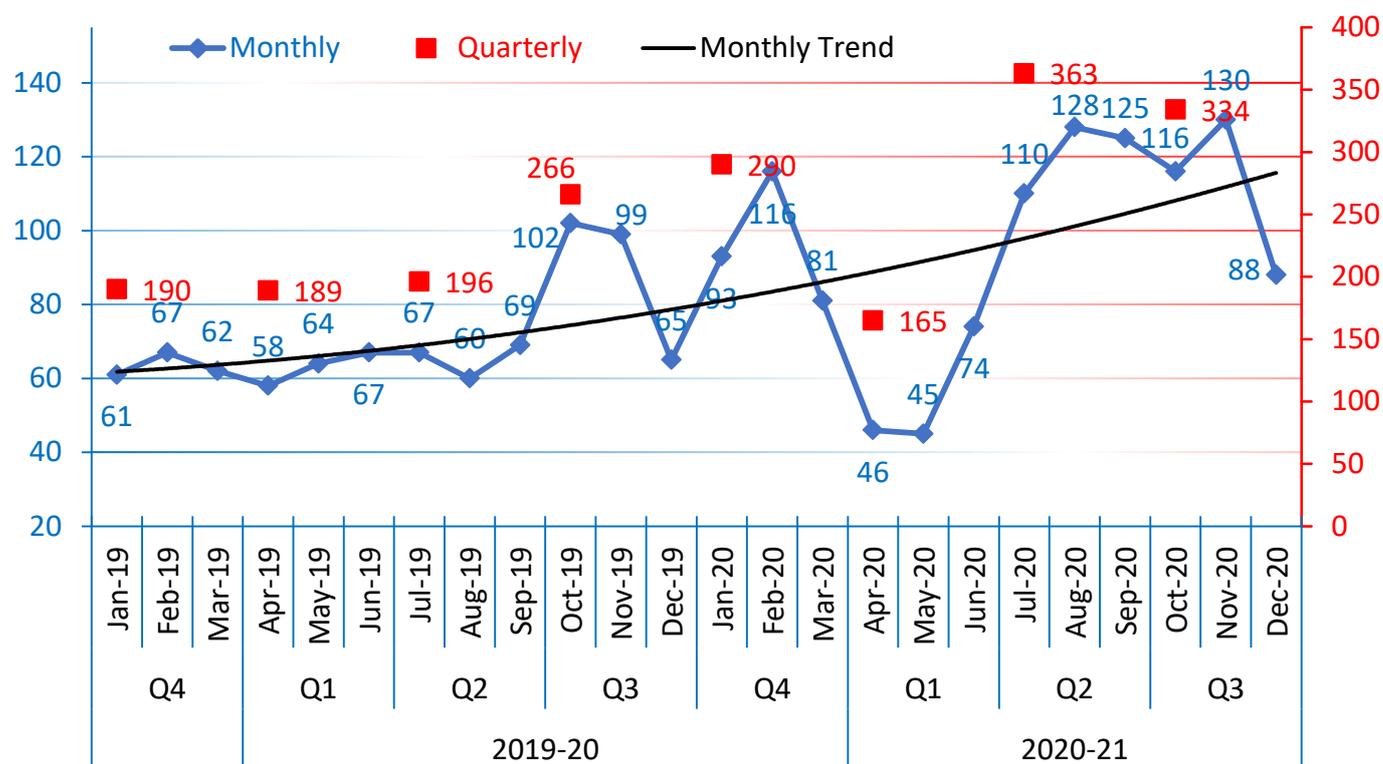
- 15.7% (24 out of 153) were successfully completed.
- 64.1% (98 out of 153) have started and are on track.
- 2.0% (3 out of 153) have not started as the due dates are in the future.
- 2.0% (3 out of 153) were significantly off track.
- 4.6% (7 out of 153) were slightly delayed due to Covid 19.
- 11.8% (18 out of 153) were cancelled due to Covid 19 or were suspended and moved to the new financial year 2021/22.

## Section Two: What our Customers are telling us (Complaints)

The Council provides and commissions a large number of services, to a population of around 87,100 residents (2019 estimate). Every year the Council undertakes over 600,000 housing transactions and deals with hundreds of thousands of enquiries at Contact Harlow. Contact Harlow also provides an administrative service for housing benefit and local council tax support.

The Council aims to respond and resolve all Stage One and Stage Two complaints within 10 working days, and Stage Three complaints within 15 working days.

The chart below shows two years of complaints (January 2019 to December 2020) by the monthly and quarterly figures, monthly is in blue and quarterly is in red.



When Quarter Three of 2020/21 is compared to the same quarter in 2019/20, there is a 25.6% increase in the number of complaints received. In the last twelve months (January 2020 to December 2020) there was an average of 96 complaints per month, whereas in the previous 12 months (January 2019 to December 2019), the monthly average was 70. The increase in this period, equates to 37.14%.

Due to the continued increase of complaints in Quarter Three, further work was undertaken to ascertain the reason (s) for the increase. It was found that:

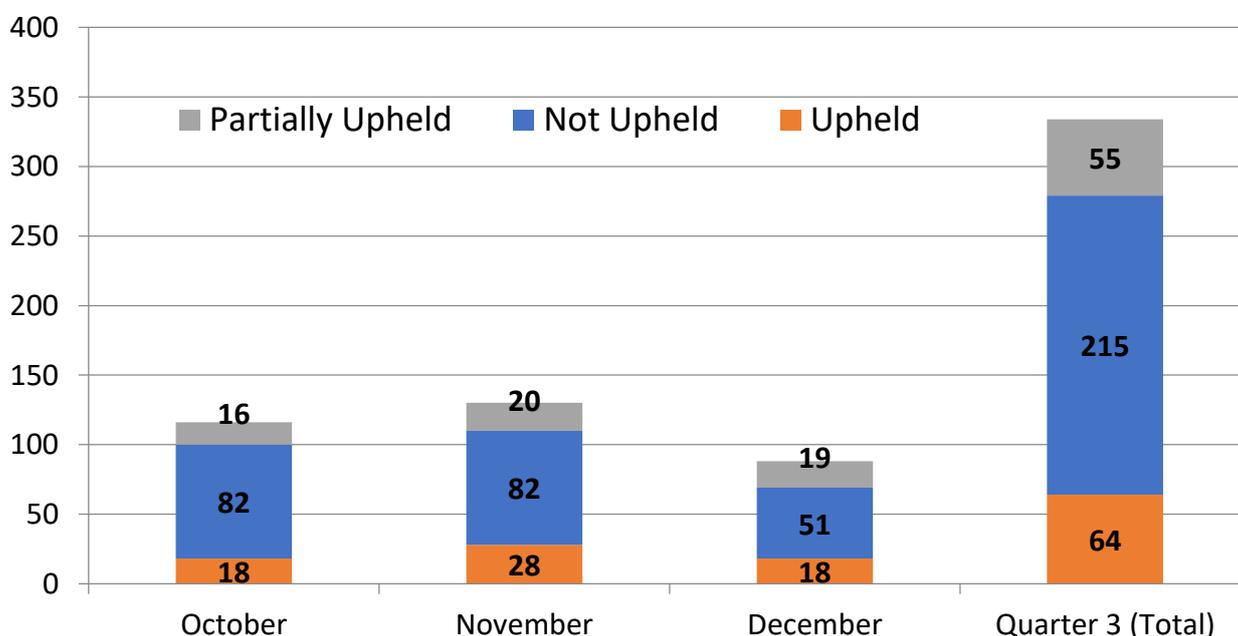
- **HTS (Property & Environment) Ltd** – A number of key themes were identified in the analysis of HTS complaints including customer contact, communication, and access issues. These themes continue to be monitored as part of the response to the Covid-19 implications and organisational priority requirements.
- **Housing** - Housing complaint totals for Quarter Three continued to mirror corporate increases when compared to the corresponding Quarter 2019/20. The largest increase was at Stage

One; however the percentage upheld continued to show a small reduction during the Quarter.

There has been little change in the key themes although difficulties in accessing accommodation continues to be mentioned in a number of the complaints received. Communication and responsiveness has again been highlighted and Officers have endeavoured to reduce these concerns by improving contact with complainants particularly whilst investigating and discussing issues raised directly with them at an early stage.

- Environment and Planning – Whilst the measures proposed by Veolia during Quarter Two to support smooth running of the operation were implemented, unfortunately an increase in the prevalence of COVID-19 with a further national “lock-down” has led to increased direct pressures on the availability of staff and the increased regulatory requirements have together impacted the Team’s capacity. This is reflected in the ongoing elevation of the number of complaints in this area. The Council continues to work closely with Veolia to ensure that practicable mitigations are put in place and that best use is made of the available resources.
- HTS (P&E) Ltd - Environment - The increase in complaints continues to relate mainly to Tree works. The appointment of an external contractor to clear the backlog of works is ongoing and work is being undertaken where able to do so within current lockdown restrictions

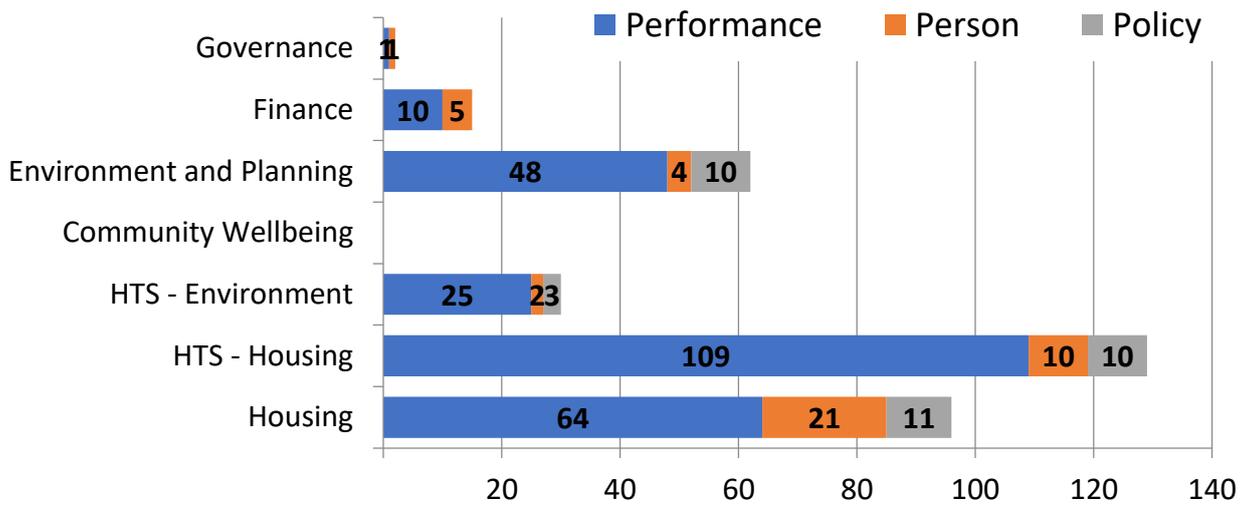
In Quarter Three of 2020/21, the Council received a total of 334 complaints. These complaints break down as 64 (19%) upheld, 215 (64%) not upheld and 55 (16%) partially upheld. The chart below shows the breakdown by classification for each month and the quarter total.



The table below shows the breakdown of complaints by the stage, for each month in Quarter Three. There were 80% of complaints resolved by Stage One, 14% of complaints were resolved by Stage Two and 6% of the complaints reached Stage Three.

Month	Stage One	Stage Two	Stage Three
October	97	13	6
November	104	18	8
December	66	15	7
<b>Quarter Three Total</b>	267	46	21

The chart below shows a breakdown of the three complaint types and the number of complaints against the relevant service area. In Quarter Three there were 257 performance; 43 person and 34 policy related complaints.



Additional information is collected on all closed complaints that were either upheld or partially upheld, to ensure lessons are learnt to improve service delivery and minimise the risk of reoccurrence.

This information is logged by the service areas responding to the complaint and includes:

- What will be done as a result of the complaint?
- Who by?
- By when?

The Customer Services Officer receives monthly reports, to ensure that action(s) are being completed. Any failures/blockages are reported to the Customer and Media Services Manager, to progress to the relevant Head of Service.

Reports on trends and resolutions are provided to the Senior Management Board, to ensure continuous improvement.

### **Section Three: The Latest Financial Performance**

The impacts of the Covid crisis continue to impact the Council's overall financial position. As previously reported additional costs and more importantly the loss of income remain the key issues directly impacting the budget for the financial year.

As the Council moves in to the final quarter of the financial year work continues to assess the financial transactions and track the impacts of the changing national restrictions which will have impacts previously not anticipated as a result of a third and extended lockdown period effectively in place for the whole of the fourth quarter of the financial year.

As previously reported council tax and business rates income remains a concern with collection rates down by 3.1% and 5.9% respectively when compared to the same period in 2019/20. Deficit on the Collection Fund must be met through a charge against future years general fund resources although a new scheme to phase deficits over a three year period is being introduced by the Government to help deal with this and the effect of this scheme will be evaluated during the fourth quarter of the year and as part of the year end closure of accounts. Already the impact is being shown in the projected 2020/21 position for the Essex business rates pool. The major variations included within this report continues to assume that the fall in business rates collection will expose the Council to a reduction in anticipated benefits from the pool in 2020/21 with the impact also being a pressure in the 2021/22 budget setting process reported in January.

The position reported at quarter 3 should be viewed with some caution for the reasons set out above but at the time of preparing this report the forecast outturn for the councils General Fund is for an underspend of £79,000 for the year. This is a significant improvement when compared with the forecast of £345,000 overspend at quarter 2 but is likely to change further in the final quarter of the year.

Simon Freeman, Deputy to the Chief Executive and Head of Finance and Property

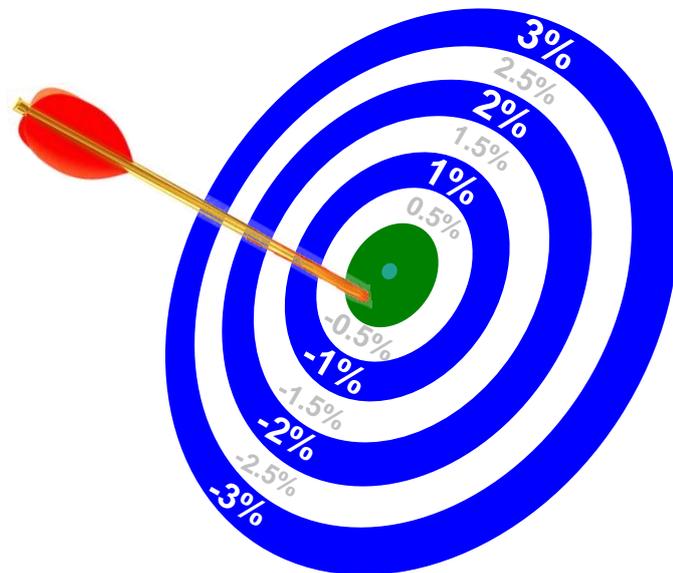
## Movements in General Fund Balance in Quarter Three 2020/21

	<i>£millions*</i>
<b>General Fund closing balance as at 30 March 2020</b>	<b>4.513</b>
<b>Variation resulting from previous Cabinet / Council decisions:</b>	
• Carry forwards from 2019/20 to 2020/21 (Sept Cabinet)	(0.163)
Creation of Covid Reserve (sept Cabinet)	(0.150)
<b>Effective General Fund closing balance as at 31 March 2019</b>	<b>4.200</b>
Application of GF to meet 3year pension deficit payment (Jan Cabinet)	(1.605)
<b>Current Variations</b>	
• Service budget variations	(0.856)
• Other variations	0.935
<b>Balance on General Fund at 31 March 2021 (Projected)</b>	<b>2.674</b>

\* Note: Figures in brackets ( ) reduce the projected General Fund Balance.

### 2020/21 Forecast Outturn

The Council projects to underspend by a margin of **-0.14%** on its gross General Fund revenue budget.



## Major Variances - Quarter 3 2020/21

Service	Adverse £000s	Favourable £000s	Net £000s	Main Contributing Factors to Variations
<b>Finance and Property Services</b>				
Accountancy	205		205	Staff vacancies offset by consultancy and advertisement costs.
Nexus	785		785	Assumed that no rental income will be received during 20/21 as a result of delays due to Covid-19 in addition to unbudgeted security costs.
Commercial Rental Income	79		79	Loss of rental income from commercial units as a result of Covid-19
Car Parks	811		811	Loss of income as a result of Covid-19.
Revenues and Benefits		(34)	(34)	Staff vacancies
ICT		(115)	(115)	Staff vacancies
Insurance		(380)	(380)	Reduction in insurance premiums following tendering exercise
Minor Service variances		(2)	(2)	
<b>Total Finance and Property Services</b>			<b>1,349</b>	
<b>Chief Executive</b>				
Chief Executive	3		3	
<b>Housing GF</b>				
Housing Options and Advice	44		44	Additional costs incurred relating to Temporary Accommodation and Grant payments as a result of Covid-19.
<b>Total Housing General Fund</b>			<b>44</b>	
<b>Governance</b>				
The Playhouse	0		0	Grant received from Arts Council will offset losses.
Legal		(203)	(203)	Staff vacancies - partly due to new structure not yet being implemented.
Human Resources / Payroll		(33)	(33)	Consultancy budget carried forward - not yet allocated
Electoral Services		(140)	(140)	Saving as a result of May 2020 election being postponed until 2021.
Other minor variances	14	(126)	(112)	
<b>Total Governance Service</b>			<b>(488)</b>	

<b>Community Wellbeing</b>				
Pets Corner	47		47	Reduction in income due to facility being closed for first 4 months of the year.
Paddling Pools		(60)	(60)	Reduced costs due to pools not being open
Events		(52)	(52)	Savings as a result of events (fireworks display and Harlow Carnival) not proceeding
Leah Manning Centre	108		108	Loss of income from April to December offset by reductions in cost
Community Safety	0		0	
Enterprise Zone	56		56	Additional costs relating to security and professional fees
Other Minor Variations		(4)	(4)	
<b>Total Community Wellbeing</b>			<b>95</b>	
<b>Environment and Planning</b>				
Refuse Collection	42		42	Additional expenditure on service delivery contracts
Recycling		(220)	(220)	Additional income from recycling credits
Taxi Licencing	40		40	Loss of income due to Covid-19.
Planning Services	85		85	Staff vacancies offset by agency costs
Cemetery and Crematorium		(60)	(60)	Additional income
Other minor variations		(34)	(34)	
<b>Total Environment and Planning</b>			<b>(147)</b>	
<b>Service Specific Variations</b>			<b>856</b>	<b>Sub-total</b>
<b>Other</b>				
Covid 19 Support Grant		(1,519)	(1,519)	Grant received from Central Government to offset additional costs incurred as a result of the Covid-19 pandemic.
Covid-19 income recovery grant		(776)	(776)	Estimated value of grant to be received to offset income lost between April and August as a result of the Covid-19 pandemic.
Additional bad debt provision	300		300	Likely increase in bad debts once enforcement action resumes.
Court Costs	310		310	No court action has been taken due to covid therefore no costs have been raised
Contribution to Covid Reserve	500		500	Contribution to support further Covid impacts in 2021/22.
Essex Pooling Impact	250		250	Anticipated Impact of reduced rating income on the Essex pool
<b>Total Other Variations</b>			<b>(935)</b>	<b>Sub-total</b>
<b>Total General Fund Budget Variations</b>			<b>(79)</b>	

## Section Four: Performance

The number of Council's Key Performance Indicators (KPIs) has reduced from 49 to 46 following the decision by Housing Services to report 3 of its KPIs within its HRA Q3 report.

For Q3 2020/21, the Council performed on or above target for 40 out of 46 (87%) of its revised Covid-19 monthly and quarterly Key Performance Indicators. Housing have advised that there is no data for its remaining KPI until Q4 and five performance indicators performed below target, which resulted in Improvement Action Plans (IAPs).

<b>Percentage of indicators within or better than target</b>	<b>Qtr. ended</b>				
	<b>31/12/19</b>	<b>31/03/20</b>	<b>30/06/20</b>	<b>30/09/20</b>	<b>30/12/20</b>
	<b>98%</b>	<b>94%</b>	<b>N/A</b>	<b>84%</b>	<b>87%</b>

**Good Performance:** Thirty one (67%) of the KPIs performed significantly better than their targets. Listed below are some of the KPIs that achieved better than their targets for Q3 2020/21 and have also improved on their performance in Q3 2019/20.

<b>Key Performance Indicator</b>	<b>31/12/20 Actual</b>	<b>31/12/20 Target</b>	<b>31/12/19 Actual</b>	<b>31/12/19 Target</b>
BV012 Average number of working days/shifts lost due to short term sickness absence – ALL	1.54	6.56	2.18	6.56
CS02b Percentage Lost Calls for Contact Harlow	3.92%	14.00%	11.06%	14.00%
CS50 Average waiting time of calls received by Contact Harlow (seconds)	19	40	42	40
BV082aii Household Waste Recycled (Tonnes)	6454.60	5400.00	5553.85	5400.00
BV082bii Household Waste Composted (Tonnes)	3115.62	2600.00	2584.33	2600.00
HTS2.10c The proportion of relevant public land and highways which unacceptable levels of fly-posting are visible	0.00%	1.00%	0.22%	1.00%
HTS3.12 Maintenance of existing Playgrounds & Hard Standing Areas	100.00%	99.50%	100.00%	99.50%
HTS4.24 Gas compliance (Contractor Activity only)	100.00%	100.00%	100.00%	100.00%
HTS 2.2 Street Cleansing (Hypodermic or other drug related paraphernalia)	100.00%	100.00%	100.00%	100.00%
HTS2.7 Routine Maintenance and Dual Use Bins	100.00%	100.00%	100.00%	100.00%

## Section Five: Improvement Action Plans

The performance of the Council's and HTS (Property & Environment) Ltd Key Performance Indicators for the Quarter ending 31 December 2020 were significantly impacted by the Covid 19 Alert 4 restrictions and a 3<sup>rd</sup> National Lockdown. This has resulted in KPIs being paused and the refocusing of resources to keep essential services running.

All Key Performance Indicators (KPIs) which have been subject to an Improvement Action Plan (IAP) during the past 12 months are monitored. All KPIs are reported using the following symbols in line with the corporate performance monitoring framework.

Below Target: e.g. more than 5% worse than target	On Target: e.g. within 5% of target	Above Target: e.g. more than 5% above target
		

The table below illustrates how the Key Performance Indicators subject to an IAP have performed over time.

Quarterly Performance Indicator	QTR ended 31/12/2019	QTR ended 31/03/2020	QTR ended 30/06/2020	QTR ended 30/09/2020	QTR ended 31/12/2020
CS50 Average waiting time of calls received by Contact Harlow			N/A		
CS25Q Percentage of Customer Complaints responded to within target time			N/A		
BV008 Invoices paid within 30 days (%)			N/A		
BV009 Council Tax collected (%)			N/A		
BV010 NNDR collected (%)			N/A		
HTS3.11d Tree works carried out within 80 working days					

Number of Red Quarterly Indicators	1	3	1	4	5
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The details on the Improvement Action Plans (IAP)s for the quarter ending 31 December 2020 are set out below.

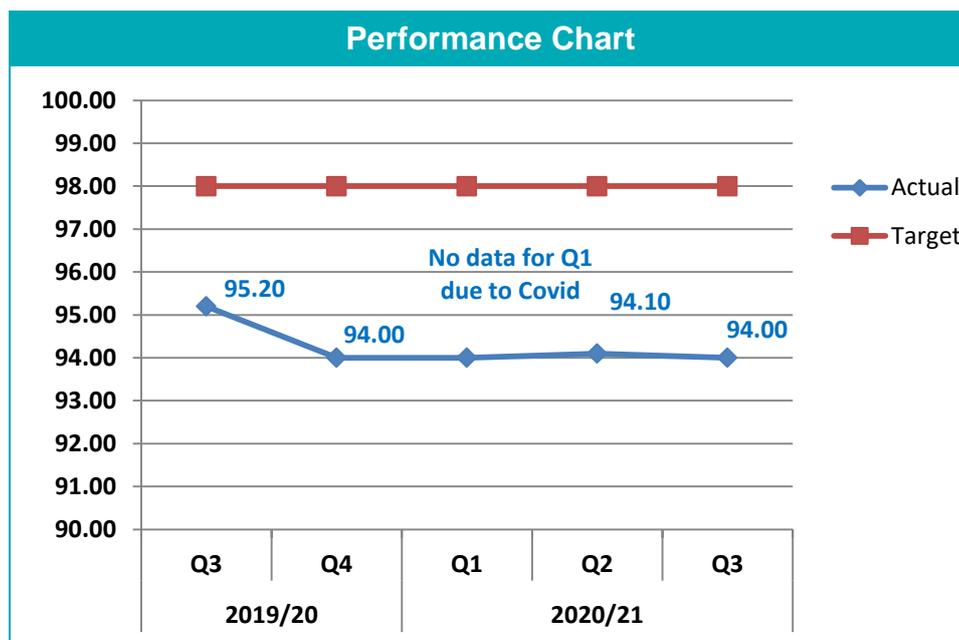
## Improvement Action Plan

Reporting Period Ended: 31/12/2020

KPI
BV008 Invoices paid within 30 days (%)

Performance					
Harlow	to 31/12/19	to 31/03/19	to 30/06/20	to 30/09/20	to 31/12/20
<b>Actual</b>	95.20	94.00	N/A	94.10	94.00
<b>Target</b>	98.00	98.00	N/A	98.00	98.00

Description
The percentage of invoices for commercial goods and services which were paid by the authority within 30 days of such invoices being received by the authority.



Direction of Travel

### What is the performance situation?

The three Covid national lockdowns and Covid Alert 4 in 2020/21, has significantly affected the performance of the KPI. During the last 12 months, Covid 19 has exacerbated the service ability to address issues such as training to strengthen and embed the requirements of the KPI. The lockdowns have resulted in the refocusing of resources to continue and maintain a service to comply with the requirements for homeworking.

On a positive note, Covid 19 has provided the opportunity for new ways of working to be explored and improvements to the KPI in the near future.

### What practical steps are being taken to improve?

It is not anticipated that the KPI performance will improve in the short to medium term due to the current national lockdown and the '4 step' road map out of the Pandemic recently announced by government.

It is not feasible to continue to report the KPI at this time, so it will be suspended and reviewed again in the new financial year 2021/22 as part of the Finance Service process review that is currently underway. As an interim measure all staff involved in the procurement and invoice payment process will be reminded of their financial responsibilities, and how their behaviour can have a positive impact on the KPI.

The service will continue to collect and publish the data required for the Transparency agenda.

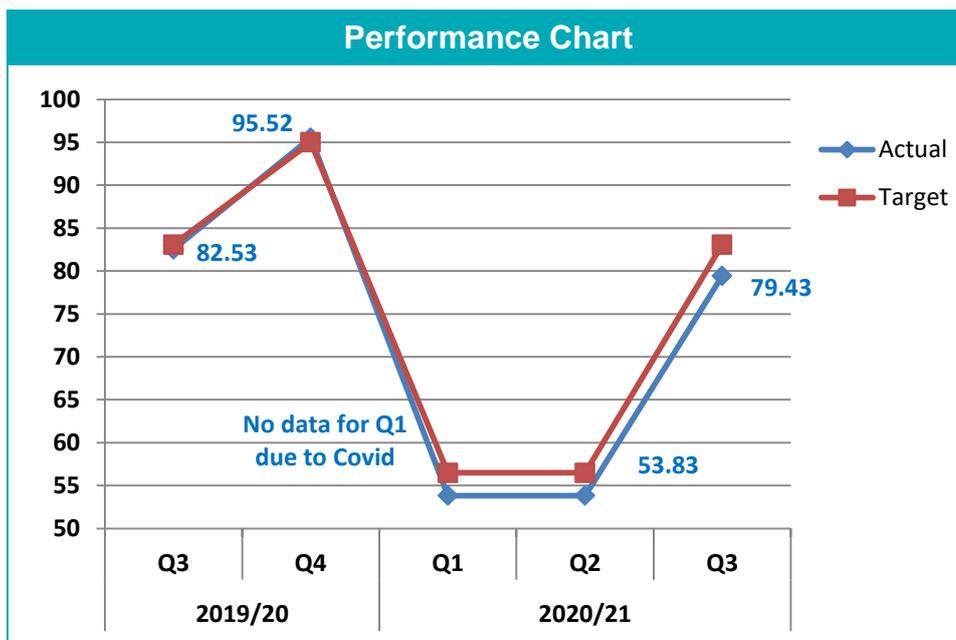
## Improvement Action Plan

Reporting Period Ended: 31/12/2020

KPI
BV009 Council Tax Collected (%)

Performance					
Harlow	to 31/12/19	to 31/03/20	to 30/06/20	to 30/09/20	to 31/12/20
Actual	82.53	95.52	N/A	53.83	79.43
Target	83.09	95.00	N/A	56.48	83.09

Description
The percentage of Council Tax collected



Direction of Travel

### What is the performance situation?

Council Tax payment is affected by COVID 19.

### What practical steps are being taken to improve?

The Council's Revenues & Benefits service has taken all available steps to improve payment, but to date has been unable to instigate formal recovery action.

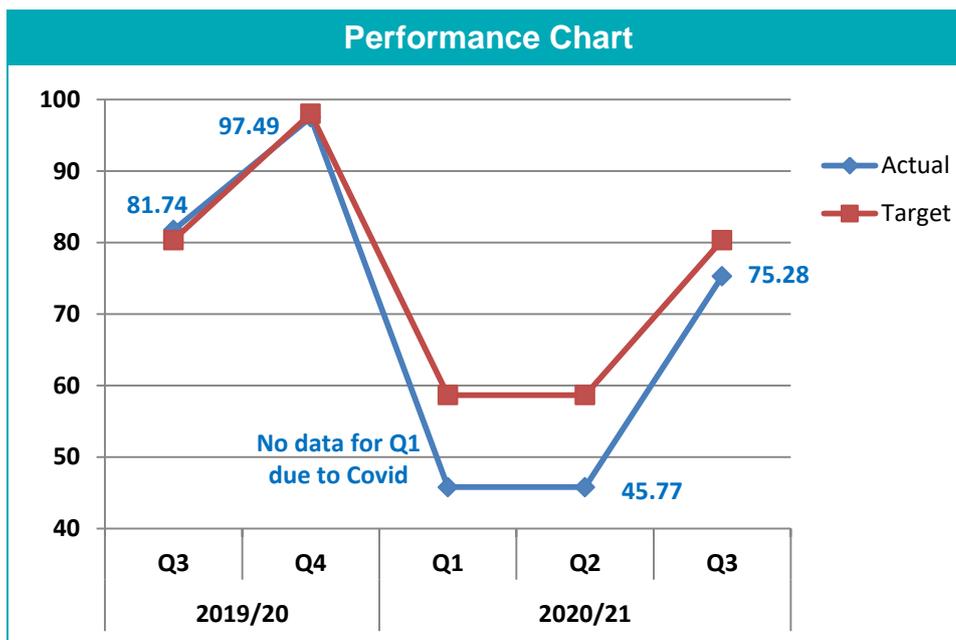
## Improvement Action Plan

Reporting Period Ended: 31/12/2020

KPI
BV010 NNDR Collected (%)

Performance					
Harlow	to 31/12/19	to 31/03/20	to 30/06/20	to 30/09/20	to 31/12/20
Actual	81.74	97.49	N/A	45.77	75.28
Target	80.32	98.00	N/A	58.66	80.32

Description
The percentage of non-domestic rates due for the financial year which were received by the authority



Direction of Travel

### What is the performance situation?

Non Domestic Rate payment is affected by COVID 19.

### What practical steps are being taken to improve?

The Council's Revenues & Benefits service has taken all available steps to improve payment, but to date has been unable to instigate formal recovery action.

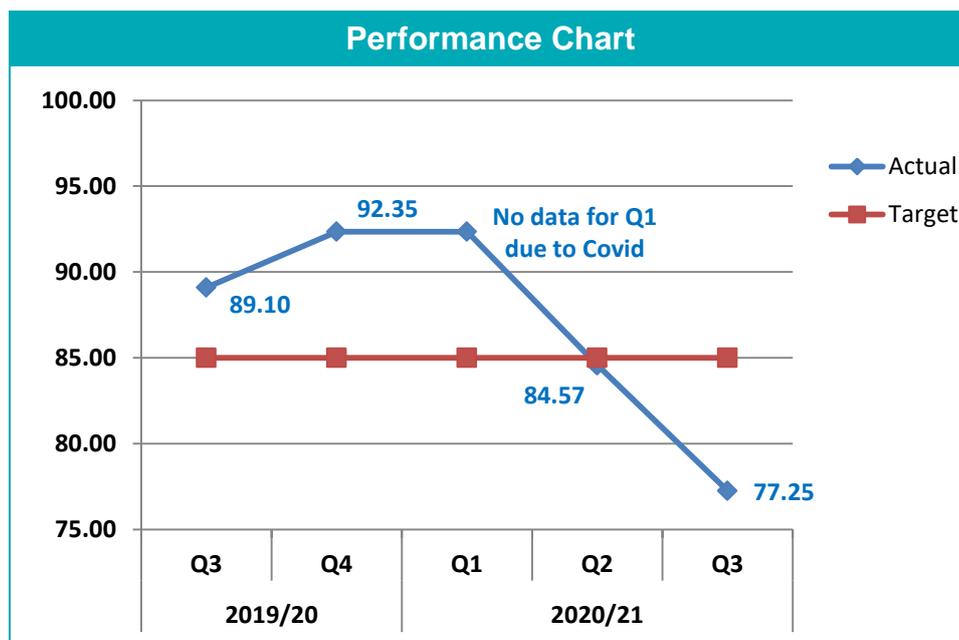
## Improvement Action Plan

Reporting Period Ended: 31/12/2020

KPI
CS25Q % of customer complaints responded to within target time

Performance					
Harlow	to 31/12/19	to 31/03/19	to 30/06/20	to 30/09/20	to 31/12/20
<b>Actual</b>	89.10	92.35	N/A	84.57	77.25
<b>Target</b>	<b>85.00</b>	<b>85.00</b>	<b>85.00</b>	<b>85.00</b>	<b>85.00</b>

Description
The quarterly percentage of total customer complaints (posted, emailed or telephoned) that were responded to within the Council's target time.



Direction of Travel

### What is the performance situation?

Disruption to service provision as a result of Covid-19 as well as increased demand has led to an increase in complaints.

### What practical steps are being taken to improve?

All complaint levels are being closely monitored with weekly reports being sent to Heads of Service outlining any issues so action can be taken as required.

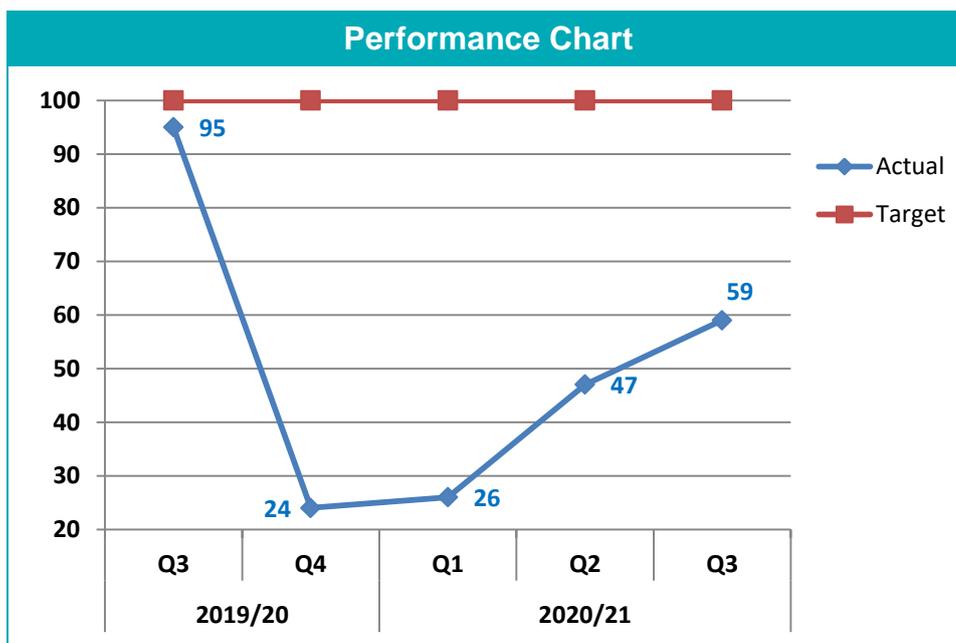
## Improvement Action Plan

Reporting Period Ended: 31/12/2020

KPI
HTS3.11d Tree Works carried out within 80 working days (%)

Performance					
Harlow	to 31/12/19	to 31/03/20	to 31/06/20	to 30/09/20	to 31/12/20
Actual	95	24	26	47	59
Target	100	100	100	100	100

Description
Inspection of trees (not dangerous) reported requiring attention /maintenance within 20 working days and work carried out within 4 months.



Direction of Travel

### What is the performance situation?

HTS performance dropped following the initial Covid-19 National lockdown in March 2020 due to restricted operations regarding non-essential works. This increased the backlog significantly in addition to the existing work in pipeline. When the lockdown was lifted in June 2020 HTS implemented an action plan, so a structured approach is adopted to prevent further decline and bring performance back on track.

The Arborists team initially increased activity as the restrictions were eased and working practices were revised to mitigate against Covid-19, resulting in an increase in performance throughout Quarter 2. This progress was however, delayed further with the imposition of 2<sup>nd</sup> National Lockdown in November 2020 lasting until December 2020 and then 3<sup>rd</sup> lockdown in January 2021 which is still in effect. The improvement in inspections by HTS resulted in an increase in the number of trees requiring further works affecting this KPI.

Whilst HTS performance saw some recovery in Quarter 3 from 47% to 59%, the continued inflow of work orders increasing backlog accompanied with restricted operations has hampered this recovery. This is reflected in HTS performance for Q3.

### What practical steps are being taken to improve?

HTS recognises the gravity of shortfall in performance and is therefore continually reviewing the tree works pipeline and looking at ways to increase productivity. This has resulted in HTS increasing its resources to include an additional sub-contractor to clear the outstanding orders.

Its impact was noticeable in performance improvement during Q3 when HTS completed 218 jobs which is the highest number in a quarter for 3 years.

There has also been an increase in budget allocation by HTS to authorise works for completion. The resultant progress will be evident in the next quarter's performance.

HTS expects an increase in productivity with the expected easing of lockdown during Q4. The current pace of tree works completion against the pipeline is expected to result in performance improvement to achieve target by end of Q1 of 2021.

In addition, HTS Environment team is in regular dialogue with Harlow Council Environment team to assess effectiveness of the current processes and identify areas of improvement to tackle this increase in demand for tree works.

## Section Six: Key Corporate and Financial Risks

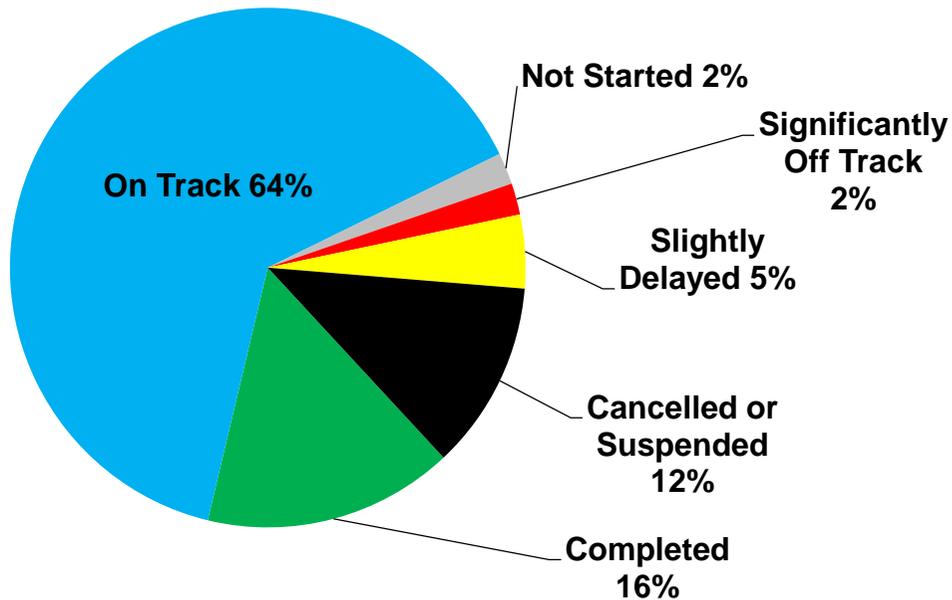
Risk Name	Risk Owner	Inherent Likelihood	Inherent Impact	Controls Already in Place	Residual Likelihood	Residual Impact	Residual Risk Score	Residual Risk Indicator	DoT	Foreseeable Likelihood	Foreseeable Impact	Foreseeable Risk Score	Additional actions to mitigate risk	Last Reviewed
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There are no exceptional strategic risks (rated 20 or higher – high likelihood, high impact) recorded on the Council’s Risk Register.

## Section Seven Progress in delivering the Corporate Plan

The Corporate Plan sets out the goals the Council needs to complete in order to deliver its corporate priorities and principles. As a result of a decision by Housing Services to report 23 of its Milestones in its Q3 HRA report, the Corporate Milestones have reduced from 176 to 153. Below is an update of how well the Council performed in Q3 (2020/12) in delivering its Corporate Plan.



The position of the Corporate Milestones as at 31 December 2020 is broken down as follows:

- 15.7% (24 out of 153) were successfully completed.
- 64.1% (98 out of 153) have started and are on track.
- 2.0% (3 out of 153) have not started as the due dates are in the future.
- 2.0% (3 out of 153) were significantly off track.
- 4.6% (7 out of 153) were slightly delayed due to Covid 19.
- 11.8% (18 out of 153) were cancelled due to Covid 19 or were suspended and moved to the new financial year 2021/22.

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Service Actions	Service Milestones requiring Further Action	Due Date	Status	What is the performance situation?
FA01.3 Ensure the Council's Accounts are closed/audited/reported as per current guidance and regulations	FM01.3.2 Sign off and completion of the 2019/2020 audit process	31/12/20	▲	As a result of ongoing 2018/19 technical issues regarding Group accounts the 2019/20 audit has been delayed until the new year.

Service Actions	Service Milestones requiring Further Action	Due Date	Status	What is the performance situation?
EA05.1 Working with Essex County Council and Residents to improve the Town Street Scene	EM05.1.1 Continue to promote and support the Keep Britain Tidy Spring Clean Campaign 2020/2021	31/03/21		Participation in the annual Keep Britain Tidy Group's Spring Clean campaign appears impracticable in 2020/21 due to essential COVID-19 restrictions.
EA06.2 Continuing to promote and enhance residents' participation in the wider waste minimisation and recycling issues	EM06.2.1 Work with Essex Waste Management Partnership to deliver a communications campaign emphasising the importance of proper use of the full range of waste and recycling services available	31/03/21		The Council has supported agreed communications initiatives to further the aims of the Partnership however the communication work of Partnership has been restricted by the need to divert resources across Essex to combat the COVID-19 emergency.
EA06.1 Working with Veolia to ensure a smooth roll-out of a new contract with enhancement to the domestic waste collection service	EM06.1.1 Review roll out to ensure contract compliance	31/03/21		Progress has been slightly delayed due to the ongoing effects of the COVID-19 emergency. The Council continues to work with Veolia to ensure that available resources are directed to priority tasks and strengthen aspects of the shared information management system to enhance communication and ensure speedy resolution of any collection issues that may arise.
FA01.8 Develop Risk Management within the Council	FM01.8.1 Undertake a Corporate Risk Maturity Assessment	31/03/21		Resourcing issues have prevented this work developing as far as intended so far in 2020/21.
CA08.1 Continue to roll out the J9 domestic abuse initiative Town wide	CM08.1.1 Deliver two J9 Training Sessions	31/03/21		Training delayed due to COVID-19
	CM08.1.2 Establish two further J9 Venues	31/03/21		New venues dependent on training being delivered.
GA04.3 Continue to encourage staff to participate in the Council's volunteering scheme	GM04.3.1 Continue to raise awareness of the benefits of the Council volunteering scheme	31/03/21		Internal volunteering by staff took place to support the Covid 19 Council Hub during Quarter 3.

Service Actions	Service Milestones requiring Further Action	Due Date	Status	What is the performance situation?
GA08.3 Supporting Apprenticeships	GM08.3.1 Facilitate and Increase the number of apprentices the Council employs	31/03/21		Recruitment for apprenticeship has not been forthcoming from Services. HR resources not in position to review the apprenticeship programme due to the level of work involved in the build for the new HR system. This remains ongoing.
GA09.1 The Procurement Framework is maintained and monitored	GM09.1.2 Deliver no less than two corporate services frameworks to drive efficiencies	31/12/20		Legal Services Panel Framework on the Forward Plan for Cabinet March 2021, with commencement date for framework partners 1 April 2021. Dynamic Purchasing System for Consultancy works identified and joined. Roll out/adoption commencing April 2021.
EA03.1 Adopted the Town Centre Action Plan (TCAPP)	EM03.1.1 Ensure Regulation 19 (Consultation) is published	31/03/21		A supplementary planning document to be created via the production of a Town Centre Masterplan (currently underway), rather than an Area Action Plan. A new milestone (s) will be created for this work in 2021/22.
CA20.2 Ensure that our facilities are accessible and inclusive to all sections of the community.	CM20.2.1 Develop the Day Care Opportunities at the Leah Manning Centre	31/03/21		Development of the service on hold for now due to COVID-19. The Leah Manning Centre is currently closed until further notice.
GA02.4 Undertake a full printing review covering the whole council	GM02.4.1 Review current printing arrangements and establish baseline data	31/08/20		Whilst some baseline data has been collated. The current Covid restrictions on staff using the Civic Centre has meant that undertaking an accurate review of requirements has not been possible. A review will be undertaken when it is practical to do so.
	GM02.4.2 Ascertain corporate requirements	30/09/20		
	GM02.4.3 Full report with options and recommendations to SMB	31/10/20		
	GM02.4.4 Implement review	31/03/21		

Service Actions	Service Milestones requiring Further Action	Due Date	Status	What is the performance situation?
GA02.5 Review face to face service delivery in Civic Centre including cash office facilities	GM02.5.1 Review current arrangements and establish baseline data	31/10/20	■	The current Covid restrictions have resulted in the Civic Centre being closed to the general public. Whilst some baseline data has been collated between lockdowns, it is not possible to do a review at this time. A review will be undertaken when it is practical to do so.
	GM02.5.2 Ascertain corporate requirements	30/11/20		
	GM02.5.3 Full report with options and recommendations to SMB	31/12/20		
	GM02.5.4 Implement review	31/03/21		
GA10.1 Obtain Member Support and Implement Business Plan	GM10.1.1 Produce final version of Business Plan for Presentation	30/09/20	■	Suspended until New Municipal Year.
GA11.1 Review previous Theatre Redevelopment studies to account for Harlow's future and growth	GM11.1.3 Produce and Present Options Appraisal based on findings from above studies	30/09/20	■	Suspended until New Financial Year 2021/22.
GA12.1 Review of Harlow Times	GM12.1.1 Review current arrangements and establish baseline data	31/10/20	■	Covid-19 pressures have meant that reactive communications had to be prioritised. At this time, a review has been put on hold until there is a more stable environment.
	GM12.1.2 Ascertain corporate requirements	30/11/20		
	GM12.1.3 Full report with options and recommendations to SMB	31/12/20		
	GM12.1.4 Implement review	31/03/21		

Service Actions	Service Milestones requiring Further Action	Due Date	Status	What is the performance situation?
GA14.1 Work with Harlow residents and partner organisations to improve the Town Street Scene	GM14.1.1 Maintain the 'Town's' Spring Clean	31/03/21	■	Due to the current Covid restrictions, the Great British Spring Clean 2021 has been scheduled to take place between 28 May - 13 June 2021. However, this is subject to the changing situation of the current Covid restrictions.
CA22.1 Develop and facilitate Harlow's Cultural Leaders Group	CM22.1.2 Recruit a Cultural Partnerships Officer	31/03/21	■	The post is currently being evaluated and it is expected to be filled in the summer 2021. The milestone will be added to milestones for the new financial year (2021/22).

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** HOUSING REVENUE ACCOUNT, QUARTER 3  
FINANCE REPORT 2020/21

**PORTFOLIO HOLDERS:** COUNCILLOR MIKE DANVERS, PORTFOLIO  
HOLDER FOR RESOURCES

COUNCILLOR MARK WILKINSON, PORTFOLIO  
HOLDER FOR HOUSING

**LEAD OFFICERS:** SIMON FREEMAN, HEAD OF FINANCE AND  
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SENIOR MANAGEMENT BOARD

**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I011386**

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

The recommendations are within the scope of the budget approved by Full Council in January 2021.

**This decision will affect no ward specifically.**

**RECOMMENDED that** Cabinet notes:

- A** The Quarter 3 - HRA Budget Monitoring report as set out in the following paragraphs and in Appendix 1 and 2.
- B** That the forecast HRA general working balance as at 31 March 2021 will be £13.293 million and that the Major Repairs Reserve will only be partially used to finance the 2020/21 capital programme, leaving an estimated balance of £941,000.
- C** The balance of £7.8 million of retained Right to Buy (RTB) receipts held as at 31 December 2020 in order to finance the new build capital programme and house purchase scheme.

## **REASON FOR DECISION**

- A** The report compares the revised budget with actual income and expenditure as at 31 December 2020 and following consultation with budget managers forecasts the projected outturn at year end. This comparison identifies operational variations and this report provides explanations for the variances.
- B** The report also provides details of the retained RTB capital receipts available as at 31 December 2020. This information will be used in conjunction with the new build capital monitoring report in order to identify any risks of having to repay retained RTB receipts back to the Ministry of Housing, Communities and Local Government (MHCLG) plus interest compounded quarterly.

## **BACKGROUND**

- 1. In January 2021 Cabinet approved the revised 2020/21 HRA Budget together with the 2021/22 budget and capital programme. The revised budget deficit of £9.76 million was prepared following consultation with budget managers and in conjunction with the HRA 30 year business plan and the medium term financial strategy. This is due to be updated in 2021/22.

## **ISSUES/PROPOSALS**

### **HRA Budget 2020/21 – Quarter 3**

- 2. Appendix 1 is the quarter 3 HRA budget monitoring report which summarises all the significant variations between the revised budget and the projected outturn. The variations amounts to a forecast underspend of £7.302 million resulting in an anticipated deficit of £2.458 million. Appendix 2 provides a further breakdown of these variations with detailed explanations summarised below.

### **Expenditure - Operational**

- 3. General Management
  - a) There is an underspending of £229,000 on employee costs due to the reorganisation of Housing Property Services, Technical Services and Asset Management teams. Recruitment continues to be delayed due to the Covid-19 pandemic.
- 4. Special Management
  - a) Increased costs continue to be required to provide for additional Personal Protective Equipment (PPE) as part of Covid-19 revised risk assessments. This is particularly in relation to sheltered accommodation where the anticipated overspend is £68,000.

## 5. Repairs and Maintenance

- a) Repairs and maintenance services are predominantly delivered by HTS (Property and Environment) Ltd in accordance with the approved Service Agreement. However, there are still some specialist services (lift/water) provided by other companies. It is anticipated that in respect of the work undertaken by these companies there will be a small underspending of £49,000.

## 6. Rent Arrears – Impairment Allowance (Provision for Bad Debts)

- a) The Government have issued new guidance/procedures on rent collection which has meant that the Council's own process needed to be re-aligned. The current £363,000 provision for bad debts is being closely monitored following the sharp rise in rent arrears in Quarter 1. There has been a continued improvement in collection rates in Quarter 3, due to recovery procedures being re-commenced in July 2020.
- b) Even though collection rates have improved, there is still a reduction of one percent (£771,000) in the collection of rent being shown at end of December 2020 when benchmarked against previous year's profiles. The latest data also shows an increase of 47 percent with serious arrears over £2,000, and an increase of 44 percent in Universal Credit applications which are taking time to process causing debt levels to rise.

## 7. Direct Revenue Financing

- a) The Quarter 3 Capital Programmes Finance Report 2020/21 (later on the agenda) once again shows that a significant element of the Housing Capital Programme (HCP) will have to be re-profiled into 2021/22. As a consequence of this re-profiling and the need to borrow to finance the house purchase programme, it is anticipated that no direct revenue financing will be required in 2020/21, resulting in an underspending of £7.247 million.

## **Income - Operational**

### 8. Dwelling Rents and Void Properties

- a) The actual Quarter 3 rental income is higher than originally forecast when the revised budget was prepared. This is because in the revised budget the assumed level of RTB sales and the estimate for the number of void properties was higher than the actual number of sales and void properties. As a consequence, rental income is higher than anticipated resulting in a favourable variance of £676,000.
- b) During Quarter 3, the number of empty properties reduced to 114, which remains above the level of previous year's profiles. There has also been an increase in turnaround time to 36 days due to Covid-19

safety requirements from previous year's profiles which will also have an impact on rental income.

## 9. Tenants and Leaseholders Service Charges

- a) Throughout the year tenant and leaseholders have been charged for the services that they have received based on estimates. In addition, leaseholders are also charged for work delivered under the External Works programmes. All leaseholders have been sent estimated invoices at the beginning of the financial year and tenants have had their accounts charged each week. Due to the Covid-19 restrictions it has not been possible to deliver all the services for which they have been charged and consequently both tenants and leaseholders may be entitled to a rebate on their annual services charges.
- b) There have been delays in External Works programme due to the Covid-19 pandemic. The delays have a major impact on forecasted service charge income for 2020/21. It is anticipated there will be a reduction of over £1 million from the previous year's profile.

## HRA Capital Receipts

10. Set out in Table 1 is a summary of the retained RTB receipts as the end of Quarter 3.

**Table 1 – Summary of retained RTB receipts**

Year	Quarter	Balance Brought Forward	Receipts Retained	Receipts Used	Balance Carried Forward
		£	£	£	£
2017/18	Qtr 2	0	1,005,654	-	1,005,654
2017/18	Qtr 3	1,005,654	1,226,277	-	2,231,932
2017/18	Qtr 4	2,231,932	1,553,847	-	3,785,779
2018/19	Qtr 1	3,785,779	-	-	3,785,779
2018/19	Qtr 2	3,785,779	-	-	3,785,779
2018/19	Qtr 3	3,785,779	-	-	3,785,779
2018/19	Qtr 4	3,785,779	-	45,741	3,740,038
2019/20	Qtr 1	3,740,038	1,900,339	33,866	5,606,510
2019/20	Qtr 2	5,606,510	553,213	62,432	6,097,291
2019/20	Qtr 3	6,097,291	1,181,154	42,028	7,236,417
2019/20	Qtr 4	7,236,417	1,844,361	68,393	9,012,385
2020/21	Qtr 1	9,012,385	533,187	50,187	9,495,384
2020/21	Qtr 2	9,495,384	365,286	23,847	9,836,823
2020/21	Qtr 3	9,836,823	308,288	2,335,028	7,810,083

11. It can be seen from Table 1 that, in Quarter 3, £2.335 million of retained receipts were applied to finance the approved house purchase programme. As a consequence of the programme the Council met its target and did not have to repay any receipts back to the MHCLG and will not incur any compound interest charges. This has been a major programme of housing acquisitions and is a credit to the team involved in delivering the scheme in less than six months.
12. The house purchase programme is continuing and it is forecast that all the required RTB receipts will be used by 31 March 2021 and once again the Council will not have to pay any back to MHCLG and saving £492,000 in interest payment.

### **Significant Risks/Opportunities**

13. Given the current re-profiling of the new build capital programme there is a real risk that retained RTB receipts will have to be repaid plus compound interest at 4.1 percent in the first quarter of 2022/23 .Work will continue to reduce or remove the risk as far as possible.
14. The current lockdown restrictions are still continuing and. as we have already seen, are having a major impact on the 2020/21 HRA budget and business plan. At this stage it is difficult to assess the impact of the restrictions on the final outturn and for 2021/22.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

None specific.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance (Includes ICT, and Property and Facilities)**

As contained in the body of the report.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

### **Housing**

As contained in the body of the report.

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

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

None specific.

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

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

None specific.

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

## **Appendices**

Appendix 1 – HRA – Quarter 3 Budget Monitoring Summary

Appendix 2 – Operational Variances

## **Background Papers**

None.

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

HCP – Housing Capital Programme

HRA – Housing Revenue Account

MHCLG – Ministry for Housing, Communities and Local Government

PPE – Personal Protective Equipment

RTB – Right to Buy

## Appendix 1 – HRA – Quarter 3 Budget Monitoring Summary

HEADING	2019/20	2020/21	Quarter 3	Projected	Variance
	Actual	Revised	Actual	Revised	
	£'000	£'000	£'000	£'000	
<b>Expenditure</b>					
General Management	10,908	13,890	9,032	13,700	(190)
Special Management	7,331	8,165	4,742	8,233	68
Repairs	10,305	11,250	8,209	11,201	(49)
Rents, Rates & Taxes	85	120	2	120	0
Supporting People	5	5	3	5	0
Provision for Bad Debts	358	363	-	363	0
Depreciation	10,624	10,470	29	10,470	0
Direct Revenue Financing	0	7,247	-	-	(7,247)
Debt Management Exp	6	16	-	17	1
Capital Charges:	6,673	7,067	3,370	7,067	0
<b>Total Expenditure</b>	<b>46,295</b>	<b>58,593</b>	<b>25,385</b>	<b>51,176</b>	<b>(7,418)</b>
<b>Income</b>					
Dwelling Rents	(42,155)	(42,796)	(32,764)	(43,472)	(676)
Garage Rents	(1,031)	(1,049)	(765)	(1,020)	29
Other Rents	(62)	(65)	(70)	(93)	(28)
Service Charges: Tenants	(1,197)	(1,053)	(812)	(820)	233
Service Charges: Leaseholders	(1,602)	(2,176)	(1,888)	(1,851)	325
Other Charges for Services	(1,457)	(1,003)	(317)	(752)	251
Transfers from General Fund	(616)	(609)	0	(628)	(19)
Interest on Revenue Balances	(195)	(82)	0	(82)	0
<b>Total Income</b>	<b>(48,315)</b>	<b>(48,834)</b>	<b>(36,616)</b>	<b>(48,718)</b>	<b>116</b>
Balance at 1 April	(13,731)	(15,751)	(15,751)	(15,751)	
Surplus / (Deficit) for year	(2,020)	9,760	(11,231)	2,458	7,302
Balance in hand at 31 March	(15,751)	(5,991)	(26,982)	(13,293)	7,302

## Appendix 2 – HRA Operational Variances

Item	Adverse £000's	Favourable £000's	Net £000's	Explanation
General Man - Employees		(229)	(229)	Recruitment delays - Covid - 19
General Man - Employees	55		55	HTS Pension Charge
General Man - Consultancy		(16)	(16)	Tenant survey delayed to 2021-22
Special Man - Equipment	68		68	PPE in Sheltered Accommodation
Repairs - External Contract		(49)	(49)	Lower contract payments
Direct Revenue Financing		(7,247)	(7,247)	Re-profiling of the HCP
Dwelling Rents		(676)	(676)	RTB and voids lower than revised
Garage Rents	29		29	Increase in void garages
Other Rents		(28)	(28)	
Service Charges - Tenants	233		233	Service restrictions due to Covid19
Service Charges - L/holders	325		325	Service restrictions due to Covid19
Service Charges - Other	251		251	Service restrictions due to Covid19
Transfers to General Fund		(19)	(19)	Inflation
Deficit/ (Surplus) for year	710	(8,264)	(7,303)	

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** CAPITAL PROGRAMMES, QUARTER 3 FINANCE REPORT 2020/21

**PORTFOLIO HOLDERS:** COUNCILLOR MIKE DANVERS, PORTFOLIO HOLDER FOR RESOURCES

COUNCILLOR MARK WILKINSON, PORTFOLIO HOLDER FOR HOUSING

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

ANDREW MURRAY, HEAD OF HOUSING (01279) 446676

**CONTRIBUTING OFFICERS:** SENIOR MANAGEMENT BOARD

**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I011387**

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

The recommendations are within the scope of the budget approved by Full Council in January 2021

**This decision will affect no ward specifically.**

**RECOMMENDED that Cabinet:**

- A** Note that the Housing Capital Programme (HCP) projected outturn for 2020/21 is £22.618 million as set out in Appendix 1 to the report.
- B** Approves the £11.354 million re-profiling of the 2020/21 HCP into 2021/22.
- C** Note that the Non-Housing Capital Programme (NHCP) projected outturn for 2020/21 is £15.201 million as set out in Appendix 2 to the report.
- D** Approves the £1.524 million re-profiling of the 2020/21 NHCP into 2021/22.
- E** Approves the inclusion in the NHCP budget an additional provision of £670,000 to facilitate the loan to HTS Ltd to purchase 43 new vehicles, The loan was approved by Cabinet on 5 December 2019 (Minute reference 92(a)A).

## **REASON FOR DECISION**

- A** To enable Cabinet to review the actual performance against the approved revised budget and amend the capital programme in the light of the latest operational developments, profiling and funding changes.

## **BACKGROUND**

1. Cabinet approved the 2020/21 HCP and NHCP revised budgets in January 2021. The approved HCP revised budget was £33.768 million and the approved NHCP budget was £16.725 million.
2. The report compares the actual expenditure as at 31 December 2020 with the revised 2020/21 budget and following consultation with budget managers forecasts the final outturn at year end.

## **ISSUES/PROPOSALS**

### **2020/21 HCP - Quarter 3**

#### **Core Programme**

3. The 2020/21 HCP Quarter 3 capital monitoring statement which compares the revised budget with actual expenditure as at 31 December 2020 is set out in Appendix 1 to the report. It also forecasts the projected outturn for 2020/21 and the request to re-profile the 2020/21 budget into 2021/22. The most notable budgets that need to be re-profiled are as follows:
  - a) Internal Works - Due to current Covid-19 restrictions all internal works has been suspended, It is unlikely that work will resume until current lockdown restrictions are lifted and therefore a large proportion of the budget needs to be re-profiled into 2021/22.
  - b) Aids and Adaptations - Similar to other internal works the provision of aids and adaptations to tenants has also been suspended due to Covid-19 restrictions. Consequently, a large proportion of the budget has had to be re-profiled into 2021/22.
  - c) Compliance/Electrical Testing - Electrical testing and inspection programmes were reviewed following latest Government guidance and HTS Ltd now carries out its programme of testing in accordance with Covid-19 restrictions. The compliance testing programme was up to date up to December 2020 but under the current lock down restrictions there may some cases where the programme has to be re-scheduled to a later date. Consequently part of the budget will be re-profiled into 2021/22.

- d) Externals Programme - The externals programme is a planned schedule of work to renew, improve, and maintain the housing stock at decent homes standard. As with all other programmes the external programme has been delayed due to Covid-19 restrictions. Once again the delay means that the budget will have to be re-profiled into 2021/22.
  - e) Fire Safety - Compartmentation - The budget allocation for fire safety compartmentation generally, has been established following the tragic fire at Grenfell Tower in London. Outcomes from the public enquiry are on-going and landlord responsibilities are increasing Updated risk assessments continue to be aligned to the three year programme. The works have been delayed due to the current lockdown restrictions and the intrusive nature of the internal works required in order to achieve individual compartmentation of both individual properties and the blocks.
  - f) Fire Safety – SE Ducts - Fire risk assessments are carried over a two to three year programme which commenced in 2019/20. Works to Fire Safety SE Ducts has been more complex than anticipated following Government guidance and redesign of warm air systems. Consequently, it will be necessary to re-profile part of the budget into 2021/22.
  - g) Cladding at Joiners Field Towers - In December 2020 Cabinet approved a £1.8 million increase in the 2020/21 HCP in order to replace the cladding at Joiners Field Towers. The procurement process has commenced but as this is a major contract it is anticipated that all of the work will be carried out in 2021/22. It will therefore be necessary to re-profile the whole of the budget into 2021/22.
  - h) Housing IT Development - Housing Services has a three year ICT programme aligned to the Council’s Corporate and Access Strategy. Whilst in December, Cabinet approved the re-profiling of the budget, the projects have had to be re-aligned further and project priorities adjusted in order to accommodate the climate over the last 12 months in terms of in-house staffing availability and external supplier’s on site accessibility.
4. The suppliers have been unable to carry out much of the on-site” work needed due to Covid-19 restrictions and this has severely hindered project progress, this has impacted on the IMS reporting project in particular, In addition MRI Solutions have purchased Orchard Housing which has meant new contracts being entered into which have had to follow all Legal due diligence testing and protocols which delayed the projects approvals
  5. Large projects such as Digital Tenancies have now been completed, despite the GO Live date being delayed due to software configuration. Work has now commenced on new projects such as the Estate Case Management model which is progressing, but will be required to partly roll over into the new financial

year. Asset Management will also need to be re-profiled into 21/22 due to the size of the project and the need to finalise existing projects.

### House Purchase Programme

6. The house purchase programme is progressing well and it is anticipated that the budget will be fully spent without any need for re-profiling. All purchases have been completed and the Council has purchased 28 three bed houses, 6 two bed houses, 5 two bed flats and 5 one bed flats. Work is progressing to ensure that all the properties are of a lettable standard and it is anticipated that these dwellings will be available to be let in the early part of 2021/22.

### New Build Programme

7. A summary of the progress of the new build schemes in the HCP and the requirement for additional re-profiling is set out in Table One.

**Table One – New Build Schemes**

Name of Scheme	No of Units	Approved Scheme Cost £,000	2020/21 Revised Budget £,000	2020/21 Projected Outturn £,000	Quarter 3 Re-profile Request £,000
The Readings	3	1,400	13	10	
Bushey Croft	16	1,320	20	36	(12)
Lister House, Perry Road	46	6,730	370	351	19
The Yorkes	13	2,524	36	25	11
Land at Brenthall Towers	8	2,166	38	26	11
Stackfield	2	415	40	25	15
The Hill	2	585	101	16	85
<b>Total</b>	<b>90</b>	<b>15,140</b>	<b>618</b>	<b>489</b>	<b>129</b>

8. In December 2020 Cabinet approved significant re-profiling of the new build programme in the HCP. Further re-profiling is required and the explanations are as follows:
- a) The Readings - This project was removed from the new build programme at the December 2020 Cabinet meeting.
  - b) Bushey Croft - This is a project to build 16 social/affordable dwellings on a former garage site. Tenders were approved at the December 2020 Cabinet meeting. Pre-contract meetings with contractor with the possible start date of March 2021.
  - c) Lister House, Perry Road - This is a development to construct a residential block of 59 social and affordable flats. Section 73 notices have been submitted to planning due to changes in the designs. It is

anticipated that the procurement process will commence in spring 2021 with the possible start date of summer 2021.

- d) The Yorkes - This is a development to construct 13 social/affordable dwellings. Site clearance work has recently taken place and the design team are currently reviewing the designs. There is a covenant on the land which restricts any development to a single storey and this is being looked at by the Legal Department.
- e) Land at Brenthall Towers - This is a development to construct eight social/affordable dwellings. Ground surveys have taken place and stage two designs are progressing in order to seek planning permission in March 2021.
- f) Stackfield - This is a project was originally to develop a former garage site with two houses let at affordable/social rent. Stage two designs are being prepared with the possibility of using “modern methods of construction” as proposed by the portfolio holder. It is anticipated that a planning application will be submitted in June 2021.
- g) The Hill - This is a development to demolish an existing derelict property and construct two new properties to be let at social rent. Planning permission was granted in June 2020. Planning conditions have been discharged and the building control application has been approved. HTS Ltd have been invited to submit a business case for this scheme and if successful will start on site in March 2021. It is anticipated that the scheme will take 12 to 15 months to complete.

## **Non Housing Capital Programme 2020/21**

### **Core Programme**

- 9. The 2020/21 NHCP Quarter 3 capital monitoring statement which compares the revised budget with actual expenditure as at 31 December 2020 is set out in Appendix 2 to the report. It also forecasts the projected outturn for 2020/21 and the request to re-profile the 2020/21 budget into 2021/22. The most notable budgets that need to be re-profiled are as follows:
  - a) Commercial Properties - Working to rewire and replace the heating systems at Canon Cottages is progressing more slowly than originally anticipated due to the Covid-19 restrictions. Consequently, it will be necessary to re-profile the 2020/21 budget into 2021/22.
  - b) Drainage Work - In January 2019 Cabinet approved the five year capital programme to address drainage defects and introduce flood alleviation measures in Harlow Council. Work as commenced on Oxley’s drainage programme which is now anticipated to be completed in 2021/22 due to the size of the project. As a consequence, it is now necessary to re-profile the budget into 2021/22.

- c) Community Buildings - Work to improve the Bush Fair shopping precinct has been delayed due to the over-run of the Moat House frontage scheme. However, the scheme to improve the shopping precinct needs to be re-designed and it is unlikely to commence in 2020/21. It is for this reason that it is requested that the whole of the budget be re-profiled into 2021/22 when new designs will be submitted.

In January 2019 Cabinet approved the business case to replace the commercial kitchen at the Leah Manning Centre and a provision was made in the 2019/20 NHCP. The provision was re-profiled into 2020/21 and at the end of quarter 3 it is estimated that only 30 per cent of the work has been completed. The work will continue into 2021/22 and it is for this reason that the budget has to be re-profiled into 2021/22.

- d) Contingency and Other Public Schemes - In order to reduce its net carbon emissions Members agreed to look at the feasibility of installing photovoltaic panels on all public council buildings, of which eight have been identified, within the next two years where possible. In February 2021 the Secretary of State for Business, Energy and Industrial Strategy awarded the Council a grant of £334,600 for solar PV installations. The project is now scheduled to start in 2021/22 and therefore the small budget which exists in 2020/21 needs to be re-profiled into 2021/22.
- e) Civic Centre - In October 2020 a fire safety survey was completed for the Civic Centre. The survey recommended the replacement of fire doors, cavity barriers and dampers. The procurement process has commenced but it is anticipated the most of the safety work will now take place in 2021/22. Preliminary work will begin in 2020/21 but a large part of the budget will have to be re-profiled into 2021/22.
- f) Community Wellbeing - In January 2020 Cabinet approved the purchase of two minibuses at the Leah Manning centre. Due to the Covid-19 lockdown restrictions the vehicles at the centre have not been used as they would have done normally and thus extending the life of the vehicles. Consequently the two vehicles have not been replaced in 2020/21 and it requested the whole of the budget be re-profiled into 2021/22.

## **Other Projects**

### **Enterprise Zone**

10. Cabinet approved the funding of £7.2 million over two years to develop Plot H of the Harlow Science Park into a range of 'mid-tech' units combining office, research and manufacturing/assembly space, to be known as Modus. The development will be retained by the Council, with it likely to comprise a mix of long leasehold disposals providing a capital receipt and shorter leases providing an ongoing revenue stream. The development will be funded through borrowing repaid by the Enterprise Zone business rate uplift retention as agreed with the

South East Local Enterprise Partnership. It is anticipated that final payment in respect of the Modus project will be delayed until 2021/22 and therefore it is requested that the budget be re-profiled accordingly.

### **General Fund – New Build**

11. Elm Hatch is a project to demolish a retail hatch and redevelop the site with retail and residential properties. In January 2020 Cabinet approved a total budget of £4.305 million over three years. Negotiations to buy the existing tenant out of the long term lease are proving difficult and are causing delays. In addition planning complications with the Grade II listed church and the study centre over the height of the development could reduce the number dwellings. If there is a significant reduction in the number of dwellings the project may be no longer viable. In December Cabinet approved the re-profiling of a substantial part of the budget into 2021/22. However, budget monitoring and the end of quarter 3 has revealed that some further re-profiling is necessary.

### **Loan to HTS (Property and Environment) Ltd**

12. In December 2019 Cabinet approved a loan of £670,000 to HTS (Property and Environment) Ltd in order to purchase 43 environmentally friendly vehicles. (Minute Reference 92 (a) A).
13. In order to account for this transaction the Council has received specialist financial advice from its Treasury Management advisors (Arlingclose). The advice is that loans to HTS (Property and Environment) Ltd should be treated as capital expenditure and included in the NHCP. It is therefore recommended that the NHCP is increased by £670,000 and financed by borrowing.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

None specific.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance (Includes ICT, and Property and Facilities)**

As contained in the report.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

### **Housing**

None specific.

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

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

None specific.

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

**Governance (Includes HR)**

None specific

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

**Appendices**

Appendix 1 - Housing Capital Programme, Quarter 3, Budget Monitoring Report

Appendix 2 - Non-Housing Capital Programme, Quarter 3, Budget Monitoring Report

**Background Papers**

None.

**Glossary of Terms/Abbreviations Used**

HCP – Housing Capital Programme

NHCP – Non-Housing Capital Programme

### Appendix 1 – Housing Capital Programme – Quarter 3

PROJECT AREA	Revised 2020/21 £,000	Actual Expenditure To Quarter 3 £,000	Projected Outturn 2020/21 £,000	Quarter 3 Re-profile Request £,000
<b>HTS</b>				
HTS-ASC	1,036	777	1,036	-
HTS-Internal Works	3,036	393	600	2,436
HTS-External & Estate works	261	116	174	87
HTS-Aids and Adaptations	1,287	361	571	716
HTS-Compliance - Electrical/Fire	1,600	1,028	1,300	300
HTS Garage Refurbishment (HRA)	238	37	120	118
HTS-Property Conversions	300	4	25	275
HTS-Energy Efficiency	284	230	230	54
<b>Total HTS</b>	<b>8,042</b>	<b>2,946</b>	<b>4,056</b>	<b>3,986</b>
<b>Other Works</b>				
External's Programme	3,211	717	1,567	1,645
Fire Safety - Compartmentation	3,000	763	1,300	1,700
Fire Safety SE Ducts	2,000	33	400	1,600
Energy Efficiency	100	19	19	81
Health & Safet	276	235	234	34
Asbestos Removal	400	227	251	149
CDM	61	35	68	
Damp	109	25	50	59
Structural	1,328	601	1,328	
Housing IT	223	9	52	171
Joyners Field Towers Cladding	1,800	-	-	1,800
<b>Core Programme</b>	<b>20,550</b>	<b>5,610</b>	<b>9,325</b>	<b>11,225</b>
House Purchase Programme	12,600	7,689	12,600	
New Build Programme	618	303	489	129
<b>TOTAL HCP</b>	<b>33,768</b>	<b>13,602</b>	<b>22,414</b>	<b>11,354</b>
<b>FUNDED BY:-</b>				
RTB Capital Receipts	(3,965)	(2,398)	(3,927)	(39)
Other Capital Receipts	(1,030)	(1,030)		(1,030)
Major Repairs Reserve	(10,470)	(4,580)	(9,353)	(1,116)
Direct Revenue Financing	(7,247)			(7,279)
Borrowing	(11,056)	(5,594)	(9,134)	(1,890)
<b>TOTAL FUNDING</b>	<b>(33,768)</b>	<b>(13,602)</b>	<b>(22,414)</b>	<b>(11,354)</b>

## Appendix 2 – Non-Housing Capital Programme – Quarter 3

PROJECT AREA	Revised 2020/21 £,000s	Actual Expenditure To Quarter 3 £,000	Projected Outturn 2020/21 £,000	Quarter 3 Re-profile Request £,000
<b>Place Services</b>				
Env Health inc Strategic Housing	891	263	891	-
Latton Bush Centre	208	13	208	0
Commercial Properties	95	12	15	80
Highways & Car Parks	53	75	53	0
Drainage work	161	21	27	134
Community Buildings	408	21	207	201
Contingency - Other Public Schemes	182	19	100	82
Civic Centre	430	89	218	212
Garages	205	0	205	0
<b>Total Place Services</b>	<b>2,633</b>	<b>513</b>	<b>1,924</b>	<b>709</b>
<b>Other Services</b>				
Governance	86	47	86	0
Finance - ICT	358	79	358	0
Community & Wellbeing	2,322	498	2,224	98
<b>Total Other Services</b>	<b>2,766</b>	<b>624</b>	<b>2,668</b>	<b>98</b>
<b>Other Projects</b>				
Prentice Place	272	235	272	0
Enterprise Zone	8,251	5,797	7,548	703
HTS (H & R) Ltd Equity Share & Loan	1,500	1,461	1,500	0
Grant Funded = POD	4	31	4	0
Future High Street Project	1,250	0	1250	
<b>Total Other Projects</b>	<b>11,277</b>	<b>7,524</b>	<b>10,574</b>	<b>703</b>
<b>SUB TOTAL NHCP</b>	<b>16,676</b>	<b>8,661</b>	<b>15,166</b>	<b>1,510</b>
<b>General Fund New Build</b>				
Elm Hatch	49	27	35	14
<b>TOTAL NHCP</b>	<b>16,725</b>	<b>8,688</b>	<b>15,201</b>	<b>1,524</b>
<b>FUNDED BY:-</b>				
Earmarked Grant Funding	(20)	(20)	(20)	
Capital Receipts	(1,236)	(1,236)	(477)	(759)
Ear Marked Capital Reserves	(152)		(152)	
Direct Revenue Financing	(327)	(327)	(265)	(62)
Disabled Facilities Grant	(500)	(230)	(500)	
Towns Fund -Eastgate Grant	(1,000)		(1,000)	
SELEP Getting Building Fund Grant	(200)	(200)	(200)	
Home Renovation Loan repayments	(5)	(5)	(5)	
Other contributions	(35)		(35)	
Borrowing requirement	(13,201)	(6,662)	(12,498)	(703)
<b>New Build</b>				
RTB Capital Receipts	(15)	(8)	(15)	
Borrowing requirement	(34)		(34)	
<b>Total Project Funding</b>	<b>(16,725)</b>	<b>(8,688)</b>	<b>(15,201)</b>	<b>(1,524)</b>

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** DEVELOPMENT SCHEME – 4 THE HILL

**PORTFOLIO HOLDER:** COUNCILLOR TONY DURCAN, PORTFOLIO HOLDER GROWTH & PROSPERITY

**LEAD OFFICER:** JANE GREER, HEAD OF COMMUNITY WELLBEING (01279) 446406

**CONTRIBUTING OFFICER:** LEE JOHNSON, REGENERATION PROJECT SUPPORT OFFICER (01279) 446489

**This is a Key Decision**

**It is on the Forward Plan as Decision Number I012481**

**Call-in procedures may apply**

**This decision will affect Old Harlow Ward**

**RECOMMENDED that Cabinet:**

- A** Approves the request for delegated authority to the Chief Executive and Leader of the Council, to appoint (subject to formal contract) a contractor for new build and demolition works at 4 The Hill, Old Harlow.
- B** Approves a total budget of up to a maximum of £640,000, to include a 5 percent contingency plus a 2.5 percent Covid security contingency .

**REASON FOR DECISION**

- A** Proceeding on this basis will enable the Council to deliver its commitment to delivering new homes for residents of Harlow who are on the Housing Needs Register.
- B** To enable the proposal to proceed in a timely manner as there are no cabinet meetings taking place in April and May 2021, due to elections.

## **BACKGROUND**

1. The existing property is a Council owned that has fallen into disrepair. An empty homes survey has determined that there was significant structural damage and subsidence, which appeared to be foundation related.
2. Feasibility studies have been undertaken to demolish the existing property and construct two new properties on the site. In January 2020, Cabinet and Full Council approved the HRA business Plan 2019-2049, which included for the redevelopment of 4 The Hill.
3. A Planning application was submitted in March 2020, with permission granted on 6 July 2020. Subsequent Building Control applications and Planning Discharge applications have been submitted and approved. The development is ready to progress, subject to appointment of the contractor, following business case period submitted on 1 March.
4. The owner of the adjoining property is supportive of the council proposals due to the potential that structural damage may impact on their own property.

## **ISSUES/PROPOSALS**

5. The Council has offered HTS an opportunity to submit a business case for this scheme and was received within the timescale. The business case is currently being independently assessed.
6. It is proposed that on the assumption the business case will be satisfactory, a report to the Chief Executive and Leader of the Council will be submitted to appoint HTS for the demolition and new build works at 4 The Hill.

## **IMPLICATIONS**

### **Environment and Planning (includes Sustainability)**

As stated in the report, planning consent has been granted and there are no planning or building control impediments to delivery

**Author: Andrew Bramidge, Head of Environment and Planning**

**Finance (Includes ICT and Properties and Facilities)**

Allowance has been made in the Housing Capital Programme

**Author: Simon Freeman, Deputy to the Chief Executive and Head of Finance and Property**

**Housing**

As contained within the report.

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

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

As contained within the report

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

**Governance (includes HR)**

In letting the final contract officers will need to ensure that it satisfies all of the agreed business case criteria provided for under Schedule 2 of the Services Agreement in force between HDC and HTS.

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

**Appendices**

None.

**Background Papers**

None.

**Glossary of terms/abbreviations used**

None.

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** POLICY AND PROCEDURE FOR DISPOSAL OF LAND WITHIN THE HOUSING ESTATES

**PORTFOLIO HOLDER(S):** COUNCILLOR MIKE DANVERS, PORTFOLIO HOLDER FOR RESOURCES

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

**CONTRIBUTING OFFICERS:** WILL HALES, PROPERTY AND FACILITIES MANAGER (01279) 446852

MIROSLAV SIHELKY, GEOGRAPHIC INFORMATION SYSTEMS MANAGER (01279) 446176

**This is a Key Decision**

**It is on the Forward Plan as Decision number I012496**

**Call-in Procedures may apply**

**This decision will affect no ward specifically.**

**RECOMMENDED that:**

- A** Cabinet adopt the updated policy for the disposal of land within the Housing Estates as set out in Appendix 1 to this report.

**REASON FOR DECISION**

- A** To update the existing policy and procedure for processing applications from members of the public to acquire small landscape areas within the Housing Estates (“Land Applications”) to align with current legislation, the Council’s constitution and local development plan policies.
- B** To introduce a replacement policy which sets out procedures for processing Land Applications and a clear criteria under which applications will be determined.
- C** To ensure that a framework is in place to enable each Land Application to be assessed on its merits ensuring as far as possible that:
  - i) where appropriate land is retained by the Council; and

ii) where land is disposed of, the Council is acting in accordance with relevant statutory provisions and legislation.

- D** To introduce a revised fee structure for Land Applications to reflect current service costs.

## **BACKGROUND**

1. The Council receives approximately 30 Land Applications per annum. Prospective purchasers are usually looking to either increase the size of their existing garden, create space for further development (e.g. an extension or garage), or to gain additional access to their land.
2. The vast majority of the subject land parcels are of modest size (around 0.2 acres on average) and of relatively low value, usually around £3,000 to £5,000 per sale.
3. It is necessary for the Council to maintain a Land Application policy so that Officers and members have a framework against which to assess applications. This includes clear criteria for rejecting applications where rights of use, environmental conditions, or potential impact on future Council led redevelopment aspirations would make a proposed disposal inappropriate.
4. The existing policy and procedure for dealing with Land Applications has not been reviewed for a number of years and is now needs to be modernised to reflect updates in legislation, the Council's constitution and the Council's local plan.
5. Pending adoption of the Council's new local plan a moratorium on processing Land Applications was introduced. Now the new local plan has been formally adopted, officers wish to put in place a new Land Application policy, so that applications can again be processed.
6. Upon adoption of a new Land Applications policy, details will be published on the Council's website and online forms established to streamline the process.

## **ISSUES/PROPOSALS**

7. It is not always appropriate to dispose of land where that land is, or has the potential to be, of strategic importance to the Council. The proposed Land Applications policy sets out detailed criteria under which a Land Application may be refused to ensure that the Council has the ability to retain land where that it is considered appropriate.
8. The updated Land Application policy has regard to the relevant statutory provisions and legislation on the disposal of land by Local Authorities, the brief details of which are set out below:

- a) Sale of land held under the Council's Housing Revenue Account
    - i) Section 32, subsection 2 of the Housing Act 1985 requires the consent of the Secretary of State to dispose of land. Any request to purchase land has to be considered in accordance with any General Housing Consent/s that may be in force. The General Housing Consent 2013 states that "A Local Authority may dispose of vacant land."
    - ii) Where the land is considered vacant, a local authority may dispose of that land and assets that are not dwellings (e.g. garages, drying areas etc.) at any price determined by the local authority.
    - iii) If the General Housing Consent 2013 is revoked the Council will consider Land Applications in accordance with terms of such General Housing Consent that may replace it.
  - b) Sale of land held under the Council's General Fund account (Non-housing land)
    - i) Section 123(1) of the Local Government Act 1972 provides that a Council may dispose of land held in any manner they wish. Section 123(2) of that Act requires the Council not to dispose of the land for consideration less than the best that can reasonably be obtained. Land Applications are not permitted over land designated as public open space and section 123(2A) of that Act does not apply.
    - ii) Any small parcel of land that is to be disposed of must comply with Section 17.10 of the Council's Contracts Standing Orders.
9. The Council's Contract Standing Orders special case 47.2 requires that the disposal of land to owner-occupiers which does not exceed 50% of the size of the applicants existing garden land, shall only be subject to approval of the Head of Service. For the purposes of this policy, the Lead Officer nominated by the Head of Service is authorised to make a delegated decision in relation to the sale of such land.
10. Where the land subject to a proposed sale exceeds 50% of the size of the applicants existing garden (and is within the scope of the Land Applications policy), the proposed Land Application policy provides for the decision on whether or not to sell the land is to be made by the Council's Cabinet in accordance with Council's Contracts Standing Orders.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

The proposed policy criteria will provide sufficient scope to protect the natural environment from inappropriate development and ensures that land sales will not proceed if planning consent is not obtained.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance (Includes ICT, and Property and Facilities)**

As contained within the report.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

### **Housing**

It is imperative the principles and processes behind the procedures are maintained so that there is proper and effective involvement from services, ensuring the challenges of delivering the required housing/regeneration strategies.

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

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

As contained within the report.

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

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

No specific other those contained within the report.

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

## **Appendices**

Appendix 1 – Land Sale Policy

## **Background Papers**

Harlow Council Constitution Part 4 – Rules and Procedure:

[https://moderngov.harlow.gov.uk/documents/s15828/Constitution Part 4 - Rules of Procedure.pdf](https://moderngov.harlow.gov.uk/documents/s15828/Constitution%20Part%204%20-%20Rules%20of%20Procedure.pdf)

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

None.



HARLOW COUNCIL

POLICY AND PROCEDURE FOR  
DISPOSAL OF LAND WITHIN THE  
HOUSING ESTATES

March 2021

## Contents

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## POLICY AND PROCEDURE FOR DISPOSAL OF LAND WITHIN THE HOUSING ESTATES

**1. POLICY STATEMENT**

- 1.1 This policy is aimed at providing guidance to Council members, officers and the public in relation to requests by individuals to purchase small areas of Harlow District Council's (the "**Council**") owned land adjoining their property. This policy sets out the scope, the criteria that will be applied in assessing applications, the process involved and the charging framework.
- 1.2 Government policy encourages the disposal of surplus or under-used land assets by local authorities.
- 1.3 Effective asset management of the land and property is essential for the Council to meet its corporate priorities in a sustainable way. The Asset Management Plan sets out the Council's approach to the management of land and property assets.
- 1.4 Each disposal is considered on its own merits and nothing in this policy binds the Council to dispose of land.
- 1.5 There will be occasions when the Lead Officer will need to depart from the procedures set out in this policy depending upon the specific facts of any particular disposal. After consultation with relevant stakeholders the Council may, in those circumstances, utilise alternative procedures but only when necessary and always subject to the necessary authority of a Head of Service or any senior Council officer to whom the matter may be delegated and in compliance with statutory provisions.
- 1.6 This policy should be considered in conjunction with the Council's constitution and scheme of delegations, and the Council's local development plan.

**2. POLICY SCOPE**

- 2.1 The following disposal types are within the scope of this policy:
  - 2.1.1 Disposal of land that adjoins the dwelling/garden of the applicant's residential property only. The applicant/s must be freehold or leasehold owners of the adjoining property.
  - 2.1.2 Sale of a freehold interest, an assignment, or grant of a lease for more than seven years of land that adjoins the dwelling/garden of the applicant's property only.
  - 2.1.3 Grant of an easement or licence for the purposes of a pedestrian or vehicular access for a term more than seven years to provide access to the applicant's freehold/leasehold property.

## POLICY AND PROCEDURE FOR DISPOSAL OF LAND WITHIN THE HOUSING ESTATES

- 2.2 The following disposal types will be outside the scope of this Policy:
- 2.2.1 Leases of less than 7 years, or an assignment of a lease term with less than 7 years to run, which are exempt from the statutory requirement to obtain best consideration.
  - 2.2.2 Leases where the tenant has a statutory right of renewal.
  - 2.2.3 Land being designated public open space.
  - 2.2.4 Where the land could be subject to an application to purchase by alternative adjacent property owner/s

### **3. MEANING OF BEST CONSIDERATION**

- 3.1 In the context of this policy, best consideration means the best price achievable for the proposed use of the land.
- 3.2 As the Council holds land for the benefit of the local community, it will only be able to demonstrate best price by obtaining an appropriate valuation of the land obtained from a valuer who is a registered valuer of the Royal Institution of Chartered Surveyors (RICS). Unless, the Council has a sufficient body of comparable evidence of recent and relevant transactions, an independent valuation will be necessary to this end.
- 3.3 The Council will dispose of the land with relevant covenants and betterment provisions to ensure the land is used for the purpose for which it was valued. Subsequently, any future change of use will be subject to the approval of the Council (such approval to be at the absolute discretion of the Council) and receipt of additional payment where appropriate.
- 3.4 Where pedestrian or vehicular licence is granted the Council reserves lift and shift provisions

### **4. LAND DISPOSAL CRITERIA**

- 4.1 Certain rights and use, environmental or economic conditions may preclude the sale of land to an applicant. Upon careful consideration, an application may be **refused** using the following criteria if:

Rights and use:

- 4.1.1 The land is subject to private or public rights of way/use over it;
- 4.1.2 The land is subject to restrictive covenants restricting the proposed use of the land;
- 4.1.3 The sale of the land would restrict the Council's ability to carry out future improvement works or development to Council's retained land;
- 4.1.4 The land provides for a line of sight for vehicles, footpaths and/or other rights of way;

## POLICY AND PROCEDURE FOR DISPOSAL OF LAND WITHIN THE HOUSING ESTATES

- 4.1.5 Permanent buildings/structures are proposed to be built on the land (unless the applicant obtains relevant utility searches confirming no utilities exists within the land in question);
- 4.1.6 Parking is proposed and:
  - 4.1.6.1 Vehicular crossing is not approved by the Highway Authority;
  - 4.1.6.2 The proposed parking space does not meet the Council's criteria for open front parking policy; or
  - 4.1.6.3 The land is currently used as a communal parking space;

Environmental:

- 4.1.7 An application would lead to loss of important or balanced landscape feature which is part of the structural or primary housing landscape;
- 4.1.8 It is proposed to remove substantial trees/hedges. Trees/hedges should be protected in so far that it is reasonably practicable to do so;
- 4.1.9 Any proposed boundary fence, wall or building wall is too close to existing tree(s) on Council land and there is risk the tree(s) will potentially cause structural damage to the proposed fence, wall or structure;
- 4.1.10 Planning permission for the proposed use is not granted;
- 4.1.11 It is proposed to erect fencing/enclose land over a ditch line;
- 4.1.12 There is a minimal provision of landscaping within the surrounding area;
- 4.1.13 The landscaping feature is serving a primary vehicle route or estate boundary;
- 4.1.14 The sale of land at the particular location would set a precedent which would prejudice the Council from refusing requests to dispose of land in similar locations, as this would inevitably lead to the loss of the landscape provision for that area and would cause a major change in the landscape environment;
- 4.1.15 Landscape buffer zone such as landscape buffer between two housing estates is proposed to be removed. These zones must be preserved to protect the integrity of the area. Land sales that would lead to the reduction rather than removal of a landscape buffer zone must be approved by a Head of Service if other criteria are met;
- 4.1.16 It is proposed to erect fencing over 1 metre in height beyond the existing front building line of neighbouring properties;
- 4.1.17 An area contains a Scheduled Ancient Monument / Tree Preservation Order or encompasses Protected Hedgerows;

Economical:

- 4.1.18 The purchaser has outstanding debts with the Council;
- 4.1.19 The sale of the land would incur additional costs for the Council (for example, the re-siting of lamp posts or telephone cables) unless the applicant is willing to finance the additional costs (payable in advance);
- 4.1.20 The sale of the land may prejudice future development or regeneration of the land (or adjacent land that would be affected by the sale) by the Council;
- 4.1.21 There are land management or other issues that would cause inconvenience to the Council if the land was to be sold.

## POLICY AND PROCEDURE FOR DISPOSAL OF LAND WITHIN THE HOUSING ESTATES

- 4.2 In certain instances, it may not be appropriate to approve an application even though the above criteria may have been satisfied, as there may be other important factors which must be taken into consideration before a decision is reached. A decision by Head of Service will be made in those circumstances.
- 4.3 It should also be noted that the sale of land should not be approved solely because it is perceived that it would be cost effective for the Council to cease maintaining an area. The Council has a duty of care to the community to ensure that the planned environment is protected and maintained. Harlow's landscaping exists for the benefit of all residents of the town and the Council is equipped to ensure the continued provision and maintenance of the town's landscaped areas.

## **5. CHARGING FRAMEWORK**

- 5.1 The applicant will be liable to pay the following periodically reviewed fees:
- Land application fee: £240 (£200 + VAT)
  - Planning fees: £462
  - RICS valuer fees £360 (£300+VAT)
  - Council's Legal fees £350
- 5.2 It should be noted that the Council reserves the right to charge applicants further land application fees for the Lead Officer's time if matters become protracted during the application process. For instance, once the terms of the sale are approved by the applicant and the applicant requests amendment to the original proposal. The applicant will be notified of these additional fees on an ongoing basis until the matter has concluded.
- 5.3 The fees vary depending on the complexity of the application. The Council's Legal team reserves the right to charge further reasonable fees if the matter becomes protracted. The applicant will be notified of these additional fees on an ongoing basis until the matter has concluded.
- 5.4 Fees shown are applicable for financial year 2020/2021. The current charges can be found on Council's website [www.harlow.gov.uk](http://www.harlow.gov.uk)

## **6. THE LAND APPLICATION PROCEDURE**

- 6.1 The various stages of the land sale process under this policy are set out in chronological order below. This process is also summarised within the Land Application Flow Chart at Section 7.0 of this policy.

### **6.2 Initial Assessment**

- An applicant is asked to submit the land sale application form. The Lead Officer will ascertain whether:
  - o The land in question is owned by the Council.
  - o The application is within the scope of this policy.

### 6.3 Land Application

- Following the initial assessment, the applicant will be asked to pay the land application fee;
- Upon payment of the Land Application fee an internal consultation with the relevant services/officers will be carried out by the Lead Officer to consider the merits of a disposal along with any potential operational service issues or problems that might need to be addressed. This in most cases will involve consultation with the following Council's Teams:
  - Landscape and Biodiversity
  - Housing
  - Regeneration
  - Finance
  - Waste and Street Scene
  - Building Control
  - Covenant Control

### 6.4 Land Sale Decision

- Following consultation with the relevant stakeholders, the Council will determine the application in accordance with its Contracts Standing Orders;
- If the application is approved (subject to planning), the applicant will be sent terms and conditions of a sale, along with a request to submit a full planning application.

### 6.5 Planning Application Decision

- If the applicants planning application is granted by the Local Planning Authority, the applicant will revert back to the Lead Officer dealing with the Land sale application. At this point, the applicant must agree to the terms offered in order to proceed with the land sale;
- Payment for the valuation fee will be made at this stage;
- The land sale cannot progress unless a planning application is approved for the proposed use.

### 6.6 Valuation

- The applicant will pay the RICS valuer fee.
- A RICS registered valuer is instructed to carry out a valuation. Once the valuation is received, the offer is presented to the applicant.
- Valuations are valid for 90 days. After this period, the Council will request a revaluation, the additional costs of which are to be paid by the applicant.
- If the land sale is not completed within 12 months from the initial valuation, the offer for sale will be withdrawn and the applicant will have to submit a new land sale application;

### 6.7 Legal, Exchange and Completion of the Sale

- Upon acceptance of the valuation, the Council's Legal Services team are instructed to provide draft legal documents for the applicant/s and their legal representative's approval. The Council's Legal fees will be paid at this stage;

## POLICY AND PROCEDURE FOR DISPOSAL OF LAND WITHIN THE HOUSING ESTATES

- Once approved and completion monies have been received, the documents will need to be executed and the applicant must arrange for the signed transfer documents to be sent to HM Land Registry for registration. Applicant to provide the Council with official copy entries showing the land registered in their names within one month of completion by the Land Registry and the land sale process ends.

**7.0 Land Application Process Flow Chart**

POLICY AND PROCEDURE FOR DISPOSAL OF LAND WITHIN THE HOUSING ESTATES

# Land Application Process

## Initial Assessment

Once the Land application form is submitted, the Council will assess whether the land in question is owned by the Council and whether the application is within the scope of the land sale policy.

- No fee is payable at this stage
- The process usually takes a week

## Planning application

If the land sale criteria are met you will receive a provisional offer. You will be asked to submit a Full Planning Application for the change of the use from public to private.

- Planning application fees are paid at this stage (£462)
- The process usually takes 8 weeks

## Land valuation

Once you have agreed to the provisional offer and a received a planning approval we will instruct RICS qualified valuer to ascertain value of the land.

- Valuation fee is payable at this stage (£360)
- The process usually takes 3 weeks.

## Land application

The Council will process your application and decide whether your proposal meets the criteria for sale.

- The land application fee is payable at this stage (£240)
- The process usually takes 4 weeks unless a Cabinet decision is required

## Legal Exchange and Completion

Once you have accepted the valuation we will instruct Harlow Council Legal Services to draft the legal documents and send them to your solicitors for approval.

Following approval from your solicitors, the signed transfer is registered at HM Land Registry and the process ends

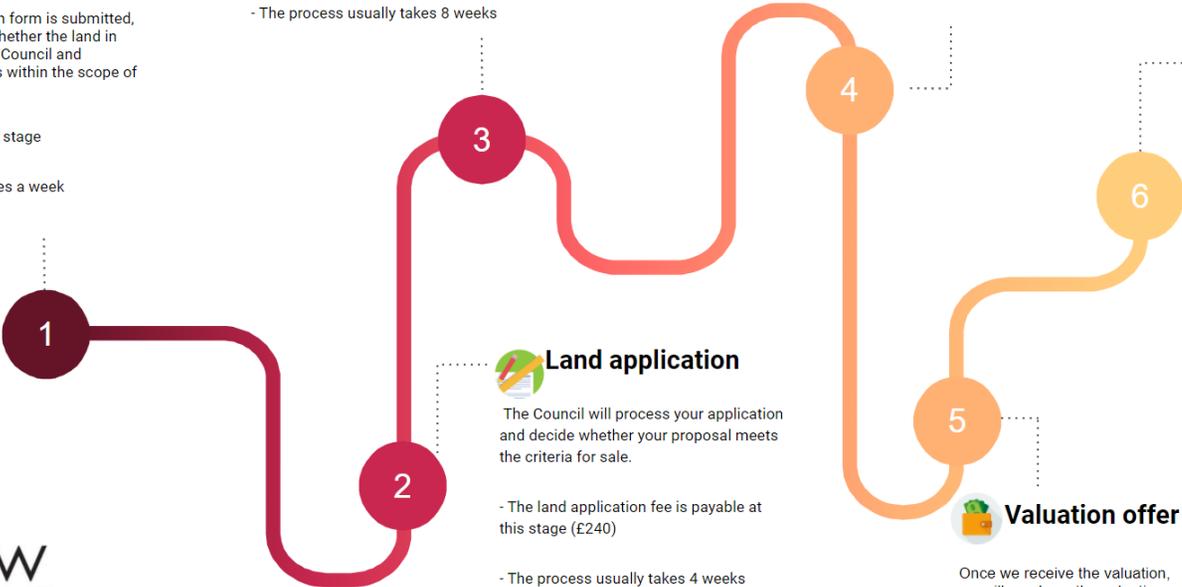
- Legal fee is payable at this stage (£350)
- The process usually takes 4-8 weeks

## Valuation offer

Once we receive the valuation, we will send you the valuation offer for your approval

- We will ask for your solicitor's details at this stage

Fees displayed correct as of March 2021



**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** FRAMEWORK AGREEMENT FOR LEGAL SERVICES IN SUPPORT OF SPECIAL PROJECTS

**PORTFOLIO HOLDER:** COUNCILLOR NANCY WATSON, PORTFOLIO HOLDER FOR GOVERNANCE EQUALITY AND DIVERSITY

**LEAD OFFICER:** SIMON HILL, HEAD OF GOVERNANCE (01279) 446099

**CONTRIBUTING OFFICER:** JULIE GALVIN, LEGAL SERVICES MANAGER (01279) 446045

**This is a Key Decision**  
**It is on the Forward Plan as Decision Number I00721**  
**Call-in procedures may apply**  
**This decision will affect all Wards.**

**RECOMMENDED that:**

- A** A Framework Agreement is entered into with Legal Advisors 1-5.
- B** Officers provide processes to support ease of access to the framework and implement processes to report on use and value.

**REASON FOR DECISION**

- A** To secure continued support to the Council and its framework partners and provide access to timely and accurate specialist legal advice for major projects or those projects or requirements that are high profile, high risk or of strategic importance.
- B** To drive efficiencies and encourage best practice across the five local authority framework users.

**BACKGROUND**

1. In 2015 the Council entered into a four year framework agreement with four full service law firms. This framework supported the Council when delivering strategic projects including the creation of the HTS Group, regeneration projects, corporate arrangements around the Council exiting Kier Harlow, and supporting

Officers when implementing bespoke contracts and processes in support of business case award to HTS (Property and Environment) Limited.

2. Officers utilised the value add offering during the life time of the framework, resulting in excess of 20 free to attend training sessions/conference sessions over a four year period including Brexit, contract management, commercial property litigation, and regeneration schemes. This training was attended by over 14 different local authority partners, and HTS colleagues. In addition a full legal risk management process was implemented to assist with the HTS transition at no charge, and officers have enjoyed short term secondment placements with private practice lawyers when engaged in project work.
3. In 2020 Officers reviewed the requirements from the (now expired) 2015 framework, and revisited lessons learnt from the 2015 arrangements. On discussing the procurement plans, four other authorities Tendring, Brentwood, Chelmsford and Maldon registered an interest in being able to access the framework. To meet requirements and facilitate choice a four year framework of five full service law firms was sought.
4. Taking into account the five framework users, and the planned implementation of mandatory social value requirements for above threshold procurement processes from January 2021, a brief was drafted for advertising to the market, and a quality/price threshold of 80/20 was applied. Officers utilised the open procedure with a two stage process for bidder selection.
5. The brief given to bidders was wide ranging, and for Harlow included Public Health England plans, the Enterprise Zone, and covered social housing needs, commercial portfolio demands, long leaseholder requirements and commitment to art, cultural and leisure activity. Links to the corporate plans for all five partner authorities were provided to the bidders. Overall framework objectives included access to high quality legal advice and support by all framework partner internal legal teams in relation to corporate objectives and unforeseen events, to the extent that this may be required.
6. The quality submission called on bidders to demonstrate depth and range in skills. Quality question 1 required the demonstration of collaborative working, seeking detail and assurance in respect of value for money and service improvement when supporting the delivery of strategic projects and high level procurement. This question had a quality floor score applied, whereby if a bidder failed to meet a minimum score, they were automatically disqualified from the process.
7. Ten percent weighting was applied to additional services and value, reflecting the importance that the framework partners placed on social value and commercial value drivers.

## **ISSUES/PROPOSALS**

### **The Process**

8. Following publication of a two stage process the Council noted 24 expressions of interest. Throughout the process Officers responded to in excess of 30 questions from the market, and reviewed and tailored contract terms (applying equal treatment) following feedback. Twelve compliant bids were submitted via the electronic tender portal.

### **Quality Stage 1**

9. Resource was allocated to undertake comprehensive due diligence. This included consideration of the bidders' representations around the payment of the living wage, support of apprentices, accreditations held, and review of any mandatory or discretionary grounds for exclusion (e.g. human trafficking, policy and modern slavery act requirements and breach of labour laws).
10. In parallel to the due diligence, Officers scored the technical and professional ability of the bidders, requiring examples of three engagements where bidders had previously acted for local authorities when delivering urban regeneration projects, addressing construction disputes or housing development schemes.
11. Following careful consideration two bidders did not proceed beyond stage one of the process.

### **Quality Stage 2**

12. The panel applied the published evaluation criteria to the bids against a completed tender response document submitted by each bidder. Question one of the quality bid had a quality floor imposed, requiring bidders to achieve a score of four or more to proceed (scoring 0-5). Following careful consideration against the criteria, and moderation of the scores, three bidders failed to meet the quality threshold set.
13. Continuing with stage two, the remaining seven quality submissions were reviewed by the panel, with a view to appointing the top five scoring to the framework. Quality submissions were tested on matters including the mitigation of contract disputes and the re-gearing of contracts, the delivery of regeneration projects, planning support, procurement process support, anti-social behaviour and fly tipping enforcement, together with pervasive matters such as business continuity, Covid and Brexit impact, GDPR principals, equalities duties, client care and transparency around billing and fee notes.

### **Quality Evaluation Review**

14. During review and moderation meetings, panel members noted strengths in the bids included depth in the multi-disciplinary teams and the scale of experience available from Local Authority Trading Company support, complex planning processes, residential long leaseholders to large scale urban regeneration

projects and a real desire to work collaboratively with local authority project teams. The responses gave confidence to the panel that technical specialist legal support could be accessed easily and the appointed providers were fully cognisant of external pressures, including funding, public law, equalities duties, Brexit and post Covid recovery.

15. As referred to in paragraph 7 above, the panel noted and welcomed a wider range of offers in respect of value add and social value. Bidders expressly noted the requirement to record and quantify savings and social value.

16. Examples of free to use or significantly reduced price offerings:

a) Framework Users

- i) Mentoring, Law Training, Director Duties/Corporate Governance training
- ii) Secondments
- iii) Corporate Equalities training

b) Community Wide initiatives

- i) Work placements
- ii) Apprenticeship support
- iii) Annual workshops for School Leavers (CV's etc), training and support with public speaking and "career stories Q&A"
- iv) Legal support programmes exclusively for business start-ups (e.g. idea protection, business start-up assistance))
- v) Support (financial or volunteer days) for local charities

c) Other

- i) Value add pricing in respect of planning agreements.

### **Quality Scores**

17. The quality score was calculated by allocating 100 points to the highest scoring quality bid. The remaining bids were then allocated scores expressed as an inverse proportion of the highest score multiplied by 100. Those scores were then multiplied by the 80 percent weighting and added to the matrix.

### **Pricing Evaluation**

18. Pricing was evaluated using a prescribed basket of works of hours spent from Partner, through senior and more junior solicitors to hourly rates for paralegals.

Discounts were encouraged for spend over the four year period. The price score was calculated by allocating 100 points to the lowest priced basket of works. The remaining bids were then allocated scores expressed as an inverse proportion of the highest score multiplied by 100. Those scores were then multiplied by the 20 percent weighting and added to the matrix. The same basket of works was market tested as that in 2015. In 2015 the lowest price submitted was £54,400, and the lowest price for 2020 is £39,250. The same quality weighting of 80 percent was applied to both processes.

## Final Scores

	<b>Quality Score / 500 points</b>	<b>Weighted Quality Score/8000 points</b>	<b>Basket of Works</b>	<b>Adjusted Price Score</b>	<b>Total Weighted Score/10000 points</b>	<b>Ranking</b>
<b>Not appointed</b>	413	6640	£77,000.00	51	<b>7660</b>	<b>-</b>
<b>Legal Advisor 1</b>	470	7600	£39,250.00	100	<b>9600</b>	<b>1</b>
<b>Legal Advisor 2</b>	495	8000	£72,450.00	54	<b>9080</b>	<b>2</b>
<b>Legal Advisor 5</b>	366	5920	£44,425.00	88	<b>7680</b>	<b>5</b>
<b>Not appointed</b>	404	6560	£108,955.00	36	<b>7280</b>	<b>-</b>
<b>Legal Advisor 4</b>	434	7040	£81,200.00	48	<b>8000</b>	<b>4</b>
<b>Legal Advisor 3</b>	465	7520	£63,262.00	62	<b>8760</b>	<b>3</b>

## Implementation

19. Should Cabinet agree the recommendations above, Officers will prepare and release a brief and information to internal Harlow Officers, and wider framework partners to assist with accessing the framework, by way of direct award for works, or using mini competition processes to drive further value. Each legal advisor has provided a comprehensive written portfolio detailing services, skills and relevant experience to assist partner authorities when considering utilising the framework for direct award.
20. Use, pricing and furnishing of social value additions will be monitored by the Harlow legal services team and reported to Head of Governance and framework partners on not less than a quarterly basis.
21. Whilst the Framework Agreement will be in place for a maximum period of four years, Services called-off under the Framework Agreement may, where appropriate, continue beyond the four year term. During this period the Harlow and its partner authorities will retain the ability to procure similar services from

outside the Framework Agreement and/or with Legal Advisors who may not be party to the Framework Agreement.

22. All Services called-off under this Framework Agreement shall be awarded in compliance with the Council's Contracts Standing Orders.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

This framework is welcomed since it will enable legal advice to be secured quickly, without causing delay to developments, whilst still ensuring value for money for the Council.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance (Includes ICT, and Property and Facilities)**

The procurement process as outlined within the report demonstrates that financial considerations have been included within the evaluation process and underpin the recommendations as set out within the report. Call off from the contract will be at the requirements of services and within the approved budget at the time.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

### **Housing**

The need for effective, responsive and value for money specialist legal services are essential for support and delivery of the Housing Services. A transition arrangement needs to be established to ensure a "seamless" transfer of support.

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

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

Timely and up to date legal advice is required for many regeneration and other council initiatives and projects. This framework will ensure legal advice and other benefits are received in an effective and efficient manner.

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

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

The Council by complying with the procurement requirements throughout any procurement process will significantly reduce the risk of legal challenges. The ability to call-off services by direct award or mini competition via this Framework Agreement will reduce the time engaged in appointing specialist legal support and assist in ensuring value for money whilst complying with Contract Standing Orders.

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

### **Appendices**

None.

### **Background papers**

None.

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

None.

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** REFERRAL FROM SCRUTINY COMMITTEE –  
DELIVERY OF COUNCIL HOUSE BUILDING  
PROGRAMME

**PORTFOLIO HOLDER:** COUNCILLOR TONY DURCAN, PORTFOLIO  
HOLDER FOR GROWTH AND PROSPERITY

**LEAD OFFICER:** JANE GREER, HEAD OF COMMUNITY  
WELLBEING (01279) 446406

**This is a Key Decision**  
**It is on the Forward Plan as Decision Number I012338**  
**Call-in Procedures may apply**  
**This decision will affect no ward specifically.**

**RECOMMENDED that:**

- A** Cabinet adopts the recommendations set out in the consultant’s report (attached as Appendix A to the original report), along with an additional recommendation to carry out a review of the Council’s learning and development, guidance alongside the appraisal process for staff delivering the Housing Building Programme.

**REASON FOR DECISION**

- A** To enable the Council to more effectively implement its Council House building programme.

**BACKGROUND**

1. At its meeting on 16 March 2021, the Scrutiny Committee considered a report on the delivery of the Council’s Council Home Building Programme.

**ISSUES/PROPOSALS**

2. The report made 20 recommendations and the Committee agreed that these should be referred to Cabinet to be adopted.
3. The Committee also agreed a further recommendation to carry out a review of the Council’s learning and development, guidance alongside the appraisal process for staff delivering the Housing Building Programme.

## **IMPLICATIONS**

Implications of the recommended decision are outlined in the 'Implications' section of the original report, which is attached as Appendix 1.

## **Appendices**

Appendix 1 – Original report to Scrutiny Committee 'Review of Council House Building Programme – final report'

## **Background Papers**

None.

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

None.

**REPORT TO:** SCRUTINY COMMITTEE

**DATE:** 16 MARCH 2021

**TITLE:** DELIVERY OF COUNCIL HOUSE BUILDING PROGRAMME – FINAL REPORT

**LEAD OFFICERS:** SIMON HILL, HEAD OF GOVERNANCE  
(01279) 446099

JANE GREER, HEAD OF COMMUNITY  
WELLBEING (01279) 446406

**RECOMMENDED that:**

- A** Cabinet adopts the recommendations set out in the consultant’s report (attached as Appendix A to this report).

**BACKGROUND**

1. At its meeting on 1 September 2020 the Committee agreed to conduct a review on the delivery of the Council’s house building programme. It was agreed that a consultant would be procured to carry out the review, with three members of the Committee helping to oversee the review. It was subsequently agreed that the three Councillors would be Councillors Simon Carter, Bob Davis and Tony Edwards.
2. On 25 November 2020, these Councillors met with the consultant to discuss the scope of the review and timescales for completion. It was agreed that the final report would come to the Committee meeting on 16 March 2021.
3. The group also agreed a list of witnesses which the consultant would interview prior to the next meeting on 16 December. Officers then helped to schedule a number of meetings with the agreed witnesses
4. At the December meeting, the group discussed some of the initial findings following desktop research and interviews with the witnesses.
5. A final meeting took place on 27 January which discussed a draft version of the report attached as Appendix 1. This meeting evaluated some of the findings and recommendations. This included making suggestions on how the report could strengthen its recommendations surrounding the Council’s relationship with HTS Group Ltd.

## ISSUES/PROPOSALS

6. There are a total of 20 recommendations contained within the consultant's report and these encompass both strategic and operational recommendations, varying from holding an awareness session with Councillors, to finalising and adopting the Housing Strategy.
7. Within the topic submission form for this review there were three measures of success, which were:
  - a) Identification of volume of new social housing against plan and the reasons for any non-achievement.
  - b) Timescale and deadlines to deliver a new house building strategy, the capital funding arrangements for house building projects.
  - c) Development of a plan to understand what is needed to build housing that meets the needs of age and mobility.
8. The review was carried out to address these measures for success. The Committee is invited to consider the recommendations in light of the identified measures of success, and the wider benefits it could bring in helping the Council achieve its priority of 'More and Better Housing'.
9. It is recommended that the recommendations contained within the consultant's report are adopted as means of helping the Council to deliver its house building programme, including through HTS (Housing and Regeneration) Ltd, enabling the Council to house more people on its Housing Needs Register.

## IMPLICATIONS

### **Environment and Planning (Includes Sustainability)**

The Council is in the process of producing a new Supplementary Planning Document on affordable housing. In this it is made clear that an important objective for the Council is to increase the amount of Council Housing in the town. Delivery of the recommendations set out in this report will help the Council to achieve this objective.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance (Includes ICT, and Property and Facilities)**

The report sets out the details of the financial provisions already made within the Councils MTFs for the delivery of its housebuilding programme. Should further resources be required to support delivery in line with the recommendations made by the report then these will need to be considered as part of the Councils normal budget cycle.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

## **Housing**

The identification of, and the acquiring land opportunities will be a key imperative together with the necessary associated links being made between the Housing Strategy, and Local lettings plans. The requirement for continuation of effective cross cutting meeting structures and joint working practices being adopted will demonstrate improvements.

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

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

The implementation of the recommendations contained within the report will further support and ensure cross cutting working. This will assist on the timely and efficient delivery of new council homes.

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

## **Governance (Includes HR)**

The adoption of the recommendations requires adherence to both Standing Orders and reference to HTS Group subsidiary delegated authority to mitigate risk of successful public law challenge.

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

## **Appendices**

Appendix A – Consultant’s report on Council House Building Programme

## **Background Papers**

Delivery of Council House Building Review Submission Form –

<https://modern.gov.harlow.gov.uk/documents/s16379/Delivery%20of%20Council%20House%20Building%20Programme.pdf>

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

None.

## Appendix A

### Scrutiny Review - Council's Housing Building Programme

#### 1. Introduction

The Scrutiny Committee seeks to review the progress of the council in delivering more and better housing including a wider choice of housing types of all tenures, which include affordable, social rented and council housing.

This review focuses on the Council's progress in developing and delivering Council houses following on from the Pathfinder Programme 5 years ago.

This report assesses the Council's success in delivering a council house building programme. Through the review process a number of barriers to success have been identified and where possible recommendation on a way forward have been made.

## 2. Methodology

This review has been undertaken through one to one interviews with key personnel across the Local Authority and with HTS (Property & Environment). The key witnesses interviewed as part of this scrutiny review are listed in appendix 1.

This has been supplemented by a desktop review of key documents and performance information, together with a review of best practice in relation to house building across England.

The report provides an analysis of available housing register data in order to better understand the demand and need for social housing, alongside reviewing the affordability of the housing market. It then moves on to review the progress that the Council has made in progressing its Council house building programme, before identifying the barriers to the programme and offering solutions and recommendations where applicable. Finally, a horizon scan and research into best practice identifies opportunities that the Council may wish to learn from, with the opportunity to implement at a local level.

Recommendations are identified throughout the report and a summary of all of the recommendations can be found in appendix 5.

### 3. Overview of Council House Building

In 1919 the Addison Act introduced the notion of housing as a national responsibility and launched the first major wave of social housing in this country. By 1981, the number of social homes peaked at almost 5 and a half million. Today England has just over 4 million social homes, despite demand for affordable housing increasing.

A report by the Housing, Communities and Local Government Committee to the House of Commons, Building More Social Housing<sup>1</sup> dated July 2020 identifies that England needs at least 90,000 net additional social rent homes a year and the Government needs to invest accordingly. The sector estimates that £10 billion in extra grant funding will be needed.

It is widely recognised that housing will be an important part of the national recovery from COVID-19. As the impact of the pandemic has worsened, it is those in the most acute housing need that are among the most vulnerable to infection.

A full overview can be found in appendix 2.

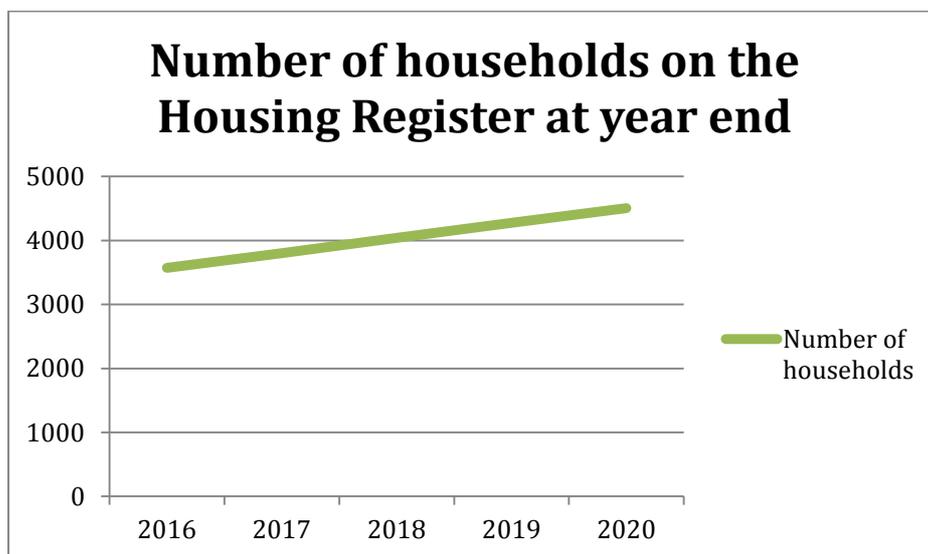
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<sup>1</sup> <https://publications.parliament.uk/pa/cm5801/cmselect/cmcomloc/173/173.pdf>

## 4. Understanding the Demand for Social Housing

### 4.1 Housing Register and Lettings Data

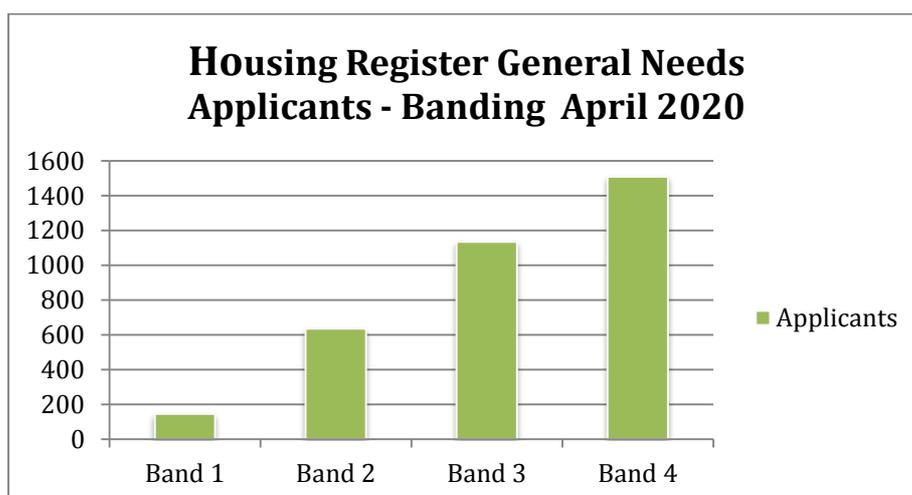
Demand for social housing across Harlow remains high. The graph below shows the number of households on the Housing Register at the end of each financial year.



Source: Harlow Council

The number of households on the Housing Register has increased from 3573 in 2016 to 4508 in 2020, representing a 26% increase over the last 5 years.

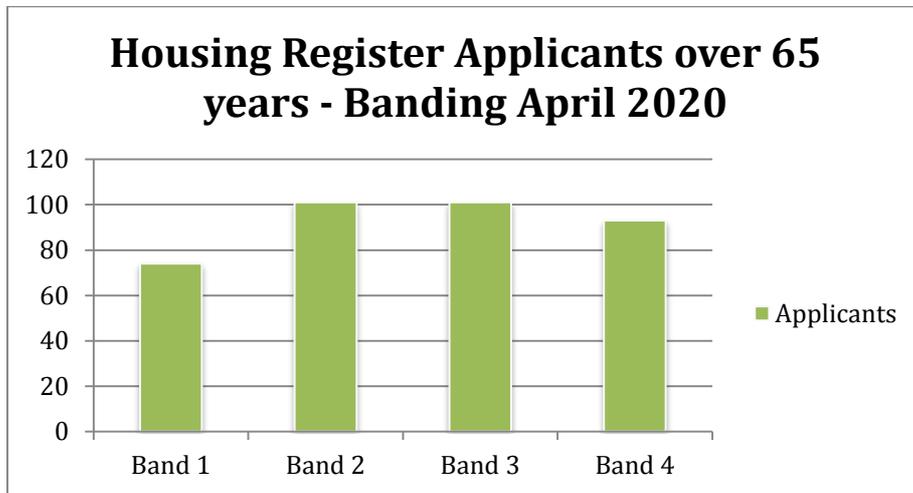
The graph below breaks down the total number of households (general needs applicants) on the Housing Register by band. (Households in band 1 have an urgent housing need, band 2 have a high housing need, band 3 have an identified housing need and band 4 have no identified housing need.)



Source: Harlow Council

As can be seen 44% of general needs applicants have no identified housing need.

The same information is displayed for applicants aged over 65 years in the graph below.



Source: Harlow Council

A smaller proportion of applicants (25%) have no identified housing need.

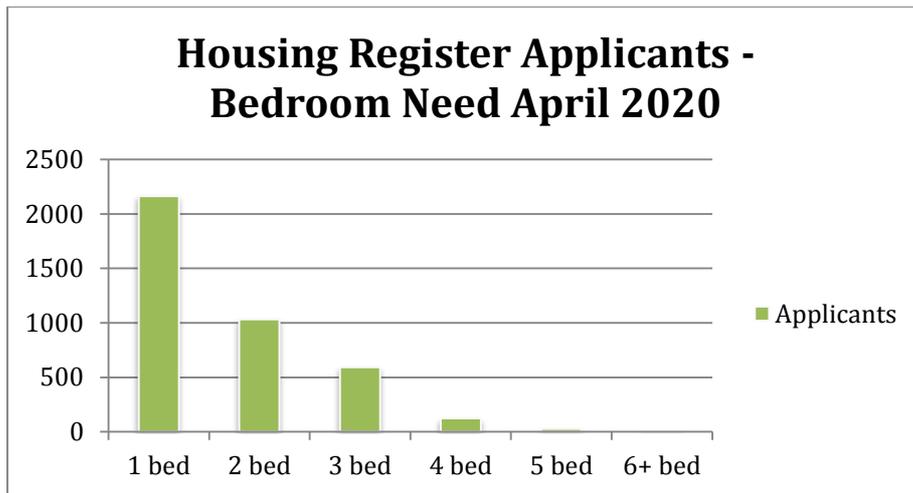
While outside of the scope of this scrutiny review the Council may want to give future consideration as to whether it still continues to operate an open housing register for general needs applicants.

As can be seen from the data 44% of general needs applicants have no housing need and therefore little prospect of being rehoused. There is a cost to the Local Authority in registering these applicants, dealing with enquiries and reviewing these applications in terms of staff time and resource, and at the same time these applicants may have unrealistic expectations regarding accessing social housing. A closed housing register would enable staff resource to be directed to delivering housing options to households in housing need.

#### **Recommendation - 1**

It is recommended that the Council gives consideration as to whether it still wishes to enable households with no housing need to join the Housing Register. It is suggested that the Council may wish to review the allocations policy.

The number of households on the Housing Register in March 2020 is broken down by property type in the graph below. It only includes applicants whose applications are live.



Source: Harlow Council

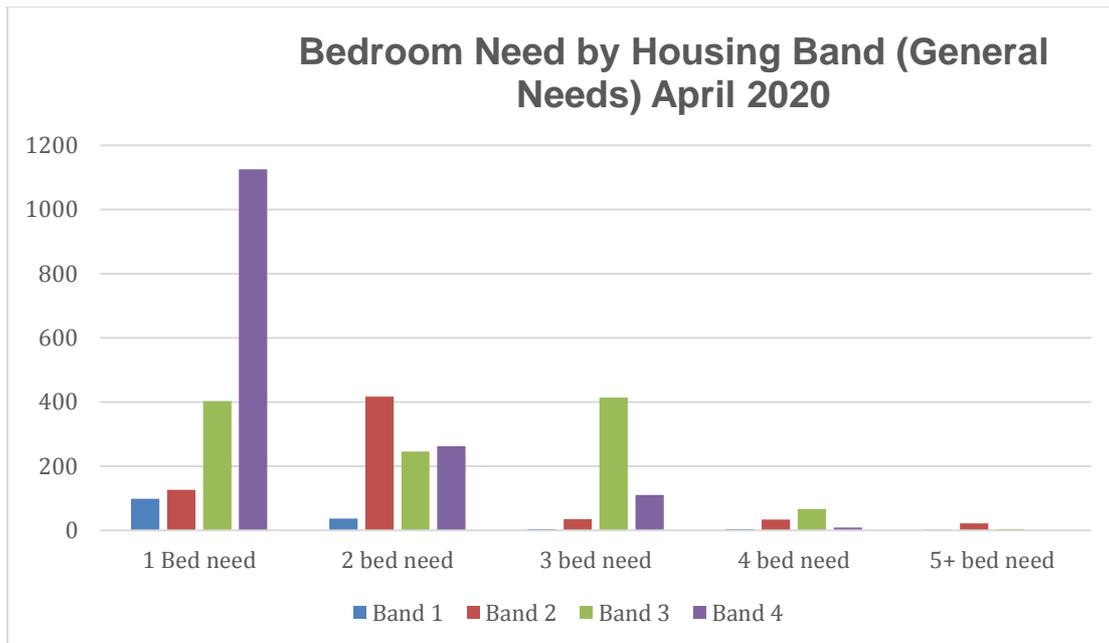
The greatest demand is for 1- bedroom accommodation, accounting for 55% of all applicants, followed by 2-bedroom accommodation (26%) and 3- bedroom accommodation (15%).

However, the table below provides further analysis of this information by banding for general needs accommodation, indicating that while the demand for 1-bedroom accommodation is the greatest across all bands, only 190 households have an urgent or high housing need for a 1-bedroom property, and a further 386 households have an identified housing need, while the majority with a 1-bed need (1041) have no identified housing need.

Band Level	1 Bed Entitlement	2 Bed Entitlement	3 Bed Entitlement	4 Bed Entitlement	5 Bed Entitlement	6 Bed Entitlement	7 Bed Entitlement	Number
1	91	31	4	3	1	1	0	131
2	99	487	29	38	16	4	1	674
3	386	249	392	65	1	0	0	1093
4	1041	243	96	7	1	0	0	1388
Total	1617	1010	521	113	19	5	1	3286

Source: Harlow Council

The graph below shows the demand for different property types broken down by housing need band.



Source: Harlow Council

Using this data it would suggest that the highest demand for accommodation for people with an urgent or high housing need is for 2-bedroom accommodation, followed by 1-bedroom accommodation.

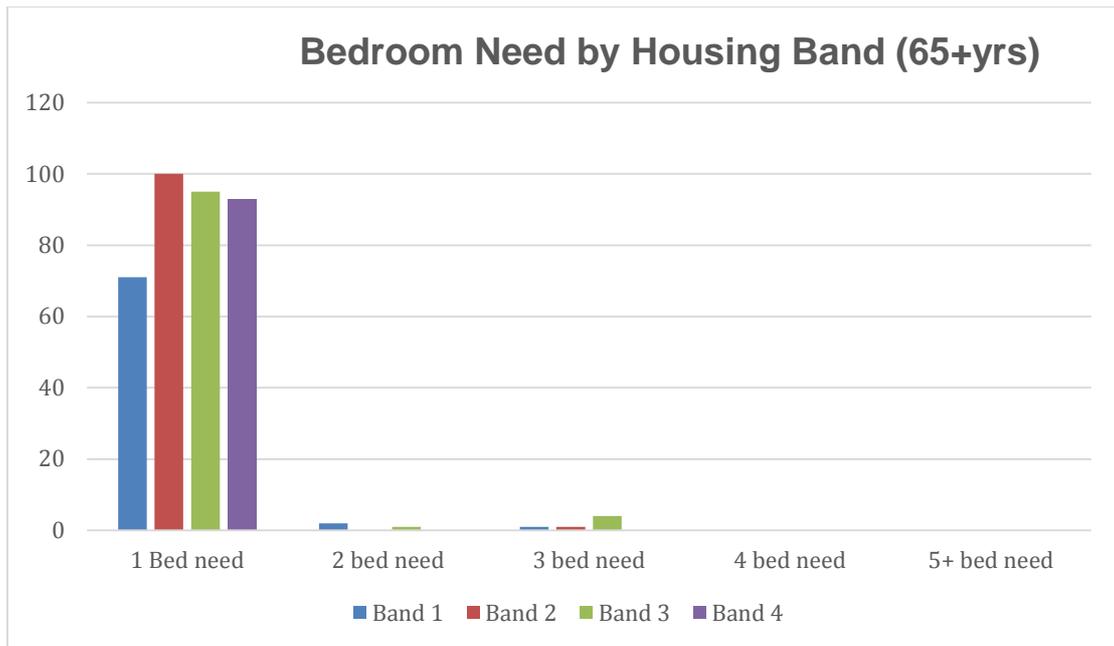
It is notable that there is a very high demand for one bedroom accommodation from households with no identified housing need, which indicates a lack of other affordable one bedroom housing options across Harlow. This accounts for 64% of those registered for a 1-bedroom property.

Housing developments should be focused on meeting the highest demand for property types, taking into account housing need. Data from the Housing Register is critical to understanding this.

#### **Recommendation - 2**

It is recommended that the Council uses data from the Housing Register to inform its development plan. The highest demand for households in housing need, is for 2-bedroom accommodation, followed by 1-bedroom accommodation.

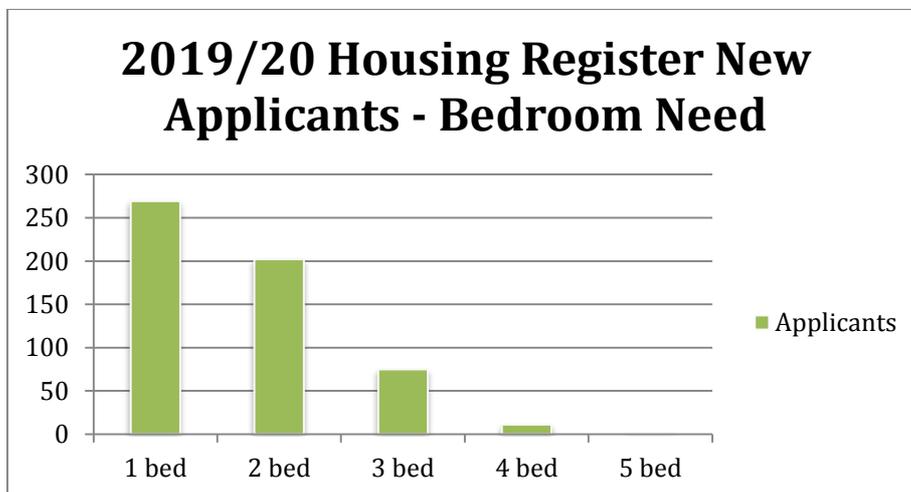
The graph below provides the same information as above but for applicants aged over 65 years.



Source: Harlow Council

As can be seen the greatest demand is for 1-bedroom accommodation across all housing need bands, the proportion of applicants with no housing need for 1-bedroom accommodation is lower than general needs at 25%.

The graph below shows the number of new applicants that joined the Housing Register in 2019/20.

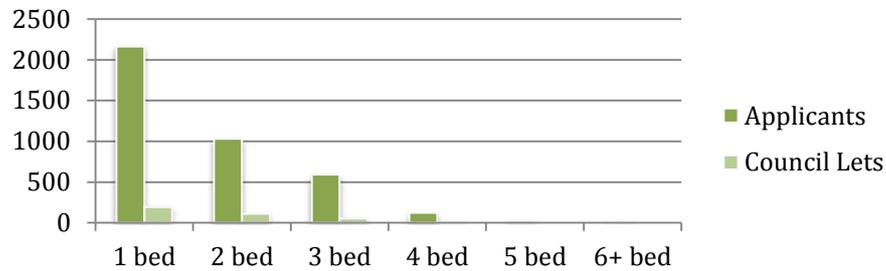


Source: Harlow Council

A total of 558 new applicants joined the Housing Register in 2019/20, the majority of these had a 1-bedroom need (48%), followed by a 2 bedroom need (36%).

In 2019/20 there were a total of 522 lets made to applicants on the Housing Register. The graph below details the number of Council lets made to Housing Register applicants in 2019/20, and compares this to the total number of households on the Housing Register. (It does not include Housing Association properties).

## Housing Register Applicants - Bedroom Need compared with new lets



Source: Harlow Council

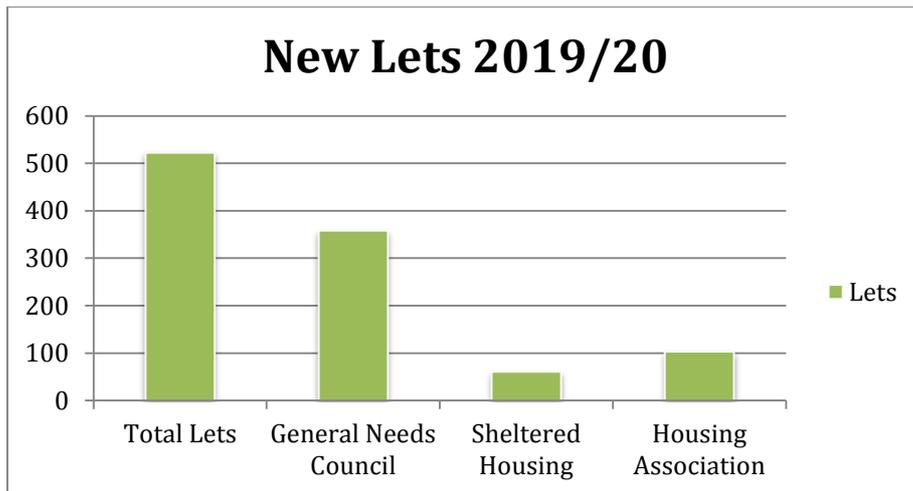
As can be seen the demand for all property types outstrips the supply. In 2019/20 there were a total of 191 studio and 1-bedroom Council lets, 110 2-bed Council lets, 52 3-bed Council lets and 9 4-bed Council lets

The Council has been unable to break this data down by bedroom size for all social housing lets (i.e., the total number of social housing and Registered Provider lets), due to additional costs in running these reports via Locata. Moving forward it would be advantageous to break this data down by bedroom size to better develop the Council's understanding of the need for social housing and to inform their development programme.

### Recommendation-3

It is recommended that officers receive regular reports that break down total annual lets by bedroom size for all annual lets. This would enable demand to be compared with supply, providing more accurate intelligence on housing need in Harlow.

The graph below breaks down these lets by housing provider.



Source: Harlow Council

Over the same time period 57 Council properties were lost through right to buy.

In 2019/20 there were a total of 38 downsizing lets, 14 of these applicants transferred to a smaller property but continued to under occupy by 1 room, 21 gave up maximum bedrooms and were no longer under-occupying, the remaining 3 kept the extra bedroom.

While outside of the scope of this review it is relevant to note that the current housing register is based upon paper applications that require manual inputting. This is hugely resource intensive. Moving to an online application form would enable staff resource to be focused on other activities, and would also enable an automated annual reviewing system to be in place, which would result in regularly cleansing the Housing Register so that the Local Authority has a more informed and accurate understanding of the current demand for social housing.

#### **Recommendation - 4**

It is recommended that moving to an online Housing Register application form would enable staff resource to be more effectively focused on other activities to meet housing need, and ensure that applications are automatically reviewed and that the Register provides an accurate understanding of current housing need.

## **4.2 Housing Need**

The Local Plan using the updated 2020 SHMA identified a total housing need of 9,200 between 2011 to 2033 taking account of existing residents' needs and planned growth.

As at 31 March 2019, 2,463 dwellings had been completed and there were 4,723 dwelling commitments, leaving a further requirement for 2,014 dwellings.

As Harlow is a former New Town with tightly-drawn boundaries and a planned nature, with distinctive Green Wedges which are uniquely important to the district's distinctive green character, there is less scope to deliver housing sites at an early date to fulfil a five-year housing land supply as may be the case in a

large district. A requirement of 361 dwellings per annum has, therefore, been identified for the period of 2011/12 to 2023/24.

From 2024/25 to the end of the Local Plan period, an increased requirement of 501 dwellings per annum has been set to meet the 9,200 dwelling requirement overall.

The need for affordable housing is 3,400 over the plan period.

### 4.3 Affordability

Private rents in Harlow in the 12 months to September 2018 ranged from £700 per month for a lower quartile one bed to £1,700 for an upper quartile four (or more) bed property.

The overall median private rent was £900, which is much higher than the England average of £690 per month. Social rents are approximately 47% of private rents in Harlow.

The table below shows the Local Housing Allowance rates for the Harlow and Stortford BRMA

Accommodation	LHA Rate
Shared accommodation	£331.50
1 bedroom	£718.03
2 bedroom	£897.52
3 bedroom	£1121.90
4 bedroom	£1296.45

Source: LHA direct.voa.gov.uk

The table below compares an analysis of properties available for rent in January 2020 on Rightmove based upon the average rent, against the LHA levels showing the average shortfall.

Accommodation	Average Rent	LHA Rate	Shortfall
1 bedroom	£833.33	£718.03	£115.30
2 bedroom	£965.83	£897.52	£68.31
3 bedroom	£1,275	£1121.90	£153.10

Source: Rightmove and LHA direct.voa.gov.uk

There is a significant shortfall for all property types, but the biggest shortfall was for 3 bedroom accommodation followed by one bedroom accommodation. (please note this was based on snapshot data for properties available to rent on 6/1/20)

Harlow's property prices are lower than other parts of Essex. However the house price growth in Harlow has outstripped wage increases making properties in Harlow unaffordable for many of the district's residents.

## **5. The Progress of the Council' House Building Programme**

### **5.1 Pathfinder**

In 2016 Harlow Council completed it's first house building programme for 30 years. Through the Pathfinder Project 18 units of social housing were built. The scheme was designed to transform disused and under utilised or cleared residential garage sites into high quality and sustainable homes to meet the demand for affordable rental homes in Harlow.

Sites at The Hill and Fesants Croft both saw 7 two bed houses constructed, with another 4 two bed homes provided at the Felmongers Site. All works included associated hard and soft landscaping together with the provision of a total of 56 parking spaces, which is hoped will ease existing congestion problems.

All of the properties met Harlow Council's space standards for new homes which are contained within the Harlow Design Guide and the Lifetime Homes Standards.

The scheme was considered a success given that it was the first build for 30 years and there were no significant delays.

In relation to what lessons were learned through the process it was identified that housing needed to be involved in the design at a much earlier stage and that procedures and processes needed to be in place for new tenants. It was also identified that it would be advantageous for the Council to have their own Clerk of Works priced into the development costs.

### **5.2 Other Developments**

The Council worked to regenerate the The Briars, Copshall Close and Aylets Field (BCA) estates through a joint partnership between Harlow Council, Countryside Properties, and Home Group, and has helped to provide much-needed homes for people on the council's housing needs register. When completed, the newly named Atelier estates will include total of 346 new homes, comprising 93 social and 73 affordable homes for rent, 35 shared ownership homes and 145 private sale homes are being built across the three phases of the project. 100% of the homes have allocated to people on Harlow's housing needs register. This was a huge achievement and was delivered ahead of schedule.

In delivering this scheme the Council successfully negotiated to buy back 13 bungalows from residents who had purchased their home. The scheme was redeveloped in 3 phases. Every tenant was given the option of a home on the new estate, and 6 households took up this option. The affordable homes were all allocated from the Council's housing needs register.

The development includes a community centre which Home Group manage and is available for local residents to hire at a discount. The cleaner / key holder is a local resident employed by Home Group, with the intention to run outreach projects from the centre.

There are also small green spaces within the estate. Feedback indicates that there has been a drop in crime and anti-social behaviour in the local area.

In addition to the above a homeless supported housing project was developed creating 9 self contained bedsits following the redevelopment of two former houses. The project is managed by Streets to Homes and was developed in partnership with HTS and the Council.

### 5.3 Pipeline Programme

A pipeline programme is in place and identifies around 875 of units of development opportunities over the next 14 years. This includes 95 units where planning permission has been granted, a further 447 awaiting planning approval and 333 units on ex-garage sites.

A refurbishment of a block of Council maisonettes at Prentice Place is nearing completion and it is anticipated that these properties will be advertised in late 2020/early 2021. Bushey Croft and Lister House are due to be on site in early and mid 2021.

### 5.4 Details of Buy Back

The Council is currently embarking on a buy back programme to purchase 45 units of accommodation on the open market, which will be let as Council housing. To date 34 properties have already been earmarked. To make the scheme viable 70% will be affordable rent and 30% social rent. If the scheme works well the Council will reduce the number of affordable and increase the proportion of social rent. In Harlow affordable rent is 75% of the market rent and will be met by LHA. Affordable rents also include the service charge.

This is complemented by HTS's own programme where they have bought 5 units of accommodation to be let as a mix of social, affordable and market rent.

### 5.5 Harlow's delivery against its targets

The Council sets out its clear priority for more and better housing, and the Corporate Plan's goal is to deliver the housebuilding programme. The Housing Capital Programme 2020/22 details the capital budget for new build projects.

<b>Name of Scheme</b>	<b>No of Units</b>	<b>Approved Scheme Cost £,000</b>	<b>Revised 2020/21 Budget £,000</b>	<b>2021/22 Budget £,000</b>	<b>2022/23 Budget £,000</b>	<b>2023/24 Budget £,000</b>	<b>2024/25 Budget £,000</b>	<b>2025/26 Budget £,000</b>
The Readings			13					
Bushey Croft	16	4,140	20	2,781	1,202			
Lister House	46	14,000	370	2,400	3,000	3,000	3,000	1965
The Yorkes	13	3,015	36	1,482	1,475			
Brenthall Towers	8	2,585	38	830	1,692			
Stackfield	5	550	40	156	350			
The Hill	2	500	101	118	280			
<b>Total</b>	<b>90</b>	<b>24,790</b>	<b>618</b>	<b>7,767</b>	<b>7,999</b>	<b>3,000</b>	<b>3,000</b>	<b>1,965</b>

Source: Housing Capital Programme 2020/22

However, there are currently no measurable targets in place for housing completions, detailing the specific number of completions expected each year. Such targets are considered essential in being able to monitor the success of the Council's house building programme.

## **5.6 Achievements**

It is widely acknowledged by both Officers and Elected Members that the Council has not delivered as many homes as it had hoped to, and that progress has been slower than anticipated. The reasons for this are explored in the sections below.

It is important to recognise that the Regeneration Team, responsible for housing delivery, is a very small team, but despite this they have achieved a number of successes including:

- The pathfinder resulted in the development of 18 Council properties, the first build for 30 years.
- The BCA regeneration project was a huge achievement delivered ahead of schedule, resulting in 93 social homes, 73 affordable homes and 35 shared ownership homes.
- The pipeline programme identifies 875 potential units of accommodation over 14 years
- Start on site at Bushey Croft is anticipated for the first quarter of 2021
- Planning permission achieved for the former Lister House site.

In addition, the Housing services team have had success in:

- Street to Homes Homeless supported accommodation
- Buy back scheme has already earmarked 34 properties for purchase and conversion to social housing.

## 6 How Harlow Compares to Others

The table below is taken from data published by MHCLG on housing completions for Essex in 2019/20.

Local Authority	Dwellings started				Dwellings completed			
	Private Enterprise	Housing Associations	Local Authority	All	Private Enterprise	Housing Associations	Local Authority	All
Basildon	180	20	0	190	190	10	20	220
Braintree	610	260	0	870	550	250	0	810
Brentwood	60	0	0	60	140	0	0	140
Castle Point	80	0	10	80	50	0	0	50
Chelmsford	670	290	0	970	470	200	20	690
Colchester	280	40	0	320	560	120	0	670
Epping Forest	120	30	0	150	190	60	50	300
Harlow	290	170	0	460	670	90	0	760
Maldon	210	140	0	340	320	170	0	490
Rochford	230	140	0	360	220	90	0	310
Tendring	420	70	100	590	850	40	10	900
Uttlesford	120	30	0	150	350	70	0	420

Source: MHCLG

Across Essex Basildon, Chelmsford, Epping Forest and Tendring are the only Local Authorities that completed Council house dwellings in 2019/20.

The table below shows the top 10 Local Authority house builders across England between 2014/15 and 2019.

Local Authority	Total Homes Completed
Birmingham	2,207
Manchester	1,396
Newcastle upon Tyne	820
Hackney	644
Leeds	562
Stockport	485
Hull	425
Hounslow	397
Ealing	379
Cambridge	356

Source: Inside Housing 'Council housebuilding: back with a vengeance' 11/10/19

## 7 Identified Barriers and Opportunities to the Housing Building Programme

This section identifies the barriers that were identified in relation to the Council's house building programme through both the desktop review and witness interviews. It considers each identified barrier and offers possible solutions to address these.

### 7.1 Political and Corporate Commitment

#### Barriers/Issues

There is both clear political and corporate commitment to deliver the Council's house building programme.

The Corporate Plan commits to deliver the house building programme, and an interview with the Chief Executive confirmed that more and better housing is the Council's main priority.

While this cross party commitment to house building is very positive there was some concern expressed that the expectations of what can be achieved within timescales is not realistic or achievable.

It was felt that both corporately and politically there may be a need to raise awareness of the issues encountered that have hindered the building programme, which is primarily linked to the availability of land and issues with sites, to ensure that expectations are realistic and can be met.

The Regeneration team is in the process of arranging a briefing session with McBains for some Elected Members.

#### Moving Forward

Holding an awareness raising session with Elected Members and Senior Managers would provide an opportunity to explore the issues encountered that hinder house building progress, alongside understanding the process and timescales involved in the delivery of housing. This approach would ensure that expectations are set, and understood widely.

In addition to this as part of this review the Regeneration team have provided an indicative timeline illustrating the steps required from identifying a potential site to the handover following completion. This timeline includes indicative timescales associated with each step. This can be found in appendix 3.

#### **Recommendation 5**

It is recommended that an awareness session is held with Elected Members and Senior Managers to ensure that the house building process is better understood, and that expectations can be managed and are achievable.

## 7.2 Measurable Targets

### Barriers/Issues

While there was a perception amongst Elected Members that house building targets were contained within the Corporate Plan and HRA Business Plan these documents do not contain any measurable targets. The Corporate Plan identifies 'more and better housing' as its first priority. One of the identified goals with the plan is to 'Deliver much needed housing at truly affordable rents on long term secure tenancies,' and 'Delivering the house building programme with a wider choice of housing types of all tenures' which will include affordable, social rented and council housing.' The Housing Capital Programme sets out the capital budget against a number of schemes.

The Pipeline programme identifies around 875 of units of development opportunities over the next 14 years. This includes 95 units where planning permission has been granted.

The Council does not have a measurable house building targets, and therefore is unable to compare supply against targets in order to measure its success.

The Regeneration team has confirmed that targets will be set from 2021/22 onwards.

### Moving Forward

Clear, tangible and measurable targets will help to ensure a clear focus on the housebuilding programme, enabling the Council to monitor its progress. However, it is important that when setting these targets they are realistic and take into account the other issues identified throughout this report, including the issues around land and sites.

In addition to this there is a need for clear governance arrangements to oversee the housebuilding programme. The Council needs to set out what will be delivered and by when, with regular update reports to SMB.

### **Recommendation - 6**

In order to ensure a focused approach on housebuilding it is recommended that achievable annual house building targets are set, and progress against these targets should be reported quarterly.

## 7.3 Strategic Direction

### Barriers/Issues

The Local Plan that the Council is currently working to is dated 2007, there have been a number of delays in developing the new plan, which went to full Council on 10/12/20 alongside the supplementary planning document. These are the tools that are needed to inform delivery and negotiate with developers.

The Strategic Housing Market Assessment has been recently updated in order to inform the Local Plan. However, it does not break down the affordable housing need by property size.

Work is ongoing to develop a new Housing Strategy, with a draft in progress and due to go to Cabinet in the 21/22 municipal year. The draft strategy includes a priority to develop the Council's house building programme, but at the moment lacks any further detail as to what will be developed and how.

The draft Housing Strategy recognises the need to produce a Council house building delivery strategy that identifies systems, processes, a pipeline of sites, funding and tenure models. The strategy identifies the following action points:

- Establish funding mechanisms to implement Council House Building including use of RTB receipts, additional HRA borrowing, cross subsidy schemes for mixed tenure developments and investing return from potential sales into future schemes.
- Maximising opportunities to deliver new Council Housing on Council land by creating a pipeline of sites, which are being taken through the development process.
- Investigate the feasibility of acquiring new Council housing via open market purchase.

The creation of such a delivery strategy would help provide a lot of clarity about the process and returns which would help achieve much greater understanding internally about how the Council delivers its housebuilding programme.

Both the Housing Strategy and Local Plan are critical in setting out the clear priorities for housing development across the town. To deliver a successful house building programme clear strategic direction is critical.

Although it is not considered that the lack of these documents would have directly impacted upon the success of the house building programme. However moving forward a much clearer strategic direction would be advantageous.

### Moving Forward

The Strategic housing role requires:

- clear vision and strong leadership – ensuring housing, planning, economic development and regeneration work together and are integrated with other functions to influence the housing market, making choices and trade offs about land use
- market focus – clear evidence and understanding of the need/ demand/ mix of housing required
- strategic approach – Local Development Framework core strategies, sustainable community strategies and housing strategies setting out how to deliver the strategic vision
- Planning supply of new housing, and making best use of existing stock, including effective use of housing assets
- partnership – working across administrative boundaries with various stakeholders including housebuilders, developers, communities
- delivery – commissioning and delivery with partners, including through Local Area Agreements

- monitor and review – is the approach working?

A Housing Strategy is at the heart of the arrangements for housing and planning through its links with the Local Plan and its strategic role in directing investment in housing and housing related services locally. It sets out a strategic vision for the delivery of housing and housing related services and the outcomes that it will seek to achieve.

#### **Recommendation - 7**

In order to ensure a clear strategic vision for the delivery of housing the new Housing Strategy should be finalised and adopted.

### **7.4 Land and Site Issues**

#### Barriers/Issues

One of main reasons identified for the slow progress of the housebuilding programme is the limited land available across Harlow. Low land values also make development more difficult.

The original Harlow New Town was built after World War II to ease overcrowding in London and the surrounding areas due to the devastation caused by the bombing during the Blitz. Harlow was a result of the New Towns Act of 1946, with the master plan for Harlow drawn up in 1947 by Sir Frederick Gibberd.

The town was planned from the outset and was designed to respect the existing landscape. A number of landscape wedges - which later became known as Green Wedges - were designed to cut through the town and separate the neighbourhoods of the town. The Green Wedges are protected from inappropriate development, through the Local Plan. During the formation of the new local plan, a number of Council owned sites were removed from the local plan for development due to being in Green Wedges.

Harlow is a small town, measuring 6 miles across, and as such opportunities for large scale developments are limited. As such the Council's housebuilding programme has primarily focused on Council owned land, which includes a number of ex-garage sites.

The majority of identified sites within the pipeline programme are ex-garage sites, and as such are small plots with the opportunity to only develop a small number of units on the site, and as such are not always economically viable. The garage sites are not easy sites upon which to develop due to access constraints, parking issues, the limited size of the sites and other complications.

In addition to this there have been a number of varying issues that have arisen on many of the proposed development sites. (Including a potential 2<sup>nd</sup> World War bomb, covenant issues, Norman Church, land designated for allotment use requiring authorisation from the Secretary of State to change use). These issues have led to a number of delays in the build programme.

The complications linked to a number of the proposed sites have resulted in a higher build cost per unit, and as such may not be financially viable to develop.

Financial viability – Each of the schemes that is identified need to be financed and borrowing needs to be covered by rental income, therefore appraisals need to be undertaken to ensure that schemes are financially viable. It is for this reason that a small number of sites have not been taken forward as they fail to stack up financially. The Council has recently invested in software (Pamwin) to enable this to be done robustly.

Through consultation with staff a potential opportunity was identified for the Council to begin to engage earlier with major site developers to explore opportunities for the Council to acquire land from them. While Developers will be able to get more money from open sales the value of an early sale may be attractive, and the acquisition of land would enable the Council to undertake much larger developments.

### Moving Forward

There is a need to have a clearer and more defined process for agreeing which sites are to be developed with agreed minimum outcomes (in particular the number of units to be built on each site and or the return expected from each site or overall). Without such clarity there is a risk that numerous feasibility studies are produced or different schemes drawn up which then are not progressed. If there are clearer principles setting out the expected number of units at the outset this should reduce the need for multiple feasibility studies on the same site in the majority of cases.

The Council also needs to make clear decisions in relation to awkward sites, and recognise at the outset that the built cost per unit will be higher or consider selling the sites to enable cross subsidy or an alternative approach.

#### **Recommendation - 8**

Develop a defined process for identifying and agreeing sites with a minimum number of agreed outcomes.

#### **Recommendation - 9**

Have a clear decision making process for awkward sites with a high build cost.

#### **Recommendation – 10**

Explore the opportunity of acquiring both land and property from major site developers both within Harlow and neighbouring districts.

## 7.5 Staff personnel and turnover

### Barriers/Issues

Through interviews it was identified that there had been a total of 4 different Officers responsible for leading the Council's house building programme (including through the Pathfinder programme) over the last 5 years. This also included a period of 18 months in which an interim post holder was appointed, and during this period progress was very limited due to their time being taken up with a very difficult development.

It is not clear from the interviews as to the reasons for these issues in relation to staff retention, although subsequent conversation suggest it could be related to the salary range of the post. However these constant changes in the officer with lead operational delivery will no doubt have impacted upon the momentum of the build programme. Views were also expressed that the change in staff led to the redesign of some schemes over the intervening years, which may also have contributed to delays.

The current Housing & Regeneration Manager commenced in post in February 2020, and the general view from the witness interviews was that since his appointment progress seems to have improved, despite the impact of Covid throughout this timeframe.

### Moving Forward

The recruitment process needs to ensure that the right personnel can be appointed and that salaries are in line with other LAs to ensure that individuals of the right caliber can be appointed and retained.

#### **Recommendation 11**

The importance of appointing and retaining the right person to lead the housebuilding programme is critical to its success.

#### **Recommendation 12**

Focus on staff retention through the appraisal process.

## 7.6 Resources

### Barriers/Issues

In relation to resources there is one Housing and Regeneration Manager who has operational day-to-day responsibility for the Council's house building programme, with support from a Regeneration Project Officer.

This is a small team, and there were varying views as to whether this was a sufficient resource to deliver the house building programme.

At this point in time it is not clear that if resources were to be increased this would lead to an increase in house building, given the issues with land and sites identified within this report.

To understand this further it would be useful to undertake a benchmarking exercise with a similar sized local authority with similar challenges around land and sites.

It was also identified that project management expertise within the team would ensure a more coordinated approach; ensuring projects were managed within timescales, effective communication between services took place and that there was a cross-service integrated approach.

### Moving Forward

In order to understand if additional staffing resources would lead to an increase in the number of successful Council homes completed, there may be value in undertaking a benchmarking exercise with similar authorities who have had a successful build programme to understand what level of resources may be required.

#### **Recommendation 13**

Undertake a benchmarking exercise to understand if an increase in staffing resources would be likely to lead to an increase in developments.

#### **Recommendation 14**

Ensure that project management expertise is embedded within the team responsible for housebuilding either through existing resources or via a project management officer.

## **7.7 Joined up Working**

### Barriers/Issues

It was identified by a number of witnesses that historically work between different departments was not as joined up as it could be. Issues were identified in the past with both planning and housing becoming involved too late in the process, when earlier involvement could have helped identify solutions to potential planning issues and help inform the design, both in relation to managing out ASB and fixtures and fittings.

Since the new Housing and Regeneration Manager has been in post fortnightly meetings have been established with housing, at the time of writing the report this meeting will be expanded to include finance and planning officers.

It is also recognised that throughout the pandemic many staff have been working from home, which can impact upon the ability to work jointly when staff members are remote.

### Moving Forward

Establishing an Officers Project group with consistent membership that meets regularly will ensure a joined up approach to delivering the Council's housebuilding programme and can ensure that planning, financial implications, and design issues can be considered from the outset of each proposed site. This would ensure closer corporate alignment to ensure opportunities can be maximised and that issues and barriers can be quickly identified and solutions found.

#### **Recommendation -15**

Establish an Officers Project Group to meet regularly with representation from Housing, Planning, Finance and chaired by Regeneration, with the involvement of contracting partners where appropriate.

## **7.8 Procurement of Consultants**

### Barriers/Issues

Due to procurement regulations there was a requirement to undertake a procurement exercise to appoint consultants to support the Council with its house building programme.

The role of the consultants is to act on behalf of Harlow Council to:

- Provide multifunctional services to include architectural design to RIBA stage 7
- Planning applications and discussions with third party consultants to obtain planning consents,
- Carry out specific site investigation surveys, investigate and incorporate the use of Modern Methods of Construction on relevant sites
- Lead on the procurement of contractors
- Produce accurate costings of construction costs for each scheme
- To hold regular meetings prior to construction and all the way through to completion
- Carry out quality control checks on contractors, sub-contractors and consultants.

This resulted in the former consultants Faithful and Gould being unsuccessful and new consultants McBains being appointed.

It has been identified that this process contributed to delays in the housebuilding programme, and in addition to this it has taken time to establish new working relationships with McBains, however, the new relationship is now working well.

### Moving Forward

#### **Recommendation - 16**

It will be important to recognise that any further procurement exercises when the current contract with McBains comes to an end has the potential to introduce delays.

## **7.9 Planning**

### Barriers/Issues

While it was reported that individual relationships with planners are very good, there were some concerns expressed that the planning process is slow, and can contribute to additional delays. The development management team is a small team with limited resources, although the Council is tackling this through the introduction of pre-application charges, which should help fund sufficient resources within the team.

It was also identified that there were opportunities when both Regeneration and Housing could have involved Planning at a much earlier stage, this could have allowed different approaches to be considered, saving time and resources in the longer term. Meeting with planning at the pre-application stage would be advantageous moving forward.

Once again it was identified that working remotely due to Covid has made it more challenging to establish good work practices with other teams.

### Moving Forward

It is suggested that Planning, Housing and Regeneration meet to identify opportunities to address the issues identified above.

#### **Recommendation - 17**

Hold a meeting with planning, regeneration and housing to identify opportunities to overcome some of the delays within the current process.

#### **Recommendation – 18**

Ensure that meetings with planning take place at the pre-application stage.

## **7.10 Covid**

The impact of the pandemic is likely to have also led to delays in progressing the housebuilding programme since March 2020.

It is also acknowledged that remote working due to the pandemic is likely to have made it more challenging for services to work together effectively.

The construction industry has been hit hard by the COVID-19 lockdown. Output dropped 40 per cent in April; 148 job vacancies were estimated in June to be down 54 per cent on the quarter.

### **7.11 The Role of HTS**

HTS were established as a company to deliver the Council's building and environmental maintenance. More recently a subsidiary Housing and Regeneration company has been set up, the intended aim was to be able to submit business cases for new build and refurbishment of housing properties.

To date HTS has not yet had the opportunity to develop Council houses on behalf of the Council. Some frustration was expressed in relation to this by HTS staff and Elected Members. There was some concern expressed by Council staff that HTS may not have sufficient expertise and experience to deliver the Council's house building programme.

To progress this and provide HTS with an opportunity to demonstrate their ability to successfully deliver social housing for the Council it has been agreed that they will develop the Stackfield and The Hill site.

#### Moving Forward

The Stackfield and The Hill development will provide HTS with the opportunity to demonstrate their skills and expertise.

#### **Recommendation - 19**

Work with HTS to develop, plan and deliver future housing and regeneration schemes through a structured process.

### **7.12 Modern Methods of Construction**

Elected Members, together with Officers, are keen to explore modern methods of construction (MMC) and understand the opportunities it may bring. The following perceived advantages are associated with MMC.

- Tackling the skills shortage.
- An easier method of compliance to building standards.
- The ability to achieve high standards, including high thermal and acoustic performance.
- A reduction in waste materials, with a larger incentive for suppliers to reduce waste.
- Shorter build times.

- A better quality construction in finish with fewer defects.
- A reduction in both accidents and health concerns.
- Construction that is less effected by inclement weather during the build.
- Less local disruption in the form of noise dust and site traffic.
- Fewer and less skilled trades required on site.
- Creation of employment in a fixed location due to the permanence of the factory resulting in shorter distances for the workforce to travel and thus making workforce shortages easier to address.
- Reduced cost/increased cost certainty, not only due to decreased erection time and economics of scale, but also due to a reduction in preliminaries, site storage requirements and welfare facilities
- Improved traceability of components enabling improvements to maintenance regimes.
- Improved accuracy and tolerances, due to the use of jigs and templates in factory conditions
- Reduced life-cycle costs
- Increased accuracy on completion dates
- A more simplified procurement process
- Reductions in CO2 emissions.
- Increased on-site productivity
- Generally increased 'value' of products
- Increased rate of housing supply

There are however, a number of potential barriers these include:

- Real or perceived additional cost and the lack of accurate cost data.
- Long lead-in times and the associated difficulties in integrating MMC's with traditional procurement systems.
- Client's negative perception.
- The lack of published information and guidance.
- Increased risk and the industries reluctance to change.
- The lack of published codes and standards.
- The lack of local availability of the materials.
- The lack of experience of the construction process and the materials.
- Difficulties obtaining finance.
- Insufficient worker skill.
- Difficulties in achieving economics of scale.
- The fact that the quality and durability of the techniques over time have not been proven.
- Difficulties integrating MMC's with traditional works.
- The inflexibility of factories to respond to fluctuating demand.

## 8 Good Practice and Innovation

This section reviews national good practice and innovation in the housebuilding sector.

### 8.1 Inside Housing Research<sup>2</sup>

Inside Housing undertook research in October 2019 to understand the progress of Councils' House Building Programmes a year after the removal of the borrowing cap on the Housing Revenue Account, giving councils the freedom to borrow to fund their ambitions to build at scale for the first time in a generation.

Data was obtained by Inside Housing through Freedom of Information request to 240 Local Authorities in England. Of the 240 councils, 131 have directly delivered new housing since 2014/15. Together, using all mechanisms, they have completed 18,999 net additions, meaning the total added to the country's stock (essentially new builds plus conversions minus demolitions).

The research identified that the biggest builder was Birmingham City Council, with 2,207 homes completed over the period analysed, all through Birmingham Municipal Housing Trust (BMHT) – an enterprise established in 2009 as a means of delivering new HRA housing. Of these, 416 were for social rent, 893 were for affordable rent and 898 were for market sale. They have been able to achieve such a high level of developments through a high level of for-sale homes which has enabled BMHT to sustain high levels of activity.

The HRA is very much the dominant delivery mechanism according to the research, accounting for 73% of homes completed. Housing companies, including joint ventures and homes retained by ALMOs, made up 22%, with 5% otherwise delivered using general fund investment.

The report details the Local Authorities who have had the most success with their house building programmes, Harlow may wish to consult with these Local Authorities to understand if there is any good practice that can be replicated locally.

### 8.2 HQN – Innovation in House Building<sup>3</sup>

In 2018 HQN produced a report focusing on innovation in house building. It identifies the following eight key interrelated themes:

1) Local case for council housebuilding - It is essential to continually highlight the benefits of council housebuilding to local stakeholders including tenants. These benefits include:

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<sup>2</sup> <https://www.insidehousing.co.uk/insight/insight/council-housebuilding-back-with-a-vengeance-63510>

<sup>3</sup>

<https://www.local.gov.uk/sites/default/files/documents/Innovation%20in%20council%20housebuilding%20-%20full%20document.pdf>

- Addressing local housing requirements that are not being met by other providers, such as developing properties that meet the needs of homeless households (and therefore link with the focus on homelessness reduction)
- Investing in neighbourhoods where there has been little action in recent years
- Setting high-quality design standards
- Creating added value through training and jobs for local people and boosting the local economy by supporting small and medium enterprises in the supply chain
- Growing in-house development skills that can also be used elsewhere in the council.

2) Flexibility - Council housebuilding is part of the solution for boosting the affordable rented housing supply. It can, however, be integrated with other types of provision to ensure mixed tenure neighbourhoods. This might include low-cost home ownership, open market sale and private sector build-to-rent. It requires a willingness and flexibility to co-operate with housing associations and other providers, especially on larger sites.

3) Quality as well as numbers - There is a need to focus on supply but also on paying attention to the quality of homes and neighbourhoods. Involving existing tenants and communities in planning the redevelopment of council estates, can lead to a focus on the provision of a range of housing types and improved local facilities such as schools and community hubs.

4) Exemplars - For example, providing high-quality environmentally sustainable homes through the use of in-house design standards can be used to encourage other housebuilders to 'up their game' and address concerns frequently raised by residents over the relatively poor quality of new housing provision.

5) Opportunities - There are significant local (as well as national) challenges such as the unavailability of sites and lack of skills. Strategies to address the lack of sites, include:

- purchasing land on the open market
- making use of planning agreements to purchase properties
- working with public and private landowners to unlock sites
- developing mixed tenure neighbourhoods (including council housing) on large strategic sites.

In relation to upgrading skills, actions include in-house training and apprenticeship schemes, use of external consultants, sharing staff between councils and working with housing associations and other providers which can provide some of the necessary expertise.

6) Collaboration - This includes:

- Co-operation within councils to co-ordinate council housebuilding as part of their housing enabling role with asset management policies, planning strategies, regeneration plans and training initiatives
- Involving tenants and local communities in the design and delivery of regeneration schemes

- Working with other partners including adjoining councils, housing associations and housebuilders on sharing expertise, unlocking strategic sites and developing mixed tenure neighbourhoods.

7) Leadership -Local leadership is key. Making sure housebuilding is at the top of or high up the local agenda

8) Localism - One of the many strengths of council housebuilding programmes is that they have been designed to reflect local circumstances.

The major recommendations of the HQN report for councils are:

- Develop a strategic framework that sets out the role and function of council housebuilding to address local issues
- Ensure there is political commitment
- Emphasise the added value of council housebuilding, for example providing training and apprenticeships and helping the local construction supply chain
- Ensure that there is a full understanding of the funding opportunities for council housebuilding
- Promote the exemplar role of council housebuilding in encouraging other developers to 'up their game' in terms of quality
- Collaborate with housing associations and developers to address issues such as skills gaps
- Work with adjoining councils and, where appropriate, combined authorities over joint initiatives on council housebuilding, such as sharing expertise
- Have 'shovel-ready' schemes that can be brought forward in response to government funding initiatives
- Take an active role in debates on the future of council housing by, for example, commenting on the Social Housing Green Paper and participating in other national inquiries.

A significant message of the report is the importance of 'doing' - it was vital that the council is seen to be taking action by other providers and by the community.

The report identifies the following case studies where Local Authorities have taken an innovative approach.

<b>Babergh and Mid Suffolk district councils:</b> these two adjacent councils have a single integrated staffing structure and have developed 65 homes through the HRA over the last three years. In the case of Babergh, these are the first new council properties for nearly 30 years.
<b>Cambridge City Council:</b> over 200 council homes have been developed between 2010 and 2017. The council intends to use affordable housing funding through the devolution deal for the Cambridgeshire and Peterborough Combined Authority to continue this programme.
<b>Cheltenham Borough Council:</b> through its ALMO, Cheltenham Borough Homes, there has been added value created by its development and modernisation programme that incorporates an employment initiatives service to address worklessness.
<b>Harrogate Borough Council:</b> there is a long-standing commitment to develop homes through the HRA and the council has built up in-house capacity, including a design team and a viability assessment unit.
<b>Hartlepool Borough Council:</b> has re-opened its HRA to help develop new

affordable homes in the area.
<b>Winchester Borough Council:</b> has built 100 council properties since 2012 and held discussions with the Government in 2017 over additional funding to develop a programme of 100 new units per year.
<b>York City Council:</b> has developed nearly 80 council houses since 2015 and has been negotiating with Homes England over the setting up of a housebuilding fund for 2018/19 to 2023/24.

The full report details a number of case studies, and while none of the Local Authorities are directly comparable to Harlow, there may be learning that can be embedded at a local level.

### 8.3 Other Good Practice and Innovation

#### Newham Council

Populo Living, Newham’s wholly owned housing company, has been working with the council to develop an in-house modular construction programme to boost the supply of affordable homes in the borough.

Newham’s cabinet has approved Populo to use 10 council blocks with the potential to deliver more than 200 London Affordable Rent homes, which will see affordable homes built on the rooftops of existing council-owned blocks.

London Affordable Rent is a tenure designed by the mayor of London and is generally slightly more expensive than social rent. An initial assessment of the council’s existing stock suggests that at least 500 homes can be delivered using this method.

Existing tenants in the selected blocks would be the first to be offered the new London Affordable Rent homes, freeing up council homes for those on Newham’s housing waiting list.

The new homes will be built to zero-carbon standards and will also be cheaper to run for residents. Upgrades to the existing blocks would be carried out as part of the programme in order to significantly reduce their carbon footprint.

Analysis by Populo suggests that this approach could reduce the cost of building social housing by up to 25%.

#### Cambridge City Council

Cambridge City Council developed 356 properties between 2014 and 2019 through its housing development agency team, which has 9 members, this is complemented through wider support from other teams across the Council. Alongside the development officers and project managers the team also has a post to support decanting due to the number of regeneration projects.

Key to the Council’s delivery has been political support, senior leadership and a deadline to deliver to, which has helped difficult decisions to be made, failure to do this would result in funding being lost.

A large proportion of the programme has been delivered through the Council's investment partnership with Hill (a housebuilding company that operates across London and the South East). This has meant that the Council this has been able to deliver at speed and has been able to get on with planning applications/start on sites. The Council is also able to utilise resources from Hill throughout the project.

The Council has secured land on the open market, the partnership with Hill has helped this as they are already in this market locally. The Council has also purchased some small sites that the Council had a unique position on due to land the Council owned being next to it.

In terms of property types, by owning the land the Council is able to drive the development forward, although there is always the balance between political drivers e.g. as much rented housing as possible, commercial objectives and viability to strike as part of this.

Further information is available by talking to Claire Flowers, Head of Housing Development, Cambridge City Council

[Claire.Flowers@cambridge.gov.uk](mailto:Claire.Flowers@cambridge.gov.uk)

#### Cheshire West & Chester Council

Despite starting a development programme only 3 years ago, at a time of significant austerity, Cheshire West and Chester Council is now one of the largest developers in the borough which is an impressive achievement for any new operation.

The Council's Investment and Development Team lead on the house building programme, and comprise of a team of 4 with support from Housing Strategy (0.5 FTE) and the Strategic Housing Manager (0.2 FTE). The Council has also engaged legal consultancy services and support from its Housing Stock Management company.

The 230 new Council homes that are now coming to fruition are only the start of an ambitious five year programme which will provide a total of 1700 new units, including shared ownership, starter homes, private rented and market home ownership properties, accelerating the pace of delivery of new homes whilst providing attractive and successful neighbourhoods.

To date all the properties both completed and in the pipeline have been provided on Council owned sites. More details of the delivery mechanisms for having achieved this can be found in appendix 4.

The main barriers to the programme have been:

- Getting the initial political buy in, to not receive capital receipt for sites.
- Obtaining planning permission
- A detailed building spec and loophole free development agreement.
- Site supervision

The Council has been successful in securing Homes England grant and as they have their own stock there is some in house expertise. It was decided very early on that setting up a separate Development Company would be more time

consuming and expensive, which was the right decision for the Council, but the Council commented that it can be incredibly stressful managing the minutiae and for latter projects the employment of site supervision has been a significant improvement.

With regard to market led schemes and influencing RPs to bring forward sites, the Council has had mixed success. The Council has a good relationship with all 20+ RPs developing in Cheshire West and Chester: The Council has regular one to ones with individual RPs and hold a quarterly meetings with all the RPs, LEP, and Homes England to ensure a strategic approach to housing delivery. The Council is currently collectively mapping the pipeline for the next 5 years against demand so that it can assess the mix, type and location of future developments and guide RPs as to which s.106 units they would prefer them to pick up.

There has been reasonable success in dealing with developers, the Council's planning policy is quite prescriptive and planning officers actively encourage developers to engage with Strategic Housing as part of the planning process so that they can be guided on the appropriate mix and type of housing. In addition the Council rarely takes commuted sums, so where viable, affordable housing is being provided on site. With regard to bringing sites forward, Cheshire is an attractive area for housebuilding (financially) and to date there has not been a shortage of sites coming forward. There are a number of brownfield town centre sites which are less attractive and the Council has locality based regeneration teams who actively engage with site owners to try to bring these forward for development. Rewards are beginning to be realised on these sites - but it has taken 5 years to make progress and there has been limited provision of affordable units. Given the current climate it is anticipated progress will slow.

Further information is available by talking to Rachel Rens, Housing Policy Officer, Cheshire West and Chester Council  
[Rachel.rens@cheshirewestandchester.gov.uk](mailto:Rachel.rens@cheshirewestandchester.gov.uk)

## **8.4 What Neighbouring Authorities are Achieving**

### Epping Forest

Epping Forest District Council is half way through its House-building Programme of building around 300 new affordable rented homes by 2024. These homes will supplement the Council's existing stock of around 6,500 properties and help to house the 1,500 people who are waiting for a home on the housing register.

Phase One of the Programme completed in 2017, delivering 23 new affordable rented homes in Waltham Abbey, all of which have been let to local residents in housing need. These developments were small development over 5 sites. (between 2- 4 homes on each site).

Phase Two of the Programme is now complete and delivered 51 new homes in Debden, over 4 sites, these developments were slightly bigger (between 11 – 19 homes on each site).

Phase Three of the Programme is also complete, providing a further 18 new homes over 7 sites.

The Council has also purchased eight brand new homes off-plan from Linden Homes in Roydon. Along with 18 open-market properties for renovation from 2019 to date.

A further scheme of 12 new houses is nearing completion, and work has embarked on phase four which will provides a further 14 homes.

**Recommendation - 20**

It is recommended that the Council undertakes further research into highlighted good practice in order to identify what learning and opportunities could be embedded locally.

**Additional Recommendation agreed by the Scrutiny Committee**

**Recommendation - 21**

Carry out a review of the Council's learning and development, guidance alongside the appraisal process for staff delivering the Housing Building Programme.

### List of Witnesses

In undertaking the review of the house building programme a number of witnesses were interviewed for their views, particularly in relation to progress to date, identified barriers and possible solutions.

These interviews were undertaken on a one to one basis over the telephone or via Zoom.

- Cllr Simon Carter
- Cllr Bob Davis
- Cllr Mark Ingall
- Cllr Mark Wilkinson
- Brian Keane – Chief Executive, Harlow Council
- Simon Freeman – Head of Finance and Property, Harlow Council
- Jane Greer - Head of Community Wellbeing, Harlow Council
- Andrew Murray - Head of Housing, Harlow Council
- Andy Start - Housing Regeneration and Development Manager, Harlow Council
- Alison Fox - Regeneration Project Manager, Strategic Housing, Harlow Council
- Wendy Makepeace - Senior Housing Operations Manager, Harlow Council
- Cara Stevens - Senior Housing Operations Manager, Harlow Council
- Lee Johnson - Regeneration Project Review Officer, Harlow Council
- Lisa Whiting - Housing Options & Advice Manager, Harlow Council
- Alex Chrusciak - Planning and Building Control Manager, Harlow Council
- Michael Harrowven – Non Executive Chair, HTS
- John Phillips – Managing Director, HTS

### History of Social Housing

#### Introduction

In 1919 the Addison Act introduced the notion of housing as a national responsibility and launched the first major wave of social housing in this country. By 1981, the number of social homes peaked at almost 5 and a half million. Today England has just over 4 million social homes, despite demand for affordable housing increasing.

#### Overview

By 1939, 1.1 million homes had been built by local councils, and 10% of the population lived in social housing, up from 1% at the end of the war. The aftermath of the Second World War saw the government embarking on an ambitious social house building programme. The need to build new homes was one of the drivers behind the passing of the *Town and Country Planning Act 1947*. The 1947 Act introduced a requirement for planning permission to be granted for both constructing and changing the use of a building. It also enabled the state to compulsorily purchase land at levels close to existing land value, and, alongside powers provided within the *New Towns Act 1946*, enabled the establishment of the New Towns.

In the 1980s there was a significant shift in housing policy. After two decades of record housing delivery, supply was no longer considered a significant issue by many. The *Town and Country Planning Act 1959* and the *Land Compensation Act 1961* had introduced new compensation arrangements for landowners, which reduced the ability of the public sector to purchase land at low cost.

The *Housing Act 1980* introduced the Right to Buy policy which allowed occupiers of social homes to purchase them from the local authority and become homeowners. Restrictions on borrowing were introduced in the 1980s meaning that Local Authorities could only borrow money for capital expenditure to the limits imposed by central government. In comparison, housing associations were given access to public grant funding, which they could combine with private finance.

In 1988, to further reduce public sector borrowing, councils were asked to transfer much of their social housing stock to housing associations. This led to a long-term shift in the ownership of social housing. In 1980, housing associations provided 7 per cent of all social housing. By 2008, housing associations provided over half, and as of 2019 they provide 61%.

Following the 2007–08 global financial crisis the coalition government from 2011 reduced social housing grant by more than half, compared to the 2008–11 programme, as part of the overall austerity strategy to reduce government spending. To continue to meet social housing need, housing associations began to rely more on 'cross-subsidy' from selling houses on the market.

## Social Housing Today

Social housing stock peaked in England in 1981 at 5.49 million homes. As of 1 April 2019, the number stood at 4.13 million, some of which are rented out at a higher rent

The House of Commons Library noted that the decline in social housing can be attributed both to a decline in new supply and depletion of existing stock, including through Right to Buy. On the decline of social rent properties in particular, factors they list include: the lack of a requirement to replace Right to Buy sales on a like-for-like tenure basis; the switch of new-build output towards affordable rent; and the conversion of social rent to affordable rent when re-let.<sup>1</sup>

As the amount of social housing has declined, demand for affordable housing has increased.

## The National Picture

A report by the Housing, Communities and Local Government Committee to the House of Commons, Building More Social Housing<sup>2</sup> dated July 2020 identifies that England needs at least 90,000 net additional social rent homes a year and the Government needs to invest accordingly. The sector estimates that £10 billion in extra grant funding will be needed.

In 2019 less than 7,000 social rent homes were built, despite evidence that England needs around 90,000 more social rent homes a year for the next fifteen years. The report identifies that increased central government grant is necessary because the current funding model is not delivering what is needed.

It also identifies that a social house building programme should be top of the Government's agenda to rebuild the country from the impact of COVID-19.

"The crisis has exposed the broken housing system. Families in overcrowded homes have faced worse health outcomes. Private renters have struggled to meet housing costs. A large social house building programme will provide jobs, boost the economy, and help the Government meet its 300,000 homes a year target. It would also help to significantly reduce the number of people suffering from homelessness, reduce the number of families in overcrowded homes, help families reduce their housing costs, as well as reduce pressures elsewhere in the housing system."<sup>3</sup>

The report also recommends that Government can significantly reduce the extra public spending required by reforming land value capture, assembling and using public land for social housing, and redistributing from existing budgets. Recommending that Homes England takes a central role in co-ordinating public land to be used for social housing, by identifying sites and purchasing private

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<sup>1</sup> House of Commons Library, [What is affordable housing?](#), CBP 7747, 23 December 2019, 3.2

<sup>2</sup> <https://publications.parliament.uk/pa/cm5801/cmselect/cmcomloc/173/173.pdf>

<sup>3</sup> <https://publications.parliament.uk/pa/cm5801/cmselect/cmcomloc/173/173.pdf>

land. This coupled with reforms to the Land Compensation Act 1961, would ensure that land is easier to purchase and more affordable.

Lastly it recommends that local authorities should receive 100% of Right to Buy receipts and have longer to spend them.

Data from the Office for National Statistics found that land in the UK was valued at 51% of the country's net worth in 2016, compared to an average of 39% in other G7 countries. The Committee's report recognises that social housing providers identify the cost of land as one of the most significant barriers to delivering more social housing. A study by Civitas in 2018<sup>4</sup> identified that if land could be obtained at cheaper prices, the cost of the entire national house building programme could drop by almost 40%.

The Royal Town Planning Institute found that 90% of local authorities not engaging in housing delivery said it was due to lack of land, and that councils that were building primarily used their own sites.

The Committee's report concludes that the cross-subsidy model has reached its limit. "Without grant funding from central Government, providers will be vulnerable to the economic impact of COVID-19. Housing associations have commendably made up for reduced Government grant investment in the last decade by developing homes for sale and investing these proceeds, but the subsidy gap remains high for social rent. The Government believes housing associations can continue to financially innovate to build more homes, despite registered providers telling Ministers they have reached the limit of their flexibility. If the Government does not increase grant funding, social rent housebuilding will not increase and may drop even further."<sup>5</sup>

### **Recovery from COVID-19**

In June 2020, the OECD forecast that the UK would suffer the worst drop in GDP— 11.5%—of any country in the developed world, and would not return to early 2020 levels until at least 2022.

It is widely recognised that housing will be an important part of the national recovery from COVID-19. As the impact of the pandemic has worsened, it is those in the most acute housing need that are among the most vulnerable to infection. The Office for National Statistics (ONS) found that people living in more deprived areas had experienced COVID-19 mortality rates more than double those in less deprived areas.<sup>6</sup> Subsequent analysis of the ONS statistics

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<sup>4</sup> Civitas, [Reform of the land compensation rules: how much could it save on the cost of a public-sector housebuilding programme?](#), March 2018

<sup>5</sup> <https://publications.parliament.uk/pa/cm5801/cmselect/cmcomloc/173/173.pdf>

<sup>6</sup> Office for National Statistics, [Deaths involving COVID-19 by local area and socioeconomic deprivation: deaths occurring between 1 March and 31 May 2020](#), 12 June 2020

by *Inside Housing*—which did not weight for underlying health conditions or concentrations of care homes—found that areas with more households in temporary accommodation and those with the most pronounced shortage of social housing experienced higher mortality rates.

The Committee’s report recommends that a social house building programme should be top of the Government’s agenda to rebuild the country from the impact of COVID-“The crisis has exposed our broken housing system. Families in overcrowded homes have faced worse health outcomes. Private renters have struggled to meet housing costs. A large social housebuilding programme will provide jobs, boost the economy, and help the Government meet its 300,000 homes a year target.”<sup>7</sup>

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<sup>7</sup> <https://publications.parliament.uk/pa/cm5801/cmselect/cmcomloc/173/173.pdf>

**Indicative Programme of Housebuilding Scheme from Inception to Project Completion**

**Appendix 3**

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23			
Identify site																																									
Due Diligence (land ownership / Title Report)																																									
Valuation of land/site																																									
Appoint subcontractors (EA and Architects & Clerk of Works)																																									
Feasibility study/options																																									
Site clearance (if required)																																									
Topographical Survey																																									
Ground investigations																																									
CCTV drainage survey																																									
TPO Check																																									
Formal designs																																									
Submit to Planning																																									
Development Management Committee																																									
<b>Planning Decision</b>																																									
Detailed Design Stage																																									
Planning Conditions Discharge Application																																									
Building Control Application																																									
<b>Decision</b>																																									
<b>Building Control Decision</b>																																									
Tender Period																																									
Tender Analysis																																									
Tender Evaluation Report Issued																																									
Cabinet Report for appointment of Contractor																																									
Inception Meeting with contractor																																									
site																																									
Construction Contractor / Build Period																																									
Mid-way visit from Housing Officers																																									
Snagging																																									
Practical Completion																																									
Handover to Housing																																									
Defects Period																																									
Advertising to let																																									
Let Agreed																																									
Tenants move in																																									
End of Defects Inspections																																									
Project Completion																																									

*Note: This is only an indicative programme based on a six-unit development. The more units on the scheme, the longer stages of development may take.*

### Cheshire West and Chester

Despite starting a development programme only 3 years ago, at a time of significant austerity, Cheshire West and Chester Council is now one of the largest developers in the borough which is an impressive achievement for any new operation. Since its inception in 2009, the Council had a key aim to become “the best” and actively retained its housing stock with ambitious plans for housing growth and a political appetite for provision of Council properties to create a programme akin to the 1950s and 60s. This dream has now been realised with the completion of the first new rented Council homes in Ellesmere Port for nearly 40 years.

However, these new homes are part of a larger success story - about working with the private sector to create mixed tenure communities to kick start regeneration in the less affluent areas of the borough and the development of an innovative new housing delivery model which operates in all markets. The 230 new Council homes that are now coming to fruition are only the start of an ambitious five year programme which will provide a total of 1700 new units, including shared ownership, starter homes, private rented and market home ownership properties, accelerating the pace of delivery of new homes whilst providing attractive and successful neighbourhoods.

Covering a large geographical area, the borough of West Cheshire exhibits significant diversity with a historic city, another three large urban areas, market towns and rural areas of outstanding natural beauty. It has a prospering economy and is a key player in the sub regional LEP ambitions for a £50 billion economy with provision of 139,000 new properties across the three local authority areas by 2040, as part of the “Northern Powerhouse”.

Generally house prices and rents in the borough are high compared to earnings, with average house prices at £216,000 - 22% higher than the regional average and a median house price to income ratio of over 7. However, there are significant pockets of deprivation in the borough, with poor perception of some urban centres as a desirable place to live which is reflected by house prices being less than half the borough average and annual sales of only 1% of the existing stock. Despite this, there is an acute shortage of affordable homes borough wide, with over 5,000 households on the Housing Register and high demand for specialised accommodation for vulnerable residents. Added to this a decreasing proportion of the population is of working age, with a loss of graduates and key workers attracted to other areas.

‘Good quality and affordable housing that meets the housing needs of our diverse communities’ is a key outcome of the Council Plan: ‘Helping the Borough Thrive’. In 2014 the Council officially launched an ambitious housing and regeneration agenda outlined in the Housing Strategy for the Borough. This set out a vision ‘To deliver homes of the right type, quality and cost in the right locations in line with the current and future needs of the population, to ensure West Cheshire remains an attractive location to live and help ease affordability pressures’.

The Council had steadily been increasing the supply of homes built, with a focus on securing affordable housing in the borough, through an enabling role: By ensuring a ready pipeline of sites, influencing partners to provide specialist and affordable housing, planning gain and releasing the Council’s land assets for development. However, due to viability issues and unwillingness of market developers to increase build out rates or provide a wider mix and type of housing it was considered a direct delivery role working creatively with partners to

accelerate delivery was necessary to ensure a steady supply of new homes over the period of the Local Plan and beyond in order to support economic growth ambitions and meet residents needs, particularly in the less attractive urban centres.

A new housing and investment team was created and four employees, with no previous housing development or management experience, were tasked with identification and implementation of a new mechanism to develop mixed tenure housing on Council land which would stimulate private development in order to unlock growth, fuel labour markets and revive construction activity across the borough. A number of options were under consideration, with thinking centred on creating a separate development entity. However, the Government prospectus inviting Local Authorities to submit bids for additional HRA borrowing to build new affordable homes provided the perfect opportunity to combine provision of new Council homes with a wider regeneration programme. It involved creation of a cluster from 6 small blight sites consisting of obsolete garage units and under utilised retail units and two large vacant strategic sites in Ellesmere Port and Winsford. Besides kick starting further development, it was hoped the exemplary designs would improve health and well being outcomes in these urban areas of high deprivation.

The bid to increase HRA borrowing by £7.5 million in order to fund the building of 230 new affordable homes was successful with an additional £5 million of short term HRA borrowing to cash flow the development process, awarded through the Local Growth Fund. The £21M scheme to provide 210 affordable rent and 20 shared ownership Council homes facilitating the release and development of a further 370 market units, including private rented and Registered Provider Homes available to buy outright or through a flexible shared ownership scheme was approved at the end of 2014. The project was put out to tender with three distinct development agreements with Galliford Try, Keepmoat and Sanctuary Homes with a completion deadline of 2017/18.

The team embarked on a sharp learning curve and discovered the importance of close collaboration with its contractor partners, internal colleagues and the HCA. The minutiae of a complex project such as this with different developers, contractors and 8 brownfield sites all of which required intense day to day management threatened to overwhelm the team. The consultation with local communities, decontamination of land, and the timing of obtaining permissions to relocate and upgrade sports facilities, party wall negotiations, obtaining possession of garage units, relocation of businesses, removal of Designated Protected Area status, demolition, site security and accommodation of great crested newts were particularly testing with all team members developing a new skill set. The commencement of the build was a pivotal moment, with the team embracing the contract management role which led to completion of the first new Council homes in 40 years in summer 2017.

This however was only Phase One. The team were determined to make the most of their new development surveyor/management expertise. The Galliford Try agreement provided a recycled land value receipt which they supplemented with unallocated HCA Affordable Housing Programme grant and enabled them to work together on a Phase Two project to bring forward a further 3 mixed tenure residential schemes, with completion due in 2019/20. These will provide an additional 200 new homes of which 70 are affordable rented units to be managed by the Councils Housing Management Partner.

This application of commercial landlord and tenant principles to residential development led to Phase Three. A creative Housing Investment Model has been established with potential housing sites ring fenced so they can work in partnership with house builders: The Council

land assets are gifted to the developer in exchange for them building mixed tenure properties, The housebuilder is contracted to construct units owned by the Council which are then managed by the Council's housing management contractor, with the net revenue from the rents being available to the Councils General Fund. This phase will see the 900 new homes built by 2022, with 5 different tenure types; including around 500 homes for sale, 100 Starter Homes and 300 homes for affordable rent, shared ownership and private rented built on behalf of the Council.

The impact of this project has been multi-faceted:

- By investing in its staff assets the Council now has a flexible, skilled, valuable in-house Investment and Delivery Team who understand what works in terms of bringing forward the delivery of new homes and are embracing the exciting challenge of progressing a comprehensive residential delivery programme.
- In turn the ability to deliver good quality mixed tenure developments, which address local housing need in particular for affordable and specialised accommodation, has enabled closer working with the HCA and /MHCLG, drawing in Capacity, Starter Homes and Accelerated Construction funding and bids have been submitted for £80M of Housing Infrastructure funding to release a further 3000 homes - the majority of which are on brownfield private sites in regeneration areas.
- The creation of an innovative new delivery model which can deliver tailored, sustainable housing to the specification of the Council and operate in all markets as the schemes are mixed tenure and therefore not dependent on the level of capital receipt, just the number of homes the Council is prepared to accept.
- This new mechanism presents a low financial risk to the Council. It also has the benefit of a private developer running day to day operations whilst the Council retains a high degree of control and without the need for a Housing Company or SPV which can be complex to establish and manage and unlikely to create enough value to provide true mixed tenure communities.
- The new model delivers up to 5 different tenures on each site and a range of house types - from 1 bed affordable rent flats and specialised supported units to aspirational 4 bed detached market sale properties. These are all being built simultaneously, therefore doubling the pace of delivery compared to more traditional market-sale led developments. In addition, it has the added value of supporting the cash flow of SME developers by accepting property in lieu of land value.
- The programme has enabled the local authority to become a major place shaping developer: The "Healthy New Towns" ethos is a key part of the specification for sites, with the majority of affordable homes equivalent to "lifetime homes standard", landscaped green corridors including walking and cycling infrastructure improvements to connect communities with poor health outcomes and relatively high levels of unemployment with major employment and training sites, and investment in local education and leisure facilities including play facilities at a special needs school and state of the art 4G pitches at the local academy. It is also assisting local

employment and reducing the construction skills gap through the inclusion of apprenticeship clauses in build contracts.

- Removal of vacant and obsolete buildings, subject to anti social behaviour and blighting the local community has increased confidence in the area. Ellesmere Port in particular, is now experiencing a boom in housebuilding - with private developers enacting lapsed planning permissions for 300 market homes for sale and rent, on contaminated long term vacant brownfield residential sites in the town centre, which is significantly changing the image of the area and boosting local businesses.

**Recommendation - 1**

It is recommended that the Council gives consideration as to whether it still wishes to enable households with no housing need to join the Housing Register. It is suggested that the Council may wish to review the allocations policy.

**Recommendation - 2**

It is recommended that the Council uses data from the Housing Register to inform its development plan. The highest demand for households in housing need, is for 2-bedroom accommodation, followed by 1-bedroom accommodation.

**Recommendation-3**

It is recommended that officers receive regular reports that break down total annual lets by bedroom size for all annual lets. This would enable demand to be compared with supply, providing more accurate intelligence on housing need in Harlow.

**Recommendation - 4**

It is recommended that moving to an online Housing Register application form would enable staff resource to be more effectively focused on other activities to meet housing need, and ensure that applications are automatically reviewed and that the Register provides an accurate understanding of current housing need.

**Recommendation 5**

It is recommended that an awareness session is held with Elected Members and Senior Managers to ensure that the house building process is better understood, and that expectations can be managed and are achievable.

**Recommendation - 6**

In order to ensure a focused approach on housebuilding it is recommended that achievable annual house building targets are set, and progress against these targets should be reported quarterly.

**Recommendation - 7**

In order to ensure a clear strategic vision for the delivery of housing the new Housing Strategy should be finalised and adopted.

**Recommendation - 8**

Develop a defined process for identifying and agreeing sites with a minimum number of agreed outcomes.

**Recommendation - 9**

Have a clear decision making process for awkward sites with a high build cost.

**Recommendation – 10**

Explore the opportunity of acquiring both land and property from major site developers both within Harlow and neighbouring districts.

**Recommendation 11**

The importance of appointing and retaining the right person to lead the housebuilding programme is critical to its success.

**Recommendation 12**

Focus on staff retention through the appraisal process.

**Recommendation 13**

Undertake a benchmarking exercise to understand if an increase in staffing resources would be likely to lead to an increase in developments.

**Recommendation 14**

Ensure that project management expertise is embedded within the team responsible for housebuilding either through existing resources or via a project management officer.

**Recommendation -15**

Establish an Officers Project Group to meet regularly with representation from Housing, Planning, Finance and chaired by Regeneration, with the involvement of contracting partners where appropriate.

**Recommendation - 16**

It will be important to recognise that any further procurement exercises when the current contract with McBains comes to an end has the potential to introduce delays.

**Recommendation - 17**

Hold a meeting with planning, regeneration and housing to identify opportunities to overcome some of the delays within the current process.

**Recommendation – 18**

Ensure that meetings with planning take place at the pre-application stage.

**Recommendation - 19**

Work with HTS to develop, plan and deliver future housing and regeneration schemes through a structured process.

**Recommendation - 20**

It is recommended that the Council undertakes further research into highlighted good practice in order to identify what learning and opportunities could be embedded locally.

**Recommendation - 21**

Carry out a review of the Council's learning and development, guidance alongside the appraisal process for staff delivering the Housing Building Programme.

**REPORT TO:** CABINET

**DATE:** 25 MARCH 2021

**TITLE:** REFERRAL FROM SCRUTINY COMMITTEE –  
POLICE AND COMMUNITY SAFETY ANNUAL  
REVIEW

**PORTFOLIO HOLDER:** COUNCILLOR CHRIS VINCE, PORTFOLIO  
HOLDER FOR COMMUNITY AND WELLBEING

**LEAD OFFICER:** JANE GREER, HEAD OF COMMUNITY  
WELLBEING (01279) 446406

**This is not a Key Decision**

**It is on the Forward Plan as Decision Number I012337**

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

The decision is for noting only

**This decision will affect no ward specifically.**

**RECOMMENDED that:**

- A** The Cabinet notes the review and that the Scrutiny Committee intends to carry out a review of domestic violence during the 2021/22 municipal year.

**REASON FOR DECISION**

- A** The Scrutiny Committee made a decision at its meeting on 16 March 2021 and has referred the matter to Cabinet for noting.

**BACKGROUND**

1. At its meeting on 9 February 2021, the Scrutiny had a presentation by Essex Police followed by a question and answer session. This covered areas agreed by the Committee at an earlier meeting. It was agreed that the Committee would consider what action and recommendations it would make at its meeting on 16 March 2021

**ISSUES/PROPOSALS**

2. The Committee considered the District crime data as at January 2021 (see background papers). This highlighted an increase in domestic abuse and harassment, particularly against women. The Committee also noted that nationally, 118 women had been killed by men in the past year.

3. In light of this, the Committee has agreed to set up a sub group to oversee the scoping of the review, with this review being considered as item when the Committee sets its work plan for 2021/22.

## **IMPLICATIONS**

### **Environment and Planning (Includes Sustainability)**

None specific.

**Author: Andrew Bramidge, Head of Environment and Planning**

### **Finance (Includes ICT, and Property and Facilities)**

None specific.

**Author: Simon Freeman, Head of Finance and Property and Deputy to the Chief Executive**

### **Housing**

As outlined in the report.

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

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

None specific at this time.

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

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

None specific.

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

## **Appendices**

None.

## **Background Papers**

District Crime Data January 2021 - <https://www.essex.pfcc.police.uk/wp-content/uploads/2021/02/January-2021-District-Data.pdf>

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

None.

**MINUTES OF THE COVID-19 RECOVERY WORKING GROUP  
HELD ON**

2 February 2021

6.30 - 7.32 pm

**PRESENT**

**Committee Members**

Councillor Eugenie Harvey (Chair)  
Councillor Joel Charles  
Councillor Tony Durcan  
Councillor Tony Edwards  
Councillor Maggie Hulcoop  
Councillor Mark Ingall  
Councillor Andrew Johnson  
Councillor Nancy Watson

**Officers**

Andrew Bramidge, Head of Environment and Planning  
Hannah Criddle, Governance Support Officer  
Emma Crouch, Corporate Support Officer  
Simon Freeman, Head of Finance and Deputy to the Chief Executive  
Jane Greer, Head of Community Wellbeing  
Brian Keane, Chief Executive  
Andrew Murray, Head of Housing

65. **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Simon Carter and Russell Perrin.

66. **DECLARATIONS OF INTEREST**

None.

67. **MINUTES**

**RESOLVED** that the minutes of the meeting on 14 January 2021 were agreed as a correct record and signed by the Chair.

68. **MATTERS ARISING**

Councillor Edwards asked whether free school meal arrangements had been made for the February half term. Brian Keane, Chief Executive, confirmed that arrangements had been made.

69. **UPDATE ON COVID-19 POSITION**

The Working Group received an update on the Covid-19 position in Harlow. Andrew Bramidge, Head of Environment and Planning, advised that both the infection rate and admissions to PAH had fallen.

Councillor Johnson advised he would be interested in the number of people from Harlow who had received the vaccine. Andrew Bramidge confirmed he was expecting to receive this information within the next week. Councillor Johnson was also interested in the vaccination rate in care homes. Brian Keane agreed to write to Essex County Council to request this information.

Councillor Ingall raised concerns over the new South African variant of the virus which had been detected in Broxbourne. Councillor Ingall was concerned that Broxbourne residents are advised to come to Harlow for their vaccine appointments and suggested that a satellite vaccine station was set up in Broxbourne to avoid Broxbourne residents travelling to Harlow. Brian Keane confirmed he was meeting with the CCG tomorrow and would discuss this issue.

The Working Group agreed that the re-opening of the playgrounds would be formally reviewed on 18 February. It was suggested that it may be more appropriate to re-open the playgrounds once the primary schools were also re-opened.

Councillor Johnson raised concerns on the lack of uptake from the black community for the vaccine. Councillor Johnson also noted that there was limited communications from the CCG on the vaccine. Brian Keane confirmed he would be meeting with the CCG shortly to discuss their communications.

Councillor Charles suggested that the Council had discussions with wider Essex groups to ensure the town was prepared in case of a sudden surge in infections. Brian Keane confirmed that the Council was working with other councils and the Essex Director of Public Health for planning for the future.

Councillor Johnson suggested that a route map for the escalation and de-escalation of services be created to provide some milestones for residents and to ensure transparency on decision making.

70. **FEEDBACK FROM BUSINESS FORUM**

Councillor Harvey confirmed the event was well attended and received. Both Covid-19 and Brexit were discussed. She confirmed the event was recorded and the link to the recording would be circulated to the Working Group. The date of the next meeting is 26 February 2021.

71. **MATTERS OF URGENT BUSINESS**

Councillor Harvey advised it had been agreed with Councillor Johnson and Brian Keane that smaller working groups would be coming together to focus on specific topics. The smaller sub groups would feed back to the main Working Group.

CHAIR OF THE WORKING GROUP