



CABINET

7.30 pm	Wednesday 23 September 2015	Council Chamber - Town Hall
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Members 9: Quorum 5

Councillor Roger Ramsey (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Damian White

Housing

Councillor Robert Benham

Environment

Councillor Wendy Brice-Thompson

Adult Social Services and Health

Councillor Meg Davis

Children and Learning

Councillor Osman Dervish

Regulatory Services and Community Safety

Councillor Melvin Wallace

Culture and Community Engagement

Councillor Clarence Barrett

Financial Management

Councillor Ron Ower

Housing Company Development and
OneSource Management

Andrew Beesley
Committee Administration Manager

For information about the meeting please contact:
Grant Soderberg tel: 01708 433091
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Webcast

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in the webcast will be able to sit in the balcony,
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Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

AGENDA

1 ANNOUNCEMENTS

On behalf of the Chairman, there will be an announcement about the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE

(if any) - receive

3 DISCLOSURES OF PECUNIARY INTEREST

Members are invited to disclose any pecuniary interests in any of the items on the agenda at this point of the meeting. Members may still disclose a pecuniary interest in an item at any time prior to the consideration of the matter.

4 MINUTES (Pages 1 - 4)

To approve as a correct record the minutes of the meeting held on 9 September 2015, and to authorise the Chairman to sign them.

5 TOWNS & COMMUNITIES OVERVIEW AND SCRUTINY SUB-COMMITTEE - PRIVATE RENTED SECTOR LANDLORDS TOPIC GROUP REPORT (Pages 5 - 76)

6 HOUSING DEVELOPMENT PLAN - STRATEGIC OVERVIEW (Pages 77 - 94)

7 HOUSING SCHEME FOR THE BUY-BACK OF EX-COUNCIL PROPERTIES (Pages 95 - 100)

8 PENSIONS COLLECTIVE INVESTMENT VEHICLE (Pages 101 - 110)

9 CORPORATE PERFORMANCE REPORT: Q1 (2015/16) (Pages 111 - 132)

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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 9 September 2015
(8.00 - 8.30 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Damian White	Housing
Councillor Robert Benham	Environment
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Meg Davis	Children and Learning
Councillor Osman Dervish	Regulatory Services and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management

Apologies were received for the absence of Councillor Ron Ower.

Councillors David Durant and Patricia Rumble also attended.

There were no members of the press or public present.

There were no disclosures of pecuniary interest.

10 MINUTES

The minutes of the meeting held on 8 July 2015 were agreed as a correct record and were signed by the Chairman.

11 THE COUNCIL'S FINANCIAL STRATEGY 2015-16

Councillor Roger Ramsey, Leader of the Council, introduced the report

Cabinet was informed that the report before it set out the Council's medium term financial strategy (MTFS) to manage the implications of funding reductions and cost pressures over the next three years.

It set out the process for bridging the funding gap with a view to achieving a balanced three-year budget.

It reviewed the cost pressures faced by the Council and updated the financial model as reported to the Council in February 2015 when it had set the Council Tax requirement for 2015-16.

The report considered the implications for the local government financial settlement (LGFS) arising from the recent budget statement and set out the timetable for updating the financial strategy over the coming months. It also explained the process and timescales for identifying further cost savings and income generation proposals that were required to meet the funding gap.

Cabinet was reminded that all proposals would be subject to full and proper consultation before any final decisions were made.

Reasons for the Decision

It was essential that the Council's financial strategy took due account of Government plans and any other material factors where these were likely to have an impact on the Council's financial position. The report set out the process for developing the Council's budget strategy for the next three years and reflected the expected continued Government approach of reduced levels of funding.

Other options considered:

None. The Constitution required this as a step towards setting the Council's budget.

Cabinet:

1. **Noted** the original and currently projected budget gap and the assumptions upon which these had been based, and the risks associated with them.
2. **Agreed** the draft Medium Term Financial Strategy, covering the period from 2016/17 to 2018/19, set out in the report.
3. **Noted** that there was a range of risks and assumptions made as part of the development of the strategy and that updates would be provided to Cabinet should these vary.
4. **Noted** that any alternative proposals from Overview & Scrutiny or opposition groups would need to be subject to a robust review before they could be considered for inclusion in the Council's budget and therefore must be submitted by **30th September** prior to the next meeting of Cabinet on **4th November** in order to be considered as part of the consultation process.

5. **Noted** that a range of corporate strategies would be impacted by the budget strategy and these would need to be updated and approved accordingly.
6. **Reviewed** the initial proposal to maintain a core capital programme of around £4.9m a year subject to a detailed review of available receipts.
7. **Agreed** to receive a further report in **November** where savings and income generation proposals would be considered prior to agreeing a final list of proposals for formal consultation with the local community, stakeholders, other interested groups, staff and unions.
8. **Noted** the advice of the Section 151 Officer in setting a robust budget.

Chairman

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Cabinet

23 September 2015

Subject Heading:

**TOWNS & COMMUNITIES OVERVIEW
AND SCRUTINY SUB-COMMITTEE -
PRIVATE RENTED SECTOR
LANDLORDS TOPIC GROUP REPORT**

Cabinet Member:

Cllr Osman Dervish, Cabinet Member for
Regulatory Services and Community
Safety

CMT Lead:

Andrew Blake-Herbert
Group Director for Communities &
Resources

Report Author and contact details:

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Committee Officer
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Policy context:

Private Rented Sector Policy

Financial summary:

The recommendations are subject to the
development of a cost neutral business
case.

Is this a Key Decision?

No

Is this a Strategic Decision?

No

When should this matter be reviewed?

September 2016

Reviewing OSC:

Towns & Communities

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	[x]
People will be safe, in their homes and in the community	[x]
Residents will be proud to live in Havering	[x]

SUMMARY

The attached report contains the findings and recommendations which emerged after the Topic Group had scrutinised the subject selected by the Sub-Committee in July 2014 concerning private sector landlords and houses in multiple occupancy (HMOs).

The environmental, equalities & social inclusion, financial, legal and HR implications and risks are addressed within the Topic Group's report.

RECOMMENDATIONS

That Cabinet agree to:

1. Introduce a Selective Licencing Scheme in the Wards of Brooklands, Gooshays and Heaton, subject to consultation and development of a cost neutral business case.
2. Introduce a Selective Licencing Scheme covering the rest of the borough or other specific identified wards subject to consultation, development of a cost neutral business case and the Secretary of State's Approval

REPORT DETAIL

Introduction

1. The Towns and Communities Overview and Scrutiny Sub-Committee Topic Group reviewed the current status of Private Sector Housing (PSH) in Havering and considered examples of PRS landlord regulation schemes to then enable discussion on the merit of developing such a programme within Havering.
2. During the review, the Topic Group noted the dramatic rise in the growth of "shared homes" which in turn had led to a significant increase in the number of campaigns and petitions organised to challenge the development of these shared homes - also known as Houses in Multiple Occupation (HMOs). The Council has responded in a number of ways including its recently completed consultation on the proposed introduction of an Article 4 Direction to impose requirements for express planning permission for proposed changes to HMOs.

3. The Topic Group explored existing regulatory control currently in place and the possible regulatory options, should supporting evidence demonstrate that a development in the Private Rented Sector (PRS) control was necessary.
4. The Topic Group also considered the financial implications of introducing additional licensing and the report highlights the benefits and disadvantages that additional licensing would have across the borough.
5. The report identified two possible solutions for the Council to consider as future implementation recommendations for PRS regulation and has provided reasons for its decisions.
6. Comparison of the potential operational costs with income from fees were discussed within the Topic Group report. Havering would need a tailored cost recovery scheme rather than simply mirror other London Boroughs schemes, to achieve a neutral impact on the councils finances. This is reflected in the report's Recommendations and the Financial Implications section below.
7. Since the Topic Group's consideration of the Hemming v Westminster legal case concerning fees recovery a further judgement has been handed down in favour of Westminster Council. This will be taken into account as part of the cost recovery modelling.

REASONS AND OPTIONS

Reasons and Options

Reasons for the Decision:

Under the Local Government and Public Involvement in Health Act 2007, s. 122, Cabinet is required to consider and respond to a report of an Overview and Scrutiny Committee within two months of its agreement by that Committee or at the earliest available opportunity. In this case, Cabinet is required to do this by its meeting on 5 October 2015. Cabinet is also required to give reasons for its decisions in relating to the report, particularly in instances where it decides not to adopt one or more of the recommendations contained within the report.

Alternative Options Considered:

There are no alternative options.

IMPLICATIONS AND RISKS

Financial Implications and Risks:

The report identifies three options for the licensing of private sector housing:-

- Voluntary Accreditation of Landlords
- Geographical Selective licensing of all properties (which potentially can be extended to borough wide) – ie this is a charge per property. This would include HMOs.
- Additional licensing of HMOs (ie to include dwellings below the current 3 storey threshold)

The recommendation is for selective licensing. Voluntary accreditation is viewed as insufficiently effective, in that only the better landlords are likely to come forward. “Additional licensing” will be covered within the proposed selective arrangements.

Detailed financial modelling will be required to ensure that any licensing scheme has a neutral impact on the Council's finances. This would be achieved by ensuring that the cost recovery model balances the full costs of the scheme (including consultation, set up, implementation, administration, operation and enforcement – taking account of the supreme court judgement in the case of Hemming v Westminster) against the income which will be derived from locally set fees. The latter may include designing a fee structure so it is proportionate to different demand types such as the higher operational and enforcement costs associated with licensing Private Rent Premises which are more problematic than others. Finance will advise on and clear any proposed business case.

The Overview & Scrutiny report provides indicative costings for Selective Licensing, both in 3 wards, and borough wide. During business case development, Finance will ensure that the full cost of the proposals are identified.

The report quotes possible indicative charges; for information, these would cover a license for a 5 year period

Legal Implications and Risks:

The Topic Group report summarised the then implications of the Hemming and Westminster City Council judgement concerning licensing fees. A Supreme Court decision has since overturned that decision in favour of Westminster.

Human Resources Implications and Risks:

There are no specific Human Resources implications in this covering report.

Equalities and Social Inclusion Implications and Risks:

This covering report sets out the recommendations made by the Private Rented Sector Landlords Topic Group to the Towns and Communities Overview and Scrutiny Sub-Committee following the completion of a scrutiny review.

There are no specific implications in this covering report.

BACKGROUND PAPERS

None

<p style="text-align: center;">REPORT OF THE TOWNS & COMMUNITIES OVERVIEW AND SCRUTINY SUB COMMITTEE PRIVATE RENTED SECTOR LANDLORDS TOPIC GROUP</p>

1.0 BACKGROUND OVERVIEW

- 1.1 At its initial meeting on 1 July 2014, the Towns & Communities Overview and Scrutiny Sub-Committee agreed to set up a Private Rented Sector (PRS) Landlords Licensing Topic Group to consider the options of introducing methods to monitor and control the activity of PRS landlords in the borough.
- 1.2 The membership of the Topic Group was open to all members of the Sub-Committee. The Group was led by Councillor Jason Frost with Councillors Jody Ganly and Linda Hawthorn as members.
- 1.3 The aim of the Topic Group was to explore various licensing schemes, the process that would be taken in Havering and understanding current best practice in other boroughs. The Group wanted to look at the main recognised means of private rented regulation currently operating in other local authorities and to consider the different approaches as potential solutions in Havering.
- 1.4 Since the inception of the Topic Group and during the work that was carried out to investigate and report back their findings, there had been some significant factors that had led to changes to the scope of the Topic Group's work.

2.0 SCOPE OF THE REVIEW

- 2.1 At the initial scoping meeting Members decided that the aim of the Topic Group was to consider the following:
 - Understand if there was any Landlord Licensing process, Landlord Accreditation or other scheme offering regulatory control of the PRS operating in Havering.
 - Identify what schemes were running in other boroughs.
 - Consider which schemes offering regulatory control of the PRS could be implemented in Havering based on supporting evidence.
 - Identification of the process that would have to be taken by the Council to introduce such regulatory control.

The scope ultimately developed into:

- Producing a range of information about the demographics and condition of the PRS and intelligence about relevant activities operating in the sector.
- Analysing the information to identify hotspots of demographic trends and PRS activity.
- Building on the data already gathered to produce more robust evidence of good practice about the type, scale and success of Landlord Licensing Schemes in other local authorities.
- Based on the intelligence and evidence of good practice, identifying an appropriate Licencing Scheme in Havering to regulate the identified issues in those areas.

3.0 FINDINGS

- 3.1 The Topic Group met on six occasions with relevant officers from the Housing and Public Protection Services to discuss the future of PRS regulation and discuss possible solutions.
- 3.2 The Topic Group summarised the current status of Private Sector Housing (PSH) in Havering and examples of PRS landlord regulation schemes to then enable discussion regarding the merit of developing such a programme within Havering.
- 3.3 The Topic Group was made aware there are three main potential options for the Council if it would like to proceed with tighter regulation of Landlord activity in the PRS in some or all areas in Havering. The main options for consideration were: (1) the voluntary Accreditation of Landlords or Mandatory Landlord Licencing; (2) through Selective Licencing and/or: (3) Additional Licencing
- 3.4 During the work of the Topic Group, public concerns were being raised and community led campaigns and petitions had been organised to challenge the development of shared homes, also known as Houses in Multiple Occupation (HMOs). This led to proposed introduction of an Article 4 Direction to impose requirements for express planning permission for proposed changes to HMOs. In addition to this, the collective interest in a potential Landlord Licencing Scheme, to deal with HMOs and the wider activity in the PRS, has increased. Finally, to support both these ways of improving the Council's regulation of rogue practices in the PRS, the Council had begun to build a range up-to-

date of information about the demographics and conditions of the sector and other relevant intelligence.

- 3.5 As a result, the scope of the Topic Group redefined the scope of the work to a more specific remit. The Group used the background work already carried out to identify and explain the possible types of Licencing Schemes to recommend a specific scheme that, based on reliable intelligence, would best serve the Council.
- 3.6 That investigative work was now completed with the result that there was sufficient evidence and a rationale to support a recommendation to the Towns & Communities Overview and Scrutiny Sub-Committee to agree, subject to consultation, the initial introduction of a Selective Licencing Scheme in the wards of Brooklands, Gooshays and Heaton. This would be followed by a Selective Licencing Scheme for other identified wards or the remainder of the borough, subject to consultation and the necessary Secretary of State Approval.

HAVERING'S PRIVATE RENTED SECTOR

London is experiencing a housing crisis. In Havering as with all London Boroughs, there had been a decreasing number of Council homes available in the social rented sector yet an increasing demand for affordable housing products. In addition to restricted mortgage availability, rising house prices and expensive start up fees being charged by commercial letting agents, there is an increasing need for significant deposits to support home purchase in the owner occupied sector. All of these contributing factors are acting as barriers to home ownership and are leading to considerable reliance on the PRS to meet affordable housing demand.

According to the 2011 Census about 11% (1 in 9) of the housing stock in Havering was privately rented which was significantly lower than the London average of 25% (1 in 4). However Havering Council has seen significant growth in the PRS over the past ten years. The Census 2011 revealed that the PRS in Havering had more than doubled over the past 10 years. In March 2011, the number of private rented sector dwellings had risen to 10,337 compared to 4504 in April 2001.

Recent PRS growth in Havering had therefore signalled the need for tighter regulatory control over the activities of landlords to ensure a thriving sector and well managed stock for future years to come.

The need for tighter regulatory control was further emphasised by evidence showing that the numbers of Housing Benefit claimants living in the PRS has increased from 3,800 in 2007 to 7,331 by April 2013 and for the first time, there were more claimants living in private rented homes than claimants in the social rented sector. With such growth in mind, the need to ensure effective

management of such properties in Havering was becoming an increasingly apparent housing pressure.

REGULATORY CONTROL OF THE PRIVATE RENTED SECTOR

The Topic Group had explored the existing and possible options for PRS regulation in Havering to determine the need for further controls surrounding the development of rented homes.

EXISTING REGULATORY CONTROLS

The Topic Group noted that Havering Council currently used the following existing methods to regulate the PRS:

1. Mandatory Licencing of HMOs

Havering Council currently operates a systematic HMO Licensing scheme that is a mandatory requirement under Part 2 of the Housing Act 2004. Under Section 254, all local authorities in England and Wales must license properties that are three or more storeys high, with five or more persons, who form two or more households and contain shared facilities.

A mandatory HMO licence will specify the maximum number of people who may live in the HMO along with conditions such as:

- A valid annual gas safety certificate
- Evidence that each occupier has a written agreement
- Evidence that electrical appliances, installation and furniture are to present standards.
- Licence holders must be a fit and proper person, meaning the council will look into the proposed licence holders convictions history, specifically determining if they have historically managed HMO's otherwise than in accordance with any approved code of practices

A licence is valid for five years from the date of issue. Havering Council charges a standard HMO license fee of £129.30 (£128 in 2014/15) per unit of accommodation, so that would be £646.50 for a three storey shared house with five single person lettings. There is an extra charge of £58.90 to arrange a site visit before submitting an application, and a fee for varying existing licences whilst the licence is in force. Licence renewals are charged at half the current rate for new applications. A charge is also made for variations to a licence whilst the license is in force.

Concessions or discounts are made for:

- Landlords that are accredited with the London Landlord Accreditation Scheme or that are members of a recognised Landlord Association.
- Discounted rate per unit for a registered charity, or not for profit organisation.

2. HMO Standards

The Housing Executive sets the minimum standards for Houses of Multiple Occupation (HMOs). They refer to the minimum requirement standards for fire protection, room sizes, functionality and amenity provision. They also refer to repair and management regulations.

Havering Council's Public Protection team works to ensure that landlords in its area comply with these standards and that all HMO's in operation are fit and safe to live in by occupants.

3. Housing Health and Safety Rating System (HHSRS)

The Housing Health and Safety Rating System (HHSRS) is a risk-based evaluation tool to help local authorities identify and protect against potential risks and hazards to health and safety from any deficiencies identified in dwellings. It was introduced under the Housing Act 2004 and applies to residential properties in England and Wales.

The HHSRS assesses 29 categories of housing hazard. Each hazard has a weighting which will help determine whether the property is rated as having category 1 (serious) or category 2 (other) hazards.

4. Article 4 Directions

In line with legislative requirements, Havering exercises all mandatory regulatory controls over the PRS. However it, does not exercise all the discretionary powers available to a local authority that can help to control conditions in the PRS.

On 13th July 2015, the Council decided to exercise one of the additional discretionary regulatory controls available to a local authority (Article 4 directions) under the Town and Country Planning Act 1990. In short, Article 4 directions change the permitted development rights in relation to change of use from dwelling houses to an HMO.

The Council has consulted on the proposed introduction of two Article 4 Directions:

- **HMO Article 4 Direction No. 1** - applies in wards of Brooklands, Romford Town, Heaton and Gooshays. In these wards, planning permission would be required to change any single-family property into an HMO with up to six occupants

- **HMO Article 4 Direction No. 2** - applies to the whole of the borough, excluding the four wards listed above. In this area, planning permission would be required to change a self-contained flat, terraced house or semi-detached house into an HMO with up to six occupants. The introduction of an Article 4 direction in Havering intends to tackle the notable increase of homes being converted in Havering to HMOs in the borough. In the main, upon investigation, most recent reports of HMO conversions involve smaller semi-detached or terraced houses.

There has been an increasing concern in the borough that such properties, being in such close proximity to existing single household dwellings and given their likely intensity of occupation, would cause significant noise and other disturbance to adjoining and nearby residents. There was further concern that, uncontrolled, there could be a concentration of HMOs in certain areas resulting in social issues.

POSSIBLE OPTIONS FOR REGULATORY CONTROL

Havering Council could consider using the following possible regulatory options, should supporting evidence demonstrate a development in PRS control is necessary.

5. Selective Licencing

Section 80, Part 3 of the Housing Act 2004 gives Councils the power to implement a selective licensing scheme for all types of PRS properties within a defined geographical area. This is in order to tackle problems associated with low demand or where evidence suggests there are significant problems of ASB, and landlords are insufficiently managing their properties.

From 1st April 2015, the Minister of State for Housing and Planning confirmed that local authorities would have to seek permission from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of privately rented homes in the local authority area. This requirement was introduced to ensure that local authorities would only use this regulatory tool to focus on activity in areas with the worst problems, as opposed to adversely impacting upon good landlords.

In order to introduce selective licensing, local housing authorities had been able to designate their entire district, or an area within a district, subject to the proposed area meeting one or more of the following criteria (criteria A and/or criteria B)

- **Criteria A:**

The area was one which was experiencing (or is likely to experience) low housing demand and the local housing authority was satisfied that 'designating' an area would, when combined with other measures, lead

to improved social and economic conditions in the area. This included considering;

- Value of residential premises in the area, in comparison to the value of similar premises in other comparable areas.
- The turnover of occupiers in residential premises.
- The number of residential premises available to buy, rent and length of inoccupation.
- Lack of mixed communities in terms of tenure.
- Lack of local facilities.
- Impact of the PRS on the local community.
- Criminal activity.

AND/OR

- **Criteria B:**

The area was experiencing a “significant and persistent” problem caused by anti-social behaviour and that some or all private landlords in that area are not taking appropriate action to tackle this. Moreover, the designation in combination with other measures would lead to a reduction in or elimination of the problem. This includes considering;

- that some or all of the private sector landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat the problem that it would be appropriate for them to deal with.;
- Crime: tenants not respecting the property in which they live and engaging in vandalism, criminal damage, burglary, robbery/theft and car crime; and that criminal activity has increased in the area within a short period of time. It should be considered if the criminal activity is impacting some of the people living in or around private rented accommodation.
- Nuisance Neighbours: intimidation and harassment; noise, rowdy and nuisance behaviour; animal related problems; vehicle related nuisance. Tenants engaged in begging; anti-social drinking; street prostitution and kerb-crawling; street drugs market within the curtilage of the property.
- Environmental Crime: tenants engaged in graffiti and fly-posting; fly-tipping; litter and waste; nuisance vehicles; drugs paraphernalia; fireworks misuse in and around the curtilage for their property

With effect from 1 April 2015 and the new General Approval, additional criteria for making a selective licensing scheme had come into force which Havering must consider. Four new grounds were introduced as criteria by The Selective Licensing of Houses (Additional Conditions) (England) Order 2015. At least one of the following criteria must be proved to justify the introduction of selective licensing;

- Poor property conditions.
- High levels of migration.
- High levels of deprivation.
- High levels of crime.

In considering whether to designate an area for selective licensing, on one of the above grounds, a local authority may only make this designation if it can prove it has a high proportion of PRS property in the area.

Nationally the PRS makes up 19% of the total housing stock in England. The actual number of privately rented properties in any given area may be more or less than this. If it was more than 19% (2014 figure, English Housing Survey) an area can be considered as having a high proportion of PRS properties.

Before making a decision to designate an area for selective licensing an authority must consider whether there are alternative means of addressing the issues – for example, through the introduction of a voluntary accreditation scheme for landlords. It must also ensure that any proposed licensing scheme fits with its overall housing strategy and policies on homelessness and empty dwellings.

Beneficial Outcomes of Selective licensing

The Topic Group considered some of the main beneficial outcomes as being;

- The physical condition, quality of management and quality of the whole private rented stock in any designated area have all been known to improve following the implementation of selective licensing, beneficial for landlords, tenants, the overall local authority and local communities
- The potential benefits for landlords of a Licensing Scheme would be more informed and responsible tenants, increased rental income for landlords as areas improve, shorter void periods and tenancy turnover, cheaper maintenance bills for properties, reduced crime and vandalism, reduced levels of fly tipping and waste issues or environmental crime, more involved landlords sharing good practice, and desirable residential communities. It would also create an even playing field so decent landlords would not be undercut by an unscrupulous minority. The impact is across the whole PRS in any designated area
- The main benefits to neighbourhoods and local communities is that increasing housing demand and reducing anti-social behaviour would improve problem areas, making these safer and more desirable places to live. Reduced environmental costs would also occur to neighbourhoods and the Council, through tackling fly tipping and other forms of environmental crime.

- It would improve the management practices of landlords of all PRS properties. This would, in turn, make renting privately a more viable option in the longer term.
- The local authority would gain extensive knowledge about private renting in a particular area. This would enable Havering Council to target support, information and enforcement more effectively and to better understand the root of problems the local authority faces, this would impact the whole of the PRS in a designated area.
- Selective licensing can help protect vulnerable groups living in privately rented accommodation. Tenants could also see economic benefits, for example in reduced heating costs and improved likelihood of regaining any deposit paid as landlords improve their management practices. It could also help to increase length of tenure and reduce the incidence of homelessness.
- Improvements to the neighbourhood could also benefit private tenants' security and sense of community.
- Selective licensing could achieve an even playing field. It must be considered with additional licensing, landlords could be dis-incentivised against the creation of HMOs. If licensing was applied for all properties in a designated area, it could help to ensure a healthy tenure mix is sustained.

Risk Considerations of Selective Licensing

The Topic Group considered some of the main risks of introducing selective licensing which are:

- There was a moral argument that it was unfair to make good landlords who already commit to good management practices pay out substantial fees due to the poor management and conditions created due to the bad management of some landlords. However this argument was applicable to all forms of PRS licensing (including additional licensing).
- In a number of case studies that have undergone the licensing process the consultation process particularly, for selective licensing, had been extensively criticised and protested by landlords in a wide range of local authorities. If this proposal was taken forward for consultation, it must be considered Havering Council will be no exception.
- Selective licensing may have a negative impact on the future development of the PRS in licensable areas. There is a notable risk that landlord could be less inclined to acquire further properties for rental purposes and particularly in the case of smaller landlords, could even consider selling properties due to financial implications of

licensing. In this sense growth and development of the PRS in licensable areas may be hindered.

- It must be considered that selective licensing was known to encourage landlords in these areas to increase rents to cover the licensing fees, these costs were passed on to tenants and may prevent more people in the borough being able to rent a home
- Selective licensing is an expensive financial venture for any local authority however the benefits have been known, from previous experience, to bring about long-term sustainable outcomes that could be considered to have positive financial implications.
- The success of selective licensing schemes relies upon effective local authority administration. For example, proactive inspections within quick timescales as opposed to a 'desktop exercise' whereby a fee is charged to landlords and insufficient checks are being made upon the total landlord population due to restricted resources being made available

6. Additional Licencing

Additional licensing extends the use of licensing powers provided through the Housing Act 2004 to smaller HMO properties not covered by Mandatory Licensing.

An Additional Licensing Scheme requires all privately rented HMO's which are located within the whole of the borough or just a designated area to be licensed under Part 3 of the Housing Act 2004. Additional licensing operated in the same way as mandatory licensing, possessing the same legal status as well as penalties for non-compliance.

Additional licensing schemes could be introduced if the local authority was satisfied that a significant proportion of the HMOs in the borough were being poorly managed and were giving rise to problems affecting occupiers or members of the public. As with selective licensing, the local authority has to be satisfied that an area is experiencing a significant and persistent problem with ASB (which could include crime, nuisance neighbours or environmental crime) due to the incidence of HMOs.

Beneficial outcomes of additional licensing

The Topic Group considered some of the expected beneficial outcomes of introducing additional licensing as being:

- Additional licensing could help to protect vulnerable tenants and ensure better overall safety across HMOs in the community with hazards being identified upon inspection.

- Raising standards across the HMO sector could help improve neighbourhood amenity for all the local community and also in the long run this should have a positive impact on property values that surround HMO's, benefitting landlords and other property owners alike.
- Improved management standards would see landlords and/or their agents being better equipped to deal with the running of the property, bringing about early intervention into issues that would otherwise result in major issues developing. This should result in creating financial savings and effective landlord and tenant relationships.
- An improvement in HMO conditions could lead to changing perceptions from a wide range of potential occupiers in the current housing climate. In consideration of the rising house prices in Havering, welfare reform and recent changes to Housing Benefit eligibility for the single room rate, HMOs are providing an affordable housing option for more people. This was of particular importance considering the increasing number of inward migration into Havering and future predictions for significant population growth. Licensing could help to promote the sustainable expansion of good quality HMOs in helping to meet local housing need and alleviating the housing pressures upon the Council.
- Improving the living conditions through licensing conditions would help to achieve tenancy security through ensuring an appropriate level of amenities is created. An expected outcome is that an increasing number of people will look towards HMOs as permanent accommodation, leading to longer tenancies and a reduction in tenancy transiency.
- An additional licensing scheme could impact positively on the wider local community as the outcome of better managed HMO properties means less ASB which was often experienced by those living next to or amongst HMO accommodation.
- The process of licensing could provide motivation to improve standards and ensure non-compliant landlords either improve their properties or remove themselves from the sector. This would have the added benefit to the many landlords who strive to provide decent accommodation by creating a 'level playing field' in the HMO market.
- Additional licensing could be expected to even the playing field with HMO stock, giving the Council the ability to tackle issues not only in larger properties governed by mandatory HMO regulations but also smaller properties. It also helps the Council to be able to monitor not just the management conditions of a HMO but also internal and external property

conditions that may be of concern to both tenants themselves and the wider neighbourhood.

Notably these benefits are very similar to the ones outlined for selective licensing; however the impact of additional licensing differs by only tackling the issues with HMOs in the borough. In contrast, selective licensing seeks to apply all beneficial outcomes listed on a much wider scale, applicable to all PRS accommodation and dwelling types in a designated area of choice.

Risk Considerations of Additional Licensing

The Topic Group considered that the introduction of additional licensing could also cause some negative impacts;

- As with selective licensing, additional licensing also sets a requirement for fees to be charged to landlords. However the impact of this upon landlords of HMO properties only may differ from the impact expected from selective licensing. The stringent regulation of HMO accommodation through additional licensing may represent a threat on the supply of HMOs in the borough. Many HMO landlords or landlord considering HMO development may seek to avoid these fees. This may hinder the development of HMO products in Havering. This is a considerable risk for the Council to consider as HMOs represent a significant opportunity to meet the ever increasing housing need in the borough
- The supply concerns around the costs incurred to landlords over additional licensing may result in fragmented availability of HMOs in Havering if the scheme is implemented in designated areas. This would make HMO accessibility harder for people wanting to live in these locations and for those who can only afford to live in these certain areas of the borough.
- Most of the other risk considerations associated with selective licensing would also apply to the risk considerations associated with additional licensing

THE EVIDENCE FOR FURTHER REGULATION OF THE PRS

The Topic Group reviewed evidence from a range of different bases to help inform the need for additional regulatory controls of the PRS in any area or multiple areas of the local authority.

The table below summarises the evidence data tables and maps detailed in appendices (3-14) that had been used to produce intelligence on PRS related facts in Havering. The data which has been selected best illustrates the demographic character, relevant activities and profile of Havering's PRS characteristics.

The table presents a simple ranking (1 being best, 18 worst) of various wards according to various comparators. The comparators selected are the ones which under statutory guidance may be required as the necessary to demonstrate the need for a certain regulatory control.

The comparators broadly address core areas on a ward by ward comparison of:

- **Overarching PRS demographics including;**
 - population density,
 - composition of ward PRS accommodation as a % of total housing stock in the ward area,
 - composition of ward PRS accommodation as a % of total housing stock in Havering as an overall borough,
 - Housing Benefit claimants,
 - New Housing Benefit claimants or migration indicators in Havering and
 - Deprivation statistics in Havering.
- **ASB and Crime Statistics including;**
 - Anti-Social Behaviour in Havering, prevalence on a ward basis,
 - Criminal Damage in Havering, prevalence on a ward basis,
 - Burglary in Havering, prevalence on a ward basis and
 - Overall Crime Rate in Havering prevalence on a ward basis.
- **Property Conditions and Environmental Crime Statistics including;**
 - Category 1 Hazards in the PRS on a ward basis,
 - Category 2 Hazards in the PRS on a ward basis,
 - Noise complaints made to the local authority surrounding incidence of PRS accommodation and
 - HMO prevalence in the PRS on a ward basis.

The Topic Group has therefore considered all potential requirements in some level of detail that could be used as a justification for further regulatory control of the PRS that was available to the local authority.

Ward	Demographic Characteristics of Havering's Housing Stock				Evidence of Crime in Havering				Environmental Crime in Havering				Score	
	Pop Density	PRS Composition as a % of the ward dwellings (2011)	PRS Composition as a % of total borough wide dwellings in Havering (2011)	New Housing Benefit Claimants	ASB	Criminal Damage	Burglary	Crime Rate	Cat 1 Hazards	Cat 2 Hazards	Noise	HMO Prevalence	Total Score	Ultimate placement
Brooklands + Gooshays + Heaton	1	1	1	1	1	1	1	1	1	1	1	1	12	1
Romford Town	2	2	2	3	2	2	2	2	2	2	2	2	25	2
Brooklands	9	3	3	2	4	4	3	3	5	3	3	4	46	3
South Hornchurch	13	9	9	5	6	8	4	7	3	6	10	5	85	4
Rainham and Wennington	18	6	5	7	8	6	7	5	4	5	13	7	91	5
Gooshays	14	10	14	6	3	3	13	4	6	10	5	8	96	6
Heaton	8	12	15	4	5	5	15	9	10	7	4	4	98	7
St Andrews	4	5	6	12	10	7	8	6	7	13	7	14	99	8
Elm Park	10	11	10	10	11	12	5	11	9	4	9	6	108	9
Harold Wood	16	7	7	11	9	9	6	8	11	8	8	9	109	10
Squirrel's Heath	3	4	4	10	13	15	10	15	8	9	14	12	117	11
Mawneys	7	8	8	9	12	11	12	12	12	10	16	11	128	12
Havering Park	17	15	15	8	7	10	18	13	15	15	6	10	149	13
Hylands	6	16	16	15	14	13	11	10	16	16	11	15	159	14
Hacton	5	14	12	14	19	18	14	18	14	12	18	13	171	15
Pettits	11	17	17	13	16	16	9	16	13	14	15	16	173	16
Upminster	19	13	13	18	15	17	17	14	17	17	12	19	191	17
Cranham	15	17	18	16	18	14	19	19	18	19	17	17	207	18
Emerson Park	12	19	19	17	17	19	16	17	19	18	19	18	210	19

Key findings

Whilst this table outlines a scored ranking of where each ward comes in terms of each respective comparator it is important to point out some of the key ward characteristics and features on an individual basis.

The Topic Group has grouped the findings under identified comparators or the 'common factors' used by local authorities to justify the use of available PRS regulation control powers.

There is a great disparity between different areas of Havering according to different characteristics. For example, stock conditions in Emerson Park are vastly different from Romford Town. From this it is clear at a glance the evidence was suggestive of designated area approaches to regulatory

controls over a borough-wide approach. However it was important to observe each aspect of PRS evidence on an individual ward by ward basis to determine the extent of any such issue.

The core findings below will therefore discuss the standout ward demographic findings across Havering for all recognisable comparators.

Across all comparators the summary table indicates if designated areas were to be selected through a licensing regulatory control, the most pressing areas in Havering that should be focused upon are Romford town, Brooklands, Heaton, South Hornchurch or Rainham and Wennington.

It was important to point out that areas of Romford Town, Brooklands, Heaton and Gooshays had the greatest concentration of PRS conditions and issues within a smaller geographical area.

PRS Demographics – please refer to appendices 3-5

- **Population density;**
 - The greatest increase in population density has occurred within Romford Town centre, which could be expected within town centres where there is a concentration of new build development.
 - Brooklands had the second highest growth in population density at 11.52% (2006-11) behind Romford Town, from 2001-2011. Gooshays had gone from slight decrease (2001-6) to significant growth, a change matched by Havering Park and Mawneys.
 - Except for Hacton every single ward grew in population density from 2006-2011.
 - The density information gave a degree of context, however there was no indicator suggesting that there are issues in the PRS.
- **Composition of ward PRS accommodation as a % of total housing stock in the ward area**
 - Romford Town has the highest proportion of private rented accommodation of any ward, at 23.07%. Furthermore it has the highest growth of total stock at 123.33% (this includes both PRS and non-PRS accommodation)
 - In terms of growth of the PRS from 2001-11 Heaton was the stand out borough, the PRS of Heaton has increased 300% in 10 years.
 - Brooklands has the second highest proportion of Private Rented accommodation in the borough at 16.67%
- **Composition of ward PRS accommodation as a % of Havering's over all PRS;**
 - Romford Town contains 16.32% of the borough's PRS
 - The statistical group that consisted of Brooklands + Gooshays + Heaton (B+G+H) contains 18.67% of the boroughs PRS

- **New Housing Benefit Claimants (migration indicator)**
 - Romford Town does not rank top in this category, it contains 14% of the new Housing benefit cases, but in numerical terms this is not as high as the 14% representation contained in Brooklands.
 - B+G+H contains 31% of all new housing benefit claimants (2014-2015). This was nearly a third of the boroughs new housing benefit claimants in only three of its wards.
 - Romford Town was proportionally underrepresented in new housing benefit claimants, Brooklands was considerably over represented, as was Heaton and to a lesser extent Gooshays.
- **Deprivation - please refer to Appendix 14;**
 - In the ranking of average score of deprivation Gooshays and Heaton come first. They are significantly more deprived than other areas.
 - (The ward level measures in this file are the results of calculations undertaken by the Greater London Authority, based on the Lower Layer Super Output Area (SOA) level Indices of Deprivation 2007 and 2010 from the Department of Communities and Local Government.).
 - Romford Town was the sixth most deprived ward, behind Gooshays, Heaton, South Hornchurch, Havering Park and Brooklands.
- Romford Town recorded top in each category listed except Housing Benefit claimants. There were cases in which Romford Town does not receive the top score, (growth of the PRS 2001-11). However these cases had been disregarded as not central to the question of selective licensing.
- Romford Town contains 16.32% of the entire boroughs PRS. This is the highest amount of any ward.

ASB & Crime Evidence Summary - please refer to appendices 6-7

- A more recent report on Decent Homes in 2011 found that across London more than 30% of the PRS has been found to be below the Decent Homes standard, emphasising the need for local authorities to take greater responsibility for controlling its PRS.

- **ASB;**
 - Romford Town has the highest percentage of Havering's ASB, at 16.16%.
 - Gooshays has only 4.4% of the boroughs PRS but it has 10.75% of its ASB.
 - The data gathered doesn't pertain to the PRS, but it does provide broad indicators that there are issues in the wards.
 - Behind Romford Town (1st) and Gooshays (2nd) came Brooklands and Heaton respectively. B+G+H had 26.35% of the boroughs ASB, significantly over proportional to its 18.67% PRS.
- **Criminal Damage in Havering prevalence on a ward basis**
 - Romford Town contains the highest percentage of the boroughs criminal damage, at 14.16%, this was lower, proportionally, than Romford Town's percentage of PRS.
 - The criminal damage information was once again not specific to the PRS; it does provide broad indicators of ward conditions though.
 - Gooshays has 11.42% of the ward's criminal damage, this is significantly over proportionate.
 - B+G+H contains 27.28% of the boroughs entire criminal damage, unlike Romford Town this is over proportional to the PRS in these wards.
- **Burglary in Havering prevalence on a ward basis;**
 - The figures for burglary are split particularly evenly most wards receive a proportionally accurate level of burglary in the borough.
 - Romford Town receives 8.88% of the boroughs burglary, the B+G+H statistical group receives 17%, both disproportionate to their PRS percentage, though Romford Town more so.
 - It was worth noting that in targeting the bigger number there is a likelihood that there would be more benefit.
 - The burglary information is once again not specific to the PRS; it does provide broad indicators of ward conditions though.
- **Overall Crime Rate in Havering prevalence on a ward basis**
 - The figures on total crime rate were consistent with those of the PRS. Romford Town and B+G+H were relatively accurate in regard to their PRS percentage
 - Proportional accuracy aside, when targeting the bigger area there was likely to be more benefit
 - The overall crime rate information was once again not specific to the PRS; it does provide broad indicators of ward conditions though.

- **Category 1 hazards in the PRS on a ward basis;**
 - These figures related directly to the PRS, meaning they specifically indicated issues therein.
 - Romford Town reports more category 1 calls than any other ward (65, 15%).
 - This was actually a slight under-representation considering Romford Town has 16.32% of the PRS in Havering.
 - Brooklands, Heaton and Gooshays were all over-represented in this category, the statistical group receives 21% of the category 1 calls, whilst only containing 19% of Havering's PRS.
 - South Hornchurch and Rainham and Wennington, both in the south of the Borough together received 18% of the calls, whilst containing only 14% of the PRS.
- **Category 2 hazards in the PRS on a ward basis;**
 - These figures were directly taken from the PRS, meaning they were related to the PRS and indicate issues therein.
 - Once again B+G+H was over-represented, receiving 23% of the calls for category 2 hazards.
 - Romford Town was proportionally accurate in this category.
- **Noise complaints made to the local authority surrounding incidence of private rented accommodation;**
 - Romford Town was significantly under represented here, receiving only 12.28% (2014-15) of noise complaints (calls related to Romford Town's nightlife are considered irrelevant).
 - B+G+H receives 23.98% (2014-15) of calls, this was significant over representation, and once again a higher portion of the total when compared to Romford Town.
 - Brooklands, Heaton and Gooshays were placed second, third and fourth behind Romford Town here.
- **HMO prevalence in the PRS on a ward basis;**
 - Romford Town contain the largest portion of the boroughs HMO's at 16%.
 - Heaton was significantly over-represented containing 4.16% of the boroughs PRS, but 10% of its HMO's.
 - B+G+H contains a quarter of the borough's HMO's whilst only containing 19% of its PRS, this over-representation is key in considering which areas to target with a selective licensing scheme.

Other key points:

- Romford Town received more repair calls than any other ward. This includes both category 1 (15%) and category 2 (16%).
- Brooklands ranked second overall. It is not a densely populated ward because of .large industrial land usage however it ranks highly in other categories

- Brooklands contained 14% of all new housing benefit claims in the borough, more than any other ward.
- Heaton was average in terms of population density and the proportion of PRS activity but it does contain high levels of anti-social behaviour and HMO development.
- Heaton contained 7.91% of the PRS in the borough, whilst it had 10% of the HMO's, a significant over representation.
- Similarly, Gooshays show the same characteristics as Heaton plus a relatively high prevalence of Category 1 hazards and
- Gooshays contained 4.4% of the boroughs PRS, whilst it contained 10.75% of anti-social behaviour reports.

Across all evidence sources, it was clear that the statistical group of Brooklands, Gooshays and Heaton were representative of increased issues with PRS characteristics. Romford Town Centre is the most represented ward across most categories however proportionally in comparison B+G+H it is generally under-represented.

THE RECOMMENDATIONS

The Topic Group investigations had identified two possible solutions for the council to consider as future implementation recommendations for PRS regulation.

1. To introduce a Selective Licencing Scheme in the Wards of Brooklands, Gooshays and Heaton, subject to consultation
2. To introduce a Selective Licencing Scheme covering the rest of the borough or other specific identified wards subject to consultation and Secretary of State Approval

Justifications for Recommendation 1

Selective Licensing in Brooklands, Gooshays and Heaton

- **Strategic objectives**

Any designation of selective licensing must be consistent with a local authority's overall housing strategy. The Topic Group was provided with information on the Council's current Housing Strategy for 2013-2016 within which there was a Private Sector Housing sub-strategy. The agreed strategic priorities for the service were:

- Improve its understanding of the local PRS.
- Continue to improve access to the PRS to tackle increasing housing demand.
- Improve private rental property standards and management practices through a new advice and support service, and an updated package of training and accreditation for local landlords.
- Examine the potential of developing new, private rented accommodation.
- Help older and vulnerable people to remain safe and independent in their own homes.
- Identify and target poor conditions and inadequate energy efficiency in the private housing sector.
- Bring empty homes in the private sector back into use.

The Topic Group considered this recommendation to be cohesive under the Housing Strategy and would offer a co-ordinated method in dealing with the achievement of its strategic objectives.

• **Current public concerns & evidence supporting selective licensing**

Recent public concerns had been raised in Havering by community led campaigns and petitions that had been organised to challenge the development of shared homes, particularly in the areas of Harold Hill and surrounding wards of Brooklands, Gooshays and Heaton.

Perceived activities in certain areas stemming from the creation of HMOs in family homes have evoked strong reaction from local residents who feel their community and property conditions in their area is under threat.

The Council's recent creation of two Article 4 Directions was designed to provide stronger planning control over formation of new HMOs in the borough. Whilst any successful Article 4 can be expected to help improve conditions for HMO stock, other property types in the wider private rented stock are left unaddressed by this method of regulatory control. Much of the evidence presented in this report clearly outlined that there were issues outstanding with the PRS in Havering that are much wider than those issues associated with just the HMO stock. This was a contributing reason to why selective licensing has been deemed a more appropriate recommendation over an additional licensing proposal.

Selective Licensing would address noted concerns over property conditions of rented homes in Brooklands, Gooshays and Heaton. It would also ensure that *existing* property conditions in these areas are addressed through appropriate inspection and enforcement. Whilst Article 4 would tackle the development of new HMO conversions in relation to property conditions, selective licensing can be a complimentary regulatory tool that would tackle all PRS stock in these areas. This would ensure benefits to the whole community and local residents living in these areas.

Whilst additional licensing could be a regulatory tool to improve existing property conditions of HMOs in these areas, the fees associated with additional licensing could also act as deterrence to HMO development. The

Topic Group had considered the greatest risk with additional licensing is that landlords of HMO properties could look to sell to avoid long-term licensing fees and therefore ridding of HMO stock that are a valuable source of accommodation. Selective licensing creates an even playing field, ensuring that all landlords of rented properties in the designated area would need to pay a license fee regardless of its dwelling function.

- **Area selection, Brooklands, Gooshays and Heaton as a statistical group**

Introducing a Selective Licensing Scheme in Brooklands, Gooshays and Heaton Wards would achieve greater outcomes. By viewing the three recommended Wards as a statistical group, licensing introduction would effectively ensure:

- Coverage of a wider geographical area
- Coverage of more PRS properties
- That the 20% threshold for Secretary of State approval would not be exceeded

These wards had been identified as potentially benefitting from a selective licensing scheme. Romford Town was the most significant ward in virtually every category analysed. Romford Town contained 16% of the borough's total PRS, for the purposes of this report this was taken as a proportional target. Romford Town ought to receive 16% or higher in every category to be proportionally accurate, this would indicate an even spread of issues associated with the PRS. The Topic Group noted that proportionally Romford Town often received a score of less than 16%, whereas the statistical group B+G+H received a score of more than 19 % (its portion of the borough's total PRS). In addition, the nature of Romford being a town centre may have the ability to skew data results. For example, it could be expected that Romford may have higher levels of crime, noise and ASB due to higher population density, busier community and night time economy.

The table and chart below demonstrate this clearly; Romford Town often achieves less than 16% in individual categories when looked at comparatively with Brooklands, Gooshays and Heaton.

Ward	Demographic Characteristics of Havering's Housing Stock		Evidence of Crime in Havering				Environmental Crime in Havering				
	PRS Composition as a % of the ward dwellings (2011)	PRS Composition as a % of total borough wide dwellings in Havering (2011)	ASB	criminal damage	burglary	crime rate	Cat 1 Hazards	Cat 2 Hazards	noise	HMO prevalence	New HB claimants
Romford Town	23%	16%	16%	14%	9%	17%	15%	16%	13%	16%	14%
B+G+H	11%	19%	26%	27%	17%	19%	21%	23%	25%	25%	30%

Evidence therefore shows that as a statistical group, these areas had:

- The highest combined proportion of the PRS as a total of the overall borough composition (census 2011 data).

- Had the highest combined rates of ASB, 26% compared to Romford Town's 16% (albeit the incidence of ASB was spread over a wider geographical area).
 - The highest combined crime rates, which was higher than Romford Town.
 - Higher rates of Category 1 and 2 hazards within the statistical group than similar statistical groups elsewhere in the borough.
 - Higher rates of noise complaints within the statistical group in comparison to Romford Town.
 - More HMO prevalence across the statistical group, compared to Romford Town and
 - The statistical group has the highest combined rate of migration (indicated through new HB claimants) than elsewhere in the borough.
- **20% Consideration**

The geographical areas of the selected wards; Brooklands, Gooshays and Heaton made up 13.45% of the borough. The total private rented stock in the three wards account for 19% of the stock across the borough. This meant that Selective Licensing in the cluster would not exceed the 20% threshold for requiring Secretary of State approval. The Council could also establish a selective licensing scheme based on designated areas as opposed to borough wide or with the inclusion of more areas in a significantly shorter timescale.

Justifications for Recommendation 2

Selective Licensing borough wide subject to consultation and Secretary of State Approval

The Topic Group had considered that an option for future regulatory control was Selective Licensing applied over the whole borough. However, such applications had to be submitted to Secretary of State involving a lengthy process and likely to require further collection of PRS evidence.

Where the designation would cover more than 20% of the PRS or geographic area, the application must set out in detail the rationale for adopting a larger scale scheme. The application must also address Criterion A – low housing demand justifications, demonstrating how the area would benefit from selective licensing across the combination of criteria. In short, from local authorities who have undergone this process – the threshold level for supporting evidence was required to be more developed than the selection of designated areas under 20% of the PRS total stock.

The justification for this recommendation would be primarily gathered during a detailed consultation period. This period would occur prior to the application for approval for a borough wide selective licensing scheme. The consultation would provide invaluable data that would be used in applying for approval from the Secretary of State. The consultation would take the form of surveys and focus groups primarily with chief stake holders. The resulting research would provide the backbone of the application.

There were areas in the borough where characteristics in the PRS greatly differ between one another, for example the condition of rented homes in Emerson Park compared to those in Heaton or Gooshays.

The policy rationale set out for the 20% consent ruling set in March 2015 was set out by the minister's letter to local authorities.

It was therefore the Topic Group's recommendation that this be a significant and key consideration prior to the adoption of this recommendation.

FINANCIAL IMPLICATIONS OF KEY RECOMMENDATIONS

The Topic Group noted that it was essential that any local authority planning to start selective licensing ensures that it has adequate resources in place from the start. Without these, licensing teams may be obliged to focus on chasing better landlords first to obtain the funds to enforce licensing for bad landlords.

The introduction of mandatory licensing should mean that LAs would have some existing resources which can be re-used, such as licence forms, enforcement procedures, licence fee scales and administrative procedures. However, the extension of licensing in a designated area through these recommendations would certainly result in increased work for existing teams and would depend on additional resources being available.

Although selective licensing would be a substantial financial implication for the Council to bear initially, other local authorities who have undergone the same process have recognised any initial costs can be offset against the long-term drain of funding resulting from antisocial behaviour, low demand and dilapidated, insecure estates. The cost of bad housing and inadequate management was difficult to quantify but would be considerable in terms of homelessness applications, healthcare, reduced life opportunities, reduced property value, street crime, insurance costs, policing and a raft of measures.

The Topic Group noted that if the recommendations were agreed as suitable for Havering, the Council would need to develop a full detailed financial business model that would establish accurate figures on:

- The set up and operating costs and
- The charge to landlords for the licence fee.

Licence Fees to Landlords

As with the Mandatory HMO licensing regime, landlords must pay a charge for a licence issued under a selective or additional licensing scheme. Local

authorities can set the level of the fee – the intention is that the rate should be ‘transparent’ and should cover the actual cost of the scheme’s administration.

The explanatory memorandum to the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 states:

‘Once the schemes have been set up, they will be self- financing. (In other words) Running costs of licensing schemes including costs of further training and development and enforcement costs will be covered by licence fees. ‘

However, the Topic Group noted that there had been a recent development with case law concerning Licensing in Westminster. The Court of Appeal upheld a High Court decision that licensing fees can only cover the administration of licensing schemes (i.e. not enforcement). The implications of the decision are discussed in Local Government Lawyer (2013) “Local Authorities, Licensing Fees and the Hemming’s Case”. Therefore it must be considered the money used for any enforcement activity including investigating and prosecuting unlicensed operators would come out of the Council’s General Fund.

There was no cap for the fees which the local authority can charge for licensing but fees cannot be used to raise extra revenue for the authority. The Council could decide to run the scheme cost-neutral or be subsidised depending on the enforcement activity.

So, for clarity, the income that Havering receives from the fee charged to landlords to licence their property (under Selective Licensing Scheme) can only be used cover the cost of setting up and administering a licensing scheme. Income from fees cannot be used to investigate and prosecute unlicensed landlords at final stages of enforcement.

The calculation of the initial registration fee Havering could charge landlords would be based on two main influencing factors:

- The current fee Havering Council charges Landlords under the Mandatory Licensing Scheme is £129.30 per room.
- The fee charged by neighbouring local authorities and authorities across the south east region with similar demographics to Havering For example, Barking and Dagenham, Newham and Waltham Forest all show a selective licensing fee of £500. Brent was the only Council which charges less (£340) for a selective licensing landlord fee. See Pan-London Analysis for further information attached in the appendix. This research provides an outline of full comparative licensing fee

charges for all local authorities in London who had implemented additional and/or selective licensing schemes. When deciding the Council's own fee setting, fees could be benchmarked against other local authorities to ensure an element of fairness

- Research as detailed in appendices 1-2 show that the average licensing fee for London is £500 (rounded up from £460). Provisionally it could be expected Havering Council could charge a licensing fee around this figure. This figure has been used to project the costs that could be recovered from licensing fees charged to landlords.

	Cost recovery generated from £500 licensing fee
Recommendation 1 at 1930 properties	£965,000
Recommendation 2 at 10337 properties	£5,168,500

The final accuracy of these financial costs will be made as part of a full business model case for the recommendation that is taken forward.

The Topic Group noted that some of the future decisions and considerations for the Council to consider with regards to fee setting were:

- How fees would be charged, this method can differ. It could be based on the different property size or could be charged as one standard fee not dependant on property sizes
- The use of renewal fees that could be charged at the same level as the initial registration fee or at a reduced level.
- The use of any extra, additional fees to cover administrative costs to the Council incurred by;
 - License changes e.g. for changes to name of license holder or type.
 - Scheduled inspection dates that are missed by landlords.
 - Finder's fee for unlicensed or poor condition properties, in addition to formal legal repercussions that can be employed or as a 'pre-warning' to unlicensed landlords or those who are not meeting license conditions .
 - Charges for requiring help with submitting an application or charges for paper applications.
- Discounts could be offered as a way to incentivise landlords for different purposes, for example;

- Discounts for landlords with a lease or management agreement contract with the Council's Liberty Housing service
- Discounts for landlords who sign up to landlord accreditation schemes (a promotion of two-tier regulation) that would incentivise landlords to access appropriate training
- Discounts if applications are made correctly, in full and submitted within a set time limit
- Discounts for HMO new build properties to promote supply of PRS properties
- Discounts for portfolio landlords or setting of a maximum threshold fee

Operational costs of implementing selective licensing

The Topic Group had considered in broad principle the financial implications that could be expected through the operational costs of adopting each recommendation. They noted that these costs had been based on known PRS property statistics and estimations based on Housing Health & Safety Rating System (HHSRS) Administration and Inspections to determine staffing resources required to inspect the total number of PRS properties. Estimates had been calculated on:

- How long it could take to take for operation and inspection duties for the set number of properties.
- Staffing resources to operate the scheme within this time limit.
- Total estimated operational costs to run the scheme over this set time period duration.

It should be acknowledged these figures were estimations and a full detailed business case would be constructed should recommendations be taken forward.

Step in HHSRS:

The information provided below outlines staff resources in terms of the average time it takes to inspect properties according to HHSRS regulation stages.

1. Initial Client/Landlord Contact/Notice of Entry (1.5-2hrs). Phone contact client, letter & liaison with landlord, Notice of Entry.
2. Visit (2-4 hours). Inc travel time, influenced by size of property and how many rooms.
3. Assessment (1-3 hours). 2 hr. for basic assessment with 1 hazard, approximately 0.5hr per further hazard to be assessed fully.
4. General liaison/correspondence (0.5-3 hours). Very variable but often emails/discussions between tenant and landlord/agent.
5. Revisits (1-2 hours). Ensure hazards have been dealt with.

6. Enforcement Action (5 days but will be concurrent – would occur whilst officer works on other inspections). If hazards not dealt with then move to formal action. (note this is not included in the costs)

Total 'work hours' on one property was, therefore, on average between 9-13 hours of dedicated officer time. This was a broad guide where many properties may take an officer more or less in time duration.

Financial Cost Range in terms of staffing costs per HHSRS;

The costs of this work below are estimated on £55 per hour, industry standard figure for court cases per type of action taken.

1. (Lower Band Model) - Basic HHSRS (medium property, no Cat 1 Hazards identified, possibly Cat 2's found): £495
2. HHSRS (medium property, 1xCat1 Haz & 2xCat 2 Hazards): £605
3. (Upper Band Model) - HHSRS (medium property with 3 cat 1 hazards): £715

These costs had been used to form different financial models according to each recommendation made.

- Model 1 assumes that 10% of the properties would be based on the upper band £715 HHSRS figure so HHSRS inspections would find 10% medium properties with 3 category 1 hazards therefore taking a higher cost to resolve .
- Model 2 assumes that 20% of the properties would be based on the upper band figure, and 80% lower band figure.
- Model 3 assumes that 40% of the properties found upon inspection would entail upper band figure and 60% lower band figure.

Recommendation 1 - Selective Licencing in 3 wards - Financial implications⁷				
		year 1	year 2	year 3
Number of Properties		1930 ¹		
Activity	Detail of Activity			
Pre scheme consultation²	Costs to staff the consultation process	£40,000	x	x
	Consultancy costs to support the consultation process	£10,000	x	x
	Consultation publicity	£2,500	x	x
Start-up costs³	Staff costs leading up to implementation	1FTE PO4... £50,000 1 FTE APTC5 £24,027	1FTE PO4... £50,000 3 FTE APTC5... £72,081	1FTE PO4... £50,000 3 FTE APTC5... £72,081
	Promotion and publicity	£2,500	500	500
	IT and processes	£3,000	1000	1000
Administering & Operation	cost per year	model 1 (90% lower band, 10% upper band) ⁴		
		40% of the properties... £399,124	40% of the properties... £399,124	20% of the properties... £199,562
Total Cost estimation		£531,151.00	£522,705.00	£323,143.00
£1,376,999				
Administering & Operation	cost per year	model 2 (80% lower band, 20% upper band) ⁵		
		40% of the properties... £416,108	40% of the properties... £416,108	20% of the properties... £208,054
Total Cost estimation		£548,135.00	£539,689.00	£331,635.00
£1,419,459				
Administering & Operation	cost per year	model 3 (60% lower band, 40% upper band) ⁶		
		40% of the properties... £450,076	40% of the properties... £450,076	20% of the properties... £225,038
Total Cost estimation		£582,103.00	£573,657.00	£348,619.00
£1,504,379				

Notes:

- 1) The figure 1930 was sourced from (<http://data.london.gov.uk/census>) it represents the sum of private rented accommodation in Brooklands, Heaton and Gooshays in 2011. It has been selected as this model seems the most appropriate to begin with. The total PRS figure in

Havering was around 10000, this means the 1930 figure represented selective licensing for 19% of the PRS of havering, and costs are given for this amount.

- 2) **Pre-scheme consultation.** Before the scheme was implemented it was envisioned that a consultant would be brought on board to handle the organisation of the project in its infancy. The project would need to be outsourced initially to gather information concerning the scope and the stakeholders of the scheme. The consultation process should not last longer than 4 months by which time a project manager would be hired to initiate the project. Costs at this stage would be low, the consultation and the publicity of this phase is estimated to £12,500 collectively.
- 3) **Start-up costs.** Following the consultation there would be a full time senior project officer and a full time support role filled in order to initiate the project. These officers would supervise the establishment of the project and then run the on-going project until completion. The costs at this stage would be associated with funding purchase of the appropriate hardware and software to successfully run the project, and publicising the licensing scheme in the appropriate areas.
- 4) The three models supplied assume that the cost of fully processing one of the 1930 properties would be either £495 or £715. These were extreme bands provided by the Public Protection team as estimates on how much the process would cost. Band 1 was the lower cost at £495, band 2 was £715. Model 1 demonstrated a three year assessment that assumes 90% of the properties would cost £495, 10% would cost £715. In terms of the yearly breakdown it was assumed that 40% of properties would be processed in years 1 and 2, the remaining 20% in year 3.
- 5) Model 2 assumed that 80% were of the higher band and that 20% were of the lower band. The yearly breakdown was the same as model 1.
- 6) Model 3 assumed that 60% are of the higher band and that 40% were of the lower band. The yearly breakdown was the same as model 1.
- 7) This assessment does not suppose the number of staff required to carry out the inspections in a three year period. The total number of officers required to theoretically complete all 1930 inspections in a year was 13, this could be split in any way favoured, if split over three years 3/4 officers a year are required

Officer Resources

PRS	1930	total hours per officer	1638
Average hours per property for processing	11	Officers required	13
how many hours to process all (compiled)	21230		

- 8) The table demonstrated an estimated number of inspection / enforcement officers required to conduct 1930 inspections in one year. It was estimated that 13 officers would suffice, this was based on an average of 11 hours to process each property

Recommendation 2 - Selective Licencing in all areas of the borough				
		year 1	year 2	year 3
Number of Properties		10337		
Activity	Detail of Activity			
Pre scheme consultation	Costs to staff the consultation process	£214,400	x	x
	Consultancy costs to support the consultation process	£53,600	x	x
	Consultation publicity	£13,400	x	x
Start-up costs	Staff costs leading up to implementation	5FTE PO4... £250,000 5 FTE APTC £120,135	5FTE PO4... £250,000 15 FTE SPC6... £360,405	5FTE PO4... £250,000 15 FTE SPC6... £360,405
	Promotion and publicity	£12,500	£2,500	£2,500
	IT and processes	£15,000	£5,000	£5,000
Administering & Operation	cost per year	MODEL 1 (90% LOWER BAND, 10% UPPER BAND)		
		40% of the properties... £2,317,691	40% of the properties... £2,317,691	20% of the properties... £1,068,845
		£2,996,726.00	£2,935,596.00	£1,686,750.00
Total Cost estimation		£7,619,072		
Administering & Operation	cost per year	MODEL 2 (80% LOWER BAND, 20% UPPER BAND)		
		40% of the properties... £2,228,657.20	40% of the properties... £2,228,657.20	20% of the properties... £1,114,328.60
		£3,087,691.60	£3,026,561.60	£1,732,232.80
Total Cost estimation		£7,846,486		
Administration & Operation	cost per year	MODEL 3 (60% LOWER BAND, 40% UPPER BAND)		
		40% of the properties... £2,410,588.40	40% of the properties... £2,410,588.40	20% of the properties... £1,205,294.20
		£3,269,622.80	£3,208,492.80	£1,823,198.40
Total Cost estimation		£8,301,314		

Explanatory Notes:

1. This table used figures of the total PRS stock in Havering to calculate rough estimated costs it would take to process licenses and inspect all properties within each area, over the same 3 year time period duration. This was likely to extend over a longer duration however as expected, to implement a borough wide selective licensing scheme would be significantly higher than projections made for recommendation 1.

REASONS AND OPTIONS

Reasons for the Decision

Under the Local Government and Public Involvement in Health Act 2007, s. 122, Cabinet is required to consider and respond to a report of an Overview and Scrutiny Committee within two months of its agreement by that Committee or at the earliest available opportunity. In this case, Cabinet is required to do this at its meeting on 30 July 2014. Cabinet is also required to give reasons for its decisions in relating to the report, particularly in instances where it decides not to adopt one or more of the recommendations contained within the report.

Alternative Options Considered

There are no alternative options.

IMPLICATIONS AND RISKS

Financial Implications and Risks:

To ensure that no financial burden is placed on the council, it would be important to ensure that any licensing arrangements are self financing.

Recommendations 2 and 5 may have the effect of improving the use that specific pieces of land are put to.

Legal Implications and Risks:

There are no apparent legal implications in noting the Report and following the recommendations of the Topic Group.

Human Resources Implications and Risks:

There are no specific Human Resources implications.

Equalities and Social Inclusion Implications and Risks:

This report sets out the recommendations made by the Estate Management Topic Group to the Towns and Communities Overview and Scrutiny Committee following the completion of a scrutiny review into estate management.

If the recommendations are adopted by the Council, there are no negative equality or social inclusion implications or risks. Recommendation 3 will have a positive impact for disabled residents, as well as families who use prams for babies and young children. This is because it will improve access to communal areas.

The Council will need to have due regard to the Public Sector Equality Duty if any of the recommendations outlined in the report are adopted.

BACKGROUND PAPERS

None

SUPPORTING DOCUMENTATION APPENDIX

Number	Content Name
1	The Licensing process
2	Licensing case studies and best practice
3	Private Rented Sector Dwelling Proportions by ward
4	Private Rented Sector Population Density
5	Private Rented Sector evidence – New Housing Benefit Claimants in Havering (Migration)
6	Private Rented Sector evidence – Anti-Social Behaviour in Havering by ward
7	Criminal Damage, Burglary & Crime Rate in Havering by ward
8	Private Rented Sector Condition/Environmental Crime evidence Category 1 Repair Hazards
9	Private Rented Sector Condition/Environmental Crime evidence Category 2 Repair Hazards
10	Private Rented Sector Condition/Environmental Crime evidence Noise Complaints
11	HMO's in Havering's Private Rented Sector evidence – HMO prevalence
12	HMO's in Havering's Private Rented Sector evidence – crime and ASB
13	Average Score of Deprivation in Havering by Ward
14	Geographical size of wards in Havering

Appendix 1 – The Licensing Process

There are several steps the local authority needs to consider before deciding to implement a licensing scheme. The Topic Group had identified there are seven stages that the Council would have to surpass in order to justifiably introduce a licensing scheme in Havering in practice.

As part of this topic group report, stages 1 and 2 of the process have been considered. If recommendations are taken forward by members, the Council can look towards stage 3 of the process (consultation) and a collating a formal business case report summarising the reasons and evidence for recommendation introductions.

1. Strategic assessment – *How well will tighter PRS regulation through licensing deliver Havering's wider strategic policy objectives?*

The Housing Act 2004 stated that any decision to implement a selective or additional licensing scheme must be consistent with the Council's homelessness strategy and must be a co-ordinated approach for dealing with homelessness, empty homes and anti-social behaviour.

The Topic Group had considered that licensing links up to its wider strategic objectives as detailed in Havering's Housing Strategy, in terms of;

- Increasing a healthy supply of good standard PRS accommodation
- protecting and improving the existing housing stock
- offering a way to target housing advice and support to people in housing need
- enabling people to live independently in the borough
- sustaining strong neighbourhoods
- improve the health and wellbeing of local people through decent homes and neighbourhoods
- prevent homelessness
- prevent the occurrence of empty homes
- prevent ASB

2. Evidence – *How much quantitative evidence is there to support the need for licensing in Havering? Have alternative methods been used to address any deficiencies?*

The development of a strong evidence base was necessary to support the implementation discretionary licensing scheme. The evidence collected would depend on the nature and scope of the scheme in consideration and the evidence requirements under additional or selective licensing would differ.

The types of evidence that could be addressed before implementing either one of the discretionary schemes could include;

- Migration data
- PRS Stock condition surveys
- Housing Benefit Records

- Council tax database
- Service requests from private tenants
- Service complaints from private tenants
- Market data from local lettings agencies
- Primary research i.e. opinion surveys of tenants in the PRS, engagement with the local community both landlords and tenants via consultation research

The core aim of collecting a substantial evidence base would be to gain an accurate snapshot of PRS activity in Havering

3. Consultation – *If a need for exists, how would the Council use consultation with key stakeholders who licensing would affect to affect decision making?*

Havering Council needs to consider the need for a licensing scheme subject to local consultation. In order to introduce licensing schemes, local authorities are required to consult with local residents, landlords and tenants for a minimum of ten weeks.

The consultation method can include a variety of techniques including online questionnaires and proposal information, postal surveys, local meetings in designated areas, drop in centre sessions and direct interview contact with landlord associations, councillors, landlords, tenants and other key stakeholders in the community.

As part of the consultation exercise the Council will need to give a detailed explanation of the licensing proposal, share the supporting evidence base and explain how licensing will tackle the problems that exist to all stakeholders.

Havering should consider the judicial review decision that occurred in 2014 in Enfield for additional and selective licensing schemes. The review was allowed on two reasons that the council did not consult all of the people that should have been included and this included people outside of the borough and that it did not consult for the minimum of 10 weeks.

4. Financial appraisal – *What are the financial implications of introducing licensing for Havering Council and key stakeholders?*

As with the Mandatory HMO licensing regime, landlords must pay a charge for a licence issued under a selective or additional licensing scheme. Local authorities can set the level of the fee – the intention is that the rate should be ‘transparent’ and should cover the actual cost of the scheme’s administration.

The explanatory memorandum to the Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006 states:

‘Once the schemes have been set up, they will be self- financing. (In other words) Running costs of licensing schemes including costs of further training and development and enforcement costs will be covered by licence fees. ‘

However, the Topic Group noted that there had been a recent development with case law concerning Licensing in Westminster. The Court of Appeal upheld a High Court decision that licensing fees can only cover the administration of licensing schemes (i.e. not enforcement). The implications of the decision are discussed in Local Government Lawyer (2013) "Local Authorities, Licensing Fees and the Hemming's Case". Therefore it must be considered the money used for any enforcement activity including investigating and prosecuting unlicensed operators will come out of the Council's General Fund.

There was no cap for the fees which the local authority can charge for licensing but fees cannot be used to raise extra revenue for the authority. The Council could decide to run the scheme cost-neutral or be subsidised depending on the enforcement activity.

So, for clarity, the income that Havering receives from the fee charged to landlords to licence their property (either under an Additional or a Selective Licencing Scheme) can only be used cover the cost of setting up and administering a licensing scheme. Income from fees cannot be used to investigate and prosecute unlicensed landlords.

If topic group recommendations are agreed as suitable for Havering, the Council will need to develop a full detailed financial business model that will establish accurate figures on;

- The set up and operating costs
- The charge to landlords for the license fee

The set up and operating costs

If the Council decided to pursue the option of either additional or selective licensing we need to ensure that adequate resources in place from the start. The Topic Group had considered a detailed business model would need to be developed that will take full account of the operating costs over the life of the scheme.

The introduction of mandatory licensing under the Housing Act 2004 means that Havering has some, but limited, existing resources which can be re-used, such as licence forms, enforcement procedures, licence fee scales and administrative procedures. However, the extension of licensing through the proposals particularly with selective licensing will certainly result in increased work for existing licensing teams. These costs will significantly vary under either an Additional or Selective Licencing Scheme because of the number of potentially licensable properties concerned. To place this in broad context, using figures used in this report, the HMO analysis data identified 265 HMO properties while the most recent Census in 2011 showed there were 10,337 private rented properties with in borough. Both figures are likely to be higher than reported with many HMOs yet unidentified and the numbers of overall properties in the private rented sector increasing in line with national trends.

The charge to landlords for the Licence Fee

The calculation of the initial registration fee Havering could charge landlords would be based on two main influencing factors:

- The current fee Havering Council charges Landlords under the Mandatory Licencing Scheme – which is £129.30 per room
- The fee charged by neighbouring local authorities and authorities across the south east region with similar demographics to Havering. For example, the Barking and Dagenham Council charge a set rate of £714 for up to 5 rooms, £786 for 6 – 10 rooms and £852. See Pan-London Analysis table for further information attached in the appendix. This research provides an outline of full comparative licencing fee charges for all local authorities in London who have implemented additional or selective licensing schemes or both. When deciding the Council's own fee setting, fees could be benchmarked against other local authorities to ensure an element of fairness

The comparative research of other additional or selective licensing schemes in London also brought other considerations for fee-setting forward. The topic group discussed that future decisions must be made on;

- How fees will be charged, this method can differ. It can be based on the different property size or can be charged as one standard fee not dependant on property sizes
- The use of renewal fees - that could be charged at the same level as the initial registration fee or at a reduced level
- The use of any extra, additional fees to cover administrative costs to the Council incurred by;
 - License changes e.g. for changes to name of license holder or type
 - Scheduled inspection dates that are missed by landlords
 - Finder's fee for unlicensed or poor condition properties – in addition to formal legal repercussions that can be employed or as a 'pre-warning' to unlicensed landlords or those who are not meeting license conditions
 - Charges for requiring help with submitting an application or charges for paper applications
- Discounts can be offered as a way to incentivise landlords for different purposes, for example;
 - Discounts for landlords with a lease or management agreement contract with the Council's Liberty Housing service
 - Discounts for landlords who sign up to landlord accreditation schemes (a promotion of two-tier regulation) that will incentivise landlords to access appropriate training
 - Discounts if applications are made correctly, in full and submitted within a set time limit
 - Discounts for HMO new build properties to promote supply of PRS properties
 - Discounts for portfolio landlords or setting of a maximum threshold fee

The final decision on these financial costs will be made as part of a full business model case for the recommendation that is taken forward.

5. **Licensing Conditions Decision Making** – *What conditions could Havering Council attach to the license to ensure key issues are tackled?*

The Topic Group was informed that there are certain conditions that must be applied to an additional or selective license, including

- Producing gas safety certificates for inspections
- Keeping electrical appliances and furniture in a safe condition
- Providing working smoke alarms
- Giving all occupants a written tenancy or license agreements

Selective Licensing must have an extra condition requiring the landlord to obtain references from prospective tenants. Whilst obtaining references is good practice, Havering Council must consider how this will be applied as it may create barriers for people seeking accommodation such as young people leaving home or migrants or the homeless.

Selective Licensing can only apply conditions for the management use and occupation of the house. In contrast additional licensing can apply conditions for the management use, occupation of the house and its overall condition and contents.

Additional Licensing can add conditions that will help to achieve broader aims but they must be reasonable, justified and fall within the statutory framework. For example Bath and Somerset Council has added the condition that within two years the HMO property must reach a minimum 'E' EPC rating and had made the maximum improvements possible through the Green Deal and ECO.

6. **Operation** – *How is the scheme going to work in practice?*

The Topic Group was informed that the proposals of either scheme, implementation cannot come into either scheme until at least three months after the designation but the Council needs to consider enough time for publicity and the launch. For example, for Waltham Forest this was a period of 9 months from decision to designation start date.

The Council would need to agree on a comprehensive communication strategy including substantial marketing and promotion efforts. The early phases of implementation could be expected to involve processing a large influx of applications and enquiries. Developing user friendly IT systems may be required to streamline the process.

The Council would need to make decisions on the following aspects relating to the operation of the scheme;

a) **Effective communication strategy**

Including substantial marketing and promotion efforts.

b) **Data processing systems**

Developing user friendly IT systems may be required to streamline the process and deal with large influx of applications

c) *The time limit of licenses*

The Council would need to consider if it wants to set licenses for five years and whether it will set a lesser duration for landlords who have had history of poor management at what level

d) *Inspection policy*

Critics have described the scheme as a money making exercise if a Council's inspection policy is not taken seriously. There was no requirement to inspect every property through licensing, however this has been said to lead to the success of the scheme and correct levels of enforcement. Research of all London boroughs (attached within appendix) who have introduced licensing have shown that the majority promise to inspect each property at least once over the five years license period. No local authority claims to be pro-active in inspecting the property before the license is issued. Inspecting all properties prior to license approval is resource intensive.

e) *Staffing resources*

Depending on the inspection policy the Council will need to make decisions relating to the supply of qualified officers to carry out the work

f) *Links to other schemes or initiatives*

Havering Council could consider if it would like to supplement funding to achieve the objectives of licensing in other ways through the introduction of other initiatives. For example, licensing may provide an accessible client base the Council can take advantage of. Licensing could work best if introduced alongside a Landlord Accreditation Scheme or similar scheme that will offer training, support, e-bulletins or promote energy efficiency schemes that will give something back to its local landlords that will forge on-going communication and stronger relationships.

If this is agreed, the Council will need to agree on this administration aspect – at what stage through the licensing process these initiatives will be offered.

g) *Use of Liberty Housing*

The Council's in-house social lettings agency Liberty Housing offers a shared living scheme that procures HMOs in the borough. Liberty Housing provides local landlords with the best financial 'offer' in the market over all commercial lettings agencies. It offers an intensive management service to landlords in exchange for a fee that generates profit for the Council that is then reinvested into supporting and enabling vulnerable tenants to live independently in its accommodation.

If recommendations are taken forward, the Council could consider how the use of Liberty Housing's services could benefit landlords experiencing management problems.

7. *Enforcement – What techniques would be employed to ensure the Council reaches its goals of improving good landlord practice in the PRS?*

Effective intelligence led enforcement is a challenging and resource intensive process.

Havering Council would have to make decisions on implementing the following enforcement techniques, such as

- a) Use of publicity & campaigns to raise awareness of the type of enforcement that could occur
This may encourage landlords to comply and reduce the likelihood of unlicensed landlords in the first instance

Appendix 2 – Licensing Case Studies and Best Practice

As part of this report, the topic group considered the current context of licensing schemes in all London Boroughs. This research enabled the topic group to determine if the Private Rented Sector characteristics in Havering were of any comparison to local authorities who have also gone through the process of considering and introducing a licensing scheme.

This research provided background intelligence on;

- the proportion and number of licensing schemes introduced in London by type (additional or selective)
- the private rented sector demographics of local authorities who have introduced licensing
- the reasons used by Councils to justify the introduction of licensing
- local authority experiences with consultation processes
- the fee brackets charged to landlords by local authorities for licensing
- how the local authority enforces licensing
- what licensing has achieved for respective local authorities

The topic group first looked holistically at London, and then progressed into in-depth research case studies of Newham and Barking and Dagenham.

Across London, the topic group identified there are 15 local authorities in London that has introduced or is expected to introduce additional and selective licensing (or both).

	Snapshot of Local Authorities(32) in London with Licensing Schemes	Proportion of PRS as a housing tenure - Census 2011 Data
Additional Licensing	• Harrow	20-25%
	• Brent	30-35%
	• Hounslow	20-25%
	• Hillingdon	15-20%
	• Kingston upon Thames	20-25%
	• Haringey	30-35%
	• Newham	30-35%
	• Barking and Dagenham	15-20%
	• Croydon	15-20%
	TOTAL: 9 Local Authorities	Median average 20-25%
Selective Licensing	• Newham	30-35%
	• Barking and Dagenham	15-20%
	• Brent	30-35%
	• Waltham Forest	25-30%
	TOTAL: 4 Local Authorities	Median average 30-35%

Formal consultation phase for licensing	• Southwark (additional & selective)	20-25%
	• Tower Hamlets (selective)	30-35%
	• Redbridge (additional & selective)	20-25%
	• Enfield (additional & selective)	20-25%
	• Camden (additional & selective)	30-35%
	TOTAL: 5 Local Authorities	Median average 20-25%
Initial phase (topic group)	• Havering	10-15%

The majority of boroughs who have introduced additional licensing have a 20-25% size PRS. The majority of boroughs who have introduced selective licensing have a more prevalent PRS on average 30-35%.

Whilst this table demonstrates Havering has the lowest PRS density across all local authorities who have introduced licensing or of those in consultation phase, it is not suggestive that licensing is unnecessary in the borough. The table does not show ward level PRS density where parts of boroughs may have pockets of high density private renting and does not consider the rate of PRS growth.

SELECTIVE LICENSING IN NEWHAM CASE STUDY

The Topic Group considered the scheme in Newham, noting that it was the largest and most successful licensing scheme operating in London.

Newham had become the first LA in England to implement 'mandatory' licensing as a method to "ensure that all privately rented properties were well managed".

Why was Licensing introduced in Newham?

The core reasons behind why Newham Council introduced selective licensing included;

- As of June (2012) there was an estimated 40,000 private rented sector dwellings in Newham, a significantly large PRS
- The scheme was a response to growing anti-social behaviour in the borough, the 'sheds with beds' phenomena caused by extremely high levels of inward migration. Sheds with beds phenomena started causing very recognisable problems with growing refuse and noise nuisances that were encroaching on the nature on communities and neighbouring housing stock
- Failure of landlords to properly manage properties was considered the primary cause of such disturbances, notable problems existed with high levels of rogue landlords
- Newham's privately rented property stock had a significant proportion of pre 1919 stock (44.9%), this stock required high maintenance in terms of repairs and management

What has Licensing achieved for Newham?

Newham's scheme has been heavily criticised as being a 'desktop exercise' and for not appropriately ensuring that the desired outcomes of selective licensing are being achieved. The local authority only inspects properties when landlords are non-compliant or only when a complaint against a property. As a result it has been criticised for not achieving a rise in the quality of rented home throughout the borough.

The dangers associated with only perusing landlords who have not purchased a license have been publically recognised, not only for Newham but for similar local authorities who are operating licensing schemes in this way. Failure to inspect properties and investigate licensed landlords who have submitted applications in a timely manner represents a great risk for the Council who can be seen to not have taken appropriate action in line with licensing obligations. The topic group recognises the importance of implementing a licensing scheme that can process applications in realistic timescales, where un-inspected license holders are left for long durations without necessary licensable checks.

LICENSING IN BARKING AND DAGENHAM CASE STUDY

As part of a case study, the Topic Group considered the London Borough of Barking and Dagenham scheme that implemented its additional and selective licensing schemes on 1 September 2014 and is set to run for 5 years as a means of improving the quality of private rented homes and tackle anti-social behaviour in the area.

Why was Licensing implemented?

Some of the main PRS factors behind why licensing was introduced by the local authority includes,

- PRS grew by at least 47% in the last five years
- LBBD found there was evidence in the PRS related to substandard property conditions, particularly rubbish, fly tipping or litter and significant problems with ASB
- LBBD found there was an increasing problem with incorrect gas certificates
- Over 40% of PRS properties have a category one hazard

Experience throughout Consultation Process

Extensive consultation was carried out involving both tenants and landlords in the borough to consider the options of additional and selective licensing.

Over a 12 week period a commissioned research agency used the following methods to gather opinions on the scheme:

- Open access consultation on the council's website;
- Postal survey questionnaires sent to a list of known private rented sector landlords with properties rented in the Borough;
- Door to door interviews with identified private housing tenants;
- Door-to-door interviews with residents and private housing tenants in a representative range of locations across the Borough;
- Two open consultation meetings with landlords and interested residents, on 12 December 2013 and 8 January 2014.

Key findings from consultation included the following opinions;

- Landlords were strongly opposed to the selective licensing proposals: 75% disagreed with the proposals, while 18% agreed

- 85% thought it would increase landlord costs and 86% believed it would increase rents
- 84% believed it would increase bureaucracy and red tape ideology
- 28% believed it would make areas more attractive to residents but 48% disagreed
- Only 21% said it would have a positive effect in Barking and Dagenham as a whole, 57% disagreed.
- Landlords also stated that if licensing was to be introduced, they would prefer it to be on a 'worst first' basis, rather than ward-by-ward or all in one go.
- Tenants were strongly supportive of the selective licensing proposals: 82% agreed with the proposals, while 18% disagreed
- The conditions of the general licence were widely supported by tenants: 82% agreed with them, 12% disagreed
- 73% believed it would ensure PRS properties were better maintained and managed, while 14% disagreed
- 62% believed it would make areas more attractive to residents, only 19% disagreed.

Overarching Views on Selective Licensing

- Eight out of ten residents agree with the proposal to require landlords of all privately rented properties to apply for a licence (80%); 12% disagree.

Reasons for disagreeing with the proposals included:

- Most residents who disagree think that it is a money making scheme (31%).
- Over one in five thinks that it won't solve the current issues (21%).
- 18% think that the cost will be passed onto tenants.

LICENSING IN REDBRIDGE CASE STUDY

The Topic Group noted that Redbridge was currently at the consultation stage of approving proposals for additional and selective licensing in the borough.

Why was licensing being considered in Redbridge?

- Redbridge was the 11th largest London borough, and its population had grown over the past 10 years over the average rate at 16.9 per cent. It was expected, by 2021, to be the sixth highest area of growth. With the increase in population, the borough had seen a significant growth in the private rented sector. And with this it had seen a rise in anti-social behavior and environmental crime.
- The council dealt with 900 incidents a month with 600 of these relating to fly tipping, rubbish and environmental crimes – a number of these problems relate directly to private rented properties. With increasing concerns from residents, requests have been made for action to be taken against crime, environmental nuisance and anti-social behavior
- Considering the importance that approximately one in four households lived in private rented properties in the borough the Council wishes to ensure the PRS was a safer and more appealing sector that people enjoy living in
- Redbridge was also considering introducing the scheme due to collecting an increasing amount of evidence and rising concerns from local residents who have been demanding the Council to address reducing the incidence of ASB in the PRS

- It also became clear to the local authority that there were significant problems with the way that an increasing number of HMOs were managed and maintained, impacting on other residents as well as on tenants living in these properties. Of the 25 prosecutions Redbridge Council had carried out over the last few years, 23 were brought against landlords of HMOs
- Although Redbridge Council had been using all its powers necessary to address problems in the PRS, it believes licensing would help to take a more proactive and targeted approach when dealing with service requests and complaints. This was because it would know the details of the landlords Registered whilst it currently relies heavily on tenants coming forward to make a complaint about their landlord. It believed many tenants are scared to do so as they fear being evicted so they estimate more problems may exist in the PRS than is actually known
- The council considered using a voluntary accreditation scheme but it decided rogue landlords will not join a voluntary scheme and therefore this option would not improve the management of poorly run private rented properties or reduce anti-social behaviour
- It considered that a borough wide scheme to regulating the PRS would be necessary as evidence suggests that private rented homes are scattered across the whole Borough and that the incidence of anti- social behaviour exists Borough wide.

Experience through the Consultation Process

- Redbridge launched its 12 week consultation in November 2014
- Redbridge had a 1,700 response rate from online surveys
- The Council was currently using its research and consultation to submit a proposal in June 2015
- If the Council agreed with the proposals, Redbridge would then submit an application to the Secretary of State to approve selective licensing

The proposal for additional and selective licensing

- The proposed fee would be £500 per property for a five year license
- Landlords applying within the first three months would receive a 50% discount – (£250).

PAN-LONDON ANALYSIS - SELECTIVE LICENSING SCHEMES IN OPERATION

LOCAL AUTHORITY	IMPLEM-ENTATION	INITIAL LICENSING FEE	RENEWAL COST	EXTRA FEES E.G LICENSE CHANGES	DURATION OF LICENSE	DISCOUNTS	ENFORCEMENT METHOD	SUCCESS RATE SO FAR
NEWHAM	Borough wide	£500	£500	Paper applications cost £100 extra. £500 for any license change	Up to 5 years	Discount of £150 for new build properties and no one has lived there before. Maximum set threshold fee £1250 for landlords who have 20+ properties to let in the borough. No discounts for accredited landlords	Guarantees at least one inspection during license period, but will not be 'proactive' before granting licenses.	PRS sector consists of 55,790 properties. 34% of Housing Stock is Privately Rented, significantly higher than London average (25%). Newham has been the most successful with enforcing out of all other boroughs. As of Feb 2015, 29,457 selective licenses have been issued. Even though Newham Council have licensed a huge number of properties, they think there could be up to 38,000 licensable properties in the borough, the split of what licensing scheme they would be eligible for is unknown. Newham has devoted significant resources into housing enforcement action. 359 housing prosecutions have been made over the last three years (April 2011-2014) by far the highest of all London Boroughs. The Council have obtained four rent repayment orders from unlicensed landlords over the last three years (April 2011-March 2015)
BARKING AND DAGENHAM	Borough wide	£500	£500	£500 for change of license holder, would still charge the £500 if licenses are refused for any reason	1 year	None	Guarantees at least one inspection during license period	18% of the housing stock is privately rented, significant lower than the London average (25%). As of February 2015, the council had applications from 9000 selective licenses. B&D estimates there are 17,500 licensable PRS properties in the borough but the proportion estimated to be eligible for selective licensing is unknown. Barking & Dagenham Council have not taken any housing prosecutions over the last three years (April 2011 to March 2014), which puts them at the bottom of the housing prosecution league table when compared to other

								<p>London Boroughs.</p> <p>The Council have not obtained any Rent Repayment Orders from the landlords of unlicensed HMOs over the last three years (April 2011 to March 2014)</p>
BRENT	Selected areas of Harlesden, Wembley Central and Willesden Green	£340	£300	License changes – initial fee £340, reminder issue £15, missed inspection £100, finders fee (unlicensed property fine) £300, £50 charge for needing help with application	5 years	£40 discount for being with a landlord accreditation scheme	Guarantees at least one inspection during license period, but will not be 'proactive' before granting licenses.	<p>PRS consists of 35,000 properties. 30% of the housing stock is privately rented, higher than the London average (25%). As of January 2015, Brent had 259 selective licenses, a further 3200 licenses had been received and were being processed (some of these would be mandatory or selective). Brent estimates there are about 14,400 licensable HMO s plus 3000 PRS properties eligible for selective licensing. No rent repayment orders have been made. No housing prosecutions have been made over the last three years (April 2011 to March 2014), which is at the bottom of the housing enforcement league table when compared to other London Boroughs. No rent repayment orders have been made</p>
WALTHAM FOREST	Borough wide	£500	None	£500	5 years	<p>There is an early bird discount period 16 March - 15 June 2015 offering a 50 per cent discount on the fee, so the charge will only be £250.</p> <p>Applications submitted from 16 June 2015 will be subject to the full fee</p>	Guarantees at least one inspection during license period, but will not be 'proactive' before granting licenses.	<p>26% of the housing stock is privately rented, just above the London average of (25%). The scheme only came into force on 1st April, so no data is available for the amount of licenses currently issued. Waltham Forest estimates there will be 26.000 selective licenses issued.</p>

AVERAGE FEE FOR SELECTIVE LICENSING	NEWHAM	BARKING AND DAGENHAM	BRENT	WALTHAM FOREST	AVERAGE PAN LONDON INITIAL REGISTRATION FEE FOR ADDITIONAL LICENSING
1 bed property	£500	£500	£340	£500	£460
2 bed property	£500	£500	£340	£500	£460
3 bed property	£500	£500	£340	£500	£460
4 bed property	£500	£500	£340	£500	£460
5 bed property	£500	£500	£340	£500	£460
6 bed property	£500	£500	£340	£500	£460
7 bed property	£500	£500	£340	£500	£460
8 bed property	£500	£500	£340	£500	£460

Appendix 3– Private Rented Sector Dwelling Proportions in Havering by Ward

This table shows that Romford Town has the highest percentage as a single ward of PRS accommodation as a proportion of total dwellings. In this sense Romford Town's profile is most like those of inner-London areas where licensing proposals are more commonly being introduced as methods of regulatory control. A high proportion of PRS dwellings can be expected with the characteristics of local town centres. Interestingly Heaton has had the greatest % increase change in the number of PRS accommodation over the past ten years (2001-2011). Brooklands also is highlighted as having the second highest proportion of PRS dwellings and second highest for the projected size of the private rented sector by 2021.

ward	2001				2011 Census				Growth over 10 years (2001-2011 Census)				2021 (projected, estimated stock)			
	Total dwelling stock by ward	Total PRS dwellings by ward	PRS composition as a % of total dwelling stock	Rank	Total dwelling stock by ward	Total PRS dwellings by ward	PRS composition as a % of total dwelling stock	Rank	Total growth all dwelling types	Rank	PRS growth	Rank	Total dwellings	PRS dwellings	PRS composition as a % of total dwelling stock	Rank
Romford Town	5928	687	11.59%	1	7311	1687	23.07%	1	23.30%	1	145.60%	5	9016	4142	45.94%	1
Brooklands	5566	443	7.96%	2	6270	1045	16.67%	2	12.60%	2	135.90%	8	7063	2465	34.90%	2
Squirrel's heath	5050	271	5.37%	5	5701	810	14.21%	3	12.90%	3	198.90%	2	6435	2421	37.62%	3
Rainham and Wennington	4971	273	5.49%	4	5124	660	12.88%	4	3.10%	11	141.80%	7	5281	1595	30.20%	4
St Andrews	5619	381	6.78%	3	5856	718	12.26%	5	4.20%	8	88.50%	17	6102	1353	22.17%	8
Gold Wood	5386	287	5.33%	6	5663	623	11.00%	6	5.10%	7	117.10%	13	5954	1352	22.71%	7
Mawneys	5227	268	5.13%	7	5402	507	9.39%	8	3.30%	10	89.20%	16	5582	959	17.18%	11
South Hornchurch	5594	189	3.38%	14	5747	494	8.60%	9	2.70%	14	161.40%	3	5904	1291	21.87%	9
Elm Park	5155	174	3.38%	15	5303	431	8.13%	10	2.90%	12	147.70%	4	5455	1067	19.56%	10
Heaton	5302	143	2.70%	18	5434	430	7.91%	11	2.40%	15	200.70%	1	5569	1293	23.22%	6
Hacton	4977	191	3.84%	10	5021	395	7.87%	12	0.90%	19	106.80%	15	5065	816	16.11%	13
Upminster	5103	181	3.55%	11	5219	403	7.72%	13	2.30%	16	122.70%	11	5337	897	16.81%	12
Gooshays	6016	210	3.49%	13	6077	455	7.49%	14	1.00%	18	116.70%	14	6138	985	16.05%	14
Havering Park	4947	173	3.50%	12	5258	388	7.38%	15	6.30%	4	124.30%	10	5588	870	15.57%	15
Hylands	4822	196	4.06%	9	5078	366	7.21%	16	5.30%	6	86.70%	18	5347	683	12.77%	16
Pettits	5129	147	2.87%	17	5272	325	6.16%	17	2.80%	13	121.10%	12	5418	718	13.25%	17
Cranham	5216	141	2.70%	19	5283	325	6.15%	18	1.30%	17	130.50%	9	5350	749	14.00%	18
Emerson Park	4549	149	3.28%	16	4707	275	5.84%	19	3.50%	9	84.60%	19	4870	507	10.41%	19
Brooklands Gooshays, Heaton	16884	796	4.71%	8	17781	1930	10.85%	7	5.30%	5	142.50%	6	18770	4743	25.27%	5
All wards	94557	4504	4.76%		99726	10337	10.37%		5.50%		129.50%		105177	23724	22.56%	

- PRS abbreviation (Private Rented Sector) information obtained from ONS Census data, based on statistical estimations

Appendix 4–Population Density in Havering by ward

This ward analysis breakdown provides background information on framing what the level of impact could be upon local resident populations. As can be expected with the characteristics of a borough town centre, Romford Town as a single ward has the highest population density in Havering and has had most significant change to density over time. Notably, when compared as a cluster Brooklands, Gooshays and Heaton have a total population density higher than Romford town. The introduction of a licensing scheme would have more impact for local residents on the combined cluster where population is greater than any other single ward

Wards	Scope of Geographical area		Population Density (Persons living in Havering per sq km)								
	Hectares	Square Kilometres	2001 (Census)	2006 (Census)	% increase 2001-2006 population density	2011 Census population density	2011 census population density rank	% increase 2006-2011 population density	2013 population density (projected from 2011 census)	2013 population density rank (projected from 2011 census)	% increase 2011-2013 population density
Romford Town	286.6	2.9	4569	4896.6	7.17%	5500	2	12.32%	5931	2	7.84%
Squirrel's Heath	264.6	2.6	4557.7	4730.8	3.80%	5096.2	3	7.72%	5096.2	3	0.00%
St Andrews	268.7	2.7	4759.3	4814.8	1.17%	4963	4	3.08%	4981.5	4	0.37%
Hacton	246.1	2.5	5020	4960	-1.20%	4920	5	-0.81%	4960	5	0.81%
Hylands	290.2	2.9	4275.9	4396.6	2.82%	4482.8	6	1.96%	4500	6	0.38%
Mawneys	304.9	3	4200	4166.7	-0.79%	4316.7	7	3.60%	4316.7	7	0.00%
Brooklands	420.1	4.2	3107.1	3202.4	3.07%	3571.4	9	11.52%	3785.7	8	6.00%
Heaton	341.5	3.4	3470.6	3500	0.85%	3705.9	8	5.88%	3779.4	9	1.98%
Elm Park	366.7	3.7	3270.3	3283.8	0.41%	3378.4	10	2.88%	3391.9	10	0.40%
Pettits	395.3	4	3212.5	3187.5	-0.78%	3250	11	1.96%	3237.5	11	-0.38%
Emerson Park	463.9	4.6	2489.1	2521.7	1.31%	2608.7	12	3.45%	2608.7	12	0.00%
South Hornchurch	684.7	6.8	1860.3	1941.2	4.35%	2000	13	3.03%	2198.5	13	9.93%
Gooshays	776.1	7.8	1801.3	1794.9	-0.36%	1891	14	5.35%	1916.7	14	1.36%
Cranham	655.6	6.6	1856.1	1863.6	0.40%	1901.5	15	2.03%	1901.5	15	0.00%
Harold Wood	759.6	7.6	1585.5	1638.2	3.32%	1671.1	16	2.01%	1730.3	16	3.54%
Havering Park	978.8	9.8	1265.3	1239.8	-2.02%	1331.6	17	7.40%	1326.5	17	-0.38%
Rainham and Wennington	1690	16.9	718.9	727.8	1.24%	739.6	18	1.62%	754.4	18	2.00%
Upminster	2253.4	22.5	564.4	566.7	0.41%	571.1	19	0.78%	571.1	19	0.00%
Brooklands+Gooshays +Heaton Cluster	1537.7	15.4	8379	8497.3	1.41%	9168.3	1	7.90%	9481.8	1	3.42%

Appendix 5 – Private Rented Sector Characteristics – New Housing Benefit Claimants in Havering (inward migration indicator)

Analysis of new Housing Benefit Claimants can be used as an indicator for inward migration. Data shows that Brooklands and Romford Town have seen the greatest increase in people claiming housing benefit in the private rented sector, a strong indicator of PRS growth. When analysed as a cluster, Brooklands Gooshays and Heaton have almost double that of new Housing Benefit claimants than any single ward.

New HB claimants in Havering by ward 2013-2014				
Ward	Dwelling Stock composition (Ward Breakdown %)	Number of new HB Claimants 2013-2014	Ward breakdown (%) of new HB claimants 13-14	Rank
Brooklands	10.11%	296	14%	2
Romford Town	16.32%	286	14%	3
Heaton	4.16%	186	9%	4
South Hornchurch	4.78%	169	8%	5
Gooshays	4.40%	146	7%	6
Rainham and Wennington	6.38%	139	7%	7
Havering Park	3.75%	118	6%	8
Mawneys	4.90%	106	5%	9
Elm Park	4.17%	104	5%	10
Squirrel's Heath	7.84%	104	5%	10
Harold Wood	6.03%	101	5%	11
St Andrews	6.95%	65	3%	12
Pettits	3.14%	63	3%	13
Hacton	3.82%	46	2%	14
Hylands	3.54%	43	2%	15
Cranham	3.14%	41	2%	16
Emerson Park	2.66%	28	1%	17
Upminster	3.90%	19	1%	18
Total (all wards)		2060		
Brooklands+Gooshays +Heaton Cluster	18.67%	651	30%	1

- Source – Local Authority Internal Data

Appendix 6 –Anti-Social Behaviour in Havering by ward

This table indicates the level of recorded Anti-Social Behaviour in Havering by ward breakdown across all housing stock types. ASB data shows that Romford Town have the worst issues in the borough, however higher incidents of ASB can be expected due to the local characteristics of town centres. This may have some impact on distorting the comparative validity of this ward against other wards. The table demonstrates Gooshays, Brooklands and Heaton have the next highest prevalence of issues concerning ASB incidences. As a cluster which could be used as an area selection for selective licensing, it could be expected licensing control would have the greatest impact on resolving issues in areas that have by far, the greatest combined amounts (also in terms of individual wards) of ASB in the borough.

ASB in Havering by ward 2013-2014				
Ward	Dwelling Stock composition (Ward Breakdown %)	Recorded incidents of ASB in Havering (all dwelling types)	Ward breakdown (%) of recorded ASB incidents	Rank
Romford Town	16.32%	1480	16.16%	2
Gooshays	4.40%	984	10.75%	3
Brooklands	10.11%	752	8.21%	4
Heaton	4.16%	677	7.39%	5
South Hornchurch	4.78%	594	6.49%	6
Havering Park	3.75%	502	5.48%	7
Rainham and Wennington	6.38%	494	5.39%	8
Harold Wood	6.03%	480	5.24%	9
St Andrews	6.95%	473	5.17%	10
Elm Park	4.17%	443	4.84%	11
Mawneys	4.90%	423	4.62%	12
Squirrel's heath	7.84%	367	4.01%	13
Hylands	3.54%	318	3.47%	14
Upminster	3.90%	273	2.98%	15
Pettits	3.14%	264	2.88%	16
Emerson Park	2.66%	235	2.57%	17
Cranham	3.14%	215	2.35%	18
Hacton	3.82%	183	2.00%	19
All wards		9157	100%	
Brooklands+Gooshays + Heaton	18.67%	2413	26.35%	1

- Source – (internally held local authority data - ASB – ASB Problem Profile.docx)

Appendix 7 – Crime in Havering by ward (Criminal Damage)

Analysis of more crime data shows that Romford Town, Gooshays, Brooklands and Heaton have the highest reported incidents of criminal damage. This is a similar trend to that found with ASB data. As a cluster, the latter three wards have almost double the number of recorded criminal damage incidences compared to Romford Town.

Wards	Criminal Damage in Havering by Ward 2001-2013 Historical Data (All dwelling types)													Rank
	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Ward breakdown (%) of total reported incidents of criminal damage in Havering	
Romford Town	519	462	447	486	407	471	403	326	315	304	302	217	14.16%	2
Gooshays	483	387	420	334	274	285	286	236	196	167	154	175	11.42%	3
Brooklands	302	327	256	209	216	274	217	184	182	197	102	128	8.36%	4
Heaton	338	241	243	238	215	215	168	201	188	142	105	115	7.51%	5
Rainham and Wennington	267	234	248	278	227	237	190	215	173	180	141	114	7.44%	6
St Andrews	252	207	292	277	281	175	189	178	132	156	108	97	6.33%	7
South Hornchurch	236	259	271	303	283	235	169	268	171	151	116	91	5.94%	8
Harold Wood	280	260	222	170	204	237	135	154	125	135	119	81	5.29%	9
Havering Park	226	166	207	234	185	178	148	153	118	127	92	79	5.16%	10
Mawneys	182	194	282	207	233	166	171	115	92	68	85	66	4.31%	11
Elm Park	204	276	276	256	171	176	157	213	116	121	87	62	4.05%	12
Hylands	148	167	211	146	169	147	138	149	108	85	84	59	3.85%	13
Cranham	135	206	121	196	142	62	89	69	57	35	67	51	3.33%	14
Squirrel's Heath	174	153	163	150	129	117	69	78	119	82	51	49	3.20%	15
Pettits	132	148	171	127	131	105	76	73	76	59	63	44	2.87%	16
Upminster	206	173	196	197	199	175	123	113	106	72	50	41	2.68%	17
Hacton	131	153	146	182	130	109	96	141	75	39	49	32	2.09%	18
Emerson Park	110	114	125	104	149	97	80	77	72	58	52	31	2.02%	19
Total (all wards) 2012/13												1532	100.00%	
Brooklands + Gooshays + Heaton cluster	1123	955	919	781	705	774	671	621	566	506	361	418	27.28%	1

- <http://data.london.gov.uk>)

Appendix 7 – Crime in Havering by ward (Burglary)

Analysis shows that Romford Town and Brooklands have the highest prevalence of Burglary as single wards. As can be expected with analysing combined wards together Brooklands, Heaton and Gooshays have the highest combined burglary rate as a cluster. This is in comparison to any other cluster that could be formed that would be under the Selective Licensing 20% for area designation rules of private rented sector prevalence. .

Burglary in Havering by Ward Historical data (All dwelling types)														
Wards	2001/0 2	2002/0 3	2003/0 4	2004/0 5	2005/0 6	2006/0 7	2007/0 8	2008/0 9	2009/1 0	2010/1 1	2011/1 2	2012/1 3	Ward breakdown (%) of total reported incidents of burglary in Havering	rank
Romford Town	197	199	178	200	184	263	191	200	200	183	198	245	8.88%	2
Brooklands	132	172	126	161	162	172	160	145	224	169	208	222	8.05%	3
South Hornchurch	208	173	148	165	187	164	132	202	179	125	185	212	7.69%	4
Elm Park	134	146	122	128	102	92	79	79	82	103	138	192	6.96%	5
Harold Wood	213	212	100	170	133	158	189	141	198	192	179	185	6.71%	6
Rainham and Wennington	139	165	102	131	148	147	135	157	139	136	185	166	6.02%	7
St. Andrew's Pettits	142	116	132	153	161	175	112	100	119	120	144	166	6.02%	8
Squirrel's Heath	129	113	101	84	105	118	118	133	169	102	184	156	5.66%	9
Hylands	128	147	87	103	96	127	122	127	128	91	158	150	5.44%	10
Mawneys	88	117	128	95	72	132	102	112	136	116	136	144	5.22%	11
Gooshays	92	113	114	107	108	133	137	157	129	128	162	135	4.89%	12
Hacton	176	174	117	144	120	130	160	164	206	223	197	133	4.82%	13
Heaton	72	88	64	129	116	83	68	116	110	93	105	130	4.71%	14
Emerson Park	160	112	145	90	77	108	84	107	134	128	180	118	4.28%	15
Upminster	136	106	84	99	127	156	147	110	107	121	139	111	4.02%	16
Havering Park	119	145	115	173	180	190	140	160	177	109	125	110	3.99%	17
Cranham	153	101	101	109	140	125	97	128	129	107	156	98	3.55%	18
	43	101	82	96	101	86	71	92	125	78	110	85	3.08%	19
Total (all wards) 2012/2013												2758	100.00%	
Brooklands+Gooshays + Heaton	468	458	388	395	359	410	404	416	564	520	585	473	17%	1

Appendix 7 – Total Crime Rate in Havering by ward

Total Crime Rate Data provides evidence for combined incidences of criminal behaviour in Havering on a ward level analysis. This includes incidences of criminal damage, burglary, robbery and ASB amongst other behaviour indicators. Romford Town has an extremely high crime rate, over double the crime rate in comparison to any other single ward. Statistically crime rates are usually higher surrounding town centre locations. As can be expected with analysing combined wards together Brooklands, Heaton and Gooshays have the highest combined burglary rate as a cluster. This is in comparison to any other cluster that could be formed that would be under the Selective Licensing 20% for area designation rules of private rented sector prevalence.

Total Crime Rate in Havering by ward														
Names	2001/0 2	2002/0 3	2003/0 4	2004/0 5	2005/0 6	2006/0 7	2007/0 8	2008/0 9	2009/1 0	2010/1 1	2011/1 2	2012/1 3	Ward breakdown (%) of total crime rate in Havering	Rank
Romford Town	328.7	324.4	298.3	317.6	284.1	297.7	254.9	253.2	260.7	253.3	220.4	196.1	16.70%	2
Brooklands	105.4	132.9	114.5	93.5	93.5	96.2	79.6	78.1	82.3	79.9	75.0	80.1	6.82%	3
Gooshays	107.9	97.6	92.5	88.0	84.7	86.8	88.4	91.3	88.0	93.0	84.5	78.0	6.64%	4
Rainham and Wennington	103.0	98.6	97.0	98.5	99.5	101.3	84.6	90.0	73.3	80.6	81.4	76.7	6.53%	5
St Andrews	98.2	92.3	106.3	102.7	113.0	102.6	76.3	86.5	75.8	80.9	78.3	75.5	6.43%	6
South Hornchurch	94.9	98.8	102.1	108.3	120.0	103.5	76.3	88.3	68.5	67.4	82.8	72.8	6.20%	7
Harold Wood	114.9	109.8	90.6	88.4	91.2	99.5	73.2	77.0	77.6	87.8	72.0	69.4	5.91%	8
Heaton	96.6	75.6	81.9	76.3	70.6	72.2	61.5	73.2	68.2	68.4	69.7	65.8	5.60%	9
Hylands	67.3	76.2	77.9	66.1	68.1	71.7	65.2	63.5	59.1	62.8	61.5	57.9	4.93%	10
Elm Park	58.5	73.7	70.0	66.4	59.9	58.9	51.8	54.1	43.8	50.4	49.8	55.3	4.71%	11
Mawneys	67.0	71.9	85.4	72.3	73.0	78.4	67.3	65.4	55.3	54.8	59.5	54.2	4.62%	12
Havering Park	62.0	61.6	57.9	61.7	64.7	63.3	51.2	51.2	47.0	50.1	52.0	47.9	4.08%	13
Upminster	70.0	68.6	71.2	82.9	80.3	83.1	59.4	57.6	53.9	45.8	49.6	47.8	4.07%	14
Squirrel's Heath	72.4	59.9	58.6	56.7	53.9	55.6	48.5	46.2	48.5	45.2	47.2	46.9	3.99%	15
Pettits	60.7	66.0	63.3	62.8	60.2	68.0	52.0	54.5	52.4	50.2	56.5	44.9	3.83%	16
Emerson Park	55.9	61.1	60.8	57.7	59.7	64.4	52.3	52.4	38.4	45.9	46.5	40.5	3.45%	17
Hacton	39.6	43.3	46.7	55.9	51.4	43.0	36.9	43.8	39.4	30.1	33.7	34.8	2.97%	18
Cranham	32.9	45.8	38.1	53.5	44.8	35.4	29.8	32.4	28.3	31.2	34.0	29.4	2.51%	19
Total (all wards) 2012-13												1174.2	100.00%	
Brooklands + Gooshays + Heaton	309.9	306.1	288.9	257.8	248.7	255.2	229.5	242.6	238.5	241.3	229.2	223.9	19.1%	1

- <http://data.london.gov.uk>)

Appendix 8 – PRS Conditions/Environmental Crime evidence – Category 1 Repair Hazards

Evidence collated from the local authority's data on reported Category 1 Hazards found from property inspections has found Romford Town has the highest number however it does have the highest % of the housing stock and therefore may be unrepresentative in comparison to other single wards. Proportionally, Gooshays, Heaton, Elm Park and South Hornchurch have some of the highest numbers of Category 1 Hazards in the private rented sector. Category 1 hazards have a higher-representation in these wards in the context of having lower demographics as a % of the total housing stock in Havering.

Category 1 Hazards 2010-15 in Havering by Ward				
Ward	% of housing stock	No. of Hazards reported	Ward breakdown (%) of total cat.1 hazards reported	Rank
Romford town	16.32%	65	15%	2
South Hornchurch	4.78%	40	9%	3
Rainham and Wennington	6.38%	39	9%	4
Brooklands	10.11%	37	8%	5
Gooshays	4.40%	33	7%	6
St Andrews	6.95%	31	7%	7
Squirrel's Heath	7.84%	30	7%	8
Elm Park	4.17%	27	6%	9
Heaton	4.16%	26	6%	10
Harold Wood	6.03%	25	6%	11
Mawneys	4.90%	19	4%	12
Pettits	3.14%	16	4%	13
Hacton	3.82%	12	3%	14
Havering Park	3.75%	12	3%	15
Hylands	3.54%	10	2%	16
Upminster	3.90%	8	2%	17
Cranham	3.14%	6	1%	18
Emerson Park	2.66%	5	1%	19
Total (all wards)	100.0%	441	100%	
Brooklands + Gooshays + Heaton	19%	96	21%	1

- Source – Environmental Health- Havering Council Internally held data

Appendix 9– PRS Conditions/Environmental Crime evidence – Category 2 Repair Hazards

Evidence collated from the local authority's data on reported Category 2 Hazards found from property inspections has found similar to Category 1 Hazard findings that Romford Town has the highest number however it does have the highest % of the housing stock and therefore may be unrepresentative in comparison to other single wards. Brooklands has a very high level of Category 2 Hazards in light of having a smaller ward % of the total housing stock. Proportionally Elm Park, Rainham and Wennington, South Hornchurch and Heaton have some of the highest numbers of Category 2 Hazards in the private rented sector. Category 2 hazards have a higher-representation in these wards in comparison to some of the other wards in the context of having lower demographics as a % of the total housing stock in Havering.

Category 2 Hazards 2010-15 in Havering by Ward				
Ward	% of housing stock	No. of Hazards reported	Ward breakdown (%) of total cat.2 hazards reported	Rank
Romford town	16.32%	113	16%	2
Brooklands	10.11%	75	11%	3
Elm Park	4.17%	55	8%	4
Rainham and Wennington	6.38%	53	8%	5
South Hornchurch	4.78%	50	7%	6
Heaton	4.16%	50	7%	7
Harold wood	6.03%	45	7%	8
Squirrel's heath	7.84%	37	5%	9
Gooshays	4.40%	34	5%	10
Mawneys	4.90%	31	4%	11
Hacton	3.82%	30	4%	12
St Andrews	6.95%	27	4%	13
Pettits	3.14%	25	4%	14
Havering Park	3.75%	21	3%	15
Hylands	3.54%	15	2%	16
Upminster	3.90%	14	2%	17
Emerson Park	2.66%	9	1%	18
Cranham	3.14%	6	1%	19
Total (all wards)	100.00%	690	100%	
Brooklands+ Gooshays+ Heaton	18.67%	159	23%	1

- Source – Environmental Health- Havering Council Internally held data

Appendix 10 – PRS Conditions/Environmental Crime evidence – Noise Complaints

As can be expected with the characteristics of a town centre location, Romford Town has the highest recorded levels of noise complaints over the past 5 years. It should be recognised that Brooklands has an unusually high number of recorded noise complaints, falling just behind Romford town. Havering Council is experiencing an increasing number of noise complaints for Heaton and Brooklands wards.

Historical Noise Complaints in Havering by Ward						
Ward	2011-2012	2012-2013	2013-2014	2014-2015	Ward breakdown (%) of noise complaints in Havering	Rank
Romford Town	103	85	75	63	12.63%	2
Brooklands	65	50	46	52	10.42%	3
Heaton	46	48	35	37	7.41%	4
Gooshays	70	60	55	34	6.81%	5
Havering Park	41	32	26	33	6.61%	6
St Andrews	51	42	28	32	6.41%	7
Harold Wood	38	27	31	27	5.41%	8
Elm Park	39	32	20	26	5.21%	9
South Hornchurch	33	33	36	24	4.81%	10
Hylands	26	27	21	22	4.41%	11
Upminster	33	38	38	22	4.41%	12
Rainham and Wennington	36	29	27	21	4.21%	13
Squirrel's Heath	38	50	33	21	4.21%	14
Pettits	40	26	20	20	4.01%	15
Mawneys	56	35	34	19	3.81%	16
Cranham	27	20	21	17	3.41%	17
Hacton	39	21	18	15	3.01%	18
Emerson Park	38	15	16	14	2.81%	19
Total (all wards)	819	670	580	499	100.00%	
Brooklands + Gooshays + Heaton	181	158	136	123	24.65%	1

- Source – Environmental Health- Havering Council Internally held data

Appendix 11 – HMO's in Havering's PRS evidence – HMO prevalence

Information has been provided from checks of housing benefit system (where credit is paid to individuals in shared accommodation or HMOs known on the Public HMO Register), the public HMO register, Liberty Housing properties, addresses which are being looked at suspected of use as HMOs, and data from council tax records for properties of shared accommodation and bedsits.

These are summarised below:

- HMO Public Register – addresses confirmed and registered as HMOs.
- Benefits List – Properties in receipt of housing benefit identified as HMO/Shared Accommodation not on public register.
- Council Tax List – Properties recorded on council tax register as being HMO/Bedsit/Shared Accommodation
- HM1 HMO – Bedsits – these are known HMOs below the mandatory licence level.
- HM2 HMO – Section 257 – these are known HMOs below the mandatory licence level.
- HM3 HMO – Shared House – these are known HMOs below the mandatory licence level.
- Liberty Housing properties, which are HMOs
- Suspected, unconfirmed HMO – addresses which are currently being investigated by planning.

It should be noted that some addresses appear on multiple lists. Addresses are not duplicated/double counted in the table below. Those on official lists (HM1, 2, 3, Liberty Housing and HMO Public Register) have been removed from the Benefits, Council Tax and Suspect, unconfirmed lists. A total of 265 addresses have been considered as part of this data exercise. The distribution and type/category of HMO by ward within Havering is shown in the table below.

Just fewer than one-third of the properties identified are categorised as HM1, HM2, HM3 – below the mandatory licence level. Whilst these properties are spread throughout most wards, they are concentrated largely around Romford Town (28) and Brooklands (16) wards, the biggest contributor being HM1 (Bedsits).

Where licensable HMOs are more prevalent are Heaton (29), Gooshays (20), Brooklands (19) and Romford Town (18). The Harold Hill area (Heaton, Gooshays and Harold Wood wards) contains 39% of HMOs known either to the public register, Liberty Housing or in receipt of housing benefit payments, and the highest proportion of suspected HMOs currently being investigated by planning are also in Harold Hill.

Harold Hill, which is a key area of concern brought to our attention, is home to approximately 13,000 properties, with 429 sales being made in the previous 12-months (according to RightMove) and 46 rentals advertised, including house shares and room renting (according to RightMove). Whilst this may be an emerging issue, it should be stressed that the significant majority of properties in Harold Hill are unaffected.

Appendix 2

The map below shows the distribution of aforementioned categories of HMOs, with clear clusters of properties notable within Brooklands, Romford Town and Heaton wards. The thematic shading denotes the total number

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The map below shows the distribution of aforementioned categories of HMOs, with clear clusters of properties notable within Brooklands, Romford Town and Heaton wards. The thematic shading denotes the total number of HMOs per ward, ranging from 45-56 (darkest shaded regions) to 1-12 (lightest shaded regions) – please refer to table above for Ward number breakdowns.

Row Labels	Benefits	Council Tax	HM1 HMO - Bedsits	HM2 HMO - Section 257	HM3 HMO - Shared House	HMO Public Register	Liberty Housing	Suspected	Grand Total	Below Mandatory Licensing Level	Confirmed or Suspected HMO
Brooklands	4	11	9	2	5	1		4	36	16	19
Cranham		1			1				2	1	1
Elm Park	1	3	1		2	7		2	16	3	6
Emerson Park		1			1		1		3	1	2
Gooshays	6	4					1	9	17	0	20
Hacton	1	1	3						5	3	2
Harold Wood	1	2			3	4	1	6	13	3	10
Havering Park	2	5	1		2	3	2	1	15	3	10
Heaton	5	8	2		2	1	4	12	32	4	29
Hylands			3		1				4	4	0
Mawneys	1	2	4		1			3	11	5	6
Pettits	1	3	1				1	1	7	1	6
Rainham and Wenningt	3	2	1	1	3	1	3	2	16	5	10
Romford Town	4	12	20	4	4	10	1	1	56	28	18
South Hornchurch	6	7	2		1			1	17	3	14
Squirrel's Heath		2	2		1	4			9	3	2
St. Andrew's		1	3				1		5	3	2
Upminster		1							1	0	1
Grand Total	35	66	52	7	27	31	15	32	265	86	148

Appendix 12 - HMO's in Havering's PRS evidence – Crime and ASB

The addresses identified have been cross referenced with data on noise nuisance (collated by London Borough of Havering), 999 calls to police and reported and recorded crimes (from the Metropolitan Police). Due to the different methods of recording address data, this information has been retrieved manually through searching for each individual address within each separate database. The data retrieved covers the 2014-15 financial year (April 2014 to March 2015).

The table below provides the total number of records for noise complaints, police calls for service, police calls for domestic violence and total crime and crime related incident records, where the venue was a HMO. The total number of HMOs identified locally accounts for less than 0.3% of all properties (265 of approximately 100,000). Proportionately, these properties were over-represented in all areas observed (most notably calls regarding domestic violence and noise), however, in volume terms the amount of calls/complaints generated accounted for $\geq 1.27\%$ of the borough total.

Category	No. Addresses	Total Number of Noise Complaints 2014-15	Total Number of Police Calls (exc. Domestic Violence) 2014-15	Total Number of Police Calls regarding Domestic Violence 2014-15	Total Number of Crimes Recorded 2014-15
HMO Public Register	31	2	11	10	13
Benefits List	35		17	25	14
Council Tax List	66		14	5	9
HM1 HMO Bedsits	52		22	23	21
HM2 HMO Section 257	7		1	7	10
HM3 HMO Shared House	27	1	2	4	23
Liberty Housing	15		5	2	9
Suspected	32	4	5		3
Total HMOs	265	7	77	76	102
Borough Total (to nearest hundred/thousand)	100,000 (addresses)	700 (complaints)	94,000 (calls)	6,500 (calls)	15,000 (crimes)
HMOs as per cent of borough total	0.3%	1.0%	0.08%	1.27%	0.6%

A further breakdown looking at the number of actual properties affected reveals that less than 1 in 5 HMOs were a contributor of, or affected by, noise complaints, police calls for service and domestic violence calls; less than 1 in 4 HMOs were a contributor of, or affected by, crimes. It should be noted that this is based only on what is known to the recording agencies. We acknowledge that incidences of crime, noise and anti-social behaviour can go unreported.

A small number of addresses were identified as being significant contributors to police calls for service, with two addresses generating more than 10 calls each.

Category	No. Addresses	Noise Complaints 2014-15 <i>Number of properties affected (%)</i>	Police Calls (exc. Domestic Violence) 2014-15 <i>Number of properties affected (%)</i>	Police Domestic Violence Calls 2014-15 <i>Number of properties affected (%)</i>	Crimes Recorded 2014-15 <i>Number of properties affected (%)</i>
HMO Public Register	31	2 (6%)	4 (13%)	6 (19%)	9 (29%)
Benefits List	35		4 (11%)	6 (17%)	8 (23%)
Council Tax List	66		9 (14%)	5 (8%)	8 (12%)
HM1 HMO Bedsits	52		8 (15%)	9 (17%)	9 (17%)
HM2 HMO Section 257	7		1 (14%)	1 (14%)	3 (43%)
HM3 HMO Shared House	27	1 (4%)	2 (7%)	3 (11%)	11 (41%)
Liberty Housing	15		3 (20%)	2 (13%)	7 (47%)
Suspected	32	4 (13%)	2 (6%)		2 (6%)
Total	194	7 (4%)	24 (12%)	27 (13%)	49 (24%)

In terms of **calls made to police**, there were 3 addresses which contributed to 50% of all calls made to police. Those were **ADDRESS REDACTED** (missing children reports by staff/support workers of care home – no calls since November 2014, HM1 HMO Bedsit); **ADDRESS REDACTED** (HM1 HMO Bedsit) and **ADDRESS REDACTED** (no calls since September 2014, on the HMO Public Register). It should be noted that the number of all police calls to HMOs in January to March 2015 was just 4, compared to 45 for the same periods in 2014.

In terms of **Domestic Violence calls**, there were 5 addresses which contributed to 55% of all calls made to police. Of all HMOs identified, 15% had made calls to police about domestic incidents/domestic abuse, this was higher for properties where residents were in receipt of housing benefit (38% of these properties reported domestic abuse to police), and where the HMO was on the public register (19%) or classed as a Bedsit (17%).

Of all **crimes and crime related incidents recorded** at HMOs, 45% related to domestic disputes / domestic abuse (46 of 102 offences reported and recorded) – this would correlate somewhat with domestic violence calls. Rates of burglary per 100 households were one-and-a-half times higher than the borough average (although this amounted to just 6 offences). Other types of crime were generally reported at a lower than average rate for Havering.

There were two addresses whereby data was omitted in the above tables, due to excessively high numbers of calls. One was a children's care home **ADDRESS REDACTED** which generated 189 calls to police over a 12-month period. A high proportion of these were missing person reports about a young person residing in the address. The second address was **ADDRESS REDACTED** which generated 59 calls to police over a 12-month period. A large number were identified as misuse of 999 calls by a tenant with mental health illness, but included legitimate calls due to a dispute between the landlady and a previous tenant.

Occupants of HMOs and Offenders

Data from the council tax database was provided, with information on 159 addresses of the 265 identified (where council tax is paid and the occupant is listed). Approximately 85% of those residing in HMOs were British born. HMOs were more likely to house males, where data was available it showed predominantly those under 30 – just 33% of occupiers were female.

The list of names was cross-referenced with crime records where a named suspect was identified. There were 27 occupants in HMOs who had been suspected of at least one crime in the previous 12-months, cumulatively these tenants had been suspected of 45 offences in the previous 12-months. The highest proportion were for violence/domestic violence (17 persons), followed by theft and serious acquisitive crimes (4 persons), drugs offences (4 persons) and criminal damage (3 persons).

Proportionately, these 27 occupants made up 1.1% of all persons accused of crime in the previous 12-months in Havering. There was no particular concentration of occupants suspected of crimes in any single area of Havering. A breakdown by area found Romford (RM1, RM7) and Rainham (RM13) had the highest volume with 8 people each. This was followed by Hornchurch (RM11, RM12) with 5, Harold Hill (RM3) with 4, and Collier Row (RM5) with 2.

Whilst these are relatively low volumes observed, it should be noted that HMOs were seven times more likely than none-HMOs to have an occupant who had been accused of crime in the previous 12-months. The aforementioned data found 27 occupants who had been suspects in offences reported to police in the last 12-months. This represents 16.8% of all occupants in HMOs. Borough-wide, the average is 2.4%. This demonstrates that a higher concentration of those with an offending history can be found in HMO accommodation, when compared to none-HMO accommodation.

This may be for legitimate reasons, such as limited access to housing for offenders and affordability. There were 6 addresses which had multiple persons with previous involvement as crime suspect's resident.

HMO and Correlation with Burglary Hotspots

Whilst the crime, ASB and noise data looked at was in relation to victimisation logged at HMO addresses, it should be noted that many of the offences (which were not domestic violence) committed by those with previous offending history (and residing in HMOs) took place against none-HMO dwellings.

There is a strong correlation between the location of HMOs and significant areas where burglary is disproportionately high in Havering. There are 25 geographical areas of the borough which were identified as containing 40% of all household burglary in the previous 12-months. These 25 areas take up just 7% of the borough physical geographical area and contain 20% of the boroughs housing stock. Within these locations are 198 of our HMO accommodation (74%).

There have been two intelligence reports which have identified two HMO accommodations as being used by persons identified as prolific burglars. Most burglaries go undetected (fewer than 10% are detected regionally) therefore it would be extremely difficult to estimate or assess the impact of such a trend and whether or not such properties were utilised by offenders for criminal purposes.

However, it is worth noting that numerous burglary studies have found rates of burglary are higher in areas of private renting and areas with multiple HMOs due to the transient nature of the population in these locations (with many residents being short term), which can enable offenders to operate with more anonymity than they might in more established communities (social organisation and informal social control are more vulnerable in transient areas). Significant concentrations of HMOs in small geographical areas may lead to elevated levels of crimes such as household burglary and vehicle crime (more cars per dwelling – see Bottoms and Wiles 1988; Henson and Stone 1999; Bernasco and Luykx 2003; Tilley et al 2004).

Appendix 13 – Average Score of Deprivation in Havering by ward

The figures above clearly demonstrate that the worst two wards in respect to levels of deprivation are Gooshays and Heaton respectively, this evidence supports that seen above. Whilst Romford Town rates quite high in other statistical analyses within this appendix, it falls out of the highest top 5 for deprivation scoring. As a statistical group, Brooklands, Gooshays and Heaton have the highest combine rate of deprivation, over double that of any single ward. The area selection of these three wards for selective licensing could be expected to have the greatest impact of resolving levels of deprivation on a wider scale. Both South Hornchurch and Havering Park are too big (in terms of the PRS dwellings and proportion of total dwellings) to be considered as a statistical group, they would bring the figure over too close to surpassing the 20% figure for selective licensing area designation.

Deprivation in Havering (2007-2010)			
	Average Score		
Names	2007	2010	rank (2010)
Gooshays	32.17	34.08	2
Heaton	29	32.1	3
South Hornchurch	23.53	22.59	4
Havering Park	21.51	21.92	5
Brooklands	17.81	19.52	6
Romford Town	18.9	18.91	7
Harold Wood	16.26	17.32	8
Rainham and Wennington	16.56	17.16	9
Mawneys	16.28	16.58	10
Elm Park	16.73	16.4	11
St. Andrew's	13.7	13.13	12
Hylands	11.03	11.18	13
Squirrel's Heath	11.22	10.99	14
Pettits	9.78	10.95	16
Hacton	9.97	10.32	16
Emerson Park	8.76	9.84	17
Cranham	7.61	7.73	18
Upminster	6.75	5.98	19
Total (all wards)	287.57	296.7	
Brooklands + Gooshays + Heaton	78.98	85.71	1

The ward level measures in this file are the results of calculations undertaken by the Greater London Authority, based on the Lower Layer Super Output Area (SOA) level Indices of Deprivation 2007 and 2010 from the Department of Communities and Local Government.

Appendix 14 – Geographical size of wards in Havering

The geographic distribution and size of wards in the borough is key when considering the selective licensing 20% area designation rule for having to obtain Secretary of State Approval for any introduction within the local authority.

Local authorities will be required to obtain confirmation from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or would affect more than 20% of privately rented homes in the local authority area. As a cluster on average Brooklands, Gooshays and Heaton have some of the highest statistical representations in the characteristics analysed within appendices 3-14. Whilst South Hornchurch and Romford Town Rainham and Wennington do also come up within the top 5 scoring, their combination would be hard to achieve as a statistical grouping combined with other highly scored wards that would also fall below the 20% rules. In the context of the consideration of selective licensing, any introduction would have the greatest impact in terms of geographical scope and resolving issues within the private rented sector if introduced as a statistical group.

Geographical Ward Composition in Havering 2011			
Names	Hectares	Square Kilometres	Geographical size of the borough % ward breakdown
Brooklands	420.1	4.2	3.67%
Cranham	655.6	6.6	5.76%
Elm Park	366.7	3.7	3.23%
Emerson Park	463.9	4.6	4.02%
Gooshays	776.1	7.8	6.81%
Hacton	246.1	2.5	2.18%
Harold Wood	759.6	7.6	6.64%
Havering Park	978.8	9.8	8.56%
Heaton	341.5	3.4	2.97%
Hylands	290.2	2.9	2.53%
Mawneys	304.9	3	2.62%
Pettits	395.3	4	3.49%
Rainham and Wennington	1690	16.9	14.76%
Romford Town	286.6	2.9	2.53%
St. Andrew's	268.7	2.7	2.36%
South Hornchurch	684.7	6.8	5.94%
Squirrel's Heath	264.6	2.6	2.27%
Upminster	2253.4	22.5	19.65%
Total (all wards)			100.0%
Brooklands + Gooshays + Heaton	1537.7	15.4	13.45%

- Source – Census 2011

CABINET

23 September 2015

Subject Heading:

Housing Development Plan – Strategic Overview

Cabinet Member:

Councillor Damian White

Councillor Roger Ramsey

CMT Lead:

Isobel Cattermole, Group Director,
Children's Adults and Housing

Andrew Blake-Herbert, Director of
Communities & Resources

Report Author and contact details:

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Conway Mulcahy

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Policy context:

Addressing the imbalance between
affordable housing supply and demand

Financial summary:

This report provides a costed and funded
plan to expand council housing provision
directly provided by LB Havering, within
the Housing Revenue Account.

Is this a Key Decision?

No

When should this matter be reviewed?

February 2016

Reviewing OSC:

Towns and Communities

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for

☐

People will be safe, in their homes and in the community

☐

Residents will be proud to live in Havering

☒

SUMMARY

This report seeks members' agreement to a direction of travel that increases the number of units of council houses built within LB Havering to c544 over the next three years. The longer term plan is to deliver over 1,000 units over the next 10 years .

RECOMMENDATIONS

Cabinet agrees:-

1. To the principle of a target of homes as outlined in Appendix 2, and agree to the expansion of the capital budget for the three years as follows:-
 - 15/16 Increase of £3.000m to £13.509m
 - 16/17 Increase of £26.675m to £39.999m
 - 17/18 increase of £19.767m to £28.714m
2. To refer the increase in the Capital Budget to full Council for final ratification.

REPORT DETAIL

1 INTRODUCTION

- 1.1 The Council needs to continue to build new affordable homes for local people. The recent uncertain economy has had an impact on people's ability to buy and rent homes. The current Affordable Development Programme budget approved by Cabinet 11 February 2015 is set to deliver new homes through phase 1, phase 2 and Taplow House. This is projected to deliver a total of 213 units.
- 1.2 This report produces a strategy to increase the amount of units built over the next three years to c544. Within 10 years the plan is to deliver over 1,000 units. All units would be funded from the Housing Revenue Account and would benefit local residents.

2 VISION STATEMENT

- 2.1 A vision for the type of place the borough should be in ten years' time is essential to lead the implementation of the new build programme for affordable housing development. This vision is focused on and informed by the borough's characteristics and the key opportunities and constraints.

'To build new, good quality homes in Havering that we know local people need and can afford'

3 DRIVERS FOR CHANGE

- 3.1 Our plans have been developed to provide a range of affordable housing options to meet the growing and diversifying requirements of local people. Our approach to dealing with the supply and demand for new affordable homes was set out in The Housing Strategy 2014-2017. The plans are also driven by a range of factors including;

- Ability to use HRA funds to finance new-build development
- Projected future population growth in Havering
- Increasing expense of all tenures in London's Housing Market, the 'affordability crisis'
- Growing public demand for affordable housing in Havering, as identified by the Housing Needs Study
- Commitments to increasing numbers of social housing set by the GLA
- Current pressures from the Council's housing waiting list
- Underutilised development sites

4 REGIONAL CONTEXT

- 4.1 The introduction of this proposal that intends to increase funding for more affordable, new build programmes for affordable housing provision will be complimentary to ambitious objectives set by different London wide and local strategies including;

The London Plan 2011 & the London Housing Strategy 2012

- 4.2 The plan outlines a special development strategy for Greater London; and its revised early minor alterations (2013), sets ambitious housing targets for each borough region over a 10 year period with specific emphasis on using planning to deliver more affordable accommodation.
- 4.3 The Mayor recognises the pressing need for more homes in London in order to promote opportunity and provide a real choice for all Londoners in ways that meet their needs at a price they can afford. Its overarching

vision for London stipulates new build development must be sustainable, lead to regeneration, challenge the economic and population growth, ensure environmental improvement alongside the delivery of safe, diverse, strong and secure communities.

4.4 The Mayor's core vision as detailed in the London Housing Strategy published in 2012 is for the delivery of an increase in affordable homes and better quality housing with the aims to 'empower people' and 'transform places', supporting the detail within this proposal. It sets out for Havering that;

- The overall general supply of new build developments across all tenures should increase by 1170 units on an annual basis, every year for ten years
- Across a ten year period a minimum of 11,701 new homes are required to be built over the period of 2015-2025
- In order to give impetus to a strong and diverse intermediate housing sector, 60% of the affordable housing provision should be for social and affordable rent and 40% for intermediate rent or sale

5 LOCAL CONTEXT

Housing Needs and Assessment Survey 2012

5.1 Our Housing Needs and Demand Assessment concluded that we would have to build 1288 affordable homes each year over the next five years to meet the borough's total demand. The Council accepts that this is an unrealistic theoretical requirement but also recognises that, with increasing demand, we have to set ourselves an ambitious target for affordable houses development.

The Housing Strategy 2014-2017

5.2 Havering's Affordable Housing Sub-Strategy of its Housing Strategy 2014-2017 outlines the Council's strategic aspirations for ensuring an ambitious increase in social housing delivery to meet housing pressures, expand its housing options and improve property standards. The Council aims to meet its visionary statement through a fulfilment of the following strategic objectives. The recommended proposal will enable these core strategic aims to be met.

Grow the supply of new build affordable housing for rent and low cost home ownership for Havering residents

- Working in partnership with the best Registered Providers to build new affordable housing in the borough

- Affordable housing to be built to standards set by the HCA and GLA, where possible exceeding these expectations
- Work with the planning team to adopt targets proposed by the Housing Needs Survey
- Build 125 units in year 3 of the Housing Strategy, 50% being affordable rented development, 50% being for intermediate housing primarily shared ownership, with a recommended split of 40:40:20 for one, two and three bedroom properties

Maximise inward investment in new affordable housing development, through grant and the use of commuted sums on S106 sites by:

- Continuing to act as a GLA investment partner to actively bid for funds to support Council led development
- Continuing to evaluate the potential of using resources within the HRA to fund new housing development without compromising investment requirements to improve existing council stock
- Encouraging housing associations to invest in the borough to support our affordable housing development priorities
- Looking at alternative funding models for affordable housing.

Provide the right size and type of new housing to tackle under-occupation across all tenures and meet the aspiration of tenants by:

- Ensuring affordable housing products available in Havering are affordable for local people and in line with income levels across the borough
- Using the Affordable Housing Development Programme to build smaller high quality affordable homes that meet the aspirations of people under occupying their rented accommodation

Enhance Havering residents' access to affordable home ownership within the borough through shared ownership accommodation targeted at eligible first time buyers in Havering and existing tenants by:

- Using the New Build Programme to develop housing for shared ownership and actively prioritise local first time buyers

Develop new supported housing to meet the needs of Havering residents by:

- Promoting partnership working with existing housing providers in the borough

- Working in collaboration across Council services to develop supported housing that increases independence for residents whilst contributing to meeting corporate expenditure reduction targets

Identify redundant HRA land and/or assets which can be better used to provide new homes and support estate regeneration

- Undertake a full review of HRA land and/or assets to identify opportunities to build new homes
- Continue to find opportunities to regenerate our estates and housing stock through asset reviews and estate based renewal
- Review our sheltered housing holdings to identify those schemes no longer in demand or fit for purpose and consider whether redevelopment would make best use of the asset.

5.3 Our Housing Strategy sets out target proportions of unit size and types which reflect housing need and priorities to achieve greater mobility with the sector to better match housing need to property size. It sets local targets that demonstrate the need to accelerate affordable housing supply that means that we must take advantage of opportunities to secure funding grants wherever possible. The development of a pipeline of new sites sourced through land or asset management reviews will see us well placed to make attractive, fundable, bids to the GLA and achieve set targets.

- The Council planned the build of 750 new affordable housing units (Council and RSL) over a three year period from 2013-2016, equating to an annual number of 250 housing units.
- By tenure, we planned to have built 125 units for social or affordable rent and in 2015 – 2016 and a total of 450 out of the 750 development target to 2016. The balance of the units are to be low cost or shared ownership. This is shown in the table below.

	Rented products*	Shared ownership products	Total
2013/14 target	175	75	250
2014/15 target	150	100	250
2015/16 target	125	125	250

- These targets have been exceeded – 366 delivered in 2013/14, and 422 in 2014/15.

6 DEVELOPMENT PRINCIPLES

6.1 Alongside using all the opportunities available to us to build new homes we also want to ensure that we deliver high quality attractive homes that local people want and delivered in a cost effective fashion. Key principles in meeting these goals are to:

- Achieve good standards of design that have a positive impact on the locality and community.
- Deliver financial efficiency through careful use of the resources we bring to bear This includes use of the HRA, RTB, CIL commuted sums as well as land.
- Tender contracts in the most economically efficient way whilst still meeting corporate compliance – this should include batching sites together to achieve best value for money from house builders
- Pursue wherever practical modular build or other off site manufacturing methods of construction to increase construction speed and potentially reduce costs. This could include the use of standardised unit types.
- Continue to procure consultants competitively to ensure value for money and performance.
- Seek opportunities for our contracts to create opportunities for local job or creation or apprenticeships.
- Set rents at 80% of market rent acknowledging the need to stretch our resources as far as we can, whilst ensuring affordability.
- Monitor sales of the shared ownership we build to better understand the customers for our products, and modify our products as necessary to ensure local people who aspire to it can access shared ownership.
- Acknowledge the impact of development on existing communities by establishing a fund within the HRA capital programme for minor amenity improvements that mitigate the negative impacts of development activity for existing residents.

7 CURRENTLY PLANNED DELIVERY

7.1 Our plans for building more affordable homes for local people need to be set against future funding opportunities. Our Housing Strategy emphasises the need for the Council to use the resources of its Housing Revenue account to develop and finance its own Council housing under the New Build programme. Our current New Build programme will be achieving a number of planned successes over the next three years however an increase in funding is required to sustain future

development for affordable housing. Some of the progress to date and future requirements are set out below:

- We have two main development programmes that have enabled the Council to work as a GLA investment partner to attract grant support for Council funded schemes, use HRA resources and utilise Right to Buy receipts to fund new-build development
- Our Building the Pipeline programme including the Care and Support programme will deliver 69 units across a range of bed sizes, 1 bedroom bungalows to 3 bedroom house, to be completed by March 2016 that will enable strategic affordable housing needs to be met
- Our 15/18 New Build Development programme will lead to a delivery of new flats and houses , with 144 units due to completion by March 18
- In total, the Council has planned the delivery of 213 units of new build affordable development over a three year period
- The Council needs to build on this success by increasing its funding to support ambitious future targets which will enable housing needs for affordable housing development in the borough to be met.

8 OPTIONS FOR DELIVERY OF FURTHER NEW UNITS

8.1 Envisaged is a mixture of developments at a range of locations, including infill. A concentration in a specific area is not planned. Options for delivery include:-

- **Development of Council Sites** At this point a number of prospective sites have been identified for future new build development. Further work is required to identify new sites within the Council's ownership with the potential to develop or renew failing existing assets where identified. A report will be coming back to Cabinet with details of proposed sites. In addition, there is an on-going asset management review of HRA holdings, which will inform this process.
- **Regeneration of existing council stock** There may be benefits in regenerating existing holdings.
- **Buy Backs** This is buy back of ex LBH stock, There is a separate report on this, elsewhere on the agenda.
- **New Build on other land** (memo note – not explicit on in/out of borough)
- **Direct Purchases** (memo note – not explicit on in/out of borough)

8.2 As the programme develops and opportunities are generated, we would seek to allocate funds to these options. Additionally, investment in the

existing stock could be deferred, to increase the rate of new build, though the impact on current tenants would need to be minimised, as well as rental collection.

- 8.3 The current strategy is 50% of properties affordable rents, 50% Low Cost Home Ownership/shared equity. Shared equity may be offered to the Council's current tenants, as well as being offered for new allocations.

Reviews

- 8.4 There are several on-going reviews of provision which will inform strategy in regard to new build:-

- **Sheltered and other forms of supported housing** It is anticipated that a proportion of housing will be targeted at vulnerable residents, for example supported housing. An aim will be to support those who would otherwise incur residential or nursing costs, those with Learning Disability or Mental Health need, those who want to foster but need a bigger home, or are placed out of borough. Cabinet is scheduled to receive a further report on support for older people and other target groups.
- **Asset management review** A renewed Asset Management strategy will be presented to a later Cabinet.
- **Land Review**

9 WHAT IS UNIT COST OF INCREASED PROVISION?

- 9.1 Current costs are coming in at c£175k build, £220k with land. This paper uses the average cost of £175k; it assumes, for the moment, nil land cost, for which c26% would be added (45k). This £175k figure is an average, and there is expected to be a range of costs depending on solution and configuration; moreover, some sites are potentially difficult to develop. This unit cost will be reviewed on an on-going basis. The Council will also be looking at buy backs (a paper asking Cabinet to agree to this proposal is included elsewhere on this agenda), and procurement of units on the open market; the cost of these may be in excess of the currently assumed £175k average.

- 9.2 The £175k figure will need constant review. It is affected by build cost inflation (none currently assumed) and property type/size; 3 bed houses would certainly cost in excess of these estimates.

Appendix 2 gives a summary of the projected delivery of new units.

10 FINANCING STRAND 1 – WITHIN HRA – USE BORROWING HEADROOM

- 10.1 There is currently headroom of £34.3m and it is not possible to borrow beyond the cap due to the rules associated with HRA reform.

How many homes?

10.2 At £175k per unit, £34.3m would deliver 196 homes. An ambitious programme over 2 years could complete this programme by the end of 2017/18.

Revenue effect on the HRA?

10.3 The annual revenue interest cost of this debt would be c£1.210m, at 20 year borrowing of 3.53%. (This excludes principal, which can be funded from future surpluses). Rents at affordable levels are estimated at £155pw, less 2%, gives £152pw; Repairs and management are assumed at £1k per unit. This gives a unit net income of £6,900 pa, and for 196 units a total of £1,352,400. At 50 % of units affordable, 50% shared ownership, this would give net income of c£1.014m, with an annual cost to the HRA of £196k.

11 FINANCING STRAND 2 – WITHIN HRA – MAXIMISE USE OF CURRENT RESOURCES

a. Current capital budget

There are currently funds earmarked within the current 3 year programme for further phases of new build - £5.3m (£7.6m with RTB receipts) in 2016/17, and £5.7m (£8.2m) in 2017/18. £3m is proposed to be allocated to Phases 1 and 2; the remaining resources would deliver an estimated 26 and 47 units.

b. Use surpluses as they are generated

Appendix 1 provides the estimated financial position of the HRA over the next 3v years. It takes the currently approved Business Plan (February 2015), and then makes certain adjustments for known and planned changes. The most significant of these are the effects of the announced 1% reduction in rents over the next 4 years, and a planned savings programme.

Over the 3 year period, surpluses of £8.657m are estimated to be generated, sufficient for 49 units at £175k per unit.

c. Use new units rental

Affordable units give an estimated surplus of £5,900 pa. Thus the programme would start to increase balances/spending power in later years. In the initial period, 3 further units could be delivered.

d. For information, the sheltered review may deliver opportunities, eg conversions.

General Comment on Strand 1 and 2

11.1 For prudence, no GLA grant is currently assumed. However, Havering will take every opportunity to bid for funding, where land is identified; the only downside to GLA funding is that projects need to be delivered to a strict timescale, though this aspect can be managed. No CIL is assumed, though it is expected that receipts will be generated. Therefore, it is anticipated that the programme can be expanded, and authority will be sought to add new schemes to the programme at the relevant time.

11.2 Staffing levels in the Development Team would need review; this has provisionally been estimated at £32k pa.

12 General Fund Special Purpose Vehicle

12.1 For information, members will be aware of a proposal that was agreed by the May Cabinet to develop homes for private/market rent.

13 Next Steps

13.1 The programme will continue to be developed in phases, with each phase of specific developments coming to Cabinet for approval.

14 Conclusions

14.1 A summary of the amount of units that could be provided is on the attached appendix 2. The proposals, with caveats (eg build cost, land), produce an estimated 544 units over a 3 year period. They involve ploughing back all HRA surpluses, as they become due, into new build. The medium term plan is to deliver over 1,000 units in the next 10 years.

REASONS AND OPTIONS

Reasons for the decision:

The increased provision of housing, especially social and affordable, is required to meet well documented need/shortfall in supply.

Other options considered:

The option of not increasing provision was considered, but rejected, as it would not begin to deal with lack of housing supply.

IMPLICATIONS AND RISKS

Financial implications and risks:

The report seeks to maximise the additional units that can be provided through resources within the Housing Revenue Account (HRA). Funding has been identified to support the proposals. Appendix 1 provides an up-dated estimated financial position for the HRA over the next 3 years. Appendix 2 provides a summary of additional resources that is estimated to be generated, and an indication of when those sums and units could be provided. Sites will be reviewed within the borough to deliver the programme, as resources become available; other delivery options are also being considered, including Regeneration, direct purchases and buy back (a policy for which is also on this Cabinet agenda).

The proposals will increase the size of the HRA Capital Budget, and therefore require the approval, in addition to Cabinet, of full Council. The report does not seek individual scheme approvals and estimates; this will be the subject of later reports.

Build cost is a specific risk, and will need to be monitored; any excess over CPI will affect the number of units to be delivered. Additionally, a level of savings is assumed that will require full evaluation and monitoring; these proposals are at an early stage – further work is required to develop these, and to ensure that critical areas such as income collection are not compromised, and to ensure they are real savings to the HRA.

No GLA grant is assumed as it is not certain, but in reality a level of grant is expected, and thus will provide a contingency to the programme. The programme will be monitored on an on-going basis.

There will be a need to increase the Development team; the cost of this can be absorbed into current budget levels.

It is anticipated that a proportion of housing will be targeted at vulnerable residents, for example supported housing. This may mean cost savings to the Council's General Fund.

As regards HRA revenue impact:-

- Strand 1, use of borrowing headroom, will mean a small cost (£196k pa)
- Strand 2, use of capital resources, will produce a net rental return to the HRA.

Legal implications and risks:

There are no specific legal issues raised. (tbc).

Human Resources implications and risks:

There will be a need to increase the Development team; it is proposed to deal with this by use of fixed term/permanent contracts, managed in accordance with Havering HR policies....(tbc)

Equalities implications and risks:

In terms of equalities and social implications, the proposals will increase the supply of social and affordable units, which will be of benefit to disadvantaged groups. The Equality Assessment is listed as a background paper (tbc).

BACKGROUND PAPERS

None

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HRA Balances projection
APPENDIX 1

	2015/16	2016/17	2017/18
	1	2	3
Opening Bal Per Cabinet 11 February 2015	(6,430)	(2,162)	(2,000)
Increase balances from 14/15	(2,240)		
Revised opening balance (1)	(8,670)	(8,534)	(10,643)
Annual cash flow per Cabinet (2)	4,268	162	(1)
<i>Effect of Rental Deduction</i>		1,966	3,932
<i>Pressures</i>	418	758	868
<i>Net cost of borrowing to cap</i>		605	1,815
<i>Declared savings P3</i>			
<i>Void reduction</i>	(500)	(500)	(500)
<i>Release spare contingency</i>	(500)	(500)	(500)
<i>Planned savings</i>	(1,300)	(1,300)	(1,300)
<i>Restructure</i>		(500)	(500)
<i>Transformation cost</i>		1,000	
<i>Income/Voids Performance</i>	(500)	(500)	(500)
<i>Rephasing investment</i>	(1,250)	(2,500)	(2,500)
<i>Contracted Services Saving</i>	(500)	(800)	(800)
Annual Revenue change (3)	(4,132)	(2,271)	15
Revised closing balance (1) + (2) + (3)	(8,534)	(10,643)	(10,629)

Total resources for New Build:-

Use of balances above £2m as they come due:-	(6,534)		
Add annual surplus (2) + (3)		(2,109)	14 (8,629)

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APPENDIX 2**Additional Housing Units****Proposed Programme**

	1	2	3	Total
	2015/16	2016/17	2017/18	
	£000	£000	£000	
Existing programme - phases 1 and 2	£10,509	£8,000	£2,916	£21,425
Add supplementary resources		£3,000		£3,000
Revised cost existing programme (a)	£10,509	£11,000	£2,916	£24,425
Units	69	100	44	213

ADDITIONAL UNITS

Use current budget £		£7,606	£8,234	£15,840
less supplementary resources phase 1/2		(3,000)		(3,000)
Current budget unallocated		£4,606	£8,234	£12,840
Units		26	47	73
 Borrow to cap £		£17,150	£17,150	£34,300
Units		98	98	196

Maximise current resource

- Use of Surpluses as come £	£3,000	£5,643	£14	£8,657
Units	17	32	0	49
- Use new units rental £			£399	£399
Units			3	3
- use £1.6m capital				
contingency 15/16 budget £		£1,600		£1,600
Units		9		9

Total cost in year £ (b)	£3,000	£28,999	£25,798	£57,796
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Total Units in year	17	166	148	331
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TOTAL UNITS:-

In year	86	266	192
Cumulative	86	352	544

<u>Budget approvals</u>	£000	£000	£000	£000
Total now proposed (a) + (b)	£13,509	£39,999	£28,714	£82,221
Current approval Feb 2015	£10,509	£13,324	£8,947	£32,780
Increase requested	£3,000	£26,675	£19,767	£49,441

Assumed unit cost £175 k

Caveats/notes

- 1 Build cost inflation not currently factored in; currently running at c8% pa, per some measures
- 2 No GLA grant currently factored in
- 3 No S106/commuted sums/CIL factored in; none in bank, though some expected over period

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CABINET

23 September 2015

Subject Heading:

Housing Scheme for the buy-back of ex-council properties.

Cabinet Member:

Councillor Damian White, Cabinet Member for Housing

CMT Lead:

Isobel Cattermole, Interim Group Director, Children, Adults and Housing.

Andrew Blake-Herbert, Director of Finance and Commerce.

Report Author and contact details:

Neil Stubbings, Interim Head of Housing Services – 01708 432970

Conway Mulcahy, Finance Business Partner – 01708 432656

Policy context:

The scheme will contribute to the London Borough of Havering's Housing Strategy, and will support the Council's vision of Putting Our Residents First.

Financial summary:

To agree to the principle of using the Housing Revenue Account (HRA) for buying back ex council properties sold under the RTB provisions

Is this a Key Decision?

No

When should this matter be reviewed?

This scheme should be reviewed by OSC one year after the start of the operation of the scheme

Reviewing OSC:

Towns and Communities OSC

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	<input type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

SUMMARY

The Council is currently identifying a medium term strategy for the delivery of over 1,000 new council properties to provide affordable housing for Havering residents. At the same time, due to the new reinvigorated RTB process the Council is currently accruing significant RTB receipts which can, in part, be used to fund new build properties or the purchase of existing housing. A significant issue with the receipts is that they have to be “used” within three years otherwise they have to be handed back to Government along with interest at 4% over the current base rate. As part of the overall strategy for the delivery of new homes, this paper outlines a proposed RTB Buy Back scheme, explains how the scheme would operate and be financed, and seeks approval to proceed to implementation.

RECOMMENDATIONS

That Cabinet:

1. Approves the implementation of the scheme as outlined in the report;
2. Delegates to the Group Director, Children, Adults and Housing, authority to purchase properties, agree any necessary purchase prices and/or parameters and any other property transactions or decisions required to effectively implement the Scheme

REPORT DETAIL

1. The Right to Buy scheme was introduced in 1980 and gives qualifying social tenants the right to buy their home at a discount. During 2013 the Government increased the discount cap for London to £100,000 and this has accelerated sales. The maximum discount in London currently stands at £102,700 and is uplifted by the Consumer Price Index on the 1st April each year. Havering sold 15 properties during 2011/12, 51 properties during 2012/13, 85 in 2014/15, and has sold a further 18 to the end of quarter 1, 2015/16. At the same time the Council regularly receives enquiries from residents who are looking to sell their properties back to the Council, which could be facilitated through the implementation of a buyback scheme.

2. The funding for acquisitions through a buyback scheme will come from within the HRA. The council is able to retain the receipts from RTB sales for replacement housing, using an agreement with Government which can be used to part fund the acquisitions within the scheme. The balance which is not met from RTB receipts will utilise HRA resources and borrowing as required. The current HRA Capital Programme for 2015/16 to 2017/18 includes a budget of £30m for housing Development, £10m of which is uncommitted and could be used to fund the scheme.
3. The acquisition of such properties offers a number of benefits, as part of a wider programme to deliver increases in housing units:
 - Supports the sustainability of the HRA through replenishment of stock and replacement of rental income lost through RTB sales,
 - Management and maintenance arrangements are already in place for such properties and in many instances the properties are leasehold with the council as landlord.
 - It allows a relatively quick application of RTB receipts when compared to new build schemes, which will support the maximum application of RTB receipts within allowable timescales.
4. It will assist in mitigating the general fund pressures on temporary housing accommodation by increasing the supply of affordable housing.
 - The dwellings are normally offered at a discount to the local market due to their location.
5. It is not currently known what level of conversion into actual purchases will be achieved as much will depend on valuation and purchase price negotiations and the location and type of properties that are purchased. However, this scheme, if implemented, will complement other initiatives aimed at increasing numbers of housing units and utilising the retained RTB receipts - which are included in the existing MTFS - such as the General Needs New Build and Supported Housing Programmes.

Supporting Information and operation of the Scheme

6. It is proposed to seek expressions of interest through a targeted letter which will invite interested owners to complete an on-line form. The mail shot will exclude any leasehold properties where the leasehold interest is held by a Registered Social Landlord (RSL), and will also make it clear that the Council will not be under any obligation to buy any specific property until a contract for purchase has been signed.
7. As a general principle the scheme will prioritise properties based on their cost, size, condition and location to ensure the best value is obtained. An initial shortlist will be compiled from the expressions of interest which will take account of the following considerations:

- The Council will only be purchasing properties with vacant possession, and priority will be given to properties that are empty, to reduce the possibility of delays.
 - Any sub-let properties being used for temporary accommodation of clients on the Housing Register will be excluded at this time.
 - In view of the lower value of property prices and the priority housing need requirements, the initial focus will be on the repurchase of two and three bedroom properties in the south of the Borough.
 - Any tenant who purchased a property under the RTB Scheme would have to repay a proportion of the discount they received if they sell within the first five years.
8. Once an inspection has been undertaken by a Valuer, and provided that it is considered appropriate and feasible to repurchase the property within a reasonable period of time, each individual acquisition will be submitted for approval. It is proposed that delegated authority is given to the Group Director of Social Care, Health and Housing to approve the formal offer of purchase along with the proposed purchase prices and related property decisions. Each offer will be "subject to contract", vacant possession and achieving a target date for exchange.
9. The current rules concerning the RTB scheme state that a person has to be a council tenant for a minimum of 5 years before they can achieve the maximum discount under the scheme, but is reducing to three years during 2015 as part of new legislation currently progressing through Parliament. The cost floor determination (Section 131 of the Housing Act 1985) will also apply to any acquisitions within the scheme for a period of up to 15 years from the date of purchase. This limits the Right to Buy discount to ensure that the purchase price of the property does not fall below what has been spent on building, buying, repairing or maintaining it over that period. In practice this would ensure that if the cost floor is higher than the market value the property would be sold at market value - regardless of the tenant's discount entitlement - or alternatively if the cost floor is lower than market value, but higher than the discounted market value, the property would be sold at the cost floor value.

REASONS AND OPTIONS

Reasons for the decision:

The scheme will have benefits for the Housing Revenue Account (HRA). The additional stock will help to sustain the HRA rental income whilst providing additional units of accommodation to house those in need. It will also allow the Council to apply some of the time-limited retained Right to Buy (RTB) receipts.

Other options considered:

The Council could choose not to operate a buyback scheme, however the Council would not then have this option available to increase the supply of affordable housing, or be able to apply some of the retained RTB receipts. The operation of the policy will kept under review, given the potential for changes in the operation of right to buy scheme, wider housing finance regime and the state of property market. The purchase decisions will be considered on a case-by-case basis with the benefit of full market knowledge from valuations, the impact on the HRA business plan and Medium Term Financial Strategy (MTFS).

IMPLICATIONS AND RISKS

Financial implications and risks:

The scheme for the buy-back of ex-Council properties outlined in this report is intended to replenish lost housing stock within the HRA, thereby supporting the financial sustainability of the Council's social landlord function. In addition, the increased supply of affordable rented accommodation could reduce the pressures within the Council's General Fund associated with the use of temporary accommodation to manage homelessness.

As detailed below, these purchases will enable the use of retained Right-to-Buy receipts which could otherwise become repayable to the Department for Communities and Local Government - thereby avoiding an interest charge of 4% plus base rate being borne by the HRA. The current cost floor mechanism, if maintained by central Government, will prevent any sale of repurchased properties to future tenants for less than the purchase price, or prevailing market value if lower, for a period of fifteen years.

The current HRA capital budget for 2015/16 to 2017/18 includes provision of £30m to support the development of new council property. It is not certain as to the exact number of units that will be acquired at this early stage. The comparative cost of New Build will be considered, when assessing the merits of Buy Backs.

As these are replacement homes the Council can use the retained RTB receipts to part finance the acquisitions. The application of net RTB receipts is usually limited to 30% of the cost of replacement homes, but Housing Finance regulations allow this to be increased to 50% in the case of ex-council properties, subject to a cap of 6.5% of the overall net receipts. The balance not covered by the RTB receipts, will utilise HRA resources and borrowing as required, with the necessary funding assumptions already built into the existing HRA MTFS and business plan. The application of RTB receipts to such a scheme will assist in meeting the Council's obligation to apply retained RTB receipts within three years of receipt. If these receipts are not utilised within the allowable timescales they are returned to central Government and an accrued interest charge is levied.

It is anticipated that the staffing implications of the scheme and any marginal costs in terms of undertaking valuations and legal procedures to support the timely conveyance of the properties can be managed within existing resources and budgets.

Legal implications and risks:

The Council's main power to provide housing accommodation is S.9 of the Housing Act 1985. This includes the power to acquire houses for this purpose in addition to doing so by building new homes and converting existing buildings. The power does not preclude the repurchase of former Council properties. Once houses have been acquired the Council may carry out alterations, enlargements and repairs.

Human Resources implications and risks:

None

Corporate Property implications and risks

Corporate Property have been consulted regarding the implementation of the buyback scheme, specifically concerning arrangements for the valuation of properties in the scheme. The valuation report will be carried out by a suitably qualified Valuer and will give the market value with vacant possession for each property inspected.

Equalities implications and risks:

It is not considered necessary to enter into an Equalities Impact Assessment in relation to the Buy Backs Scheme. Each potential purchase will only be completed after the usual property purchase negotiations using standard contract formats. Each purchase will therefore be undertaken with the expressed consent of each owner. an EIA is not therefore considered relevant.

BACKGROUND PAPERS

None

CABINET

23 September 2015

Subject Heading:

Pensions Collective Investment Vehicle

Cabinet Member:

Clarence Barrett, Cabinet Member for Financial Management

CMT Lead:

Andrew Blake- Herbert, Group Director Communities and Resources

Report Author and contact details:

Mike Board , Corporate Finance and Strategy Manager 01708 432217

Graham White, Interim Director Legal & Governance 01708 432484

Policy context:

Pension Investment Strategy

Financial summary:

The aim of the CIV is to seek reductions in the cost of investment management fees that would arise from the economies of scale. The level of savings achieved by Havering would be dependent upon the amounts invested via the CIV and the discounts in fees achieved.

Each member of Authority would be required to make an investment to meet the start-up costs of £75k upon joining plus regulatory capital contributions ranging from £150k to £300k over the next three years.

Is this a Key Decision?

Yes

When should this matter be reviewed?

As required

Reviewing OSC:

Overview and Scrutiny board

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	<input type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

SUMMARY

In 2013 the coalition Government in considering the future of Local government pension schemes expressed concern over the level of Investment fees paid by Councils and suggested that by pooling schemes together funds could achieve significant savings in fees.

In an attempt to reduce pension fund investment management costs, the creation of a London LGPS Collective Investment Vehicle (CIV) has now been made through London Councils. The vehicle would allow pension fund investments to be pooled for the purpose of reducing fund managers' fees.

This report asks the Cabinet to consider whether the Council wishes to participate in joining the Collective Investment Vehicle (CIV) in London. This is vehicle will enable Pension Funds in London, including the London Borough of Havering Pension Fund to access fund managers through this platform, should the Pensions Committee decide it is appropriate to invest and participate in the cost savings and other benefits associated with this vehicle.

RECOMMENDATIONS

Cabinet is asked to consider whether:

1. It wishes to participate in the establishment of the London (LGPS) Collective Investment Vehicle (CIV).
2. It wishes to participate in the establishment of a private company limited by shares to be incorporated to be the Authorised Contractual Scheme Operator (the 'ACS Operator') of the London (LGPS) Collective Investment Vehicle (CIV), the ACS Operator to be structured and governed as outlined in this report.
3. Subject to approval of (1) and (2) above Cabinet agrees:
 - a) That following the incorporation of ACS Operator, the London Borough of Havering:
 - Become a shareholder in the ACS Operator.
 - contribute to the initial capital set up costs of the ACS Operator :
 - appoint an executive member to exercise the Council's rights as shareholder of the ACS Operator;
 - b) That Under Regulation 11 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 to establish the

Pensions CIV Joint Committee, pursuant to the existing London Councils Governing Agreement dated 13 December 2001 as amended, to act as a representative body for the Local Authorities participating in these arrangements; and

- c) To delegate to this Joint Committee those functions necessary for the Proper functioning of the ACS Operator including the effective oversight of the ACS Operator and the appointment of Directors.

REPORT DETAIL

1. BACKGROUND

- 1.1 In 2013 the coalition Government (the Pensions Minister, Brandon Lewis) called for a consultation on the future of Local Government Pension Funds (LGPF), arguing that the current level of fees paid by Councils investing funds is too high. He also made his views clear at the National Association of Pension Funds Conference in May 2013 by saying, 'If it takes a smaller number of funds to improve the efficiency and cost effectiveness of the scheme, I shall not shy away from pursuing that goal'. It has been suggested that a pooled scheme would reduce the investment management fees and would result in greater collective buying power for councils.
- 1.2 A joint London Borough Pension Working Group initiative is looking at ways in which pension schemes can work together to get financial benefits and efficiencies of scale from joint working.
- 1.3 A pensions working group led by London Councils proposed to launch a collective investment vehicle to enable London Boroughs to participate in a scheme of joint pension fund investing. It will be an Authorised Contractual Scheme (ACS). This scheme will have FCA (Financial Conduct Authority) approval. It was originally planned to launch the scheme in February 2015, although it is more likely to happen later in the year.
- 1.4 This work is partly in response to the Government's review of Local Government Pension Schemes. Further Government announcements may be made to request more joint working by councils to reduce administration costs.
- 1.5 If Havering Council invests in the scheme, then it will have the option of joining the ACS Collective Investment Vehicle if the investments available are in line with the pension investment strategy and will offer reduced costs to the fund.
- 1.6 In theory, the Council could move an unlimited amount of its investments into the scheme if they were in line with the investment strategy and offered reduced fees. The Council pension scheme has around £570 million of investments with annual direct management fees total around £1 million. Investments within the fund are likely to be unitised fund type investments.

- 1.7 To maximise the value of pension schemes, ways to reduce the volume of management fees charged to pension schemes are being explored. This Collective Investment Vehicle approach has been designed by London Councils as a way in which similar investment types within different London Boroughs can be combined to benefit from smaller fee charges. Fund manager's fees are based on the size of the fund and are based on a percentage of the amount managed. The larger the fund, the lower the percentage fee charged.
- 1.8 The use of the CIV is a matter for the Pensions Committee to consider at a later date when the mechanism is available. At this stage the executive decisions required are in relation to establishing the corporate framework to facilitate the arrangements. The Council's participation in developing the CIV is sought by investing a nominal £1 to become a shareholder in the venture and establishing a management structure. Further contributions are required to facilitate the setting up of the CIV and are considered as part of the financial implications to this report. The decisions required are in relation to executive functions.

2. CURRENT LONDON BOROUGH PENSIONS SCHEMES

- 2.1 At present each London Borough has its own pension scheme. Each scheme is managed by its own Pension Committee and has a range of investments intended to provide a sufficient return to meet pension liabilities. All schemes will have similar, but not identical range of investments.
- 2.2 All schemes are likely to have investments in equities (UK and overseas), property and bonds. Some schemes may have more alternative investments such as private equity, infrastructure or hedge funds.
- 2.3 The Havering pension scheme invests in a range of assets including equities, Property, Bonds and Gilts which are managed by six specialist fund managers. A passive tracker manager,(SSGA) tracks share indices, The Active managers, such as Baillie Gifford are used with the intention of outperforming stock market index movements. Active managers charge higher fees than passive managers.
- 2.4 Manager fee structures – fees are based on a percentage of the amount of the funds invested. As the amount invested increased, managers usually charge a lower fee percentage. This should also apply to custodian costs of holding the investments securely.
- 2.5 As a number of councils use the same pension fund managers, then the combination of investments will mean the lower fee thresholds will be exceeded, thus reducing the fees payable. It is the saving of these fees and in theory, the appointment of high performing managers that should provide a financial advantage for the council's pension fund from using the ACS. The Council paid direct fund management fees of around £1 million in 2014/15

- 2.6 The scheme has a minimum target investment size of £5bn across all investors; though it is hoped investments will be significantly higher. 30 of the 33 London Boroughs have expressed an initial interest in the scheme and have made contributions to meet the set up costs.
- 2.7 A new Pensions CIV Joint Committee will be established under the London Councils arrangements and will oversee the ACS operator. Participating councils will appoint members and officers to the Joint Committee.
- 2.8 The creators of the ACS have been liaising with a number of investment managers to see the likelihood of their participation. At this stage a number of managers have expressed an interest including some who do not have many local authority clients. If managers believe there is more chance of obtaining or keeping business by being in the ACS (even at a lower fee level), then the scheme should be successful.
- 2.9 Though there will be further costs of setting up and managing the scheme, the management fee savings are expected to be around double those of running the scheme.

3. INVESTMENT IN THE ACS COLLECTIVE INVESTMENT VEHICLE

- 3.1 To take part in the ACS Collective Investment Vehicle, each London Borough will be asked to buy a nominal £1 share in the fund. Those Boroughs that participate in the scheme will then be asked to contribute an equal share of £100,000 of initial capital (i.e. if there are 33 initial investors including LBH, the contribution would be £3,225). Over the first three years of the scheme it is anticipated that each Authority will need to contribute in the region of £150,000 and £300,000 toward the regulatory capital needs of the ACS.
- 3.2 At present, we don't know which fund managers will be participating in the scheme. If the investment options available in the ACS don't suit the needs of the LBH pension fund, then the council is under no obligation to participate further. Most of the fund managers the council employs have been performing above average over the last year. However, the benefits of membership in the CIV will only be achieved through investing in the fund and benefiting from a reduction in management fees.
- 3.3 Once the ACS is operational, it is likely that the first group of investments available will include tracking funds that simply perform in line with share indices, such as the FTSE. These funds are bought and sold in units and have the lowest management fees. If the council wishes to hold non-standard investments, then these will probably remain outside the ACS. It should be noted that the standard nature of ACS investments could limit the council from involvement in investment Decisions as the managers will manage funds from the perspective of all investors.
- 3.4 If the council's existing managers opt to take part in the ACS, then there may be potential to move the council's investments into the ACS to obtain lower fees with minimal administrative work.

- 3.5 The scheme will have an appointed custodian to hold the investments. Though the council's investments will be combined with other council's investments to achieve volume savings, LBH's share of investments will need to be clearly identifiable. The council will need to be able to see its investments when needed to pay pensions due.
- 3.6 Before placing pension fund investments in the ACS, legal approval for this investment will be needed. The scheme organisers have been taking legal advice throughout the development stages

REASONS AND OPTIONS

Reasons for the decision:

The decision is required to enable the Pension Fund to participate in the development of the CIV in order to increase collaboration amongst London Pension Funds and to benefit from potential savings in management fees over the longer term.

Other options considered:

Although there is no compulsion to join the CIV, Cabinet should to be mindful of potential changes in legislation which may impact upon the structure of the Fund.

The LGPS Scheme Advisory Board (The Board) was established under the Public Service Pensions Act 2013 to advise the Secretary of State for Communities and Local Government on the development of the Local Government Pension Scheme.

In support of its work plan for 2015-16, the Board is inviting proposals from interested parties to assist it in developing options with regard to the increased separation of LGPS pension funds and their host authorities for consideration prior to potentially making recommendations to the Secretary of State.

It is expected that the Board will make recommendations to the Secretary of State during September. The Board is likely to consider the following three options:

- A greater separation of powers of the Pension Fund under a strengthened s151 role.
- Joint Committees of two or more Pension Funds
- Complete separation of the Pension Fund from the host authority

It is too early to suggest whether any of these or alternative options are developed further. The creation of the CIV may be viewed as a means of mitigating any further legislative measures to merge funds.

IMPLICATIONS AND RISKS

Financial Implications and risks:

The London Borough of Havering is the Administering Authority of the London Borough of Havering Pension Fund and has the delegated responsibility for decisions regarding the Pension Fund to the Pensions Committee.

There is pressure on LGPS funds to demonstrate efficiency savings and work collaboratively. This decision would enable LBH to participate in developing a cost-saving mechanism for pension fund investment across London. By establishing the mechanism the Pensions Committee will be able to decide whether there are advantages in investing via this collaborative venture.

The theory of the CIV is that fund managers will charge a lower management fee on pooled investments managed. By participating in the CIV the Havering Pension Fund would have access to a developing range of investment products at a lower cost than would be available than if operated independently of the CIV.

The employer's contribution is a significant element of the Council's budget and consequently an improvement in investment performance or reduction in management fees may reduce the contribution rate and increase the funds available for other corporate priorities.

As a member of the CIV the Pension Fund will contribute to the cost of meeting the set up costs of the CIV which will require an amount of £75k payable immediately upon joining.

In addition to the set up costs there will be a requirement to meet the Regulatory Capital contribution required from all boroughs, this is a statutory requirement for the CIV and the minimum contribution has to be paid before the ACS can be FCA authorised. The ACS will need a minimum of £100k before the company can be authorised, therefore £3,500 from each participating borough will be required (based on 30 boroughs currently participating).

The Regulatory Capital contribution for the CIV is calculated based on the estimated value invested in the CIV. Currently it is estimated that the amounts to be paid over the next three years will be in the region of £150k to £300k, as the maximum regulatory capital for the CIV is £10m.

The costs will be met from pension fund surplus cash if available or alternatively be met from the sale of pension's assets.

It is anticipated that the saving achieved from the CIV will outweigh the costs associated with its operation. However, the pension fund remains free to choose where it invests and savings can only be achieved if suitable products are available within the fund. It should also be remembered that investment performance is the key driver for the long term growth of the fund.

Legal Implications and risks:

Regulation 11(3) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 requires the Council, as an administering authority, to invest fund money that is not needed immediately to make payments from the Pensions Fund.

Regulation 11(1) requires the Council to have a policy in relation to its investments. The investment policy must be formulated with a view –

- (a) to the advisability of investing money in a wide variety of investments; and
- (b) to the suitability of particular investments and types of investments.

The Council is also required to have a Statement of Investment Principles in accordance with regulation 12 (1) which covers the following matters:

- (a) the types of investment to be held;
- (b) the balance between different types of investments;
- (c) risk, including the ways in which risks are to be measured and managed;
- (d) the expected return on investments;
- (e) the realisation of investments;
- (f) the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments;
- (g) the exercise of the rights (including voting rights) attaching to investments, if the authority has any such policy; and
- (h) stock lending.

In accordance with Regulation 11(5), The Council is required to take proper advice at reasonable intervals about its investments and must consider such advice when taking any steps in relation to its investments.

It is desirable for the Council to take steps to reduce the costs of administering its pension fund. The proposal to create a Collective Investment Vehicle appears to be a viable way to achieve savings.

Under the Local Government (Functions and Responsibilities) (England) Regulations 2000 (as amended), functions relating to local government pensions etc. are designated as non-executive functions. Thus, any decision to invest through the CIV would be a matter for the Pensions Committee, being a non-executive Committee of the Council charged with discharging the Council's obligations and duties under the Superannuation Act 1972 and the various statutory requirements in respect of investment matters.

The decisions sought in this report are not in regard to pensions functions, but concern participating in the establishment of a private company and becoming a shareholder of it. Those decisions are executive functions and it is appropriate for Cabinet to make them.

Under Regulation 11 of the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012, the authority has power to make arrangements for the discharge of its functions by a Joint Committee and for the delegation of such functions to the Joint Committee. As the Joint Committee

proposed will exercise executive functions it is appropriate for the Council's executive to approve the establishment of the Joint Committee and the delegation of executive functions to it.

Where a Joint Committee is exercising executive powers, the Regulations require that Members appointed to it are executive Members. However where the Joint Committee comprises five or more authorities, as this Joint Committee will be, either executive or nonexecutive Members may be appointed. Notwithstanding where the functions to be exercised are entirely executive it would be most appropriate to appoint executive members

Human Resources Implications and risks:

There are no direct Human Resource implications associated with the proposals

A viable pension scheme also represents an asset for the recruitment and retention of staff to deliver services to the residents.

Equalities implications and risks:

None arising directly from the consultation.

BACKGROUND PAPERS

None

CABINET

23 September 2015

Subject Heading:

**Corporate Performance Report:
Quarter 1 (2015/16)**

Cabinet Member:

Councillor Clarence Barrett

CMT Lead:

Andrew Blake-Herbert

Report Author and contact details:

Alaine Clarke, Corporate Policy & Diversity
Team Leader
alaine.clarke@havering.gov.uk
01708 432963

Policy context:

The report sets out Quarter 1 performance for each of the strategic goals (Clean, Safe and Proud).

Financial summary:

There are no direct financial implications arising from this report. It is expected that the delivery of targets will be achieved within existing resources.

Is this a Key Decision?

No

Is this a Strategic Decision?

No

When should this matter be reviewed?

The Corporate Performance Report will be brought to Cabinet at the end of each quarter.

Reviewing OSC:

Six overview and scrutiny sub-committees (Children and Learning, Crime and Disorder, Environment, Health, Individuals, Towns and Communities) and the Overview and Scrutiny Board

The subject matter of this report deals with the following Council Objectives

Havering will be clean and its environment will be cared for	[X]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	[X]

SUMMARY

The Corporate Performance Report provides an overview of the Council's performance for each of the strategic goals (Clean, Safe and Proud).

The report identifies where the Council is performing well (**Green**) and not so well (**Amber** and **Red**). The RAG ratings for 2015/16 are as follows:

- **Red** = more than the '**variable tolerance**' off the quarter target and where performance has *not improved* compared to the same quarter last year
- **Amber** = more than the '**variable tolerance**' off the quarter target and where performance has *improved or been maintained* compared to the same quarter last year. Or where a NEW indicator, so no previous performance in the same quarter last year.
- **Green** = on or within the '**variable tolerance**' of the quarter target

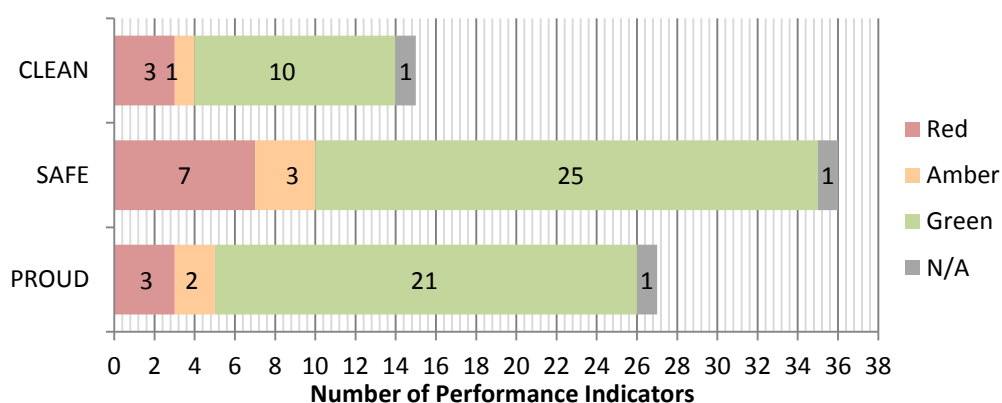
Where performance is more than the '**variable tolerance**' off the quarter target and the RAG rating is '**Red**', '**Corrective Action**' is included in the report. This highlights what action the Council will take to address poor performance.

Also included in the report are Direction of Travel (DOT) columns, which compare:

- Short-term performance – with the previous quarter (Quarter 4 2014/15)
- Long-term performance – with the same time the previous year (Quarter 1 2014/15)

A green arrow (↑) means performance is better and a red arrow (↓) means performance is worse. An amber arrow (→) means that performance is the same.

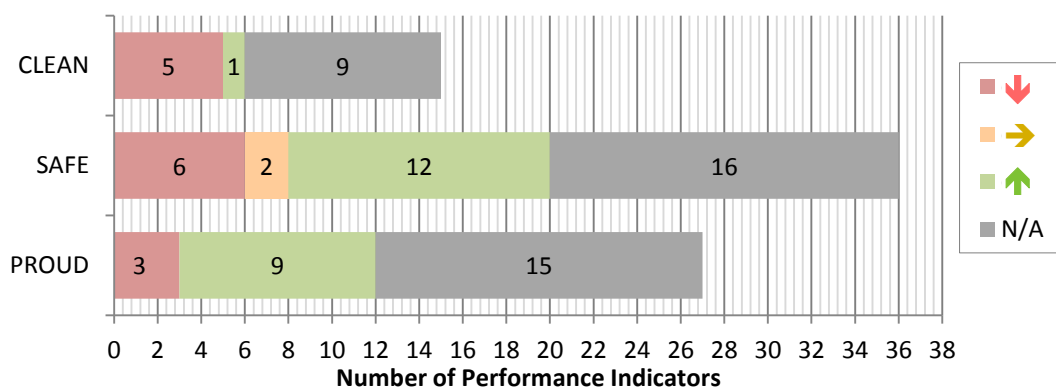
Q1 2015/16 RAG Summary



78 Corporate Performance Indicators are measured quarterly. Of these, 75 have been given a RAG status. In summary:

- **56 (75%)** have a RAG status of **Green**.
- **19 (25%)** have a RAG status of **Red** or **Amber**.

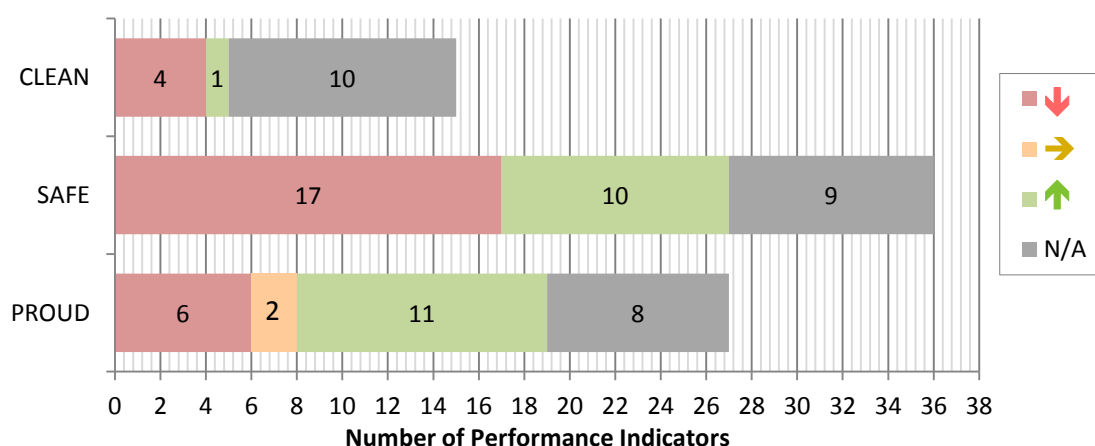
Short-Term Direction of Travel (Q4 2014/15)



78 Corporate Performance Indicators are measured quarterly. Of these, 38 have been given a short-term DOT status. In summary:

- **24 (63%)** maintained (→) or improved their DOT (↑)
- **14 (37%)** have a worsening DOT (↓)

Long-Term Direction of Travel (Q1 2014/15)



78 Corporate Performance Indicators are measured quarterly. Of these, 51 have been given a long-term DOT status. In summary:

- **24 (47%)** maintained (→) or improved their DOT (↑)
- **27 (53%)** have a worsening DOT (↓)

Also attached to the report (as Appendix 2) is a Demand Pressure Dashboard that illustrates the growing demands on Council services and the context that the performance levels set out in this report have been achieved within.

RECOMMENDATIONS

Members are asked to review performance set out in Appendix 1 and the corrective action that is being taken; and note the content of the Demand Pressures Dashboard attached as Appendix 2.

REPORT DETAIL

HAVERING WILL BE CLEAN AND WE WILL CARE FOR THE ENVIRONMENT

The Council's performance on making Havering a clean borough has been positive, with **71%** (10 of 14) of indicators with a RAG status being within target tolerance and **20%** (1 of 5) of indicators showing an improvement on the same period last year.

Highlights:

- Online report forms as a percentage of all CRM reports have increased from 15.9% to 22.3%. New digital principles are being applied across the Council and from September the simplest online processes will be moved to "online only" to further improve take-up.

Improvements required:

- Major and minor applications processed within agreed timeframes were below target. However, if 'extension of time' agreements had been included both indicators would have been within target tolerance. To improve performance various activities such as pre-planning, neighbour notification and officer visits / reports are being carried out.
- Appeals allowed against refusal of planning permission often fluctuate during the year. This quarter performance was 56% compared with 26% last year. Performance is being monitored closely to identify any trends over a longer period so that measures can be taken to improve performance.

PEOPLE WILL BE SAFE, IN THEIR HOMES AND IN THE COMMUNITY.

The Council's performance on ensuring Havering is a safe borough has been very positive, with **74%** (26 of 35) of indicators with a RAG status being within target tolerance and **37%** (10 of 27) of indicators showing an improvement on the same period last year.

Highlights:

- Adults with learning disabilities who live in their own home or with their family has gone up from 9% to 11% (an additional 10 adults).
- All three indicators relating to delayed transfers of care from hospital (including those attributable to Adult Social Care (ASC) and Health and ASC only) have improved. ASC continue to use their influence to ensure timely discharges take place for all clients with a social care need.
- Careline and telecare users (4,582) are at their highest level; rising from 4,483 last year. The teams continue to work closely with Adult Social Care to maximise the efficiencies of care budgets and innovative use of emerging technologies.
- Anti-Social Behaviour incidents (1,209) are lower than last year (1,349). Overall complaints received via 999/101 reduced by 28%, compared to a regional average of 23%. This included a dramatic fall in the number repeat callers (people calling three or more times) by 39% (down from 134 to 82), the second biggest fall regionally (average reduction, 21%).
- Registration for the Health Schools Awards has gone up from 33 to 56. Schools achieving the Bronze Award have gone up from 3 to 23; and schools achieving the Silver Award have gone up from 0 to 3.
- Women smoking at time of delivery (9.8%) is lower than last year (12.4%). The new BabyClear programme is anticipated to have an effect on performance later in the year when CO₂ monitors provide a more accurate report on smoking.
- Speed of processing changes in circumstances of Housing Benefit/Council Tax Support claimants (6 days) is significantly better than the same period last year (12 days). Additional resources have been allocated to maintain performance.

Improvements required:

- Permanent admissions to residential and nursing care homes for 18-64 year olds and those aged 65+ are higher than last year. The average age of admission is 84 years. Admissions are being monitored closely by the Head of Adult Social Care and Commissioning.
- Non-elective admissions into hospital (2,730) were higher than target (2,582) due to some miscoding by BHRUT and the number of Long-Term Conditions. A 'deep dive' is being undertaken by the Clinical Commissioning Group and Commissioning Support Unit to identify and address the causes of non-elective admissions.
- Self-directed support and direct payments (67.1%) are lower than last year (81%). ASC is reviewing the reasons behind this decline and the actions that can be taken to improve uptake.
- The proportion of children who wait less than 14 months between entering care and moving in with their adopting family has gone down to 29% (2 of 7) from 56% last year. However, it is important to note that the target has become harder to achieve for this year, as the Council's performance is now measured in terms of the proportion of children waiting less than 14 months, whereas the target for last year was 16 months. A sibling group of three children is included within the count as a delay, where it was agreed to provide additional support prior to the adoption order in the interest of ensuring better outcomes for the

children. Going forward, Children's Services will ensure that family group conferences are arranged at an early stage to try to speed up timeframes. This indicator is also impacted by external factors that are sometimes out of the Council's control.

- Children becoming subject of a child protection (CP) plan for a second or subsequent time within two years (5.6%) is higher than last year (0%). 124 children were the subject of a CP plan, including seven for the second time within two years (of which six children relate to two sibling groups). The rise in the total number of children on CP plans is impacting on this indicator. Threshold audits are being undertaken to ensure that cases are not being progressed into child protection unnecessarily.
- Violence with injury (424) is higher than last year (389). A programme of work has been developed to address this through the Violence against Women and Girls Strategy, Serious Youth Violence Strategy and targeted work within the night time economy in Romford Town Centre.

OUR RESIDENTS WILL BE PROUD TO LIVE IN HAVERING.

The Council's performance on ensuring Havering's residents are proud to live in the borough has been very positive, with **81%** (21 of 26) of indicators with a RAG status being within target tolerance and **58%** (11 of 19) of indicators showing an improvement on the same period last year.

Highlights:

- The completion of repairs on time (93%) is significantly better than last year (78%). New initiatives such as 'Do it in a day' and a focus on reducing emergency and urgent repairs have contributed to improving performance.
- Void to re-let times (16 days) has also vastly improved on last year (27 days), putting the Council in the upper quartile (20 days) for London Boroughs (HouseMark, 2014/15). The improvement is attributed to changes made since the Chartered Institute of Housing inspection, which have included managing voids under one lead; reviewing stages of voids to remove waste; and correctly categorising voids on the housing system.
- More apprentices (aged 16-18) have been recruited (450) than last year (420). Apprenticeships remain an attractive post-16 option amongst young people who want to secure employment rather than continue on with A Levels or university.
- The proportion of early years providers judged good or outstanding (81%) is better than last year (75%). This is attributed to the continuation of efficient processes, which ably support child-minders and PVI (private, voluntary and independent) settings to achieve an Ofsted grading of good or above.
- Automated transactions (34%) are higher than last year (29%). Further targeted introduction and marketing of online services is planned for 2015/16.

Improvements required:

- External funding secured (£200,000 from the GLA 'High Streets' fund) is lower than last year (£1,410,000). Although £1,400,000 from the New Homes Bonus fund has been confirmed and will be reported in Q2.
- The call abandon rate (12.5%) is worse than last year (11.2%) due to a combination of factors, including a higher call demand, the introduction of new services and the stability of IT systems. As the “online only” approach is implemented for many services, the expectation is that call demand will reduce.

The full Corporate Performance Report is attached as **Appendix 1**.

REASONS AND OPTIONS

Reasons for the decision: To provide Cabinet Members with an update on the Council's performance for each of the strategic goals (Clean, Safe and Proud).

Other options considered: N/A

IMPLICATIONS AND RISKS

Financial implications and risks:

Adverse performance against some Corporate Performance Indicators may have financial implications for the Council, particularly where targets are explicitly linked with particular funding streams (e.g. the Better Care Fund).

Whilst it is expected that targets will be delivered within existing resources, officers regularly review the level and prioritisation of resources required to achieve the targets agreed by Cabinet at the start of the year.

Human Resources implications and risks:

The oneSource HR Service will continue to work with line managers to ensure that sickness absence is being managed appropriately and efficiently across the Council. Targeted actions are being taken in Council services with the highest levels of sickness absence and temporary additional HR resources have been agreed by CMT to support managers in this regard.

Resilience Training is being made available to managers and staff by the oneSource Health & Safety Service and all managers are in the process of completing the Management Development Programme to develop the relevant skills. All managers with responsibility for staff will have a specific objective relating to managing sickness absence effectively in their PDRs.

Legal implications and risks:

Whilst reporting on performance is not a statutory requirement, it is considered best practice to review the Council's progress against the Corporate Plan and Service Plans on a regular basis.

Equalities implications and risks:

The following Corporate Performance Indicators rated as 'Red' or 'Amber' could potentially have equality and social inclusion implications for a number of different social groups if performance does not improve:

- **ASCOF 1C(i)** - Percentage of people using social care who receive self-directed support and those receiving direct payments
- **ASCOF 1C(ii)** – Direct payments as a percentage of self-directed support (%)
- **ASCOF 2A(i)** - Rate of permanent admissions to residential and nursing care homes per 100,000 population (aged 18-64)
- **L7** - Total non-elective admissions in to hospital (general & acute), all-age, per 100,000 population
- **CSP7** - Reduce violence with injury
- **CSP10** - Repeat Domestic Violence cases going to the MARAC
- **CH1** – Percentage of young people leaving care who are in education, employment or training at age 19 and at age 21
- **CH21** - Percentage of looked after children (LAC) placed in LBH foster care
- **13** - Percentage of children who wait less than 14 months between entering care and moving in with their adopting family
- **N18** - Percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time within 2 years
- **CI1** – Sickness absence rate per annum per employee

The commentary for each indicator provides further detail on steps that will be taken to improve performance and mitigate these potential inequalities.

BACKGROUND PAPERS

The Corporate Plan 2015/16 is available on the website at <http://www.havering.gov.uk/Documents/Council-democracy-elections/Corporate-Plan-on-a-page-2015-16.pdf>

Appendix 1: Quarter 1 2015/16 Corporate Performance Report

RAG Rating	Direction of Travel (DOT)		Description
Green	On or within the 'variable tolerance' of the quarter target	↑	Short Term: Performance is better than the previous quarter Long Term: Performance is better than last year Corporate Plan Indicator Outturns reported cumulatively (C) Outturns reported as snapshot (S) Outturns reported as rolling year (R)
Amber	More than the 'variable tolerance' off the quarter target and where performance has improved or been maintained compared to the same quarter last year. Or where a NEW indicator, so no previous performance in the same quarter last year.	→	Short Term: Performance is the same as the previous quarter Long Term: Performance is the same as last year
Red	More than the 'variable tolerance' off the quarter target and where performance has not improved compared to the same quarter last year	↓	Short Term: Performance is worse than the previous quarter Long Term: Performance is worse than last year

CLEAN: Supporting our community

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Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
SC07 (C)	Number of fly-tipping incidents	Smaller is Better	3,000	794	±10%	804 (GREEN)	–	2,914	↓	767	Fly-tipping incidents (804) are within target tolerance (794) though higher than the same period last year (767). Reported fly-tips are increasing, particularly on council housing estates. Some of this is due to recording errors (bulky waste recorded as fly-tips), which is being addressed. Streetcare enforcement officers seek to identify those responsible for fly-tipping by investigating the dumped waste and through use of CCTV cameras in some areas. Between January and June 2015, 61 FPNs were issued and 6 prosecution files have or are being prepared. Additional notices are being placed on housing estates to deter fly-tipping; and fly-tipping will be addressed as part of the Public Realm and Enforcement Review.	Streetcare Reported to Department for Environment, Food & Rural Affairs (DEFRA)
SC01 (C)	Residual household waste per household	Smaller is Better	664kg	640kg (Q4 2014/15)	±10%	664kg (Q4 2014/15 time lag) (GREEN)	–	512 kg (Q3 2014/15)	↓	648kg (Q4 2013/14)	Data comes from the East London Waste Authority (ELWA) and lags by at least 8 weeks. Residual household waste (664kg) is within target tolerance (640kg) though slightly higher than the same period last year (648kg). Residual waste continues to increase year-on-year (2% Havering, compared with 3% London) and rises in waste costs pose a significant financial challenge. The levy is predicted to increase by £1m+ every year until 2027. Our focus remains on minimising waste through recycling, re-use and composting schemes.	Streetcare Local performance indicator
SC02 (C)	Percentage of household waste sent for reuse, recycling & composting	Bigger is Better	36%	36% (Q4 2014/15)	±10%	32.4% (32,716 of 100,898) (Q4 2014/15 time lag) (GREEN)	↓	34% (26,381 of 78,379) (Q3 2014/15)	↓	33% (Q4 2013/14)	Data comes from the East London Waste Authority (ELWA) and lags by at least 8 weeks. Household waste recycled (32.4%) is within target tolerance (36%) though slightly less than the same period last year (33%).	Streetcare Local performance indicator
SC03 (C)	Number of missed waste collections per 100,000	Smaller is Better	100	100	±10%	99.6 (GREEN)	–	NEW	–	NEW	Missed waste collections (99.6) is on target (100). Performance is expected to continually improve, as the new contract with Serco becomes embedded. This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Streetcare Local performance indicator
SC10 (C)	Percentage completion against Street Cleansing schedule	Bigger is Better	82%	82%	±10%	88% (GREEN)	–	NEW	–	NEW	Completions against the Street Cleansing schedule (88%) is better than target (82%). Performance is expected to continually improve, as revised methods of operations are embedded. This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Streetcare Local performance indicator
SC21 (C)	Percentage of refuse and recycling collections completed against schedule	Bigger is Better	93%	93%	±10%	99.9% (GREEN)	–	NEW	–	NEW	Refuse and recycling collections (99.9%) is much better than target (93%). Contract management and monitoring will ensure that standards are maintained at this high level by Serco. This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Streetcare Local performance indicator

CLEAN: Using our influence

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
RS14 (ex) NI157a (C)	Percentage of major applications processed within 13 weeks (Note –extension of time agreements not included)	Bigger is Better	62%	62%	±10%	25% (2 of 8) (RED)	↓	62%	–	N/A	Major applications processed within 13 weeks (25%) are significantly below target (62%). The methodology for this indicator has changed from last year, so a long-term DOT cannot be provided. However, the 2014/15 Annual Outturn has been re-calculated to exclude extension of time (EoT) agreements, so a short-term DOT can be provided. This shows a significant drop in performance (from 62%) in the first quarter of 2015/16. Of the eight applications, five had EoT agreements which were all decided within the agreed timeframe. This would give a revised figure of 88% if EoT agreements were included. CORRECTIVE ACTION: Various activities such as pre-planning, neighbour notification and officer visit/report will be carried out to keep major applications processed within target time (without the need for extension of time agreements).	Regulatory Services <i>Reported to Department Communities & Local Govt (DCLG)</i>
RS15 (ex) NI157b (C)	Percentage of minor applications processed within 8 weeks (Note –extension of time agreements not included)	Bigger is Better	65%	65%	±10%	56% (73 of 130) (RED)	↓	59%	–	N/A	Minor applications processed within 8 weeks (56%) are below target (65%). The methodology for this indicator has changed from last year, so a long-term DOT cannot be provided. However, the 2014/15 Annual Outturn has been re-calculated to exclude extension of time (EoT) agreements, so a short-term DOT can be provided. This shows a slight drop in performance (from 59%) in the first quarter of 2015/16. Of the 130 applications, 40 had EoT agreements and 39 were decided within the agreed timeframe. This would give a revised figure of 86% if EoT agreements were included. CORRECTIVE ACTION: Various activities such as pre-planning, neighbour notification and officer visit/report will be carried out to keep minor applications processed within target time (without the need for extension of time agreements).	Regulatory Services <i>Reported to Department Communities & Local Govt (DCLG)</i>
RS16 (ex) NI157c (C)	Percentage of other applications processed within 8 weeks (Note –extension of time agreements not included)	Bigger is Better	80%	80%	±10%	87% (384 of 441) (GREEN)	↓	88%	–	N/A	Other applications processed within 8 weeks (87%) are better than target (80%). The methodology for this indicator has changed from last year, so a long-term DOT cannot be provided. However, the 2014/15 Annual Outturn has been re-calculated to exclude extension of time (EoT) agreements, so a short-term DOT can be provided. This shows a very slight drop in performance (from 88%) in the first quarter of 2015/16. Of 441 applications, 35 had EoT agreements and 34 were decided within the agreed timeframe. This would give a revised figure of 95% if EoT agreements were included.	Regulatory Services <i>Reported to Department Communities & Local Govt (DCLG)</i>
RS17 (C)	Percentage of major planning applications processed within 13 weeks at end of each quarter over two year period	Bigger is Better	50%	50%	±10%	58% (47 of 81) (GREEN)	–	NEW	–	NEW	Major applications processed within 13 weeks at end Q1 2013/14 to end Q1 2015/16 (58%) is better than target (50%). This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Regulatory Services <i>Reported to Department Communities & Local Govt (DCLG)</i>
RS19 (C)	No more than 19% of planning decisions on major applications decided (or subject to non-determination appeal) in any 2 year rolling period are overturned at appeal within 9 months of the end of that 2 year period	Smaller is Better	19%	19%	±5%	0% (GREEN)	–	NEW	–	NEW	Planning decisions on major applications overturned at appeal (0%) is better than target (19%). There were no planning appeals involving major applications this quarter. This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Regulatory Services <i>Reported to Department Communities & Local Govt (DCLG)</i>
RS18 (C)	Percentage of minor planning applications processed within 8 weeks at end of each quarter over two year period	Bigger is Better	60%	60%	±10%	Q1 2015/16 NOT AVAILABLE	–	NEW	–	NEW	Data for minor applications processed within 8 weeks at end Q1 2013/14 to end Q1 2015/16 is being checked for accuracy. Therefore, the indicator won't be reported until Q2.	Regulatory Services <i>Reported to Department Communities & Local Govt (DCLG)</i>
CET2	Number of volunteers participating in community clean ups	Bigger is Better	90	23	±10%	40 (GREEN)	–	NEW	–	NEW	Volunteers participating in community clean-ups (40) is better than target (23). This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Policy and Performance <i>Local performance indicator</i>

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)	Long Term DOT against 2014/15 (Q1)	Comments	Service	
CLEAN: Leading by example											
RS13 (C)	Percentage of appeals allowed against refusal of planning permission	Smaller is Better	33%	33%	±10%	56% (10 of 18) (RED)	↓	31% (31 of 101)	↓	26% (6 of 23) Appeals allowed against refusal of planning permission (56%) is higher than target (33%) and the same period last year (26%). CORRECTIVE ACTION: Performance will be monitored closely to identify any trends over a longer period (one quarter figure is not necessarily indicative of a pattern) and suggest measures to improve the figure over the longer term (appeal decisions relate to planning decisions made some time ago).	Regulatory Services <i>Reported to Department Communities & Local Govt (DCLG)</i>
CS7 (C)	Number of online report forms as a percentage of all CRM reports	Bigger is Better	40%	40%	±5%	22.3% (3,281 of 14,734) (AMBER)	↑	15.7% (8,904 of 56,795)	↑	15.9% (2,202 of 13,816) Online report forms (22.3%) is below target (40%) but higher than the same period last year (15.9%). New digital principles are being applied across the Council. Starting from September the simplest online processes will be moved to "online only" to try and improve take up. A communications campaign will be in place prior to the "online only" move.	Customer Services <i>Local Performance Indicator</i>

SAFE: Supporting our community

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
ASCOF 2A(i) (C)	Rate of permanent admissions to residential and nursing care homes per 100,000 population (aged 18-64)	Smaller is Better	10	2.4	±10%	2.7 (4 of 14,7134) (RED)	–	9.6	↓	1.4	Permanent admissions for individuals aged 18-64 years (2.7 per 100,000) is higher than target (2.4 per 100,000) and the same period last year (1.4 per 100,000). The indicator is anticipated to fluctuate throughout the year. CORRECTIVE ACTION: Admissions will be monitored during the Panel process across all three service areas, and this will be overseen by the Head of Service at the monthly ASC Performance Group.	Adult Social Care <i>Reported to Department of Health (DH)</i>
ASCOF 2A(ii) (C)	Rate of permanent admissions to residential and nursing care homes per 100,000 population (aged 65+)	Smaller is Better	598.1	152.6	±10%	142.6 (65 of 45,582) (GREEN)	–	606.9	↓	67	Permanent admissions for individuals aged 65+ (142.6 per 100,000) is better than target (152.6 per 100,000) but worse than the same period last year (67 per 100,000). There continues to be pressure for placements in the borough. The average age of permanent admissions (aged 65+) to residential and nursing care homes is 84 years.	Adult Social Care <i>Reported to Department of Health (DH)</i>
L7 (BCF)	Total non-elective admissions into hospital (general & acute), all-age per 100,000 population	Smaller is Better	No annual target. Targets set for each quarter	2,582 (Q4 2014/15)	±0%	2,730 (6,735 of 246,731) (Q4 2014/15 time lag) (RED)	–	Q3 2014/15 NOT AVAILABLE	–	NEW	Non-elective admissions into hospital (2,730) is higher than target (2,582) at the end of Q4. There were a couple of reasons that contributed to this indicator missing target: 1) some non-elective admissions were miscoded by BHRUT, which the CCG is working to rectify with BHRUT; and 2) there were a number of Long-Term Conditions, including COPD, Asthma, Pneumonia and heart failure. This was a new corporate indicator for 2014/15, so a DOT cannot be provided against Q4 2013/14. CORRECTIVE ACTION: A 'deep dive' is being undertaken by the Clinical Commissioning Group (CCG) and Commissioning Support Unit to identify the causes of non-elective admissions.	Adult Social Care <i>Reported to Department of Health (DH)</i>
13 (C)	Percentage of children who wait less than 14 months between entering care and moving in with their adopting family	Bigger is Better	70%	70%	±10%	29% (RED)	↓	35% (6 of 17)	↓	56%	Of the four children that had adoption orders granted and the three placed with adoptive families awaiting orders, two (29%) waited less than 14 months between starting to be looked after and moving in with their adoptive families. This is significantly below target (70%) and less than the same period last year (56%). A sibling group of three children is included within the count as a delay, where it was agreed to provide additional support prior to the adoption order in the interest of ensuring better outcomes for the children. CORRECTIVE ACTION: The service will ensure that Family Group Conferences are arranged at an early stage and tracking processes are effective to speed up timescales. This indicator is also impacted by external factors, most particularly the courts.	Children's Services <i>Reported to Department for Education (DfE)</i>
CSP7 (C)	Reduce violence with injury	Smaller is Better	1,158	290	±0%	424 (RED)	–	1,630	↓	389	Violence with injury (424) is higher than target (290) and the same period last year (389). Changes in how the data is recorded since the target was set means that the target is unlikely to be achieved. CORRECTIVE ACTION: A programme of work has been developed to address Violence With Injury through the Violence Against Women and Girls Strategy (VAWG), Serious Youth Violence Strategy and targeted work within the night time economy in Romford Town Centre.	Corporate Policy & Community <i>Reported to Mayor's Office for Policing and Crime (MOPAC)</i>

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
CH1	Percentage of young people leaving care who are in education, employment or training at age 19 and at age 21	Bigger is Better	80%	80%	±10%	53% (AMBER)	↑	47%	–	NEW	Young people (19-21) leaving care in education, employment or training (53%) is significantly below target (80%) but higher than the previous quarter (47%). It is important to note that, for the purposes of reporting against this indicator, if the local authority is not in touch with a care leaver, they are presumed not to be in education, employment or training. Remaining in touch with care leavers is therefore critical to strong performance against this indicator. This is a new corporate indicator for 2015/16, so a long-term DOT cannot be provided. CORRECTIVE ACTION: Improvements in keeping in touch with young people after they leave care are making an impact on performance and it is anticipated that this will continue to improve.	Children's Services <i>Reported to Department for Education (DfE)</i>
CH21	Percentage of looked after children (LAC) placed in LBH foster care	Bigger is Better	40%	40%	±5%	32% (AMBER)	–	NEW	–	NEW	Looked after children (LAC) in LBH foster care (32%) is below target (40%). However, the balance between Independent Fostering Agencies and in-house provision has improved, with Independent Fostering Agencies exceeding in-house provision by one case only. This is a new corporate indicator for 2015/16, so a DOT cannot be provided. CORRECTIVE ACTION: This indicator is linked to the number of new in-house foster carers, which is on track to meet target. This in turn will assist with performance for LAC placed in LBH foster care.	Children's Services <i>Local performance indicator</i>
CSP10 (C)	Repeat Domestic Violence cases going to the MARAC	Smaller is Better	24.5% (in line with national average)	24.5% (in line with national average)	±5%	27.8% (15 out of 54) (AMBER)	–	NEW	–	NEW	No target has been set by MOPAC for repeat referrals, but the Council has a local target to be in line with the national average (24.5%). There is also a target to increase the number of cases referred to the MARAC, which forms part of a funding bid to the Mayor's Office for Policing and Crime (with funding being dependent on successfully meeting the target). Reports of Domestic Violence continue to increase nationally, and with more than 1,000 additional reports received in Havering during 2014/15, the Council expects to see an increase in referrals. The target for MARAC referrals is 216. There were 54 Domestic Violence MARAC referrals in Q1.	Corporate Policy & Community <i>Reported to Mayor's Office for Policing and Crime (MOPAC)</i>
CL2 (C)	Number of physical library visits	Bigger is Better	1,602,271	392,689	±10%	385,563 (GREEN)	–	1,668,460	↓	420,715	Physical library visits (385,563) is within target tolerance (392,689). A reduction in events and activities hosted in libraries (in preparation for the new service delivery model) has impacted on physical visits in the first quarter of 2015/16, with 35,152 fewer physical visits compared with the same period last year (420,715). Virtual library visits continue to rise, with 113,583 in Q1.	Culture & Leisure <i>Reported to the Chartered Institute of Public Finance & Accountancy</i>
ASCOF 1F (C)	Percentage of adults in contact with secondary mental health services in paid employment	Bigger is Better	6.5%	6.5%	±10%	7.3% (35 of 480) (GREEN)	↑	6.8% (31 of 459)	↓	7.5% (39 of 520)	Adults in contact with secondary mental health services in paid employment (7.3%) is better than target (6.5%) but slightly less than the same period last year (7.5%). Mental health services (led by NELFT) are committed to the recovery model and work closely with service users to support them to fulfil their potential in accessing employment opportunities.	Adult Social Care <i>Reported to Department of Health (DH)</i>
ASCOF 1G (C)	Percentage of adults with learning disabilities who live in their own home or with their family	Bigger is Better	63%	12%	±10%	11% (56 of 498) (GREEN)	–	63% (319 of 509)	↑	9.0% (46 of 509)	Adults with learning disabilities living in their own home or with family (11%) is within target tolerance (12%) and higher than the same period last year (9%). A work programme has been developed between the Learning Disability and Performance teams, so that the service is aware of the number of clients that need their accommodation checked. Performance is expected to be back on track for Q2.	Adult Social Care <i>Reported to Department of Health (DH)</i>
ASCOF 1H (C)	Percentage of adults in contact with secondary mental health services living independently, with or without support	Bigger is Better	94%	94%	±10%	88% (421 of 480) (GREEN)	→	88% (405 of 459)	↓	92% (479 of 520)	Adults in contact with secondary mental health services living independently (88%) is within target tolerance (94%) but slightly less than the same period last year (92%). NELFT continue to help remove barriers that service users face in accessing accommodation.	Adult Social Care <i>Reported to Department of Health (DH)</i>
L3 (C)	Percentage of people who return to Adult Social Care 91 days after completing reablement	Smaller is Better	5%	5%	±10%	4.2% (7 of 168) (GREEN)	↑	4.4% (28 of 640)	↓	1.7% (3 of 175)	People returning to ASC after completing reablement (4.2%) is better than target (5%) but worse than the same period last year (1.7%).	Adult Social Care <i>Local performance indicator</i>
L6 (BCF) (S)	Carers who request information and advice	Bigger is Better	75%	75%	±10%	89% (144 of 162) (GREEN)	→	89%	–	NEW	Data for this indicator is taken from the bi-annual statutory survey. The last survey showed that 89% of carers had requested information and advice, which was better than target (75%). This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Adult Social Care <i>Reported to Department of Health (DH)</i>

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
L8 (BCF)	Patient/service user experience (managing long term conditions)	Bigger is Better	34%	34%	±10%	32.1% (547 of 1,703) (GREEN)	–	N/A	–	NEW	Data for this indicator is taken from the GP patient survey. 32% of patients/service users were satisfied with the support provided, placing the indicator within target tolerance. This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Adult Social Care <i>Reported to Department of Health (DH)</i>
ASCOF 2C(i)a (C)	Overall rate of delayed transfers of care from hospital per 100,000 population	Smaller is Better	6	6	±10%	2.9 (5.5 of 192,716) (GREEN)	↑	4.5	↑	5.3	Overall rate of delayed transfers of care from hospital (2.9 per 100,000) is better than target (6 per 100,000) and the same period last year (5.3 per 100,000). Performance in this area is robustly monitored following the creation of the Joint Assessment and Discharge Team. ASC will continue to work with health colleagues to maintain positive performance in this area and improve discharge processes in the borough.	Adult Social Care <i>Reported to Department of Health (DH)</i>
ASCOF 2C(i)b (C)	Rate of delayed transfers of care from hospital per 100,000 population	Smaller is Better	389.1	352.3 (Q4 2014/15)	±10%	252.4 (233 of 193,582) (Q4 2014/15 time lag) (GREEN)	↑	386.35 (Q3 2014/15)	–	NEW	Rate of delayed transfers of care from hospital (252.4 per 100,000) was better than target (352.3) at the end of Q4. This was a new corporate indicator for 2014/15, so a DOT cannot be provided against Q4 2013/14.	Adult Social Care <i>Reported to Department of Health (DH)</i>
ASCOF 2C(iii) (C)	Rate of delayed transfers of care attributable to Adult Social Care (ASC) only per 100,000 population	Smaller is Better	1.0	1.0	±10%	0.5 (1 of 192,716) (GREEN)	↑	1.1	↑	0.8	Rate of delayed transfer of care attributable to Adult Social Care (0.5 per 100,000) is better than target (1.0 per 100,000) and the same period last year (0.8 per 100,000). ASC continue to focus efforts with the Joint Assessment and Discharge Team to ensure timely discharges take place for all clients with a social care need.	Adult Social Care <i>Reported to Department of Health (DH)</i>
CY2 (S)	Percentage of looked after children (LAC) placements lasting at least 2 years	Bigger is Better	70%	70%	±10%	75.5% (40 of 53) (GREEN)	↓	83.0% (44 of 53)	↓	77.6%	Looked after children placements lasting at least 2 years (75.5%) is within target tolerance (80%) but slightly worse than the same period last year (77.6%).	Children's Services <i>Reported to Department for Education (DfE)</i>
CY15 (S)	Percentage of Child Protection (CP) Plans lasting more than 24 months	Smaller is Better	5%	5%	±10%	0% (0 of 54) (GREEN)	↑	4% (7 of 173)	↑	4%	Child protection plans lasting more than 24 months (0%) is significantly better than target (4%) and the same period last year (4%).	Children's Services <i>Reported to Department for Education (DfE)</i>
L5 (C)	Total number of Careline and Telecare users in the borough	Bigger is Better	5,150	5,150	±10%	4,852 (GREEN)	↑	4,725	↑	4,483	Careline and telecare users (4,582) are within target tolerance (5,150) and higher than the same period last year (4,483). User numbers are at their highest since reporting on this indicator began. The teams continue to work closely with Adult Social Care to maximise the efficiencies of care budgets and innovative use of emerging technologies.	Housing <i>Local performance indicator</i>
CSP1 (C)	Number of burglaries reported	Smaller is Better	2,320	580	±0%	411 (GREEN)	–	1,993	↓	401	Burglaries reported (411) is lower than target (580) but very slightly higher than the same period last year (401). The annual target is to reduce offending by 20%. To date, there has been a 31.2% reduction in burglaries reported. In 2014/15, Havering saw a 16% reduction in burglaries reported, compared with a 13% reduction regionally. Neighbouring boroughs Barking & Dagenham and Redbridge saw a 6.6% reduction and 12.3% reduction in burglaries reported respectively.	Corporate Policy & Community <i>Reported to Mayor's Office for Policing and Crime (MOPAC)</i>
CSP2 (C)	Number of antisocial behaviour (ASB) incidents	Smaller is Better	6,377	1,595	±10%	1,209 (GREEN)	–	4,833	↑	1,349	ASB incidents (1,209) are lower than target (1,595) and the same period last year (1,349). Overall complaints received via 999/101 reduced by 28%, compared to a regional average of 23%. This included a dramatic fall in the number repeat callers (people calling three or more times) by 39% (down from 134 to 82), the second biggest fall regionally (average reduction, 21%).	Corporate Policy & Community <i>Reported to Mayor's Office for Policing and Crime (MOPAC)</i>
CSP3 (C)	Reduce Robbery	Smaller is Better	399	100	±0%	86 (GREEN)	–	290	↓	50	Robbery (86) is much lower than target (100) but higher than the same period last year (50). The annual target is to reduce offending by 20%. To date, there has been a 40.9% reduction in robbery. In 2014/15, there was a 5.8% increase, with an upward trend in offending since November 2014. The Havering Community Safety Partnership, through the work of the Serious Youth Violence panel, is targeting gang affected young people to address offending. Work includes increased patrols in the town centre and transport hubs, use of ASB powers to break gang associations and mentoring of at risk individuals to address offending behaviour.	Corporate Policy & Community <i>Reported to Mayor's Office for Policing and Crime (MOPAC)</i>

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
PH4	Percentage of new patients attending sexual health services accepting offer of HIV test	Bigger is Better	85%	85%	±5%	86.7% (GREEN)	–	NEW	–	NEW	Barking, Havering & Redbridge University Trust is commissioned to provide sexual health services in Havering. As part of the service, the Trust offers HIV testing to all patients who attend their clinics. 86.7% of patients accepted the offer in the first quarter of 2015/16, which is higher than target (85%). This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Public Health <i>Local performance indicator</i>
PH5 (C)	Number of schools achieving stated level of healthy schools award	Bigger is Better	65 Registered 25 Bronze 8 Silver 2 Gold	52 Registered 13 Bronze 3 Silver 0 Gold	Under performance on more than 1 level of achievement	56 Registered 23 Bronze 3 Silver 0 Gold (GREEN)	–	52 Registered 13 Bronze 1 Silver 0 Gold	↑	33 Registered 3 Bronze 0 Silver 0 Gold	Health schools awards (56 registered, 23 bronze, 3 silver and 0 gold) are higher than target (52 registered, 13 bronze, 3 silver and 0 gold) and the same period last year (33 registered, 3 bronze, 0 silver and 0 gold).	Public Health <i>Registered with Healthy Schools London</i>
PH6 (S)	Percentage of women smoking at Time of Delivery	Smaller is Better	10%	10%	±10%	9.8% (Q4 2014/15 time lag) (GREEN)	↑	10.6% (Q3 2014/15)	↑	12.4% (Q4 2013/14)	Women smoking at time of delivery (9.8%) is lower than target (10%) and the same period last year (12.4%). The new BabyClear programme, being jointly implemented by Havering and Barking & Dagenham councils, is anticipated to have an effect on performance later in the year when CO ₂ monitors provide a more accurate report on smoking.	Public Health <i>Reported to Department for Health (DH) (PHOF)</i>
CH2	Percentage of children and families reporting that Early Help services made a positive and quantifiable difference to assessed needs	Bigger is Better	80%	80%	±5%	Q1 2015/16 NOT AVAILABLE	–	NEW	–	NEW	Data is not currently available for this indicator. Work is being undertaken with the Early Help team to rectify this.	Children's Services <i>Local performance indicator</i>

SAFE: Using our influence

ASCOF 2C(ii) (C)	Rate of delayed transfers of care from hospital attributable to Adult Social Care (ASC) and Health per 100,000 population	Smaller is Better	2.8	2.8	±10%	0.5 (1 of 192,716) (GREEN)	↑	2.0	↑	1.8	Delayed transfer of care from hospital attributable to ASC and Health (0.5 per 100,000) is better than target (2.8 per 100,000) and the same period last year (1.8 per 100,000). ASC continue to use their influence to ensure timely discharges take place for all clients with a social care need.	Adult Social Care <i>Reported to Department of Health (DH)</i>
CH22	Percentage of referrals to Children's Social Care progressing to assessment	Bigger is Better	90%	90%	±10%	89% (GREEN)	↓	95%	↓	94%	Referrals progressing to assessment (89%) are within target tolerance (90%) but lower than the same period last year (94%). In June, the percentage dropped to 77%, the lowest since April 2013 (72%). This has been linked to an increase of referrals to the Early Help service. However, the number of contacts progressing to referral continues to rise significantly.	Children's Service <i>Local performance indicator</i>
PH3a (C)	Percentage of eligible patients offered an NHS Health Check	Bigger is Better	20% (equates to 13,343)	5%	±10%	4.7% (predictive) (3,165 of 66,713) (GREEN)	–	18.7% (12,551 of 67,265)	↓	6.1% (4,080 of 67,265)	Eligible patients offered an NHS health check (4.7%) is within target tolerance (5%) but lower than the same period last year (6.1%). This is a predictive outturn. The final outturn will be available at the end August.	Public Health <i>Local performance indicator (The statutory return to the DH uses less accurate population data)</i>

SAFE: Leading by example

ASCOF 1C(ii) (S)	Percentage of people using social care who receive self-directed support and those receiving direct payments	Bigger is Better	82%	82%	±10%	67.1% (1,363 of 2,031) (RED)	↓	75.4% (1,536 of 2,036)	↓	81% (1,516 of 1,876)	Self-directed support and direct payments (67.1%) are below target (82%) and the same period last year (81%). CORRECTIVE ACTION: ASC will review a number of non self-directed support cases to find out if there are any specific reasons for low take-up. In line with the national picture, the service continues to face challenges in increasing the take-up of self-directed support for older people and is working hard to help people make best use of the money they receive to purchase their own care services. This is being done by the development of the Market Position Statement.	Adult Social Care <i>Reported to Department of Health (DH)</i>
ASCOF 1C(ii) (S)	Direct payments as a percentage of self-directed support	Bigger is Better	45%	45%	±10%	36.2% (735 of 2,031) (RED)	↑	36.1% (736 of 2,036)	↓	41.3% (774 of 1,876)	Direct payments (36.2%) is below target (45%) and below the same period last year (41.3%). CORRECTIVE ACTION: A deep dive into the reasons behind the decline is being undertaken. This will be fed into the newly set up task group to review SDS (including Direct Payment) take up.	Adult Social Care <i>Reported to Department of Health (DH)</i>

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
N18 (C)	Percentage of children becoming the subject of a Child Protection Plan for a second or subsequent time within 2 years	Smaller is Better	5%	5%	±10%	5.6% (7 of 124) (RED)	↓	1.6% (4 of 251)	↓	0% (0 of 55)	Children becoming subject of a child protection (CP) plan for a second or subsequent time (5.6%) is slightly higher than target (5%) and significantly higher than the same period last year (0%). 124 children were the subject of a CP plan, including seven for the second time within two years (of which six children relate to two sibling groups). The rise in children on CP plans is impacting on this indicator. Threshold audits have been undertaken in Q2 to ensure that cases are not being progressed into child protection unnecessarily. CORRECTIVE ACTION: An audit will be undertaken to ensure that cases are being recorded correctly.	Children's Services <i>Local performance indicator</i>
CS3 (C)	Speed of processing new Housing Benefit/Council Tax Support claims	Smaller is Better	20 days	20 days	±10%	22 days (GREEN)	↓	18 days	↓	19 days	Processing new Housing Benefit/Council Tax Support claims (22 days) is within target tolerance (20 days) but higher than the same period last year (19 days). Additional resources have been allocated to improve performance.	Exchequer & Transactional Services <i>Reported to Department for Work and Pensions (DWP)</i>
CS4 (C)	Speed of processing changes in circumstances of Housing Benefit/Council Tax Support claimants	Smaller is Better	12 days	12 days	±10%	6 days (GREEN)	↑	10 days	↑	12 days	Processing changes in circumstances of Housing Benefit/Council Tax Support claimants (6 days) is significantly lower than target (12 days) and the same period last year (12 days). Additional resources have been allocated to maintain performance.	Exchequer & Transactional Services <i>Reported to Department for Work and Pensions (DWP)</i>

PROUD: Supporting our community

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
R5 (C)	Net external funding secured through regeneration initiatives	Bigger is Better	£2,000,000	£500,000	±10%	£200,000 (RED)	–	£5,628,965	↓	£1,410,100	External funding secured (£200,000 from the GLA 'High Streets' fund) is lower than target (£500,000) and the same period last year (£1,410,000). £1,400,000 from the New Homes Bonus fund, confirmed in Q3 2014/2015, will be reported in Q2 when the grant agreement is finalised. Therefore, the target should be back on target for year end.	Economic Development <i>Local performance indicator</i>
R1 (C)	Number of businesses accessing advice through regeneration initiatives	Bigger is Better	500	125	±10%	82 (RED)	–	875	–	210	Businesses accessing advice (82) is lower than target (125). The methodology has changed from last year to reflect a higher standard of business interaction rather than just attendance at events, so a DOT cannot be provided. CORRECTIVE ACTION: Interim resources have been brought in to cover for a member of staff on long-term sick leave.	Economic Development <i>Local performance indicator</i>
R3 (C)	Reduce collective retail and leisure vacancy rate for 7 town centres by 2% below national average for town centres	Smaller is Better	9.7% (national rate minus 2%)	9.7% (national rate minus 2%)	±10%	5.87% (June 2015) (GREEN)	–	NEW	–	NEW	Vacancy rate (5.87%) is better than target and the UK national vacancy rate (11.7%). This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Economic Development <i>Local performance indicator</i>
H2 (C)	Percentage of repairs completed on time (including services contractors)	Bigger is Better	90%	90%	±10%	93% (6,703 out of 7,223) (GREEN)	↑	86% (27,218 of 31,616)	↑	78% (1,244 of 1,596)	Repairs completed on time (93%) is better than target (90%) and the same period last year (78%). New initiatives such as 'Do it in a day' and a focus on reducing emergency and urgent repairs have contributed to improving performance.	Housing <i>Local performance indicator</i>
H4 (C)	Percentage of homes currently decent	Bigger is Better	96.08% (9,342)	96.08% (9,342)	±10%	97.3% (9,694 properties classed as decent) (GREEN)	–	1,291	–	63	Homes currently decent (97.3%) is better than target (96.08%). The decent homes programme is due to end in October 2015/16. This has resulted in a change in methodology from the number of properties made decent to the percentage of stock that is decent. This will enable close monitoring of the current stock decency levels as a percentage of the whole stock remaining after completion of the programme.	Housing <i>Reported to Department Communities & Local Govt (DCLG)</i>

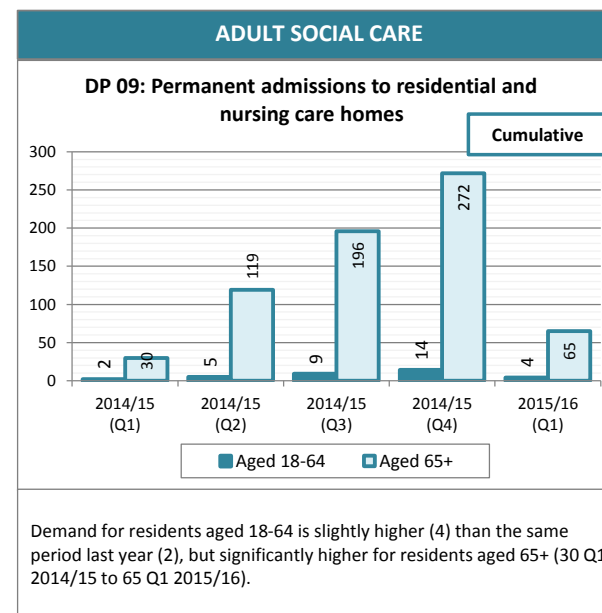
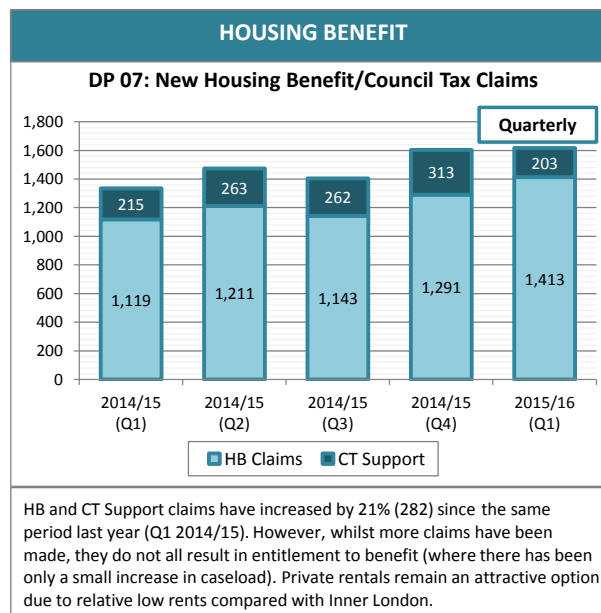
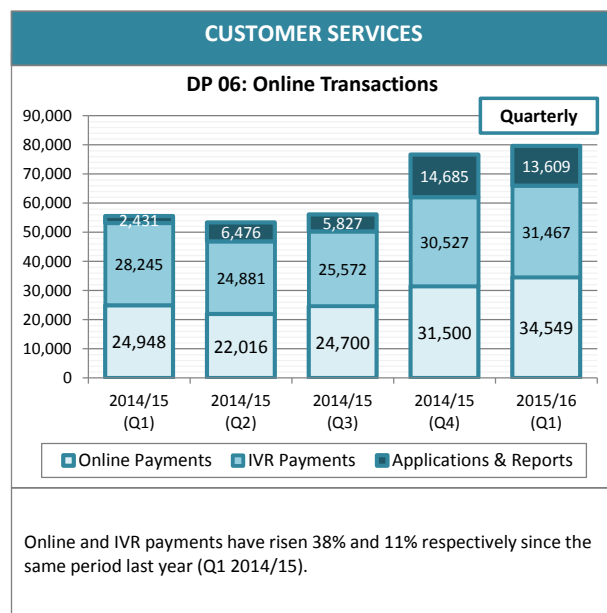
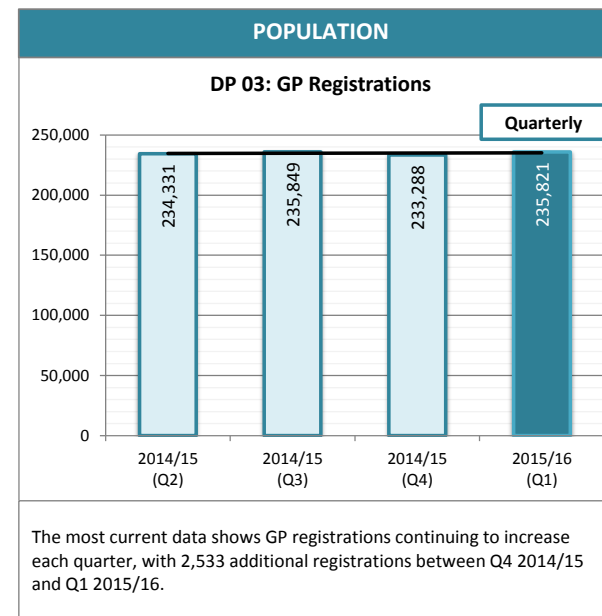
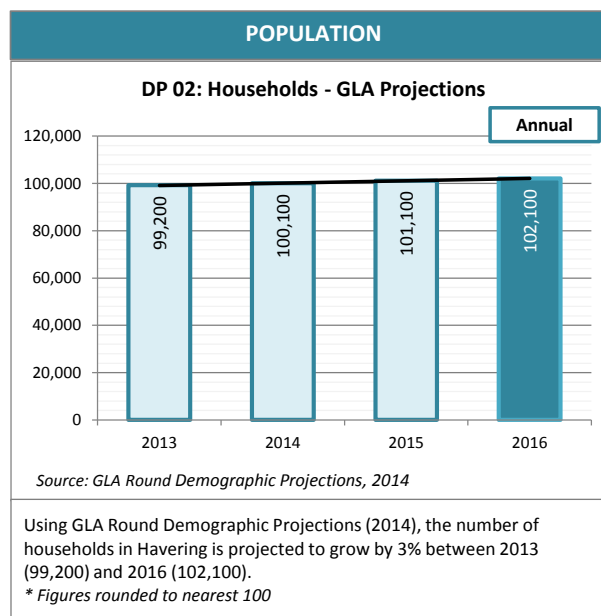
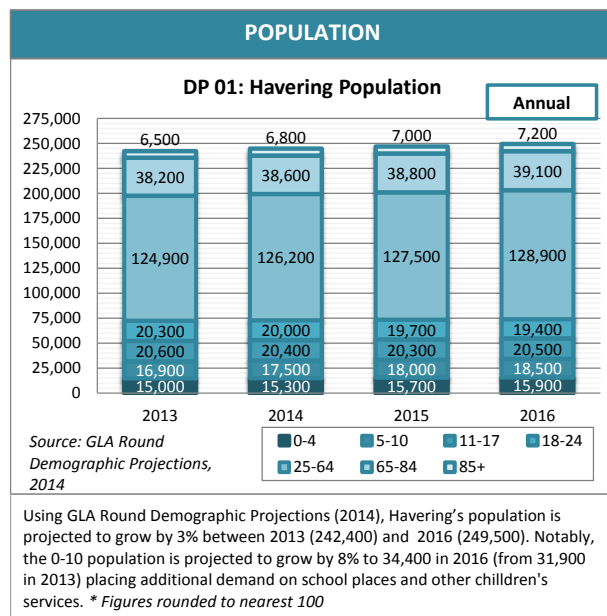
Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
HSC5 (C)	Estate inspections achieving target score	Bigger is Better	95%	95%	±10%	96.9% (10,769 elements of high standard / 11,124 total elements) (GREEN)	–	NEW	–	NEW	Estate inspections achieving target score (96.9%) is better than target (95%). This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Housing <i>Local performance indicator</i>
H3 (C)	Average void to re-let times	Smaller is Better	22 days	22 days	±10%	16 days (226 lets) (GREEN)	↑	33 days (141 lets)	↑	27 days (137 lets)	Void to re-let times (16 days) is better than target (22 days) and the same period last year (27 days), putting us in the upper quartile (20 days) for London boroughs (HouseMark, 2014/15). Improved performance is a result of key changes following the CIH inspection, including managing voids under one lead; reviewing stages of voids to remove waste; and correctly categorising voids on the housing system.	Housing <i>Local performance indicator</i>
R2 (C)	Number of potential start-up businesses accessing advice via the Business Start-up Programme	Bigger is Better	25	6	±10%	Q1 2015/16 NOT AVAILABLE	–	NEW	–	NEW	The original Business Start-Up contract expired at the end of March 2015. A programme of Business Advice is included within the New Homes Bonus funding programme, but delays finalising the grant agreement means that data won't be available until Q2.	Economic Development <i>Local performance indicator</i>
PROUD: Using our influence												
LA1 (C)	Number of apprentices (aged 16-18) recruited in the borough	Bigger is Better	660 AY 2014/15	376 (Aug 2014 – Jan 2015)	±10%	450 (Aug 2014 – Jan 2015) (GREEN)	↑	180 (Aug 2014 – Oct 2015)	↑	420 (Aug 2013 – Jan 2014)	Apprentices (aged 16-18) recruited (450) are better than target (376) and the same period last year (420). Apprenticeships remain an attractive post-16 option amongst young people who want to secure employment rather than continue on with A Levels or university.	Learning & Achievement <i>Local performance indicator</i>
LA6 (S)	Percentage of Early Years providers judged Good or Outstanding by Ofsted	Bigger is Better	80%	80%	±10%	81% (GREEN)	↑	80% (231 of 287)	↑	75%	Early years providers judged good or outstanding (81%) are better than target (80%) and the same period last year (75%). This is due to the continuation of efficient processes, which ably support child-minders and PVI (private, voluntary and independent) settings to achieve an Ofsted grading of good or above.	Learning & Achievement <i>Reported to Department for Education (DfE)</i>
(ex) NI117 (S)	Percentage of 16 to 19 year olds (school years 12-14) who are not in education, employment or training (NEET)	Smaller is Better	4%	4%	±10%	3.6% (GREEN)	↓	3%	↑	4.3%	NEET (3.6%) is lower than target (4%) and the same period last year (4.3%). This has been achieved by continuing to track young learners using the targeting toolkit to identify potential people who are NEET and ensure early intervention.	Learning & Achievement <i>Reported to Department for Education (DfE)</i>
LA26	Percentage of schools judged to be Good or Outstanding	Bigger is Better	76%	76%	±10%	73% (GREEN)	–	NEW	–	NEW	Schools judged good or outstanding (73%) is within target tolerance (76%). This is a new corporate indicator for 2015/16, so a DOT cannot be provided.	Learning & Achievement
(ex) NI155 (C)	Number of affordable homes delivered (gross)	Bigger is Better	300	75	±10%	189 (GREEN)	–	493	↑	88	Affordable homes delivered (189) are better than target (75) and the same period last year (88). The main completions were at Roneo Corner, which included 37 shared ownership and 56 affordable rent properties.	Housing <i>Local performance indicator</i>
PROUD: Leading by example												
CS2 (C)	Call abandon rates	Smaller is Better	10%	10%	±5%	12.5% (14,450 of 115,791) (RED)	↓	8.7% (37,616 of 433,786)	↓	11.2% (11,442 of 102,416)	Call abandon rate (12.5%) is worse than target (10%) and the same period last year (11.2%). Q1 is traditionally a peak period of demand for the Contact Centre as a result of annual Council Tax billing and Green Waste renewals. A combination of higher call demand, the introduction of three new Housing services and the stability of IT systems has impacted on performance. CORRECTIVE ACTION: An “online only” approach is being implemented for many services to reduce call demand.	Customer Services <i>Local performance indicator</i>
CI1 (R)	Sickness absence rate per annum per employee (days)	Smaller is Better	8.5 days	8.5 days	±10%	9.9 days (AMBER)	↑	10.1 days	↑	10.4 days	Sickness absence rate (9.9 days) is higher than target (8.5 days) but lower than the same period last year (10.4 days). Targeted support continues to be provided to managers in areas where sickness absence is high.	Corporate Health <i>Local performance indicator</i>
CS7 (C)	Percentage of Corporate Complaints completed within 15 days	Bigger is Better	95%	95%	±10%	83% (AMBER)	–	86% (completed within 10 days)	–	81% (completed within 10 days)	Corporate complaints completed (83%) is lower than target (95%) but higher than the same period last year (81%). The number of complaints recorded has risen from 546 in Q1 2014/15 to 783 Q1 2015/16. The new complaints policy has extended the time for completing complaints from 10 days to 15 days, so a DOT cannot be provided.	Corporate Health <i>Local performance indicator</i>

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
CS10 (C)	Percentage of Member/MP Enquiries completed within 15 days	Bigger is Better	95%	95%	±10%	86% (GREEN)	–	78% (completed within 10 days)	–	78% (completed within 10 days)	Member/MP enquiries completed (86%) is within target tolerance (95%) and higher than the same period last year (78%). The number of Member/MP enquiries recorded has fallen from 850 in Q1 2014/15 to 504 in Q1 2015/16. The new complaints policy has extended the time for completing Member/MP enquiries from 10 days to 15 days, so a DOT cannot be provided.	Corporate Health <i>Local performance indicator</i>
SC04 (C)	Parking income against budget	Bigger is Better	£4,764,420	£1,200,100	±10%	£1,143,473 (GREEN)	–	£3,675,348	↑	£842,691	Parking income against budget (£1,143,473) is within target tolerance (£1,200,100) and higher than the same period last year (£842,691). Half this income is raised through penalty charge notices, with the remainder from car parking charges, on-street pay and display, permits and parking meters. Although showing 'green', the current forecast is a £0.2m shortfall against the increased income target set for 2015/16, which may result in a year-end cost pressure. This will be closely monitored and it is hoped that the introduction of Moving Traffic Conventions in September will help to mitigate this pressure.	Streetcare <i>Local performance indicator</i>
H1 (S)	Percentage of Leaseholder Service Charge Arrears collected (excluding major works)	Bigger is Better	100%	24%	±10%	36.2% (£623,814.20 of £1,724,018.9) (GREEN)	–	98%	↓	37.7% (£111,600.28 of £1,029,594.72)	Leaseholder service charge arrears collected (36.2%) is much higher than target (24%) but slightly less than the same period last year (37.7%).	Housing <i>Local performance indicator</i>
H5 (S)	Percentage of rent arrears against rent debit	Smaller is Better	2.4%	2.4%	±10%	2.4% (£1,394,370.84 of £59,191,176.00) (GREEN)	↓	2.07% (£1,130,075.44 of £54,485,132.64)	↓	2.24% (£1,237,437.30 of £55,217,122.08)	Rent arrears against rent debit (2.4%) is on target (2.4%) but slightly higher than the same period last year (2.24%). Continued close working with the Welfare Reform and Neighbourhood Services Team has ensured residents are receiving appropriate advice and support to reduce rent debit.	Housing <i>Local performance indicator</i>
CY15 (C)	Number of new in-house foster carers	Bigger is Better	15	4	±10%	5 (GREEN)	–	12	↑	1	In-house foster carers (5) is better than target (4) and the same period last year (1).	Children's Services <i>Local performance indicator</i>
CS8 (C)	Percentage of Corporate Complaints escalated to Stage 2	Smaller is Better	10%	10%	±10%	4% (GREEN)	↑	6%	↑	5%	Corporate complaints escalated to Stage 2 (4%) is better than target (10%) and the same period last year (5%). The number of complaints escalated has fallen slightly between Q1 2014/15 (32) and Q1 2015/16 (31).	Corporate Health <i>Local performance indicator</i>
ISS10 (C)	Percentage of suppliers paid within 30 days of receipt, by Transactional Team, by invoice	Bigger is Better	95%	95%	±10%	96% (25,637 of 26,591) (GREEN)	↑	95% (105,139 of 110,133)	→	96% (22,179 of 22,990)	Suppliers paid within 30 days (96%) is better than target (95%) and equivalent to the same period last year (96%).	Corporate Health <i>Local performance indicator</i>
CS1 (C)	Percentage of customers satisfied with the Contact Centre	Bigger is Better	88%	88%	±10%	89% (4,764 of 5,376) (GREEN)	↑	88% (17,048 of 19,313)	↓	91% (3,875 of 4,262)	Customers satisfied with the contact centre (89%) is better than target (88%) but less than the same period last year (91%).	Customer Services <i>Local performance indicator</i>
CS3 (C)	Percentage of automated transactions	Bigger is Better	35%	35%	±5%	34% (73,726 of 219,575) (GREEN)	↑	30% (213,199 of 703,212)	↑	29% (52,455 of 180,687)	Automated transactions (34%) is within target tolerance (35%) and higher than the same period last year (29%). Although this is a new corporate indicator for 2015/16, data is available for previous years so has been included for comparison. Further targeted introduction and marketing of online services is planned for 2015/16.	Customer Services <i>Local performance indicator</i>
EXS1 (C)	Percentage of Council Tax collected	Bigger is Better	97%	31%	±5%	31% (GREEN)	–	97% (£120.7m)	→	31%	Council tax collected (31%) is on target (31%) and equivalent to the same period last year (31%), despite an increase in council tax collected (from new properties) and new council tax charges arising from the reduction in council tax support. Additional resources are being put in place to ensure performance is maintained throughout the year.	Exchequer & Transactional Services <i>Reported to Department Communities & Local Govt (DCLG)</i>

Ref.	Indicator	Value	2015/16 Annual Target	2015/16 Quarter 1 Target	Variable Tolerance	2015/16 Quarter 1 Performance	Short Term DOT against 2014/15 (Q4/Annual)		Long Term DOT against 2014/15 (Q1)		Comments	Service
EXS2 (C)	Percentage of National Non-Domestic Rates (NNDR) collected	Bigger is Better	98%	34%	±5%	33% (GREEN)	–	97% (£72.7m)	↓	34%	NNDR collected (33%) is within target tolerance (34%) but slightly lower than the same period last year (34%). This is due to a number of large ratepayers electing to pay over 12 months instead of 10; and Queens Hospital paying in monthly instalments (rather than in full at the beginning of the year).	Exchequer & Transactional Services <i>Reported to Department Communities & Local Govt (DCLG)</i>

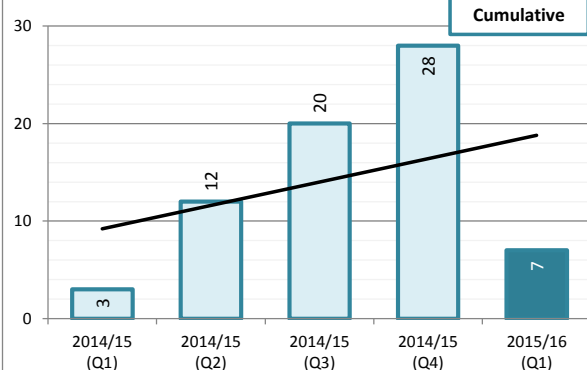
Appendix 2: Quarter 1 2015/16 Demand Pressure Dashboard

Taken to Cabinet on 23 September 2015



ADULT SOCIAL CARE

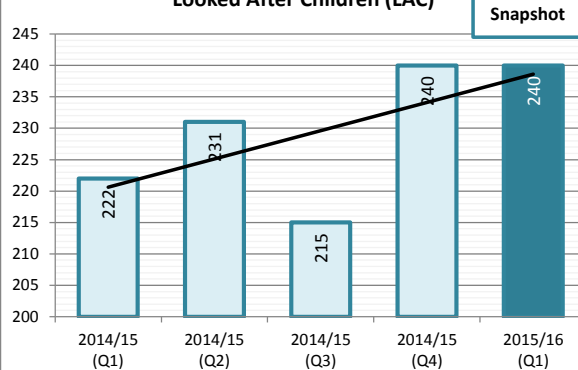
DP 11: Residents Requiring Ongoing Service After Reablement



This is a local indicator and is reported cumulatively. Demand has increased from 3 to 7, compared to the same period last year (Q1 2014/15).

CHILDREN'S SERVICES

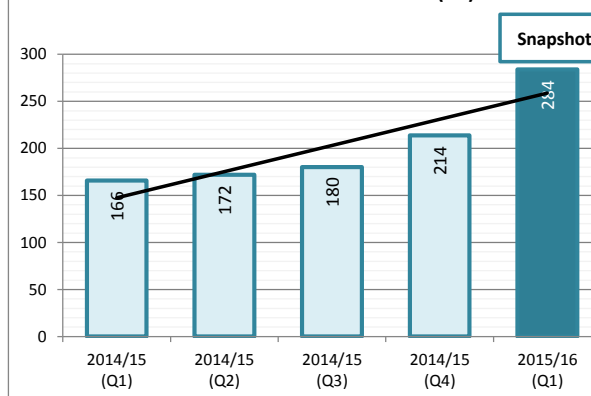
DP 12: Number of Looked After Children (LAC)



Although the number of looked after children has risen by 18 (to 240) since the same period last year (222 in Q1 2014/15), we have returned to the same number as at March 2015. This would indicate that the rise seen over the course of 2014/15 has now levelled off.

CHILDREN'S SERVICES

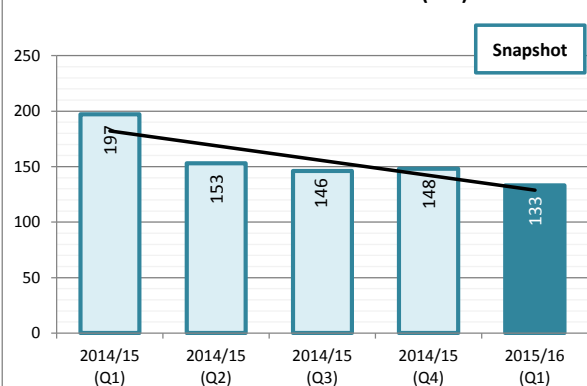
DP 13: Number of Child Protection (CP) Plans



The number of CP cases (284) has continued to increase and for the second consecutive month exceeds the number of LAC and Pathway cases (240), by 18%. The average number of CP plans during 2014/15 was 178, compared to this year's average at 259 (46% increase). If the current average monthly increase (31) were to continue, the year-end figure is projected at 566.

CHILDREN'S SERVICES

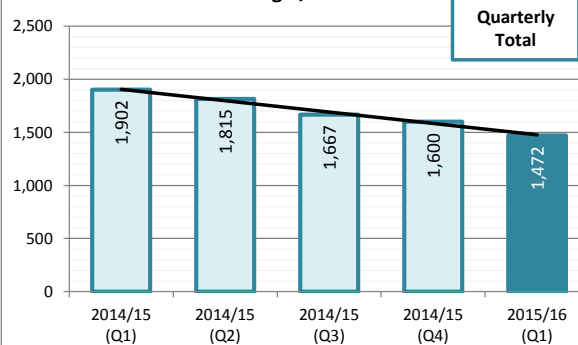
DP 14: Number of Children in Need (CIN) Plans



The number of CIN plans has reduced over the past year from 197 in Q1 2014/15 to 133 Q1 2015/16.

CHILDREN'S SERVICES

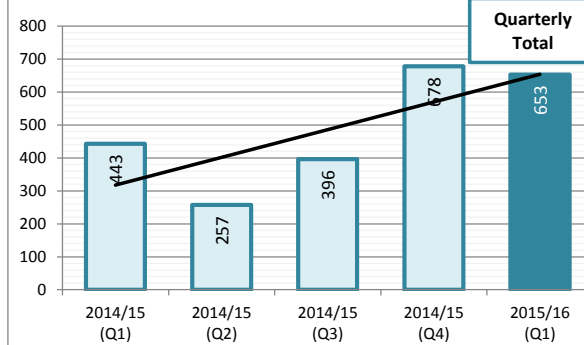
DP 15: Number of Contacts received in Triage / MASH



There were 1,472 contacts received in Triage / MASH in Q1 2015/16; a decrease of 128 on the previous quarter. This is an overall decrease of 430 on the same period last year (Q1 2014/15).

CHILDREN'S SERVICES

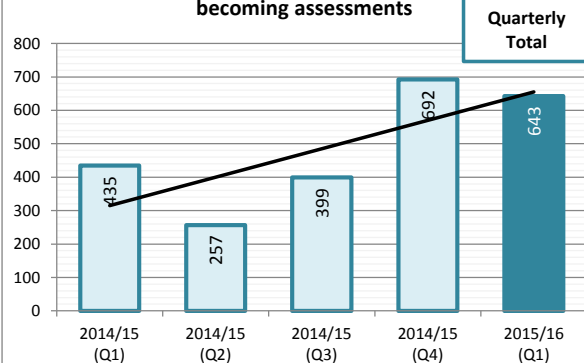
DP 16: Number of contacts becoming referrals to Children's Social Care



There were 653 contacts becoming referrals to Children's Social Care in Q1 2015/16; a decrease of 25 on the previous quarter. However, this is an overall increase of 210 on the same period last year (Q1 2014/15).

CHILDREN'S SERVICES

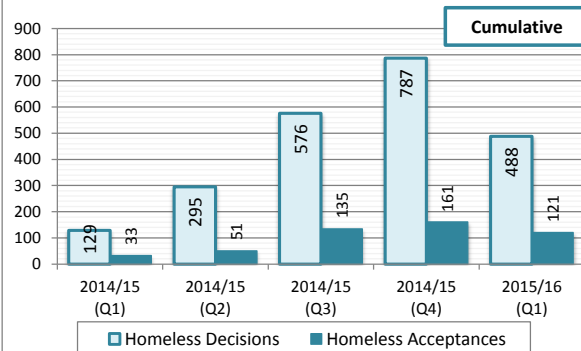
DP 17: Number of referrals becoming assessments



There were 643 referrals becoming assessments in Q1 2015/16; a decrease of 49 on the previous quarter. However, this is an overall increase of 208 on the same period last year (Q1 2014/15).

HOMELESSNESS

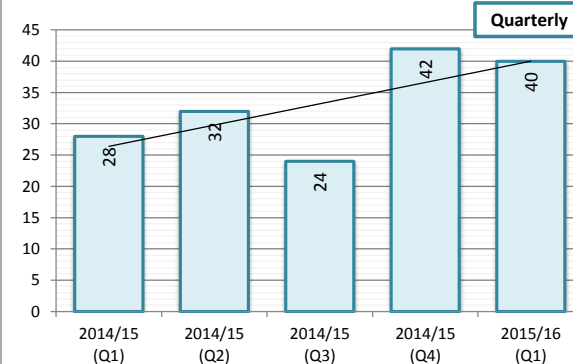
DP 19: Homeless Decisions and Acceptances



There has been a significant increase in the number of homeless decisions and acceptances made when compared to the same period last year. This is due to more rigorous recording of cases by the Housing advice team (not counted in previous years). In addition, the increase in decisions is as a result of a backlog of cases that has now been cleared.

COMMUNITY SAFETY

DP 23: Cases referred to ASB Panel



The number of cases referred to the Anti-Social Behaviour Panel has risen from 28 in Q1 2014/15 to 40 in Q1 2015/16. The new ASB powers mean that there are improved remedies for addressing ASB. The police and other agencies are increasingly looking to use these civil powers as enforcement to tackle neighbourhood issues.

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