



CABINET

7.30 pm	Wednesday 18 January 2017	Council Chamber - Town Hall
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Members 9: Quorum 3

Councillor Roger Ramsey (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Damian White	Housing
Councillor Robert Benham	Children & Learning
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Osman Dervish	Environment, Regulatory Services and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management, ICT (Client) and Transformation
Councillor Ron Ower	Housing Company Development and OneSource Management
Councillor Joshua Chapman	Deputy Cabinet Member assisting Cabinet Member for Housing
Councillor Jason Frost	Deputy Cabinet Member assisting Cabinet Member for Environment, Regulatory Services & Community Safety

For information about the meeting please contact:

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Head of Democratic Services
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Members of the public who do not wish to appear
in the webcast will be able to sit in the balcony,
which is not in camera range.**

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Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

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 INTEREST

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

4 MINUTES (Pages 1 - 10)

To approve as a correct record the minutes of the meeting held on 14 December 2016, and to authorise the Chairman to sign them.

5 THE COUNCIL'S FINANCIAL STRATEGY 2017-18 (Pages 11 - 76)

6 CONSULTATION ON PROPOSED LICENSING SCHEMES FOR HMOS AND OTHER PRIVATE RENTED HOUSING SECTOR (Pages 77 - 284)

7 AFFORDABLE HOUSING - ADOPTION OF A PLANNING GUIDANCE NOTE ON THE COUNCIL'S APPROACH TO COMMUTED SUMS PAYMENTS (Pages 285 - 320)

8 HIGHWAYS AND STREET LIGHTING TERM MAINTENANCE CONTRACTS (Pages 321 - 330)

9 JOINT HAVERING CARERS STRATEGY 2017 TO 2019. (Pages 331 - 364)

10 APPROPRIATION OF LAND FOR PLANNING PURPOSES & OPEN SPACE PROCESSES RELATING TO VARIOUS POTENTIAL DISPOSAL SITES (Pages 365 - 398)

11 LOAN TO AND ACQUISITION OF LAND FROM HAVERING COLLEGE (Pages 399 - 408)

12 EXCLUSION OF THE PUBLIC

To consider whether the public should now be excluded from the remainder of the meeting on the grounds that it is likely that, in view of the nature of the business to be transacted or the nature of the proceedings, if members of the public were present during those items there would be disclosure to them of exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972; and, if it is decided to exclude the public on those grounds, the Committee to resolve accordingly on the motion of the Chairman.

13 LOAN TO AND ACQUISITION OF LAND FROM HAVERING COLLEGE (Pages 409 - 412)

Appendix to the report



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 14 December 2016
(7.30 - 8.30 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

	Cabinet Member responsibility:
Councillor Damian White	Housing
Councillor Robert Benham	Children & Learning
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Osman Dervish	Environment, Regulatory Services and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management, ICT (Client) and Transformation
Councillor Ron Ower	Housing Company Development and OneSource Management
Councillor Joshua Chapman	Deputy Cabinet Member assisting Cabinet Member for Housing
Councillor Jason Frost	Deputy Cabinet Member assisting Cabinet Member for Environment, Regulatory Services & Community Safety

Councillors Ray Morgon and David Durant were also in attendance.

1 member of the public was present for the duration of the meeting.

All decisions were agreed unanimously with no Member voting against.

There were no declarations of interest.

Through the Chairman, an announcement was made which explained the evacuation procedures in the event of an Emergency

The minutes of the meeting of Cabinet held on 12 October 2016 were agreed as a correct record and signed by the Chairman.

77 THE COUNCIL'S FINANCIAL STRATEGY 2016/17

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

The report before Members updated the financial strategy (Cabinet had received a report on 12th October 2016 setting out the potential funding gap in the Council's financial strategy over the next two years) and included a range of proposed actions which were intended to bridge that gap. If agreed, these proposals would be integrated within the financial model as part of the Council Tax setting report to be considered by Cabinet in January 2017 and for approval by Council in February 2017.

It was reported that the Chancellor of the Exchequer had presented his Autumn Statement to the House of Commons on 23rd November 2016. The Chancellor confirmed that the Government remained committed to the spending plans introduced in 2015 although previous plans to produce a budget surplus for 2019/20 had been abandoned.

The Local Government Financial Settlement (LGFS) had been confirmed for the four-year period ending in 2019/20. All proposals would be subject to the necessary level of 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 before Cabinet represented a further significant step in 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 Government's announcements affecting Local Government as set out in the Autumn Statement.**
- 2. Noted the latest projection of budget gap and the assumptions upon which these have been based and the risks associated with them.**

3. **Note the income generation proposals identified through the budget preparation process and that fully costed proposals will be included in the January report.**
4. **Noted the latest projection of the draft Medium Term Financial Strategy (MTFS), covering the period from 2017/18 to 2018/19, as set out in the report.**
5. **Noted the action plans being developed by the Senior Leadership Team (SLT) and of their importance in delivering a balanced MTFS.**
6. **Noted the size and significance of the projected budgetary position for 2019/20 to be included in the Council's draft MTFS.**
7. **Agreed to receive a further report in January 2017 which considers the impact of the Local Government Financial Settlement on the MTFS and the implications for Council Tax setting, which will be referred onto the joint scrutiny board.**
8. **Noted the advice of the Section 151 Officer in setting a robust budget.**

78 **CUSTOMER EXPERIENCE STRATEGY**

Councillors Clarence Barrett (Cabinet Member for Financial Management, ICT (Client) and Transformation) and Melvin Wallace (Cabinet Member for Culture and Community Engagement) introduced the report.

The report before Cabinet outlined the Council's strategic approach in respect of its customer experience.

It explained that over the next 6 years new infrastructure such as Crossrail would arrive, social change such as an increasing population and welfare reform would continue, along with reductions in local government funding that would change the way the Council functions.

The Council recognised that it needed to adapt to these external challenges by create new and improved ways of accessing, supporting and delivering services. The Customer Experience Strategy set out how the Council would improve to create a positive customer experience.

Reasons for the decision:

The Council is positive about creating a positive customer experience and having a strategy which demonstrates that intent. An overarching strategy would create direction and expectations for all future service improvement work. This would ensure that customer improvements were proactively undertaken and cross cutting across the organisation. Delivery of the strategy would allow customers to self-serve and create easier access. A

move to more digital provision (when appropriate) would deliver efficiencies for the Council.

Other options considered:

Without an overarching strategy council services could make improvements but this would be on an ad-hoc basis. These may not be effectively joined up in the best interests of the customer or as efficiently and effectively implemented. Having an overarching strategy creates a model that can be delivered across the council and with all services, partners and contractors.

Cabinet approved the Customer Experience Strategy

79 **VOLUNTEERING STRATEGY 2016-21**

It was reported that the Council's Corporate Plan included a target outcome to "Encourage residents to play an active part in their communities through volunteering". The proposed Volunteer Strategy and its accompanying action plan set out how the Council would achieve this and how the Council would ensure that its communities and volunteers were appropriately supported.

In the strategy the Council recognised the benefits, value and positive impact of volunteering. The strategy set out a long-term vision to develop volunteering in Havering which would ensure that communities are resilient and supported by an effective and sustainable voluntary and community sector.

It was noted that the strategy had been developed in partnership with the local voluntary and community sector. Various Council departments had input into the strategy through the cross-departmental Voluntary Sector Steering Group. The action plan contained within the proposed strategy also reflected plans and objectives set out in individual service plans and strategies as well as new strands of work.

Reasons for the decision:

People choose to volunteer for a variety of reasons. For some it offers the chance to make a difference to the people around them or to make new friends. For others it provides an opportunity to develop new skills or build on existing experience and knowledge. For host organisations (including the Council), volunteering offers an opportunity to introduce perspectives outside of the day to day running of the organisation; to draw in additional skills and knowledge, and potentially to retain or expand services that are valued by the community but may otherwise need to be reduced or withdrawn altogether in the current economic climate. The development and delivery of a Volunteer Strategy was therefore essential to the furtherance of the "place shaping" agenda and to assist the Council in managing demand in times of diminishing resources.

Other options considered:

The only other option was not to implement a Volunteer Strategy. For the reasons explained above, this was not a viable option if the objective set out in the Corporate Plan to “Encourage residents to play an active part in their communities through volunteering” is to be achieved.

Cabinet approved the Volunteer Strategy and Action Plan.

80 INTEGRATION OF REABLEMENT AND REHABILITATION

Councillor Wendy Brice-Thompson, Cabinet Member for Adult Social Services and Health, introduced the report

It was reported that the London Borough of Havering (LBH) had worked in partnership with Havering Clinical Commissioning Group (CCG) and North East London Foundation Trust (NELFT) to design a new integrated Reablement and Rehabilitation service.

This was an excellent opportunity to re-design how reablement and rehabilitation are delivered to remove duplication in the system and ensure a joined up approach for the service user. The new model was expected to enhance the quality and effectiveness of the service and therefore be of benefit to service users, supporting them to remain independent in their own home.

It was explained that the chosen procurement route was a Prior Information Notice (PIN) for a period of 35 days, if there was no interest from other providers in the market then a Voluntary Ex Ante Transparency Notice (VEAT) would be issued with a direct contract award to NELFT. If other suitable providers do express interest, the process would switch to a full procurement exercise and Cabinet would be asked to consider the outcome of the tender process before award of contract.

The contract would be awarded for a period of 12 months allowing a full procurement process to take place.

The cost of the new integrated service would be met from existing budgets and the use of Better Care Fund funding.

Cabinet Members attention was drawn to the implications and risks section of the report, in particular the equalities implications outlined in the Equality Impact Assessment.

Reasons for the decision:

The Care Act 2014 (Part 1, Section 3) requires that Local Authorities exercise their functions with a view to ensuring the integration of care and support provision with health provision and health-related provision where it considers that this would:

- (a) promote the well-being of adults in its area with needs for care and support and the well-being of carers in its area,
- (b) contribute to the prevention or delay of the development by adults in its area of needs for care and support or the development by carers in its area of needs for support, or
- (c) improve the quality of care and support for adults, and of support for carers, provided in its area (including the outcomes that are achieved from such provision).

Reablement services are provided under a statutory duty in Section 2 of the same Act which stipulates that Local Authorities must provide or arrange services, resources or facilities that maximise independence for those already with such needs, for example, interventions such as rehabilitation/reablement services

This decision was necessary to enable the Council to commission a new integrated Reablement and Rehabilitation service in partnership with Havering CCG through the mechanism of the Better Care Fund. This was an excellent opportunity to re-design how reablement and rehabilitation are delivered to remove duplication in the system and ensure a joined up approach for the service user. The new model is expected to enhance the quality and effectiveness of the service and therefore be of benefit to service users, supporting them to remain independent in their own home. Finally, the revised service model is expected to enable the Council to respond to emerging models of hospital discharge processes and a drive towards prevention in the community.

Other options considered:

1. Do Nothing

This was not deemed as a viable option due to:

- There would be continued lack of capacity resulting in pressures on the rest of the market, this impacts LBH's ability to support effective discharge processes.
- There would be a continued requirement for emergency reablement which would result in financial pressure of approximately £260k until the end of the current reablement contract next November
- People who were eligible for reablement were not receiving it due to lack of capacity

2. Undertake full procurement process to re tender the reablement service

This option was considered and although it would provide an opportunity to re-design and re-commission the service there were some significant limitations:

- A full procurement process could take up to 8-12 months which would mean that LBH would still suffer the effects of the lack of capacity

- Commissioning a reablement service independently of the rehab service would mean that we continue to have a fragmented service resulting in duplication and inefficiencies across the system.
3. Undertake full procurement process to re-tender the reablement service as a joint, integrated service with rehabilitation

This option was considered but was not deemed viable because NELFT are currently providing all community services across BHR including rehabilitation. It would therefore not be advisable to commission a separate provider to deliver the rehab element if it was integrated with reablement. NELFT would be unable to bid for the tender as a separate integrated service because of the way they are contracted by the BHR CCGs.

Cabinet:

- 1 Approved the waiver of the Council's Contract Procedure Rules ("CPRs") to allow for a direct award contract to NELFT, should NELFT and no other bidders respond to the Council's PIN Notice;
- 2 Agreed to authorise the Director of Adult Services, after consultation with the Directors of Finance, HR & OD and Legal and Governance to finalise contractual arrangements and make a Direct Award Contract with NELFT if they were the only bidder, for the provision of Reablement services, such contract to have an estimated value of £1.51m for a contract period of 12 months;
- 3 Agreed to authorise the Director of Adult Services, in the event that sufficient qualified bidders respond to the Council's PIN notice, to undertake a full tender exercise, after consultation with the Directors of Finance, HR & OD and Legal and to proceed with the selection and award of a new Reablement service contract to the winning bidder in compliance with the CPRs;
- 4 Approved the Director of Adult Services, after consultation with the Director of Legal and Governance to finalise arrangements to negotiate the early termination of the current contract with Family Mosaic, in accordance with the terms and conditions of the contract, should the Reablement service contract be awarded to NELFT or another contractor.

81 **QUARTER 2 CORPORATE PERFORMANCE REPORT (2016/17)**

Councillor Clarence Barrett, Cabinet Member for Financial Management, ICT (Client) and Transformation, introduced the report.

The Corporate Performance Report provides an overview of the Council's performance for each of the strategic goals (Clean, Safe and Proud). The report highlights areas of strong performance and potential areas for improvement. The report highlighted areas of strong performance and areas for improvement. The report used the traffic light (red, amber, green) (RAG)

method of indicating direction of travel (improving, worsening or unchanged) in order to show this clearly.

In total, 59 Corporate Performance Indicators had been included in the Quarter 2 2016/17 report. Of these, 35 (59%) were either statutory or reported to the Mayor's Office for Policing and Crime (MOPAC) and 24 (41%) are local performance indicators. Of the 59 indicators, 54 had been given a RAG status.

In summary:

- 38 (70%) have a RAG status of Green.
- 16 (30%) have a RAG status of Red or Amber.

This is a very slight improvement on the position at the end of Quarter 1, when 69% of indicators were RAG rated Green and 31% were Red or Amber.

The current levels of performance were interpreted in the context of increasing demand on services across the Council. A Demand Pressure Dashboard was included that illustrated the growing demands on Council services and the context that the performance levels set out in this report had been achieved within.

It was reported that the Quarter 2 outturn was not available for 'Percentage of children and families reporting that Early Help services made an improvement to assessed needs' (PI 27) as the methodology for measuring the "distance travelled" by children, young people and families known to Children's Services was changing. The current survey methodology was to be replaced with findings from the Outcomes Star, a tool that practitioners across the service were currently piloting which tracks the client's progress before, during and after an intervention.

In addition. It was noted that the indicator 'Percentage of 16 to 19 year olds (school years 12-14) who were not in education, employment or training (NEET)' (PI 44) was a national indicator that was being changed in Quarter 3 2016/17. It was proposed that for Quarter 3, the new performance indicator is included in the Corporate Performance Report, replacing the existing performance indicator.

As approved by the Cabinet through the Quarter 2 2015/16 Corporate Performance Report, the quarterly Corporate Performance Reports were being considered first by the individual overview and scrutiny sub-committees, then the Overview and Scrutiny Board (bi-annually) and finally by the Cabinet. Work was undertaken with Committee Services when setting the annual corporate calendar to ensure that the Overview and Scrutiny Board and the Cabinet still received the reports within the same timescale as last year, but with the individual scrutiny committees having had the opportunity to scrutinise the data in advance. The time taken to complete the entire reporting cycle had therefore been shortened.

It was reported that no specific pieces of work have been commissioned by any of the Overview and Scrutiny Committees as a result of the Quarter 2 performance report. However Members of the Children and Learning Overview and Scrutiny Sub-Committee would be scrutinising the recruitment campaign for new foster carers. Going forward, Members of the Environment Overview and Scrutiny Sub-Committee would also receive information regarding waste minimisation workshops and events so that they can promote these to residents.

Whilst the PIs currently included in the Corporate Performance Report provide both Members and officers with vital performance information that can be used to improve services, they were currently not 'outcomes focused'. They provide information about activities and actions, but not what impact these have on local residents and local communities.

It was noted that as part of the ongoing development of the new corporate vision, work was underway to develop a smaller number of more outcomes focused performance indicators that would more accurately measure the Council's progress in delivering its key transformation plans and strategies. These would likely include a mixture of both qualitative and quantitative indicators as well as key milestones for major transformation programmes. In keeping with the Council's renewed focus on transparency, work is also underway to review the Council's approach to target tolerances from next year onwards. This work is expected to be completed by Quarter 2 of 2017/18.

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:

No other options were considered.

Cabinet:

- 1. Reviewed the performance as set out in the appendix to the report and the corrective action being taken.**
- 2. Noted the content of the Demand Pressures Dashboard.**
- 3. Approved the revised approach to assessing the percentage of children and families reporting that Children's Services have made an improvement to their assessed needs with effect from Quarter 3 2016/17.**

4. Approves the replacement of the indicator relating to the 'Percentage of 16 to 19 year olds (school years 12-14) who are not in education, employment or training (NEET)' with the new national indicator measuring the 'Percentage of 16 to 17 year olds (school years 12-13) who are not in education, employment or training (NEET) and not known' with effect from Quarter 3 2016/17.
5. Approves the amendment of the target tolerance relating to the percentage of Housing repairs completed on time (PI 35) to zero, in line with the contracted performance level.

Chairman

CABINET
18 JANUARY 2017

Subject Heading:	The Council's Financial Strategy
Cabinet Member:	Cllr Roger Ramsey
SMT Lead:	Debbie Middleton Interim Chief Financial Officer
Report Author and contact details:	Mike Board Corporate Finance & Strategy Manager 01708 432217 mike.board@Onesource.co.uk
Policy context:	The Council is required to approve an annual budget and this report provides information relating to the Local Government Financial Settlement to enable Cabinet to make recommendations to Council in February 2017
Financial summary:	There are no specific financial issues; this report deals with the overall budget position and associated issues
Is this a Key Decision?	No
When should this matter be reviewed?	February 2017
Reviewing OSC:	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

Cabinet received reports on the 28 September 2016 and the 14 December 2016 that provided an update on developments at the national level and the consequential

impact on local government funding and set out information on the financial position within Havering.

The October and December reports set out the Council's financial strategy to manage the implications of funding reductions and cost pressures over 2017/18 and 2018/19. It also considered the in-year budgetary pressure and set out an approach to bringing the position back on track and mitigate the impact on the MTFS.

The December report also confirmed that the Government has approved the Council's application for a four year financial settlement. Whilst this provides for greater certainty over the MTFS cycle it also results in substantial reductions in Government funding. As a consequence of the loss of government funding and service demand pressures this report concludes that there is a budget gap of £13m over the three years to 2019/20 of which £3.8m relates to 2017/18.

This report updates Members on the Local Government Financial Settlement announced on 15 December 2016, summarises the key elements of the Autumn Budget Statement, the implications for the corporate budget and the proposed financial strategy for the coming year. It also includes the latest in year financial monitor and the latest proposals for the capital programme.

Havering's financial strategy included provision for the reduction in Revenue Support Grant (RSG) over the next three years based upon the four year financial settlement applicable from 2016/17 and these reductions are re-confirmed and will reduce from £20.89m in 2016/17 to £1.376m in 2019/20. The impact of the settlement on Business Rates and New Homes Bonus are still being evaluated although it is not expected to have a material impact on the 2017/18 forecast position as reflected in the MTFS model. A full analysis will be included in the February Council Tax setting report.

Local authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19. The additional 1% compared to the increased allowed in 2016/17 will require the authority to set out how the money is being spent on improvements in adult social care. The total increase allowed for over the three-year period to 2019/20 is limited to 6%.

RECOMMENDATIONS

Cabinet is asked to:

1. **Note** the progress made to date with the development of the Council's budget for 2017/18 and of the implications for Council Tax setting, although no decisions will be taken until the February cabinet meeting.
2. **Note** that an additional 3% increase in Council Tax precept may be levied for the sole purpose of funding and improving Adult Social Care.
3. **Note** the outcome of the Autumn Budget Statement and the likely impact on local authorities.

Cabinet, 18 January 2017

4. **Note** the provisional local government financial settlement announcement, and that this largely confirms the budgetary assumptions set out in the MTFS based upon the four year financial settlement.
5. **Delegate** authority to the Cabinet Member for Adult Social Services and Health and the Leader to approve an annual spend plan for the Public Health grant.
6. **Delegate** to the Directors of Childrens and Adults authority to agree inflation rates with social care providers for 2017/18.
7. **Note** the financial position of the Council in the current year and that action plans to recover the forecast overspend during 2016/17 and 2017/18 will be presented to Cabinet in February.
8. **Agree** the adjustments to the budget assumptions as set out in the table at paragraph 8 which give rise to an increase in the funding gap over a three year period 2017/18 to 2019/20.
9. **Approve** the draft Capital programme for 2017/18 as set out in paragraph 9 for inclusion in the final Capital Strategy report to be considered at the February Cabinet meeting and for onward approval by Council.
10. **Recommended to Council that they delegate** authority for the approval of schemes to be added to the newly created Efficiency Programme of £5m to the Chief Financial Officer in consultation with the Leader of the Council and the Lead Member for Financial Management.
11. **Agree** that any underspends from the Corporate Risk Budget, and from any service revenue underspends, are allocated to a Business Risk Reserve.
12. **Note** the summary of the GLA's consultation budget and the expected date for the publication of the final proposals.
13. **Note** that a public engagement exercise on the budget process will be carried out during January 2017.
14. **Note** the Equalities Impact Assessment in respect of the CTS Scheme as set out in appendix C to the report.
15. **Recommend to Full Council** that the CTS Scheme 2017 is approved. (see also appendices C and D)

REPORT DETAIL

1. INTRODUCTION

- 1.1. Cabinet has previously received two reports on progress with the Corporate Budget, in September and December 2016. This report sets out the position in respect of developing the Council's budget for 2017/18, the announcement of the Autumn Budget Statement, and the subsequent announcement of the local government financial settlement.
- 1.2. The draft financial strategy reported to Cabinet in December highlighted a budgetary shortfall of £12.4m over the three years to 2019/20 of which £3.4m relates to 2017/18. Taking account of further pressures these figures have increased to £13m and £3.8m respectively. The movements are explained in section 8 of the report.
- 1.3. Central Government have announced that the Council may levy up to 3% as a precept in Council Tax specifically for the purposes of funding the increasing cost pressures in Adult Social Care. This is an additional 1% over the 2% allowed in 2016/17. The extra 1% will require an authority to set out how the money will be spent on improving adult social care. The overall level of the precept is limited to 6% over the three years to 2019/20.
- 1.4. A public engagement exercise will be carried out during January and will, like last year, include consultation on the adult social care precept exercise. Feedback will be included in the report to Cabinet in February 2017.
- 1.5. As a consequence of the acceptance of the four year financial settlement the draft annual settlement is broadly in line with the position set out in the financial model. Some further work is required to establish the impact of the draft settlement for both Business Rates and the New Homes Bonus. The position will be made clearer once we have determined the latest Council Tax and Business Rate Bases and have received confirmation of the final settlement all of which are expected towards the of January. The final position will be included in the February report.

2. THE AUTUMN BUDGET STATEMENT, THE SETTLEMENT AND GENERAL FINANCIAL PROSPECTS

Autumn Statement (AS)

- 2.1. A summary of the Governments Autumn statement was included in the December report. When further detail is made available on how this will affect Havering residents it will be included in further update reports to Cabinet as appropriate. Information on the Local Government Financial Settlement are included below.

Local Government Financial Settlement (LGFS)

Cabinet, 18 January 2017

- 2.2 Details of the provisional settlement were announced on 15 December 2016. This is the second year of the four-year settlement announced last year and includes figures for 2017/18 to 2019/20. Last year Government presented local authorities with an 'offer' to provide certainty over their funding with the only clear proviso being that any council accepting the offer would have to publish an efficiency plan. Take up of the offer has been high with 97% of councils accepting. Those councils not accepting are subject to the existing annual process for determining the level of central funding they will receive. In 2017/18 funding allocations for the 10 councils that didn't take up the offer remain unchanged.
- 2.3 From the settlement announcement, there have been minor adjustments to the figures from last year due to the impact of business rate retention. Within the business rates retention system, the NNDR baseline and top up/tariff amounts have been amended to reflect Revaluation 2017. The adjusted amounts are intended to make changes in Rateable Value revenue neutral for individual authorities; with changes to authorities' NNDR Baseline (and therefore tariff/top up) being equal and opposite to the forecast change in the ability to raise business rates locally.
- 2.4 Government confirmed that the 2% cap of council tax will remain although local authorities will now be able to increase the Social Care Precept by up to 3% per annum in 2017/18 and 2018/19. However, authorities that go ahead with the 3% increase each year for 2017/18 and 2018/19 will not be able make a further increase in 2019/20 (i.e. the total allowable increase over the three-year period remains at 6%).
- 2.5 The consultation period for the LGFS runs until 13 January. It is anticipated that the final settlement will be announced around 2 weeks after consultation closes, in common with earlier years, though a definitive date has yet to be confirmed.

Havering's Settlement Funding Allocation

- 2.6 The provisional funding allocation is used to determine both Havering's Revenue Support Grant (RSG) and Business Rate Baseline (BRB). Havering's provisional allocation for 2017/18 is £44.5m compared to a 2016/17 equivalent of £52.5m. This is a reduction of £8.0m, although this is assuming Havering's business rates increase in line with government expectations. Table 1 shows the reduction in Settlement Funding Allocation (SFA).

Table 1

Havering	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Revenue Support Grant	20.890	12.284	6.847	1.376
Business Rates Baseline	22.164	23.040	23.782	24.628
Top-Up	9.462	9.232	9.529	9.868
Settlement Funding Allocation	52.516	44.556	40.158	35.872

- 2.7 The 2017/18 Local Government Finance Settlement shows an increase from the provisional SFA figures stated last year by £0.024m in 2017/18, £0.111m in 2018/19 and £0.234m in 2019/20 however this does not represent additional funding for Havering. The figures used as part of the business rate baseline are only an indicative figure and will deviate from the actual yield. The final position will be established following the determination of the Council's business rate yield and confirmation of the final settlement which will be available mid-January. These will be included in the February report.
- 2.8 A number of risks exist with regards to the business rate element of the settlement funding allocation. The 2017 revaluation has provisionally increased the rateable value of commercial properties by approximately 11% and it is likely that rate payers will opt to challenge / appeal their rateable value. The increase from the revaluation has been factored into the settlement funding allocation. However at this stage it is uncertain whether Havering business rate yield will increase to provide the same level of funding. Since 2010 there has been 3,108 appeals made of which 654 have been successful and 370 still outstanding. Of the 370 appeal outstanding an appeal provision of £7.5m has been created. However it is widely expected that the number of appeals will significantly increase from April as businesses appeal the new valuation.
- 2.9 The Government announced within the technical consultation in September that the business rate target will be based on the draft 2017 revaluation list. This is likely to change once the list has been finalised. This will result in the top-up and tariffs for each authority to be adjusted and therefore amendment made in 2018/19 to account for these adjustments.
- 2.10 The SFA for future years should be as expected however the Government has stated that it will need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year.
- 2.11 Havering's Settlement Funding Allocation remains one of the lowest grant-per-head allocations in London at £175 per head of population (See appendix A). This is despite being one of the largest boroughs in London with the highest proportion of elderly population, the fastest growing Children's population and the only London Borough which has seen an increase in the levels of deprivation all be it from a lower base. With the basis of calculation of RSG now effectively frozen until 2021, there is little prospect of any significant change in Havering's grant funding position at least in the short-term – however we will continue to lobby our position.

Unringfenced Grants

- 2.12 As part of the settlement announcement, allocations in respect of the New Homes Bonus were released. In 2016/17, Government released the

consultation to change the parameters surrounding the New Homes Bonus and transfer the funding over to Improve Better Care Fund and now an additional Adult Social Care Fund. The Government has confirmed New Homes Bonus (NHB) payments to Councils will be reduced from six years to five years in 2017/18. They will also introduce a 0.4 per cent baseline so that local authorities will need to achieve tax base growth of greater than 0.4 per cent before they receive any NHB funding. This is expected to reduce the income of councils in receipt of the New Homes Bonus by £241m in 2017/18 in comparison to indicative figures released in February 2016.

- 2.13 The indicative allocations from Government in respect of the New Homes Bonus are detailed below. The figures are not materially different from the assumptions included in the draft MTFS.

Table 2

	2016-17 £m	2017-18 £m	2018-19 £m	2019-20 £m
Havering	7.032	7.018	5.305	5.090

- 2.14 From the additional saving from the New Homes Bonus, a new one-off Adult Social Care Grant has been introduced. Details of the grant are yet to be released however Havering's indicative allocation is £1.010m. Clarification is being sought as to how this grant can be deployed prior to finalisation of the budget report in February
- 2.15 The public health grant remains the same as the indicative figures provided in 2016/17. There is an expectation that the Public Health Grant will be rolled up into the settlement at some future date although no announcements have been made as to the timescales.

Impact on Havering

- 2.16 The 2017/18 financial settlement deviated little from the provisional announcement from last year. The RSG and business rate baseline figures remained broadly the same however significant risks still exist within the business rate system.
- 2.17 Business rate appeals have been a significant issue and have created a shortfall in funding across local government. The 2017 revaluation will cause additional risk to local authorities as the funding baseline has been increased to account for the increase in business rates. It is highly likely that commercial rate payers will opt to appeal their rateable value and thus impact local government funding. At this stage, no mention has been made in respect to adjustments to the multiplier to account for the risk of appeals and therefore Havering's rate yield could reduce as a consequence.
- 2.18 In 2016/17 the Government enabled Council's to raise an additional 2% in Council Tax; ring-fenced for Adult Social Care purposes. As part of the settlement the opportunity exists to increase the adult social care precept to 3% in 2017/18 and 2018/19. It must be demonstrated that the additional 1% is linked to improvements in Adult Social Care. However this does not bring in

additional funding as a cap of 6% over the three years to 2019/20 has been created and so if there is a 3% increase in 2017/18 and 2018/19, then no increase will be permitted in 2019/20. No new permanent funding for adult social care has been identified and therefore Havering will continue to be one of the lowest funded authorities per head of population for adult social care (currently £398.80).

Dedicated Schools Grant & Schools Funding

- 2.29. The Dedicated Schools Grant (DSG) is a ring-fenced grant for early years' education, schools and pupils with special educational and other high needs that is allocated to local authorities in three "blocks": An Early Years Block, a Schools Block and High Needs Block. The allocations for 2017/18 are shown in the table below.

Schools receive their delegated funding from the Schools Block through nationally prescribed formula factors. These factors include a basic amount per pupil, deprivation, prior attainment, English as an additional language and a lump sum per school. Although the factors are prescribed, local authorities apply their own values to the factors in consultation with their Schools Forums. In Havering, the balance of funding allocated through each factor is designed to provide as much stability as possible to school budgets. Any reductions to individual schools' budgets are limited to -1.5% per pupil by a national minimum funding guarantee and local authorities can apply a gains cap to limit increases in order to fund the cost of limiting the losses.

- 2.30 The funding for schools has remained cash flat for 6 years and an increasing number of schools are finding it difficult to set a balanced budget because of cost pressures.
- 2.31 Revised funding arrangements are to be introduced by the Government for providers of early years education in 2017/18 and consultations have been launched on the introduction of a National Funding Formula for schools from 2018/19 and a review of High Needs funding to local authorities. The intention is to remove the inconsistencies in current per pupil funding between different local authorities.
- 2.32 The changes to the early years funding introduce a national framework for the funding of providers which includes: a minimum "pass-through" rate of grant to providers of 93% in 2017/18 and 95% in 2018/19, no differentiated hourly rates for different types of providers, a standard set of supplements and a new Disability Access Fund. The overall funding for early years education will increase in 2017/18 which will result in an increase to the hourly rate paid to private and voluntary providers. The higher hourly rate will help to incentivise the offer of an additional 15 hours per week of free early year education for working families.
- 2.33 The DSG allocations to LAs were announced on 20 December 2016. Havering's allocation is £207.46m compared to £198.07m in 2016/17. The increase is due to an increase in pupil numbers. The funding for each block compared with 2016/17 is set out below.

Table 3

Year	Schools Block		Of which, ESG related	Early Years Block	High Needs Block	Total DSG
	GUF per pupil (£)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)	Allocation (£m)
17-18	4,712.65	169.91	0.59	14.85	22.70	207.46
16-17	4,728.70	168.08	n/a	10.67	19.32	198.07

Notes:

1. All of the above figures are before recoupment by the DfE for pupils attending academies, non maintained special schools and post 16 special educational need provision.
2. Schools Block per pupil funding has reduced following a transfer of £1.3m into the High Needs Block
3. The Early Years block is for 2, 3 and 4 year olds and will be recalculated based on the January 2017 and 2018 early years censuses. The increase follows the DfE review of early years funding.
4. The Schools Block now includes Education Services Grant (see below).
5. The figures include baseline transfers agreed locally of £1.4m into High Needs from Schools (£1.3m) and Early Years (£0.1m).

2.34 The DSG Schools Block now includes £0.588m of funding from the Education Services Grant that was previously allocated to local authorities to meet their statutory duties. In 2016/17 the grant was allocated at £15 per pupil for retained duties and a general rate of £77 per pupil for pupils in LA maintained schools. Academies receive the £77 per pupil for the number of pupils in their schools. In 2017/18 the £77 general rate ceases with effect from 1 September 2017 for LAs and academies (although there are protections for academies to limit losses) and the £15 per pupil moves into the DSG (the £0.588m). There is a reduced transitional rate of £66 per pupil for April to August 2017 for LAs; academies continue to receive £77 per pupil until August 2017. Approval will be sought from the Schools Forum to allocate this ESG related increase to the DSG towards the costs of the LA's statutory duties.

	Retained duties £	General rate £	Total £
2016-17	570,387	1,765,856	2,336,243
	Transfer of costs to DSG £	Transitional grant £	Total £
2017-18	588,735	606,055	1,194,790
Shortfall			1,141,453

Note: The General rate of £77 per pupil is deducted in-year from the LA's allocation for every academy conversion.

2.35 The above figures assume that the Schools Forum will agree that £588,735 of the costs of the LA's statutory services can be charged to the DSG. If approval is not given then the shortfall will be £1.73m. The ESG currently

meets costs within Children's Services for statutory duties including the following:

Director of children's services and personal staff for director,
Planning for the education service as a whole,
Revenue budget preparation,
Preparation of information on income and expenditure relating to education, and external audit relating to education,
Administration of grants
Authorisation and monitoring of expenditure not met from schools' budget shares
Formulation and review of local authority schools funding formula
Internal audit and other tasks related to the authority's chief finance officer's responsibilities under Section 151 of LGA
Functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils
School attendance
Responsibilities regarding the employment of children
Management of the LA's capital programme including preparation and review of an asset management plan, and negotiation and management of private finance transactions
General landlord duties for all buildings owned by the local authority, including those leased to academies.

The grant also meets the costs of corporate recharges made to the above services. The current £2.3m ESG therefore funds direct service costs and corporate recharges.

- 2.36 The Government's original intention was that all schools would become academies by 2020 and the statutory duties of local authorities would therefore cease. Later announcements have relaxed the timescales although the academisation of all schools remains a Government aspiration. In spite of the longer timescale for schools to become academies, in which case LA statutory duties would remain for a longer period, the funding through the ESG is being withdrawn anyway.
- 2.37 To address the shortfall in 2017-18, savings are being identified within Children's Services and other options explored in trading services with schools but they are unlikely to meet the full shortfall. The guidelines from the DFE permit local authorities to request additional contributions from LA maintained schools (but not academies) towards the costs of statutory duties. This would be above the £0.588m that has been transferred into the DSG and would reduce the funding available to schools to meet their own responsibilities and improvement priorities.
- 2.38 Two new grants have also been announced to address underperformance of schools. These are: £50m nationally for local authorities to continue to monitor and commission school improvement for low performing maintained schools and a Strategic School Improvement Fund for academies and maintained schools to target at schools most in need of support to drive up

standards. At the time of writing, Havering's allocation from these grants is not known.

- 2.39 Before applying the funding formula to calculate the budget shares of schools, funding is retained centrally for LA responsibilities such as: school admissions, national licensing arrangements, the servicing of the Schools Forum and a contingency for supporting pupil growth and schools with falling rolls. After consultation with the Schools Forum at the meeting held on 22nd September 2016, the total amount agreed for central retention is £4.2m (unchanged from the previous year).
- 2.40 The values to be applied to the formula factors for 2017/18 are to be determined following consultation with the Schools Forum at its January meeting but are unlikely to change significantly from 2016/17 given that the Schools Block DSG settlement funding has not changed other than for increases in pupil numbers. The Schools Forum may, however, opt to set the funding rates for formula factors closer to the recently announced rates within the proposed National Funding Formula.
- 2.41 In addition to the funding provided to schools from the DSG, they receive additional funding through the Pupil Premium to address low attainment of pupils from low income families and areas of high deprivation. For financial year 2017-18, the Pupil Premium the rates remain unchanged as follows:

Primary age pupils: £1,320

Secondary age pupils: £935

Looked After Children: £1,900
and children who:

- Have been looked after for 1 day or more
- Are adopted after leaving care
- Leave care under a Special Guardianship Order or a Residence Order.

- 2.42 The cuts in ESG funding referred to in paragraph 2.34 above create an additional pressure of £1.76m in 2017/18. Savings totaling £1.58m have been identified, however, this includes a provisional one-off contribution of £0.465m for 2017/18, leaving a further savings requirement of £0.18m to be identified. An update of this position will be included in the February report.

3 PUBLIC ENGAGEMENT AND CONSULTATION

- 3.1 Unlike the process carried out in previous years the draft financial strategy contains no significant proposals impacting upon service delivery to the public. As a consequence it is not considered necessary to carry out the comprehensive level of public consultation that was performed in those years. However, given the size of the budget gap and the potential impact on Council Tax levels it is proposed to carry a public engagement exercise to seek

feedback on the options available for Council Tax setting and finalising the budget.

- 3.3 This public engagement exercise will be carried out during January and feedback will be reported to Cabinet in February.

4. CURRENT FINANCIAL POSITION

- 4.1 The previous reports to Cabinet included an update on the current financial position. The latest budget monitoring position for 2016/17 for period 7 is set out in the table below. Movements in revised budget since the Period 6 report are a consequence of approved virements and grant funding allocations. Cabinet will note that forecast variance has worsened by £0.5m and now stands at £6.97m

Table 4

Directorate	Revised Budget	Forecast Outturn	Forecast Outturn Variance	Previous Forecast Outturn	Change in Outturn Variance
	£m	£m	£m	£m	£m
Public Health	2.28	2.28	0.00	0.00	0.00
Learning & Achievement	8.46	8.53	0.07	(0.01)	0.08
Children's Services	34.89	38.47	3.58	3.12	0.47
Safeguarding - Quality & Assurance	1.67	1.81	0.14	0.10	0.04
Housing Services	1.77	2.81	1.04	1.02	0.02
Adult Services	52.52	54.11	1.59	1.65	(0.06)
Mental Health	2.91	2.98	0.07	0.07	0.00
Neighbourhoods	25.00	25.84	0.84	0.88	(0.04)
oneSource Non-Shared	1.15	1.23	0.08	(0.06)	0.14
Chief Operating Officer	28.48	28.05	(0.43)	(0.27)	(0.16)
Total	159.13	166.10	6.97	6.49	0.49

- 4.2 In view of the impact of these additional financial pressures on both the current year budget position and the projected MTFs, SLT is developing action plans with the objective of returning to a balanced budget position by the end of 2017/18.

- 4.3 The approved contingency budget for 2016/17 is £2m. Of this sum, £0.090m has already been allocated to support service pressures, leaving £1.1m of contingency uncommitted. As shown in table 5 below, it is proposed to utilise the remaining £1.1m as part of the plan to manage the final 2016/17 outturn within the Council's approved budget. The directorate action plans will not bridge the £6.97m gap in 2016/17 and will also require the support of the corporate risk budgets (formerly corporate provisions). The following table summarises the impact of this planned management action over 2016/17 and 2017/18. The detail of the action plans will be presented in the February report to Cabinet.

Table 5

	2016/17 £m	2017/18 £m
Current Outturn Projection	7.0	1.4
Action plan-Neighbourhoods	(0.4)	(0.5)
Action plan-Adults	(0.7)	(0.9)
Action plan-Housing	(0.6)	
Release of contingency	(1.0)	
Release of Corporate Risk Budget	(2.8)	
Budget Outturn shortfall	1.4	0

- 4.4 In view of the challenges being experienced in managing financial pressures across a range of services, it is recommended that a Business Risk Reserve be established in 2017/18. This reserve will be utilised in exceptional circumstances to offset directorate overspends where it is deemed by the s151 Officer in consultation with the Chief Executive, that a directorate is not reasonably able to manage financial pressures within its approved budget.
- 4.5 An under spend of £5.6m is anticipated in the corporate risk budgets after balancing the overall outturn. Any final underspend will be transferred to the Business Risk Reserve as part of 2016/17 accounts closure. The anticipated budget in 2017/18 is £8.9m of which £5m has been planned to be released in 2017/18 budget leaving only £3.9m available to support the transitional period associated with directorate action plans during 2017/18. By 2018/19, the base provision of the corporate risk budget will have fallen to just £3m. This should be viewed in the context of the size of the budget gap of £13m for the period to 2019/20 and the £6.97m predicted overspend in service budgets in 2016/17.
- 4.6 A summary of the current position on the corporate risk budget is set out in the table below.

Table 6

Corporate Risk Budgets		
	2016/17 £m	2017/18 £m
Base Budget	17.1	8.9
Approved In Year Releases	(3.2)	
Approved One Off In Year Releases	(6.9)	(5.0)
Planned One Off In Year Releases	(1.4)	
Projected Year end out-turn	5.6	3.9

Table 7

The change in Base Budget position from 2016/17 to 2017/18 is set out below.

Corporate Risk Budgets	£m
Base Budget 2016/17	17.1
Permanent In Year Releases	(3.2)
Allocation of New Homes Bonus	(3.8)
Re-phased use of budget	(0.8)
Other minor	(0.4)
Base Budget 2017/18	8.9

- 4.7 From the above tables it can be seen that £17.1m was held in corporate budgets in 2016/17 of which £10.1m has been released by the Chief Financial Officer in consultation with SLT. Assuming a shortfall of £1.4m in service budgets it leaves the sum of £5.6m to be transferred to the Business Risk Reserve.
- 4.8 The balance of the corporate risk budget included in the draft financial strategy (approved by Cabinet in October) for 2017/18 reduces to £3.9m. This reduction has protected services from budget cuts but will limit the Council's scope to respond to further budgetary pressures. It is therefore essential that the on-going pressures contributing towards the 2016/17 budget position are addressed early in 2017/18 to ensure that the Council's Financial Strategy remains on course.

5. OTHER KEY MATTERS

Impact of Inflation

- 5.1. Inflation levels have remained at their lowest point in many years. Pay increases in the public sector has been subject to a high level of scrutiny and restraint in recent years and it is clear that the Government expects a similar level of restraint in the future. However, the latest forecasts for inflation suggest an increase during 2017/18 which could place additional cost pressures on the Council.
- 5.2. Provision is being made for increases in major contracted services. The proposed increases for contracted services – which mainly relate to contracts based on an RPI index – are broadly in line with that level, but subject to the specific circumstances applicable to each individual contract. For social care, negotiations are underway with providers, within the broad parameters set for the overall budget, and these are likely to be agreed prior to the start of the financial year. To enable these negotiations to progress, it is recommended that Cabinet delegates authority to the Directors of Childrens and Adults services to agree inflation rates with social care providers.
- 5.3. Fees & charges are to be increased in line with the draft financial strategy and

a schedule of revised charges will be submitted to Cabinet in February as part of the budget setting cycle.

Interest Levels

- 5.4. Interest rates have remained at historic lows for some considerable time. The Council's budget strategy has taken a prudent viewpoint and assumes that rates will remain unchanged until 2019/20.
- 5.5. Whilst there is no immediate sign of rates rising, the economic outlook is unclear. Income targets have been increasingly testing particularly as the benefit of longer term fixed rate deposits has largely dropped out of the Treasury portfolio. Budgetary targets are currently being achieved through increased cashflow as opposed to higher interest rates.

Concessionary Fares and Taxicard Scheme

- 5.6. This item has been a major factor in previous years. Havering's contribution to the freedom pass scheme currently stands at £8.223m. The Council's contribution for 2017/18 is expected to be £8.313m and the final figures will be included in the Budget report. This area remains a financial risk to all London Boroughs as future rises could well be at a similar level, and therefore continues to be covered in the Council's longer term planning.
- 5.7. The Council's contribution to the London Taxicard scheme, which is also funded through London Councils, currently stands at £0.150m. The 2017/18 contribution level will be reflected in the final budget report.

Pension Fund

- 5.8. The difficulties experienced nationally by pension funds in general, and the Local Government Pension Fund in particular, have been well publicised. A variety of changes to the local government pension scheme were implemented in April 2014.
- 5.9. The level of contribution rates included in the financial strategy are those which have been included in the draft valuation report provided by the council's actuaries following the latest triennial valuation and will be implemented in April 2017. The Actuaries rates and valuation certificate is expected shortly and confirmation will be included in the February Cabinet report.

Levying Bodies

- 5.10. The levies are part of the Settlement and therefore need to be taken into account when setting the Havering element of the Council Tax. There are a number of levies, but the predominant levy relates to East London Waste Authority (ELWA). The current overall levy budget is around £14.4m, of which ELWA accounts for £13.7m. At this stage, no account has been taken of any changes in the distribution of levies arising from the changes in Council Tax base referred to earlier in this report.

ELWA

- 5.11. Provision has broadly been made within the Council's Financial Strategy for increases in the ELWA levy of £1m in 2017/18 and £1m per annum thereafter.

- 5.12. At this stage, officers are awaiting the final budget report, which is subject to deliberations by ELWA. The final levy will be included in the February Council Tax setting report. .

Other Bodies

- 5.13. Of the remaining levying bodies, for planning purposes, a prudent approach has been taken to the level of increase that might be expected, pending notification of the planned rises.

London Councils Subscription and London Boroughs Grants Scheme (LBGS)

- 5.14. The 2017/18 core subscriptions have remained the same level as 2016/17, being £0.141m, which includes a one off rebate for all contributing authorities, at a level of £0.020m for Havering. The contribution to the LBGS has reduced by £0.025m to £0.220m due to a share of a one off payment.

Transformation Funding

- 5.15. Cabinet will recall that, as part of the Council's approach to delivering its transformation programme, a Strategic Reserve was established to finance a wide range of activity, for example the development of Internal Shared Services programme. However, given the continued reduction in Government funding and consequential impact on the Local Government Financial Settlement it is highly likely that local authorities will be engaged in transformation activity for a considerably extended period. The Strategic Reserve therefore remains a crucial source of funding for the delivery of transformational change.

Changes in Demography

- 5.17 Cabinet will be aware from previous reports that social care services in particular have been impacted by changes in demography. These pressures have already resulted in increased cost pressures in Adult Social Care in recent years and have contributed to in year budgetary pressures (as discussed in paragraph 4). This issue has been also been considered in developing the Council's financial strategy, and due to the fluid nature and high risk will continue to be closely monitored. This financial requirement is difficult to predict, however, with continuing changes in demand, the increased financial pressures facing local authorities, changes in funding streams referred to elsewhere, and shifts in population as well as properties, this issue now potentially has a broader impact.
- 5.18 Elsewhere in this report, changes in the Council's property base – as measured through the Council Tax base and the New Homes Bonus – are highlighted. This also needs to be considered in the context of increased demand for schools places.
- 5.19 These factors, taken together, suggest a significant change in demography within Havering. These changes impact upon demand for services, and thus in turn, the associated resources and costs. As a guide, the potential consequences are set out in the table below:

Factor	Impact	Financial Impact
Properties	Increase in waste produced by households Increased traffic leading to more road/footway damage	Higher costs for refuse collection, street cleaning, waste disposal Higher costs for highways maintenance
School places	Increase in demand for places leading to need for more classrooms	Capital investment in additional classrooms Revenue impact falls directly on schools budgets
General population	Increase in special educational needs Increase in residents requiring learning or mental disability support Increase in demand for parks, leisure, arts, culture, etc. Change in population mix, e.g. nature and make up of families	Increase in resource needs and thus service costs As above As above Potential capital investment, e.g. new facilities, vehicles As above

5.20 At this stage, it is not possible to determine the financial impact of potential changes. Clearly, there will be an increase in Council Tax receipts, and this is factored into the base calculation. What is much more difficult to assess is the cost impact these changes might have, as this depends on the actual nature of the shift in demand, rather than any notional model. It is however a fact that such changes represent a significant area of risk, both financial and otherwise. This has been mitigated by including a central provision for demographic growth within the financial strategy. This central provision has and will, continue to be held corporately until the case has been made to release budgets to service areas.

6. COUNCIL TAX SUPPORT SCHEME 2017

6.1 The current Council Tax Support Scheme has been in place since April 2015. The scheme is designed to help residents on low income pay their Council Tax. Council Tax Support can cover up to 100% of the Council Tax for claimants of pensionable age and 85% of Council Tax for working age claimants. (A discretionary reduction scheme is also available for those who suffer particular hardship).

- 6.2 Under the Local Government Finance Act 1992, full Council is required to endorse the Council Tax Scheme for 2017 before 31 January 2017. The Council proposes to maintain the current Council Tax Support Scheme in 2017 and proposes no amendment to the current scheme.
- 6.3 A Judicial Review of the 2015 Council Tax Support Scheme was undertaken during 2015. The High Court concluded that there was no discrimination on the grounds of age or disability. In December 2016, leave has been sought to appeal this decision in the Court of Appeal. We are waiting to hear if permission to proceed with the appeal has been granted.
- 6.4 The Council must also pay due regard to its public sector equality duties under the Equality Act 2010, which includes the need to eliminate unlawful discrimination, advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it, and foster good relations between persons who share a relevant protected characteristic and those who do not share it. The steps taken to meet the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled person's disabilities.
- 6.5 Consequently an Equalities Analysis is attached to this report at Appendix C along with a draft summary version of the Council Tax Support Scheme for 2017 which Members are asked to read. An Equality Impact Assessment was completed in January 2015 for when the Council Tax Support Scheme was last changed. This can be found at <https://www3.havering.gov.uk/Pages/Category/Council-tax-support.aspx>, and Members should read it as well. As a matter of substance, there are no changes to the impacts identified in the January 2015 Assessment which is also available for Members to read at the web link above. (The High Court dismissed challenges to the January 2015 Assessment and that aspect of the decision is not being appealed).

7. EXPENDITURE RESTRICTIONS AND BUDGET ROBUSTNESS

Expenditure Restriction by Government

- 7.1 The Government has previously stated that it will use its capping powers where necessary. As part of the settlement announcement last year, and following on from previous announcements, a referendum process would be triggered if the Council set a Council Tax increase of 2% or higher.
- 7.2 In 2016/17 the Government introduced the Adult Social Care Precept enabling Councils to increase Council Tax by up to 2% per annum. The latest settlement enables an increase of up to 3% to be levied for this precept (but limiting it to 6% over three years). The additional 1% must be directed towards improvements in Adult Social Care. This does not require a referendum.

Budget Robustness/Reserves Position

- 7.3 The Local Government Act 2003 sets out requirements in respect of Financial Administration, and in particular to the robustness of the budget

and the adequacy of reserves. The Act requires the Chief Finance Officer (CFO) to report to an authority when it is making the statutory calculations required to determine its council tax or precept.

7.4 In line with the requirements of the Act, the formal report of the CFO on budget robustness will be included in the February Cabinet report. The authority is required to take the report into account when making the calculations.

7.5 The General Fund Balance at 31 March 2016 was £11.8m. Prior to making a initial recommendation to Council, there will also be a need to further consider the current financial position for 2016/17. The revenue budget strategy statement, as agreed by Council, sets out that the minimum level of reserves held will be £10m. There is an opportunity cost of holding reserves, in particular the alternative use that these balances could be put to and the benefits that might accrue as a result. Equally, the importance of retaining sufficient reserves has been emphasised by the position within social care services during previous financial years, and particularly so now, with the Council suffering an on-going reduction in grant funding from Government.

7.6 A reduction of up to £1.8m in the General Reserve is therefore permissible under the existing budget policy (although not recommended in the light of current budgetary pressures). However, it should be stressed that the use of reserves provides only a one off funding source for budgetary purposes. Any further use of reserves would require amendment to the Council's approved budget policy.

7.7 The Council's revenue budget strategy statement requires that:

While addressing its priorities and setting a balanced and prudent budget, the Council will seek to keep any increase in the Council Tax to the lowest possible level and in line with its stated aspirations whilst maintaining the General Fund Balance at the minimum level of £10m. The Council will not utilise General Fund Balances to subsidise its budget or suppress council tax increases.

- The Council will not use any specified or earmarked reserves to subsidise its budget or to suppress council tax increases on an on-going basis as this is neither a financially sustainable nor a robust approach. It may, in exceptional circumstances, utilise appropriate specified or earmarked reserves to bridge short term forecast budget shortfalls to facilitate the delivery and implementation of projects and service initiatives that will generate additional income or reduce on-going expenditure to achieve a balanced budget.

7.8 In addition to its General Fund Balances, the Council also holds a number of specified or earmarked reserves. At 31 March 2016, the total value of these reserves stood at £54.1m. This sum includes:

- a) £2.3m relating to previous NHS and social care integration funds not fully spent. Given the level of financial and operational risk associated with the Care Act and SEND legislation and in particular assessing all

who apply and are eligible for services, these funds are being held to support this implementation of new legislation and integration with the NHS.

- b) £27.6m earmarked for the corporate transformation programme, which is required to support the delivery of savings agreed by the Council. Over the last four years, over £24m has been spent on delivering transformation including £5.7m on severance payments. Given the level of potential redundancies included likely to arise from savings options included in the MTFs, significant budget provision is required to meet the cost of further severance payments.
- c) £10.2m being sums earmarked towards the funding of capital schemes included within the approved capital programme.
- d) £6.9 m set aside for the Insurance reserve to meet potential claims and the cost of self-insurance based upon actuarial advice.

7.9 The advice of the Interim Chief Financial Officer is that the policy of retaining the minimum level of General Fund Balance at £10m is considered to be adequate. However, given the current level of budgetary pressures which in turn increases the risk of overspending it is recommended that the level of General Fund Balance be maintained at the existing level £11.8m. A full assessment of balances and earmarked reserves will be brought in the February Council Tax setting report.

7.10 The Council's external auditor has in the past emphasised the need for the Council to strengthen its financial health and to build in protection against unforeseen circumstances and to seek advice from the Chief Finance Officer on the adequacy of its working balance level. The advice of CIPFA also needs to be borne in mind, as they have emphasised that it is important to stress the risks which arise should councils decide to draw down reserves to help fund their budgets. This is due to the fact that most council services require recurring funding to meet staff and other running costs year after year. Reserves are however a one-off, finite source of funding; they can cover a shortfall in recurring funding for a specific period but, after reserves are exhausted, the underlying shortfall will still be there. Due account is taken of this advice in assessing the need for reserves and their potential utilisation.

7.11 The draft financial strategy discussed at paragraph 8 below is consistent with the Council's Budget policy.

8. FINANCIAL STRATEGY

8.1 At the meetings of 28 September and 14 December 2016 Cabinet considered its financial strategy for the three year period commencing 2017/18. The budget gap covering the period up to 2019/20 and is included in the table at 8.5 below.

8.2 The draft strategy approved by Cabinet in September included reductions in a number of centrally held budgets. The underlying budget assumptions were updated in the December report and in the table at 8.5 below although the overall position has not altered materially since the initial report. Despite the

reduction in corporate budgets there has been no need to draw on earmarked reserves to balance the budget. The current status on the corporate risk budget is discussed at paragraph 4.6.

Additional Pressures

8.4 The model has now been updated for two further cost pressures since the December report was drafted. The impact on the model is set out below

- Utility prices had dropped last year but this is not expected to continue. The market has made a sharp upward movement recently, and this is in part driven by the industry taking coal powered electricity stations off line and by the issues with provisioning from nuclear power stations. Additionally there has been an increase in government charges, which form part of the pass through charges and cannot be reduced by 'shopping around'. Indicative increases are expected in the region of 15-20% at a cost of approximately £0.170m.
- There are a number of risks associated with the revaluation of Business Rates which have arisen as a result of the finance settlement announcement. For Havering a cost increase of £0.230m has been included in the revenue budget to reflect the anticipated extra cost burden falling upon the Council in respect of its own property base.

Re-phasing of MTFs proposals

8.5 The introduction of three proposed savings options which were approved as part of the 2016/17 Financial Strategy have recently been assessed as not being sufficiently well developed to enable them to deliver the planned savings in 2017/18 and therefore the financial impact of these proposals have been delayed until future years.

Table 8

		£m
CL7	MyPlace Efficiencies	(0.050)
SC5	Public Realm Transformation Review	(0.250)
SC7	Waste Minimisation (3 sacks plus recycling)	(0.500)

8.6 It is now proposed to draw £0.800m from the corporate risk budgets one year earlier than planned which will mitigate the impact of these re-phased proposals although it will increase the financial pressures in later years.

8.7 The revised budget gap is set out in Table 9.

Table 9

	17/18	18/19	Two Year Total	19/20	Three Year Total
	£m	£m	£m	£m	£m
Budget Gap As reported on 14 December	3.350	2.250	5.600	6.800	12.400
CL7 My place efficiencies	0.050	(0.050)	0	0	0
SC5 Public realm transformation review	0.250	(0.250)	0	0	0
SC7 Waste minimisation	0.500	0	0.500	(0.500)	0
Re-phasing of corporate risk budget	(0.800)	0.800	0	0	0
Total of Re-phased Savings	0	0.500	0.500	(0.500)	0
Increased cost of utilities	0.170	0	0.170	0	0.170
Business Rate Revaluation	0.230	0.145	0.375	0.025	0.400
Adjustments to proposals for income generation	0.050	0	0.050	0	0.050
Revised Budget gap	3.800	2.895	6.695	6.325	13.020

RSG

8.8 The impact of the four year financial settlement has been to make the level of grant settlement more predictable. As expected, reduction in RSG announced in the annual settlement is in line with previous forecasts. The annual settlement is discussed in more detail in paragraph 2.

Proposals for Income Generation

8.9 As set out in the December report a number of proposals were included in the budget model in order to reduce the pressure in meeting the budget gap. The latest income projection from these proposals is £0.713m for 2017/18: a reduction of £0.050m from the December figures. The latest position relating to these proposals are set out in the table below and are included in more detail at Appendix B.

Table 10

Lead Officer	Subject	17/18 £000's	18/19 £000's
Dir of Neighbourhoods	Moving Traffic Contravention	250	
Dir of Neighbourhoods	Business Vehicles Charging		500
Dir of Neighbourhoods	Resident Parking Permits	55	
Dir of Neighbourhoods	On/Off Street Parking Charges	150	
Chief Operating Officer	Leisure contract additional income	150	250
Chief Operating Officer	Commercial Income	108	104
	Total	713	854

Cabinet, 18 January 2017

- 8.10 These measures reflect a strategy which seeks to minimise the impact on service delivery by seeking to recover the full cost of services through fees and charges where possible or by increasing commercial income for the benefit of residents.
- 8.11 Cabinet should be aware that if any of these options are rejected or their implementation delayed then alternative proposals will be required in order to balance the budget.

Council Tax Income

- 8.12 The budget model takes no account of additional income that could be achieved from increasing the level of Council Tax. As discussed elsewhere in the report The Council may increase Council Tax by up to 3% as a precept to meet the growing cost of Adult Social care and may also apply a general increase in Council Tax by up to 2%.
- 8.13 An up to date assessment of the growth in the Council Tax base and its impact upon any required increase in council tax will be included in the February report and is dependent upon the growth in the number of properties in the borough.

Bridging the Gap

- 8.14 The budget gap is estimated to be £13m over three year cycle. More significantly, a gap of £3.8m remains in 2017/18. This gap will need to be closed in order to set a balanced budget via the Council Tax setting report due in February 2017. Any changes to the forecast gap will be included in the February report prior to finalising any decisions on the level of Council Tax increase.
- 8.15 To close the budget gap Cabinet may wish to consider a range of options including increases in Council Tax, or making additional savings. Given the short timescale before Council Tax is required to be set Cabinet will be mindful of the timescales required to carry out any consultation exercise on savings which might be required in relation to proposals affecting services to its residents.
- 8.16 It is recommended that further consideration be given to the options for Council Tax setting as part of the February Council Tax report.
- 8.17 Looking beyond the balancing of the 2017/18 budget, Cabinet should be mindful that a budget shortfall of £2.895m in 2018/19 and £6.325m in 2019/20 still needs to be closed and therefore planning for this will need to continue early in 2017/18 financial year.

9. CAPITAL PROGRAMME

Background to Current Programme

- 9.1 The Council's overall approach to its Capital Programme has been based on an assumption that a gradual move towards the use of prudential borrowing will be required to meet long term capital investment need. In more recent

years, the duration of the planned programme has been kept relatively short, in recognition of the need to maximise the use of receipts, and to avoid additional pressure on the revenue budget.

- 9.2 Since that time, there has been a continued hold on interest rates, so borrowing remains relatively inexpensive. However, it remains the case that the Council's ability to generate receipts has continued to reduce and it is likely that new capital bids will need to be funded from borrowing rather than receipts during 2017/18 or 2018/19 depending upon the size of the programme.
- 9.3 For the longer term, financing any form of capital programme will almost certainly be heavily reliant on borrowing, although external financing and Section 106 receipts, through either Section 106 or the new Community Infrastructure Levy (CIL) are expected to remain available, if unpredictable. This therefore potentially brings an additional revenue pressure.
- 9.4 In setting the 2016/17 Capital Programme the Council approved a budget of £100m for Regeneration and Development. It was agreed that this sum be financed from additional borrowing although the precise timing of the expenditure would depend upon the speed with which suitable schemes would be brought forward for approval. At present £18m of this sum has been committed although a number of schemes are likely to reach project approval stage in coming months. Further discussion on the use of this budget will be included in the Capital Strategy report to be considered by Cabinet in February.
- 9.5 An indicative block programme of £4.9m for 2017/18 was approved by Cabinet in October representing a continuation of the strategy adopted in recent years. In line with recent strategy it is recommended that a contingency of £2m be included in the draft capital programme with the intention that the release of contingency continues to be delegated to the CFO.
- 9.6 There is also increasing pressure to fund essential capital expenditure bids not covered by the core programme. For that reason is proposed to include an allocation of £5m for an efficiency programme for schemes which meet the following criteria:
- Schemes will generate ongoing revenue savings
 - Schemes which will prevent future growth pressures in revenue expenditure. i.e. cost avoidance.

It is recommended that individual schemes be considered by the Asset Management Team with the final scheme approval being delegated to the Chief Financial Officer in consultation with the Leader of the Council and Lead Member for Financial Management. All schemes would require a clear business case demonstrating the link between investment and revenue savings.

Table 11

Description	£m
Cemeteries	0.160
Parks,	0.510
Libraries	0.145
Leisure	0.185
Street Environment	2.000
Protection of Assets and Health and Safety	0.500
IT Infrastructure	1.000
Regeneration	0.100
Disabled Facilities Grant (Council element)	0.300
Sub total	4.900
Efficiency Programme	5.000
Contingency	2.000
Grand total	11.900

- 9.7 As discussed in paragraph 9.3 expansion of the programme is likely to increase the Council's borrowing requirement. Given the potential level of borrowing required to fund Regeneration and Development in 2017/18 and beyond; the historically low level of interest rates and the limited scope to generate new capital receipts it may be appropriate to seek additional borrowing at this time. The implications the additional borrowing requirement will also be addressed in the February reports to Cabinet.
- 9.8 Cabinet received a report on 12 October 2016 which identified the cost of the phase 4 Schools expansion programme to be £63m of which £49m relates to 2017/18 and beyond. A funding stream of £65m has been identified and includes an estimate of the 2019/20 Basic Needs Allocation of £5m. Given that £2.2m of funding is unallocated this will mitigate against the risk of a reduced grant allocation or increased costs.

10. SUMMARY OF FINANCIAL POSITION

- 10.1 Based on the factors that are set out in this report, the Council will need to raise income or make additional savings of approximately £13m in order to balance its financial strategy over the next three years. Of this sum £3.8m must be found as part of the budget setting process for 2017/18.
- 10.2 The financial model makes no assumption for Council Tax increases at this stage. In addition to the general Council Tax increase the Government will allow a Council Tax precept of up to 3% in order to meet the growing costs of Adult Social Care. A final decision about Council Tax increases will not be made until the February Cabinet meeting. Cabinet will be mindful that the maximum Council Tax increase that can be set without carrying out a referendum is 4.99% (3% Adult Social Care Precept plus 1.99% general increase)
- 10.3 As indicated elsewhere within this report, there are significant pressures arising from the delivery of the 2016/17 budget. At this stage action plans are

being developed and implemented with a view to bringing the budget back on track by the close of 2017/18. If this cannot be achieved it will force the Council to make use of its limited earmarked reserves and will further increase the pressures arising in 2018/19 and 2019/20. These matters will be considered in greater depth as part of the final Council Tax report.

11. HOUSING BUDGET

- 11.1. The HRA budget, together with the proposed housing rent levels, and the HRA capital programme, will be presented to Cabinet in February.

12. GREATER LONDON AUTHORITY (GLA)

- 12.1 The announcement of the Mayor's draft budget proposals was made on 21 December. This indicated an intention to increase the GLA's Council Tax level, from the current £276 to £280.02 – an increase of £4.02, or around 1.5%. Consultation on the budget proposals ends on 12 January. The final draft budget proposals will be considered by the London Assembly on 25 January and the budget is due to be approved by 20 February.
- 12.2 The Mayor's draft budget consists of – Mayor's Office for Policing and Crime, Transport for London, London Fire and Emergency Planning Authority, the London Legacy Development Corporation and core Greater London Authority. The total gross budget (capital and revenue) is £15.856 billion.
- 12.3 The Mayor's 2017/18 draft net revenue expenditure budget is £5.368 billion. Under the proposal the total GLA precept will be increased from £276 a year to £280.02 (for a Band D household). The Mayor's proposed council tax precept draft budget includes £211.80 to support the Mayor's Office for Policing & Crime (principally the Metropolitan Police). The proposed increase is intended to be directed towards the cost of policing.
- 12.4 The expected reduction of £8 in the Band D Council Tax in respect of the removal of the final element of the Olympic Levy has not materialised. Clarification is being sought from the GLA prior to the closure of their budget consultation and further information will be provided in the February Cabinet report.

REASONS AND OPTIONS

Reasons for the decision:

This enables the Council to develop its budget as set out in the constitution.

Other options considered:

None. The Constitution requires this as a step towards setting its budget.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council's budget-setting process will ensure that financial implications and risks are fully considered. Any financial implications or risks are covered in this report as necessary. There are significant risks associated with the delivery of the three year financial strategy and with the continuing degree of uncertainty over the future of local Government funding, and the general economic environment, but the steps already taken by the Council should mitigate much of this. However, it will also be necessary to continually refine the financial forecasts underpinning the Council's financial strategy to ensure that any necessary actions can be taken at the appropriate times, allowing for consultation as appropriate.

Legal implications and risks:

There are no direct legal implications or risks from this report. The corporate business planning process will need to take account of new and existing statutory duties and responsibilities that are imposed on the Council by central government even if there are inadequate or no commensurate increases in government funding to finance them. Failure to do so will put the Council at risk of legal challenge by affected residents or businesses.

Human Resources implications and risks:

There are no direct HR implications arising from this report, however, if proposals that require staffing reductions are to be considered as a result of the budget position, these will be managed in accordance with Council policy and procedure.

Equalities implications and risks:

Detailed proposals will need to be assessed as part of the business and service planning process. Equalities impact assessments are produced as standard as part of the detailed budget process.

BACKGROUND PAPERS

None

APPENDICES

- A SETTLEMENT FUNDING ALLOCATION
- B MTF S SAVINGS TEMPLATES
- C COUNCIL TAX SCHEME EQUALITIES IMPACT ASSESSMENT
- D COUNCIL TAX SCHEME SUMMARY

The 2017/18 Settlement Funding Allocation per Head of Population

AREA	2017 SFA £ms	Population £000s	SFA per Head
City of London	24.40	8.90	2,742.08
Hackney	158.60	278.20	570.08
Westminster	130.57	250.40	521.45
Southwark	166.00	319.40	519.71
Islington	120.43	236.40	509.45
Tower Hamlets	158.10	312.00	506.75
Camden	126.55	253.30	499.61
Hammersmith And Fulham	87.26	183.40	475.81
Lambeth	157.71	332.00	475.02
Newham	160.47	347.10	462.33
Kensington And Chelsea	71.55	158.50	451.44
Lewisham	135.02	305.90	441.38
Greenwich	119.36	282.60	422.36
Haringey	115.16	279.50	412.01
Barking And Dagenham	82.64	211.00	391.67
Brent	125.18	334.80	373.90
Waltham Forest	98.98	278.80	355.02
Wandsworth	106.04	324.10	327.17
Enfield	103.31	338.90	304.84
Ealing	107.01	352.10	303.93
Croydon	101.72	390.40	260.57
Sutton	50.84	205.60	247.27
Hounslow	67.81	279.10	242.95
Redbridge	73.13	308.60	236.97
Merton	48.55	211.20	229.85
Hillingdon	63.61	309.30	205.66
Barnet	78.26	394.50	198.38
Harrow	50.07	254.70	196.59
Bexley	47.98	247.90	193.54
Havering	44.56	254.50	175.07
Kingston upon Thames	26.13	180.00	145.15
Bromley	46.78	332.60	140.66
Richmond upon Thames	24.53	202.60	121.10

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Summary of Proposals

					£000's	£000's
REF	Lead Officer	Directorate / Service	Service Area	Description of Savings Items	2017/18	2018/19
Street Mgmt/1	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	Moving Traffic Contravention	250	
Street Mgmt/2	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	Business Vehicles Charging		500
Street Mgmt/3	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	Resident Parking Permits	55	
Street Mgmt/4	Director of Neighbourhoods	Neighbourhoods / Environment	Street Management - Parking	On / Off Street Parking	150	
Culture /1	Chief Operating Officer	Chief Operating Officer / Culture & Customer Access	Indoor & Sports Recreation	Leisure Contract additional income	150	250
Asset Mgmt /1	Director of oneSource (Non Shared)	oneSource (Non Shared) / Asset Mgmt	Corporate Landlord	Commercial Income	108	104
Total					713	854

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NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

REPLACEMENT SAVING

IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	CPZ 2017/18 to be replaced by Moving Traffic Contravention Income (MTC)
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Current Budget Information

The parking Facilities Activity A2325E

The MTC Income Cost Centre is A24670 517480 000000 602172

The 2016/17 income budget for MTC's is £750k with an additional in year pressure of £300k presented in December 2016

What is protected within the Service?	
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Main Savings Items Description

To increase the income generated by the enforcement of Moving Traffic Contraventions by £250k

Savings proposals

Savings Details	Value of Saving and Year(s)			
To increase the number of OCN's issued for the enforcement of Moving Traffic Contraventions	TOTAL:			
	17/18	18/19	19/20	20/21
	£250k			
TOTAL SAVINGS BY YEAR	TOTAL:			
	17/18	18/19	19/20	20/21
	£250k			

Reasons for recommending proposals	<p>Havering introduced the enforcement of Moving Traffic Contraventions late in 2015. The enforcement of identified sites within the borough was carried out by 2x CCTV mobile enforcement vehicles and provided the evidence that motorists within the borough were flouting traffic regulations and creating safety and traffic flow problems. In December 2016, a number of fixed cameras were installed at identified priority sites and will extend to a total number of 20 fixed camera locations. These cameras are unattended and will capture the non-compliance of vehicles driving in bus lanes or completing banned turns.</p>
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Identified Risks and Dependencies
<p>An assumption is made that the expected non-compliance of established Bus Lanes and banned turns being evidenced within the borough remains. Following initial enforcement activity triggers, an additional 5,500 PCN's will need to be issued and paid at the average PCN settlement rate of £45 to generate the additional £250k. Those in receipt of an MTC PCN may feel disgruntled at the enforcement activity but such enforcement should generate a change in driving behaviour, which in turn increases the level of compliance. Enforcement activity and compliance will need to be closely monitored and where necessary for the fixed cameras to be redeployed to further identified locations.</p>

Number of FTE in area :	
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

REPLACEMENT SAVING

IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information

As this item is a new initiative a new cost centre will have to be established. There is no budget for commercial vehicle parking permits currently in existence. The parking facilities activity is A2325E.
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What is protected within the Service?	N/A
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Main Savings Items Description

<p>The borough has a high percentage of commercial vehicles that are brought home by Havering residents. Current figures suggest nearly 12,000 commercial vehicles are regularly parked either on the streets or drives of Havering. This level of non-resident parking is compounding the problem that already exists with parking capacity in many parts of the borough and has increased since the main utility companies reduced their depot capacity where historically such vehicles returned at the end of each working day. To address the problem and encourage businesses to park their vehicles on their own premises, it is proposed to introduce a £500 annual permit charge for commercial vehicles that park on the highway outside of work time. It is estimated that 1000 vehicles will need to register for the permit hence the 1000 x £500 = £0.5m income prediction. It should be noted that although many other local authorities are considering introducing a similar scheme, no such scheme currently exists and therefore there are risks associated with deliverability.</p>

Savings proposals						
Savings Details			Value of Saving and Year(s)			
To increase the resident permit charges by £10 on each permit issued per household			TOTAL:			
			17/18	18/19	19/20	20/21
				500K		
			TOTAL:			
			17/18	18/19	19/20	20/21
TOTAL SAVINGS BY YEAR			TOTAL:			
			17/18	18/19	19/20	20/21
				500K		

Reasons for recommending proposals	Problems with a lack of parking capacity are increasing in many parts of the borough. The 12000 commercial vehicles that park on the borough roads each day compound the problem. Introducing a permit to discourage such activity and encourage companies to park their vehicles on their own premises will help to alleviate the problem..
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Identified Risks and Dependencies
Havering will be one of the first in the country to introduce such a scheme and therefore there are risks associated with the deliverability. Robust project management will be used to mitigate risks.

Number of FTE in area :	N/A
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	21/12/16
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

REPLACEMENT SAVING

IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information

The parking Facilities Activity A2325E
The Resident Permit Cost Centres is A24670 517460 5034
The 2016/17 Income budget for Resident permits is £253k

What is protected within the Service?	
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Main Savings Items Description

To increase the cost of a resident permit by £10 for first/second/third permits to £35, £60, £85
These increases have been reflected in the Fees & Charges for 2017/18

Savings proposals

Savings Details	Value of Saving and Year(s)			
To increase the resident permit charges by £10 on each permit issued per household	TOTAL:			
	17/18	18/19	19/20	20/21
	55k			
	TOTAL:			
	17/18	18/19	19/20	20/21
TOTAL SAVINGS BY YEAR	TOTAL:			
	17/18	18/19	19/20	20/21
	55k			

Reasons for recommending proposals	<p>Havering's resident permit charges are low in comparison to that of neighbouring London Boroughs and our Essex counterparts. Many London Boroughs now apply differential permit prices based upon vehicle emissions.</p> <p>Currently Havering do not apply differential charging and have a simple 3 tier pricing structure which applies to the 1st, 2nd, 3rd and subsequent permits only.</p> <p>Cost comparison to neighbouring Barking & Dagenham has an average of £36, £72 and £92.50 for the first permit with vehicle based emissions of 161-180 CO2 (g/km).</p> <p>Even with the proposed increase, Havering will continue to offer attractive residential permit charges with a cost of just £0.95p per day. Costs of residential permits should cover the cost of implementation and maintenance and protect resident spaces in addition to controlling commuter parking issues.</p>
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Identified Risks and Dependencies
<p>An assumption is made that the current customer base will remain with the increase of charges. The current number of residential permits purchased in 2015/16 was circa 5000.</p> <p>There is a risk that customers will try to utilise off street parking provisions or find unrestricted areas to park so as to avoid paying the increased fees. A dependency is noted on having productive and continuous enforcement of the Resident permit zones so as to ensure contravening vehicles are issued with PCN's so as to ensure compliance is evidenced and resident permit spaces are protected.</p> <p>There is a dependency on Members accepting the proposal to increase the residential parking permit prices in order to meet the assumed saving.</p>

Number of FTE in area :	
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Neighbourhoods / Environment – S Moore	Street Management - Parking

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

REPLACEMENT SAVING

IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information

The parking Facilities Activity A2325E
The On-street Parking Income Cost Centres is A24670 516200 0000
The 2016/17 Income budget for On-Street Parking is £460,840

The off-street Parking income Cost Centre is A24600 516180 0000
The 2016/17 income budget for Off-Street Parking is £342,210

What is protected within the Service?	
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Main Savings Items Description

To increase the on/off street parking charge for parking “up to 2 hours” (excluding Romford) from £1 to £1.50.
It is important to note that Romford Town Centre tariffs are prevented from being increased without amendments to the Section 106 being made and with acceptance from Town Centre partners.
These increases have been reflected in the Fees & Charges for 2017/18

Savings proposals

Savings Details	Value of Saving and Year(s)			
To increase the on/off street parking charge for the “up to 2 hours” band to £1.50 (excluding Romford Town Centre)	TOTAL:			
	17/18	18/19	19/20	20/21
	£150k			
TOTAL SAVINGS BY YEAR	TOTAL:			
	17/18	18/19	19/20	20/21
	£150k			

Reasons for recommending proposals	<p>Havering has low parking charges in comparison to that of neighbouring London Boroughs and our Essex counterparts. Even with the proposed increase, Havering will continue to offer very attractive parking charges. To amend the parking tariff from £1 to £1.50 for a parking stay of up to 2 hours still provides an attractive rate. In comparison the same parking charge applied in Barking & Dagenham is on average £2.70.</p> <p>The introduction of the Cashless parking option “Phone & Pay” will assist customers with the change in tariff price. £1.50 in change may not be readily available however the option to pay using the “Phone & Pay” service will assist and may increase the customer base of the cashless parking facility. An increase in the customer base of “Phone & Pay” may also assist in a reduction of the number of cash collections required from the P&D machines.</p> <p>The continuation of the free 30 minute parking period (excluding Romford) still provides a very attractive offer to customers using our parking facilities and therefore allowing for the quick shop visit or school drop off/pick up.</p>
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Identified Risks and Dependencies
<p>The savings have been identified and calculated on the current number of transactions reported for the current £1 tariff (excluding Romford). The current number of transactions for this particular tariff band is circa 335,000. The assumption is made that the additional saving may be generated if the current customer base remains at 335,000 or higher. If the customer base reduces then it will not deliver the additional saving.</p> <p>There is a risk that customers will try to utilise and exhaust the free parking period (30mins) rather than pay the increased fee and therefore this will need to be closely monitored.</p> <p>There is a risk that members will not be in favour of the tariff increase and therefore the savings will not be realised.</p>

Number of FTE in area :	
Anticipated reduction in FTE as a result of proposals	N/A

Submitted by			
	Signature	Print Name	Date
Steve Moore		Steve Moore	
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

NEW OR REPLACEMENT SAVINGS TEMPLATE

Service & Service Head	Description of Service Area
Culture & Customer Access – S Homer M Royer	Culture and Customer Access – Indoor Sports & Recreation

Is this a New or REPLACEMENT Savings Item?	Please indicate by ticking Box below
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NEW SAVING

REPLACEMENT SAVING

IF REPLACEMENT Saving show the Original Savings Item that is being replaced.	
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Current Budget Information
LBH currently pay SLM on this contract until 20/21 (A20460)

What is protected within the Service?	N/A Leisure services are delivered by SLM
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Main Savings Items Description
SLM contract additional saving.

Savings proposals				
Savings Details	Value of Saving and Year(s)			
Additional saving arising from new SLM contract above original £700k in MTFS. So, £400k recurring from 2018/19.	TOTAL:			
	17/18	18/19	19/20	20/21
	£150k	£250k		
TOTAL SAVINGS BY YEAR	TOTAL:			
	17/18	18/19	19/20	20/21
	£150k	£250k		

Reasons for recommending proposals	Outcome of commercial negotiations for the new Leisure Contract, including 25m swimming pool and 4 court sports hall at Hornchurch.
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Identified Risks and Dependencies	
Ongoing discussion with Cabinet regarding a 50m pool and 8 court sports hall option at Hornchurch.	

Number of FTE in area :	N/A as staff are SLM
Anticipated reduction in FTE as a result of proposals	N/A as above

Submitted by			
	Signature	Print Name	Date
			14/12/16
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

BUDGET SAVINGS INITIATIVE TEMPLATE

Service & Service Head	Description of Service Area
Property Services – Garry Green	Property Services – Asset Management

Current Budget Information
Transfer of MTFS saving elsewhere in the Council and now being transferred to A46570 Commercial Property Shops

What is protected within the Service?	
--	--

Main Savings Items Description
£108K Commercial Income

Is this a NEW or SUBSTITUTE saving	NEW/ SUBSTITUTE
For Substitute Savings please show the Original Savings Item that is being replaced.	Transfer MTFS saving now being allocated to the commercial income budget – asset management

Savings proposals				
Savings Details	Value of Saving and Year(s)			
Additional commercial rents income subjective 520080	TOTAL: £412K			
	17/18	18/19	19/20	20/21
	£108K	£104K	£100K	£100K
	TOTAL:			
	17/18	18/19	19/20	20/21
TOTAL SAVINGS BY YEAR	TOTAL:			
	17/18	18/19	19/20	20/21
	£108K	£104K	£100K	£100K

Reasons for recommending proposals	Corporate reallocation decision
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Identified Risks and Dependencies	
Whilst there is scope in the early years to cover this from existing over achievement in income, additional income beyond this period is subject to growth in the rental value of the commercial portfolio and may need to be enhanced with further assets to achieve assumed rental saving levels.	
Number of FTE in area :	N/A
Anticipated reduction in FTE as a result of proposals	

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Submitted by			
SLT Member	Signature	Print Name	Date
Reviewed by			
	Signature	Print Name	Date
Finance Business Partner			

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Equality Impact Assessment – Council Tax Support Scheme 2017



Equality Impact Assessment (EIA)

Document control

Title of activity:	Council Tax Support Scheme 2017
Type of activity:	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
Lead officer:	Chris Henry, Head of Council Tax & Benefits, Exchequer & Transactional Services, oneSource
Approved by:	Sarah Bryant, Director of Exchequer & Transactional Services
Date completed:	November 2016
Scheduled date for review:	November 2017

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Does the EIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

Equality Impact Assessment – Council Tax Support Scheme 2017

1. Equality Impact Assessment Checklist

The Equality Impact Assessment (EIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service. It also helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#).

Please complete the following checklist to determine whether or not you will need to complete an EIA. Please ensure you keep this section for your audit trail. If you have any questions, please contact the Corporate Policy and Diversity Team at diversity@havering.gov.uk

About your activity

1	Title of activity	Council Tax Support Scheme 2017
2	Type of activity	This is a scheme which provides assistance to people on low incomes to help them pay their Council Tax.
3	Scope of activity	<p>Many people on low incomes can get Council Tax Support (CTS) to help them pay their council tax bills. The Council Tax Support Scheme is funded by the Government and the Council who pay significantly towards the scheme as well.</p> <p>The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in-line with core funding reduction. While Government funding continues to fall, the Council has committed to maintaining the current 2016 CTS scheme in 2017.</p> <p>The proposed scheme will continue to protect pensioners who will get the same level of council tax support as they do now.</p> <p>It is proposed the CTS 2016/17 Scheme remains unchanged for working age claimants in 2017/18.</p>
4a	Is the activity new or changing?	No
4b	Is the activity likely to have an impact on individuals or groups?	No
5	If you answered yes:	

Equality Impact Assessment – Council Tax Support Scheme 2017

Completed by:	Chris Henry, Head of Council Tax & Benefits
Date:	November 2016

Equality Impact Assessment – Council Tax Support Scheme 2017

2. Equality Impact Assessment

Background/context:

The Council proposes to maintain the Council Tax Support (CTS) Scheme in place since April 2015 for 2017/18. The scheme provides assistance to people on low incomes to help them pay their Council Tax.

The CTS grant has been rolled into the Settlement Funding Allocation which has been reduced in-line with core funding reduction. While Government funding continues to fall, the Council has committed to maintaining the current 2016 CTS scheme in 2017.

The proposed scheme will continue to protect pensioners who will get the same level of Council Tax Support as they do now.

In respect of working age claimants, the proposed scheme will provide the same level of support as it does now.

At 31 October 2016, 9,268 working-age claimants and 6,909 pensionable age claimants were in receipt of Council Tax Support.

CTS changes were catered for within the package of priorities and it can therefore be seen that in general respondents were in favour of the overall priorities change and a majority of residents were not in favour of raising council tax above 2% in order not to make up reductions proposed.

Support remains in place through the Council Tax Discretionary policy for those who suffer hardship.

In terms of the number of Council Tax Support Claimants and their household and personal status, the number in each group have not changed significantly since last year.

<u>Council Tax Support Case Group Descriptions</u>	<u>Count</u>
Elderly - Non-Passported - Carer	151
Elderly - Non-Passported - Child Under 5	1
Elderly - Non-Passported - Enhanced Disability	2
Elderly - Non-Passported - Family Premium	2
Elderly - Non-Passported - Family Premium - 1 Child	9
Elderly - Non-Passported - Family Premium - 2 Child	2
Elderly - Non-Passported - Family Premium - 4 Child	1
Elderly - Non-Passported - Non Dependant	317
Elderly - Non-Passported - Other	1866

Equality Impact Assessment – Council Tax Support Scheme 2017

Elderly - Non-Passported - Severe Disability	375
Elderly - Non-Passported - War Pensioners	21
Elderly - Non-Passported - Working	87
Elderly - Passported - Carer	163
Elderly - Passported - Child Under 5	1
Elderly - Passported - Enhanced Disability	1
Elderly - Passported - Family Premium	9
Elderly - Passported - Family Premium - 1 Child	16
Elderly - Passported - Family Premium - 2 Child	3
Elderly - Passported - Family Premium - 3 Child	1
Elderly - Passported - Family Premium - 4 Child	0
Elderly - Passported - Non Dependant	497
Elderly - Passported - Other	2513
Elderly - Passported - Severe Disability	854
Elderly - Passported - Working	17
TOTAL (Elderly) = 6,909 (43%)	
Working Age - Non-Passported - Carer	102
Working Age - Non-Passported - Child Under 5	403
Working Age - Non-Passported - Disability	117
Working Age - Non-Passported - Disabled Child Premium	25
Working Age - Non-Passported - Enhanced Disability	258
Working Age - Non-Passported - Family Premium	118
Working Age - Non-Passported - Family Premium - 1 Child	674
Working Age - Non-Passported - Family Premium - 2 Child	497
Working Age - Non-Passported - Family Premium - 3 Child	184
Working Age - Non-Passported - Family Premium - 4 Child	37
Working Age - Non-Passported - Family Premium - 5 and above	8
Working Age - Non-Passported - Lone Parent Child Under 5	395
Working Age - Non-Passported - Non Dependant	38
Working Age - Non-Passported - Other	165
Working Age - Non-Passported - Severe Disability	120
Working Age - Non-Passported - War Pensioners	5
Working Age - Non-Passported - Working	433
Working Age - Passported - Carer	438
Working Age - Passported - Child Under 5	115
Working Age - Passported - Disability	157
Working Age - Passported - Disabled Child Premium	25
	1259
Working Age - Passported - Enhanced Disability	
Working Age - Passported - Family Premium	63
Working Age - Passported - Family Premium - 1 Child	416
Working Age - Passported - Family Premium - 2 Child	207
Working Age - Passported - Family Premium - 3 Child	67
Working Age - Passported - Family Premium - 4 Child	10
Working Age - Passported - Family Premium - 5 and Above	1

Equality Impact Assessment – Council Tax Support Scheme 2017

Working Age - Passported - Lone Parent Child Under 5	973
Working Age - Passported - Non Dependant	260
Working Age - Passported - Other	900
Working Age - Passported - Severe Disability	751
Working Age - Passported - Working	48
TOTAL (Working Age) = 9, 268 (57%)	
Grand Total Working Age & Elderly	16,177

Age: Consider the full range of age groups	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact:	
There are no changes proposed to the CTS 2017 Scheme.	
The impact of this scheme, as compared to the scheme available in 2015/16, remain the same as in the Equality Impact Analysis prepared in January 2015	
Evidence:	
Sources used:	

Equality Impact Assessment – Council Tax Support Scheme 2017

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact: There are no changes proposed to the CTS 2017 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.	
Evidence:	
Sources used:	

Sex/gender: Consider both men and women	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact: There are no changes proposed to the CTS 2017 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.	
Evidence:	
Sources used:	

Equality Impact Assessment – Council Tax Support Scheme 2017

Ethnicity/race: Consider the impact on different ethnic groups and nationalities		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input type="checkbox"/>	
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	
Information:		
The tables below show the projected figures for the breakdown of Havering by ethnicity/race and for Benefits claimants where they have supplied this information. The data is difficult to compare due to the different classifications of ethnicity used.		
2014 (projection)	Number	Percentage of population (%)
All ethnicities	246,269	100.00
White	211,126	85.7
Black Caribbean	3,335	1.4
Black African	9,485	3.9
Black Other	4,524	1.8
Indian	5,813	2.4
Pakistani	1,820	0.7
Bangladeshi	1,205	0.5
Chinese	1,662	0.7
Other Asian	4,467	1.8
Other	2,833	1.2
<i>BAME¹ Total</i>	<i>35,144</i>	<i>14.3</i>

¹The GLA define BAME differently to the ONS. The GLA does not include a 'White Other' Group. Instead they have one category 'White' that includes 'White British' and 'White Other'.

Equality Impact Assessment – Council Tax Support Scheme 2017

Council Tax Support/Housing Benefit Claimants where Equalities information provided August 2016

	Number	Percentage of claimants who provided information
White: British	6507	67.68%
White: Irish	131	1.36%
White: Any Other	786	8.18%
Mixed: White & Black Caribbean	128	1.33%
Mixed: White & Black African	69	0.72%
Mixed: White and Asian	38	0.40%
Mixed: Any Other	76	0.79%
Asian/Asian British: Indian	104	1.08%
Asian/Asian British: Pakistani	136	1.41%
Asian/Asian British: Bangladeshi	141	1.47%
Asian/Asian British: Any Other	81	0.84%
Black/Black British: Caribbean	266	2.77%
Black/Black British: African	759	7.89%
Black/Black British: Any Other	111	1.15%
Chinese	17	0.18%
Any Other	150	1.56%
Gypsy/Traveller	7	0.07%
Arab	23	0.24%
Asian/Asian British Indian	36	0.37%
Asian/Other	14	0.15%
Claimant Declined	34	0.35%
Total	9614	100%

From the data provided above, it would appear that there is a disproportionate impact on BME claimants. 85.7% of Havering's population are defined as White (including the 'White: Other' category such as Eastern Europeans), compared to 75.8% of benefit claimants who define themselves as White (including 'White: Other').

Sources used:

*

Equality Impact Assessment – Council Tax Support Scheme 2017

Religion/faith: Consider people from different religions or beliefs including those with no religion or belief	
<i>Please tick (✓) the relevant box:</i>	
Positive	Overall impact: There are no changes proposed to the CTS 2017 Scheme
Neutral	
Negative	
Evidence:	
Sources used:	

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual	
<i>Please tick (✓) the relevant box:</i>	
Positive	Overall impact: Not known There is no information available to make an assessment on the impact of the proposals on this protected characteristic.
Neutral	
Negative	
Evidence:	
Sources used:	

Equality Impact Assessment – Council Tax Support Scheme 2017

Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth	
<i>Please tick (✓) the relevant box:</i>	
Positive	Overall impact: There are no changes proposed to the CTS 2017 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	
Negative	
Evidence:	
.	
Sources used:	

Marriage/civil partnership: Consider people in a marriage or civil partnership	
<i>Please tick (✓) the relevant box:</i>	
Positive	Overall impact: There are no changes proposed to the CTS 2017 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	
Negative	
Evidence:	
Sources used:	

Equality Impact Assessment – Council Tax Support Scheme 2017

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave	
<i>Please tick (✓) the relevant box:</i>	
Positive	Overall impact: There are no changes proposed to the CTS 2017 Scheme The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral	
Negative ✓	
Evidence:	
Sources used:	

Socio-economic status: Consider those who are from low income or financially excluded backgrounds	
<i>Please tick (✓) the relevant box:</i>	
Positive	Overall impact: There are no changes proposed to the CTS 2017 Scheme. The impact of this scheme, as compared to the scheme available in 2015/16, remains the same as in the Equality Impact Analysis prepared in January 2015.
Neutral ✓	
Negative	
Evidence:	
Sources used:	

Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
		<p>The Discretionary Policy has been in place since 2013 and is available to residents who are experiencing hardship.</p>	<p>In 2015, two applications were made under the Discretionary Policy. One application was paid and discharged the remaining council tax liability for a working age applicant. The other application was withdrawn by the applicant who recognised their income was significantly high.</p> <p>During 2016, only one application has been received which was granted to the same applicant from 2015 whose circumstances had not changed since 2015.</p>		

Protected characteristic	Identified negative impact	Action taken to mitigate impact*	Outcomes and monitoring**	Timescale	Lead officer
			The fact that there has been no increase in applicants with disabilities presenting to the Discretionary Scheme would indicate that the 15% Council Tax charge is being managed by this group.		

Review

In this section you should identify how frequently the EIA will be reviewed; the date for next review; and who will be reviewing it.

The EIA will be reviewed at annual intervals or earlier if the Council Tax Support scheme is reviewed earlier than September 2016.

London Borough of Havering

Summary of Council Tax Support Scheme 2017

Introduction

Each local authority is required by Section 9 of the Local Government Finance Act 2012 (the Act) to produce a Scheme to reduce the liability of working age applicants whom it considers to be in financial need.

This document summarises the proposed Council Tax Support Scheme 2017 (2017 Scheme) which the Council has produced in accordance with Schedule 4 of the Act. The full version of **The London Borough of Havering Local Council Tax reduction Scheme 2017-18** can be found at www.havering.gov.uk/CTSupportdoc2017/18

The Council's local Scheme will have due regard to the Department for Communities and Local Government's policy intentions and unequivocally protects pensioners.

Havering's 2017 Scheme has been interpreted and applied in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) (England) Regulations 2012 which set out matters that must be included in the 2017 Scheme.

Summary of Council Tax Support Scheme from April 2017

From April 2017, the 2017 Scheme will adopt the existing Council Tax Support Scheme in place at 31 March 2017 as summarised in this document.

In this document 'the current Scheme' means Havering's existing Council Tax Support Scheme which was adopted in January 2013 and then amended with effect from April 2014, April 2015 and again with effect from April 2016.

Unless expressly stated otherwise, the provisions outlined below relate solely to working age applicants under the current Scheme.

No amendments are proposed to the 2017 Scheme which effectively adopts the current Council Tax Support Scheme for 2016.

This document summarises the Council's proposed Scheme for eligible working age Council Tax Payers to receive Council Tax Support in 2017.

The Scheme applicable to pensioners is fully defined in The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, Part 3, and Schedules 1 to 6, which is adopted within the 2017 Scheme.

The procedure for the application and calculation of the 2017 Scheme is summarised below and is made in accordance with Schedules 7 and 8 of the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012.

The principles embodying the Local Council Tax Support Scheme 2017 include:

- An expectation that the Council will manage significant reductions in subsidised expenditure.
- Adherence to Regulations which have been set to protect claimants of pensionable age.
- Consultation on changes to the Scheme will take place with precepting authorities and the public.
- The Council will adopt the final Scheme before 31 January 2017
- The Council aims to protect vulnerable groups.
- In reviewing Schemes, the Council will consider incentivising claimants into work.

The Local Council Tax Support Scheme 2017 includes the following information:

- Introduction and definitions
- Provisions relating to entitlement under the Scheme
- Applicable amounts
- Maximum Council Tax Support or Reduction
- Amount of reduction under the Scheme
- Assessment of Income and Capital under the Scheme
- Students
- Applications
- Extended reductions
- Period of entitlement and changes of circumstances
- Schedules

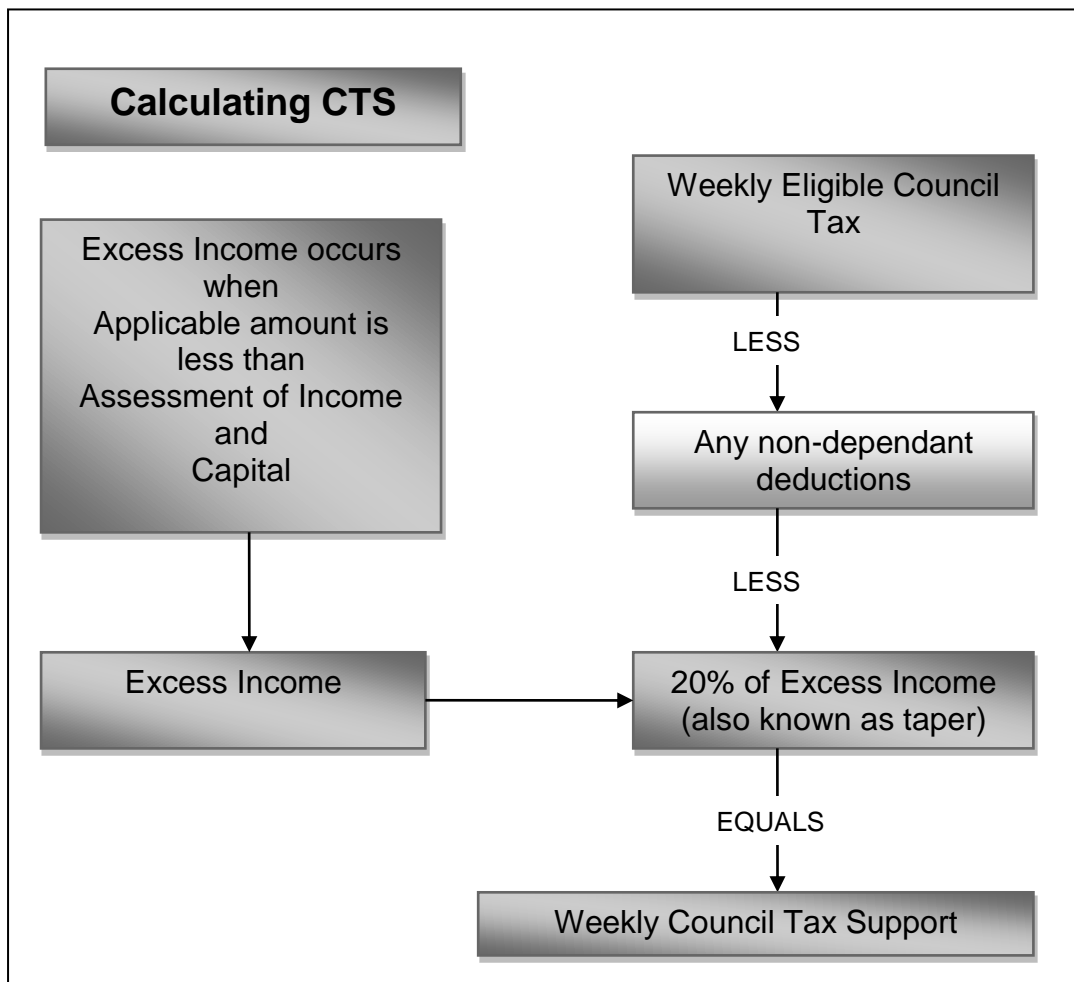
The Council Tax Support Calculation

The starting point for all calculations of Council Tax Support is the claimant's 'maximum benefit'. This is the claimant's weekly eligible Council Tax less any non-dependant deductions that apply. From April 2015 the maximum benefit figure for working age claimants changed from 100% of their council tax liability to 85% of their Council Tax liability. This means that every working age household must pay a minimum charge of 15% towards their Council Tax Bill.

Income and capital are compared to the claimant's applicable amount. The amount used to represent the claimant's needs is called the applicable amount. Any income over the applicable amount is known as the Excess Income.

The claimant qualifies for maximum support less 20% of any excess income figure. The 20% reduction to the maximum benefit is known as a taper.

Claimants in receipt of Job Seeker's Allowance and Income Support have already been assessed by the Department for Work and Pensions (DWP) as having income lower than their applicable amount and so will receive maximum Council Tax Support less any non-dependant deductions.



Non-Dependant Deductions

A non-dependant deduction is an amount of council tax that is due from the CTS claimant because there is another adult (non-dependant) who receives an income, who is not the claimant's partner, living in the household. This reduces the amount of CTS a claimant will receive which is described in paragraph 30(A) of the 2017 Scheme.

The non-dependant deductions in respect of a day referred to in the CTS Scheme shall be—

- (a) *in respect of a non-dependant aged 18 or over in remunerative work, £20.00 x 1/7;*
- (b) *in respect of a non-dependant aged 18 or over to whom sub-paragraph (a) does not apply, £6.00 x 1/7.*

(1) In the case of a non-dependant aged 18 or over to whom paragraph (1)(a) applies, where it is shown to the appropriate authority that his normal gross weekly income is—

- (a) *Less than £196.95, the deduction to be made under this regulation shall be that specified in paragraph (1)(b);*
- (b) *Not less than £196.95 but less than £341.40, the deduction to be made under this regulation shall be £9.00;*
- (c) *Not less than £341.40 but less than £424.20, the deduction to be made under this regulation shall be £15.00.*

(c) *More than £424.20*, the deduction shall be £20.00

Council Tax Support Band D Restriction for Working-Age Claimants

Since April 2014, the eligible weekly council tax used to calculate Council Tax Support for working-age claimants will be no higher than the weekly Council Tax Band D value for a property in Havering.

Paragraph 29A(1) of the CTS Scheme 2017 provides that:

- (1) Subject to paragraphs (2) to (5), the amount of a person's maximum council tax support in respect of a day for which he is liable to pay council tax, shall be 85 per cent of the amount A/B where—
 - (a) A is the amount set by the appropriate authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and
 - (b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under regulation 58 (non-dependant deductions).
- (2) In calculating a person's maximum council tax benefit any reduction in the amount that person is liable to pay in respect of council tax, which is made in consequence of any enactment in, or made under, the 1992 Act, shall be taken into account.
- (3) The level of any Council Tax Support awarded shall be restricted to the level of band D
- (4) Subject to paragraph (5), where a claimant is jointly and severally liable for council tax in respect of a dwelling in which he is resident with one or more other persons but excepting any person so residing with the claimant who is a student to whom regulation 45(2) (students who are excluded from entitlement to council tax benefit) applies, in determining the maximum council tax benefit in his case in accordance with paragraph (1), the amount A shall be divided by the number of persons who are jointly and severally liable for that tax.
- (5) Where a claimant is jointly and severally liable for council tax in respect of a dwelling with only his partner, paragraph (4) shall not apply in his case.

Maximum Council Tax Support is 85% of the annual Council Tax

Since April 2015, Maximum Council Tax Support for working age claimants is 85% of their Council Tax Liability.

This means that every working age household has to pay a minimum charge of 15% of their Council Tax Bill.

Paragraph 29A of the CTS Scheme 2017 provides that:

- (1) Subject to sub-paragraphs (2) to (4), for persons in classes D to E in this Scheme a person's maximum council tax reduction amount in respect of a day is 85 per cent of the amount A/B where—

(a) A is the amount set by the authority as the council tax for the relevant financial year in respect of the dwelling in which he is a resident and for which he is liable, subject to any discount which may be appropriate to that dwelling under the 1992 Act; and

(b) B is the number of days in that financial year, less any deductions in respect of non-dependants which fall to be made under paragraph 30A (non-dependant deductions: persons who are not pensioners) and any award restricted to the level of Band D

Capital Limit £6,000.

From April 2015, the amount of savings and investments people are allowed to have and still be entitled to claim CTS is £6,000.

From April 2015, applicants who have more than £6,000 in savings or investments are not eligible to claim and will therefore have no entitlement to CTS. Applicants in receipt of Income Support, Job Seeker's Allowance (Income Based) or Employment Support Allowance (income related) are excluded from the £6,000 savings limit and are therefore eligible to claim CTS.

Applications for Council Tax Support

The application process applies to both pension-age and working-age applicants

The following procedure has been devised in accordance with the Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, referred to as 'the Regulations' below.

Entitlement to CTS is dependent on an application being made:

- (a) By means of an electronic communication or
- (b) By telephone following publication by the Council of a number for this purpose.
- (c) In writing

The electronic form provided by the Council for this purpose must be properly completed, and the Council may require the applicant to complete the form in the proper manner, and may further require that further information and evidence is provided by the applicant.

An application will not be considered if the applicant does not provide all of the information the Council requires.

Applications made by telephone will only be accepted if the applicant provides a written statement of their circumstances in the format required by the Council.

The Council will allow a certain length of time for applicants to correct any defects in their application.

The Regulations provide for which classes of people are eligible to make application for Council Tax Support.

Any person who makes an application or any person to whom a reduction under the CTS Scheme 2017 has been awarded shall furnish such certificates, documents, information and evidence in connection with the application or award, or question arising out of it as may reasonably be required by the Council in order to determine the person's entitlement.

Where the Council requests information it shall inform the applicant or person of their duty to notify the Council of any change of circumstances and shall indicate the kind of changes of circumstances which the Council must be made aware of.

Matters related to the electronic communication of information, proof of delivery and content of information will be determined in accordance with Part 4 of Schedule 7 of the Regulations.

Where the person is a pensioner paragraph 7(4) (5) (6) and (7) of Schedule 8 of the Regulations apply which specify matters relevant to evidence and information related to pensioners.

Amendment and Withdrawal of Applications

Any person who has made an application may amend it at any time before a decision had been made by serving a notice in writing to the Council in accordance with paragraph 8 of Schedule 8 of the Regulations.

Decisions by the Council

The Council will make a decision in respect of any application for a reduction under this Scheme in accordance with the criteria set out within the CTS Scheme 2017 rules.

The decision will be made within 14 days or as soon as reasonably practicable of the Council receiving at its designated office the properly completed application or the information requested to complete it or the evidence required. The date upon which the Council is deemed to have received the properly completed application shall be determined in accordance with paragraphs 6 of Schedule 1, paragraph 7 and Part 1 of Schedule 7 of the Regulations being satisfied, or as soon as reasonably practicable thereafter.

The Council will notify the applicant or any person affected by its decision under the Scheme in writing or electronically within 14 days or as soon as reasonably practicable.

An Applicant may, within one calendar month of the notification of the decision, request in writing from the Council a statement setting out the reasons for its decision on any matter contained in the notice.

Following receipt of a request for a written statement the Council will provide this within 14 days or as soon as reasonably practicable thereafter.

Where an award or payment of reduction is made the time and manner of granting the reduction under the Scheme will be in accordance with Part 5 of Schedule 8 of the Regulations.

Change of Circumstances

For working-age Claimants, the date on which changes of circumstances are to take effect will be determined in accordance with paragraph 4 of Part 2 of Schedule 8 of the Regulations.

Procedure for making an Appeal

Any applicant who is not in agreement with the decision of the Council taken under this Scheme may serve a notice in writing on the Council setting out their reasons and grounds upon which they believe the Council has made the wrong decision.

Following receipt of an appeal in writing the Council will:

- (1) Consider the appeal
- (2) Notify the applicant in writing of the following:
 - (i) Any decision not to uphold the appeal and the reasons for that; or
 - (ii) That steps are being taken to proceed with the appeal and set out what steps.

Where an applicant remains dissatisfied following receipt of any written notice sent by the Council in response to their appeal, they may within two months of the service of that notice, appeal to the valuation tribunal.

Applications for further Discretionary Reductions

Under Section 13A(1)(c) of the Local Government Finance Act 1992 and The Council Tax Reduction Schemes (Prescribed Requirements) Regulations 2012, the Authority will consider applications for a further reduction in Council Tax.

There will be financial implications in that the cost of any reduction will be a direct cost to the Council. The cost of any discretionary reduction will, therefore, have to be met by the rest of the council taxpayers.

Applications must be made in writing or by prescribed electronic communications.

The Council will, in making decisions for further discretionary reductions, have due regard to its duties under The Child Poverty Act 2010, The Housing Act 1996, and The Equality Act 2010.

The Council will review all relevant matters when deciding whether to award a reduction including, but not limited to:

- The circumstances of any other person with whom the applicant is jointly and severally liable for Council Tax.
- The overall financial situation of the applicant and the applicant's family.
- The effect the council believes making an award will have on the applicant and any members of the applicant's family.
- Protecting the public purse and maintaining financial budgets.

A person who applies for a discretionary reduction may request that the Council review its decision. Any such request must be made in writing and be received within one month of the date the notification of the decision.

CABINET

18 January 2017

Subject Heading:

Consultation on Proposed Licensing Schemes for Houses in Multiple Occupation (HMOs) and the other Private Rented Housing Sector

Cabinet Member:

Councillor Damian White
Deputy Leader and Cabinet Member for Housing
Councillor Osman Dervish
Environment, Regulatory Services and Community Safety

CMT Lead:

Steve Moore
Director of Neighbourhoods

Report Author and contact details:

Patrick Keyes, Assistant Director of Regulatory Services
01708 432720
patrick.keyes@havering.gov.uk

Financial summary:

The operational costs of the scheme and schedule of proposed fees and charges are set out in Appendices 2a and 2b to this report. The financial objective of the scheme is to be self-financing and the fees have been set accordingly. Any unforeseen changes in legislation that may impact on the costs modelling will be addressed through close monitoring and consideration at the time including the potential of available budget including contingency.

Is this a Key Decision?

Yes - significant effect on two or more Wards

When should this matter be reviewed?

September 2018 or one year following the implementation date of the proposed licensing regime(s)

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	[X]
People will be safe, in their homes and in the community	[X]
Residents will be proud to live in Havering	<input type="checkbox"/>

SUMMARY

- 1.1 The purpose of this report is to ask Cabinet to agree the steps for the business case for the proposed introduction of five year selective and additional licensing schemes within the Private Rented Sector in the London Borough of Havering, as required by Cabinet on 23rd September 2015. In addition approval is requested to commence an informal consultation, and thereafter for the formal consultation required before the proposed adoption of both schemes.
- 1.2 The Department for Communities and Local Government (DCLG) Non-Statutory Guidance published in March 2015 explains the criteria for making a selective licensing scheme and discusses the type of evidence needed to support a designation. This report identifies the evidence relied upon to satisfy the criteria for selective and additional licensing and the steps required for an extensive consultation exercise. To assist Cabinet in the decision making process for the preparation of a new scheme a timeframe and finance detail has been included within the report and details of other steps required to comply with the relevant legislation which is necessary before the declaration of any new scheme.
- 1.3 Additional factors are outlined in the report to support the introduction of Additional and Selective Licensing Schemes in Havering
- 1.4 The report examines the potential risks of the proposed introduction of Selective and Additional Licensing Schemes and suggests ways in which they can be mitigated. Legal opinion is that the best way of mitigating risk would be to undertake an initial informal consultation. This would enable engagement and provide opportunity to seek to confirm those issues of principal interest to parties who may wish to make representations at formal consultation stage whether in support or, particularly, against the proposed schemes including their evidence bases. Informal consultation would be for 4 weeks and capture of this feedback would demonstrate that the Council had made concerted attempts to work with the private rental sector, would assist the final content of the proposed schemes upon which any formal consultation would be made and is consistent with current best practice.
- 1.5 It is proposed that, on completion of the informal consultation and consideration of feedback, the decision as to whether to progress either or

both of the proposed schemes to formal consultation and the final content of the business case justifications for the proposed additional/selective licensing schemes including agreement to any necessary changes prior to formal consultation be delegated to the Leader of the Council in consultation with the Lead Member for Housing.

RECOMMENDATIONS

1. Subject to paragraph 2.3 Cabinet is asked to approve the preparation of the business case for the following property licensing schemes in the private rented housing sector and formal consultation in accordance with statutory requirements preceded by an informal consultation for a period of 4 weeks as follows:
 - (a) Additional Licensing Schemes for landlords of Houses in Multiple Occupation (HMOs) as described in the proposal paper attached as Appendix 6;
 - (b) A Selective Licensing Scheme for landlords of non-HMO privately rented residential accommodation in the selected locations set out in the proposal paper, attached as Appendix 7.
2. The fee structure for the Additional and Selective Licensing Schemes, as detailed in *Appendix 2b* of this report and Appendix 4 of each of the attached proposed consultation documents. Appendix 2a to this report also sets out the expected operational costs of the proposed schemes but notes that the licence fee has currently been set to cover only the administration and associated costs of the licence application. The Council continues to work on the licence fee model and will be considering alternative fee structures inclusive of costs under Section 63 (7) and Section 87 (7) of the Housing Act 2004 prior to the start of any formal consultation.
3. That following completion of the informal consultation and consideration of matters raised, power to authorise whether to progress either or both of the proposed schemes to formal consultation on proposed designation and the final form and content of the additional and selective licensing schemes themselves, including any changes to the fee structure, be delegated to the Leader of the Council in consultation with the Lead Member for Housing. It also be noted that subject to the above the informal consultation may result in either or both of the proposed schemes not proceeding at this stage.

REPORT DETAIL

- 1.1 More people moved into residential accommodation in Havering in 2015 than in any other London borough. This was due to lower rental costs than in Inner London, excellent transport links to London and the M25 and the amount of public open space. Havering Council has seen significant growth in the private rented sector. The 2011 Census revealed that the private rented housing sector in Havering had more than doubled over the previous 10 years, and the growth of this sector is forecast to continue.
- 1.2 In 2011 11% of dwellings in Havering were privately rented (compared with the London average of 25%). Havering's privately rented stock now represents around 17% of the total housing stock (17,035 households), with two wards having a level of 26.5% (Romford Town) and 27.5% (Brooklands). This growth has been largely through the activities of 'buy to let' investors and these new landlords have replaced owner occupiers in many of our streets and neighbourhoods. Havering has also experienced a significant rise in the growth of Houses in Multiple Occupation (HMOs) in recent years.
- 1.3 The rise in HMOs has led to increased complaints of anti-social behaviour by occupiers of neighbouring homes and a significant number of campaigns and petitions organised by residents in the borough to challenge the development of HMOs and the management practices conducted by local landlords. With such growth in mind, there is a need to ensure effective management of these properties in order to prevent rogue landlord activity, maintain good standards, maintain a thriving affordable private rented sector and ensure well managed stock for future years to come.
- 1.4 Having considered the main recognised means of private rented regulation currently operating in other local authorities it is appropriate for Havering to consider introducing a selective and additional licensing scheme in order to monitor and control the activity of private rented sector landlords in the borough.
- 1.5 Following a review of the current status of the private rented sector in Havering carried out by the Towns and Communities Overview and Scrutiny Sub-Committee Topic Group, it was agreed at Cabinet on 23 September 2015 that a full business case would be developed with following recommendations.
- 1.6 Introduce a Selective Licensing Scheme in the Wards of Brooklands, Gooshays and Heaton, subject to consultation and development of a cost neutral business case; and
- 1.7 Introduce a Selective Licensing 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.

- 1.8 These recommendations to focus on Selective licensing were based on an understanding of the relevant legislative processes at that time. The legal landscape around licensing is continually evolving and on more detailed legal advice the Council is now proposing to introduce separate additional and selective licensing schemes.
- 1.9 Currently, mandatory licensing under Part 2 of the Housing Act 2004 applies to houses in multiple occupation comprising three or more storeys, occupied by five or more persons, living in two or more single households. Additional licensing, again under Part 2 of the 2004 Act, applies to HMOs of a description given by the local authority in any designation it makes under section 56 of the 2004 Act. Selective Licensing, by contrast, applies to other residential accommodation – Part 3 houses, as defined by sections 79 and 99 of the 2004 Act. The Government has recently announced its intention to extend the scope of mandatory licensing under Part 2 of the 2004 Act to include HMOs occupied by five or more persons in two or more households, regardless of the number of storeys. It has not, however, legislated to give effect to that proposal but if enacted, the extension would not cover all of the HMOs that the Council intends to include in its additional licensing scheme.
- 1.10 The evidence base collated at the time to support the September 2015 Cabinet decision to proceed with development of a business case was concluded to be fit for purpose having regard to the prevailing legal climate at that time. In the interim, successive licensing proposals by other authorities and the legal outcomes of these has placed a heavier emphasis on the evidential tests needed to justify proposed schemes. This is reflected in current legal advice reflected in this report that stronger evidence is required than that originally anticipated in 2015.
- 1.11 The introduction of these property licensing schemes will enable a significant change in the way that anti-social behaviour and poor management associated with some of the private rented sector is tackled. The implementation of the licensing schemes will enable the Council to investigate who is responsible for the day to day management and any problems associated with the properties in addition to undertaking enforcement activities such as compliance inspections and audit checks of the licence conditions.

2. Current status of Private Rented Sector Regulation in Havering

- 2.1 The Council currently operates the following methods of regulatory control of the private rented sector:
- **Mandatory Licensing of HMOs** – This is a requirement under Part 2 of the Housing Act 2004. Section 254 requires all local authorities in England and Wales to licence 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 specific licence conditions that the landlord must comply with.

- **The Housing Health & Safety Rating System (HHSRS)** is a risk-based evaluation tool used to identify potential risks and hazards to health and safety of occupants as a result of deficiencies present in private rented sector dwellings and to take appropriate action in order to reduce or remove those hazards, within the terms of under Part 1 of the Housing Act 2004. Property inspection and assessments will usually only be carried out on a reactive basis in response to complaints received. It is a known fact that the most vulnerable tenants living in unsafe or overcrowded accommodation will not complain for fear of reprisals.
- **Article 4 Directions** – The Council’s response to recent community-led campaigns concerning the development of new HMOs has led to the Council deciding to exercise one of the additional discretionary regulatory controls available under the Town and Country Planning Act 1990 (Article 4 Directions). This has the effect of removing the permitted development rights in relation to the change of use from dwelling houses to an HMO. The Council’s implementation of two Article 4 Directions is designed to provide stronger planning control over the creation of new HMOs in the borough. Whilst any successful Article 4 can be expected to help improve conditions for new HMO stock, other property types in the wider private rented stock are left unaddressed by this method of regulatory control

2.2 Further regulatory control of the private rented sector could achieve the following improvements through the implementation of licensing schemes:

- Improvement in the physical condition, management practices and overall quality of bedsit type accommodation
- Informed landlords and responsible tenants
- Improved protection for vulnerable groups living in HMOs
- Economic benefits for tenants as a result of better landlord management practices
- Benefits to neighbourhoods and local communities in terms of reducing anti-social behaviour and crime, making Havering a safer and more desirable place to live
- Reduced environmental costs tackling fly tipping and other forms of environmental crime through ensuring better management of private rented homes
- Improved links and knowledge with local landlords for the local authority, contributing to a better understanding of private rented sector conditions
- Prevention of rogue landlord activity

- The encouragement of absentee or unprofessional landlords to employ an agent to actively manage their properties
- Support for landlords in dealing with anti-social tenants and training on management of their properties
- Education for tenants in their responsibilities to behave in a tenant like manner
- Education for tenants to ensure they only live in properties that meet a minimum standard
- Promotion of landlord accreditation and the aspiration to let property to a higher standard and to act in a professional manner with well written tenancy agreements, inventories and protected deposits;
- Encouragement of landlords not to take tenants with a poor reference
- Better reputation of private landlords in the borough

3. **The Legal Framework**

3.1 The Housing Act 2004 allows Councils to licence privately rented housing in three ways:

- **Mandatory Licensing**
- **Additional Licensing**
- **Selective Licensing**

3.2 **Mandatory Licensing** Currently, mandatory licensing under Part 2 of the Housing Act 2004 places a duty on all local authorities to licence houses in multiple occupation comprising three or more storeys, occupied by five or more persons, living in two or more single households. (However as previously set out in the report, the Government intends to extend the scope of mandatory licensing under Part 2 of the 2004 Act to include HMOs occupied by five or more persons in two or more households, regardless of the number of storeys however there is no legislation in force regarding this proposal).

3.3 **Additional Licensing** provides a power for local authorities to licence HMOs which are not covered by mandatory licensing. Part 2 of the Housing Act provides for Additional Licensing of HMOs which are less than 3 storeys high or for example occupied by fewer than five or more people in two or more households.

3.4 An additional licensing scheme should only be considered if the Council believes a significant proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise to, or be likely to give rise to, problems for the occupants or for members of the public.

- 3.5 **Selective Licensing** allows local authorities to introduce licensing for privately rented properties accommodating single households. It is intended to address the impact that poorly managed rented properties can have on the local environment and to improve housing conditions. Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local authority area. Under section 80 of this Act, a local housing authority can designate the whole or any part(s) of its area as being subject to Selective Licensing. Where a Selective Licensing designation is made it applies to all Part 3 Houses which may be houses or flats as defined by sections 79 and 99 of The Housing Act 2004 which are privately rented property in the area, subject to certain exemptions for example Registered Social Landlords, or HMOs which are required to be licensed under Part 2 of the Act through an Additional Licensing Scheme.
- 3.6 If the local authority makes a Selective Licensing designation that covers (i) 20% or less of its' total geographical area and (ii) includes less than 20% of its privately rented properties then the scheme will not need to be submitted to the Secretary of State for Communities and Local Government (DCLG) for approval. Larger Selective Licensing Schemes covering a wider designation or whole borough will require specific Government approval.
- 3.7 For each designation different considerations apply. For the Council to introduce a Selective Licensing Scheme applying to non HMOs it has to be satisfied it is an area in which one or more of the following general conditions apply. It is worth noting for the condition relating to 'anti-social behaviour' the Council must show some or all landlords who have let premises in the area (whether under leases or licences) are failing to take action to combat and effectively deal with the problem.
- 3.8 These general conditions are:
- (i) That the area is, or is likely to become, an area of low housing demand;
 - (ii) That the area is experiencing a significant and persistent problem caused by antisocial behaviour;
 - (iii) The area has poor property conditions;
 - (iv) The area has high levels of migration;
 - (v) The area has high levels of deprivation;
 - (vi) The area has high levels of crime.
- 3.9 The authority must also be satisfied that making a designation will, when combined with other measures taken in the area by the local housing authority (or by other persons together with the local housing authority) lead to a reduction in, or the elimination of, the problem(s).
- 3.10 In considering whether to designate an area for Selective Licensing on one or more of the grounds set out in 3.8 but excluding those set out in 3.8 i) and ii)

above , the local authority may only make a designation if the area has a high proportion of property in the private rented sector compared with the national figure.

- 3.11 Nationally the private rented sector makes up around 19% of the total housing stock in England so if the actual proportion of privately rented properties in a given area is more than 19%, the area can be considered as having a high proportion of privately rented properties. This is important when considering the high proportion of private rented sector in wards such as Brooklands and Romford Town.
- 3.12 Prior to adopting designations of either of the property licensing schemes, the local authority must *consider* (a) whether there are any other courses of action available that might provide an effective method of achieving the objectives that the designation would be intended to achieve; and (b) that making the designation will significantly assist it to achieve the objective or objectives.
- 3.13 Before making a designation under either Part 2 (additional licensing) or Part 3 (Selective Licensing) of the Housing Act 2004, the Council has a duty to formally consult all persons likely to be affected by the designation and to consider any representations made. If the designation does not require the confirmation of the Secretary of State because of its extent, the formal consultation must be for a minimum of ten weeks.

4. **Evidence to support further regulation of Havering's Private Rented Sector**

Additional Licensing

- 4.1 The Council has undertaken a proactive HMO inspection programme of 2-storey and non-licensable HMOs in order to gain knowledge about the quality of the accommodation, to work with landlords to improve standards and fire safety and to ensure greater compliance with the Management Regulations.
- 4.2 This inspection programme revealed that there were unsatisfactory management practices in place in a significant number of cases. It was identified that a large number of 2 storey HMOs contravened one or more of the conditions required under the HMO Management Regulations, or failed to meet the minimum standards set out under the adopted East London Standards for HMOs, or both.
- 4.3 More detail is provided in the proposed Additional Licensing Scheme consultation document, but evidence has been gathered showing a proportion of HMOs in the area are being managed sufficiently ineffectively as to give rise to, or be likely to give rise to, problems for the occupants or for members of the public. On this basis it is proposed that scheme of Additional Licensing should be introduced to cover all HMOs with the Borough although the

proposal document also includes the opportunity for consultation on the merits or otherwise of any additional licensing scheme being restricted to selected wards.

Selective Licensing

- 4.4 Recent data obtained through data analysis using the Tenure Intelligence Model (TIMs) created by LB of Newham has indicated that the proportion of private rented housing stock is approximately 17% borough-wide. Although overall this is below the national average of 19%, the level of private rented housing within the areas originally proposed to be included within a Selective Licensing Scheme exceeds this figure.
- 4.5 The population of the Borough is projected to increase by 10% by 2020, an increase of 24,000 people. This is expected to place significant pressures on the housing market in the Borough, particularly the demand for affordable housing.
- 4.6 Evidence has been obtained to ascertain whether a case can be made for designating an area(s) for Selective Licensing having regard to the requisite general conditions listed in paragraph 3.8 of this report. This is detailed in the proposed Selective Licensing Scheme consultation document and the conclusions summarised below:

General Condition	Evidence Supporting Proposed Designated Areas
Crime	Area 1 (“Harold Hill”) and Area 2 (“Romford”)
Anti-social behaviour	Area 1 (“Harold Hill”) and Area 2 (“Romford”)
Poor Property Conditions	Area 1 (“Harold Hill”) and Area 2 (Romford)
Deprivation	Area 1 (“Harold Hill”)
Low Housing Demand	None
Migration	None

5. Proposed Selective Licensing Designated Areas

- 5.1 It is proposed that Havering Council should designate two distinct areas coloured yellow on the maps presented in *Appendix 1* as Selective Licensing areas. The first area is “Harold Hill” and is made up of around 50% each of Gooshays and Heaton Wards. The second area “Romford” is made up of most of Brooklands ward and around 25% of Romford Town Ward. These two areas combined cover less than 7% of Havering’s total geographical area and represent just under 19% of its private rented housing stock.

6. Fees

- 6.1 The operational costs of the scheme and schedule of proposed fees and charges are set out in Appendices 2a and 2b to this report. The financial objective of the scheme is to be self-financing and the fees have been set accordingly. Any unforeseen changes in legislation that may impact on the costs modelling will be addressed through close monitoring and consideration at the time including the potential of available budget including contingency.
- 6.2 The Council continues to work on the licence fee model and will be considering an alternative fee structure which may enable the Council to include aspects of enforcement work not currently included.
- 6.3 Funding arrangements for enforcement may for example be woven into the current "Clean and Safe" review of enforcement. Work on this will continue and provision is made within the report recommendations for this to be reviewed and agreed by the Leader in consultation with the Lead Member for Housing as part of the decision whether to progress one or both of the proposed schemes to the next stage, ie formal consultation.

7. Consultation

- 7.1 It is proposed that initially an informal consultation is carried out and that a formal consultation exercise would thereafter be undertaken which will be for both or either of the property licensing schemes.

At the informal consultation stage, the capture of early feedback will be invaluable in providing the Council an informed basis of how to proceed with the formal consultation. It will also assist with militating against any potential challenge (s) to the proposed property licensing schemes.

8. On-going engagement

- 8.1 The subject of property licensing sits within a legal landscape which is complex and continually evolving including the relevance of decisions elsewhere made under case law. For these reasons it should be noted that the programme set out within the appended business cases reflects the current situation and will be subject of on- going risk analysis and monitoring so that any external influencing factors can be identified and considered and the detailed programming adjusted accordingly as the need may arise.
- 8.2 The Council has initiated briefings for all members to be kept informed on matters related to HMOs and property licensing schemes. A Member briefing on 19 January has been arranged as part of that process. It is intended that such briefings will continue at regular intervals in addition to updates given through the Council's formal business.

- 8.3 Based on current programming it is anticipated that if the Council decides to proceed with the proposed property licensing schemes, the implementation process will start during September 2017 and will need to include the notice period enabling landlords and the council to prepare for the new scheme. The timing of decision making and the introduction of the scheme (including the lead in notice) depends to some extent on the consultation feedback.

REASONS AND OPTIONS

- 1.1 The designation of Additional and Selective Licensing Schemes would provide a means for (i) controlling the use and management of all private rented housing within the most problematic areas of Havering, (ii) maximise the opportunity to improve conditions and management practices within the worst affected areas and (iii) create a level playing field for HMO landlords across the whole of the borough. The informal consultation exercise will cover the proposals for both schemes simultaneously, thus reducing the Council's costs.
- 1.2 The proposed introduction of Additional and Selective Licensing Schemes is also subject to a formal consultation in order to seek the views of tenants, landlords, residents and businesses that may be affected by the proposals. If the designation does not require the confirmation of the Secretary of State because of its extent, the formal consultation must be for a minimum period of not less than ten weeks.
- 1.3 The proposed informal consultation documents are presented in *Appendix 6* (Additional Licensing Scheme) and *Appendix 7* (Selective Licensing Scheme). Preceding the formal consultation with the period of informal consultation will enable engagement and an opportunity to seek to confirm those issues of principal interest to parties who may wish to make representations at formal consultation stage.
- 1.4 The results of informal and formal consultation will be fully considered and a further report submitted to Cabinet in summer 2017 detailing the outcome and, if appropriate, seeking formal approval for the designation of an Additional Licensing Scheme and/or Selective Licensing Scheme for prescribed roads.
- 2. Reasons for the decision:**
- 2.1 It is considered that the potential effects of the designation of Additional and/or Selective Licensing Schemes in neighbouring local authorities may exacerbate the problems which exist within Havering's private rented sector. The licensing regimes may threaten to displace the worst landlords from those

boroughs and drive them into boroughs that do not operate any form of non-mandatory private rented housing licensing which are, therefore, seen as being more lightly regulated.

- 2.2 Although evidence is required to substantiate this perceived risk, Havering could be considered to have a buoyant private rental market and is an attractive area for property investors, some of whom may have chosen to leave other boroughs due to the introduction of property licensing schemes. Property licensing in Havering may therefore be viewed as a preventative measure in this regard.
- 2.3 In response to these issues, it is anticipated that the introduction of more robust controls, such as those achievable through Selective and Additional Licensing, will potentially (i) prevent the possible migration of rogue landlords into Havering, (ii) provide an opportunity to drive up standards within the private rented sector by improving the management of those properties and (iii) reduce antisocial activity often linked to poorly managed properties. A more proactive approach to tackle these complex issues will see benefits for landlords, tenants and local residents.
- 2.4 A summary of the risks associated with the proposed schemes is presented in *Appendix 3*.

3. Other options considered:

- 3.1 Five options were considered. The benefits and risks associated with each of these are summarised in *Appendix 4*.

IMPLICATIONS AND RISKS

1. Financial implications and risks:

- 1.1 The estimated income and expenditure costs associated with operating the Additional and Selective licencing scheme has been calculated and is shown in *Appendix 2*.
- 1.2 Income received from the Licences will cover but not exceed the cost of providing the Licensing function. At present the proposed licence fee is for administering the property licensing scheme. The Council continues to work on the licence fee model and will be considering an alternative fee structure inclusive of costs under section 63 (7) and Section 87 (7) of the Housing Act 2004.

- 1.3 Licences may be issued for up to a five year period and the overall income and expenditure for that time period is shown. The proposal is to charge a fee of £800 for the Additional licence and £500 for the Selective licence. It is expected that there will be a high compliance rate of applications in view of the discount of 25% for early applications. In addition, those who provide evidence of being members of a landlord association will receive a further 10% discount.
- 1.4 Due to the two proposed discounts it has mitigated the risk of the income receivable from the licencing fees being greater than the estimated licencing scheme operating costs.
- 1.5 The Council incurs costs associated with poorly managed private sector housing and associated ASB (eg dumped rubbish and graffiti); these proposed licensing measures should reduce the Council's expenditure on such matters.
- 1.6 Cleared: Comie Campbell *Interim Strategic Finance Business Partner* 16/12/2016.

2. **Legal implications and risks:**

- 2.1 This report seeks Members approval for the commencement of work on proposed new designation schemes, including agreement to begin an informal consultation and thereafter formal consultation exercise.
- 2.2 Under The Housing Act 2004 (the Act), a Local Housing Authority has the power to designate the whole or any parts or parts of its area as being subject to Selective Licensing and/or Additional Licensing for Houses in Multiple Occupation (HMOs).
- 2.3 The effect of designation is that all privately rented properties (save where an exemption applies), would require a licence. In order to make new designations, the Council will need to meet certain requirements set out in the Act (see below) before they are implemented.
- 2.4 Under Section 80 of The Housing Act 2004 the Local Authority can designate whole or any part or parts of its area as subject to Selective Licensing and this applies to privately rented property in the area.
- 2.5 Before designating a Selective licensing area, the Council must consider:
 - a) That its area is or is likely to become an area of low housing demand and that the conditions in the areas will be improved by the designation combined with other measures; or.
 - b) That the area is experiencing a significant and persistent problem caused by anti-social behaviour which is not being dealt with by private

sector landlords and that designation will in combination with other measures lead to a reduction in or elimination of the problem.

- 2.6 Under The Selective Licensing of Houses (Additional Conditions) (England) Order 2015 a Selective Licensing Designation may be made if the area to which it relates satisfies one or more of the following conditions, that is the area is one experiencing:
- 1) Low Housing Demand (or is likely to become such an area)
 - 2) A significant and persistent problem caused by antisocial behaviour
 - 3) Poor property conditions
 - 4) High levels of migration
 - 5) High level of deprivation
 - 6) High levels of crime
- 2.7 Before designating an Additional licensing area, the authority must consider that a significant proportion of the HMOs of the relevant description in the area are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public.
- 2.8 Additionally before making the designations, the council must ensure that they are consistent with its overall housing strategy and must seek to adopt a co-ordinated approach in tackling issues of homelessness, empty properties and anti-social behaviour affecting the private rented sector in its use of property licensing , whether on its own or in combination with other measures.
- 2.9 Designations must not be made unless the Council has considered other available courses of action that would achieve the same objectives as the proposed designation and that the making of the designation will significantly assist them in dealing with any problems identified.
- 2.10 With effect from 1st April 2015 a local housing authority will now need to apply to the Secretary of State for Communities and Local Government for confirmation of any scheme which would cover more than 20% of their geographical area, or that would affect more than 20% of privately rented homes in the local authority area.
- 2.11 Therefore under the new arrangements if a designation is made which covers 20% or less of its geographical area or privately rented properties, the scheme will not needed to be submitted to the Secretary of State provided the authority has consulted for a period of not less than ten weeks on the proposed designation.
- 2.12 If the local authority makes two designations at the same time, each of which account for less than 20% of the area or privately rented stock but cumulatively account for more than 20% of either, both schemes will need to be submitted to the Secretary of State for their approval. Therefore it is

imperative the data and evidence gathered by the authority is carefully analysed to determine whether or not it meets this threshold.

- 2.13 The Council must consult with persons likely to be affected by the designation. This includes residents, and local or national businesses, tenants, landlords and their managing agents both in and outside the area. In *R (Regas) v LB Enfield* [2014] EWHC 4173 His Honour Judge McKenna ruled that the local authority had failed to consult those outside the area who were likely to be affected.
- 2.14 If the designation does not require the confirmation of the Secretary of State because of its extent, the formal statutory consultation must be for a prescribed minimum period of not less than 10 ten weeks.
- 2.15 Legal opinion recommends the Council undertakes an informal consultation exercise for a period of at least 4 weeks. This will effectively be a public engagement and listening exercise, which will enable the Council to gauge the public's response to the proposals, allow those an opportunity who are likely to be affected by the designations to set out their issues , concerns and suggestions or support before any period of formal consultation begins. Furthermore it is considered good practice to obtain the initial views of the stakeholders to use that information to shape any further options the Council wishes to put forward in the formal consultation. It is also likely to raise at an early stage, any potential challenge (s) to the proposed property licensing schemes.
- 2.16 Any representations made during the informal and formal statutory consultation exercise must be carefully considered before the designations are made.
- 2.17 To ensure an effective informal and formal statutory consultation, it must take place when proposals are still at a formative stage; it must include sufficient reasons for the proposals to enable consultees to consider them, and respond to them intelligently; enough time must be allowed; and the consultation responses must be taken conscientiously into account when a decision is taken on whether to designate.
- 2.18 Once both schemes have been fully drafted for the formal statutory consultation, the designations may be challenged by Judicial Review. The authority should consider alternative options in the event of a successful challenge. The time limit for issuing a claim for Judicial Review is three months from the date of the designation.
- 2.19 The Council must ensure that it has due regard to its equalities duty under s.149 of the Equality Act 2010 when considering whether to designate its area and if there is an adverse impact on those with protected characteristics caused by the proposed designations, that consideration is given to any mitigating steps that can be taken. The duty should be taken into account during the design of the consultation process and in communicating any

agreed changes. An equalities assessment of the proposals will usually ensure compliance with this duty.

- 2.20 The local authority has the power under section 63 of the Housing Act 2004 to fix a fee for Houses in Multiple Occupation (HMOs) and under section 87 for Selective licensing of other residential accommodation. Although the Government may make regulations specifying the maximum fees which can be charged, no regulations have yet been made. Subject to any potential future Regulations, the local authority may take into account all of its operational costs when setting the fee (costs under Part 2, Part 3 and Chapter 1 of Part 4 of The Housing Act 2004).
- 2.21 Local authorities are expected to set a fee rate which is transparent, accountable and directly related to the functions under the Housing Act 2004. Fees cannot be used to raise extra revenue for the local authority and the level of fee rates must also be set at an amount which is sufficient to reflect the true costs of both schemes.
- 2.22 At present the proposed licence fee model includes the costs of administering the proposed licensing schemes. However Counsel's advice may be sought to consider an alternative fee structure inclusive of costs under section 63 (7) and section 87 (7) Housing Act 2004 taking into account the Supreme Court judgement in the case of *R (on the application of Hemmings (t/a Simply Pleasure Ltd) and others) v Westminster City Council UKSC 25* as it is arguable the extent to which licence fees can include enforcement costs.
- 2.23 Provision is made within the recommendations to this report for the Leader in consultation with the Lead Member for Housing to be authorised to decide any alternative fee structure.
- 2.24 Further legislation may be introduced by the Government in the future which may affect the subsequent decisions, processes, and degree of risk associated with the proposed licensing schemes.
- 2.25 The Government has recently announced its intention to extend the scope of mandatory licensing under Part 2 of the Housing Act 2004 to include HMOs occupied by five or more persons in two or more households, regardless of the number of storeys. However it has not yet legislated to give effect to that proposal and at the time of writing this report, it is not known when Government intends to pass them. However, if enacted, it is likely the extension of the definition of mandatory HMOs which the Council intends to include within the proposed additional licensing scheme will not cover all of the HMOs in the borough. If and when appropriate, Counsel's advice will be sought on the full implications of this extension on the proposed licensing schemes.

3. **Human Resources implications and risks:**

- 3.1 Staffing implications for resourcing the administration and operation of the Licensing schemes are covered within the budget model.

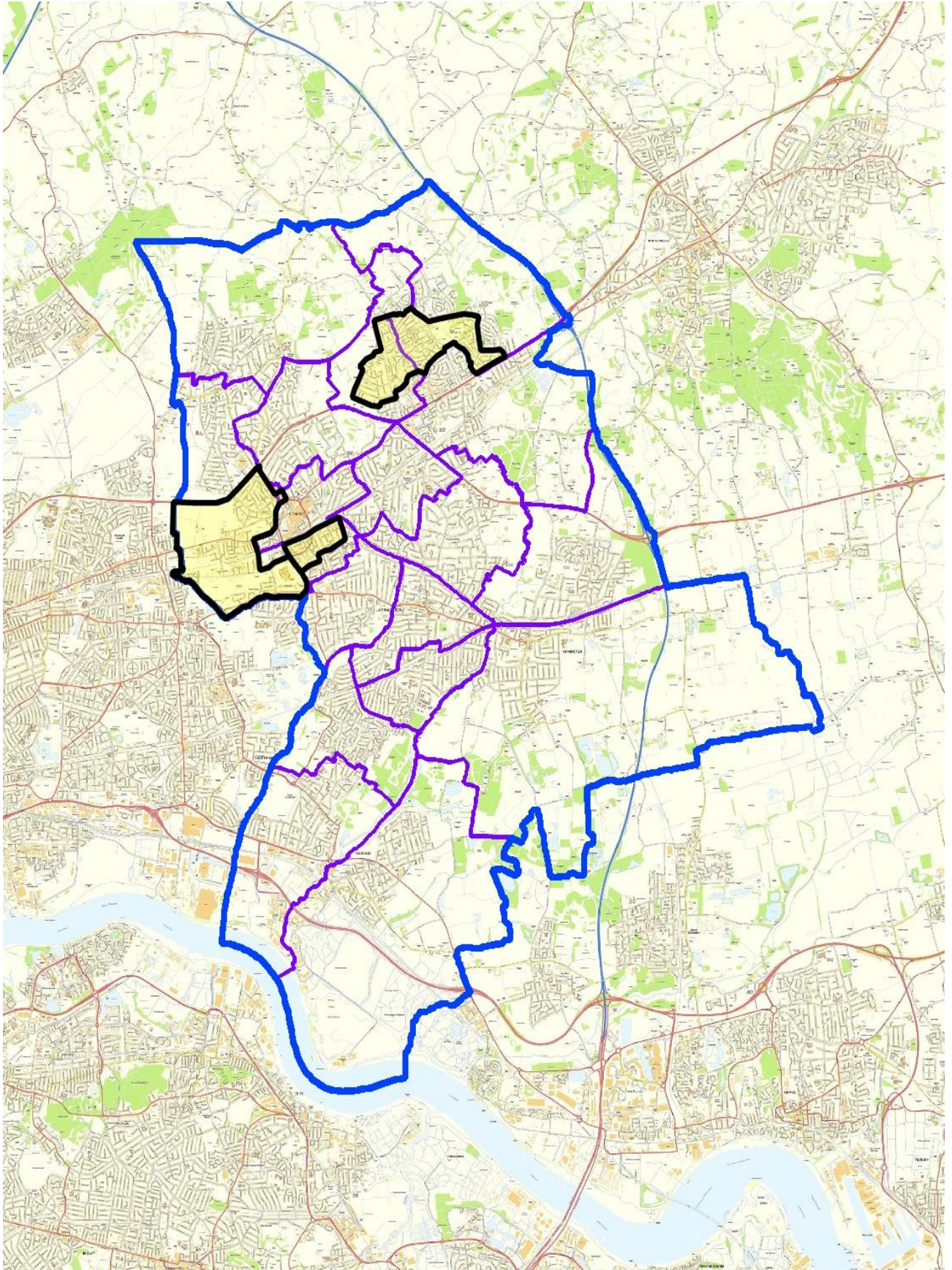
4. **Equalities implications and risks:**

- 4.1 An equalities impact assessment (EIA) has been carried out and is attached as *Appendix 5*. Copies of the EIA will be appended to each of the licensing scheme proposals as part of the informal and any formal consultation.

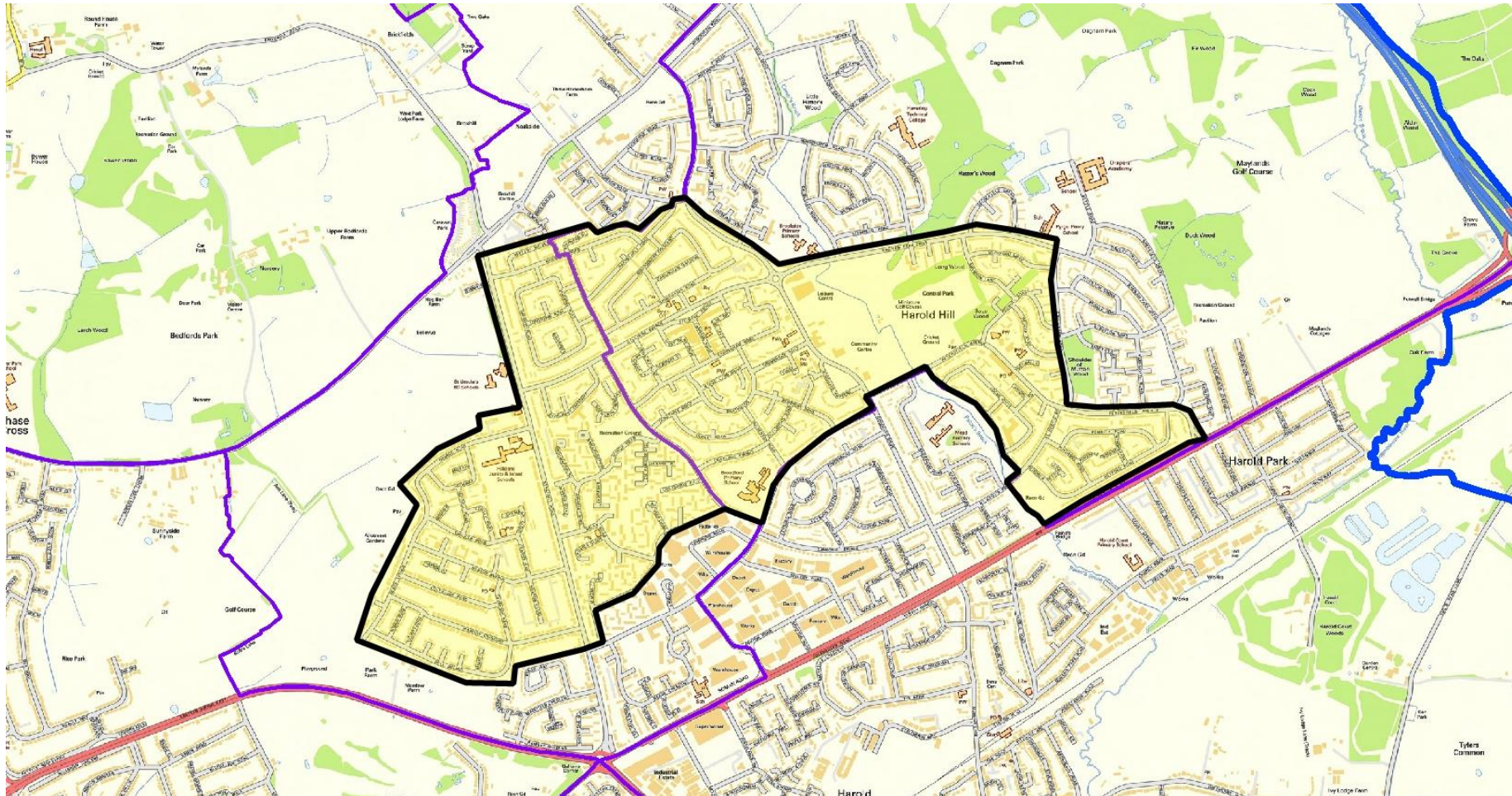
BACKGROUND PAPERS

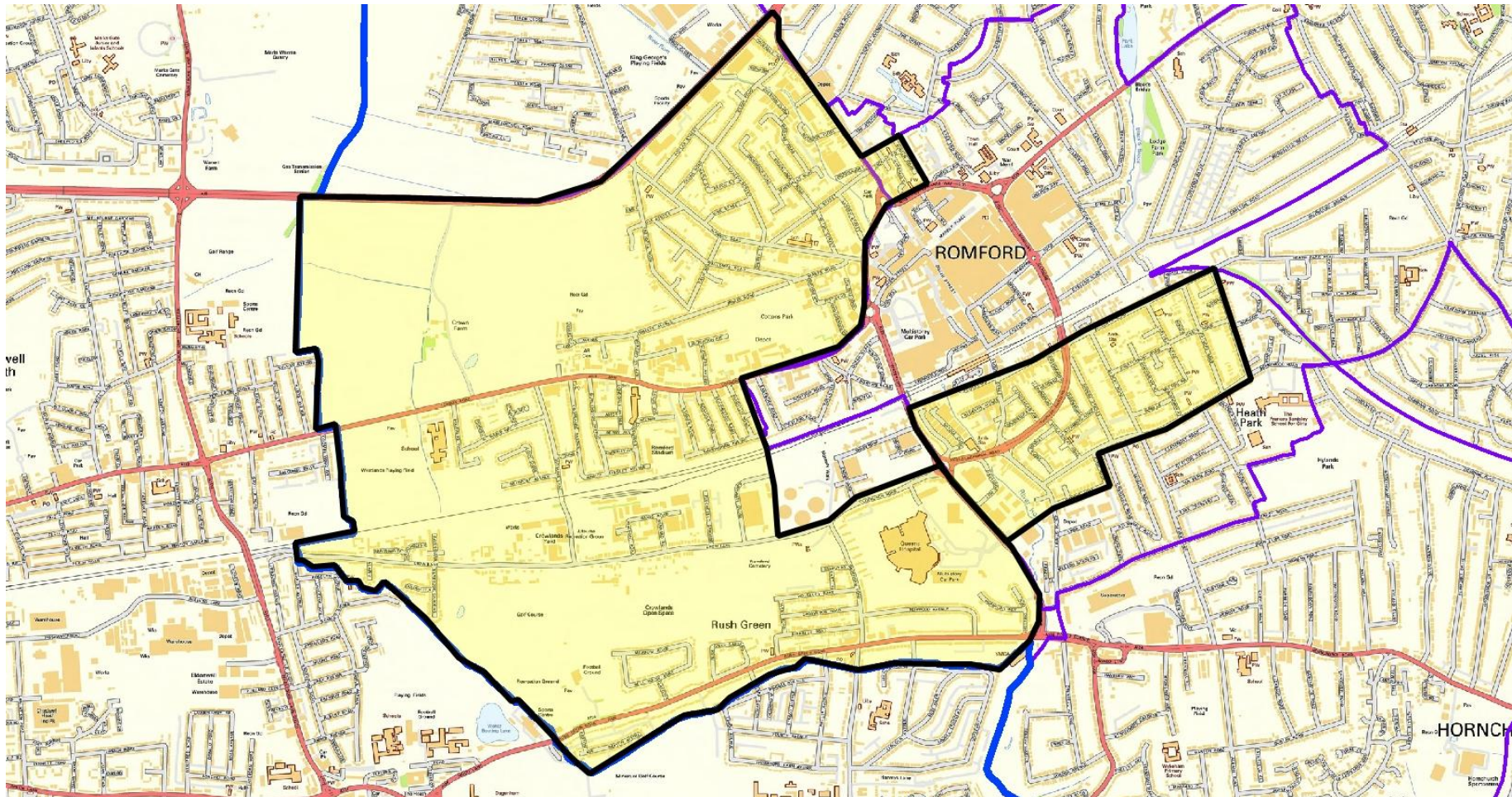
None

Appendix 1 Maps showing Proposed Designated Selective Licensing Areas (yellow)



Borough Map Showing Proposed Designated Selective Licensing Areas (yellow)





Area 2 Romford



Appendix 2a Operational Costs of Scheme

TABLE 1		Further Discounts Available								
						Discount Rate			Discount Rate	
						25%			10%	
London Borough of Havering HMO Additional and Selective Licence over 5 Years	% of Clients Expected to be charged	Fee	Estimated Client Numbers who will pay the full Fee	Estimated Income Receivable	Estimated Client Numbers Receiving Early Bird Discount	Estimated Income Receivable from Clients who receive an Early Bird fee	Discount Per centage	Estimated Number of Clients who are Members of a Landlord Association	(See Note 1) Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total
Income										
HMO Additional Licence		£800	350	£280,000	650	£390,000		100	-£8,000	£662,000
Selective Licence		£500	1,225	£612,500	2,275	£853,125		250	-£12,500	£1,453,125
Subtotal			1,575	£892,500		£1,243,125			-£20,500	£2,115,125
Additional Charges										
Additional supplement for paper applicator	5%	£100	79	£7,875						£7,875
Charge for assisted applications	5%	£100	79	£7,875						£7,875
Subtotal			158	£15,750						£15,750
Total Estimated Income Over 5 years										£2,130,875
Expenditure										
Operational Costs										
Staff Cost				£1,326,800						
Overhead Costs				£593,580						
				£1,920,380						
Start up cost										
IT system				£57,500						
Publicity				£21,736						
				£79,236						
Setup costs										
Staff Cost				£121,259						
Materials/Printing forms etc				£10,000						
				£131,259						
Total Estimated Expenditure Over 5 years										£2,130,875

Note 1

Clients who receive a further 10% discount for being a member of a Landlord Association will already have been included within the numbers of full or early bird discount fee payers



Appendix 2b Schedule of Proposed Fees & Charges

Proposed Fees and Charges

In setting the licence fees, the Council may, by statute, take into account (a) the costs it incurs in carrying out its functions under Part 2 to the 2004 Act (Licensing of HMOs) and (b) the costs it incurs in carrying out its functions under Chapter 1 of Part 4 to the 2004 Act (Interim and final management orders), so far as they are not recoverable under or by virtue of any provision of that Chapter. In particular, the cost of applying for a licence must be reasonable and proportionate.

At present, the licence fee has been set to cover the administration and associated costs of the licence application. However the Council continues to work on the licence fee model and will be considering an alternative fee structure inclusive of costs under section 63 (7) and Section 87 (7) of the Housing Act 2004 prior to the start of the formal consultation.

The Council intends to review the fees annually and adjust them to reflect any changes in costs.

If a landlord wishes to submit a paper application, or requires additional help with the application process, the Council will charge a supplementary fee**. General advice is provided, however, at no extra cost.

All licences may be valid for a period of five years unless the proposed licence holder is a person of concern***.

The proposed fee structure is as follows;

Table 4: Fees

Fee Type	Fee Amount
Additional (HMO) Licence Fee (Online Application)	£800
Additional (HMO) Licence Fee (Paper Application)	£900
Selective Licence Fee (Online Application)	£500
Selective Licence Fee (Paper Application)	£600
Additional Charge for Assisted Applications**	£100 per Application

Table 5: Available Discounts

Discounts		
1	Early Bird Discount 25%	For applications made prior to the implementation date
2	Discount 10%	For accredited landlords or members of recognised landlord associations
3	Discount 10%	For multiple applications or where an Applicant has had "fit and proper person" check in the last 6 months

* If a landlord is making multiple applications and is an accredited landlord, he/she/it may apply for both discounts 2 and 3.

** The Council will not charge a fee for assisted applications if the need for assistance is the consequence of a characteristic protected by the Equality Act 2010, such as disability, and in all the circumstances charging the fee would be disproportionate.

*** A person of concern is a person, who: (a) is being or has been investigated for fraud relating, directly or indirectly, to his/her/its position as a landlord, manager or controller of let premises, or other involvement in letting premises, or (b) is or has been subject to enforcement action or prosecution relating to contraventions of the Housing Acts and/or regulations made under them.

Table 6: Other Fees and Charges Applicable

Licence Variation	Licence Variation Fee
Change of address details of any existing licence holder, manager, owner, mortgagor, freeholder, leaseholder etc.	No Fee
Change of mortgagor, owner, freeholder, and leaseholder (unless they are also the licence holder or manager)	No Fee
Reduction in the number of maximum occupiers and/or households for licensing purposes	No Fee
Variation of licence instigated by the Council	No Fee
Change of licence holder (Full fee applicable)	£500.00 (selective) or £800.00 (additional)

Change of manager (unless they are also the licence holder)	No Fee
Increase in the maximum number of occupiers and/or households resulting in a change from a selective licence to additional licence. This sum accounts for the difference in fee.	£300.00

Table 7: Actions and Applicable Charges

Action	Applicable Fee
Revocation of licence	No fee
Application for licence following revocation of licence (full applicable fee)	£500 or £800.00
Application refused by the Council	Application fee (no refund)
Application withdrawn by the applicant	Application fee (no refund)
Application made in error – out of Borough	No fee, and a refund will be made

Appendix 3 Key Risks Identified

Description of Risk	Description of impact	Probability of risk	Level of Impact	Risk prevention, management or mitigation
<p>1. Landlords do not apply for licences/ Low level of compliance.</p>	<p>ASB and other problems are not solved.</p> <p>Landlords operate illegally.</p> <p>LA resources are taken up with enforcement and prosecutions.</p>	<p>medium</p>	<p>high</p>	<p>Plans to engage with Landlords by means of introducing Landlords' Forum in Havering and package of added value measures to be promoted to landlords.</p> <p>Requirements of proposal and intended outcomes widely advertised and promoted to landlords during consultation.</p> <p>Operation of robust enforcement programme to ensure illegally operating landlords are penalised</p>
<p>2. Landlords apply for Judicial Review of the designation</p>	<p>LA resources are taken up with defending an application for Judicial Review</p> <p>Proposed scheme may be declared unlawful</p>	<p>medium</p>	<p>high</p>	<p>Proposals prepared following all available guidance and best practice learned from other Local Authorities including those whose schemes had been the subject of Judicial Review applications.</p> <p>Wide range of detailed and robust evidence gathered to support the scheme and withstand challenge</p> <p>Full consultation to take place in accordance with legal requirement</p>
<p>3. Number of HMO landlords may evict tenants and convert houses back into</p>	<p>Loss of much needed low cost shared accommodation</p>	<p>high</p>	<p>medium</p>	<p>Proposal to concentrate selective licensing scheme around locations where there are high concentrations of HMOs will act as a safety net to ensure licensing</p>

Description of Risk	Description of impact	Probability of risk	Level of Impact	Risk prevention, management or mitigation
single family homes	Increase in homelessness			and deter landlords from converting existing HMOs back to single dwellings
4. Some landlords may sell their properties or leave vacant.	<p>Increase in abandoned and vacant properties and loss of rental properties</p> <p>Increased homelessness</p>	low	medium	<p>Managed through the work of the Council under its Empty Homes Strategy</p> <p>Buoyant rental market due to high demand may lead to new property owners joining the market</p> <p>Managed through the work of the Council's Housing Options service and initiatives such as the Private Housing Solutions.</p>
<p>Page 104</p> <p>Displacement of criminal landlords</p>	Effect on neighbouring areas where unprofessional landlords chose to purchase property or displaced tenants move to.	medium	high	<p>Neighbouring London Boroughs already operating additional and/or selective licensing schemes.</p> <p>Other authorities will be fully consulted on proposals and their representations considered informing the final proposals.</p> <p>Option to extend local scheme if problems increase in other areas of the Borough</p>
6. Local Authority inadequately manages the scheme or inadequately resources the scheme	<p>Need to revoke the designation before the end of the five year designation.</p> <p>ASB and other problems are not resolved.</p> <p>Resources spent in the</p>	low	high	<p>Full business model drafted to show resource implications for the duration of the scheme and management decisions made on the basis of this.</p> <p>At present the Fees set cover a proportionate cost of administering and monitoring the schemes (however please note the Council is also considering an alternative fee structure to potentially include</p>

Description of Risk	Description of impact	Probability of risk	Level of Impact	Risk prevention, management or mitigation
	<p>research and implementation of the scheme is wasted.</p> <p>Inadequate resources in place to undertake other statutory and non-statutory functions</p>			<p>enforcement costs as set out in Appendix 2b above)</p> <p>ICT systems compatible with existing software</p> <p>Additional staff to be employed as necessary to administer schemes and undertake property inspections to help minimise the impact on other non-statutory functions</p> <p>Scheme managed and resourced for the five year life of the designation</p>

Option	Benefits	Risks
<p>1. Borough-wide Additional Licensing Scheme</p>	<p>Will provide an opportunity to improve standards and management practices in all HMOs and create a level playing field for landlords.</p>	<p>Landlords may avoid licensing by returning property back to single household occupation and risk creating a shortage of single person accommodation in Havering. Properties that have been converted to self-contained units will be excluded from licensing unless a selective scheme is also adopted.</p> <p>May prove unnecessary due to the Government's pending plans to extend the current mandatory licensing requirements to include some of the "smaller" HMOs and the cost of full consultation exercise will have a cost implication.</p>
<p>Part Borough Additional Licencing Scheme (Brooklands, Gooshays & Heaton wards)</p>	<p>Will address the growing concern about poor management practices and antisocial tenants of HMOs within the identified wards in the short term.</p> <p>Proposals by Government to extend mandatory licensing may address problems across the rest of the borough in the longer term.</p>	<p>The growing number of properties that have been converted to self-contained units would not be subject to additional licensing. An area based scheme would cause inconsistency in regulation and confusion amongst landlords and tenants. An area based approach to HMO licensing would not affect a significant number of HMOs (estimated at no more than 100 dwellings) but may result in problems being shifted to other parts of the borough. The cost of the consultation exercise may also be disproportionate if a designation is restricted to this option.</p>
<p>3. Selective Licensing Scheme in the three wards stated above</p>	<p>Will enable better controls over non HMO private rented housing within these wards including unlawful conversions to self-contained units. The additional income achievable from a larger licensing scheme will enable the funding of significant staff resources to carry out property inspections and monitoring in respect of</p>	<p>Landlords wishing to avoid licensing may move into other parts of the borough and risk private rented accommodation shortages in regulated wards.</p>

licensable properties.

Option	Benefits	Risks
<p>4. Borough-wide Selective Licensing Scheme</p>	<p>Would create a level playing field among landlords throughout the borough and deter the migration of rogue landlords to Havering. Will also enable a significant change in the way anti-social behaviour and or management in the PRS is tackled</p>	<p>Suitable evidence could not be demonstrated to justify taking forward such a scheme across the whole of the borough and the prospect of being granted the necessary Secretary of State approval for such an ambitious scheme within Havering is doubtful.</p> <p>The initial resources required to implement borough wide selective licencing and ongoing funding for enforcement work may be cost prohibitive</p>
<p>5. Do Nothing</p>	<p>Proposals by Government to extend mandatory HMO licensing to include smaller HMOs of less than three storeys may resolve many of the existing problems associated with HMOs without the need to introduce an additional licensing scheme or to carry out an extensive and expensive consultation exercise</p>	<p>This approach would not support the growing public concerns about the private rented sector in Havering. It is not yet clear what extent of accommodation or number of occupiers this will relate to and there is not yet a proposed Implementation date for the Government's proposals so this fails to address immediate concerns.</p> <p>The Council will need to increase the resources within its private sector housing enforcement team in order to be able to ensure more effective enforcement within the private rented sector.</p>

Equality Impact Assessment (EIA)

Document control

Title of activity:	Private Sector Landlord Licensing
Type of activity:	Strategy
Lead officer:	Wendy Laybourn, Senior Private Sector Housing Strategy Officer Regulatory Services/Neighbourhoods Directorate
Approved by:	Patrick Keyes Assistant Director of Regulatory Services/Neighbourhoods Directorate
Date completed:	21 November 2016
Version Number	V3
Saved in:	W:\Dat03\Public Protection\PPDir>Selective Licensing\master documentsEqIA V3 (final).doc
Scheduled date for review:	TBC (Spring 2017) -following completion of full public consultation

The Corporate Policy & Diversity team requires **5 working days** to provide advice on EIAs.

Did you seek advice from the Corporate Policy & Diversity team?	Yes
Does the EIA contain any confidential or exempt information that would prevent you publishing it on the Council's website?	No

1. Equality Impact Assessment Checklist

The Equality Impact Assessment (EIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service. It also helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#).

Please complete the following checklist to determine whether or not you will need to complete an EIA. Please ensure you keep this section for your audit trail. If you have any questions, please contact the Corporate Policy and Diversity Team at diversity@havering.gov.uk

About your activity

1	Title of activity	Private Sector Landlord Licensing
2	Type of activity	Strategy
3	Scope of activity	<p>Under the provisions of Part 2 of the Housing Act 2004 the Council is proposing to designate the whole of Havering as an Additional Licensing area. This will have the effect of requiring landlords of <u>all</u> houses in multiple occupation (HMO) whereas, currently, Havering operates the mandatory scheme for HMOs which are 3 storeys and above to obtain a property licence, whereas, currently, Havering operates the mandatory scheme for HMOs which are 3 storeys and above. In addition the Council is proposing to designate part of its area as a Selective Licensing area under Part 3 of the Housing Act which will have the effect of requiring residential properties within the designated areas that are rented out privately to be licensed by the Council.</p> <p>Selective Licensing is being proposed to support other measures available to the Council to reduce antisocial behaviour and improve standards of management in certain areas within the private rented sector where significant problems exist.</p> <p>These proposals will be subject to a full public consultation with landlords, residents, businesses and community groups across the borough and all other potentially affected stakeholders whereby they will be invited to comment on the proposals. All feedback received will then be fully considered prior to making a final informed decision.</p> <p>The designations are intended to last for five years and</p>

		<p>the Council will be required to review the designations from time to time within this period. Havering is proposing to review the designations at the end of year 1 and at year 5 of their operation. If following a review, it is considered appropriate to do so, the designations may be revoked.</p> <p>The aims of Havering Council's Private Sector Landlord Licensing Project are:</p> <ul style="list-style-type: none"> • To exercise the Council's powers under the provisions under Part 2, section 55-56 and Part 3 Section 79 -80 of Housing Act 2004 • To improve management practices and improve housing conditions within the private rented residential sector and to deter the activities of rogue or unprofessional landlords within the Borough.
4a	Is the activity new or changing?	<p>The process of making Additional and Selective Licensing Designations is a new activity for Havering, but is an established legislative procedure and has been invoked by other Boroughs to ensure better management practices and control over its private rented sector in the interests of those people occupying private rented accommodation and the broader community.</p>
4b	Is the activity likely to have an impact on individuals or groups?	<p>Yes, the process of making these designations will impact on the following individuals/ groups :</p> <ul style="list-style-type: none"> • Landlords who operate HMOs of 2 storeys or below or who rent out single household accommodation within the designated zones • Tenants who occupy or are potential occupiers of HMOs and general privately rented homes within designated areas • Borough residents and businesses located within the vicinity of HMOs or high concentrations of privately rented residential accommodation. • Interest groups (eg ethnic groups or low income households who support the provision of HMO accommodation and/or poor quality private rented sector (PRS) homes.
5	If you answered yes:	<p>Initial Screening EIA completed (pre-consultation)</p> <p>Section 149 of the Equality Act 2010 stipulates the Public Sector equality duty. A public authority must, in the exercise of its functions, have due regard to the need to:</p> <p>a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under</p>

		<p>this Act.</p> <ul style="list-style-type: none">b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>Section 2 of this EIA addresses the public sector equality duty insofar as Havering holds information about the levels of anti-social behaviour (ASB) and crime in or close to areas where there is a high existence of HMOs. This data has been developed over recent years because the borough has envisaged an increasing need for a licensing scheme beyond the statutory licensing of three storey HMOs. In support of this is the reality for Havering Council's public duty that circumstances surrounding the topic of HMOs are fast developing within the local community and there are associated and growing social tensions, being fuelled by the perceived lack of Council control over the suitability and impact of HMO developments happening on the ground and poor management of existing HMOs.</p> <p>The Council has addressed these concerns in part by its implementation of Article 4 Directions under the Town & Country Planning Act 1990 in order to achieve a balanced control in relation to how and where HMOs are proposed to be formed in the future. This however does not address the growing concerns relating to existing poorly managed and poor quality HMOs, hence the proposal to consider a comprehensive HMO Additional licensing scheme across the Borough.</p> <p>Coupled with this is the proposal to designate a number of Selective Licensing zones, predominantly in locations surrounding high intensity HMO hotspots, which should serve to prevent avoidance of licensing by returning HMOs either back into single family units or shared accommodation that falls below the licencing threshold.</p> <p>Inherent within the statutory process of making Additional and Selective Licensing designations is the requirement to publicise the proposals within the community and to take into account all representations received when deciding whether or not to confirm the designations</p> <p>Once the consultation has been completed and representations taken into account then, should the Council decide to proceed with the Licensing</p>
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		Designations, the statutory 3-month period prior to any Licensing Designations coming into effect would provide an adequate timeframe for measures to be introduced to mitigate the impact on groups with relevant protected characteristics.
6	If you answered no:	N/A

Completed by:	Wendy Laybourn, Senior Private Sector Housing Strategy Officer Regulatory Services/Neighbourhoods Directorate
Date:	21 November 2016

2. Equality Impact Assessment

The Equality Impact Assessment (EIA) is a tool to ensure that your activity meets the needs of individuals and groups that use your service. It also helps the Council to meet its legal obligation under the [Equality Act 2010 and the Public Sector Equality Duty](#).

For more details on the Council's 'Fair to All' approach to equality and diversity, please visit our [Equality and Diversity Intranet pages](#). For any additional advice, please contact diversity@haverinq.gov.uk

Please note the Corporate Policy & Diversity Team require **5 working days** to provide advice on Equality Impact Assessments.

Please note that EIAs are public documents and must be made available on the Council's [EIA webpage](#).

Understanding the different needs of individuals and groups who use or deliver your service

In this section you will need to assess the impact (positive, neutral or negative) of your activity on individuals and groups with **protected characteristics** (this includes staff delivering your activity).

Currently there are **nine** protected characteristics (previously known as 'equality groups' or 'equality strands'): age, disability, sex/gender, ethnicity/race, religion/faith, sexual orientation, gender reassignment, marriage/civil partnership, and pregnancy/maternity/paternity.

In addition to this, you should also consider **socio-economic status** as a protected characteristic, and the impact of your activity on individuals and groups that might be disadvantaged in this regard (eg carers, low income households, looked after children and other vulnerable children, families and adults).

When assessing the impact, please consider and note how your activity contributes to the Council’s **Public Sector Equality Duty** and its three aims to:

- eliminate discrimination, harassment and victimisation;
- advance equality of opportunity, and
- Foster good relations between people with different protected characteristics.

Guidance on how to undertake an EIA for a protected characteristic can be found on the next page.

Guidance on undertaking an EIA

Example: Background/context	
<i>In this section you will need to add the background/context of your activity. Make sure you include the scope and intended outcomes of the activity being assessed; and highlight any proposed changes.</i>	
<i>*Expand box as required</i>	
Example: Protected characteristic	
<i>Please tick (✓) the relevant box:</i>	<p>Overall impact: <i>In this section you will need to consider and note what impact your activity will have on individuals and groups (including staff) with protected characteristics based on the data and information you have. You should note whether this is a positive, neutral or negative impact.</i></p> <p><i>It is essential that you note all negative impacts. This will demonstrate that you have paid ‘due regard’ to the Public Sector Equality Duty if your activity is challenged under the Equality Act.</i></p> <p style="text-align: right;"><i>*Expand box as required</i></p>
Positive	
Neutral	
Negative	

Evidence: *In this section you will need to document the evidence that you have used to assess the impact of your activity.*

When assessing the impact, please consider and note how your activity contributes to the three aims of the Public Sector Equality Duty (PSED) as stated in the section above.

It is essential that you note the full impact of your activity, so you can demonstrate that you have fully considered the equality implications and have paid 'due regard' to the PSED should the Council be challenged.

- *If you have identified a **positive impact**, please note this.*
- *If you think there is a **neutral impact** or the impact is not known, please provide a full reason why this is the case.*
- *If you have identified a **negative impact**, please note what steps you will take to mitigate this impact. If you are unable to take any mitigating steps, please provide a full reason why. All negative impacts that have mitigating actions must be recorded in the **Action Plan**.*

**Expand box as required*

Sources used: *In this section you should list all sources of the evidence you used to assess the impact of your activity. This can include:*

- *Service specific data*
- *Population, demographic and socio-economic data*

Suggested sources include:

- *Service user monitoring data that your service collects*
- *[Havering Data Intelligence Hub](#)*
- *[London Datastore](#)*
- *[Office for National Statistics \(ONS\)](#)*

If you do not have any relevant data, please provide the reason why.

**Expand box as required*

The EIA

Background/context:

Havering has an important and growing private rented sector (PRS) that provides affordable housing options for local people. The Council realises that the majority of landlords operate professionally, however the Council is concerned about increasing levels of anti-social behaviour (ASB) associated with those rented properties that fail to meet satisfactory levels of tenancy and property management.

There is a perception and a growing body of evidence that poorly managed privately rented properties are having a negative effect on neighbourhoods – antisocial behaviour, nuisance neighbours and properties, and accumulations of refuse are just three issues which have been linked to the failure of private landlords to manage

properties and tenancies in an effective way. High demand and affordability issues for those residing in the PRS has resulted in overcrowding, sub-letting and illegal conversions with associated elevated levels of ASB and wider neighbourhood nuisance problems.

The London Borough of Havering wants to ensure that all private rented properties in the borough offer residents a choice of safe, quality and well managed accommodation. We recognise that in order to achieve this there is a need for a robust and coherent regulatory framework in which this market operates.

Havering has identified that problems in the private rented sector of poor property and tenancy management and antisocial behaviour, particularly but not exclusively in relation to houses in multiple occupation (HMOs), are distributed across the borough. To tackle these issues we are proposing to introduce a comprehensive borough-wide Additional Licensing designation in respect of HMOs in combination with an area based Selective Licensing designation for other types of privately rented properties in areas where significant problems exist.

The evidence base to be used in relation to the selection of areas to be designated under a Selective Licensing scheme has been linked to the criteria of ASB and crime, high levels of deprivation and poor housing conditions.

HMO Locations

Information has been provided from checks of the 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 suspected of being HMOs, and data from council tax records for properties of shared accommodation and bedsits. 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.

Cabinet, 18 January 2017

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

- 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.

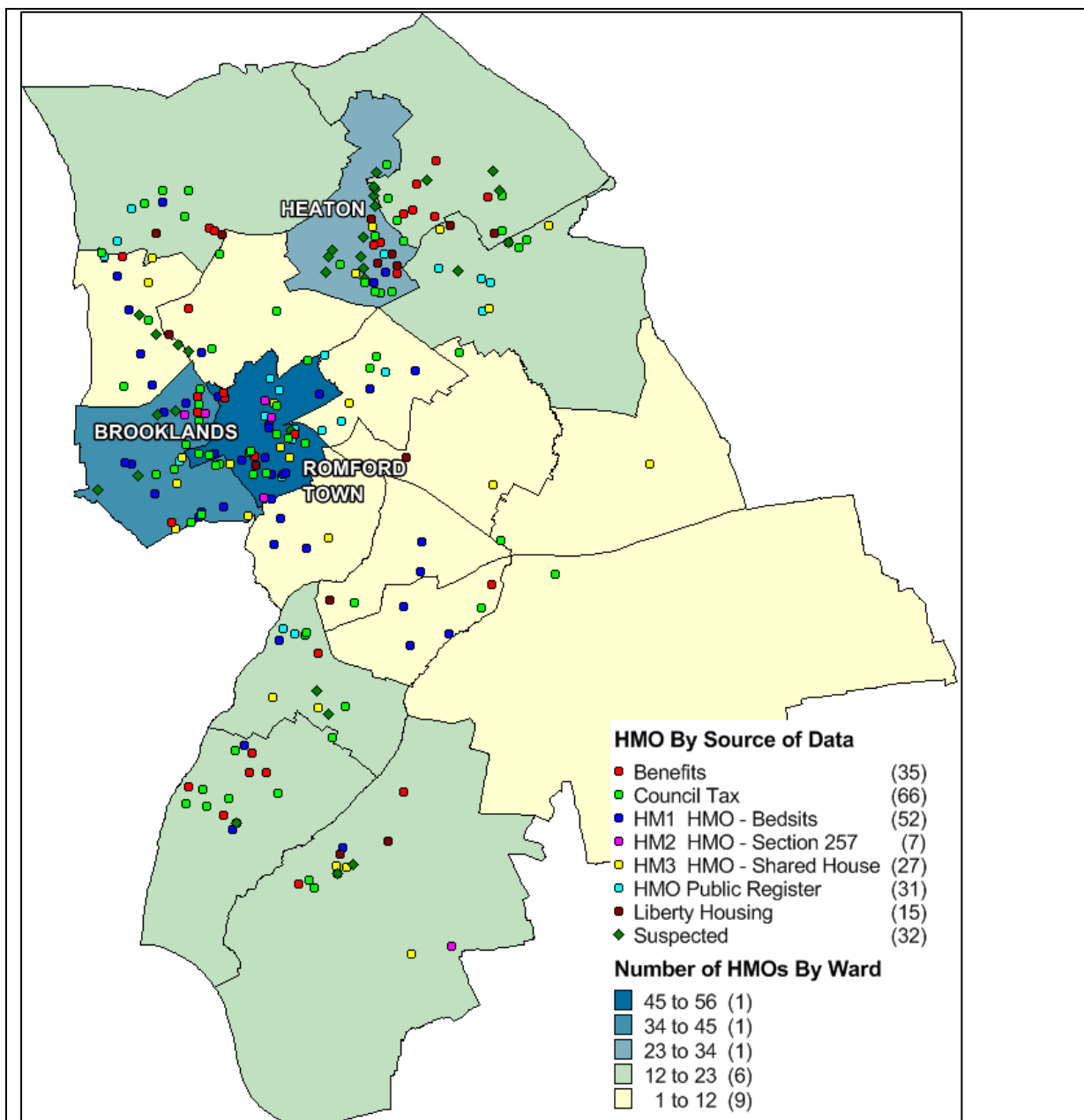
It should be noted that some addresses appear on multiple lists. Addresses are not duplicated/double counted in the table above. Those on official lists (HM1, 2, 3, Liberty Housing and HMO Public Register) have been removed from the Benefits, Council Tax and Suspect, unconfirmed lists.

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 of residents and Councillors, is home to approximately 13,000 residential 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.

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 the table above for Ward number breakdowns.



ASB and Crime

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 in Havering 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.

Cabinet, 18 January 2017

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%

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%).

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.

Age: Consider the full range of age groups	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input checked="" type="checkbox"/>
Neutral	<input type="checkbox"/>
	<input type="checkbox"/>
Overall impact:	
Housing and the quality of housing has a major impact on health and wellbeing of all age groups. Investment in improving poor, overcrowded or inappropriate housing will improve the quality of life of residents and have a preventative effect on future health and social care need. By driving up standards, licensing in the long term can deliver better individual health outcomes	

Negative		
Evidence:		
2014	Number	Percentage of population (%)
All persons	245,974	100.0
0-4 years	15,563	6.3
5-9 years	14,812	6.0
10-14 years	13,735	5.6
15-19 years	15,045	6.1
20-64 years	141,237	57.4
65+ years	45,582	18.6
Sources used: Mid-year population estimates 2014; Office for National Statistics (ONS); Produced by Public Health Intelligence.		

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions		
<i>Please tick (✓) the relevant box:</i>		Overall impact: A large proportion of the private rented sector in Havering consists of houses with gardens but this can cause accessibility issues for disabled people as private landlords are less likely to spend money adapting properties to meet the needs of disabled people. One of the aims of licensing is to have a better informed landlord's community where they are clearer about their responsibilities and the support that is available to disabled people.
Positive	<input checked="" type="checkbox"/>	
Neutral	<input type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence:		
*		
Sources used:		

Sex/gender: Consider both men and women		
<i>Please tick (✓) the relevant box:</i>		Overall impact: No differential impact has been identified on the grounds of this protected characteristic in respect of landlords who may be affected by
Positive	<input type="checkbox"/>	

Neutral		the licensing proposals as it applies equally to all landlords operating in Havering irrespective of sex / gender.
Negative (short term only)	✓	Evidence suggests that Houses in Multiple Occupation are twice as likely to be occupied by Males, predominantly under the age of 30, as shared accommodation is often the only type of affordable accommodation available to them and they usually have no access to social housing accommodation. Additional licensing proposals could impact on this group negatively in the short term due to the possibility that some landlords may seek to return converted houses currently used as bedsit type accommodation back into single family homes in order to avoid licensing requirements which may result in consequential shortages of HMO accommodation and evictions. This is however only expected to be the case for poorly managed properties in the worst condition and may have the beneficial effect of driving bad landlords out of the market which, in the longer term, should result in increased availability of better quality and well managed bedsit type accommodation. Residents that are displaced as a result of this process will have access to housing advice albeit it may not be possible for the Council to make a direct offer of alternative accommodation in all cases
<p>Evidence: Community Safety report using data collected from Havering databases and Metropolitan Police records stated that of all known HMOs in the Borough, 67% were occupied by males.</p>		
<p>Sources used: Data on noise nuisance collated by London Borough of Havering and Metropolitan Police records of reported crime and anti-social behaviour (for period April 2015-March 2016)</p>		

Ethnicity/race: Consider the impact on different ethnic groups and nationalities		
<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		There is a significant concentration of migrant households in HMOs and low quality homes where this is the only affordable form of accommodation for a working household on low wages.
Neutral		Vulnerable, such as new arrivals in the country may be more likely to be affected by poor housing conditions. Overcrowding disproportionately affects migrants. PRS Tenants within ethnic minority groups are therefore likely to be adversely affected by licensing in the short term due to the potential of a shortage of HMO accommodation resultant from licensing requirements. However, they should be positively affected in the longer term by way of better quality accommodation and landlord management practices and more
Negative (short term)	✓	

		<p>protection from eviction to be implemented through licence conditions. Housing advice will be available to any tenant that has been displaced as a consequence of licensing.</p> <p>The Private Sector Landlord Licensing proposal applies equally to all landlords operating within the London Borough of Havering irrespective of ethnicity / race therefore this group will not be negatively affected. A range of measures will be implemented in order to support landlords to respond to reports of antisocial behaviour and unsocial tenants.</p>
--	--	---

Evidence:

No local data is yet specifically available on the profile of protected characteristics associated with privately managed HMOs. This is because HMOs generally have highly transient occupants and /or data is not available to the Council because currently licensing provisions under the Housing Act do not apply to the premises in question. Some equality profile data specific to the management of HMOs by the Council itself is available and is detailed below, however that profile data will not necessarily be consistent with that of the private rented sector and it will not necessarily show the whole picture due to the complexity of data collection. It is included at this stage of the process because it serves as a useful indicative benchmark about several of the protected characteristics

Equality Profile data for HMOs managed on behalf of LB Havering

This data was collected about the profile of tenants who occupy HMOs managed by Havering. In respect of the proposed licensing designations subject of this Equality Assessment the data below does not specifically represent the picture for existing private sector HMOs and is referenced solely for guideline purposes.

Ethnicity- Summary Total tenants in sample: 91-		
Black African	8	8.8%
Black Caribbean	8	8.8%
Black other	4	4.4%
Not Known/ no response	6	6.6%
White and Asian	3	3.3%
White and Black African	2	2.2%

Sources used:

This snapshot data represents all tenants responding to survey who were occupying HMOs managed by Havering as at 9 June 2015 sourced from the housing database.

Religion/fait: Consider people from different religions or beliefs including those with no religion or belief

Please tick (✓) the relevant box:

Positive

Overall impact:

No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing

Neutral	<input checked="" type="checkbox"/>	proposal applies equally to all tenants and Landlords operating within Havering irrespective of religion / faith. However housing advice will be available to any tenant that has been displaced as a consequence of licensing.
Negative	<input type="checkbox"/>	
Evidence: N/A		
Sources used: N/A		

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual		
<i>Please tick (✓) the relevant box:</i>		Overall impact: There is no information relating to sexual orientation of landlords. Selective licensing aims to reduce antisocial behaviour which is likely to benefit people who suffer from homophobic crime and incidents. A range of measures will be implemented in order to support landlords to respond to reports of antisocial behaviour and unsocial tenants.
Positive	<input checked="" type="checkbox"/>	
Neutral	<input type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence: There is insufficient data available to measure accurately the potential effect of these proposals in relation to sexual orientation of tenants.		
Sources used: N/A		

Gender reassignment: Consider people who are seeking, undergoing or have received gender reassignment surgery, as well as people whose gender identity is different from their gender at birth		
<i>Please tick (✓) the relevant box:</i>		Overall impact: No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and landlords operating in Havering irrespective of gender reassignment. Housing advice will be available to any tenant that has been displaced as a consequence of licensing.
Positive	<input type="checkbox"/>	
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence: N/A		

Sources used: N/A

Marriage/civil partnership: Consider people in a marriage or civil partnership	
<i>Please tick (✓) the relevant box:</i>	Overall impact: No differential impact has been identified on the grounds of this protected characteristic. The Private Sector Landlord Licensing proposal applies equally to all tenants and landlords operating in Havering irrespective of marriage / civil partnership.
Positive	
Neutral ✓	
Negative	
Evidence: N/A	
Sources used: N/A	

Pregnancy, maternity and paternity: Consider those who are pregnant and those who are undertaking maternity or paternity leave		
<i>Please tick (✓) the relevant box:</i>	Overall impact: Proposed restrictions on numbers of occupants in HMO bedsit rooms may impact upon pregnant tenants as the addition of a baby may result in a breach of licence conditions where the total number of occupants in a room will exceed two persons. Landlords will be responsible for ensuring premises do not become overcrowded and therefore may be forced to take action to evict certain tenants that fall within this protected characteristic and thus increase risk of homelessness. Housing advice will be available to any tenant that has been displaced as a consequence of licensing and in many cases tenants falling within this protected characteristic will be owed a homeless duty by the Council's housing service.	
Positive		
Neutral		
Negative ✓		
Evidence: There is no available evidence to directly link homeless approaches from pregnant women to bedsit type accommodation but data recorded on homeless approaches by pregnant women and/ or applicants with dependent children is shown below. Section E2: Applicant households found to be eligible for assistance, unintentionally homeless and in priority need during the quarter, by priority need category		
Total households with dependent children	Household includes, a pregnant woman and there are no other dependent children	6. Total Applicants

86	11	122
----	----	-----

Sources used:

Quarterly P1d Housing Statistical return (1/7/16 to 30/9/16) -from LBH Housing database-homeless approaches

Socio-economic status: Consider those who are from low income or financially excluded backgrounds

<i>Please tick (✓) the relevant box:</i>		<p>Overall impact: Vulnerable residents and those on low incomes have found that access to housing appropriate to their needs has been restricted by a lack of affordability and large numbers find themselves living in the worst PRS properties or shared accommodation. Changes to the national welfare system has had a negative impact on the provision of quality housing options due to displacement of benefit dependent households into cheaper accommodation as a result of the Local Housing Allowance rent caps. Some landlords may decide to increase rents or leave the cheaper private rented market altogether if landlord licensing is introduced in Havering and this could negatively impact tenants due to an increase in evictions and homelessness.</p> <p>On the positive side, a significant protection that would be provided for assured short-hold tenants is that a s.21 Notice to evict tenants cannot be used by the landlord where a property is subject to licensing, but has not been licensed, and the Courts will therefore refuse to issue Possession Orders on that basis. The life chances of residents are closely linked to the quality of their neighbourhoods and their housing accommodation. Licensing seeks to address some of these issues by driving up the quality of the PRS and will improve housing conditions and security of tenure, particularly for the poorest tenants, over the longer term.</p>
Positive in the long term	✓	
Neutral		
Negative in the short term	✓	

Evidence:

The Council does not have any data to demonstrate this expectation, however on the basis of experience of other Councils who have introduced additional and/or selective licensing the effects of licensing on tenants sharing this protected characteristic have not been reported to be significantly negative.

The proportion of households on low income benefits within the key areas affected by this scheme are tabulated below

	Heaton Ward	Gooshays Ward	Havering Average
Income support claimants (% of working age population)	3.47	3.68	1.74

Income Support claimants, Carers and others (% of Income Support claimants)	17.86	19.44	18.54
Income Support claimants, Incapacity Benefit reasons (% of Income Support claimants)	14.29	8.33	11.61
Income Support claimants, Lone Parent (% of Income Support claimants)	67.86	72.22	69.85

Sources used:

Havering Data Intelligence Hub

Conclusion

Overall it is anticipated that the introduction of Additional Licensing and area based Selective Licensing is likely to bring about significant benefits to groups with protected characteristics, particularly those who are disadvantaged and who have no alternative to renting in the private sector. The main purpose of the scheme is to reduce antisocial behaviour and improve housing conditions which will benefit all residents and particularly those who have protected characteristics. Making our Borough a safe place to live is a top priority for Havering Council and the implementation of landlord licensing schemes will support this vision.

Vulnerable groups will also benefit from overall improvements in management standards due to the ability of the Council to better identify those properties that are being rented privately and the improved ability to enforce standards to the private rented sector, especially in the locations where the greatest problems currently exist.

The Equality Assessment has identified some potential for adverse impacts, particularly to the lower income groups, if landlords decide to increase rents or withdraw from the private rental market altogether as this could put tenants at an increased risk of homelessness. Although any adverse impacts are only expected to be short term, the Council proposes to mitigate this risk by proposing to offer a reduced licence fee to landlords who apply within the first three months of the scheme operating. It is also proposed to launch a major publicity campaign when the Licensing schemes are introduced to make tenants and landlords aware of their rights and obligations and what tenants can do if threatened with eviction. Specific actions are set out in more detail in the Action Plan below.

Overall it is considered that the benefits of this initiative far outweigh any negative impacts to groups with protected characteristics.

If the proposed Licensing Schemes are introduced, it is intended to closely monitor the situation on an ongoing basis and to carry out a major review after the scheme has been in place for 12 months.



Action Plan

In this section you should list the specific actions that set out how you will address any negative equality impacts you have identified in this assessment.

Protected characteristic	Identified negative impact	Action to be taken to mitigate impact*	Intended outcomes and monitoring**	Timescale of actions	Lead officer
Sex/Gender	Males, particularly those under the age of 35 may be negatively impacted by the implementation of Additional HMO licensing as bedsit unit numbers may reduce as a direct result of licensing and enforcement of standards leading to a consequential rise in the number of evictions	The implementation of a Selective Licensing scheme alongside HMO licensing in areas with high concentrations of HMOs should dissuade landlords from reverting shared houses back to single household accommodation by removing the ability for landlords to avoid licensing altogether Wherever possible, displaced private tenants to be supported by rehousing within existing stock of privately leased shared accommodation managed by the Housing Department	Numbers of homeless declarations from young males resulting from closure of HMOs due to licensing requirement to be monitored.	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead

Protected characteristic	Identified negative impact	Action to be taken to mitigate impact*	Intended outcomes and monitoring**	Timescale of actions	Lead officer
Ethnicity/Race	Migrant households with no entitlement to public funds or social housing may be displaced due to their inability to afford potential increases in rent or reduction in availability of shared accommodation	Licensing will prevent lawful eviction of tenants from premises which are required to be, but not licensed, so should provide additional protection from eviction in some cases. Early bird discounts and other incentives to reduce licence fee to be incorporated into fee structure in order to minimise the risk of rent increases for tenants.	Numbers of households presenting as homeless to be monitored by housing department	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead
Pregnancy Maternity & Paternity	Pregnant women and new mothers may face eviction from HMO accommodation as a result of licensing and enforcement of licence conditions limiting occupancy	Housing authority to exercise homelessness duties to eligible tenants by assisting tenants to secure alternative suitable accommodation either in private rented or social housing sector	Housing Department to exercise homeless duties to vulnerable residents	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead

Protected characteristic	Identified negative impact	Action to be taken to mitigate impact*	Intended outcomes and monitoring**	Timescale of actions	Lead officer
Socio-economic status	Low income/benefit dependant households	<p>Licensing will be beneficial in the longer term as housing standards should improve and greater security of tenure will discourage landlords from exploitation of vulnerable tenants.</p> <p>Licence fees will be set at a level designed to cover costs in order to minimize the burden on landlords and minimize the likelihood that the charges will be passed onto tenants through increased rents. There is also a proposal to offer an early bird discount so that landlords can benefit from reduced fees if they apply early.</p>	Private tenants to be supported if there are negative consequences arising from the Council's enforcement approach	From designation of the additional licensing scheme and ongoing	PRS Licensing Lead



Review

The EIA will be reviewed by the Project Manager following completion of the full consultation exercise in order to incorporate informed information. Following implementation of the licensing scheme(s) a further review will be carried out after 12 months of the schemes operation and annually thereafter in order to ascertain if there has been any significant negative impact upon groups with protected characteristics.

Appendix 7 Proposed Selective Licensing Scheme Consultation Document

Appendix 6

Draft Proposal to designate an area as subject to additional licensing

Draft Proposal for Consultation

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Abbreviations

ASB	Anti-social behaviour
BRE	Building Research Establishment
ELHP	East London Housing Partnership
HMOs	Houses in Multiple Occupation
HSCR	Housing Stock Condition Report
LSOA	Lower Super Output Area
LSOAs	Lower layer Super Output Area
PRS	Private Rented Sector
RSL	Registered Social Landlord
TIMs	Tenure Intelligence Model

Sources of Guidance and Reference

This document has been researched and drafted with due reference to the following sources of guidance and good practice, in addition to those sources referenced within the body of the document:

1. Great Britain. Department for Communities and Local Government. (2016). The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015. London. Department for Communities for Local Government

Examples of good practice by local authorities with an additional licensing scheme have been reviewed and lessons have been learned from those authorities who have had their additional licensing designations subjected to judicial review proceedings.

DRAFT

Foreword

This Council believes that the implementation of a combination of additional and selective licensing will, alongside other existing and proposed activities, improve conditions in the PRS and reduce the negative impact that poorly-managed rented houses in the PRS have on the local community.

The low supply and high demand for housing means that the market alone will not drive up standards in the PRS. For many of the Borough's most vulnerable residents there are limited options to meet their housing needs and they are therefore more willing to pay for substandard and sometimes dangerous accommodation.

This report outlines the local authority's analysis of several datasets and current research and demonstrates how the evidence obtained by the local authority meets the legal criteria to implement an additional licensing scheme as part of a co-ordinated approach to tackling the problems identified. It also details and explains the consequences of the proposed additional licensing scheme, so that consultees have an opportunity to consider and provide an informed response to the proposal.

DRAFT

1.0 Introduction and context

The population of Havering is projected to increase by 10% by 2020, an increase of 24,000 people. This is expected to place significant pressure on the housing market in the Borough, particularly because of the demand for affordable housing in the PRS.

The number of people owning their own home in Havering, rather than renting social or Council housing, is higher than the average for London or England. In 2011, 10,464 properties in Havering were owned by the local authority, 3,355 by Registered Social Landlords, 71,698 were owner-occupied and 9,601 were privately-rented. The latest figures suggest that, in 2016, there are approximately 100,000 dwellings in total, of which 17,037 are now privately-rented.

Pensioner households comprise the biggest proportion of households in Havering, making up nearly 30% of all households, 15.6% of which are lone-pensioner households.

Havering is considered to be a safer place to live than other areas in London and, according to the national average, other boroughs nationally. Although, there are differences within wards as to the level of criminal offences for many types of crime, all parts of the Borough are affected to some degree. Benefit-dependent young families and single people in social housing are likely to be the most worried about becoming a victim of crime.

Further, many single-person, benefit-dependent households are transient and this can lead to a high turnover of residents. The constant movement of single people within the PRS means that it is difficult to create and sustain any feeling of community. This is likely to contribute to the high levels of crime and anti-social behaviour (ASB) in the borough.

In order to gain a more accurate picture about the levels of private rented housing and the distribution of HMOs in the borough, the London Borough of Havering has been working with colleagues at the London Borough of Newham to develop a new Tenure Intelligence Model (TIMs) for Havering. This has been developed using information from a number of sources that the Council already holds in its Data Warehouse. The model analyses the information held, indicates properties that are privately rented and predicts addresses that may be multi-occupied.

This analysis has shown that privately rented housing now comprises around 17% of the total housing stock in the borough (17,037 households), compared with 11% in 2011; and in two wards - Romford Town and Brooklands - comprises 26.5% and 27.5% of the total housing stock respectively.

This growth has been due largely to the activities of 'buy to let' investors, who have replaced owner-occupiers in many of our streets and neighbourhoods.

The data indicates that there are between 800 and 1,200 HMOs in the borough, of which approximately 300 are known to the Council by address.

Certain parts of the borough, such as Heaton and Gooshays wards, have a disproportionately high percentage of HMOs in relation to their total private rented stock, and associated anti-social behaviour (ASB) and crime levels are significantly higher in areas where there is a high concentration of HMOs.

Conversely there are poorly managed HMOs located in all wards of Havering. Over the last three years inspections of 100 two storey HMOs were carried out. A breakdown of the ward locations of those properties is tabulated below

Brooklands	17	Gooshays	9	Hylands	3	Romford Town	12
Cranham	1	Havering Park	3	Mawneys	4	South Hornchurch	8
Elm Park	3	Heaton	16	Pettits	3	Squirrels Heath	2
Emerson Park	3	Harold Wood	8	Rainham & Wennington	6	Upminster	3

DRAFT

2.0 What is an additional licensing scheme?

The Housing Act 2004 provides for three different schemes for the licensing of privately-rented housing:

1. **Mandatory licensing;**
2. **Additional licensing**
3. **Selective licensing**

Mandatory licensing - requires local authorities to licence all HMOs of three or more storeys, occupied by five or more people living in two or more single households.

Selective licensing - relates to the licensing of other privately-rented homes that are not HMOs, such as privately rented houses that are occupied by a single family.

Additional licensing – in summary, Part 2 of the Housing Act 2004 gives local authorities power to licence HMOs that are not covered by mandatory licensing, if the local authority considers that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise to one or more particular problems either for those occupying the HMOs or for members of the public.

The 2004 Act permits a local housing authority to designate either part or all of its area as subject to additional licensing. If an authority makes a designation, the effect is to require landlords of HMOs described in the designation, located in the area to which the designation applies, to apply for and obtain a licence. Licences incorporate conditions regulating, for example, the management of the property.

Exemptions would include:

- properties already licensed as an HMO under mandatory licensing;
- properties let by a local authority or RSL;
- properties already subject to a management order or empty dwelling management order;
- properties subject to a temporary exemption notice;
- holiday lets; and
- tenancies under a long lease and business tenancies.

Havering Council is proposing to introduce an additional licensing scheme as part of a co-ordinated approach to tackle significant and persistent anti-social behaviour in the borough's private sector.

When an application is received, the Council will consider if the applicant is the most appropriate person ('fit and proper') to be the licence holder.

Landlords who own more than one HMO in the designated area would need to apply for a licence for each individual HMO.

A house divided into multiple units that are not self-contained (i.e. bedsits with shared cooking or bathroom facilities) would require one licence covering the whole property.

A house divided into multiple self-contained dwellings, by contrast, all under the same ownership, would require a licence for each dwelling under the selective, rather than additional, licensing scheme.

The licence would be valid for up to 5 years and would contain a series of conditions set out at **Appendix 5**. Before a licence is granted, all properties will be inspected to ensure they provide suitable and safe accommodation. During the course of the licence period, further inspections would be undertaken in a proportion of licensed properties. Checks would include ensuring compliance with The Management of Houses in Multiple Occupation (England) Regulations 2006 and, where appropriate, properties would be assessed using the Housing Health and Safety Rating System (HHSRS) under Part 1 of the 2004 Act; and any works necessary to mitigate hazards would be required in accordance with the Council's Enforcement Policy.

2.1 Penalties

It is a criminal offence to let out a HMO in the designation area without applying for a licence.

Failure to apply for or obtain a licence could lead to prosecution and an unlimited fine. In addition, the Council or the tenants of the property could apply to the First Tier Tribunal for a Rent Repayment Order, requiring the landlord or agent to repay any rent paid.

It is also important to note that once an additional licensing designation has been made, no notice under section 21 of the Housing Act 1988 (notice requiring possession) may be served in relation to a short-hold tenancy of the whole or part of an unlicensed property, whilst it remains unlicensed.

In addition, landlords and managing agents who have a previous poor management record or have failed in the past to comply with the Council's requirements to maintain and manage their properties may not be able to hold a licence or, for example, will be given a shorter-term licence and subjected to more frequent checks.

If the person who applies for a licence owns or manages a property, which has previously been the subject of a formal notice, leading to works in default or prosecution by a local authority under the provisions of Part 1 of the Housing Act 2004 (for example, an improvement notice, prohibition order, hazard awareness notice, emergency remedial action, emergency prohibition order, demolition order and clearance area powers), then the proposed licence holder may be an unsuitable candidate (not 'fit and proper') and may not be granted a licence.

Furthermore, if the person who applies for the licence has previously had a licence revoked or refused by any local authority, or owns a property that is subject to an interim or final management order, they may not be considered fit and proper to hold a licence.

In cases where the person applying for the licence is not considered fit and proper then, if the property is to continue being rented, an alternative person will have to apply to be the licence holder, such as a suitable managing agent. If a suitable licence holder cannot be found then the Council may have to take over management of the property by, for example, making an interim management order under Part 4 of the 2004 Act.

The Private Sector Housing Team would carry out a programme of pro-active inspections and would be expected to take a zero-tolerance approach where un-licensed properties or breaches of licence conditions are found. It is anticipated that 100% compliance with the licensing scheme would eventually be achieved.

Where the breach of a licence condition is identified, the licence holder may be prosecuted and sentenced to a fine of up to £20,000 per breach.

If the licence holder allows the HMO in question to become occupied by more than the number of persons permitted by the licence, he or she may also be prosecuted and sentenced to an unlimited fine.

The penalties for non-compliant landlords are, therefore, intentionally high. The aim of the scheme is to improve the management of PRS accommodation and thereby reduce and eliminate anti-social behaviour in the private rented sector.

3.0 The Proposal

The London Borough of Havering is considering two additional licensing options, as follows:

1. To implement a borough-wide additional licensing scheme whereby all landlords/managing agents of the HMOs described below will be required to apply for and obtain a licence.
2. To implement a ward specific additional licensing scheme whereby landlords/managing agents of all HMOs described below that are located within the wards of Gooshays, Heaton, Brooklands and Romford Town will be required to apply for and obtain a licence.

The designation would apply to all HMOs, as defined by sections 77 and 254 to 259 of the 2004 Act, which are located in the borough and are:

- occupied by 3 or more persons,
- in one or more households,
- one or more storeys.

Landlords who own more than one HMO within a designated area would need to apply for a separate licence for each HMO.

The licence would be valid for up to 5 years and would contain a series of conditions that the licence holder would be required to comply with, as detailed in **Appendix 5**.

The designation would be used as a tool to improve the management of HMOs and tackle anti-social behaviour in the private rented sector.

Detailed evidence to support both the proposed designation options can be found in **Appendices 2 and 3**.

It is anticipated that the Council will be asked to decide whether to introduce an additional licensing scheme in Summer 2017. If it decides to do so, it is anticipated that the scheme would become operative three months from the date of approval. If implemented, the designation will run for a period of 5 years, subject to periodic review. If the Council wishes to extend the licensing period beyond 5 years it would need to make a new designation upon expiry of the initial designation.

The Council is planning ahead in terms of staff, resourcing and administrative systems so that, if the designation is made, it will be appropriately managed, resourced and enforced. A number of additional dedicated licensing staff will be employed to process licence applications and administer the scheme over the full 5 year period, and these resources will to be proportionately aligned and managed in accordance with the demands of the scheme. In order to ensure maximum flexibility it is envisaged that staffing will be largely met through fixed term temporary contracts throughout the duration of the designation. The purchase of a purpose made licensing software system is also being considered by the Council which should streamline the administrative process and enable licences to be issued more quickly.

It is expected that compliant landlords would apply for a licence shortly after the designation. However it will be necessary to introduce a comprehensive and robust enforcement programme to capture unlicensed properties and landlords who breach licence conditions. The Council is planning to significantly expand its current team of housing enforcement officers to enable a proactive and co-ordinated approach to enforcement to be achieved. Enforcement activity will initially focus on unlicensed HMOs during the first year of the scheme's operation, followed by a programme of both random and intelligence-led inspections of licensed premises thereafter to ensure compliance with licence conditions. The Council intends to follow examples of activities carried out in neighbouring boroughs of Barking & Dagenham and in Newham as the basis for its planned PRS licensing enforcement activities.

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4.0 Why do we need an additional licencing scheme?

Havering has experienced a dramatic rise in the number of HMOs in the borough in recent years. This has led to an increase in the number of complaints made by the occupiers of neighbouring homes about the anti-social behaviour of HMO residents; and a significant number of campaigns and petitions, organised by borough residents, challenging the development of HMOs and the management practices of HMO landlords.

Further, the current mandatory HMO licensing scheme only requires buildings of 3 or more storeys, occupied by 5 or more occupants in 2 or more individual households to be licensed. Unlike most London authorities, Havering does not have a large number of properties that fall within this description and as a result we have only issued 53 mandatory licences. Moreover, many HMO landlords have been able to avoid regulation under the 2004 Act by converting modest-sized, two-storey family homes into bedsit type HMOs, falling outside of the mandatory licensing regime. The Council has evidence of a number of portfolio landlords who have based their business models on the conversion of such premises. The number of two-storey HMOs that are brought to the attention of the Council's Environmental Health Service each year significantly exceeds the number of licenced 3 storey HMOs.

The sharp increase in the development of new HMOs in recent years has resulted in a significant number of substandard conversions, which provide poor-quality and sometimes dangerous accommodation. This trend has been fuelled by the high demand for affordable housing accommodation in the borough.

The Council recently gave formal planning directions (Article 4 Directions) removing the conversion of single household accommodation into small HMOs from the scheme of permitted development, and making them, instead, the subject of planning permission. This enables the Council's planning department to control the development of new HMOs. The directions do not apply retrospectively, however, to existing HMOs. Of 182 reports received since 2015 by Havering's Planning department relating to alleged HMOs being formed, 83 were found to be existing HMOs converted prior to 13th July 2016, 53 were occupied as single family accommodation and were therefore not HMOs, 19 were large HMOs with 7 or more occupants and 17 houses had been converted to form self contained units.

We also know that there are a number of landlords who do not simply fail to manage their HMOs properly, but positively exploit their tenants and often the public purse, through housing benefit, by renting sub-standard, overcrowded and dangerous accommodation to vulnerable tenants. The Government is determined that good landlords who work hard for their tenants and comply with the law should cease to face unfair competition from rogue landlords, who ignore the law and their obligations.

With the above in mind, there is a need to ensure the effective management of HMOs in the borough, to help reduce levels of anti-social behaviour in the borough and complaints about it, to prevent rogue landlord activity, to maintain good standards of management in the PRS and to create a thriving, affordable PRS for future years.

The reasons the Council wants to introduce an additional licensing scheme on a borough-wide basis are therefore:

- to address the significant problems of antisocial behaviour associated with the private rented sector and, in particular, with HMOs, by making landlords more accountable for the management of their properties and the behaviour of their tenants;
- to create a level playing field among all HMO landlords by targeting bad landlords and supporting good ones; Compliant landlords will no longer have to compete against unprofessional landlords who fail to maintain their properties to the required standard or fail to manage their tenancies properly and are therefore able to cut the costs of running their HMOs. Licensing will remove this unfair advantage by driving out non-compliant landlords or forcing them to comply. In addition it is proposed that licensed landlords will be able to access a package of guidance that the Council intends to provide by way of a landlord manual which will provide general advice in relation to disrepair matters, managing problem tenants and ASB and eviction procedure;
- to address the inequality that exists currently with the mandatory HMO licensing regime and remove the loopholes that currently enable landlords to avoid licensing altogether. A number of landlords currently only convert properties with less than three storeys into HMOs or limit the number of tenants in a 3 storey HMO to no more than 4 (even if this means one or more rooms remain vacant). A requirement for all HMOs to be licensed would remove this inequality and maximise the use of existing HMOs.
- to improve standards within HMOs, particularly in relation to management practices and overcrowding; and
- to support the delivery of the Council's strategic priorities, particularly its objective to create safe and sustainable communities.

The Council has carried out a risk assessment to fully consider the implications of the proposed additional licensing scheme; and an action plan has been devised to mitigate or remove the potential negative impacts that may result from the implementation of the scheme.. An initial screening Equalities Impact Assessment (EIA) has been compiled which is appended at the end of this document however a full and final EIA will be carried out once the consultation exercise has been completed as the Council will then be better informed of the likely impacts.

5.0 How does additional licensing fit in with other strategies and activities of the Council and its partners?

Before designating an area as subject to additional licensing the authority must identify how an additional licensing designation will improve the area and how the designation will work alongside existing policies or measures that are already being taken.

The data collected by the local authority (Appendix 5) provides strong evidence to support the implementation of additional licensing, but the Council must also ensure that any proposed scheme is consistent with its overall housing strategy; and that it complements existing projects and activities undertaken by the local authority and its partners to tackle homelessness, empty properties and anti-social behaviour affecting the PRS.

The Council must also show that it has considered whether there are any other courses of action available to them that might provide an effective method of achieving the objectives that the designation is intended to achieve, and how making the designation will significantly assist the local authority in achieving its objectives.

Additionally, and with the above in mind, the Council expects additional licensing to complement and assist with the attainment of its corporate objectives.

The Council has a Mission Statement which can be summarised in three words: “**Clean, Safe, Proud**”. These words represent the Council’s vision for the future:

- Havering will be **clean** and we will care for the environment.
- People will be **safe**, in their homes and in the community.
- Our residents will be **proud** to live in Havering.

The Council’s goals and objectives are set out in the **Corporate Plan 2015-16**, its overall strategy which describes how the Council will achieve its vision. It breaks down the vision into the three main objectives:

- **Supporting the community-** by spending money on things that matter most; to you - like clean, safe streets and protecting people in need
- **Using our influence** - to bring more jobs, homes, schools and transport to Havering. We will use our planning powers to balance the growth of business centres, with the protection of ‘green Havering’ and its quieter communities. And we will encourage people to do the right things – keep Havering tidy, be good neighbours and lead healthier lives.
- **Lead by example-** by running a low-cost Council that respects you, by using your money wisely

5.1 Housing Strategy

The Council's Housing Strategy for 2013-2016 identified the following priorities for the PRS.

Our key priorities are to:

- improve our understanding of the local private rented sector ;
- continue to improve access to the private rented sector to tackle increasing housing demand;
- improve private rental property standards and management practices;
- 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; and
- bring empty homes in the private sector back into use.

The proposed additional licensing designation will support this strategy in a number of ways. Property licensing will facilitate greater interaction with private sector landlords and lead to an improved understanding of the current PRS market. Licence conditions and increased support packages will ensure properties are effectively managed and prevent long term problems associated with antisocial behaviour caused by private sector tenants.

The licensing inspection will also ensure that poor property conditions and inadequate energy efficiency are identified and acted upon, which will serve to improve living standards for tenants.

Empty homes that are detrimental to the surrounding areas or attract anti-social behaviour or generally are a cause of concerns to residents will not be affected specifically by additional licensing, however the process of gaining a better understanding and knowledge of Havering's private rented sector will assist the Council to identify the locations of empty dwellings in the Borough so that targeted action can be taken to return them back to use and maximise opportunities to meet housing need.

5.2 Homelessness Prevention

Under Section 57 of the Housing Act 2004 a co-ordinated approach with homelessness prevention is also required.

In this regard, the formal designation of an additional licensing scheme would provide additional protection for assured short-hold tenants in unlicensed HMOs. It would, for example, preclude a landlord from serving a notice under section 21 of the Housing Act 1988 (notice requiring possession) so long as the HMO remains

unlicensed; and would help to mitigate the risk of unlawful eviction by improving the management practices of PRS landlords.

It is recognised that the designation of an additional licensing scheme might result in a small number of HMOs being taken out of the rental market by reluctant landlords, leading to a potential increase in homeless households.

In the discharge of its homelessness functions, however, in particular its homelessness prevention duty, the Council provides those threatened with homelessness with housing options and advice. It also operates a private sector leasing scheme by which the number of units available for rent is increased. Accordingly, if households find themselves displaced or threatened with homelessness because of the licensing designation, the local authority will help them to explore the accommodation options available to them with a view to securing alternative and affordable accommodation.

5.3 Alternative courses of action considered

Under section 57 of the Housing Act 2004, the Council must consider whether there are any other courses of action available (of whatever nature) that might provide an effective method of achieving the objectives that the designation is intended to achieve; and must consider that making the designation will significantly assist it to achieve the objectives of the scheme.

The Council and its partners have attempted to resolve the problems associated with poorly managed HMOs and antisocial behaviour using a number of methods but none have provided an effective solution to the problems experienced. The courses of action already considered are set out below.

5.4 Landlord Accreditation

Landlord accreditation is considered to be an effective tool in improving the management of privately rented dwellings. The Council has previously encouraged voluntary accreditation among its landlords but the uptake has been poor, with only the most co-operative and professional landlords choosing to undertake accreditation training. Consequently, Havering has just 205 landlords registered with the London Landlord Accreditation Scheme, fewer than most other London boroughs; and it is likely that those accredited are not in fact the landlords most in need of regulation. The Council previously encouraged landlords to undertake accreditation training as well as meeting property accreditation standards as a condition of accepting properties onto their private sector leasing scheme, but since this has ceased to be a requirement under the Council's leasing scheme, very few landlords in Havering have undertaken this training. While it is possible that some landlords are accredited with other organisations, or are members of recognised landlord associations, there is no available data to suggest that they are.

It is intended, therefore, that the introduction of an additional licensing scheme will greatly improve the uptake of accreditation. Indeed, one of the conditions of licences granted under the proposed licensing scheme would require all licence holders to

undertake relevant accreditation training and/or become members of a recognised landlord association within six months of a licence being granted.

5.5 Engagement with landlords

To maximise the benefits of implementing a licensing scheme, the Council intends to facilitate regular landlord forums, to provide opportunity for pro-active engagement with landlords in the borough. In addition, the Council aims to ensure that appropriate support will be available to assist landlords to deal with problem tenants and anti-social behaviour by providing practical support and information to both landlords and tenants via the Housing service's tenancy sustainment team or where appropriate through the Community Safety Partnership. The Council does not, however, consider that these forums or support will be sufficient to tackle the problems it has identified as, like landlord accreditation, they are likely to appeal only, or predominantly, to those willing to engage with the Council voluntarily.

5.6 Community Safety Partnership

The Council aims to tackle problems concerning HMOs in the borough with support from key partner agencies such as the police, planning, building control, environmental services and housing. The Council refers to this as the Community Safety Partnership.

It has a range of powers and tools to deal with ASB or nuisance caused by PRS tenants or their visitors; and, in partnership with others, it uses the powers in the ASB Crime and Police Act 2014 and other legislation to address these problems, including but not limited to:

- Community Protection Notices
- Closure Notices/Orders
- Civil Injunctions
- Criminal Behaviour Orders
- Public Spaces Protection Orders

The Council also manages the monthly MARAC (Multi-Agency Risk Assessment Conference) and ASB Panels, both of which can address issues concerning the occupants of HMOs, as well as other accommodation. The panels allow for a multi-agency, problem-solving approach to the cases reviewed.

Effective though these powers and Panels can be, the Council does not consider them suitable or effective to address the problems associated with HMOs that its research has identified. Few, if any, are aimed at- or capable of regulating the management and occupation of HMOs; and others, for example civil injunctions, are more suitable for addressing the problem behaviour of individuals.

5.7 Action under Part 1 of the Housing Act 2004

The Council's Environmental Health Department is able to take formal action under Part 1 of the Housing Act 2004 if it identifies Category 1 or 2 hazards in HMO

accommodation, as assessed under the Housing Health and Safety Rating System (HHSRS). These hazards might comprise, for example, disrepair that poses a serious risk to the health and safety of HMO occupants.

The action the Council can take includes, for example, serving improvement notices, hazard awareness notices and prohibition orders; and may enable the Council to take emergency remedial action.

Whilst these actions can be effective in securing property improvements, however, the Council usually only becomes aware of a hazard if an occupant complains. It is not uncommon, however that vulnerable tenants living in the worst housing will not complain for fear of retaliatory eviction by their landlord.

With the above in mind, the Council's ability to address the condition and management of HMOs is therefore limited.

The introduction of additional licensing will enable the Council to carry out routine inspections of all properties within the licensing designation, ensuring that poor or unsafe housing conditions are identified and remedied more effectively, thereby raising the standard of accommodation in the PRS.

Licensing will also ensure that the Council is made aware of the person responsible for managing the property, thereby reducing the time taken to track down the liable party. Presently, this can be problematic and costly in terms of both time and resources, especially in the case of absent landlords.

The Council anticipates a sharp increase in enforcement activity if licensing is introduced and intends, therefore, to increase the number of Enforcement Officers available to deal with these matters.

5.8 Enforcement of HMO Management Regulations

The Management of Houses in Multiple Occupation (England) Regulations 2006, made under section 234 of Housing Act 2004, impose a duty on the manager of a HMO to comply with the requirements of the Regulations, including, for example, maintaining the common parts, fixtures and fittings of a HMO.

The Council has power to take action against HMO managers, who fail to comply with these Regulations and has, through its Environmental Health Service, been proactive in carrying out compliance inspections over the last few years.

The Council's research and data indicate, however, that there are a significant number of HMOs in the borough of which the Council yet has no, or no adequate, knowledge; and the Council has not therefore had the opportunity to inspect them, or to ensure that the quality of accommodation they offer is satisfactory.

The requirement for all HMOs to be licensed under an additional licensing scheme will address this issue by making it unlawful for landlords to operate a HMO without applying for a licence and thus placing an onus on all landlords of HMOs to declare their properties or risk facing serious penalties. This will ensure that the Council is

informed about the location of all HMOs in the borough, enabling it more effectively to undertake compliance inspections and improve the standard of accommodation in the PRS.

5.9 Dealing with statutory nuisance and noise

The Council's Environmental Health Service currently investigates complaints of statutory nuisance under the Environmental Protection Act 1990.

Nuisance complaints often relate to noisy or anti-social neighbours. Whilst the Council has powers under the 1990 Act to prosecute offenders or, in some cases, to encourage parties to participate in mediation to resolve ongoing issues, its powers are less suited to addressing the problems associated with HMOs that the Council has identified.

Additional licensing will, by making licences subject to conditions, compel HMO landlords to take greater responsibility for the management of their properties and the behaviour of their tenants. It is more likely, therefore, to be an effective means of addressing the complaints associated with the existence and increase of HMOs in the borough.

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6.0 What are the benefits of an additional licencing scheme?

The London borough of Newham have been operating borough wide additional and selective licensing schemes for the last 4 years and are now consulting on their proposals to continue their designations for a further five year period. Newham Council say they have seen many benefits from running the existing licensing scheme. It has allowed them to find and prosecute criminal landlords who exploit tenants and undermine responsible landlords by bringing the profession into disrepute; they have also seen a reduction in anti-social behaviour and an improvement in housing conditions.

This Council anticipates that, by introducing greater regulatory control of HMOs in the PRS, additional licensing will deliver similar benefits for Havering:

- A reduction in anti-social behaviour and crime in the borough, making Havering a safer and more desirable place to live.
- An improvement in the physical condition, management and overall quality of bedsit-type accommodation in the borough, with hazards identified upon inspection.
- The deterrence of and reduction in rogue landlord activity through greater proactive enforcement activity.
- The promotion and development of good quality HMO accommodation, helping to meet the local demand for housing.
- Enhanced protection for vulnerable tenants living in HMO accommodation, by ensuring, for example, that the accommodation has adequate amenities.
- Economic benefits for tenants, as a result of better landlord management practices and landlord/tenant relationships.
- A reduction in environmental costs, by helping the Council to tackle inappropriate or unlawful waste disposal in the PRS.
- An improved connection with- and knowledge of local PRS landlords, helping the Council to better understand the PRS and its key operators.
- Encouragement of absentee or unprofessional landlords to use agents to manage their properties.
- Support for landlords in managing their properties and dealing with anti-social tenants more effectively.
- The better educated tenants, concerning both their own behaviour and the standards they may expect of HMO accommodation.
- An increase in landlord accreditation and training, thereby promoting better landlord and management practices.
- Encouragement to landlords not to let to tenants with poor references.
- A better reputation for private landlords in the borough.

7.0 What are the potential risks of an additional licensing designation and how have these been considered, prevented or managed?

- **There is a risk that making a designation could have a negative impact on the proposed areas.** Both good and bad landlords could leave the area due to the licence fee and a perceived increase in obligations. Whilst some residents, particularly homeowners, may view this as a welcome prospect the Council is mindful that removal of existing HMO units from the private rental market could lead to increased homelessness. The Council will therefore seek to actively engage with local landlords during the consultation period in order that any concerns they may have can be addressed in order to persuade good landlords to remain in Havering's PRS market.
- **There could be an increase in abandoned and vacant properties** as landlords take them out of use. This has been considered and will be controlled through the Council's Empty Homes Strategy.
- **There could be an increase in homelessness applications** as persons are displaced by reluctant landlords converting HMOs back into single-household accommodation. This has been considered and will be mitigated by the proposal to implement a selective licensing scheme alongside additional licensing in areas where there are high numbers of HMOs, to deter such action. Any subsequent homeless applications will be managed through the work of the Council and its homelessness prevention function. The Council will also use its powers under the Protection of Eviction Act 1977 to intervene and will seek to prosecute landlords who are found to have unlawfully evicted tenants.
- **Speculative landlords could move their business elsewhere** to an area without the perceived burdens of an additional licensing designation. This cannot be controlled, but the PRS market in Havering is buoyant and reluctant landlords are likely to be replaced by landlords who recognise the benefits of the additional licensing scheme and are willing to comply with it.
- **There could be resistance from some landlords** who view a designation as additional control by the Council over their business. This can be managed by ensuring that landlords are made fully aware of the likely benefits of additional licensing, including a more settled community, increased property prices etc. In addition, the package of measures, which the scheme will offer in terms of landlord training, support and other services, to assist landlords with managing their properties, will increase the value of the scheme to local landlords. The cost of a licence, spread over the life of the licence, is not unreasonable in light of the benefits of the designation and the services, which will be provided.
- **There is a risk to neighbouring boroughs** that displaced landlords and problem tenants will move to other areas. This risk is mitigated, however, by the fact that all our neighbouring London boroughs are already operating

similar landlord licensing schemes; and neighbouring authorities will be consulted about these proposals.

- **Rents may increase** as a result of landlords passing on the cost of obtaining a licence to their tenants. The Council will discourage this by keeping licence fees as low as possible and by offering a package of additional discounts to landlords who apply for a licence early.

A pre-consultation, initial screening, equalities impact assessment has been completed on the basis of perceived impacts. A full public consultation is being undertaken, which will inform the final equalities impact assessment before any designation is made. Copies of supporting documentation will be made available through the Council's web site.

The Council has adopted examples of best practice by other local authorities. Comparisons have been made with the licensing designations currently operated in the London boroughs of Newham and Barking & Dagenham and a proportionate level of staffing is proposed for Havering on order to ensure that Havering is adequately prepared to deal with the expected influx of applications during the early months. Various software options are still being considered. The proposed scale of licence application fees and other charges are comparable with those charged by other London boroughs and licence conditions implemented in other authorities have been replicated for consistency.

As part of the consultation process, landlords are encouraged to be involved in the detailed planning of the scheme.

8.0 Review of the designation

Whilst the designation is intended to last for five years, section 60 of the 2004 Act requires the Council to review the operation of the designation from time to time.

If following a review, it is considered appropriate to do so, the designation may be revoked. This could occur if the findings of a review of the operation of the designation before the end of the five years found that the objectives of reducing ASB and improving the management of HMOs in the area had been achieved.

Alternatively, if the designation is not in fact tackling the issues identified by the Council, the Council may consider that the designation should be revoked and take alternative measures to address the issues.

PRS licensing, such as additional licensing, is however a long-term remedy and is unlikely to yield instant results. Accordingly, if, in the initial phases of the designation, there has been little improvement in the PRS, this will not necessarily mean that the designation has failed in its objectives.

9.0 How is the consultation being undertaken?

Section 56(3) of the 2004 Act states that, when considering making a designation for additional licensing, the local authority must:

- (a) take reasonable steps to consult persons who are likely to be affected by the designation; and
- (b) consider any representations made in accordance with the consultation and not withdrawn.

The minimum consultation period required for the designation to fall within the *Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015* is ten weeks.

This is the period that Havering has adopted for consultation about its proposed additional licensing scheme.

The Council will use the following means of consulting with persons likely to be affected by the proposed designation:

- Havering Council website, including an online landlord questionnaire: <https://www.3.havering.gov.uk/pages/services/consultations.aspx>
- Havering Council Facebook page;
- Havering Council's Twitter feed;
- Notice given to London Property Licensing for publication on its website.
- Direct mail-out to landlords and managing/letting agents in the borough and surrounding areas;
- Visits to managing/letting agents;
- Mail drop to residents and businesses or services in the borough and surrounding areas, who are likely to be affected by the designation;
- Direct mail and email to local community groups;
- Press releases to local media/press, including the local newspaper of neighbouring local authorities;
- Public Notice placed in national newspaper;
- Posters in streets, libraries, businesses and other public areas, both in the borough and in neighbouring boroughs;
- Article in Living Magazine, the Council's free magazine delivered to every home in the borough;
- Drop in sessions at various venues in the borough (venues to be confirmed).

Groups to be consulted include:

- Landlords associations, including:
 - National Landlords Association
 - Residential Landlords Association
 - National HMO Network

- Residents associations
- Local managing agents and the Association of Residential Managing Agents
- Local estate agents and the National Association of Estate Agents
- Local businesses, service providers and residents
- Neighbouring local authorities

The Council will send all known landlords and letting agents a letter or email explaining the proposal and how it may affect them. The letter will include links to the Council's website where this full consultation document is available, and will invite landlords to complete the landlord questionnaire.

The Council will contact the National Landlords Association (NLA), Residential Landlords Association (RLA), National HMO Network, Association of Residential Letting Agents (ARLA) and National Association of Estate Agents directly by letter and where applicable, email. The Council also intends to offer a presentation for their members about the licensing proposals.

The Council will arrange a number of drop-in sessions for residents and landlords at regular intervals throughout the consultation period and at various venues throughout the borough, at different times of the day. Full details of where and when these sessions are to take place will be stated on the Council's website and via other promotional material. The drop-in sessions will be informal, so landlords or other members of the public can call in at any time. The sessions will be held so that landlords can find out more about the licensing proposal, ask any questions and provide any comments/feedback. Council staff will be on hand to answer any questions.

Occupiers, businesses and service providers in Romford and Harold Hill and in the immediately surrounding areas

Mail drop: all properties in Gooshays, Heaton, Romford Town and Brooklands wards - where there is a high concentration of HMOs - and in the immediately surrounding areas will receive an overview letter, information leaflet, a copy of the tenants' questionnaire and pre-paid return envelope by mail-drop.

The leaflet and letter will explain the licensing scheme and its potential implications. The letter will encourage residents to visit the Council's website to obtain further information; and to complete the relevant questionnaire, either in the enclosed hard copy or online. The letter will also advise those interested to contact the Council for details of the drop-in sessions detailed above.

All other residents in Havering

The Council will issue press releases to local media to promote awareness of the consultation. It will also position posters around the borough advertising the consultation.

The posters will be placed in public libraries and other public spaces; and the Council will also ask some local venues (e.g. cafes and pubs) to display them.

Information will be available on the Council's website, so that those with internet access will be able to find out more about the proposal as well as completing an online survey. Direct mail outs are also proposed to be sent with Council tax bills to every resident and business as a final reminder to ensure everyone is made aware of the consultation.

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10.0 How do I make comments on this proposal?

For general enquiries about this consultation please contact:

Phone: (01708) 434114

Email: landlordlicensing@havering.gov.uk

To complete an online resident or landlord questionnaire, or to download or print the questionnaire, visit:

<https://www.3.havering.gov.uk/pages/services/consultations.aspx>

The questionnaire invites general comments about the proposed licensing scheme.

All questionnaires and comments should be returned to:

Private Sector Housing
PRS Licensing Consultation
London Borough of Havering
Town Hall, Main Road
Romford, RM1 3SL

Appendix 1:
Maps showing approximate locations
of known HMOs in Havering

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Figure 1: Approximate locations of known HMOs in Havering

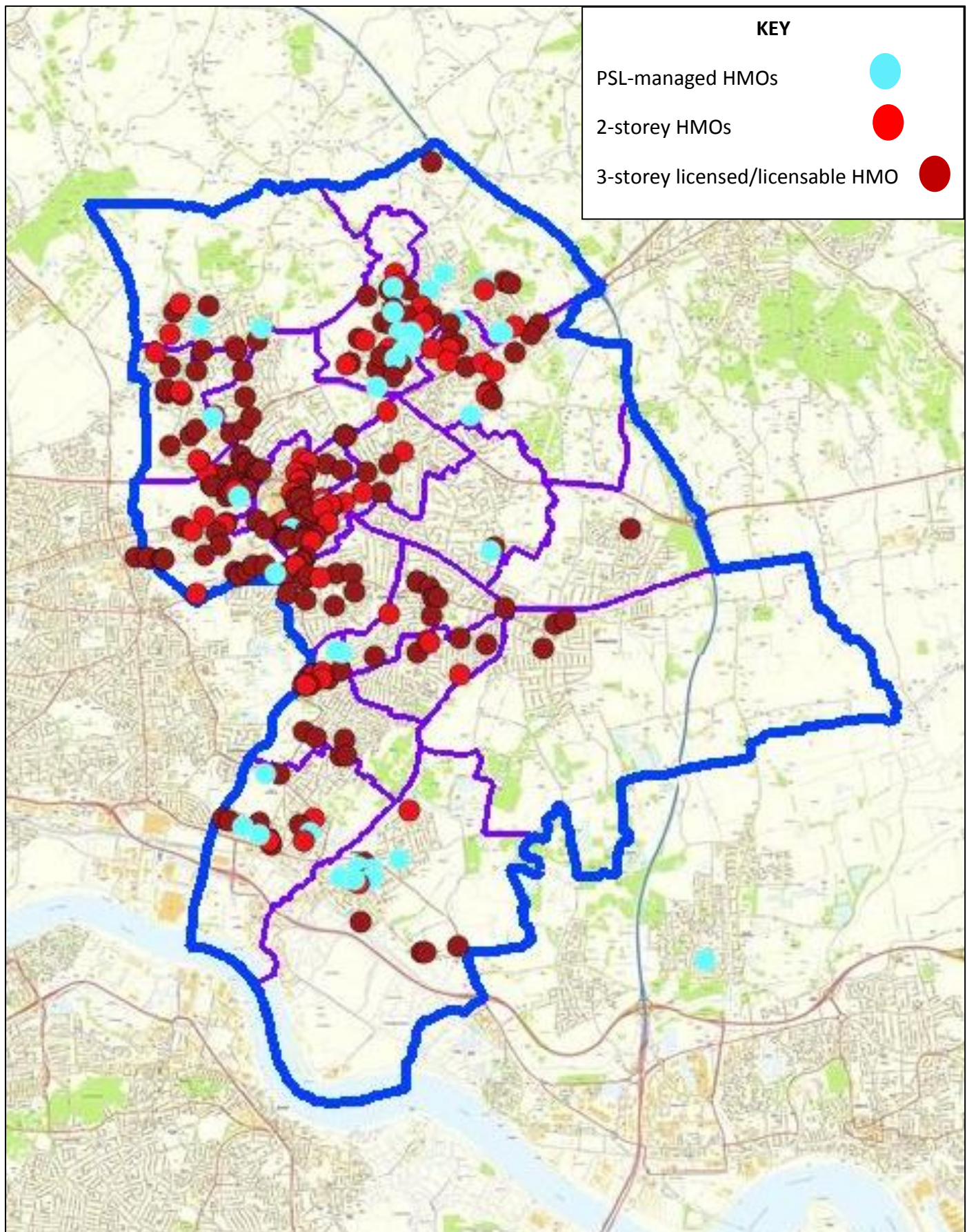


Figure 2: Approximate numbers of known HMOs by area

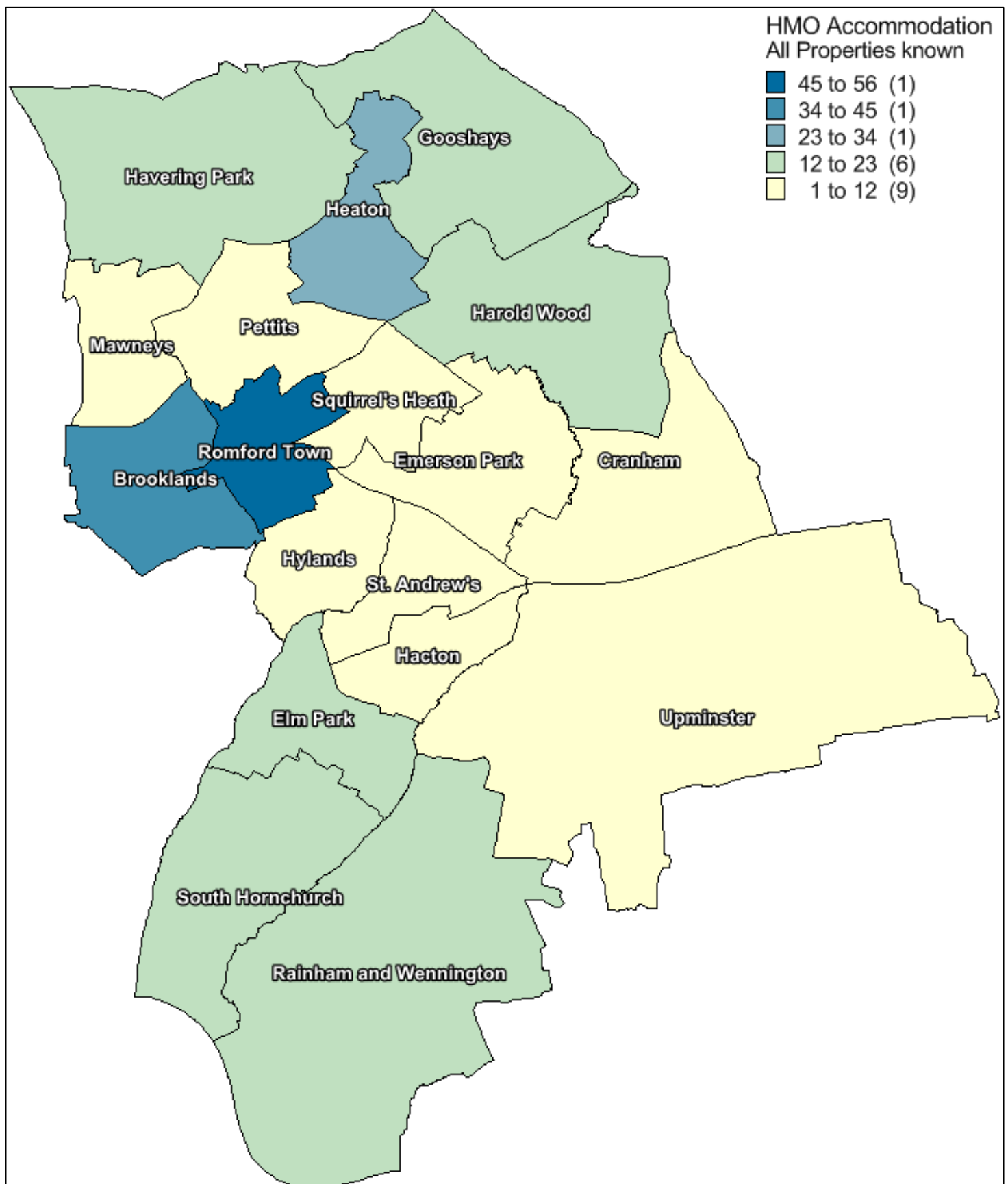
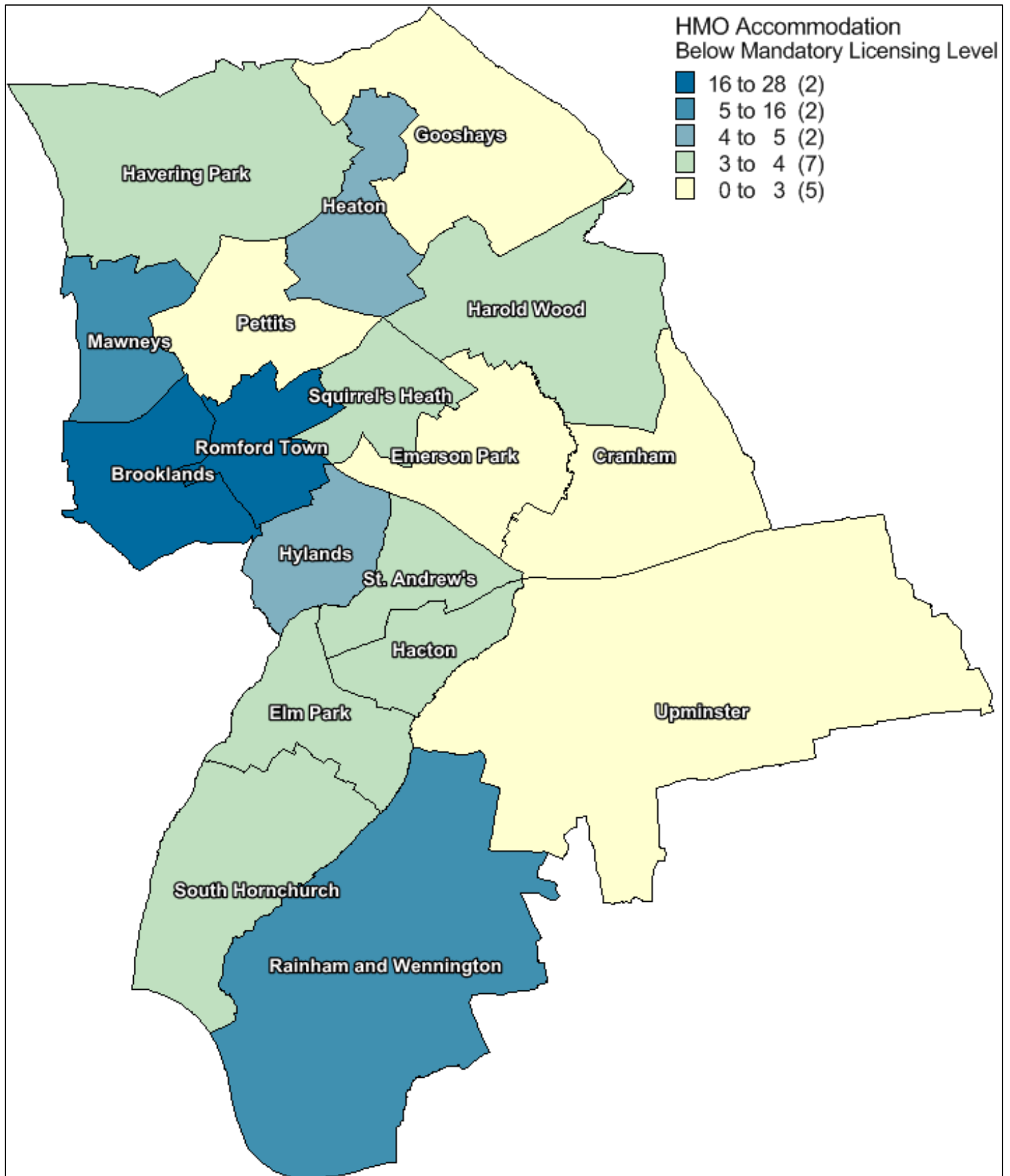


Figure 3: Proportion of HMOs not subject to mandatory licensing



Appendix 2:
**Supporting data relating to incidents of
crime and anti-social behaviour**

Overview of data relating to known HMOs

The following analysis is based on available data concerning addresses identified as HMOs in the London Borough of Havering.

HMO locations

The Council has obtained information about the location of HMOs in the borough from:

- its 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,
- its database of addresses suspected of being HMOs, and
- data from council tax records for shared accommodation and bedsits.

These sources yield the following information:

- The Public HMO Register lists addresses confirmed and registered as HMOs.
- The Housing Benefits system lists properties in respect of which Housing Benefit is paid and which are identified as HMOs or shared accommodation, but not on the Public HMO Register.
- The council tax records list properties recorded on the council tax register as being HMOs, bedsits or shared accommodation.
 - HM1 HMOs are bedsits known to be HMOs, but which fall outside the mandatory licensing regime.
 - HM2 HMOs are HMOs, as defined by section 257 of the 2004 Act, which fall outside the mandatory licensing regime.
 - HM3 HMOs are shared houses, which are known to be HMOs but fall outside the mandatory licensing regime.
- Liberty Housing lists properties, which are HMOs.
- The Council's planning department maintains a database of addresses, currently under investigation, which are suspected, but not confirmed, of being HMOs.

Some addresses appear on multiple lists. These are not 'double-counted' in the table below. Those on official lists (HM1, 2, 3, Liberty Housing and Public HMO 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.

Table 1: Distribution and type/category of HMO by ward

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
Hendon	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 Wennington	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

Almost a third of the properties identified – i.e. HM1, HM2 and HM3 HMOs – fall outside of the 2004 Act's mandatory licensing regime. Whilst these properties are spread throughout most wards in the borough, they are concentrated in Romford Town (28) and Brooklands (16) in particular, where the majority are HM1 (Bedsits).

Licensable HMOs are more prevalent in 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 HMO Register, Liberty Housing or Housing Benefit records; 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, has 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).

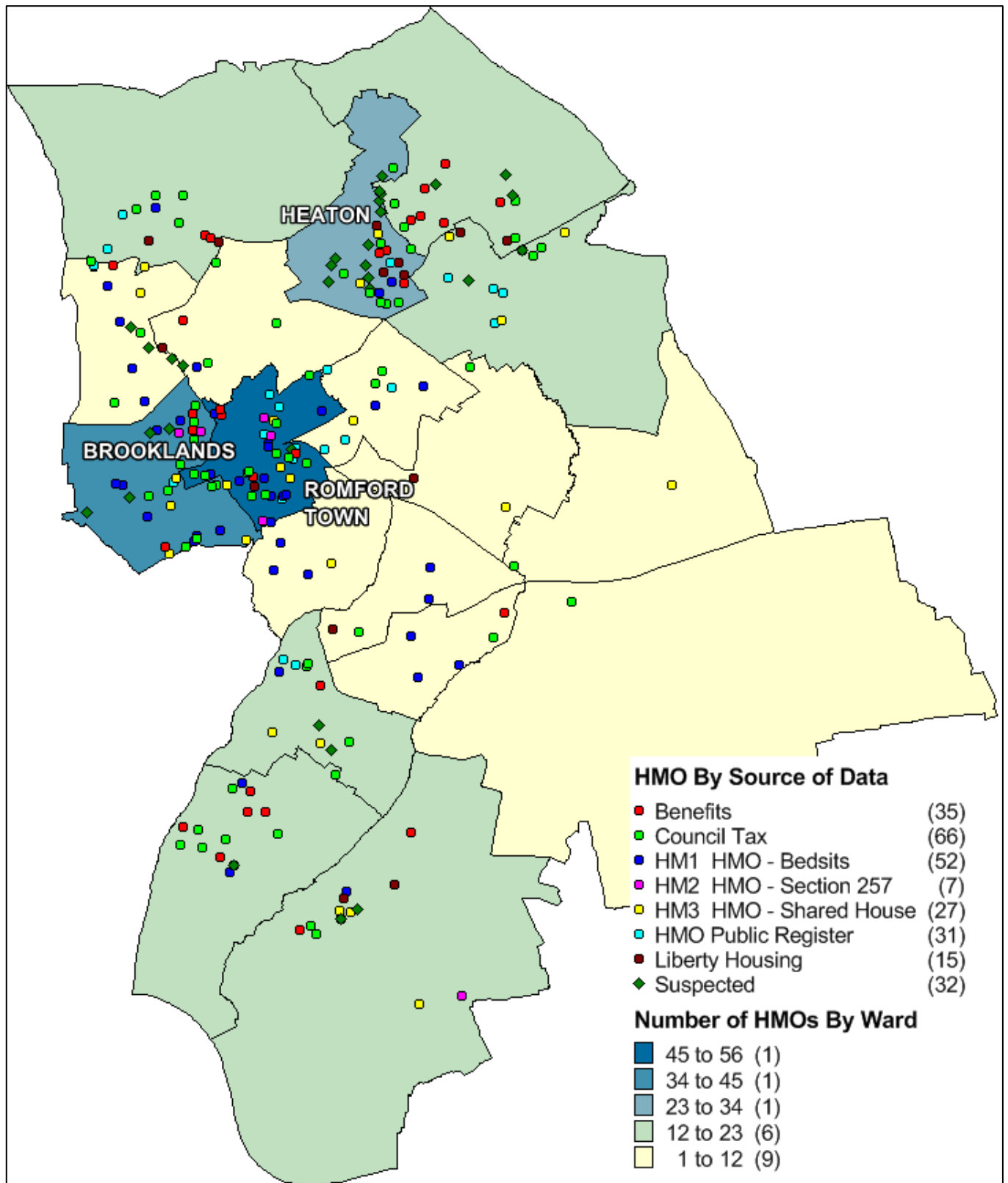
Whilst the planning investigations into unlawful HMO conversions may be an emerging issue, it should be stressed that the significant majority of properties in Harold Hill are unaffected by these developments

The map below shows the distribution of the aforementioned categories of HMO, with clear clusters of properties notable in 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 the table above for number breakdown. Although high concentrations of HMOs are located in the areas of Central Romford and Harold Hill, they are otherwise spread fairly evenly across the whole of the borough. The Council is keen to ensure that any HMO licensing designation that it introduces will cover the whole of Havering and not just the locations where numbers are more prevalent as this would create inequalities and confusion among landlords.

Figure 4: HMO data for Havering



Crime and ASB at HMOs

The Council has cross-referenced the HMO addresses it has identified with data about noise nuisance (collated by the Council), 999 calls to the police and reported and recorded crimes (from the Metropolitan Police).

Due to the different methods of recording address data, the Council has retrieved this information manually by searching for each address in each database.

The data retrieved covers the 2014-15 financial year (April 2014 to March 2015).

Table 2 overleaf shows the total number of records for noise complaints, police calls for service and police calls for domestic violence, as well as the total crime and crime-related incident records, for which the venue was a HMO.

While the total number of identified HMOs accounts for less than 0.3% of all properties in the borough (265 of approximately 100,000), proportionately HMOs were over-represented in all cross-referenced areas, especially domestic violence and noise complaints, in the former case accounting for 1.27% of the borough total.

A further analysis of the number of properties affected reveals that fewer than 1 in 5 HMOs housed tenants that were responsible for or affected by, noise complaints, police calls for service and domestic violence calls; and fewer than 1 in 4 HMOs were linked to reported incidents of crimes.

It should be noted that this analysis is based only on what is known to the recording agencies. The Council acknowledges that incidents 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 HMO addresses generating more than 10 calls each. This may be indicative of a larger problem associated with occupants who reside in this type of short term accommodation and further supports the Council's desire to ensure that all its HMOs are covered by the licensing proposal.

The following table shows the correlation between reports of ASB and nuisance reported to the Environmental Health Department which can be linked to the private rented sector and where the perpetrator resides in a HMO.

London Borough of Havering – recorded ASB incidents by year and tenure type

ASB incidents

year	no of complaints in PRS	of which HMOs
2016	174	132
2015	391	289
2014	391	302
2013	305	223
2012	290	227
2011	277	213
2010	215	181

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Table 2: Total number of records for noise complaints, police calls for service, police calls for domestic violence and total crime and crime-related incident records for HMO venues.

Category	No. Addresses	Total Number of Noise Complaints	Total Number of Police Calls (exc. Domestic Violence)	Total Number of Police Calls - Domestic Violence	Total Number of Crimes Recorded
		2014-15	2014-15	2014-15	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 (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%

Table 3: Number of properties affected (%)

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%)

Of all HMOs identified, 15% had made calls to the police about domestic incidents or domestic abuse. There was a higher incidence of such calls from properties whose residents were in receipt of Housing Benefit (38% of these properties reported domestic abuse to the police) and where the HMO was either on the Public HMO Register (19%) or classed as a bedsit (17%).

Of all crimes and crime-related incidents recorded at HMOs, 45% related to domestic disputes or domestic abuse (46 of 102 offences reported and recorded). This correlates with domestic violence calls.

Rates of burglary per 100 households were one and a half times higher at HMOs than the borough average, though this amounted to just 6 offences.

Other types of crime were generally reported at a lower than average rate for Havering.

The data for two addresses was omitted from the above tables, due to an excessively high numbers of calls for the properties concerned.

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. HMO residents were also more likely to be male, predominantly under 30 (where data was available), with just 33% of occupiers being female.

The list of names was cross-referenced with crime records, on which a named suspect had been identified. 27 HMO occupants had been suspected of at least one crime in the previous 12-months, in which time, cumulatively, they had been suspected of 45 offences. The largest proportion of these offences was for violence or domestic violence (17 persons), followed by theft and serious acquisitive crimes (4 persons), drugs offences (4 persons) and criminal damage (3 persons).

These 27 occupants represented 1.1% of all persons accused of crime in the previous 12-months in Havering.

HMO occupants suspected of crimes were not concentrated in any single area of Havering. A breakdown by area revealed that Romford (RM1, RM7) and Rainham (RM13) had the highest number of suspects, with 8 people each. They were followed by Hornchurch (RM11, RM12) with 5, Harold Hill (RM3) with 4, and Collier Row (RM5) with 2.

Whilst these numbers are relatively low, it is notable that, in the 12 month period considered, **an HMO occupant was seven times more likely to be accused of a crime than a non-HMO occupant.** The 27 HMO occupants suspected of offences reported to police in that 12 month period represented 16.8% of all HMO occupants. Borough-wide, the average is 2.4%.

This demonstrates that **a higher concentration of those with an offending history are found in HMO accommodation**, when compared with non-HMO accommodation.

This may be explained by the fact that access to other housing is more limited for offenders; and because of affordability. The trend is troubling nonetheless; and six addresses identified by the Council accommodated more than one person with previous criminal involvement.

HMO correlation with burglary hotspots

Whilst the crime, ASB and noise data considered in this report related to victims occupying HMOs, it is notable that many of the non-DV offences committed by those residing in HMOs, with an offending history, were committed at non-HMO dwellings.

There is a strong correlation between the location of HMOs in the borough and areas where the incidence of burglary is disproportionately high.

40% of all reported household burglary in the previous 12-months took place in 25 areas in the borough. These areas make up just 7% of the borough's geographical area and contain 20% of the borough's housing stock. Within these locations are

74% of our known HMOs (198 dwellings). Intelligence reports have identified two HMOs used by persons identified as prolific burglars.

It is noteworthy that, according to numerous burglary studies,⁽¹⁾ **rates of burglary are higher in areas of private renting and areas with multiple HMOs.** This is because the transient nature of the population in these locations, with many residents staying for a short term only, enables offenders to operate with greater anonymity than they might in more established communities.

(1) Studies cited include the following:

Higgins, A. and Jarman, R. (2015) Safe as Houses? Crime and changing tenure patterns, The Police Foundation

Jacobson, J. (2003) The Reducing Burglary Initiative: planning for partnership, Home Office, London

Bottoms and Wiles 1988 – This refers to “Crime and Housing Policy: A Framework for Crime Prevention Analysis”

Enson and Stone 1999 – This refers to “Campus crime: A victimisation study”, Journal of Criminal Justice

Bernasco and Luykx 2003 – This refers to “How do residential burglars select targets”

Tilley et al 2004 - This refers to the “Handbook of Crime Prevention and Community Safety”, an edited book

Significant concentrations of HMOs in small geographical areas may, therefore, lead to elevated levels of crimes such as household burglary and vehicle crime.

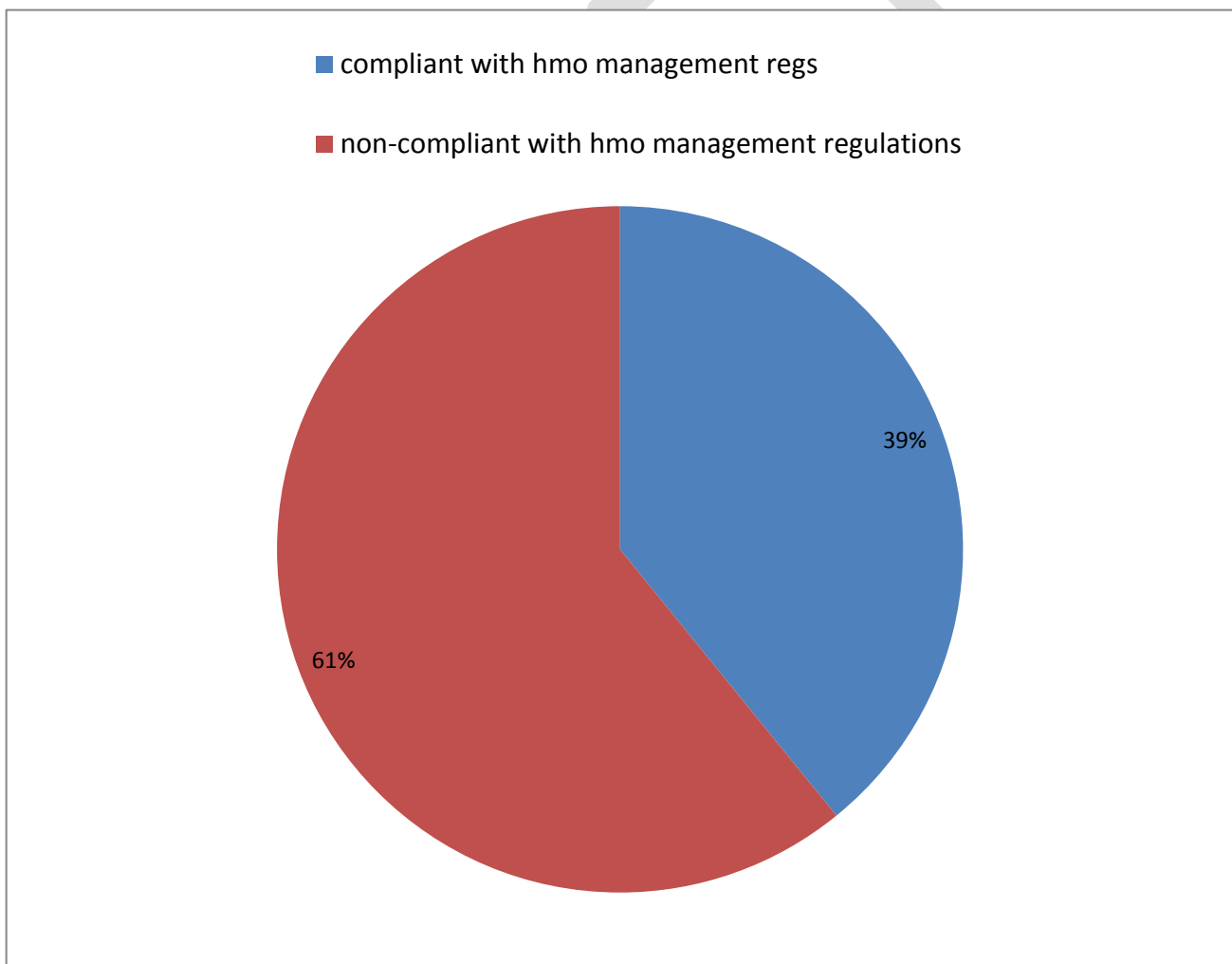
Appendix 3:
**Evidence of borough-wide problematic
and poorly-managed HMOs**

Over the last five years, the Council has operated a proactive inspection programme for 2-storey and non-licensable HMOs. The programme's objectives were, among others: to provide the Council with greater knowledge about the quality of accommodation afforded by smaller HMOs in the borough; to help landlords improve the accommodation, its management and fire safety; and to encourage compliance with the HMO Management Regulations.

The programme revealed unsatisfactory management practices in a significant number of cases. It identified that a large number of 2-storey HMOs contravened one or more of the HMO Management Regulations' requirements, or fell short of the minimum standards set by the adopted East London Standards for HMOs, or both.

The charts and tables below illustrate the programme's findings.

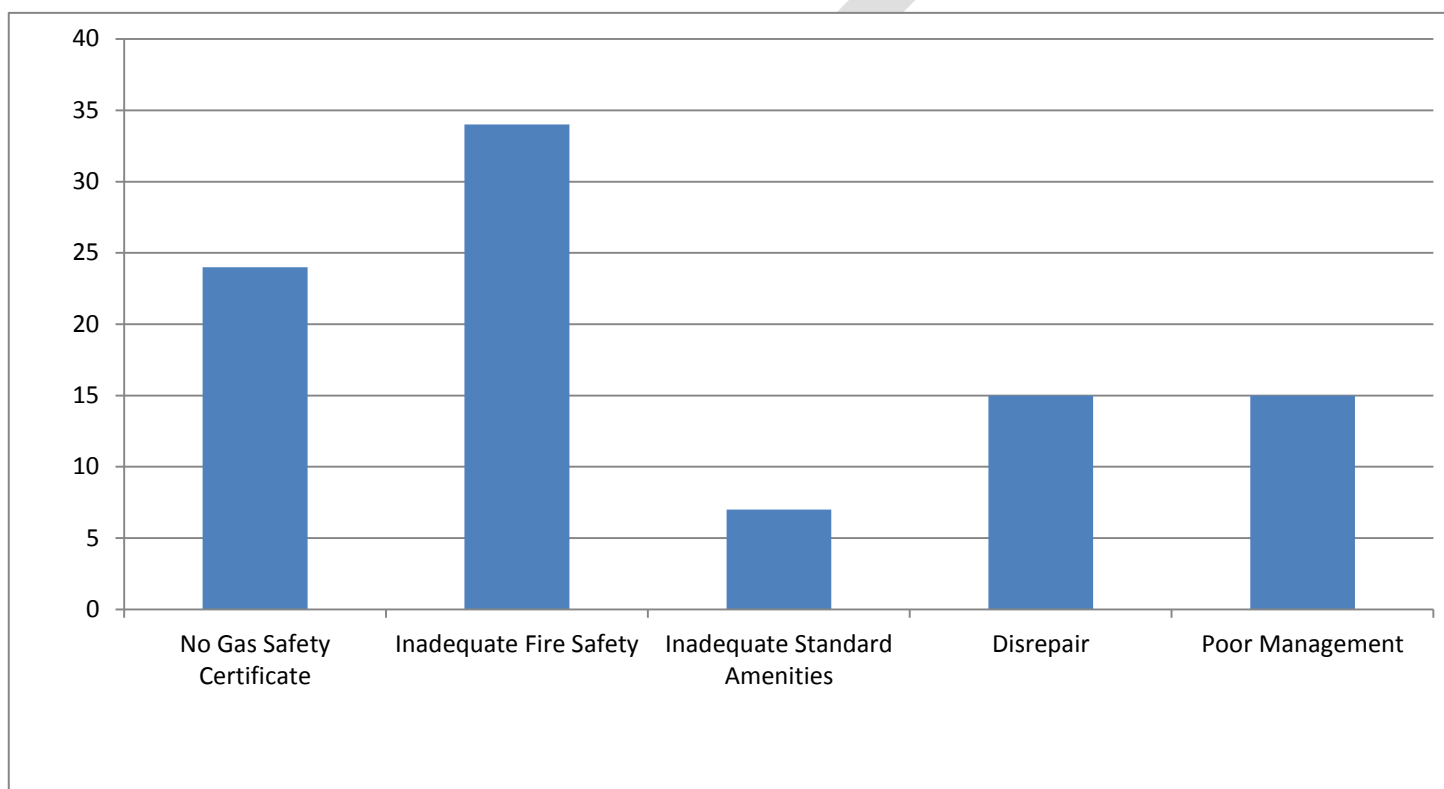
Graph 1: Results of pro-active risk assessment inspections at 2-storey HMOs in Havering, 2013 - 2016



During these inspections a number of specific issues were assessed, including:

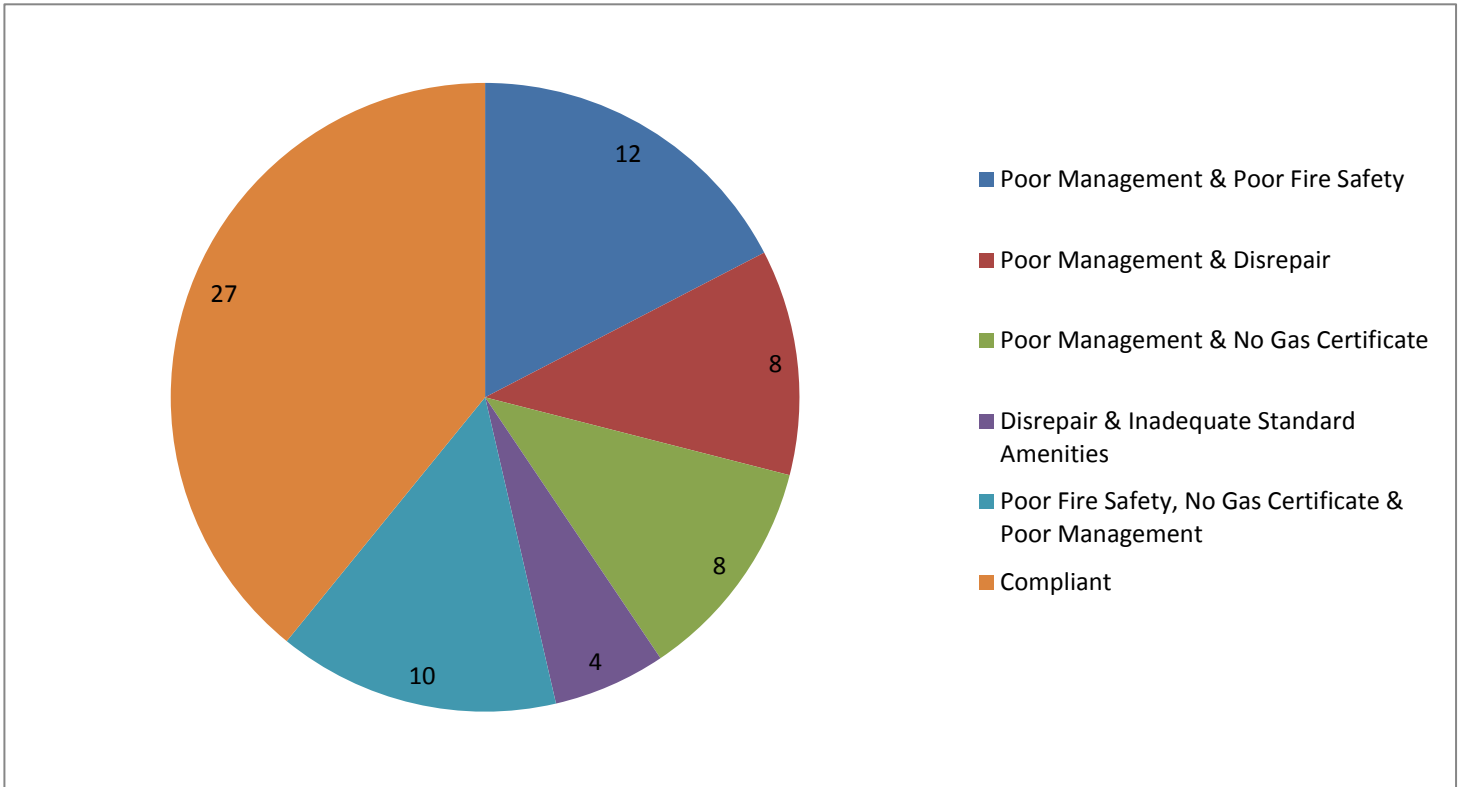
- Fire safety (fire alarms, means of escape, protection of escape routes)
- Number of standard amenities (W/C, basin, bath/shower kitchen sink and cooking facilities)
- Gas and electrical safety
- Disrepair
- Poor management

Graph 2: Deficiencies found at 2-Storey HMOs inspected during this Period

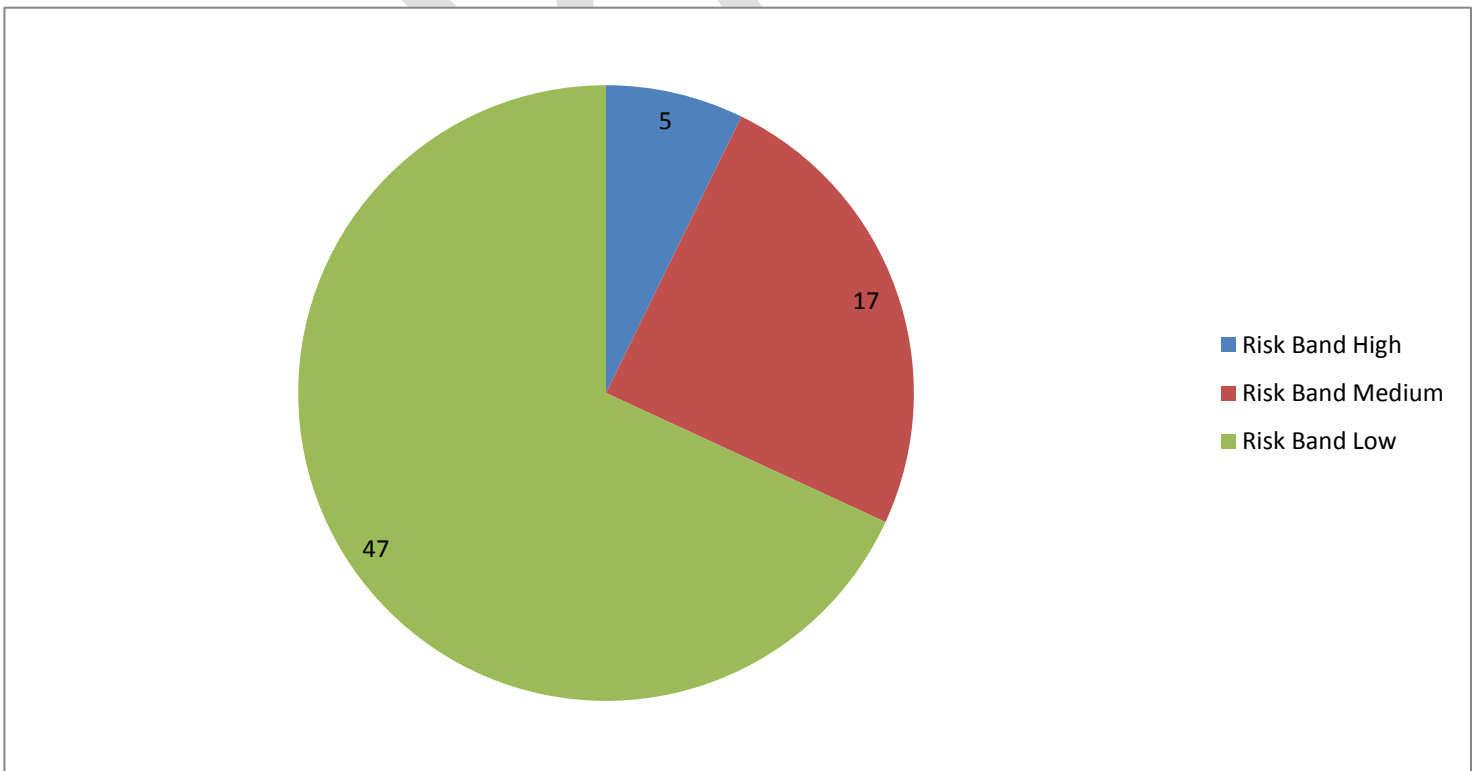


A number of HMOs were deficient in more than one of the above categories. These are shown overleaf in Graph 3 as the actual number of cases from the dwellings inspected.

Graph 3: HMOs deficient in more than one category



Graph 4: Assessed risk bands of 2-storey HMOs inspected, 2013 – 2016



Appendix 4:
Proposed licence fee and charges

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In setting the licence fees, the Council may, by statute, take into account (a) the costs it incurs in carrying out its functions under Part 2 to the 2004 Act (Licensing of HMOs) and (b) the costs it incurs in carrying out its functions under Chapter 1 of Part 4 to the 2004 Act (Interim and final management orders), so far as they are not recoverable under or by virtue of any provision of that Chapter. In particular, the cost of applying for a licence must be reasonable and proportionate.

At present, the licence fee has been set to cover the administration and associated costs of the licence application. However the Council continues to work on the licence fee model and will be considering an alternative fee structure inclusive of costs under section 63 (7) and Section 87 (7) of the Housing Act 2004 prior to the start of the formal consultation.

The Council intends to review the fees annually and adjust them to reflect any changes in costs.

If a landlord wishes to submit a paper application, or requires additional help with the application process, the Council will charge a supplementary fee**. General advice is provided, however, at no extra cost.

All licences will be valid for a period of five years unless the proposed licence holder is a person of concern***.

The proposed fee structure is as follows;

Table 4: Fees

Fee Type	Fee Amount
Additional (HMO) Licence Fee (Online Application)	£800
Additional (HMO) Licence Fee (Paper Application)	£900
Selective Licence Fee (Online Application)	£500
Selective Licence Fee (Paper Application)	£600
Additional Charge for Assisted Applications**	£100 per Application

Table 5: Available Discounts

Discounts		
1	Early Bird Discount 25%	For applications made prior to the implementation date
2	Discount 10%	For accredited landlords or members of recognised landlord associations
3	Discount 10%	For multiple applications or where an Applicant has had "fit and proper person" check in the last 6 months

- * If a landlord is making multiple applications and is an accredited landlord, he/she/it may apply for both discounts 2 and 3.
- ** The Council will not charge a fee for assisted applications if the need for assistance is the consequence of a characteristic protected by the Equality Act 2010, such as disability, and in all the circumstances charging the fee would be disproportionate.
- *** A person of concern is a person, who: (a) is being or has been investigated for fraud relating, directly or indirectly, to his/her/its position as a landlord, manager or controller of let premises, or other involvement in letting premises, or (b) is or has been subject to enforcement action or prosecution relating to contraventions of the Housing Acts and/or regulations made under them.

Table 6: Other Fees and Charges Applicable

Licence Variation	Licence Variation Fee
Change of address details of any existing licence holder, manager, owner, mortgagor, freeholder, leaseholder etc.	No Fee
Change of mortgagor, owner, freeholder, and leaseholder (unless they are also the licence holder or manager)	No Fee
Reduction in the number of maximum occupiers and/or households for licensing purposes	No Fee
Variation of licence instigated by the Council	No Fee
Change of licence holder (Full fee applicable)	£500.00 (selective) or £800.00 (additional)
Change of manager (unless they are also the licence holder)	No Fee
Increase in the maximum number of occupiers and/or households resulting in a change from a selective licence to additional licence. This sum accounts for the difference in fee.	£300.00

Table 7: Actions and Applicable Charges

Action	Applicable Fee
Revocation of licence	No fee
Application for licence following revocation of licence (full applicable fee)	£500 or £800.00
Application refused by the Council	Application fee (no refund)
Application withdrawn by the applicant	Application fee (no refund)
Application made in error – out of Borough	No fee, and a refund will be made

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Table 8 – Operational Costs of Licensing Schemes

										Further Discounts Available	
										Discount Rate	Discount Rate
										25%	10%
London Borough of Havering HMO Additional and Selective Licences over 5 Years	% of Clients Expected to be charged	Fee	Estimated Client Numbers who will pay the full Fee	Estimated Income Receivable	Estimated Client Numbers Receiving Early Bird Discount	Estimated Income Receivable from Clients who receive an Early Bird fee Discount Percentage Receivable	Estimated Number of Clients who are Members of a Landlord Association	(See Note 1) Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total		
Income											
HMO Additional Licence		£800	350	£280,000	650	£390,000	100	-£8,000	£662,000		
Selective Licence		£500	1,225	£612,500	2,275	£853,125	250	-£12,500	£1,453,125		
Subtotal			1,575	£892,500		£1,243,125		-£20,500	£2,115,125		
Additional Charges											
Additional supplement for paper applications	5%	£100	79	£7,875					£7,875		
Charge for assisted applications	5%	£100	79	£7,875					£7,875		
Subtotal			158	£15,750					£15,750		
Total Estimated Income Over 5 years									£2,130,875		
Expenditure											
Operational Costs											
Staff Cost				£1,326,800							
Overhead Costs				£593,580							
				£1,920,380							
Start up cost											
IT system				£57,500							
Publicity				£21,736							
				£79,236							
Setup costs											
Staff Cost				£121,259							
Materials/Printing forms etc				£10,000							
				£131,259							
Total Estimated Expenditure Over 5years									£2,130,875		

Note 1

Clients who receive a further 10% discount for being a member of a Landlord Association will already have been included within the numbers of full or early bird discount fee payers



Appendix 5:
Additional Licensing Conditions

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This Appendix contains the conditions that would form part of an additional HMO property licence.

Some of the conditions are mandatory; and the Housing Act 2004 requires the Council to insert them.

The 2004 Act also gives the Council discretion to insert further conditions, for example to control occupancy, to help reduce anti-social behaviour, to safeguard the health and safety of occupants and to ensure good management practices.

FAILURE TO COMPLY WITH LICENCE CONDITIONS IS A CRIMINAL OFFENCE

Permitted Occupation

- 1) The licence holder must not allow a new resident to occupy the house or any part of it if, by doing so, the number of persons or households occupying the house would:
 - a) exceed the maximum number of persons permitted to occupy the house, as detailed in the schedule of permitted occupation below;
 - b) exceed the maximum number of households permitted to occupy the house, as detailed in the schedule of permitted occupation below;
 - c) exceed the maximum number of persons for any letting, as detailed in the schedule of permitted occupation below.

A new resident means a person, who was not an occupier of the house and/or the specific room at the date on which the licence was issued.

Occupancy and Maximum Permitted Person per Letting

- 2) This condition will detail the maximum number of persons or households allowed in a dwelling; and/or the maximum number of persons allowed in each room.

Notification of Changes

- 3) The licence holder must inform the Council of the following directly, in writing or by email, within 28 days of the change occurring:
 - a) any change in the ownership or management of the property;
 - b) any change in the address, email or telephone number of the licence holder and/or agent;
- 4) The address given by the licence holder on the application form will be used as the address for service of any letter, notice or other document on the licence holder; and any such letter, notice or other document shall be validly served if served at that address. It is the licence holder's responsibility to ensure that any such letter, notice or other document is collected.
- 5) The licence holder must, at least 28 days before starting any work, inform the

Council directly, in writing or by email, of any change to the construction, layout or amenity provision of the house that would affect the licence or licence conditions.

Tenancy Management

- 6) The licence holder must: (a) supply the occupiers of the property with a written statement of the terms on which they occupy it and details of the arrangements made to deal with repair issues and emergency issues; and (b) provide the Council with a copy of the said terms within 28 days of any request to inspect them.
- 7) The licence holder must ensure that: (a) only he/she or the agent listed on this licence creates new tenancies or licences to occupy the property whilst this licence is in force; and (b) provides the Council with a copy of the terms of any new tenancies and licences within 28 days of any request to inspect them.
- 8) The licence holder must not cause or permit any person, who has previously applied for a property licence in respect of the premises and has either:
 - (a) been found not to be a fit and proper person, or
 - (b) been made subject to a banning order under the Housing and Planning Act 2016,to control or manage the premises, or to carry out or arrange any repair, improvement or other building works at the property.
- 9) The licence holder must: (a) obtain references from any person who wishes to occupy the property before entering into any tenancy, licence or other agreement enabling them to do so; and (b) not enter into any such agreement if the person is unable to provide suitable references.
- 10) The licence holder must: (a) retain copies of all references for the duration of this licence and (b) provide the Council with a copy of any such reference or references within 28 days of any request to inspect it or them.
- 11) The licence holder must: (a) protect any deposit taken under an assured short-hold tenancy by placing it in a statutory tenancy deposit scheme; (b) give the tenant the information prescribed under the Housing Act 2004 about the scheme used at the time the deposit is taken; and (c) provide the Council with the said information within 28 days of any request to inspect it.
- 12) The licence holder must (a) provide the Council, within 7 days of any demand to inspect them, with written details of the arrangements made, or to be made, to (i) prevent or reduce anti-social behaviour by persons occupying or visiting the property and (ii) ensure the effective management of the property; and must (b) ensure that the said arrangements include the following:
 - a) provision of an emergency, 24hr contact number (including out-of-hours response arrangements);

- b) formal arrangements for the disposal of rubbish and bulky waste; and
 - c) written records of inspections undertaken in respect of management and repair issues at the property.
- 13) The licence holder must ensure that an inspection of the property takes place at least every three (3) months to identify any problems relating to the condition and management of the property, or the behaviour of its occupants. The records of such inspections shall be kept for the duration of this licence. As a minimum requirement the records must identify: who carried out the inspection; the date and time of the inspection; and any issues found and action(s) taken. The licence holder must provide the Council with a copy of these records within 28 days of any request to inspect them. The Council may increase the frequency of the inspections required under this condition upon written notice to the licence holder.
- 14) The licence holder must: (a) not ignore or fail to take action to address any anti-social behaviour (ASB) on the part of the property's occupiers, or visitors to the property; and must (b) comply with the requirements of paragraphs (a) to (h) below.
- a) If the licence holder receives a complaint from any person or organisation (including the London Borough of Havering) regarding antisocial behaviour involving the occupiers of- or visitors to the property, the licence holder must contact the relevant occupier within 14 days of receiving the complaint. The licence holder must inform the occupier in writing about the allegations of anti-social behaviour and the consequences of it continuing.
 - b) If the licence holder is informed by the Council, police or other organisation that any occupier or occupiers have entered in to a Community Resolution, or an Acceptable Behaviour Contract, or that court proceedings for a civil injunction have been issued against the occupier or occupiers, or that the occupier or occupiers have been prosecuted in the criminal courts for acts associated with ASB, the licence holder must visit the property within 7 days of being so informed.
 - c) During the visit the licence holder must provide the occupier or occupiers with a warning letter explaining (amongst any other matters): why their behaviour is not acceptable; that they are responsible for the conduct of their visitors; the impact on any victims or the local community; and the consequences of the behaviour continuing.
 - d) The licence holder must keep any letters, emails, legal notices or other documents relating to anti-social behaviour that are sent or received by the licence holder, or the agent on behalf of the licence holder, for a period of 5 years.
 - e) Where the licence holder has reasonable grounds to suspect that the anti-social behaviour involves criminal activity, the licence holder must ensure that the appropriate authorities are informed.
 - f) The licence holder must co-operate with the police and local authority

in any efforts they make to resolve problems of ASB at or in the property, or by the occupants of or visitors to the property. For example, the licence holder (or a person or agent instructed by them) should attend any case conferences or multi-agency meetings at which the problems are considered; and provide the police or local authority with information when requested.

- g) The licence holder must provide the Council with a copy of any correspondence, letters and records referred to in conditions 14(a) to (f) within 28 days of any request to inspect them.

Conditions 15-19 will not apply to all licences.

- 15) The licence holder must, within 6 months of the date on which this licence is issued, if he or she has not already done so in the 5 years immediately before the licence is issued, attend training (to be specified in this condition) and become an Accredited Landlord.
- 16) If the licence holder is required by a condition of the licence to attend training and accreditation with the London Landlord Accreditation Scheme (LLAS) or an equivalent, professionally-recognised organisation listed in condition 17, the licence holder must do this by:
- a) booking and completing the LLAS one-day training course or equivalent, professionally-recognised training course; and
 - b) agreeing to comply with the UK Landlord Accreditation Partnership's Code of Conduct, or the equivalent, professionally-recognised code

To book the course and for more information about the requirements in conditions 16b and c above, visit www.londonlandlords.org.uk or call 020 7974 6975.

- 17) The other equivalent, professionally-recognised qualifications may be acquired by, as the case requires:
- attending and passing the NLA Foundation Course run by the National Landlords Association (www.landlords.org.uk);
 - becoming an Accredited RLAAS Landlord through the RLA Accreditation Scheme run by the Residential Landlords Association (www.rla.org.uk);
 - becoming a member of the Association of Residential Letting Agents (ARLA) (www.arla.co.uk);
 - completing the Foundation Letting Course (England) run by the National Approved Letting Scheme (NALS) (www.nalscheme.co.uk/);
 - attending and passing the Accreditation Day Seminar of the Midland Accreditation Scheme (MLAS) (www.mlas.org.uk/).
- 18) The licence holder must remain an accredited Landlord with LLAS or registered with the equivalent, professionally-recognised scheme for the duration of this licence.

- 19) The licence holder must: (a) keep the accreditation certificate or documents issued by LLAS or the equivalent, professionally-recognised scheme for the duration of the licence; and must (b) provide the Council with a copy within 28 days of any request to inspect them.

Property Management

- 20) The licence holder must, if informed (in writing, by email or other form or communication) about disrepair or a pest infestation in the property: (a) take such action as is necessary to remedy the disrepair and/or infestation;(b) respond to the complaint in writing within 14 days of receiving it; and (c) provide the Council with a copy of any complaint and related correspondence and records within 28 days of any request to inspect them.
- 21) The licence holder must ensure that works of repair, improvement or treatment at the property are carried out by a competent person or persons, employed directly by the licence holder or an agent or employee of the licence holder. The licence holder must provide the Council with a copy of the receipts and/or invoices for any such works within 28 days of any request to inspect them.
- 22) If gas is supplied to the property, the licence holder must take all reasonable, practicable steps to ensure that all gas installations and appliances in and serving the property are in a safe condition. The licence holder must have a current, valid gas safety certificate issued by a Gas Safe registered engineer. Alternatively, if the boiler was installed less than 12 months previously, the licence holder must have a Gas Safe Installation Certificate. The licence holder must provide the Council with a copy of any such certificate or certificates within 28 days of any request to inspect them.
- 23) The licence holder must take all reasonable, practicable steps to ensure that all electrical appliances in the property are in a safe condition. The licence holder must provide the Council with an electrical appliance test report in respect of all electrical appliances supplied by the landlord within 28 days of any request to inspect it.
- 24) The licence holder must take all reasonable, practicable steps to ensure that electrical installations in the property are in a safe condition. The licence holder must provide the Council with an unexpired 'satisfactory' electrical installation condition report (EICR) for the property within 28 days of any request to inspect it.
- 25) The licence holder must ensure the EICR is supplied by a competent person, who is appropriately qualified to issue this report. If the person issuing the EICR is not properly registered with the Electrical Contractors Association (ECA), National Inspection Council for Electrical Installation Contracting (NICEIC), ELECSA, NAPIT or Registered Competent Person Scheme (www.electricalcompetentperson.co.uk), the licence holder must also provide written evidence that the electrician has the necessary qualification/s, skills

and experience to issue the condition report. The licence holder must provide the Council with any such evidence within 28 days of any request for it. (PLEASE NOTE: the Council will not contact the electrician on your behalf)

- 26) The Licence Holder must give new occupants, in writing and within 7 days of the start of their occupation, the following information on waste and recycling:
- the days on which the property's refuse and recycling bins are collected;
 - details about what occupants can and cannot recycle;
 - how occupants can dispose of bulky waste; and
 - general guidance about waste, from the Council's website.

The licence holder must keep a copy of the information provided to the occupants must for a period of 5 years beginning with the commencement of their occupation and must provide the Council with a copy of the same within 28 days of any request to inspect it.

- 27) The licence holder must make adequate arrangements for occupants of the property to dispose hygienically of refuse and recycling, without causing a nuisance to local residents or others. The licence holder must ensure that there are suitable receptacles in and at the property for the storage of household refuse and recycling between collections, so that bags or loose refuse and recycling are not stored outside the property.
- 28) The licence holder must carry out regular checks to- and ensure that the common parts, gardens and yards at the property are kept free from waste, which could provide harbourage for pests and/or may be a nuisance and/or may be detrimental to the local amenities (other than waste stored in suitable receptacles for the storage of household refuse and recycling).
- 29) The licence holder must not discard old furniture, bedding, rubbish or refuse from the property on the public highway or pavement immediately outside the property or on private land, other than for the purpose of presenting it for an arranged collection. The Licence holder should also ensure that occupiers of the property are made aware of and observe any refuse or bulky waste collection arrangements that exist
- 30) The licence holder must ensure that any type of rubbish that the Council does not routinely collect, such as hazardous waste, is collected and/or disposed of in a safe and hygienic manner.
- 31) If he or she becomes aware that the visitor of an occupant or occupants is dumping or leaving old furniture, bedding, rubbish or other refuse from the property on the public highway or private land, the licence holder must, in writing and within 14 days of becoming so aware, warn the occupant about the conduct of the visitor and require the occupant to remove the items immediately. The licence holder must provide the Council with copies of any such correspondence within 28 days of any request to inspect it.
- 32) The licence holder must carry out regular checks to- and ensure that the

property is kept free from pest infestation. If the licence holder becomes aware of a pest infestation or other pest problem at the property, he or she must, within 7 days of becoming so aware, take such steps as are necessary to ensure that a programme of treatment is undertaken to eradicate the infestation or problem. The licence holder must keep records of any such programme and provide the Council with a copy of the same within 28 days of any request to inspect it.

- 33) The licence holder must ensure that a smoke alarm is installed on each storey of the property on which there is a room used wholly or partly as living accommodation. For this purpose, bathrooms and lavatories are treated as living accommodation.
- 34) The licence holder must ensure that each smoke alarm installed in any room, hallway, landing, bathroom or lavatory in the property is kept in proper working order.
- 35) The licence holder must provide the Council, within 28 days of any request to inspect the same, with a declaration by him as to the condition and positioning of any such smoke alarms.
- 36) The licence holder must ensure that each smoke alarm installed in any other location in the house is kept in proper working order.
- 37) The licence holder must ensure that a carbon monoxide alarm is installed in any room in the property which is used wholly or partly as living accommodation and contains a solid-fuel-burning combustion appliance. For this purpose, 'room' includes halls and landings; and kitchens, bathrooms and lavatories are treated as living accommodation.
- 38) The licence holder must ensure that each carbon monoxide alarm installed in any room in the property is kept in proper working order.
- 39) The licence holder must provide the Council, within 28 days of any request to inspect the same, with a declaration by him as to the condition and positioning of any such carbon monoxide alarms.
- 40) The licence holder must ensure that any firefighting equipment and fire alarm equipment is maintained in good working order. The licence holder must provide the Council, within 28 days of any request to inspect the same, with a copy of all periodical inspection reports and test certificates for any automatic fire alarm system, emergency lighting and firefighting equipment in the property.
- 41) The licence holder must ensure that furniture made available in the property is in a safe condition. All upholstered furniture and covers and the fillings of cushions and pillows must comply with current fire safety legislation. The licence holder must provide the Council with a declaration as to the safety of such furniture within 28 days of any request for the same.

Documents to be displayed

- 42) The licence holder must display a copy of the licence to which these conditions apply in the common parts of the property. Further, the licence holder must provide all occupiers with a copy of the licence before they commence occupation.
- 43) The licence holder must display a notice in the common parts of the property with the name, address and emergency contact number of the licence holder or managing agent. Further, the licence holder must provide all occupiers with a copy of the same information before they commence occupation.
- 44) The licence holder must display a copy of the current gas safety certificate in the common parts of the property. Further, the licence holder must provide all occupiers with a copy of the said certificate before they commence occupation.

Financial Management

- 45) No person other than the licence holder or the agent named on the licence may collect and receive rental monies from the occupants of the property. The licence holder and/or agent may pass on the rental monies to any third parties as required.
- 46) Where rents are collected or received from occupants, the licence holder must ensure that the payment is recorded and that the occupants receive a receipt for the payment. The licence holder must keep a copy of all such records and receipts and must provide the Council with a copy of the same within 28 days of any request to inspect them.
- 47) The licence holder must, within 28 days of any request to inspect the same, provide the Council with written details of the arrangements made to pay and settle the annual council tax liability in respect of the property.
- 48) Management of the council tax account for the property shall be the liability of the licence holder.

General Conditions

- 49) The licence holder must ensure that suitable arrangements are in place to enable the Council to access the property at any reasonable time of the day, upon reasonable notice, and must not obstruct Council officers in the performance of their statutory duties, including surveying the property to ensure compliance with licence conditions and relevant legislation.
- 50) The licence holder must provide the Council, within 28 days of any request for the same, with such particulars as may be specified in the notice concerning the occupation of the house, including without limitation:

- a) the names and numbers of individuals and households in the property, and the rooms they occupy; and
 - b) the number of individuals in each household.
- 51) The licence holder must ensure that, while any works of alteration or construction are in progress, suitable arrangements are made to safeguard the health and safety of all persons occupying or visiting the property.
- 52) The licence holder must ensure that, upon completion of any works, the property is left in a clean and tidy condition, free from debris.

Limitations of Licence

- 53) **LICENCE TRANSFER** This licence is not transferable and may NOT be transferred to another person, organisation or property.
- 54) **REGISTERED COMPANIES** If the licence holder is a registered company and is dissolved while the licence is in force, the licence ceases to be in force on the date of dissolution.
- 55) **PLANNING PERMISSIONS** This licence does NOT grant any planning approvals, consents or permissions under the Town and Country Planning Act 1990 or any related planning legislation, retrospectively or otherwise.

You must ensure that, if necessary, the correct planning permissions are given to use the property as a House in Multiple Occupation (HMO). Failure to do so may be a breach of planning control.

This licence does not offer any protection against or excuse for enforcement action taken by the Planning Department. If you are unclear about the matters outlined above, you should seek professional planning advice.

- 56) **BUILDING CONTROL** This licence does NOT grant any Building Regulations approvals, certification, consent or permissions, retrospectively or otherwise. This licence does not offer any protection against or excuse for enforcement action taken by the Building Control Department
- 57) **PROPERTY CONDITION** This licence is NOT proof that the property is safe and free from hazards and defects. The licence does not prevent legal action being taken against the licence holder, or anyone else with an interest in the property, in the criminal and/or civil courts if any hazards or nuisances are found, or any other problems discovered in relation to the condition of the property.

It is not the responsibility of the London Borough of Havering Property Licensing Team to ensure the property is compliant with the above limitations.

- 58) **PROSECUTION/ CONTRAVENTIONS CONSEQUENCES** Please note that any prosecution or enforcement action, or legal action taken against the

licence holder or anyone associated with licence holder, or the management of the property, may affect the licence holder's status as a 'fit and proper' person to hold a licence. The Council can revoke or vary the licence at any time, giving proper statutory notice.

- 60) **CONSUMER RIGHTS & UNFAIR PRACTICES** The licence holder must ensure that any tenancy agreement he or she uses is free from unfair terms and complies with all legal requirements under consumer law, including the Consumer Rights Act 2015. Licence holders should carefully read the Competition and Markets Authority (CMA) 'Unfair Contract Terms Guidance' (CMA37) and follow this guidance when conducting their business, drawing up tenancies, contracts, or serving notices on tenants and/or agents.

It is also recommended that licence holders refer to the 'Guidance on Unfair Terms in Tenancy Agreements' (OFT356) which, though not up to date in terms of legal developments since publication in 2005, remains a useful guide to type of tenancy terms that are potentially 'unfair'.

The licence holder must act in good faith at all times and must not take any action, or omit to do anything, which might be considered a 'misleading action' or a 'misleading omission', as defined by the Consumer Protection from Unfair Trading Regulations 2008. The licence holder must provide prospective tenants with information about the same, including the details of this licence.

Licence holders must ensure that all goods supplied as part of a letting of furnished, residential accommodation are safe, including gas and electrical installations and appliances.

Further advice on all the above requirements can be found here;

<https://www.gov.uk/government/publications/unfair-contract-terms-cma37>
<https://www.gov.uk/government/publications/unfair-terms-in-tenancy-agreements--2>.
<https://www.businesscompanion.info/en/quick-guides/good-practice/consumer-protection-from-unfair-trading>
<https://www.businesscompanion.info/en/quick-guides/product-safety/goods-in-rented-accommodation>

PENALTY FOR BREACH OF LICENCE CONDITIONS

**Failure to comply with any of the above licence conditions may result in enforcement action, as described above, and/or prosecution.
The fine for a breach of licence condition is UNLIMITED for each offence.**

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Appendix 7

Draft Proposal to Designate a Selective Licensing Scheme

Draft Proposal for Consultation

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Abbreviations

ASB	Anti-Social Behaviour
BRE	Building Research Establishment
ELHP	East London Housing Partnership
HMOs	Houses of Multiple Occupation
HSCR	Housing Stock Condition Report
LSOA	Lower Super Output Area
LSOAs	Lower layer Super Output Area
PRS	Private Rented Sector
RSL	Registered Social Landlord
TIMs	Tenure Intelligence Model

Sources of Guidance and Reference

This document has been researched and drafted with due reference to the following sources of guidance and good practice, in addition to those sources referenced within the body of the document. Whilst some of the referenced documents are dated and may not reflect the current law, the relevance of certain elements of the guidance has been considered. The list of documents referred to includes but is not exclusive to the following

1. Great Britain. Department for Communities and Local Government. (2010). *Approval steps for additional and selective licensing designations in England*. London. Department for Communities and Local Government
2. Mitchell. S., & Murphy. J. Shelter. (2006). *Selective Licensing for local authorities – A good practice guide*. London. Shelter
3. Great Britain. Unknown. (2011). *Additional and Selective Licensing under general consent: A guide for practitioners from LG Regulation*. London.
4. Great Britain. Department for Communities and Local Government. (2016). *The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015*. London. Department for Communities for Local Government
5. Great Britain. Department for Communities and Local Government. (2015). *Selective Licensing in the private rented sector – A guide for Local Authorities*. London. Department for Communities and Local Government.

Examples of good practice have been reviewed from Local Authorities with a Selective Licensing Scheme in place and lessons have been learned from those authorities who have had their Selective Licensing designations subject to Judicial Review proceedings.

Forward

This Council believes that the implementation of a combination of additional and selective licensing will, alongside other existing and proposed activities, improve conditions in the private rented sector (PRS) and reduce the negative impact poorly managed rented houses have on the local community.

The low supply and high demand for housing means that the market alone will not drive up standards in the PRS. For many of the Borough's most vulnerable residents there are limited options to meet their housing needs and they are therefore more willing to pay for substandard and sometimes dangerous accommodation.

This report outlines the analysis of several datasets and current research to determine where the evidence meets the legal criteria to implement a selective licensing scheme in specific parts of the borough as part of a co-ordinated approach to tackle the problems identified. It also details and explains the consequences of the proposed selective licensing scheme, so that consultees have an opportunity to consider and provide an informed response to the proposal.

1.0 Introduction and Context

The population of Havering is projected to increase by 10% by 2020, an increase of 24,000 people. This is expected to place significant pressures on the housing market in the Borough, particularly the demand for affordable housing.

The number of people owning their own home in Havering, rather than renting social or Council housing, is higher than the average for London or England. In 2011, 10,464 properties in Havering were owned by the local authority, 3,355 by Registered Social Landlords, 71,698 were owner-occupied and 9,601 were privately-rented. The latest figures suggest that, in 2016, there are approximately 100,000 dwellings in total, of which 17,037 are now privately-rented.

Pensioner households comprise the biggest proportion of households in Havering, making up nearly 30% of all households, 15.6% of which are lone-pensioner households.

Havering is considered to be a safer place to live than other areas in London and, according to the national average, other boroughs nationally. Although, there are differences within wards as to the level of criminal offences for many types of crime, all parts of the Borough are affected to some degree. Benefit-dependent young families and single people in social housing are likely to be the most worried about becoming a victim of crime.

Further, many single-person, benefit-dependent households are transient and this can lead to a high turnover of residents. The constant movement of single people within the PRS means that it is difficult to create and sustain any feeling of community. This is likely to contribute to the high levels of crime and anti-social behaviour (ASB) in the borough.

Overcrowding is less common in Havering than the England and London averages, although there are differences between wards, with residents of Gooshays and Heaton wards most likely to experience overcrowding. Increased mortality rates, tuberculosis, respiratory conditions and childhood meningitis can all be linked to overcrowded housing conditions.

Overall Havering is not a highly deprived area, but there are inequalities and pockets of deprivation, particularly within the Gooshays, Heaton and South Hornchurch wards. It has one Lower Super Output Area (LSOA) - a geographical area defined for statistical purposes, with average population of 1,500 - that falls within the 10% most deprived areas of England and a further 12 LSOA's that fall within the 20% most deprived areas. Unemployment levels in Havering are estimated to be similar to national averages but Gooshays and Heaton wards have the highest proportions of people claiming Job Seeker's Allowance. There is good evidence to suggest that deprivation and social exclusion can impact upon a number of aspects of life including employment, crime, education/skills, health, housing and the environment.

The areas selected for this proposed designation were chosen due to high number of private rented properties and higher than average and higher than should be

expected levels of anti-social behaviour taking into account the sizes of the areas under consideration.

The Council has undertaken research regarding tenure type in the areas of interest and found that the proportion of privately rented dwellings is significantly higher than for the remainder of Havering.

In order to gain a more accurate picture about the levels and distribution of private rented housing in the borough, the London Borough of Havering has been working with colleagues at the London Borough of Newham to develop a new Tenure Intelligence Model (TIMs) for Havering. This has been developed using information from a number of sources that the Council already holds in its Data Warehouse. The model analyses the information held, indicates properties that are privately rented and predicts addresses that may be multi-occupied.

In England as a whole the average proportion of housing stock within the private rented sector is around 19%. This analysis has shown that the proportion of privately rented housing in Havering is around 17% of its total housing stock (17,037 households) compared with 100% in 2011.

This growth has been due largely to the activities of 'buy to let' investors, who have replaced owner-occupiers in many of our streets and neighbourhoods.

The average proportion of privately rented housing in Brooklands ward is 27.5%, Romford Town 26.5%, Heaton 14.9% and Gooshays 13.9%. Whilst Heaton and Gooshays wards have a relatively low percentage of private rented dwellings overall, they have a disproportionate proportion of associated ASB and crime levels.

The Council is required by virtue of section 80(9) of the Housing Act 2004, when considering making a designation for selective licensing, to take reasonable steps to consult all persons who are likely to be affected by the designation. It is also required to consider any representations made in accordance with the consultation and not withdrawn.

Accordingly the Council wants to hear the views of its residents and businesses and landlords who rent properties in the borough to ensure that the areas identified for the proposed selective licensing are the most in need of such intervention to reduce the levels of persistent antisocial behaviour and poor housing that can lead to social issues in the area. The ways in which you can respond to this consultation are detailed in section 10 of this document.

2.0 What is a Selective Licensing Scheme?

The Housing Act 2004 provides for three different schemes for the licensing of privately-rented housing:

1. **Mandatory licensing;**
2. **Additional licensing**
3. **Selective licensing**

Mandatory licensing - requires local authorities to licence all HMOs of three or more storeys, occupied by five or more people living in two or more single households.

Additional licensing – Part 2 of the Housing Act 2004 gives local authorities power to licence HMOs that are not covered by mandatory licensing, if the local authority considers that a significant proportion of the HMOs in the area are being managed sufficiently ineffectively as to give rise to one or more particular problems either for those occupying the HMOs or for members of the public.

- **Selective Licensing – Part 3** of the 2004 Act allows for the licensing of residential accommodation falling outside Part 2 of the Act;
- The definition of “dwelling” under this part means a building or part of a building occupied or intended to be occupied as a separate dwelling;
- “house” means a building or part of a building consisting of one or more dwellings;

Part 3 applies to a house if:

- (a) it is in an area that is for the time being designated under section 80 as subject to selective licensing, and
- (b) The whole of it is occupied either:
 - (i) Under a single tenancy or licence that is not an exempt tenancy or licence under subsection (3) or (4), or
 - (ii) Under two or more tenancies or licences in respect of different dwellings contained in it, none of which is an exempt tenancy or licence under subsection (3) or (4).

It is intended to address the impact poorly managed rented properties can have on the local environment and to improve housing conditions. Part 3 of the Housing Act 2004 sets out the scheme for licensing private rented properties in a local authority area. Under Section 80 of the Act a local housing authority can designate the whole or any parts of its area as subject to selective licensing. Where a selective licensing designation is made it applies to all Part 3 houses falling within the designated area, other than certain specified exemptions.

In order to introduce Selective Licensing the Council has to demonstrate one of the following criteria in the designated area:

Criterion 1

- That the area is, or is likely to become, an area of **low housing demand** and making the designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to the improvement of the social or economic conditions in the area;

Section 80 (4) In deciding whether an area is, or is likely to become, an area of low housing demand a local housing authority must take into account (among other matters).

- (a) The value of residential premises in the area, in comparison to the value of similar premises in other areas which the authority consider to be comparable (whether in terms of types of housing, local amenities, availability of transport or otherwise);
- (b) The turnover of occupiers of residential premises;
- (c) The number of residential premises which are available to buy or rent and the length of time for which they remain unoccupied; or

Criterion 2

- That the area is experiencing a significant and persistent problem caused by **anti-social behaviour** and that some or all of the private sector landlords who have let premises in the area are failing to take action to combat the problem that it would be appropriate for them to take and that making the designation will, when combined with other measures taken in the area by the local authority, or by other persons together with the local authority, lead to a reduction in, or the elimination of, the problem.

In other words, due to significant and persistent anti social behaviour and a lack of appropriate action by private sector landlords;

On 27th March 2015, the Selective Licensing of Houses (Additional Conditions) Order 2015 came into force. The Order imposes a number of additional conditions for the purposes of section 80(2)(b) of the 2004 Act, which a local housing authority must consider are satisfied in relation to the area before making a selective licensing designation under this provision. The additional conditions introduced by this Order are detailed as follows:

Conditions in relation to housing conditions

The first set of conditions is:

- (a) that having carried out a review of housing conditions under section 3(1) of the 2004 Act, the local housing authority considers it would be appropriate for

a significant number of the properties referred to in article 3(1) (a) to be inspected, with a view to determining whether any category 1 or category 2 hazards exist on the premises;

- (b) that the local housing authority intends to carry out such inspections as referred to in paragraph (a), with a view to carrying out any necessary enforcement action; and
- (c) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, including any licence conditions imposed under section 90 of the 2004 Act, contribute to an improvement in general housing conditions in the area.

Conditions in relation to migration

The second set of conditions is:

- (a) that the area has recently experienced or is experiencing an influx of migration into it;
- (b) that a significant number of the properties referred to in article 3(1) (a) are occupied by those migrants referred to in paragraph (a); and
- (c) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to:
 - (i) the preservation or improvement of the social or economic conditions in the area; and
 - (ii) ensuring that the properties referred to in article 3(1) (a) are properly managed, and in particular, that overcrowding is prevented.

Conditions in relation to deprivation

The third set of conditions is:

- (a) that the area is suffering from a high level of deprivation, which affects a significant number of the occupiers of properties referred to in article 3(1) (a); and
- (b) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to a reduction in the level of deprivation in the area.
- (c) In determining whether an area is suffering from a high level of deprivation, the local housing authority may have regard to the following factors in relation to the area:
 - (a) the employment status of adults;
 - (b) the average income of households;
 - (c) the health of households;

- (d) the availability and ease of access to education, training and other services for households;
- (e) housing conditions;
- (f) the physical environment; and
- (g) levels of crime.

Conditions in relation to crime

The fourth set of conditions is:

- (a) that the area suffers from high levels of crime;
- (b) that the criminal activity affects those living in the properties referred to in article 3(1) (a), or other households and businesses in the area; and
- (c) that making a designation will, when combined with other measures taken in the area by the local housing authority, other persons together with the local housing authority or by the police, contribute to a reduction in the levels of crime in the area, for the benefit of those living in the area.

Havering Council seeks its designation on the basis of criterion 2, significant and persistent anti-social behaviour and high levels of crime – this is the main criterion on which this designation has primarily been based in all four of the selected wards, and additional conditions 1 and 3 in relation to poor property conditions and high levels of deprivation were also relevant when designating Gooshays and Heaton Wards.

Under the Selective Licensing Scheme, all Part 3 houses will require a licence. In respect of each application the authority must either grant or refuse to grant a licence. They may grant a licence either to the applicant or to some other person, if both he and the applicant agree.

Exemptions to the designation include (but are not limited to) to following:

- Properties already licensed as a HMO under the existing mandatory scheme;
 - Properties let by the Local Authority or Registered Social Landlord (RSL);
 - Properties already subject to a Management Order or Empty Dwelling Management Order;
 - Properties subject to a Temporary Exemption Notice;
 - Holiday Lets; and
 - Tenancies under a long lease and business tenancies.
- (a) When an application is received, the Council will consider if the applicant is the most appropriate person to be the designated licence holder. In considering this matter the authority must have regard to the provisions under section 88 of the Act and be satisfied that the proposed licence holder:
- (i) is a fit and proper person to be the licence holder, and
 - (ii) is, out of all the persons reasonably available to be the licence holder in respect of the house, the most appropriate person to be the licence holder;

- (b) that the proposed manager of the house is either:
 - (i) the person having control of the house, or
 - (ii) a person who is an agent or employee of the person having control of the house;
- (c) that the proposed manager of the house is a fit and proper person to be the manager of the house; and
- (d) that the proposed management arrangements for the house are otherwise satisfactory.

In deciding for the purpose of section 88 whether a person is fit and proper to be the licence holder or (as the case may be) the manager of the house it must have regard to evidence within subsection (2) or (3).

- (2) Evidence is within this subsection if it shows that the person has:
 - (a) committed any offence involving fraud or other dishonesty, or violence or drugs, or any offence listed in Schedule 3 to the Sexual Offences Act 2003 (c. 42) (offences attracting notification requirements);
 - (b) practised unlawful discrimination on grounds of sex, colour, race, ethnic or national origins or disability in, or in connection with, the carrying on of any business; or
 - (c) contravened any provision of the law relating to housing or of landlord and tenant law.
- (3) Evidence is within this subsection if:
 - (a) it shows that any person associated or formerly associated with P (whether on a personal, work or other basis) has done any of the things set out in subsection (2)(a) to (c), and
 - (b) it appears to the authority that the evidence is relevant to the question whether P is a fit and proper person to be the licence holder or (as the case may be) the manager of the house.

Landlords who own more than one property within the adopted areas would need to apply for a licence for each individual self contained unit of accommodation, be they self contained houses or flats in single household occupation or in multiple occupation.

A house divided into multiple self contained lettings all under the same ownership would require a selective licence for each unit of accommodation.

A house divided into multiple non self-contained units (ie bedsits with shared cooking or bathroom facilities) would need to apply for an “additional licence” for the whole property, rather than a selective licence.

The licence would be valid for up to 5 years and would contain a series of conditions that the licence holder would be required to comply with.

The proposed standard licence conditions are attached at **Appendix 5**.

Prior to issuing a licence all properties will be inspected to ensure that they provide suitable and safe accommodation. During the course of the five year licence period, further inspections would be made of some of the licensed properties on an area by area basis. Properties would be assessed using the Housing Health and Safety Rating System (HHSRS) and, where applicable, the Management of Houses in Multiple Occupation (England) Regulations 2006. Any works required to mitigate hazards would be required in accordance with the Council's Enforcement Policy.

2.1 Penalties

It is a criminal offence to rent a property within the designation area without applying for a licence. Failure to comply could lead to prosecution and an unlimited fine. In addition, the Council or the tenants could apply to the Residential Property Tribunal for a Rent Repayment Order requiring the landlord or agent to repay any rent paid. It is also important to note that once a Selective Licensing designation has been made, no Housing Act 1988 Section 21 (notice to quit) notices may be issued in relation to a short hold tenancy of the whole or part of an unlicensed property whilst it remains unlicensed.

In addition, landlords and managing agents who have a previous poor management record or have failed in the past to comply with the Council's requirements to maintain and manage their properties maybe unable to obtain a Licence, or will be given a one year Licence and subjected to more frequent checks.

If the person who applies for a licence owns or manages a property which has previously been the subject of a formal notice, leading to works in default or prosecution proceedings, issued by a local authority under the provisions of the Housing Act 2004 (for example an improvement notice, prohibition order, hazard awareness notice, emergency remedial action, emergency prohibition order, demolition order and clearance area powers) that may make the proposed Licence holder an unsuitable candidate. Furthermore, if the person who applies for the licence has had a licence revoked or refused by any local authority or owns a property subject to an Interim or Final Management Order, then it is unlikely that they will be deemed to be a "fit and proper person" to hold a licence.

In cases where the person applying for the licence cannot be considered a "fit and proper person", and the property is to continue being rented, an alternative person will have to apply to be the licence holder, such as a suitable managing agent. If a suitable licence holder cannot be found then the Council may have to take over the management of the property by the issuing of an Interim Management Order.

The Private Sector Housing Team would carry out a programme of pro-active inspections and will be expected to take a zero tolerance approach where unlicensed properties or breaches of conditions are found. It is anticipated that 100% compliance with the licensing scheme would eventually be achieved.

Where a breach of a condition on a licence is identified, the licence holder may be prosecuted for each breach, a fine of up to £20,000.

Although the penalties placed on non-compliant landlords can be high, the aim of the scheme is to address the social problems that are evident in specific areas of the borough and to reduce and eliminate the anti-social behaviour of some tenants. The Council recognises that it will be necessary for them to provide adequate support to landlords to help them to deal with problem tenants. Support will also need to include the education of tenants so that they understand their rights and their responsibilities.

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3.0 The Proposal

It is proposed that Havering Council will designate two areas, individually coloured yellow on the map shown in Appendix 1 as the Selective Licensing Areas. The first area, "Harold Hill", is made up of around half Gooshays and half Heaton wards. The second area is "Romford" and is made up of most of Brooklands ward and around 30% of Romford Town ward. These two areas combined cover less than 7% of Havering's total geographical area and represent just under 19% of its private rented housing stock. These areas have been selected following careful consideration of the evidence available in relation to antisocial behaviour linked to the PRS.

A map of Havering with an overlay of the areas of the proposed designations, together with more detailed maps of each area can be found in **Appendix 1** at the end of this document.

A list of the individual streets (and part streets) can be found in **Appendix 2**.

The designation will be used as a tool to tackle anti-social behaviour and high levels of crime in all areas identified through improving the quality of the management of rented accommodation, and to tackle deprivation in Gooshays and Heaton wards. Detailed evidence to support the proposed designation can be found in **Appendix 3**.

The most significant problems have been identified within Brooklands, Gooshays, Heaton and Romford Town wards. Although these wards have issues relating to anti-social behaviour, it would not be feasible to declare the whole of those wards as part of the designation because targeting the areas suffering from the highest degree of anti-social behaviour is anticipated to be most cost effective and successful approach and proportionate to the problems that exist. The designation is therefore focused on specific parts of Romford Town, Heaton and Gooshays wards and the majority of Brooklands ward. This is due to;

1. The higher proportion of privately rented accommodation being located in these areas;
2. The degree of anti-social behaviour recorded in these areas; and
3. The link between anti-social behaviour and rented accommodation.

If the designation is adopted and is as successful as planned, it may be that further designations are considered in the future.

There are currently two specific areas of concern, predominantly within Harold Hill and Central Romford. A significant number of roads are located within those areas and are shown on the maps contained in Appendix 1. Whilst the Council has areas which are of particular interest, part of the consultation process is to seek public input and as such certain roads (in particular some with lower recorded levels of ASB) may not be included in an eventual recommendation, if the case for Selective Licensing is not proven to be required in those specific roads. The Council is seeking responses as part of this consultation not only in regard to whether a selective licensing scheme should proceed, but also in relation to whether or not all or only some of the roads suggested should be included in such a scheme, or indeed if any roads not currently identified should be added. Any final designation will be on

the basis of making an informed decision following completion of a public consultation and consideration of all suggestions and representations received during that process.. A wide area has been researched and is being consulted on to ensure that all known problem areas within the wards of Brooklands, Romford Town, Gooshays and Heaton have been considered. This is to ensure that the public can have significant input into the proposal.

Additional wards of South Hornchurch and Rainham & Wennington have not been considered for inclusion within the scheme at this stage. The research, implementation and management that is required over the five year life of the scheme will be labour intensive and for South Hornchurch and Rainham & Wennington, this action is not considered warranted due to the levels of anti-social behaviour recorded. Taking a broad brush approach to cover additional areas or the entire Borough is not considered warranted or appropriate at this time.

It is anticipated that the Selective Licensing Scheme will be put forward for a decision in Summer 2017 and, if agreed, would become active three months from the date of approval. The designation would run for an initial period of 5 years. Should the Council wish to continue licensing after 5 years, it would need to apply for a new designation. The Council is planning ahead in terms of staff resourcing and administrative systems so that if the designation is adopted, it would be appropriately managed, resourced and enforced.

The Council is planning ahead in terms of staff, resourcing and administrative systems so that, if the designation is made, it will be appropriately managed, resourced and enforced. Initial projections indicate that an average of five dedicated FTE staff per year will be needed to process licence applications and administer the scheme over the full 5 year period, although these resources will need to be proportionately aligned and managed in accordance with the demands of the scheme. In order to ensure maximum flexibility it is envisaged that staffing will be largely met through fixed term temporary contracts throughout the duration of the designation. The purchase of a purpose made licensing software system is also being considered by the Council which should streamline the administrative process and enable licences to be issued more quickly.

It is expected that compliant landlords would apply for a licence shortly after the designation, however it will be necessary to introduce a comprehensive and robust enforcement programme to capture unlicensed properties and landlords who breach licence conditions. The Council is planning to proportionately expand its current team of housing enforcement officers to enable a proactive and co-ordinated approach to enforcement to be achieved. Enforcement activity will initially focus on unlicensed houses during the first year of the scheme's operation, followed by a programme of both random and intelligence-led inspections of licensed premises thereafter to ensure compliance with licence conditions. The Council intends to follow examples of activities carried out in neighbouring boroughs of Barking & Dagenham and in Newham as the basis for its planned PRS licensing enforcement activities.

There would be a charge for the initial licence application as shown, with certain discounts available. The proposed full Schedule of Selective Licensing Fees and Charges is included in **Appendix 4**.

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4.0 Why do we need a Selective Licensing Scheme?

Havering, due to its lower rental costs (than Inner London), excellent transport links to London and parks, is popular with residents, with more people having moved into this London Borough in 2015 than any other.

Havering Council has seen significant growth in the Private Rented Sector (PRS). The Census 2011 revealed that the PRS in Havering had more than doubled over the past 10 years, and the growth of this sector is set to continue. Havering's privately rented housing stock in 2011 made up 11% of dwellings (the London average being 25%). The average of Havering's privately rented stock is now around 17% (17,037 households), with two wards having a PRS level of 26.5% (Romford Town) and 27.5% (Brooklands) which is similar to the levels of PRS found in Inner London.

Growth of the PRS has been largely through the activities of 'buy to let' investors and these new landlords have replaced owner occupiers in many of our streets and neighbourhoods. The high property values and increasing demand for affordable housing in London has resulted in many landlords investing in properties on the outskirts of London, such as in Havering. As well as the increasing proportion of PRS homes in certain areas there is evidence to support the fact that levels of ASB and crime reported are higher in areas that have a high percentage of PRS homes. With such growth in mind, there is a need to ensure effective management of these properties in order to prevent rogue landlord activity, maintain good standards and ensure a thriving sector and well managed stock for future years to come.

Another issue that is of great concern to the Council is the significant rise in the number of Houses in Multiple Occupation (HMOs) which has led to increased complaints of antisocial behaviour by occupiers of neighbouring homes and a number of campaigns and petitions were organised by residents in the Borough to challenge the development of shared homes and the management practices conducted by local landlords. In conjunction with a Selective Licensing Scheme therefore the Council is also proposing to extend the Licensing requirements of HMOs by introducing a Borough-wide Additional Licensing Scheme.

Furthermore, whilst there is currently no evidence that can be used to justify the perceived problems associated with the migration of rogue landlords into Havering, the Council is mindful of the potential negative impact that the relatively recent licensing schemes introduced by the neighbouring London Boroughs of Barking and Dagenham, Newham, Waltham Forest and Redbridge may have on our private rented sector. If Havering does not take this opportunity to implement greater regulation of the private rented sector there could be a rise in rogue landlord activity due to displacement of unprofessional landlords from neighbouring authorities that would be damaging to the local housing market.

Having considered the main recognised means of private rented regulation currently operating in other local authorities it is appropriate for Havering to now consider introducing some form of licensing scheme in order to monitor and control the activity of private rented sector landlords in the Borough.

For the Council to designate either (a) the area of their district, or (b) an area in their district as subject to selective licensing, the requirements of subsections (2) and (9) under Section 80 of the 2004 Act must be met. The authority must consider that it satisfies the first or second set of general conditions mentioned in subsection (3), or it meets any of the conditions specified in an order under subsection (7) as an additional set of conditions. These conditions are explained in Section 2.0 earlier in this document.

4.1 Low Housing Demand

When deciding if an area is suffering from, or likely to become, an area of low housing demand, it is recommended that local authorities consider the following factors;

- The value of residential premises in the area, in comparison to the value of similar properties in other comparable areas;
- The turnover of occupiers of residential premises (both rented and owner-occupied);
- The number of residential premises which are available to rent or buy, and the length of time they have remained unoccupied; and
- The general appearance of the locality and the number of boarded up shops and properties.

Based on the prevailing data Havering is unable to demonstrate that there is low housing demand in the areas proposed to be designated a Selective Licensing Area, or indeed within any other part of the Borough. Whilst there are clear variations in property values between specific parts of the Borough, this has historically always been the case and is not attributable to tenure. Generally the demand for housing within the proposed Selective Licensing Areas is high, with property for sale being purchased quickly, often by buy to let investors, and despite rapidly rising property prices, the demand for private rented accommodation within the Borough continues to exceed supply. As such, the Council does not propose to support a designation based on the low housing demand test.

4.2 Significant and Persistent problems of Anti-social Behaviour

In order to meet this general condition relating to anti-social behaviour the Council must demonstrate:

- (a) that the area is experiencing a significant and persistent problem caused by anti-social behaviour;
- (b) 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 take; and
- (c) that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the

local housing authority, lead to a reduction in, or the elimination of, the problem.

Antisocial behaviour is not exclusively but can include acts of;

- Verbal abuse, intimidation or harassment behaviour of tenants or neighbours;
- Noise, rowdy and nuisance behaviour affecting persons living in or visiting the vicinity;
- Animal related problems;
- Vehicle related nuisance;
- Anti-social drinking or prostitution;
- Illegal drug taking or dealing;
- Graffiti and fly posting; and
- Litter and waste within the curtilage of the property.

A landlord has responsibility to ensure that her/his tenants do not cause annoyance or nuisance to other persons living, working or visiting the immediate neighbourhood. If anti-social behaviour is being carried out within the immediate vicinity of the property, and is being caused by the occupiers of it, then it would be reasonable to expect a landlord to ensure that those persons are not conducting themselves in such a way that is adversely impacting on the local community. This applies equally to visitors to the property.

Anti-social behaviour is defined by Housing Act 2004 as:

1. "Conduct on the part of occupiers of, or visitors to, residential premises;
2. (a) which causes or is likely to cause a nuisance or annoyance to persons residing, visiting or otherwise engaged in lawful activities in the vicinity of such premises, or
(b) which involves or is likely to involve the use of such premises for illegal purposes".

Anti-Social Behaviour (ASB) is a problem within specific parts of Havering and is the main basis for this proposal.

Guidance issued by Department for Communities and Local Government, titled "*Approval steps for additional and selective licensing designations in England*" (February 2010) gives further explanation of the definition of anti-social behaviour. Whilst it should be noted that the guidance referred to is now dated and may not necessarily reflect current advice, it indicates that an area can be deemed to be suffering from significant and persistent anti-social behaviour if it suffers from;

- **Crime:** Tenants not respecting the property in which they live and engaging in vandalism, criminal damage, burglary, robbery/theft and car crime;

- **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; or
- **Environmental Crime:** Tenants engaged in graffiti and fly posting, fly tipping, litter and waste, nuisance vehicles, drugs paraphernalia, fireworks misuse in/around the curtilage of the property.

Anti-social behaviour overlaps with statutory nuisances defined in the Environmental Protection Act 1990, Section 79. The different types of anti-social behaviour are dealt with by a number of different enforcement agencies and data has been gathered from them to show the extent of the problems in the areas proposed for the Selective Licensing designation and where possible for the areas immediately adjacent to the proposed areas and the Borough as a whole to give a comparison.

In order to demonstrate the problems Havering is experiencing in relation to Anti-social behaviour and crime, evidence has been obtained via a number of sources, including;

- Metropolitan Police & Community Safety partnership – ASB & Crime Evidence;
- London Borough of Havering Street Scene Enforcement – Flytip Evidence; and
- London Borough of Havering Environmental Health – Nuisance Evidence.

Through activity in Community Safety, Environmental Health and Planning, the Council is actively dealing with several problem areas in the Borough where private sector landlords are failing to take appropriate action to combat anti-social behaviour.

The data analysis contained in **Appendix 3** shows the total number of ASB reports received in Havering and their respective correlation to the private rented sector.

The data provided by the Police, London Borough of Havering's Street Scene Enforcement Service and Environment Health combine to show a significant problem of anti-social behaviour in the areas under consideration for Selective Licensing. With the high numbers of privately rented properties in these areas this shows a strong correlation between the number of complaints received and their relative prevalence in these areas of large numbers of privately rented properties.

4.3 High levels of Crime

In considering whether an area suffers from a high level of crime, the authority should consider;

- Whether the area has displayed a noticeable increase in crime over a relatively short period of time, eg 12 months;

- Whether the crime rate is significantly higher than in other parts of the local authority area, or it is higher than the national average; and
- Whether the impact of crime in the area affects the local community and the extent to which a selective licensing scheme can address the problems.

The licensing scheme must be part of a wider strategy to address crime in the designated area.

Brooklands and Romford Town wards specifically have high rates of PRS and include a number of geographical neighbourhoods with combinations of high levels of crime and ASB which affects households and businesses in the proposed designation areas. All locations identified are within close proximity to good public transport links and for this reason it is anticipated that these locations will continue to be favourable for PRS development. It is anticipated that making a selective licensing designation in these areas will, when combined with other existing and proposed measures, contribute to a reduction in the levels of crime in the areas for the benefit of those living in the areas.

Development of PRS in areas which already have high rates of ASB and crime, but low levels of PRS, might contribute to even higher levels of offending (including victimisation against those in PRS) such as is happening in Gooshays ward.

4.4 Poor Property Conditions

Local housing authorities can address property conditions through their powers under Part 1 of the Housing Act, which are extensive. A local housing authority should not use its Part 3 powers (Selective Licensing) where it is appropriate to tackle small numbers of properties which are in poor condition and are adversely affecting the character of the area and/or the health and safety of their occupants. The local authority may consider it appropriate to make a Selective Licensing Scheme as part of a wider strategy to tackle housing conditions so it can prioritise enforcement action under Part 1 of the Act, whilst ensuring that properties are properly managed through licence conditions under Part 3 to prevent further deterioration.

In 2008, the East London Housing Partnership, ELHP, commissioned the Building Research Establishment (BRE) to report on the condition of the stock in the East London Boroughs. BRE reported on the full range of Decent Homes criteria for each Borough on a ward-by-ward and super-output area basis. Most notably, it found that: 19% of private sector homes contain at least one Category 1 Hazard - where the risk is considered serious and the Council has a duty to take action. 34% of private sector homes in Havering were non-decent, 9% of private sector homes were non-decent and are occupied by a vulnerable household and 17% of private sector homes in Havering had inadequate thermal comfort.

The latest Housing Stock Condition Report (HSCR) provides a detailed update on different measures indicating the condition of the private sector stock. According to the HSCR, the condition of private sector housing in Havering is better than the national average when compared to the 2009 English Housing Survey. It was found that the percentage of private stock within Category 1 Hazard was 8% lower than

national average. However there are still more than 12,000 private sector dwellings in the Borough with Category 1 Hazard and more than 4,000 classified as being in a state of disrepair. More than a half of the current enforcement caseloads relate to the hazards of excess cold, mould and damp.

4.5 High Levels of Migration

This legal test is set out in Article 5 of the Selective Licensing of Houses (Additional Conditions) Order 2015. For an area to be designated under this article (subject to Article 3), the conditions are;

- that the area has recently experienced or is experiencing an influx of migration into it;
- that a significant number of the properties referred to in article 3(1)(a) are occupied by those migrants referred to in paragraph (a); and
- that making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to:
 - (i) The preservation or improvement of the social or economic conditions in the area; and
 - (ii) Ensuring that the properties referred to in article 3(1)(a) are properly managed, and in particular, that overcrowding is prevented.

Havering has one of the lowest direct intakes of overseas migrants amongst London authorities, with only 2,683 new national insurance applications registering to Havering during 2015/16.

However, in addition to international migration, people move between different regions within the UK. Although Havering does not appear to be one of the favoured locations where migrants moving to the UK first choose to locate, evidence shows that many migrants move to different locations once in the country. During 2015 Havering (other than Bexley) was the only London authority to experience a net inflow of migrants, with the level of net internal migration recorded as + 6.95 per 1000 population. This is significant when compared to neighbouring authorities such as Newham and Waltham Forest who experienced net outflows of migrants at the rates of 22.43 and 21.59 per 1000 population respectively.

Whilst these figures may seem significant, Government guidance suggests that the migration test should relate to relatively recent increases in migration (say 15% over a 12 month period). Movement into the area is not a new phenomenon as higher than average levels of migration have been a theme for some years. As such, based on prevailing data the Council does not propose to support a designation based on the migration test.

4.6 High Levels of Deprivation

This legal test is set out in Article 6(1) of the Order. For an area to be designated under this article (subject to Article 3), the conditions are;

- (a) That the area is suffering from a high level of deprivation, which affects a significant number of the occupiers of properties referred to in article 3(1)(a); and
- (b) That making a designation will, when combined with other measures taken in the area by the local housing authority, or by other persons together with the local housing authority, contribute to a reduction in the level of deprivation in the area.

In determining whether an area is suffering from a high level of deprivation, the local housing authority may have regard to the following factors in relation to the area:

- (a) the employment status of adults;
- (b) the average income of households;
- (c) the health of households;
- (d) the availability and ease of access to education, training and other services for households;
- (e) housing conditions;
- (f) the physical environment; and
- (g) levels of crime.

The evidence contained in table 11 of Appendix 3 demonstrates how deprivation in Gooshays and Heaton wards relate specifically to the above stated factors but to summarise, when looking at the 16 total LSOA's within Gooshays and Heaton wards;

- One neighbourhood (in Gooshays ward) has a LSOA that falls within the 10% most deprived in England;
- Seven neighbourhoods in Gooshays and Heaton wards have LSOA's that fall within the 20 % most deprived in England.
- Six neighbourhoods in Gooshays and Heaton wards have LSOA's that fall within the 30% most deprived and
- the remaining two neighbourhoods (Heaton Ward) have LSOA's that fall within the 40% most deprived in England

4.6.1 English Indices of Deprivation 2015

The term deprivation covers a wide range of issues and refers to unmet needs caused by a lack of resources of all kinds, not just financial. The English Indices of Deprivation attempt to measure multiple deprivations by taking into account a range of factors.

The Indices of Deprivation 2015 provide a set of relative measures of deprivation for small areas (Lower-layer Super Output Areas) across England, based on seven domains of deprivation. The domains were combined using the following weights to produce the overall Index of Multiple Deprivation (IMD);

- Income Deprivation (22.5%)
- Employment Deprivation (22.5%)

- Education, Skills and Training Deprivation (13.5%)
- Health Deprivation and Disability (13.5%)
- Crime (9.3%)
- Barriers to Housing and Services (9.3%)
- Living Environment Deprivation (9.3%)

LSOAs (Lower-layer Super Output Areas) are small areas designed to be of a similar population size, with an average of approximately 1,500 residents or 650 households. There are 32,844 Lower-layer Super Output Areas (LSOAs) in England. They were produced by the Office for National Statistics for the reporting of small area statistics.

A range of summary measures are available for higher-level geographies including local authority districts and upper-tier local authorities, local enterprise partnerships, and clinical commissioning groups.

The Index of Multiple Deprivation, domain indices and the supplementary indices, together with the higher-level geography summaries, are collectively referred to as the Indices of Deprivation.

5.0 How does Selective Licensing fit in with other Strategies and Activities of the Council and its partners?

In making a selective licensing designation, the local authority must, under section 81 of the 2004 Act:

- (a) ensure that it exercises its power to designate consistently with its housing strategy and
- (b) seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour, both as regards (i) combining Part 3 licensing with other available courses of action and (ii) combining Part 3 licensing with measures taken by other persons.

Further, it must not make a Part 3 designation unless:

- (a) it has considered whether there are any other courses of action available to them that might provide an effective method of achieving the objectives that the designation would be intended to achieve, and
- (b) it considers that making the designation will significantly assist it to achieve the objective or objectives.

The Council considers that the data collected gives strong evidence to support the implementation of a Selective Licensing Scheme, in the four wards under consideration., A summary of how the licensing proposals are consistent with the overall housing strategy together with brief details of existing and proposed measures the Council considers will support landlord licensing, are as follows;

5.1 Housing Strategy

The Council's Housing Strategy for 2013-2016 identified the following priorities for Private Sector Housing

Our key priorities;

- Improve our understanding of the local private rented sector;
- Continue to improve access to the private rented sector to tackle increasing housing demand;
- Improve private rental property standards and management practices;
- 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; and
- Bring empty homes in the private sector back into use.

The proposed selective licensing designation will support this strategy in a number of ways. Property licensing will facilitate greater interaction with private sector landlords and lead to an improved understanding of the current PRS market. Licence conditions and increased support packages will ensure properties are effectively managed and prevent long term problems associated with antisocial behaviour caused by private sector tenants. The licensing inspection will also ensure that poor property conditions and inadequate energy efficiency are identified and acted upon, which will serve to improve living standards for tenants. Empty homes that are detrimental to the surrounding areas or attract anti-social behaviour or generally are a cause of concerns to residents will not be affected specifically by selective licensing, however the process of gaining a better understanding and knowledge of Havering's private rented sector will assist the Council to identify the locations of empty dwellings in the Borough so that targeted action can be taken to return them back to use and maximise opportunities to meet housing need.

5.2 Homelessness Prevention

Under Section 81 of the Housing Act 2004 a co-ordinated approach with homelessness prevention is also required.

In this regard, the formal designation of a selective licensing scheme would provide additional protection for assured short-hold tenants in unlicensed Part 3 houses. It would, for example, preclude a landlord from serving a notice under section 21 of the Housing Act 1988 (notice requiring possession) so long as the property remains unlicensed; and would help to mitigate the risk of unlawful eviction by improving the management practices of PRS landlords.

It is recognised that the designation of a selective licensing scheme might result in a small number of houses being taken out of the rental market by reluctant landlords, leading to a potential increase in homeless households.

In the discharge of its homelessness functions, however, in particular its homelessness prevention duty, the Council provides those threatened with homelessness with housing options and advice. It also operates a private sector leasing scheme by which the number of units available for rent is increased. Accordingly, if households find themselves displaced or threatened with homelessness because of the licensing designation, the local authority will help them to explore the accommodation options available to them with a view to securing alternative and affordable housing.

The Council intends to adopt a co-ordinated approach with its housing strategy in relation to empty properties in order to ensure that houses that become vacant as a result of withdrawal from the private rented market will be targeted for action under its Empty Homes policy. This should protect against premises remaining vacant for prolonged periods of time which may attract antisocial behaviour. It would also ensure that valuable housing resources are not wasted.

5.3 Alternative Courses of Action Considered

Under Section 81 of the Housing Act 2004, the Council must consider whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of achieving the objectives that the designation of the Selective Licensing Scheme is intended to achieve and must consider that making the designation will significantly assist the council in achieving the objectives of the scheme.

The overall aim of the designation of a Selective Licensing Scheme is to reduce the levels of ASB associated with privately rented properties by improving the standards of management. By doing so, it is anticipated that the levels of crime and deprivation in the identified wards will also reduce.

5.3.1 Landlord Accreditation

Landlord accreditation is considered to be an effective tool in improving management of privately rented dwellings. The Council has previously encouraged voluntary accreditation among its landlords but the uptake has been poor, with only the most co-operative and professional landlords choosing to undertake accreditation training. Consequently, Havering has just 205 landlords registered with the London Landlord Accreditation Scheme, fewer than most other London boroughs; and it is likely that those accredited are not in fact the landlords most in need of regulation. The Council previously encouraged landlords to undertake accreditation training as well as meeting property accreditation standards as a condition of accepting properties onto their private sector leasing scheme, but since this has ceased to be a requirement under the Council's leasing scheme, very few landlords in Havering have undertaken this training. While it is possible that some landlords are accredited with other organisations, or are members of recognised landlord associations, there is no available data to suggest that they are.

It is intended, therefore, that the introduction of selective licensing will greatly improve the uptake of accreditation. Indeed, one of the conditions of licences granted under the proposed licensing scheme would require all licence holders to undertake relevant accreditation training and/or become members of a recognised landlord association within six months of a licence being granted.

5.3.2 Engagement with Landlords

To maximise the benefits of implementing a licensing scheme, the Council intends to facilitate regular landlord forums, to provide opportunity for pro-active engagement with landlords in the borough. In addition, the Council aims to ensure that appropriate support will be available to assist landlords to deal with problem tenants and anti-social behaviour by providing practical support and information to both landlords and tenants via the Housing service's tenancy sustainment team or where appropriate through the Community Safety Partnership. The Council does not, however, consider that these forums or support will be sufficient to tackle the problems it has identified as, like landlord accreditation, they are likely to appeal only, or predominantly, to those willing to engage with the Council voluntarily.

5.3.3 Community Safety Partnership

Community Safety aims to tackle issues arising from Houses in Multiple Occupation with support from key partner agencies such as the Police, Planning, Building Control, Environmental Services and Housing.

A range of powers and tools are available to Councils to deal with ASB or nuisance caused by private tenants or their visitors.

The focus of Community Safety action is not in relation to building control and planning issues and its associated powers, but rather powers contained within the ASB Crime and Policing Act 2014, which we use in conjunction with our partners to resolve nuisance behaviour from residents of Houses in Multiple Occupation or those responsible for management of such premises. Community Safety seek to use the powers contained within the ASB Crime and Police Act 2014 which include but are not limited to:

- Community Protection Notices
- Closure Notices/Orders
- Civil Injunctions
- Criminal Behaviour Orders
- Public Spaces Protection Orders

The Council also manages the monthly MARAC (Multi-Agency Risk Assessment Conference) and ASB Panels, both of which can address issues concerning the occupants of privately rented homes as well as other accommodation. The panels allow for a multi-agency, problem-solving approach to the cases reviewed.

Effective though these powers and Panels can be, the Council does not consider them suitable or effective to address the problems associated with the PRS that its research has identified. Few, if any, are aimed at or capable of regulating the management and occupation of PRS dwellings; and others, for example civil injunctions, are more suitable for addressing the problem behaviour of individuals.

5.3.4 Action under Part 1 of Housing Act 2004

The Council's Environmental Health Department are able to take formal action under Part 1 of the Housing Act where they identify serious disrepair or Category 1 hazards assessed under the Housing Health and Safety Rating System (HHSRS). The type of action that can be taken includes serving Improvement Notices, Hazard Awareness Notices, Prohibition Orders or taking emergency remedial action. Whilst these actions can be effective in securing property improvements, the Council only become aware of such problems when the tenants make a complaint. It is widely acknowledged that the majority of vulnerable tenants living in the worst housing simply will not complain for fear of retaliatory eviction by their landlord.

Currently the Council is unable to inspect privately rented homes unless it is made aware of actual or potential problems by the occupier. The introduction of selective licensing will enable the Council to carry out routine inspections of all properties

within the licensing designation, ensuring that poor or unsafe housing conditions are identified and remedied more effectively, thereby raising the standard of accommodation in the PRS.

Licensing will also ensure that the Council is made aware of the person responsible for managing the property, thereby reducing the time taken to track down the liable party. Presently, this can be problematic and costly in terms of both time and resources, especially in the case of absent landlords.

The Council anticipates a material increase in enforcement activity of licensing is introduced and intends, therefore, to increase the number of Enforcement Officers available to deal with these matters.

5.3.5 Dealing with Statutory Nuisance & Noise

The Council's Environmental Health Service currently investigates complaints of statutory nuisance under the Environmental Protection Act 1990.

Nuisance complaints often relate to noisy or anti-social neighbours. Whilst the Council has powers under the 1990 Act to prosecute offenders or, in some cases, to encourage parties to participate in mediation to resolve ongoing issues, its powers are less suited to addressing the problems associated with PRS homes that the Council has identified.

Selective licensing will, by making licences subject to conditions, compel landlords to take greater responsibility for the management of their properties and the behaviour of their tenants. It is more likely, therefore, to be an effective means of addressing ASB and nuisance associated with the PRS in the borough.

6.0 What are the Benefits of a Selective Licensing Scheme?

The London borough of Newham have been operating borough wide additional and selective licensing schemes for the last 4 years and are now consulting on their proposals to continue their designations for a further five year period. Newham council say they have seen many benefits from running the existing licensing schemes. It has allowed them to find and prosecute criminal landlords who exploit tenants and undermine responsible landlords by bringing the profession into disrepute; they have also seen a reduction in anti-social behaviour and an improvement in housing conditions.

This Council anticipates that, by introducing greater regulatory control of the PRS, selective licensing will deliver similar benefits for Havering, including the following:

- Improvement in the physical condition, management practices and overall quality of the private rented stock;
- Informed landlords and responsible tenants;
- Improved protection for vulnerable groups living in privately rented accommodation;
- Economic benefits for tenants as a result of better landlord management practices;
- Benefits to neighbourhoods and local communities in terms of reducing anti-social behaviour to improve problem areas, making these safer and more desirable places to live;
- Reduced environmental costs tackling fly tipping and other forms of environmental crime through ensuring better management of private rented homes;
- Improved links and knowledge with local landlords for the local authority, contributing to a better understanding of private rented sector conditions;
- Prevention of rogue landlord activity;
- The encouragement of absentee or unprofessional landlords to employ an agent to actively manage their properties;
- Support for landlords in dealing with anti-social tenants;
- Education for tenants in their responsibilities to behave in a tenant like manner;
- Education for tenants to ensure they only live in properties that meet a minimum standard;
- Promotion of landlord accreditation and the aspiration to let property to a higher standard and to act in a professional manner with well written tenancy agreements, inventories and protected deposits;
- Encouragement of landlords not to take tenants with a poor reference;

- Improvement of the image and desirability of the area;
- Encouragement in the market to increase values of property in the area; and
- Reduced tenant turnover leading to a more settled community which should lead to an enhanced sense of community cohesion, educational attainment and reduce demands on public services.

Additionally, implementing a Selective Licensing Scheme would contribute to a number of the Council's corporate objectives.

The Council has a Mission Statement which can be summarised in three words "**Clean, Safe, Proud**". These words represent its vision for the future;

- Havering will be **clean** and we will care for the environment;
- People will be **safe**, in their homes and in the community; and
- Our residents will be **proud** to live in Havering.

The Council's goals and objectives are set out in the **Corporate Plan 2015-16** which is the Council's overall strategy that states how it will achieve its vision. It breaks down the vision into the three main objectives: Those objectives include:

- **Supporting the community** - by spending money on things that matter most - Clean, safe streets; and
- **Using our influence** - to encourage people to do the right things – keep Havering tidy, be good neighbours and lead healthier lives.

7.0 What are the potential risks and how have these been considered, prevented or managed?

- **There is the risk that making a designation could have a negative impact on the proposed areas.** Both good and bad landlords could leave the area due to the licence fee and perceived increased obligations. Whilst some residents, particularly homeowners, may view this as a welcome prospect the Council is mindful that removal of any PRS homes from the private rental market could lead to increased homelessness. The Council will therefore seek to actively engage with local landlords during the consultation period in order that any concerns they may have can be addressed in order to persuade good landlords to remain in Havering's PRS market
- **There could be an increase in abandoned and vacant properties** as landlords take them out of use. This has been considered and will be through the work of the Council as contained within the Empty Homes Strategy.
- **There could be an increase in homelessness applications** as persons are displaced by reluctant landlords. This has been considered and will be managed through the work of the Council and its homelessness prevention functions. The Council will also use its powers under the Protection of Eviction Act 1977 to intervene and will seek to prosecute landlords who are found to have unlawfully evicted tenants
- **Speculative landlords could move their business elsewhere** to an area where there are not the additional perceived burdens of a Selective Licensing designation. This cannot be controlled but the private rented market in Havering is buoyant and reluctant landlords are likely to be replaced by landlords willing to comply.
- **There could be resistance from some landlords** who view a designation as additional control by the Council over their business. This can be managed by ensuring that landlords are made fully aware of the likely benefits to the overall area that making the designation will bring improved desirability, a settled community, increased property prices etc. In addition, the "added value" package of measures which the scheme will offer in terms of landlord training and support and other services to assist them in managing their properties should increase the support of the scheme. The cost of a licence spread over the five year life of the licence is not unreasonable for the services which will be provided.
- **There is a risk to neighbouring Boroughs** that displaced landlords and problem tenants moved to other areas, however all our neighbouring London boroughs are already operating similar landlord licensing schemes and neighbouring authorities will be consulted on these proposals.
- **Rental charges may increase** as a result of landlords passing on the cost of obtaining a licence to their tenants. The Council will try to discourage this by keeping licence fees as low as possible and by offering a package of additional discounts to landlords who apply early.

A pre-consultation initial screening equalities impact assessment has been completed on the basis of perceived impacts. A full public consultation is being

undertaken which will inform the final equalities impact assessment. Copies of supporting documentation will be made available through the Council's website. Examples of best practice have been used from other Local Authorities. The lessons learned from a successful application for a Judicial Review of another Local Authority's designation have also informed our considerations. As part of the consultation process, landlords are encouraged to be involved in the detailed planning of the scheme.

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8.0 Review of the Designation

Whilst the designation is intended to last for five years, Section 84 of the Act requires the Local Housing Authority to review the operation of the designation from time to time. If following a review, it is considered appropriate to do so, the designation may be revoked. This could occur if the findings of a review of the operation of the designation before the end of the five years found that the set objectives of reducing ASB in the area, improving the management and conditions of the privately rented sector and the wider community of the area had been achieved.

Alternatively, if the designation is not in fact tackling the issues identified by the Council, the Council may consider that the designation should be revoked and take alternative measures to address the issues.

PRS licensing, such as selective licensing, is however a long-term remedy and is unlikely to yield instant results. Accordingly, if, in the initial phases of the designation, there has been little improvement in the PRS, this will not necessarily mean that the designation has failed in its objectives.

9.0 How is the Consultation being undertaken?

Section 80(9) of the Act states that when considering making a designation for selective licensing the local housing authority must :

- (a) Take reasonable steps to consult persons who are likely to be affected by the designation; and
- (b) Consider any representations made in accordance with the consultation and not withdrawn.

The minimum consultation period required for the designation to fall within the *Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of other residential accommodation (England) General Approval 2015* is ten weeks.

This is the period that Havering has adopted for consultation about its proposed selective licensing scheme.

The Council will use the following means of consulting with persons likely to be affected by the proposed designation:

- Havering Council website, including an online landlord questionnaire: <https://www.3.havering.gov.uk/pages/services/consultations.aspx>
- Havering Council Facebook page;
- Havering Council's Twitter feed;
- Notice given to London Property Licensing for publication on its website.
- Direct mail-out to landlords and managing/letting agents in the borough and surrounding areas;
- Visits to managing/letting agents;
- Mail drop to residents and businesses or services in the borough and surrounding areas, who are likely to be affected by the designation;
- Direct mail and email to local community groups;
- Press releases to local media/press, including the local newspaper of neighbouring local authorities;
- Public Notice placed in national newspaper;
- Posters in streets, libraries, businesses and other public areas, both in the borough and in neighbouring boroughs;
- Article in Living Magazine, the Council's free magazine delivered to every home in the borough;
- Drop in sessions at various venues in the borough (venues to be confirmed).

Groups to be consulted include:

- Landlords associations, including:
 - National Landlords Association
 - Residential Landlords Association
 - National HMO Network
- Residents associations
- Local managing agents and the Association of Residential Managing Agents
- Local estate agents and the National Association of Estate Agents
- Local businesses, service providers and residents
- Neighbouring local authorities

The Council will send all known landlords and letting agents a letter or email explaining the proposal and how it may affect them. The letter will include links to the Council's website where this full consultation document is available, and will invite landlords to complete the landlord questionnaire.

The Council will contact the National Landlords Association (NLA), Residential Landlords Association (RLA), National HMO Network, Association of Residential Letting Agents (ARLA) and National Association of Estate Agents directly by letter and where applicable, email. The Council also intends to offer a presentation for their members about the licensing proposals.

The Council will arrange a number of drop-in sessions for residents and landlords to be held at regular intervals throughout the consultation period and at various venues throughout the borough, at different times of the day. Full details of where and when these sessions are to take place will be stated on the Council's website and via other promotional material. The drop-in sessions will be informal, so landlords or other members of the public can call in at any time. The sessions will be held so that landlords can find out more about the licensing proposal, ask any questions and provide any comments/feedback. Council staff will be on hand to answer any questions.

Occupiers, businesses and service providers in Romford and Harold Hill and in the immediately surrounding areas

Mail drop: all properties in Gooshays, Heaton, Romford Town and Brooklands wards - where there is a high concentration of HMOs - and in the immediately surrounding areas will receive an overview letter, information leaflet, a copy of the tenants' questionnaire and pre-paid return envelope by mail-drop.

The leaflet and letter will explain the licensing scheme and its potential implications. The letter will encourage residents to visit the Council's website to obtain further information; and to complete the relevant questionnaire, either in the enclosed hard copy or online. The letter will also advise those interested to contact the Council for details of the drop-in sessions detailed above.

All other residents in Havering

The Council will issue press releases to local media to promote awareness of the consultation. It will also position posters around the borough advertising the consultation.

The posters will be placed in public libraries and other public spaces; and the Council will also ask some local venues (eg cafes and pubs) to display them.

Information will be available on the Council's website, so that those with internet access will be able to find out more about the proposal as well as completing an online survey. Direct mail outs are also proposed to be sent with Council tax bills to every resident and business as a final reminder to ensure everyone is made aware of the consultation.

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10.0 How do I make comments on this proposal?

For general enquiries about this consultation please contact:

Phone: (01708) 434114

Email: landlordlicensing@havering.gov.uk

To complete an online resident or landlord questionnaire, or to download or print the questionnaire, visit:

<https://www.3.havering.gov.uk/pages/services/consultations.aspx>

The questionnaire also invites comments regarding the scheme.

All questionnaires and comments should be returned to;

Private Sector Housing
Selective Licensing Consultation
London Borough of Havering
Town Hall
Main Road
Romford
RM1 3SL

Appendix 1 - Maps Showing Locations of Proposed Selective Licensing Areas

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Figure 1: Proposed Selective Licensing Areas

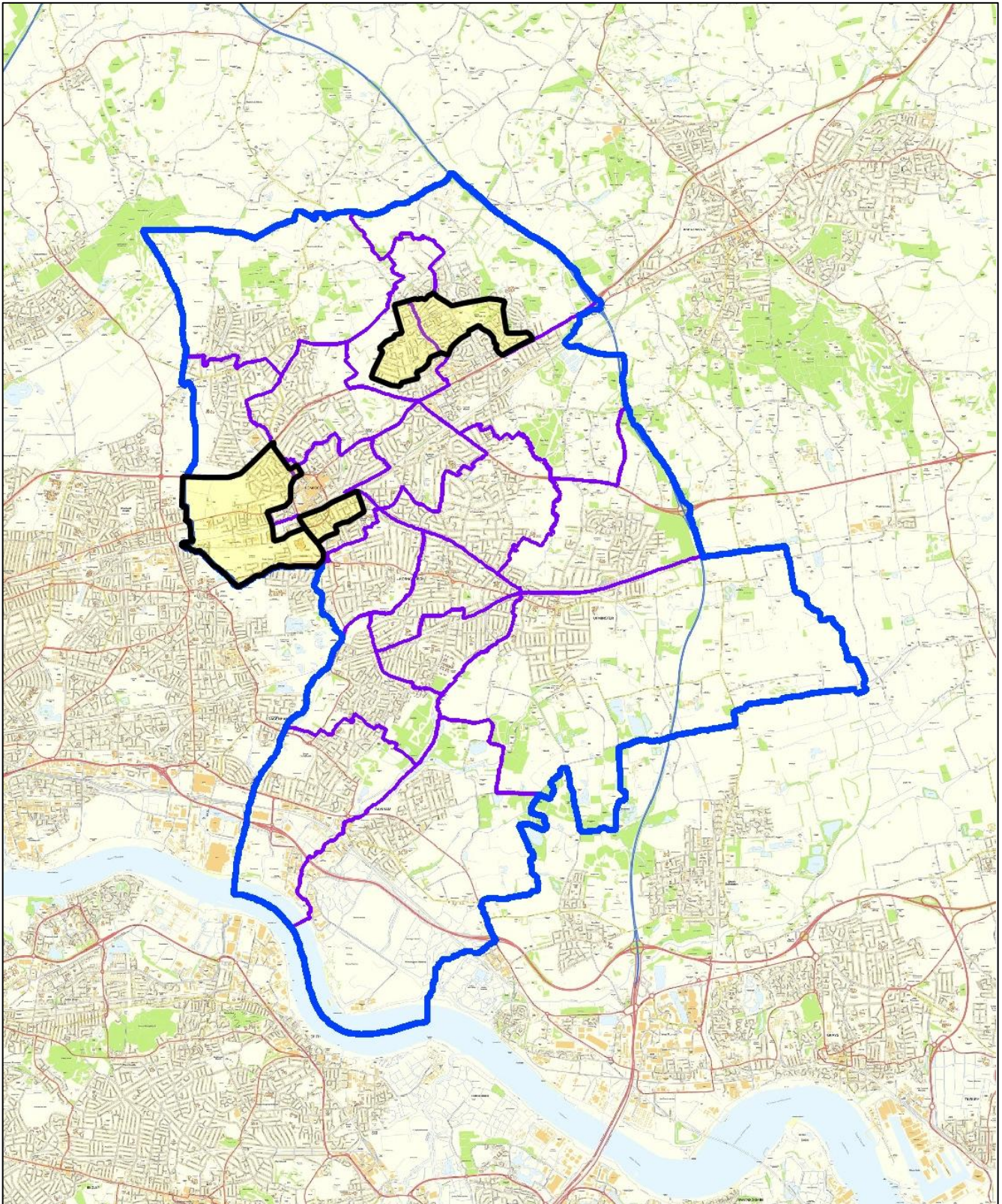
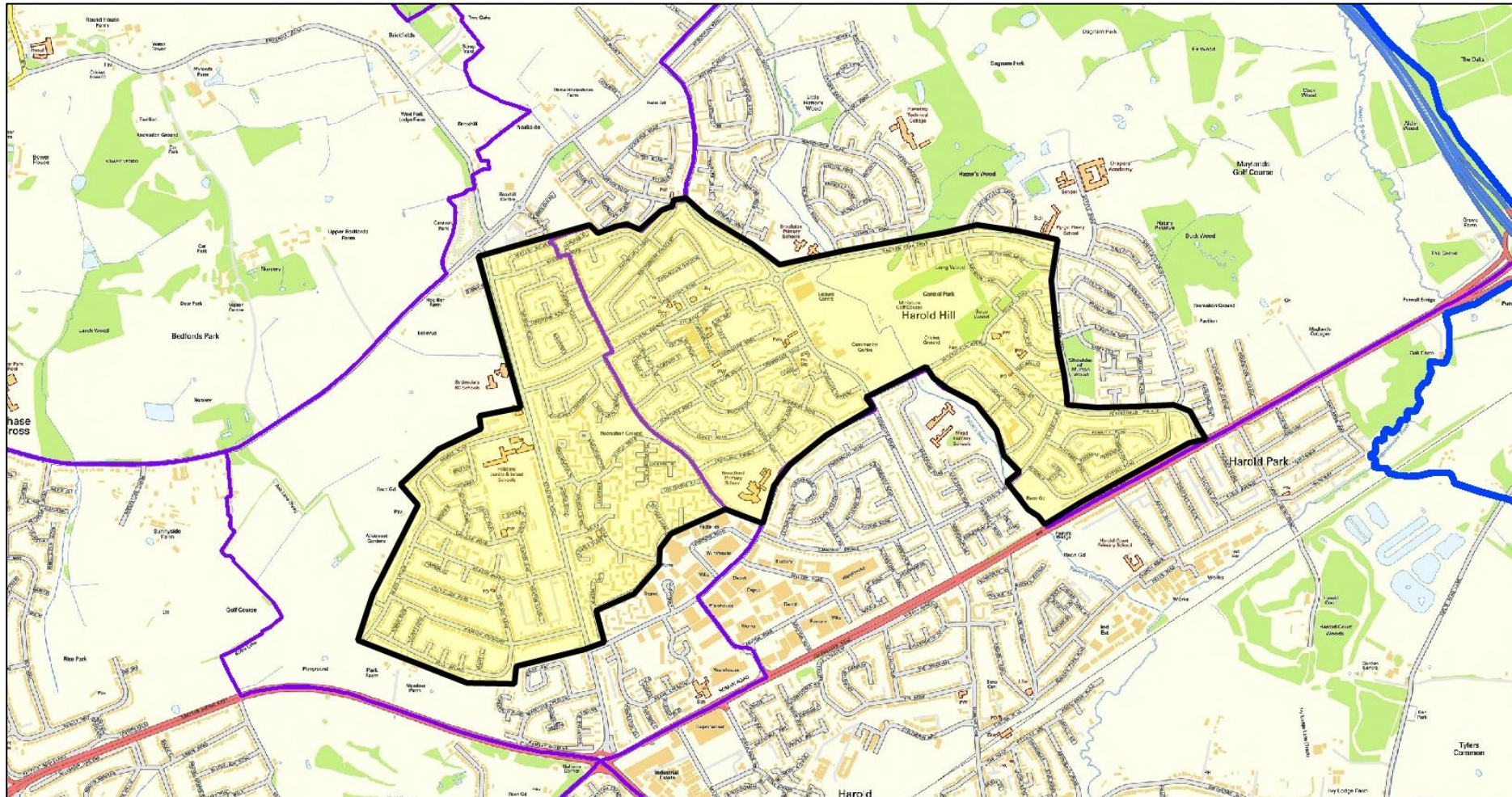


Figure 2: Proposed Selective Licencing Area 1 – Harold Hill



Appendix 2 - Proposed Street Lists for Selective Licencing Designation

Table 1: Harold Hill

Gooshays Ward		Heaton Ward
Barnstaple Path	Hailsham Road	Appleby Drive
Barnstaple Road	Hilldene Avenue	Appleby Green
Bridgwater Close	Kings Lynn Drive	Archway
Bridgwater Road	Montgomery Crescent	Bell Avenue
Bridgwater Walk	Newbury Close	Bosworth Crescent
Chatteris Avenue	Newbury Gardens	Charlbury Crescent
Chippenham Close	Newbury Road	Chaucer Road
Chippenham Road	Paines Brook Way	Coleridge Road
Chippenham Walk	Penrith Road	Cowley Road
Colne Drive	Penzance Gardens	Daventry Gardens
Cricklade Avenue	Penzance Road	Daventry Green
Dagnam Park Close	Petersfield Close	Daventry Road
Dagnam Park	Petersfield Avenue	Edenhall Close
Drive(part)	(part)	Edenhall Glen
Dagnam Park Gardens	Redcar Road	Edenhall Road
Dagnam Park Square	Redruth Gardens	Elliott Gardens
Darlington Gardens	Redruth Road	Grange Road
Darlington Path	Retford Close	Hailsham Gardens
Dartfields	Retford Path	Hailsham Road
Dewsbury Close	Trowbridge Road	Harrow Crescent
Dewsbury Gardens		Heaton Avenue
Dewsbury Road		Heaton Close
Dudley Road		Heaton Way
Dulverton Road		Hilldene Avenue
Dunstable Close		Keats Avenue
Dunstable Road		Longtown Close
Edenhall Road		Longtown Road
Faringdon Avenue		Masefield Close
Farnham Road		Masefield Crescent
Gooshays Gardens		Meynell Road
Gooshays Drive		Morris Road
Guildford Gardens		Smart Close
Guildford Road		Straight Road (part)
Hailsham Close		Tennyson Road

Table 2: Romford Town

Romford Town Ward	Brooklands Ward	
Albert Road Alexandra Road Aveley Road Boundary Road Carlisle Road Claremont Road Douglas Road Dunton Road Dymoke Road George Street Gloucester Road Hearn Road King Edward Road Kings Road Kyme Road Kingsmead Avenue Lennox Close London Road (part) Manor Road Melton Gardens Milton Road Moss Lane Oldchurch Road (part) Park Lane Princes Road Queen Mary Close Regarth Avenue Richmond Road Shaftesbury Road Shakespeare Road South Street (part) Victoria Road (part) Waterloo Gardens Waterloo Road Wheatsheaf Road	Ainsley Avenue Alan Gardens Astor Avenue Barkwood Close Barton Avenue Bear Close Beech Street Beechfield Gardens Bellhouse Road Birkbeck Road Bournebrook Grove Braithwaite Avenue Bridport Avenue Brooklands Approach Brooklands Close Brooklands Road Burlington Avenue Burnham Road Cedar Close Cedar Road Cherry Street Clayton Road Como Street Cottons Approach Cromer Road Crow Lane Crowlands Avenue Crown Drive, Romford Dagenham Road Derby Avenue Drummond Avenue Drummond Road East Road, Rush Green Eddy Close Esher Avenue Fernden Way Goldsmith Avenue Gorseway	Knightsbridge Gardens Lessington Avenue Lilac Gardens Lilliput Road Lime Close Linden Street London Road Lonsdale Avenue Lowlands Gardens Maple Street Marina Gardens Marks Road Marshalls Road Mawney Road Meadow Road Medora Road Mildmay Road Norfolk Road North Street Norwood Avenue Nursery Walk Oak Street Oldchurch Gardens Oldchurch Road (part) Olive Street Palm Road Pettley Gardens Poplar Street Pretoria Road Raven Close Recreation Avenue Richards Avenue Riverside Close Rom Crescent Romside Place Rush Green Gardens Rush Green Road Seabrook Gardens Sheringham Avenue

Romford Town Ward	Brooklands Ward	
	Grosvenor Road Hainault Road Holland Road Honey Mews Horace Avenue Hornford Way Jubilee Avenue Jubilee Close Jutsums Lane Kensington Road Kimberley Avenue Knighton Close Knighton Road	South Street Southern Way Spring Gardens Stanford Close Vignoles Road Vine Street Weald Way West Road, Rush Green

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Appendix 3 - Evidence to support Selective Licensing Designations

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Anti-Social Behaviour and Crime

The data produced in this evidence base uses recorded crime and ASB data, as reported to and recorded by the Metropolitan Police, for the period October 2015 to September 2016 and a Private Rented Sector (PRS) property list. There are over 17,000 PRS properties in Havering, and there were over 17,000 crime and ASB reports recorded during the specified time frame.

Not all the captured data relating to antisocial behaviour and crime has been matched to specific PRS addresses in Havering.

The analysis has been completed using data aggregated to Lower Super Output Area level (LSOA, sub-ward), geographical areas with an average of 1,600 residents and 650 households. This has included establishing the rate of PRS, crime and ASB at this geographic level, developing index statistics to highlight disproportionality in respect of each variable, and correlation analysis to identify statistically significant links between the variables.

Data Analysis

The data used for this analysis shows that there are 17,304 PRS properties in Havering, accounting for 16.8% of all properties in the borough. These are spread throughout 150 LSOA's, ranging from as few as 5% (LSOA E01002253 in Cranham ward to 71% (LSOA E01002249 in Brooklands ward). The raw incident record data for ASB showed there were 6,761 reports in the 12-months to September 2016, equating to a rate of 69.6 per 1,000 households; similarly raw record level crime data (excluding crime at businesses) showed there were 10,600 offences during the same timeframe, equating to a rate of 109.1 per 1,000 households.

Table 3: Data Breakdown		
Variable	Number	Average Rate Per LSOA
LSOA	150 LSOA's	
PRS	17,304 PRS properties	16.8% of properties
ASB	6,761	69.6 per 1,000 households
Crime	10,600	109.1 per 1,000 households

An index score was produced for the variables PRS, ASB and Crime; where the total rate for each is divided by the Havering average and multiplied by 100. An index score of 100 is produced when the rate is comparable to the borough average (ie if an LSOA has 16.8% PRS this is proportionate to the borough average, which equals 100), whilst an index score exceeding 100 is disproportionately high (ie if the rate of PRS is 33.6%, twice the borough average, then the index score would equal 200). Using index statistics, scores were generated for each of the three variables to identify the following:

- LSOAs where high rates of PRS correlated with high rates of ASB
- LSOAs where high rates of PRS correlated with high rates of crime
- LSOAs where high rates of PRS correlated with high rates of crime and ASB

There were 18 LSOAs with disproportionately high rates of PRS, of which 8 had higher than average rates of ASB and 7 had higher than average rates of Crime. Five LSOA geographical areas had disproportionately high levels of PRS correlated with high crime and ASB.

ASB and crime in these locations is already high due to significantly higher day time populations and high footfall (Romford and Hornchurch town centres). This is a more significant factor than the prevalence of PRS housing. This factor could be weighted against if data on victim’s addresses was available to remove crimes perpetrated against visitors from outside Havering; however, this is not readily available.

A correlation analysis, see Table 4, was performed using the data which identified no statistical significance overall between the rate of PRS housing and crime or the rate of PRS housing and ASB. Unsurprisingly, there was a correlation between incidences of crime with ASB.

Table 4: Correlation Analysis – a score of 1 is highly significant, 0 is not significant at all			
Variable	PRS	ASB	Crime
PRS	1		
ASB	0.51	1	
Crime	0.53	0.75	1

Whilst there was no significant statistical correlation identified across the entire borough, a crude analytical breakdown of ASB and crime rates by LSOA’s grouped according to their total proportion of PRS property showed that areas with more than 25% PRS had above average rates of ASB and Crime. There were 20 LSOA areas which had more than 25% PRS, accounting for 13% of all LSOAs, containing 16% of all households and 32% of all PRS households, contributing to 31.3% of all ASB and 23.3% of all crime. More than two-thirds of PRS properties were in areas with average or below average rates of crime and ASB. Table 5 provides a full breakdown of this data.

Table 5: Breakdown of PRS, Crime and ASB data by LSOA grouped by % of PRS

% PRS	PRS H'holds	% of all PRS H'holds	ASB Reports	% ASB Reports	ASB Rate	Crime Records	% Crime Records	Crime Rate
5-15%	6,267	37	2,620	39	49	4,802	45	90
15-25%	5,304	31	2,024	30	72	3,330	31	119
25-35%	2,759	16	986	15	108	1,289	12	141
35-45%	1,821	11	888	13	179	893	8	180
45-55%	353	2	24	<1	37	62	1	96
65-75%	530	3	219	3	294	224	2	300
Total	17,034	100	6,761	100	70	10,600	100	109

Lower Super Output Areas with high rates of PRS, ASB and/or Crime

Table 6: The table below shows all the LSOA areas of note where PRS, ASB and/or crime rates are notable.

LSOA_CODE	STWARDNAME	PRS Housing	ASB Re	Crime F	PRS % c	ASB rate per	Crime rate per	PRS Index	ASB Index	Crime Index
E01002243	Brooklands	299	57	114	35	67	135	198	97	123
E01002247	Brooklands	233	48	123	32	66	169	180	95	155
E01002249	Brooklands	530	219	224	71	294	300	399	422	275
E01002250	Brooklands	179	39	130	28	61	202	157	87	186
E01002293	Harold Wood	269	94	105	34	117	131	189	169	120
E01002345	Rainham and Wen	282	165	140	37	218	185	210	314	170
E01002350	Romford Town	263	137	116	37	193	163	208	277	150
E01002353	Romford Town	218	163	165	26	196	198	147	282	182
E01002356	Romford Town	380	310	325	37	299	313	206	430	287
E01002358	Romford Town	288	81	87	36	102	110	205	147	101
E01002361	St Andrew's	309	138	111	38	168	135	211	241	124
E01002368	South Hornchurch	217	144	144	31	207	207	175	297	190
E01002379	Squirrel's Heath	166	51	69	25	77	105	141	111	96
E01032741	Romford Town	195	225	159	29	339	240	165	488	220

Table 7- Crime: Metropolitan Police – Total Offences by Wards – Rolling 24 Months to February 2016

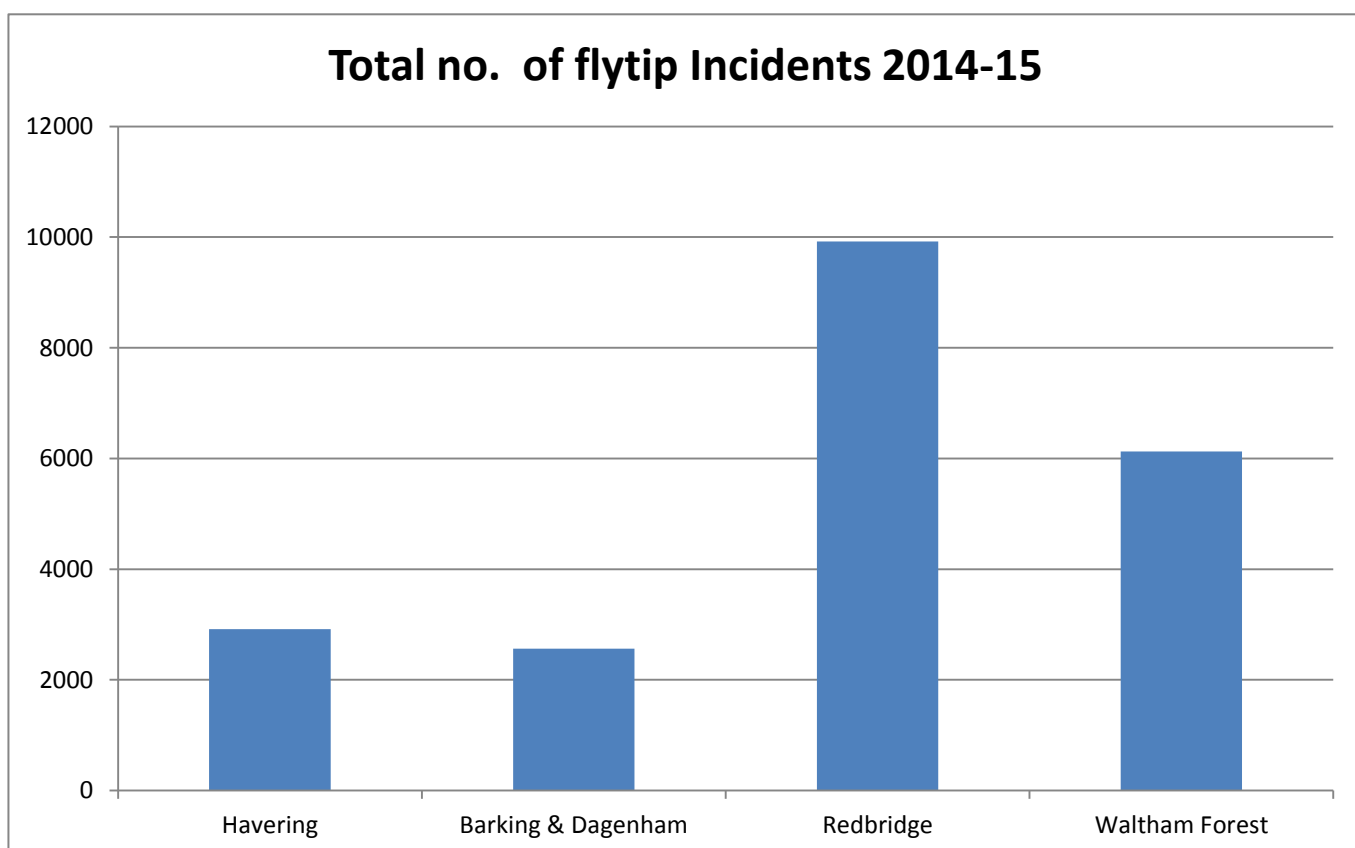
Type of Offence	Violence Against Persons	Sexual Offences	Robbery	Burglary	Theft & Handling	Fraud	Criminal Damage	Drugs	Other	Total Notifiable Offences
Havering Ward	Total incidents									
Brooklands	0	6	6	7	0	1	2	0	2	90
Cranham	0	1	1	1	0	0	0	0	0	23
Elm Park	0	2	2	1	0	2	0	0	1	43
Emerson Park	1	2	2	2	0	0	0	0	1	25
Gooshays	1	8	8	4	0	3	3	0	2	86
Hacton	0	1	1	0	0	3	0	0	2	19
Harold Wood	0	6	6	0	1	0	1	0	2	69
Havering Park	0	3	3	5	0	3	1	0	0	64
Heaton	0	4	4	7	0	1	0	0	5	77
Hylands	0	5	5	1	0	0	0	2	2	39
Mawneys	1	2	2	4	0	2	0	0	0	41
Pettits	1	5	5	0	0	0	0	0	0	28
Rainham & Wennington	0	9	9	7	0	0	1	0	0	81
Romford Town	1	12	12	4	0	2	2	0	6	216
St Andrew's	1	4	4	0	0	1	0	0	0	67
South Hornchurch	0	5	5	5	0	2	1	0	2	62
Squirrel's Heath	0	5	5	4	0	0	2	0	1	45
Upminster	0	2	2	2	0	0	0	0	1	38

Fly-tipping and Refuse

Fly-tipping is a serious problem in Havering. A major contributory factor to rubbish on the streets and on properties is the waste that comes out of residential premises and is not presented in the right location or manner, or on the correct day for collection. There is extensive evidence of hundreds of gardens in the borough being blighted by all sorts of waste that can be properly disposed of for free at the Council's recycling centre or collected as part of weekly refuse collection service. Larger Items such as mattresses; old furniture and household appliances can be collected and disposed of by the Council for a small fee.

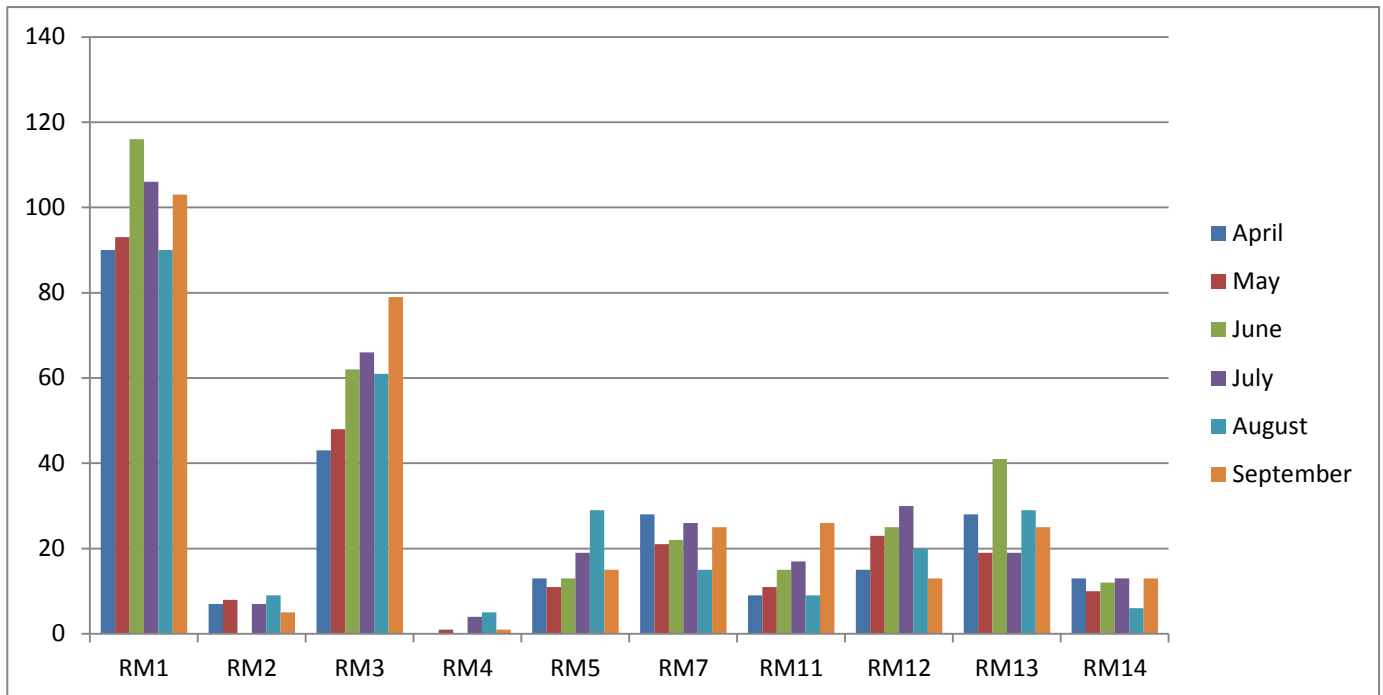
The problem experienced in Havering is significant and has a major impact on how residents feel about their borough, in terms of its look and feel, and the pride people take in the general environment. Household appliances and other material often end up on the public highway despite the presence of various alternative disposal facilities.

Graph 1: Comparison with other London Boroughs

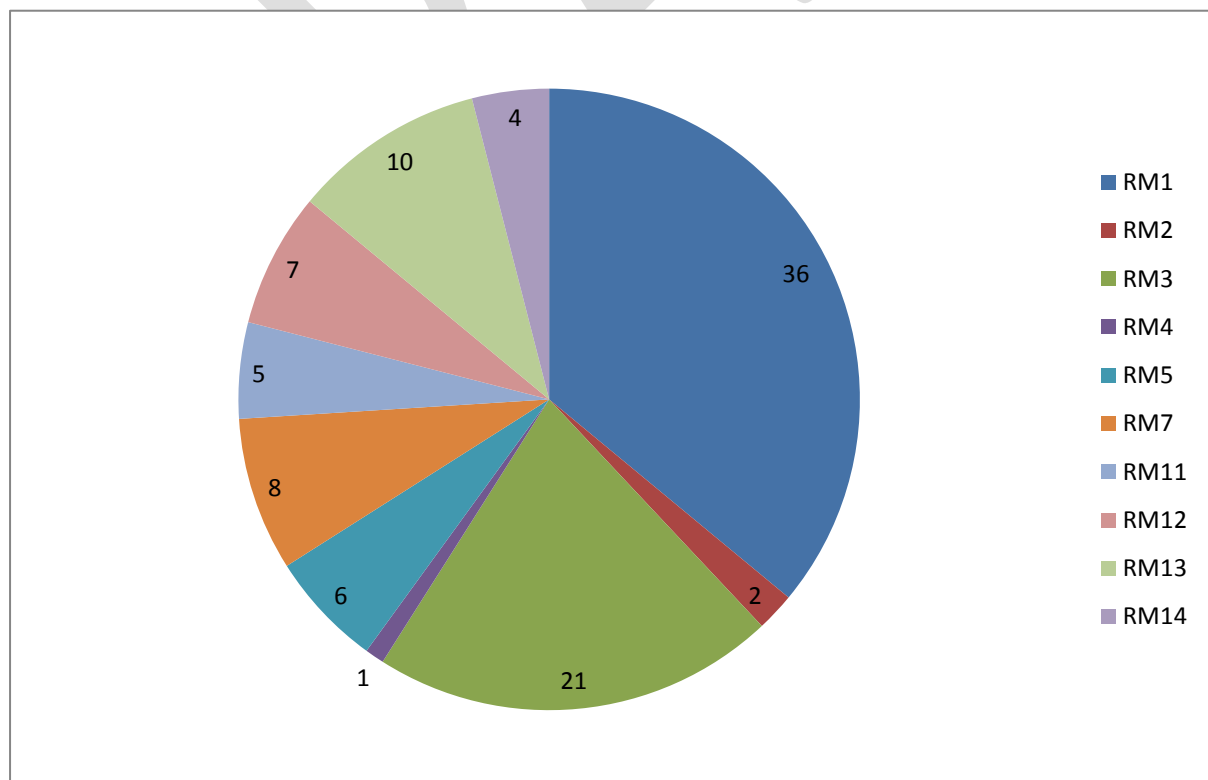


The tables below illustrates that Harold Hill and Central Romford experience the highest number of flytip incidents compared to other parts of the Borough.

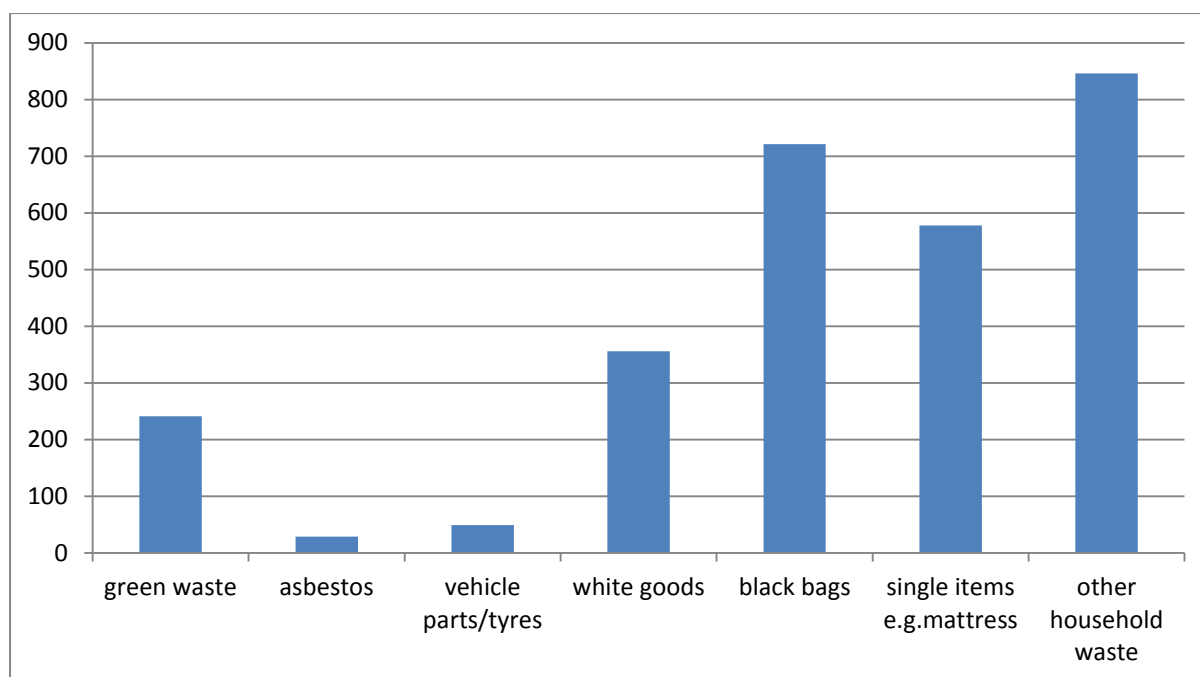
Graph 2: Flytip incidents by postcode April to September 2016



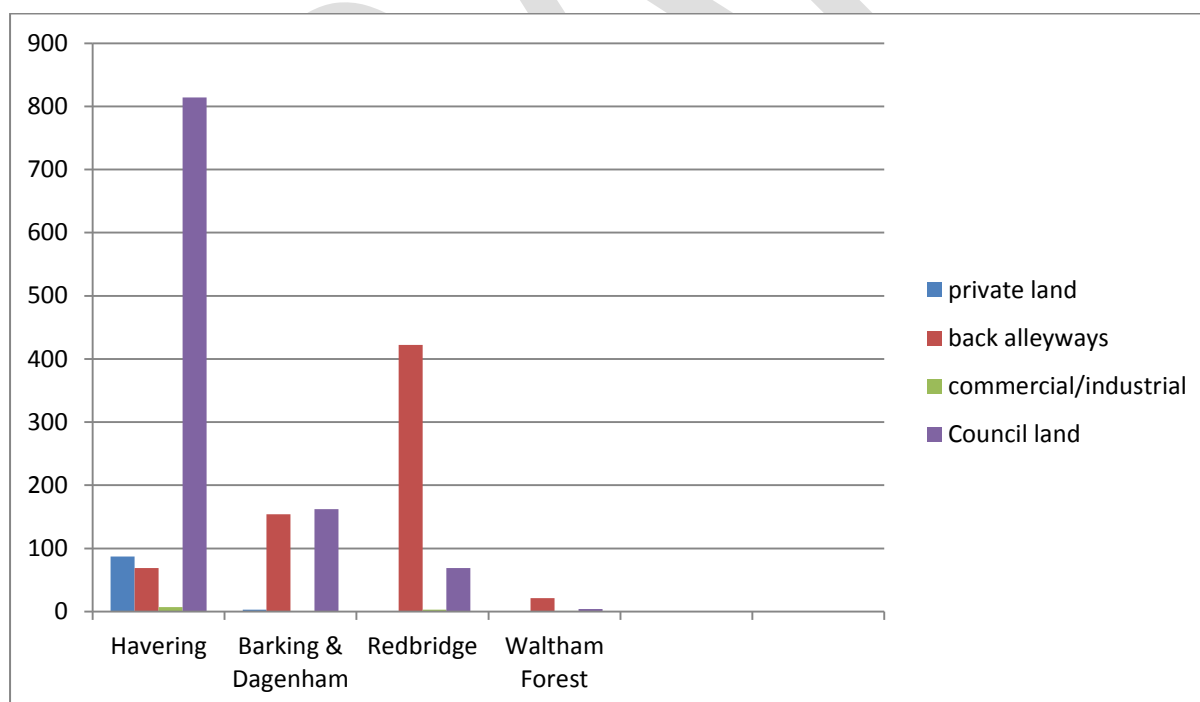
Graph 3: Flytip incidents by area postcode 2014-15



Graph 4: Fly tip Incidents by type 2014-15



Graph 5: Flytip Locations by authority



The Council incurred costs of £137,518 in removing fly tips in the borough during the year 2014-15 and further costs of over £244,000 in taking action in relation to waste issues during the same period. The table below demonstrates the scale of the problem and provide comparisons with other neighbouring London Boroughs.

Table 8: Action Taken by local Authority 2014-15

LA Name	Total Actions	Investigations	Warning Letters	Statutory Notices	Fixed Penalty Notice Actions	Duty of Care Inspection	Stop and Search Actions	Formal Caution Actions	Prosecution Actions
Barking & Dagenham	3100	583	1061	709	357	390	0	0	0
Redbridge	6306	3316	2401	109	134	288	44	0	10
Havering	7404	3205	2909	820	190	268	2	4	5
Newham	8620	1658	4083	757	2122	0	0	0	0
Waltham Forest	17361	6763	285	3159	408	6557	163	4	22

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Deprivation

The Index of Multiple Deprivation 2015 is the official measure of relative deprivation for small areas (or neighbourhoods) in England. The Index of Multiple Deprivation (IMD) ranks every small area in England from 1 (most deprived area) to 32,844 (least deprived area). It is common to describe how relatively deprived a small area is by saying whether it falls among the most deprived 10 per cent, 20 per cent or 30 per cent of small areas in England (although there is no definitive cut-off at which an area is described as 'deprived'). To help with this, deprivation 'deciles' are published alongside ranks. Deciles are calculated by ranking the 32,844 small areas in England from most deprived to least deprived and dividing them into 10 equal groups. These range from the most deprived 10 per cent of small areas nationally to the least deprived 10 per cent of small areas nationally.

The most recent edition of the English Indices of Deprivation was published in September 2015. There are 150 LSOA's in Havering. The following table illustrates the deprivation rankings at ward level in Havering. The IMD Decile scores of 1 or 2 show where the most deprived areas of the borough are. Of the 9 LSOA's contained within the Gooshays Ward 1 is in the 10% most deprived areas in England, whilst 4 are among the 20% most deprived areas. Similarly Heaton Ward has 4 of its 8 LSOA's falling within the 20% most deprived areas in England.

Table 9: Deprivation Rankings at Ward Level in Havering

L.A. District Code (2013)	L.A. District Name (2013)	Index of Multiple Deprivation (IMD) Rank (where 1 is most deprived)	IMD Decile (where 1 is most deprived 10% of LSOAs)	Derived Ward
E09000016	Havering	8,069	3	Gooshays
E09000016	Havering	5,467	2	Gooshays
E09000016	Havering	6,535	2	Heaton
E09000016	Havering	6,806	3	Heaton
E09000016	Havering	5,830	2	Gooshays
E09000016	Havering	9,049	3	Gooshays
E09000016	Havering	3,805	2	Gooshays
E09000016	Havering	8,189	3	Gooshays
E09000016	Havering	12,469	4	Harold Wood
E09000016	Havering	20,825	7	Havering Park
E09000016	Havering	7,299	3	Havering Park
E09000016	Havering	12,810	4	Havering Park
E09000016	Havering	7,004	3	Havering Park
E09000016	Havering	12,240	4	Havering Park
E09000016	Havering	2,537	1	Gooshays
E09000016	Havering	3,287	2	Gooshays
E09000016	Havering	7,952	3	Gooshays
E09000016	Havering	3,892	2	Harold Wood
E09000016	Havering	4,507	2	Heaton
E09000016	Havering	3,625	2	Heaton
E09000016	Havering	14,344	5	Havering Park
E09000016	Havering	13,949	5	Havering Park
E09000016	Havering	9,020	3	Havering Park
E09000016	Havering	12,465	4	Mawneys
E09000016	Havering	18,312	6	Mawneys
E09000016	Havering	11,313	4	Heaton
E09000016	Havering	4,143	2	Heaton
E09000016	Havering	8,879	3	Heaton
E09000016	Havering	9,942	4	Heaton
E09000016	Havering	17,569	6	Harold Wood
E09000016	Havering	23,665	8	Harold Wood
E09000016	Havering	17,513	6	Harold Wood
E09000016	Havering	18,346	6	Harold Wood
E09000016	Havering	20,093	7	Harold Wood
E09000016	Havering	23,508	8	Pettits

Selective Licensing Scheme

L.A. District Code (2013)	L.A. District Name (2013)	Index of Multiple Deprivation (IMD) Rank (where 1 is most deprived)	IMD Decile (where 1 is most deprived 10% of LSOAs)	Derived Ward
E09000016	Havering	23,403	8	Pettits
E09000016	Havering	19,368	6	Pettits
E09000016	Havering	28,011	9	Pettits
E09000016	Havering	20,192	7	Pettits
E09000016	Havering	19,582	6	Mawneys
E09000016	Havering	21,050	7	Mawneys
E09000016	Havering	17,847	6	Mawneys
E09000016	Havering	16,952	6	Pettits
E09000016	Havering	20,560	7	Pettits
E09000016	Havering	25,582	8	Pettits
E09000016	Havering	19,741	7	Emerson Park
E09000016	Havering	22,433	7	Emerson Park
E09000016	Havering	19,079	6	Harold Wood
E09000016	Havering	20,461	7	Squirrel's Heath
E09000016	Havering	25,366	8	Squirrel's Heath
E09000016	Havering	24,958	8	Squirrel's Heath
E09000016	Havering	12,564	4	Brooklands
E09000016	Havering	14,386	5	Brooklands
E09000016	Havering	8,927	3	Mawneys
E09000016	Havering	19,893	7	Mawneys
E09000016	Havering	14,514	5	Mawneys
E09000016	Havering	22,824	7	Pettits
E09000016	Havering	29,332	9	Romford Town
E09000016	Havering	28,466	9	Squirrel's Heath
E09000016	Havering	25,993	8	Squirrel's Heath
E09000016	Havering	17,779	6	Squirrel's Heath
E09000016	Havering	19,154	6	Squirrel's Heath
E09000016	Havering	7,867	3	Brooklands
E09000016	Havering	16,529	6	Romford Town
E09000016	Havering	4,965	2	Romford Town
E09000016	Havering	14,043	5	Romford Town
E09000016	Havering	10,897	4	Romford Town
E09000016	Havering	22,543	7	Emerson Park
E09000016	Havering	25,881	8	Emerson Park
E09000016	Havering	28,239	9	Hylands
E09000016	Havering	24,470	8	Hylands
E09000016	Havering	29,787	10	Romford Town
E09000016	Havering	23,439	8	Squirrel's Heath
E09000016	Havering	28,922	9	Emerson Park
E09000016	Havering	27,441	9	Emerson Park
E09000016	Havering	24,433	8	Emerson Park
E09000016	Havering	28,564	9	Emerson Park
E09000016	Havering	16,122	5	Hylands
E09000016	Havering	8,982	3	Romford Town
E09000016	Havering	19,322	6	Romford Town

Selective Licensing Scheme

L.A. District Code (2013)	L.A. District Name (2013)	Index of Multiple Deprivation (IMD) Rank (where 1 is most deprived)	IMD Decile (where 1 is most deprived 10% of LSOAs)	Derived Ward
E09000016	Havering	16,361	5	Romford Town
E09000016	Havering	16,636	6	Romford Town
E09000016	Havering	17,472	6	Brooklands
E09000016	Havering	11,481	4	Brooklands
E09000016	Havering	11,781	4	Brooklands
E09000016	Havering	14,796	5	Brooklands
E09000016	Havering	12,820	4	Brooklands
E09000016	Havering	9,183	3	Brooklands
E09000016	Havering	24,888	8	Cranham
E09000016	Havering	29,297	9	Cranham
E09000016	Havering	17,373	6	Cranham
E09000016	Havering	28,305	9	Cranham
E09000016	Havering	26,400	9	Upminster
E09000016	Havering	32,089	10	Cranham
E09000016	Havering	31,826	10	Cranham
E09000016	Havering	32,359	10	Cranham
E09000016	Havering	29,405	9	Upminster
E09000016	Havering	26,712	9	St Andrew's
E09000016	Havering	19,443	6	St Andrew's
E09000016	Havering	14,052	5	St Andrew's
E09000016	Havering	13,741	5	St Andrew's
E09000016	Havering	21,929	7	St Andrew's
E09000016	Havering	25,810	8	Hylands
E09000016	Havering	23,946	8	Hylands
E09000016	Havering	25,040	8	Hylands
E09000016	Havering	22,639	7	Hylands
E09000016	Havering	12,825	4	Hylands
E09000016	Havering	21,711	7	Cranham
E09000016	Havering	23,595	8	Hacton
E09000016	Havering	13,760	5	Hacton
E09000016	Havering	28,488	9	St Andrew's
E09000016	Havering	27,462	9	Upminster
E09000016	Havering	24,467	8	Hacton
E09000016	Havering	23,037	8	Hacton
E09000016	Havering	26,944	9	St Andrew's
E09000016	Havering	18,440	6	St Andrew's
E09000016	Havering	21,467	7	St Andrew's
E09000016	Havering	24,466	8	Upminster
E09000016	Havering	30,621	10	Upminster
E09000016	Havering	32,568	10	Upminster
E09000016	Havering	30,930	10	Upminster
E09000016	Havering	32,423	10	Upminster
E09000016	Havering	23,006	8	Elm Park
E09000016	Havering	24,754	8	Hacton
E09000016	Havering	27,782	9	Hacton

L.A. District Code (2013)	L.A. District Name (2013)	Index of Multiple Deprivation (IMD) Rank (where 1 is most deprived)	IMD Decile (where 1 is most deprived 10% of LSOAs)	Derived Ward
E09000016	Havering	27,742	9	Hacton
E09000016	Havering	25,823	8	Hacton
E09000016	Havering	17,869	6	Elm Park
E09000016	Havering	16,283	5	Elm Park
E09000016	Havering	15,312	5	Elm Park
E09000016	Havering	26,377	9	Elm Park
E09000016	Havering	6,745	3	Elm Park
E09000016	Havering	17,872	6	Elm Park
E09000016	Havering	10,161	4	Elm Park
E09000016	Havering	19,887	7	South Hornchurch
E09000016	Havering	17,337	6	South Hornchurch
E09000016	Havering	16,267	5	South Hornchurch
E09000016	Havering	3,600	2	South Hornchurch
E09000016	Havering	12,004	4	South Hornchurch
E09000016	Havering	9,073	3	South Hornchurch
E09000016	Havering	16,170	5	South Hornchurch
E09000016	Havering	9,344	3	South Hornchurch
E09000016	Havering	19,766	7	Rainham and Wennington
E09000016	Havering	15,318	5	Rainham and Wennington
E09000016	Havering	23,661	8	Rainham and Wennington
E09000016	Havering	20,596	7	Rainham and Wennington
E09000016	Havering	12,657	4	Rainham and Wennington
E09000016	Havering	5,819	2	Rainham and Wennington
E09000016	Havering	11,885	4	Rainham and Wennington
E09000016	Havering	14,508	5	Rainham and Wennington

Both Gooshays and Heaton Wards have a significantly higher number of tenants claiming Housing and Council Tax Benefits than the Borough average of 18.18% with Heaton averaging 35.38% and Gooshays at 38.77%¹, although these comparisons do not distinguish between PRS and social housing tenants.

In addition, the proportion of population of working age within these areas who are claiming Income Support is around double the Borough's average rate, as is the percentage of low income pensioners claiming Pension Credits.

¹ Havering Data Intelligence Hub

Local Health Profiles

Public Health England publishes online local health profiles for all electoral wards in England. The table overleaf presents data retrieved in September 2016 in respect of Gooshays Ward. Information on a wide range of indicators is compared to the England average to highlight whether they are significantly worse than average, not significantly different from average, or significantly better than average. 28 out of the 55 indicators within Gooshays ward are significantly worse than the England average. For comparison the Havering averages have also been included to demonstrate how Gooshays ward is significantly worse than the Havering average.

There are clear links between deprivation and life expectancy, with life expectancy of males being on average 6.8 years and females being on average 5.8 years less in the most deprived areas than in the least deprived areas.²

The average life expectancy of females living in Gooshays Ward is 81.5 years (Havering Average 83.9) and for males the average is 76.7 years compared to the borough average of 80.2 years.

² Public Health England – Havering Local Health Profile

Table 10: Extract from local health profile for Gooshays Ward (Public Health England) 2015

Indicators ● significantly worse ● significantly better ● not significantly different from average	Gooshays Ward	Havering Average	England Average	Summary Chart
Low Birth Weight Births (%)	8.4	7.4	7.4	
Child Development at age 5 (%)	48.7	60.2	63.5	
GCSE Achievement (5A*-C inc. Eng & Maths) (%)	51.3	62	58.8	
Unemployment (%)	6.3	3.6	3.8	
Long Term Unemployment (Rate/1,000 working age population)	18.9	9.3	10.1	
General Health - bad or very bad (%)	7.1	5.2	5.5	
General Health - very bad (%)	1.6	1.2	1.2	
Limiting long term illness or disability (%)	19.9	17.3	17.6	
Households with central heating (%)	98.1	98	97.3	
Overcrowding (%)	13.2	7.4	8.7	
Provision of 1 hour or more unpaid care per week (%)	9.9	10.6	10.2	
Provision of 50 hours or more unpaid care per week (%)	2.9	2.5	2.4	
Pensioners living alone (%)	40.4	31.9	31.5	
Obese Children (Reception Year) (%)	12.9	10.1	9.4	
Children with excess weight (Reception Year) (%)	25.9	22.9	22.5	
Obese Children (Year 6) (%)	25.5	19.7	19.1	
Children with excess weight (Year 6) (%)	40	34.9	33.5	
Children's and young people's admissions for injury (Crude rate/100,000 aged 0-17)	1111.9	974.2	1180.9	
Occasional smoker (modelled prevalence, age 11-15) (%)	1.4	1.4	1.5	
Regular smoker (modelled prevalence, age 11-15) (%)	4	2.7	3.1	
Occasional smoker (modelled prevalence, age 15) (%)	3.7	3.8	4	
Regular smoker (modelled prevalence, age 15) (%)	10.7	7.5	8.7	
Occasional smoker (modelled prevalence, age 16-17) (%)	5.5	5.6	5.9	
Regular smoker (modelled prevalence, age 16-17) (%)	17.9	12.9	14.8	
Deliveries to teenage mothers (%)	2.5	1.2	1.5	
Admissions for injuries in under 5s (Crude rate per 10,000)	118.6	114	139.6	
Admissions for injuries in under 5s (Crude rate per 10,000)	116.3	106.3	150	
Admissions for injuries in under 5s (Crude rate per 10,000)	609.4	597.2	509.5	
Admissions for injuries in under 5s (Crude rate per 10,000)	29.9	27.3	24.1	
Admissions for injuries in under 5s (Crude rate per 10,000)	14.2	13.4	20	

Selective Licensing Scheme

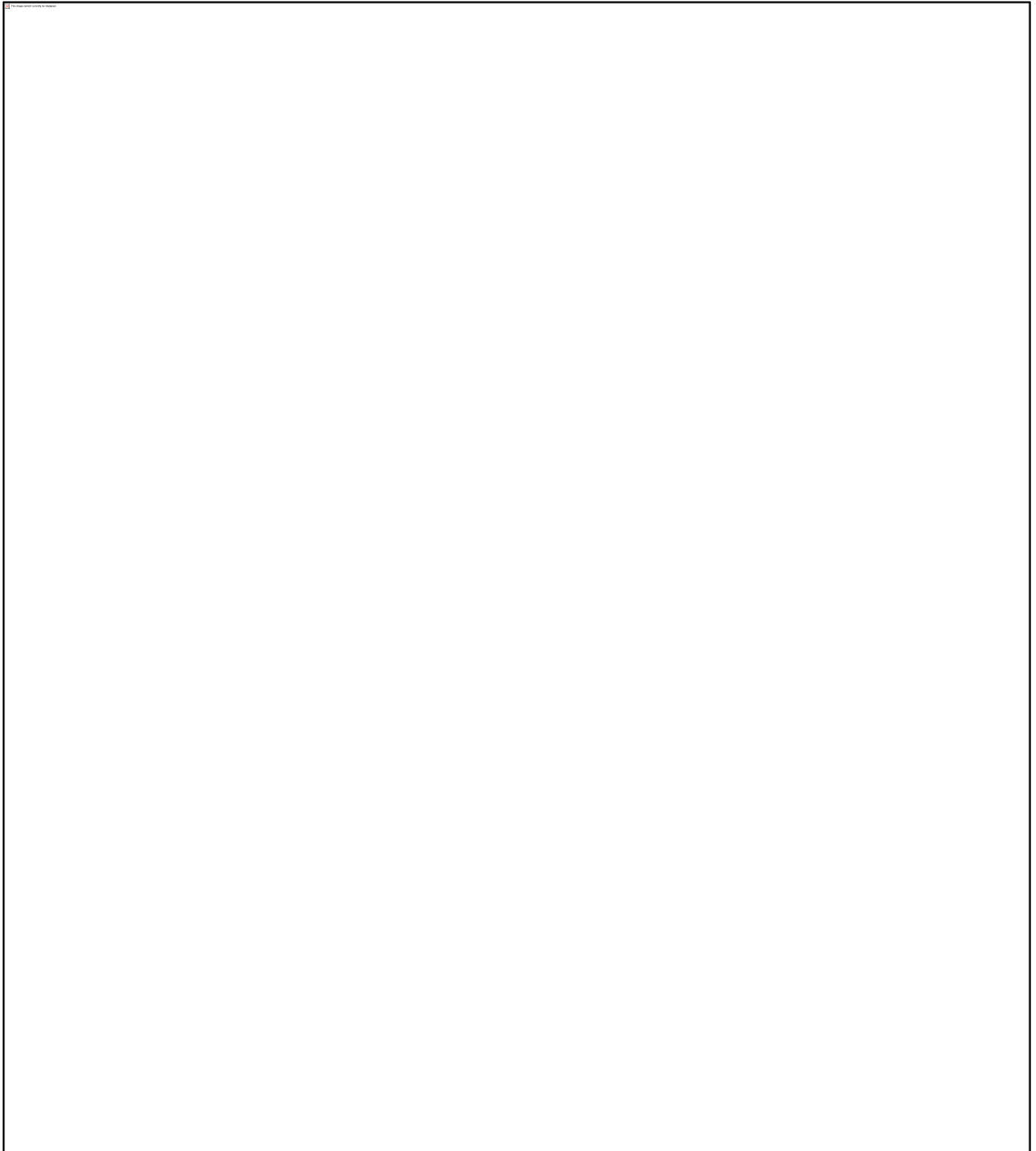
Emergency admissions in under 5s (Crude rate per 1000)	23.2	29.4	28.7	
A&E attendances in under 5s (Crude rate per 1000)	110	88.4	100	
Obese adults (%)	133.4	99.9	100	
Binge drinking adults (%)	103.6	90.7	100	
Healthy eating adults (%)	136.8	105.4	100	
Emergency hospital admissions for all causes (SAR)	161.1	99.8	100	
Emergency hospital admissions for CHD (SAR)	99.8	96.2	100	
Emergency hospital admissions for stroke (SAR)	100.1	95.3	100	
Emergency hospital admissions for stroke (SAR)	94.6	95.8	100	
Emergency hospital admissions for Myocardial Infarction (heart attack) (SAR)	158.6	104.3	100	
Emergency hospital admissions for Chronic Obstructive Pulmonary Disease (COPD) SAR)	92.3	98.5	100	
Incidence of all cancer (SIR)	99.7	95.8	100	
Incidence of breast cancer (SIR)	115.2	104.3	100	
Incidence of colorectal cancer (SIR)	108.4	98.5	100	
Incidence of lung cancer (SIR)	82.6	69.8	100	
Incidence of prostate cancer (SIR)	81.5	91.7	100	
Hospital stays for self harm (SAR)	113.3	95.8	100	
Hospital stays for self harm (SAR)	125.2	92.6	100	
Hospital stays for self harm (SAR)	122.7	94	100	
Hospital stays for alcohol related harm (SAR)	116.9	101.9	100	
Hospital stays for alcohol related harm (SAR)	120.2	100	100	
Emergency hospital admissions for hip fracture in 65+ (SAR)	120	92.5	100	
Elective hospital admissions for hip replacement (SAR)	159.2	100	100	
Elective hospital admissions for knee replacement (SAR)	115.9	95.5	100	
Deaths from all causes, all ages (SMR)	164.2	99.9	100	
Deaths from all causes, under 65 years (SMR)	110.7	89.2	100	
Deaths from all causes, under 75 years (SMR)	120.8	100.4	100	
Deaths from all cancer, all ages (SMR)				
Deaths from all cancer, under 75 years (SMR)				
Deaths from circulatory disease, all ages (SMR)				
Deaths from circulatory disease, under 75 years (SMR)				
Deaths from coronary heart disease, all ages (SMR)				
Deaths from coronary heart disease, under 75 years (SMR)				
Deaths from stroke, all ages (SMR)				

Deaths from respiratory diseases, all ages (SMR)				
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Table 11 Index of Deprivation % in relation to specific issues (taken from local health profile data)

	Gooshays ward	Heaton ward	Havering average	England average
Unemployment	3.1	2.9	1.6	1.8
Long term unemployment (working age population)	7.5	7.3	3.7	4.3
Income deprivation	25.9	24.5	13.2	14.6
General health bad or very bad	7.1	7.3	5.2	5.5
Overcrowded housing	13.2	10.9	7.4	8.7

Figure 4: Map showing Havering wards by deprivation quintile and (in parentheses) number of LSOAs in each ward



Source: *English Indices of Deprivation 2015*

Poor Housing Conditions

Evidence of Disrepair

The table below provides a snapshot of the categories of hazard identified within a sample of properties within the London Borough of Havering

Table 11: Percentage HHSRS Ratings

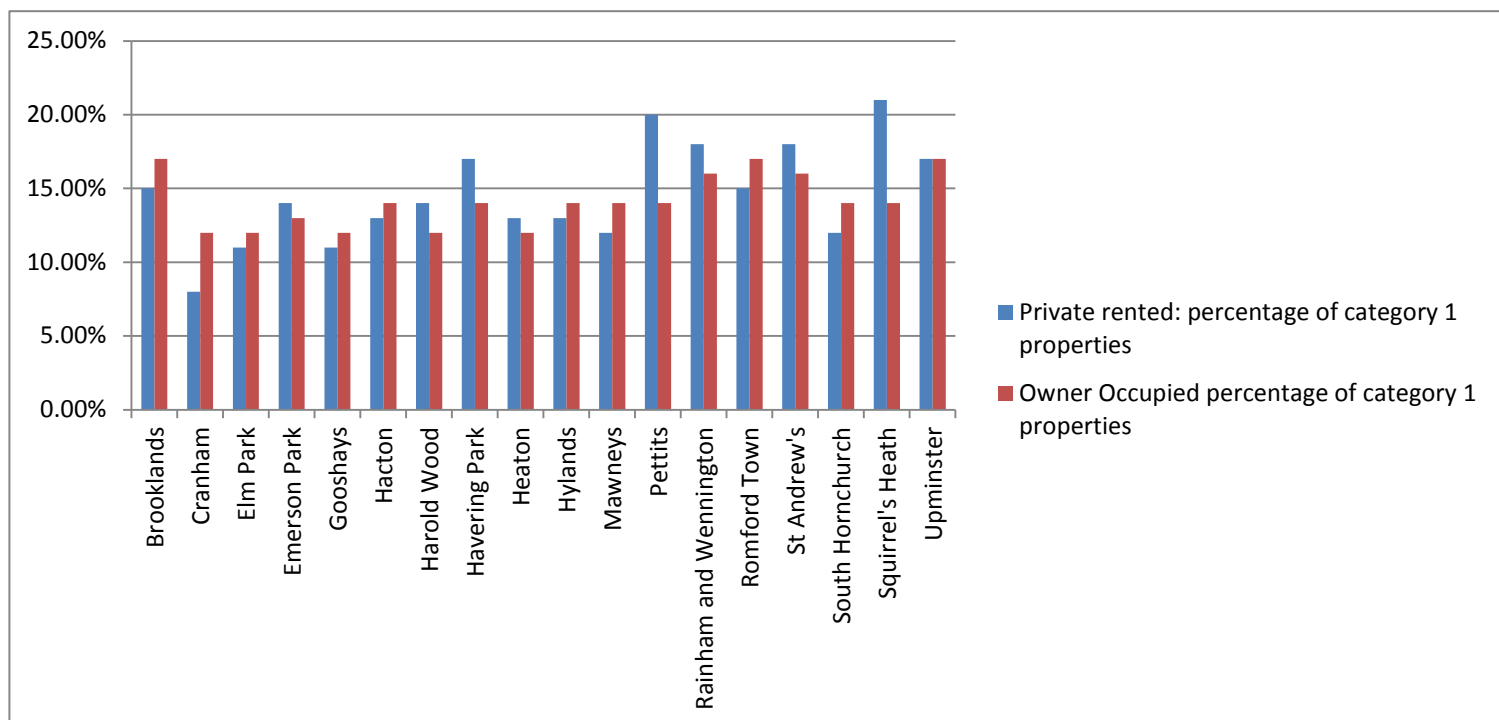
Ward Code	Ward Name	Ave. SAP	Stock Level	Percentage HHSRS Ratings								
				Cat .1	Excess Cold	Falls	Fire	Excess Heat	Damp and Mould	Cat.2	Disrepair	Vulnerable
E05000306	Brooklands	51	Private Rented	15.00%	7.00%	5.00%	1.00%	0.00%	1.00%	34.00%	6.00%	34.00%
E05000307	Cranham	57	Private Rented	8.00%	2.00%	5.00%	0.00%	0.00%	0.00%	15.00%	6.00%	30.00%
E05000308	Elm Park	55	Private Rented	11.00%	3.00%	6.00%	1.00%	0.00%	0.00%	23.00%	4.00%	38.00%
E05000309	Emerson Park	50	Private Rented	14.00%	6.00%	7.00%	1.00%	0.00%	1.00%	31.00%	6.00%	22.00%
E05000310	Gooshays	55	Private Rented	11.00%	3.00%	6.00%	1.00%	0.00%	0.00%	20.00%	5.00%	55.00%
E05000311	Hacton	54	Private Rented	13.00%	6.00%	6.00%	0.00%	0.00%	0.00%	26.00%	6.00%	26.00%
E05000312	Harold Wood	58	Private Rented	14.00%	4.00%	7.00%	1.00%	0.00%	0.00%	28.00%	4.00%	32.00%
E05000313	Havering Park	53	Private Rented	17.00%	5.00%	9.00%	1.00%	0.00%	1.00%	31.00%	6.00%	49.00%
E05000314	Heaton	56	Private Rented	13.00%	2.00%	10.00%	0.00%	0.00%	0.00%	25.00%	4.00%	55.00%
E05000315	Hylands	53	Private Rented	13.00%	4.00%	7.00%	1.00%	0.00%	0.00%	26.00%	5.00%	28.00%
E05000316	Mawneys	53	Private Rented	12.00%	4.00%	6.00%	1.00%	0.00%	1.00%	26.00%	4.00%	31.00%
E05000317	Pettits	49	Private Rented	20.00%	7.00%	10.00%	1.00%	0.00%	1.00%	41.00%	6.00%	29.00%
E05000318	Rainham & Wennington	51	Private Rented	18.00%	9.00%	7.00%	1.00%	0.00%	0.00%	37.00%	6.00%	33.00%
E05000319	Romford Town	56	Private Rented	15.00%	7.00%	6.00%	1.00%	0.00%	0.00%	32.00%	5.00%	29.00%
E05000320	St Andrew's	52	Private Rented	18.00%	9.00%	7.00%	1.00%	0.00%	0.00%	32.00%	6.00%	32.00%
E05000321	South Hornchurch	52	Private Rented	12.00%	4.00%	6.00%	1.00%	0.00%	0.00%	25.00%	3.00%	38.00%
E05000322	Squirrel's Heath	51	Private Rented	21.00%	10.00%	6.00%	1.00%	0.00%	1.00%	46.00%	7.00%	28.00%
E05000323	Upminster	50	Private Rented	17.00%	8.00%	7.00%	1.00%	0.00%	1.00%	31.00%	8.00%	22.00%

Table 12: Owner occupied properties: rankings of wards from worst to best

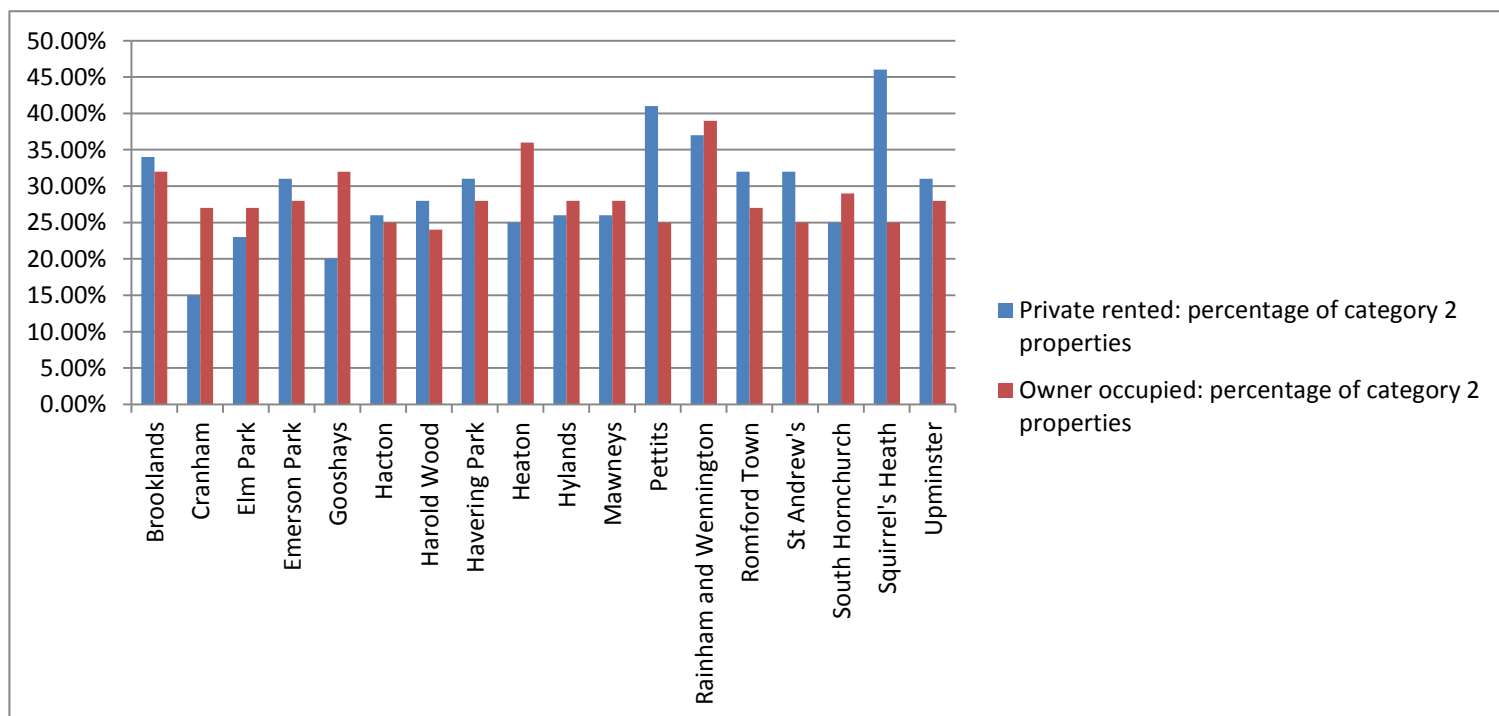
Rank (1= worst, 18= best)	Category 1 Hazards	Category 2	disrepair	excess cold	falls	fire	Vulnerable	Damp/ mould	Average simpleSAP	
1	Squirrel's Heath (SH)	21.00%	SH 46.00%	UP 8.00%	SH 10.00%	HE 10.00%	BR 1.00%	GO 55.00%	BR 1.00%	PE 49
2	Pettits (PE)	20.00%	PE 41.00%	SH 7.00%	RW 9.00%	PE 10.00%	EP 1.00%	HE 55.00%	EM 1.00%	EM 50
3	Rainham and Wennington (RW)	18.00%	RW 37.00%	BR 6.00%	SA 9.00%	HP 9.00%	EM 1.00%	HP 49.00%	HP 1.00%	UP 50
4	St Andrew's (SA)	18.00%	BR 34.00%	CR 6.00%	UP 8.00%	EM 7.00%	GO 1.00%	EP 38.00%	MA 1.00%	BR 51
5	Havering Park- (HP)	17.00%	RT 32.00%	EM 6.00%	BR 7.00%	HW 7.00%	HW 1.00%	SO 38.00%	PE 1.00%	RW 51
6	Upminster (UP)	17.00%	SA 32.00%	HA 6.00%	PE 7.00%	HY 7.00%	HP 1.00%	BR 34.00%	SH 1.00%	SH 51
7	Brooklands (BR)	15.00%	EM 31.00%	HP 6.00%	RT 7.00%	RW 7.00%	HY 1.00%	RW 33.00%	UP 1.00%	SA 52
8	Romford Town (RT)	15.00%	HP 31.00%	PE 6.00%	EM 6.00%	SA 7.00%	MA 1.00%	HW 32.00%	CR 0.00%	SO 52
9	Emerson Park (EM)	14.00%	UP 31.00%	RW 6.00%	HA 6.00%	UP 7.00%	PE 1.00%	SA 32.00%	EP 0.00%	HP 53
10	Harold Wood (HW)	14.00%	HW 28.00%	SA 6.00%	HP 5.00%	EP 6.00%	RW 1.00%	MA 31.00%	GO 0.00%	HY 53
11	Hacton (HA)	13.00%	HA 26.00%	GO 5.00%	HW 4.00%	GO 6.00%	RT 1.00%	CR 30.00%	HA 0.00%	MA 53
12	Heaton (HE)	13.00%	HY 26.00%	HY 5.00%	HY 4.00%	HA 6.00%	SA 1.00%	PE 29.00%	HW 0.00%	HA 54
13	Hylands (HY)	13.00%	MA 26.00%	RT 5.00%	MA 4.00%	MA 6.00%	SO 1.00%	RT 29.00%	HE 0.00%	EP 55
14	Mawneys (MA)	12.00%	HE 25.00%	EP 4.00%	SH 4.00%	RT 6.00%	SH 1.00%	HY 28.00%	HY 0.00%	GO 55
15	South Hornchurch (SO)	12.00%	SH 25.00%	HW 4.00%	EP 3.00%	SO 6.00%	UP 1.00%	SH 28.00%	RW 0.00%	HE 56
16	Elm Park (EP)	11.00%	EP 23.00%	HE 4.00%	GO 3.00%	SH 6.00%	CR 0.00%	HA 26.00%	RT 0.00%	RT 56
17	Gooshays (GO)	11.00%	GO 20.00%	MA 4.00%	CR 2.00%	BR 5.00%	HA 0.00%	EM 22.00%	SA 0.00%	CR 57
18	Cranham (CR)	8.00%	CR 15.00%	SH 3.00%	HE 2.00%	CR 5.00%	HE 0.00%	UP 22.00%	SO 0.00%	HW 58

Rank (1= worst, 18= best)	Category 1 Hazards	Category 2	disrepair	excess cold	falls	fire	Vulnerable	Damp/mould	Average simpleSAP	
1	Squirrel's Heath	21.00%	SH 46.00%	UP 8.00%	SH 10.00%	HE 10.00%	BR 1.00%	GO 55.00%	R 1.00%	PE 49
2	Pettits	20.00%	PE 41.00%	SH 7.00%	RW 9.00%	PE 10.00%	EP 1.00%	HE 55.00%	EM 1.00%	EM 50
3	Rainham and Wennington	18.00%	RW 37.00%	BR 6.00%	SA 9.00%	HP 9.00%	EM 1.00%	HP 49.00%	HP 1.00%	UP 50
4	St Andrew's	18.00%	BR 34.00%	CR 6.00%	UP 8.00%	EM 7.00%	GO 1.00%	EP 38.00%	MA 1.00%	BR 51
5	Havering Park	17.00%	RT 32.00%	EM 6.00%	BR 7.00%	HW 7.00%	HW 1.00%	SO 38.00%	PE 1.00%	RW 51
6	Upminster	17.00%	SA 32.00%	HA 6.00%	PE 7.00%	HY 7.00%	HP 1.00%	BR 34.00%	SH 1.00%	SH 51
7	Brooklands	15.00%	EM 31.00%	HP 6.00%	RT 7.00%	RW 7.00%	HY 1.00%	RW 33.00%	UP 1.00%	SA 52
8	Romford Town	15.00%	HP 31.00%	PE 6.00%	EM 6.00%	SA 7.00%	MA 1.00%	HW 32.00%	CR 0.00%	SO 52
9	Emerson Park	14.00%	UP 31.00%	RW 6.00%	HA 6.00%	UP 7.00%	PE 1.00%	SA 32.00%	EP 0.00%	HP 53
10	Harold Wood	14.00%	HW 28.00%	SA 6.00%	HP 5.00%	EP 6.00%	RW 1.00%	MA 31.00%	GO 0.00%	HY 53
11	Hacton	13.00%	HA 26.00%	GO 5.00%	HW 4.00%	GO 6.00%	RT 1.00%	CR 30.00%	Haro 0.00%	MA 53
12	Heaton	13.00%	HY 26.00%	HY 5.00%	HY 4.00%	HA 6.00%	SA 1.00%	PE 29.00%	HW 0.00%	HA 54
13	Hylands	13.00%	MA 26.00%	RT 5.00%	MA 4.00%	MA 6.00%	SO 1.00%	RT 29.00%	HE 0.00%	EP 55
14	Mawneys	12.00%	HE 25.00%	EP 4.00%	SO 4.00%	RT 6.00%	SH 1.00%	HY 28.00%	HY 0.00%	GO 55
15	South Hornchurch	12.00%	SO 25.00%	HW 4.00%	EP 3.00%	SO 6.00%	UP 1.00%	SH 28.00%	RW 0.00%	HE 56
16	Elm Park	11.00%	EP 23.00%	HE 4.00%	GO 3.00%	SH 6.00%	CR 0.00%	HA 26.00%	RT 0.00%	RT 56
17	Gooshays	11.00%	GO 20.00%	MA 4.00%	CR 2.00%	BR 5.00%	HA 0.00%	EM 22.00%	SA 0.00%	CR 57
18	Cranham	8.00%	CR 15.00%	SO 3.00%	HE 2.00%	CR 5.00%	SH 0.00%	UP 22.00%	SH 0.00%	HW 58

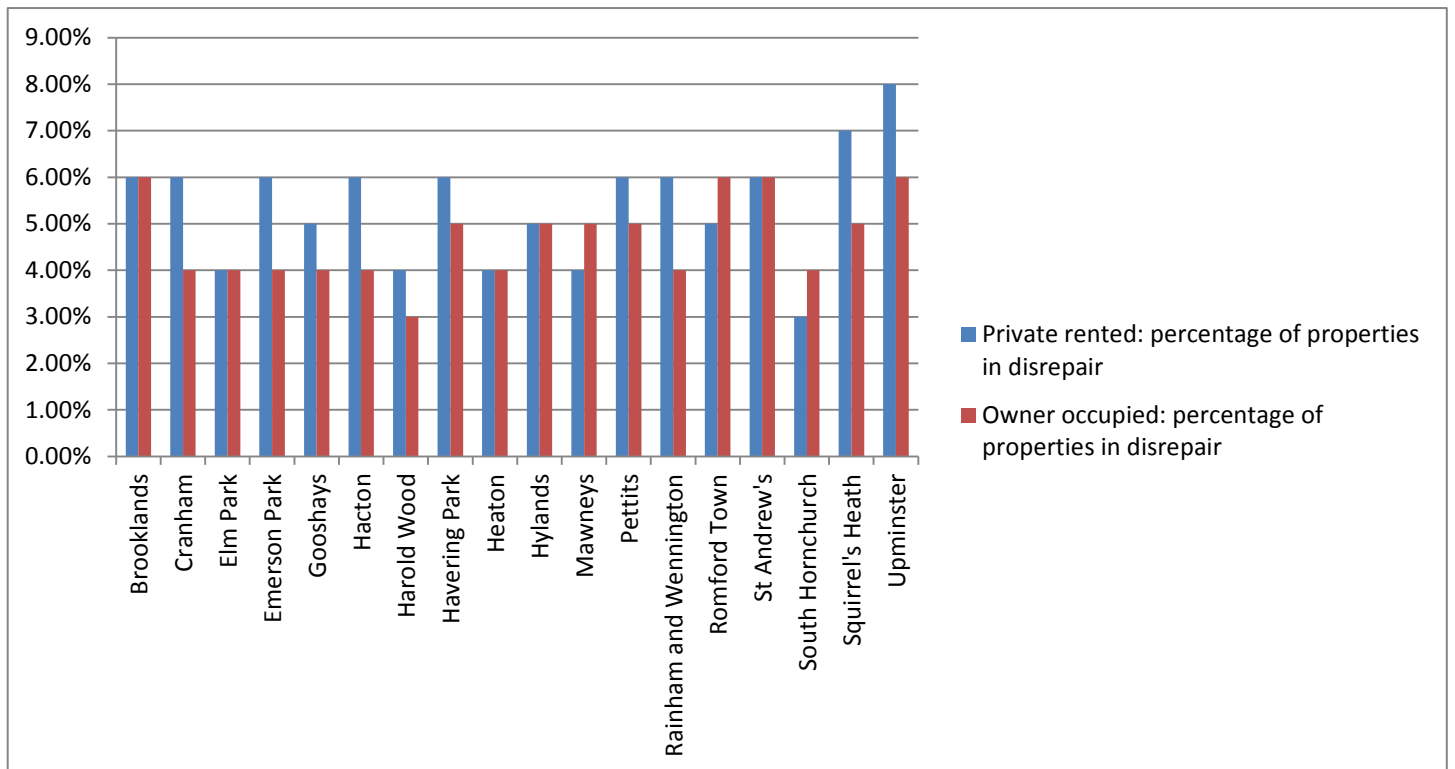
Graph 6: Comparisons of Percentages of Category 1 Hazard in Owner Occupied and Private Rented Properties in Havering Wards



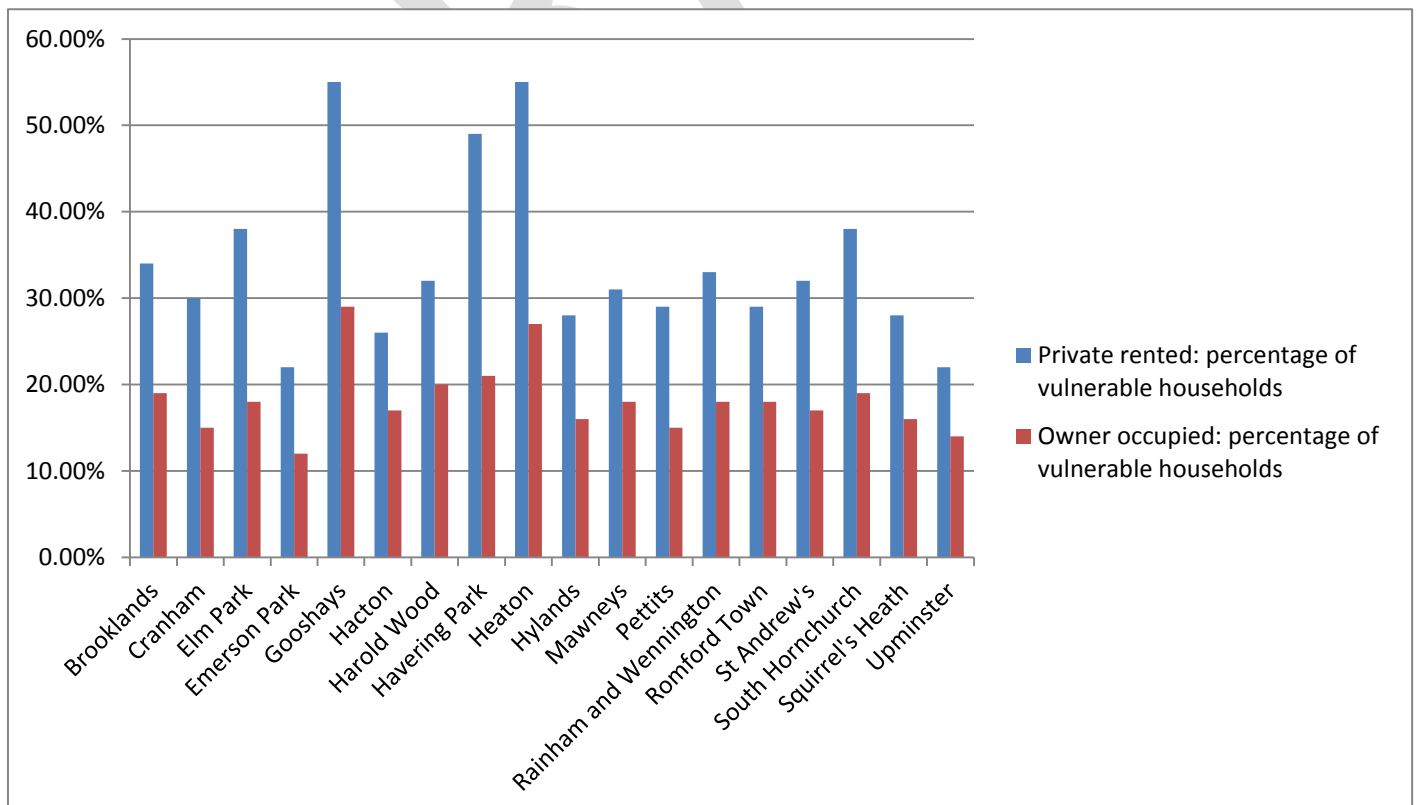
Graph 7: Comparisons of Percentages of Category 2 Hazard in Owner Occupied and Private Rented Properties in Havering Wards



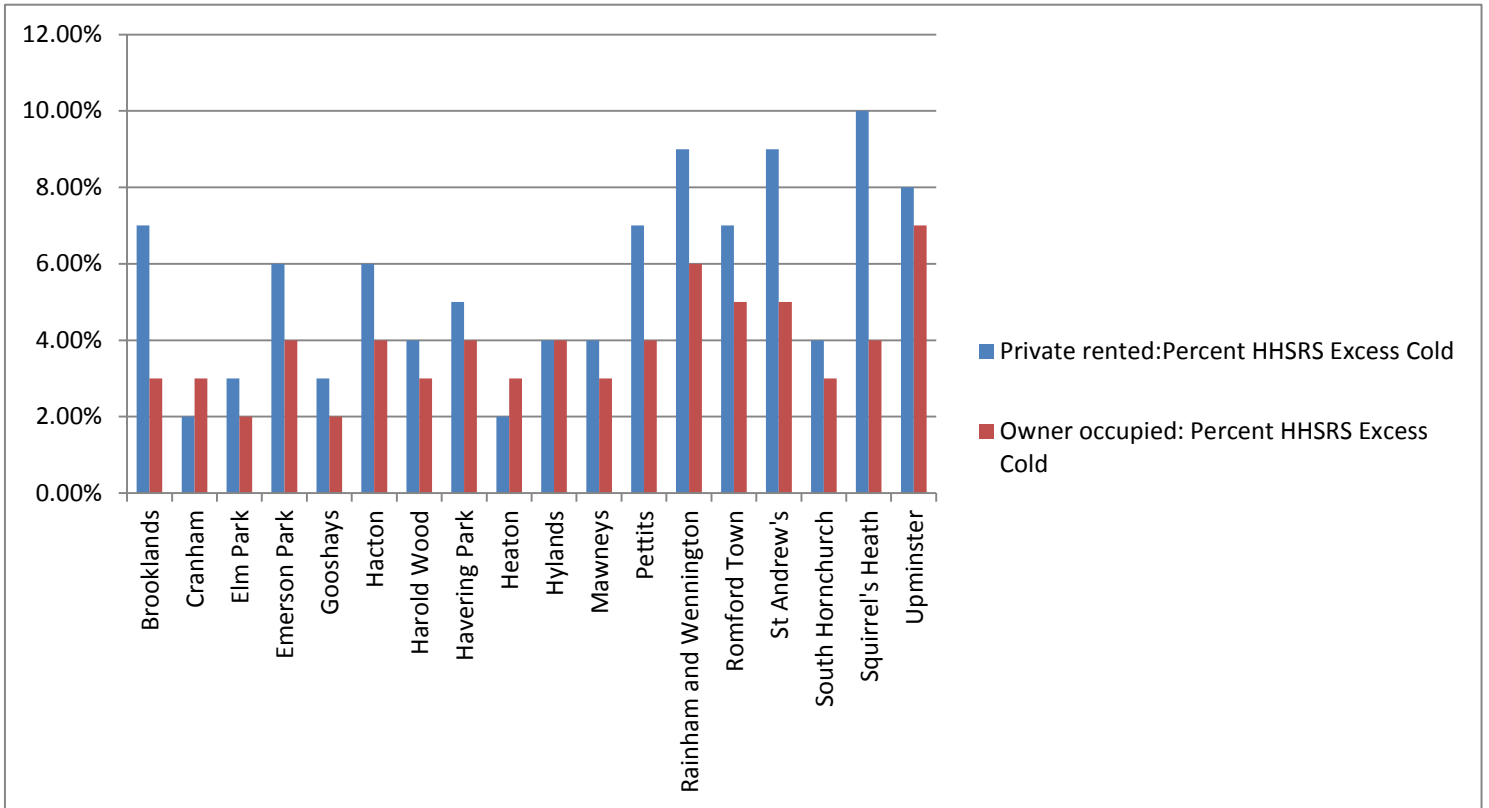
Graph 8: Comparison of Percentages of Properties in Disrepair in Owner Occupied and Private Rented Properties



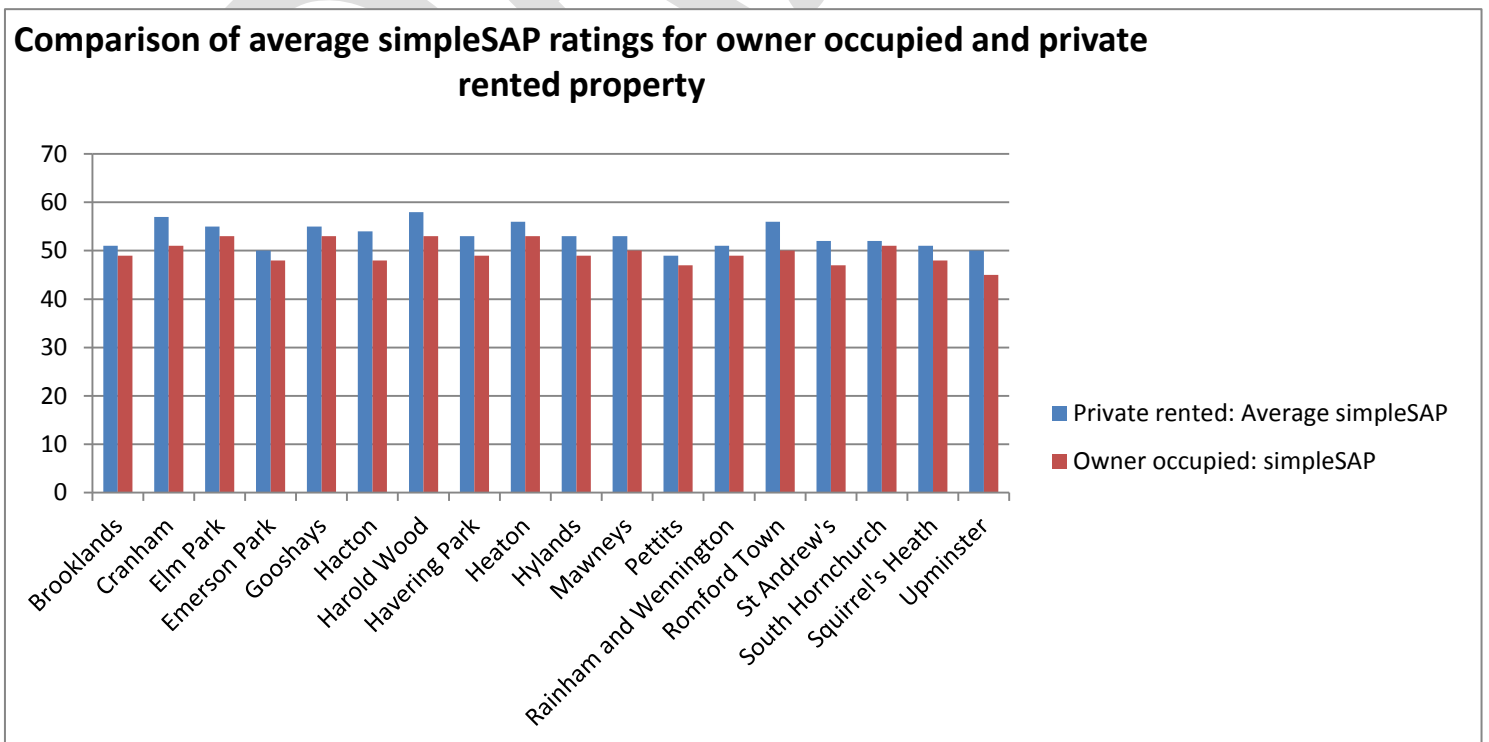
Graph 9: Comparison of Percentages of Vulnerable Households in Owner Occupied and Private Rented Properties



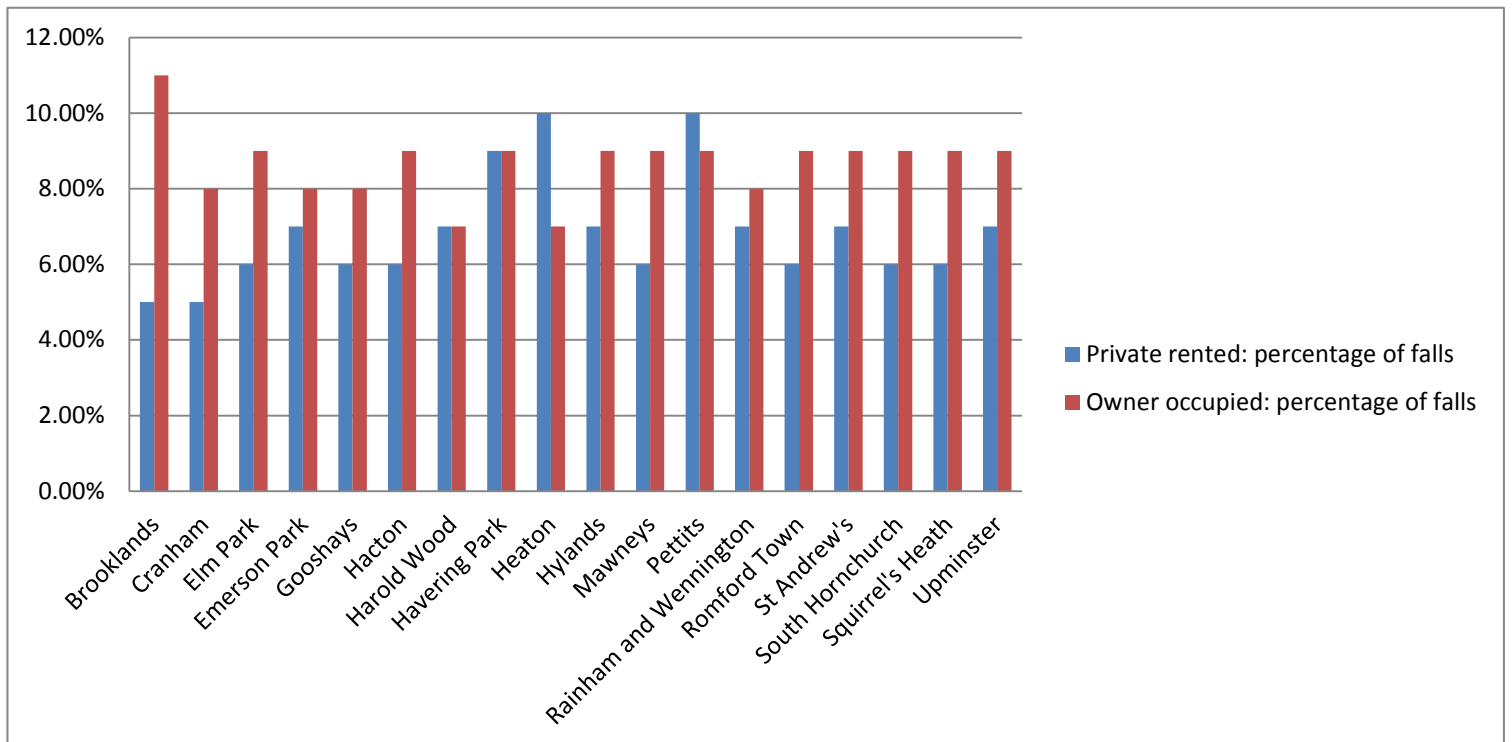
Graph 10: Comparison of Percentages of Properties with Excess Cold in Owner Occupied and Private Rented Properties



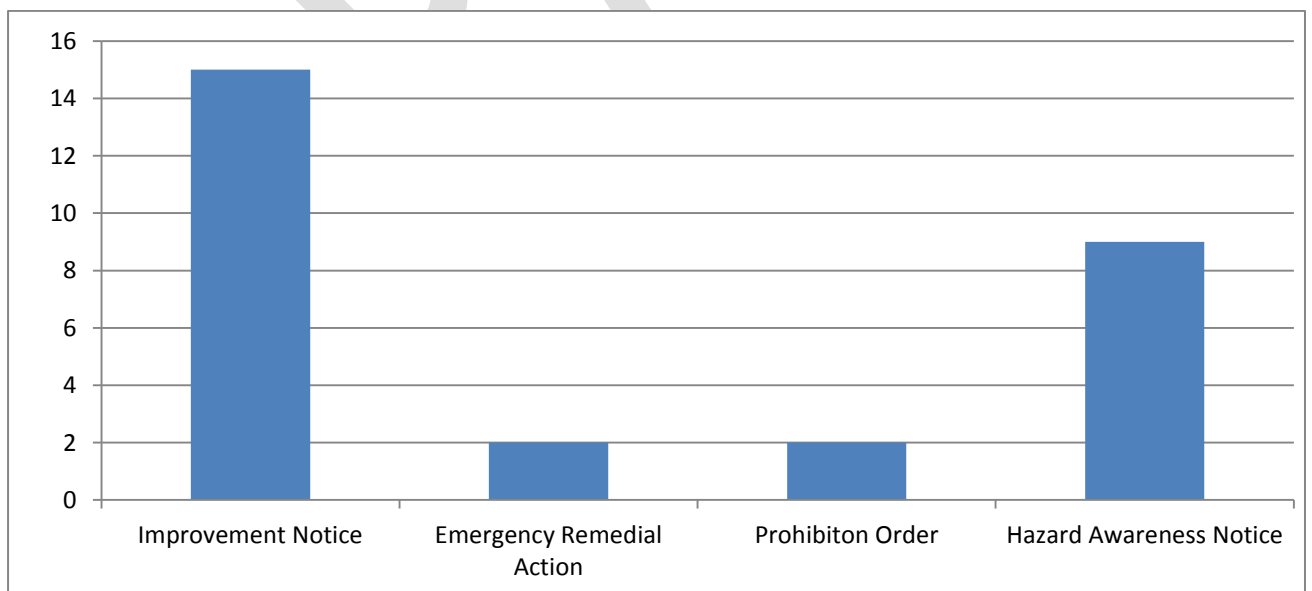
Graph 11: Comparison of Average Simple SAP Ratings for Owner Occupied and Private Rented Property



Graph 12: Comparison of Percentages of Falls in Owner Occupied and Private Rented Properties



Graph 13: Actions Taken Borough wide under Part 1 of Housing Act 2004 between 1/4/14 and 1/11/16



Appendix 4 - Proposed Licence Fees and Charges

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In setting the licence fees, the Council may, by statute, take into account (a) the costs it incurs in carrying out its functions under Part 3 to the 2004 Act (Selective Licensing) and (b) the costs it incurs in carrying out its functions under Chapter 1 of Part 4 to the 2004 Act (Interim and final management orders), so far as they are not recoverable under or by virtue of any provision of that Chapter. In particular, the cost of applying for a licence must be reasonable and proportionate.

At present, the licence fee has been set to cover the administration and associated costs of the licence application. However the Council continues to work on the licence fee model and will be considering an alternative fee structure inclusive of costs under section 63 (7) and Section 87 (7) of the Housing Act 2004 prior to the start of the formal consultation.

The Council intends to review the fees annually and adjust them to reflect any changes in costs.

If a landlord wishes to submit a paper application, or requires additional help with the application process, the Council will charge a supplementary fee**. General advice is provided, however, at no extra cost.

All licences will be valid for a period of five years unless the proposed licence holder is a person of concern***.

The proposed fee structure is as follows;

Table 13: Fees

Fee Type	Fee Amount
Additional (HMO) Licence Fee (Online Application)	£800
Additional (HMO) Licence Fee (Paper Application)	£900
Selective Licence Fee (Online Application)	£500
Selective Licence Fee (Paper Application)	£600
Additional Charge for Assisted Applications**	£100 per Application

Table 14: Available Discounts

Discounts	
Early Bird Discount 25%	For applications made prior to the implementation date
Discount 10%	For accredited landlords or members of recognised landlord associations

Discount 10%	For multiple applications or where an Applicant has had “fit and proper person” check in the last 6 months
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- *. If a landlord is making multiple applications and is an accredited landlord, he/she/it may apply for both discounts 2 and 3.
- ** The Council will not charge a fee for assisted applications if the need for assistance is the consequence of a characteristic protected by the Equality Act 2010, such as disability, and in all the circumstances charging the fee would be disproportionate..
- *** A Person of Concern is a person who: (a) is being or has been investigated for fraud relating, directly or indirectly, to his/her/its position as a landlord, manager or controller of let premises, or other involvement in letting premises, or (b) is or has been subject to enforcement action or prosecution relating to contraventions of the Housing Acts and/or regulations made under them.

Table 15: Other Fees and Charges Applicable

Licence Variation	Licence Variation Fee
Change of address details of any existing licence holder, manager, owner, mortgagor, freeholder, leaseholder etc.	No Fee
Change of mortgagor, owner, freeholder, and leaseholder (unless they are also the licence holder or manager)	No Fee
Reduction in the number of maximum occupiers and/or households for licensing purposes	No Fee
Variation of licence instigated by the Council	No Fee
Change of licence holder (Full fee applicable to licence type)	£500.00 or £800.00
Change of manager (unless they are also the licence holder)	No Fee
Increase in the maximum number of occupiers and/or households resulting in changing from a selective licence to additional licence will be £300.00. This sum accounts for the difference in fee .	£300.00

Table 16: Actions and Applicable Charges

Action	Applicable Fee
Revocation of licence	No fee
Application to licence following revocation of licence I (full applicable fee)	£500 or £800.00
Application refused by the Council	Application fee with no refund
Application withdrawn by the applicant	Application fee with no refund
Application made in error – out of Borough	No fee, and a refund will be made

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Table 17: Operational costs of Licensing Schemes

London Borough of Havering HMO Additional and Selective Licencing over 5 Years	% of Clients Expected to be charged	Fee	Estimated Client Numbers who will pay the full Fee	Estimated Income Receivable	Estimated Client Numbers Receiving Early Bird Discount	Further Discounts Available		Estimated Income Receivable from Clients who receive an Early Bird fee Discount Percentage Receivable	Estimated Number of Clients who are Members of a Landlord Association	(See Note 1) Estimated Further Discount Receivable from Clients who are Members of a Landlord Association	Total
						Discount Rate	Discount Rate				
						25%	10%				
Income											
HMO Additional Licence		£800	350	£280,000	650	£390,000	100	-£8,000			£662,000
Selective Licence		£500	1,225	£612,500	2,275	£853,125	250	-£12,500			£1,453,125
Subtotal			1,575	£892,500		£1,243,125		-£20,500			£2,115,125
Additional Charges											
Additional supplement for paper applications	5%	£100	79	£7,875							£7,875
Charge for assisted applications	5%	£100	79	£7,875							£7,875
Subtotal			158	£15,750							£15,750
Total Estimated Income Over 5 years											£2,130,875
Expenditure											
Operational Costs											
Staff Cost				£1,326,800							
Overhead Costs				£593,580							
				£1,920,380							
Start up cost											
IT system				£57,500							
Publicity				£21,736							
				£79,236							
Setup costs											
Staff Cost				£121,259							
Materials/Printing forms etc				£10,000							
				£131,259							
Total Estimated Expenditure Over 5 years											£2,130,875

Note 1

Clients who receive a further 10% discount for being a member of a Landlord Association will already have been included within the numbers of full or early bird discount fee payers

Appendix 5 – Selective Licencing Conditions

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This Appendix contains the conditions that would form part of a selective property licence.

Some of the conditions are mandatory; and the Housing Act 2004 requires the Council to insert them.

The 2004 Act also gives the Council discretion to insert further conditions, for example to control occupancy, to help reduce anti-social behaviour, to safeguard the health and safety of occupants and to ensure good management practices.

FAILURE TO COMPLY WITH THESE CONDITIONS IS A CRIMINAL OFFENCE

Permitted Occupation

- 1) The Licence Holder must not allow a new resident to occupy the house or any part of the house if that occupation:
 - a) exceeds the maximum permitted number of persons for the house as detailed in the schedule of permitted occupation below.
 - b) exceeds the maximum permitted number of households for the house as detailed in the schedule of permitted occupation below.
 - c) exceeds the maximum permitted number of persons for any letting as detailed in the schedule of permitted occupation below.

A new resident means a person who was not an occupier of the house and/or the specific room at the date of the issue of the licence.

Occupancy and Maximum Permitted Person per Letting

- 2) A condition will contain details on maximum numbers allowed in a dwelling and maximum numbers of persons per room.

Notification of Changes

- 3) The licence holder shall inform the Council directly, in writing or by email, of the following within 28 days of the change occurring:
 - a) Any change in the ownership or management of the property.
 - b) Any change in address, email or telephone number for the licence holder and/or agent.
- 4) The address of the licence holder given on their application form shall be used as the address for the proper service of any letter, notice or other document between the Council and the Licence Holder. It is the Licence Holder's responsibility to ensure that they take all reasonable steps to collect and act upon any letter, notice or other document sent to that address on a regular basis.
- 5) The licence holder must advise the Council directly, in writing or by email, of any changes to the construction, layout or amenity provision of the house that

would affect the licence or licence conditions, at least 28 days before starting works.

Tenancy Management

- 6) The licence holder shall supply the occupiers of the property with a written statement of the terms on which they occupy the property and details of the arrangements in place to deal with repair issues and emergency issues. Copies of the written statement of terms must be provided to the Council for inspection within 7 days upon demand.
- 7) The licence holder shall ensure that only he or an agent listed on this licence creates new tenancies or licences to occupy for this property whilst this licence is in force. Copies of any new written terms of tenancies must be provided to the Council for inspection within 28 days upon demand.
- 8) The licence holder shall not cause or permit any person who has previously applied for a property licence in respect of the premises and has either;
 - (a) been found not to be a Fit and Proper person, or
 - (b) been made subject to a Banning Order under the Housing and Planning Act 2016 to have active control or management of the premises, or to carry out or arrange any repair/improvement or other building works at the premises.
- 9) The licence holder must: (a) obtain references from any person who wishes to occupy the property before entering into any tenancy, licence or other agreement enabling them to do so; and (b) not enter into any such agreement if the person is unable to provide suitable references
- 10) The licence holder must: (a) retain copies of all references for the duration of this licence and (b) provide the Council with a copy of any such reference or references within 28 days of any request to inspect it or them.
- 11) The licence holder shall ensure that they carry out adequate checks that show satisfactory proof that the occupiers and individual within a property issued with a selective licence, belong to a single household. Evidence for this must be retained for the duration of the licence. This information must be provided to the Council within 28 upon demand.
- 12) The licence holder shall protect any deposit taken under an assured short-hold tenancy by placing it in a statutory tenancy deposit scheme. The tenant must be given the prescribed information about the scheme being used at the time the deposit is taken. This information must be provided to the Council within 28 days on demand.
- 13) The licence holder must provide to the Council, in writing, details of the tenancy management arrangements that have been, or are to be, made to prevent or reduce anti-social behaviour by persons occupying or visiting the property. Copies of these must be provided to the Council within 28 days on

demand and amongst other things shall contain the following:

- a) Provision of an emergency 24hr contact number (including out of hours response arrangements)
 - b) Formal arrangements for the disposal of rubbish and bulky waste
 - c) Written records of property inspections for management and repair issues at.
- 14) The licence holder shall ensure that inspections of the property are carried out at least every three (3) months to identify any problems relating to the condition and management of the property. The records of such inspections shall be kept for the duration of this licence. As a minimum requirement the records must contain a log of who carried out the inspection, date and time of inspection and issues found and action(s) taken. Copies of these must be provided to the Council within 28 days on demand, (the Council may also increase the frequency of visits if the licence holder is cause of concern).
- 15) The licence holder shall not ignore or fail to take action to address problems of antisocial behaviour (ASB) resulting from the conduct on the part of occupiers of, or visitors licensed premises and must comply with the requirements of paragraphs (a) to (h) below:
- a) If the Licence Holder receives a complaint from any person or organisation (including the London Borough of Havering) regarding antisocial behaviour involving the tenants or visitors of the licensed property, the licence holder must contact the tenant within 14 days of receiving the complaint. The licence holder must inform the tenant in writing of the allegations of the antisocial behaviour and of the consequences of its continuation.
 - b) If the Licence Holder is informed by the Council, Police or other organisation that any occupier/s have entered in to a 'Community Resolution'; or has been issued with an Acceptable Behaviour Contract; or court proceedings for a civil injunction have been obtained against the occupier/s; or if the occupier/s have been prosecuted in the Criminal Courts for acts associated with ASB, the licence holder must visit the property within 7 days of being notified.
 - c) During the visit the Licence Holder must provide the tenant with a warning letter advising them (amongst any other things) why their behaviour is not acceptable, that they are responsible for the conduct of their visitors and include the impact on any victims/local community and of the consequences of its continuation.
 - d) Any letters, emails, legal notices or other documents relating to antisocial behaviour, which are sent or received by the licence holder, or the agent on their behalf of the licence holder, must be copied and kept for 5 years by the licence holder.
 - e) Where the licence holder has reasonable grounds to suspect that the antisocial behaviour involves criminal activity the licence holder shall ensure that the appropriate authorities are informed.

- f) The Licence Holder shall co-operate with the Police and Local Authority in resolving problems of ASB in any licensed house under their control. (For example, they (or a person or agent instructed by them) should attend any case conferences or multiagency meetings or provide information to the Police or Local Authority when requested.)
- g) Any correspondence, letters and records referred to in conditions 15(a) to (f) must be provided by the Licence Holder to the Council within 28 days on demand.

Conditions 16-21 will not apply to for all licences.

- 16) The Licence Holder shall, within 6 months of the date of issue of this licence, attend specified Training and become an Accredited Landlord. If the Licence Holder hasn't already done this in the previous 5 years.
- 17) Where appropriate if the Landlord is required under a condition of the licence to attend a training and accreditation with the London Landlord Accreditation Scheme (LLAS) or via an equivalent professionally recognised organisation listed in condition 19 the Licence Holder shall do this by;
 - a) Booking and completing the LLAS one day training course or equivalent professionally recognised training course.
 - b) Agreeing to comply with the UK Landlord Accreditation Partnership's Code of Conduct or equivalent professionally recognised code.
 - c) Being a Fit and Proper Person.
- 18) To book the course and for more information on fulfilling the requirements in 18 b and c, you should visit www.londonlandlords.org.uk or call 020 7974 6975.
- 19) The other equivalent professionally recognised organisations and qualifications are;
 - Attend and pass the 'NLA Foundation Course' run by the National Landlords Association (www.landlords.org.uk).
 - Become an 'Accredited RLAAS Landlord' through the RLA Accreditation Scheme as a Residential Landlords Association (www.rla.org.uk)
 - Become a member of Association of Residential Letting Agents (ARLA) (www.arla.co.uk)
 - Foundation Letting Course (England) of National Approved Letting Scheme (NALS) (www.nalscheme.co.uk/)
 - Attend and pass Accreditation Day Seminar of the Midland Accreditation Scheme (MLAS) (www.mlas.org.uk/)
- 20) The Licence Holder shall continue to be an accredited Landlord with LLAS or registered with the equivalent professionally recognised scheme for the duration of this licence.

- 21) The Licence Holder shall keep the accreditation certificate or documents issued by LLAS or equivalent professionally recognised scheme for the duration of the licence and must provide a copy to the Council within 28 days of demand.

Property Management

- 22) The licence holder shall ensure that, if they are informed, in writing, by email or other form of communication, a complaint of disrepair or pest infestation in the property by the tenant or local authority, they should take action to remedy the disrepair and/or infestation, if it is required. The licence holder shall respond in writing to this complaint, within 14 days.
 - a) Any correspondence, letters and records referred to in condition 21 must be provided by the Licence Holder to the Council within 28 days on demand.
- 23) The licence holder shall ensure that any repairs, improvement works or treatments at the property must be carried out by a competent person(s) who is employed directly by the licence holder or an agent/employee of the licence holder. Copies of receipts and/or invoices for any repair/improvement works must be provided to the Council for inspection within 28 days upon demand.
- 24) If gas is supplied to the property, the licence holder shall take all reasonable, practicable steps to ensure that all gas installations and appliances are in a safe condition. The licence holder must have available a current valid gas safety certificate obtained within the last 12 months by a Gas Safe registered Engineer. (Or if the boiler was installed less than 12 months ago, a Gas Safe Installation Certificate.) This must be provided to the Council within 28 days on demand.
- 25) The licence holder shall take all reasonable practicable steps to ensure that all electrical appliances provided in the property are in a safe condition. The licence holder must submit to the council, for their inspection, an electrical appliance test report in respect of all electrical appliances that are supplied by the landlord to the Council within 28 days of demand.
- 26) The licence holder shall take all reasonable practicable steps to ensure that the electrical installation in the property is in a safe condition. The licence holder must submit to the council, for their inspection, an unexpired 'satisfactory' electrical installation condition report (EICR) for the property within 28 days of demand.
- 27) The Licence Holder must ensure the EICR is supplied by a competent person who is appropriately qualified to issue this report. If the person issuing the EICR is not properly registered with the Electrical Contractors Association (ECA), National Inspection Council for Electrical Installation Contracting (NICEIC), ELECSA, NAPIT or Registered Competent Person Scheme (www.electricalcompetentperson.co.uk), the licence holder must also provide

written evidence that the electrician has the necessary qualification/s, skills and experience to issue the condition report within 28 days of demand. (PLEASE NOTE: The Council will not contact the electrician on your behalf).

- 28) The Licence Holder must give new tenants within 7 days of the start of their occupation, the following information on Waste and Recycling, in writing;
- The collection days for the refuse and recycling bins for the property.
 - Details on what they can and can't recycle.
 - How they can dispose of bulky waste.
 - General waste guidance from the Council's website:

A copy of the information provided to the tenant must be kept for 5 years and provided to the Council within 28 days on demand.

- 29) The Licence Holder must provide the tenants adequate arrangements for the disposal of refuse and recycling. The Licence Holder must ensure that there are suitable and appropriate receptacles for the storage of household refuse and recycling between collections, so that bags or loose refuse and recycling are not stored outside the property.
- 30) The Licence Holder shall be required to carry out regular checks and ensure that the common parts, gardens and yards are free from waste, which could provide harbourage for pests and/or is a nuisance and/or is detrimental to the local amenities, other than waste stored in appropriate receptacles for the storage of household refuse and recycling.
- 31) The licence holder must not discard old furniture, bedding, rubbish or refuse from the property on the public highway or pavement immediately outside the property or on private land, other than for the purpose of presenting it for an arranged collection. The Licence holder should also ensure that occupiers of the property are made aware of and observe any refuse or bulky waste collection arrangements that exist.
- 32) The licence holder must ensure any type of rubbish which the Council does not routinely collect such as hazardous waste is disposed of in a safe manner.
- 33) If the Licence Holder becomes aware that the tenant or a tenant's visitor is dumping or leaving old furniture, bedding, rubbish or refuse from the property on the public highway or private land, they must write a warning letter to the tenant, within 14 days advising them to remove the items immediately. Copies of this letter must be kept and must be provided to the Council within 28 days on demand.
- 34) The Licence Holder shall be required to carry out regular checks and ensure that the property is free from pest infestation. Where the licence holder becomes aware of a pest problem or infestation at the property they shall, within 7 days becoming aware, take steps to ensure that a treatment program is carried out to eradicate the pest infestation. Records shall be kept of such treatment programs and these must be provided to the Council within 28 days

on demand.

- 35) The Licence Holder shall ensure that a smoke alarm is installed on each storey of the house on which there is a room used wholly or partly as living accommodation. (A bathroom or lavatory is to be treated as a room used as living accommodation).
- 36) The Licence Holder shall ensure each smoke alarm installed in any room, hall, landing, bathroom or lavatory in the house shall be kept in proper working order.
- 37) The Licence Holder shall submit to the Council, on demand, a declaration by him as to the condition and positioning of any such smoke alarm.
- 38) The Licence Holder shall ensure each smoke alarm installed in any other location in the house shall be kept in proper working order.
- 39) The Licence Holder shall ensure that a carbon monoxide alarm is installed in any room in the house which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance. ("Room" includes a hall or landing. A bathroom or lavatory is to be treated as a room used as living accommodation).
- 40) The Licence Holder shall ensure each any carbon monoxide alarm installed in any room in the house shall be kept in proper working order.
- 41) The Licence Holder must supply the authority, on demand, a declaration by him as to the condition and positioning of any such carbon monoxide alarm.
- 42) The licence holder shall ensure that any fire fighting equipment and fire alarm equipment are maintained in good working order. The licence holder must submit to the council, for their inspection, a copy of all periodical inspection report/test certificates for any automatic fire alarm system, emergency lighting and fire fighting equipment provided in the property. These must be provided to the Council within 28 days on demand.
- 43) The licence holder shall ensure that furniture made available in the property is in a safe condition. All upholstered furniture and covers and fillings of cushions and pillows should comply with current fire safety legislation. A declaration as to the safety of such furniture must be provided to the Council within 28 days on demand.

Documents to be displayed

- 44) The licence holder shall display a copy of the licence to which these conditions apply in the common parts of the property. Alternatively copies of the Licence must be provided to all tenants/occupiers before the start of their tenancy.
- 45) The licence holder shall display a notice with the name, address and

emergency contact number of the licence holder or managing agent in the common parts of the property. Alternatively copies must be provided to all tenants/occupiers at the start of their tenancy and provided to the Council within 28 days on demand.

- 46) The licence holder shall display a copy of the current gas safety certificate in the common parts of the property. Alternatively copies must be provided to all tenants/occupiers at the start of their tenancy and provided to the Council within 28 days on demand.

Financial Management

- 47) No other persons other than the Licence Holder or the agent named on the licence can collect and receive rental monies from the tenant(s) at this property. These monies can be passed onto any third parties if required.
- 48) Where rents are collected or received from the tenant(s) then a rent receipt must be issued and recorded. Copies of the rent receipts and records must be provided to the Council for inspection within 28 days on demand.
- 49) The licence holder must provide to the Council details in writing of the payment arrangements to settle the annual council tax account within 21 days of demand. It is the landlord's responsibility to notify the Council upon vacation of the premises by the outgoing tenant as soon as practicably possible otherwise the landlord may become liable for any outstanding council tax balances that remain unpaid in respect of the property..

General Conditions

- 50) When requested, the licence holder must arrange for access to be granted at any reasonable time and must not obstruct council officers in carrying out their statutory duties including the surveying of the property to ensure compliance with licence conditions and any other relevant legislation.
- 51) The licence holder shall provide the Council, within 28 days of receiving a written notice, with the following particulars as may be specified in the notice with respect to the occupancy of the house:
- a) The names and numbers of individuals/households accommodated specifying the rooms they occupy within the property.
 - b) Number of individuals in each household.
- 52) The licence holder shall ensure that whilst any alteration or construction works are in progress, the work is carried out to ensure the safety to all persons occupying or visiting the premises.
- 53) The licence holder shall ensure that on completion of any works, the property shall be left in a clean tidy condition and free from builders' debris.

Limitations of Licence

54) **LICENCE TRANSFER:** This licence can NOT be transferred to another person or organisation or property.

55) **REGISTERED COMPANIES:** If the licence holder is a registered company and it is dissolved while the licence is in force, the licence ceases to be in force on the date of dissolution.

56) **PLANNING PERMISSIONS**

This property licence does NOT grant, any planning approvals, consents or permissions under the Town and Country Planning Act 1990 or any related planning legislation, retrospectively or otherwise.

If this property is operating as a House in Multiple Occupation (HMO) this may represent a breach of planning control and you should ensure the correct planning permissions are in place.

This property licence does not offer any protection or excuse against any enforcement action taken by the Planning Department. If you are unclear on the matters outlined above you should seek professional planning advice.

57) **BUILDING CONTROL:** This property licence does NOT grant any Building Regulations approvals, certification, consent or permissions, retrospectively or otherwise. This property licence does not offer any protection or excuse against any enforcement action taken by the Building Control Department.

58) **PROPERTY CONDITION:** This property licence is NOT proof or evidence that the house is safe and free from hazards and defects. The property licence does not prevent criminal or civil legal action being taken against the licence holder, or anyone else with an interest in the property, if any hazards or nuisances are found or any other problems discovered in relation to the condition of the property.

59) It is not the responsibility of the London Borough of Havering Property Licensing Team to ensure the property is compliant with the above limitations.

60) **PROSECUTION/CONTRAVENTIONS CONSEQUENCES:** Please note that any prosecutions or enforcement action or legal action taken against the licence holder or anyone associated with licence holder, or the management of the property, may affect the licence holders 'fit and proper' status. The Council can revoke or vary the licence at any time, giving proper statutory notice.

61) **CONSUMER RIGHTS & UNFAIR PRACTICES:** The licence holder will ensure that any tenancy agreement they use is free from unfair terms and complies with all legal requirements under consumer law, including those within the Consumer Rights Act 2015. Licence holders should carefully read the Competition and Markets Authority (CMA) 'Unfair Contract Terms

Guidance' (CMA37) and follow this guidance when conducting their business, drawing up tenancies, contracts, or the service of notices on tenants and/or agents.

It is also recommended that licence holders refer to the 'Guidance on Unfair Terms in Tenancy Agreements' (OFT356), which it should be noted is not up to date in terms of legal developments since publication in 2005, but still remains a useful reference guide to types of tenancy contract standards terms that are potentially 'unfair'.

The licence holder must act in good faith at all times and must not conduct actions which would be considered a 'misleading action' or a 'misleading omission' as defined by the Consumer Protection from Unfair Trading Regulations 2008. Full information should be supplied to any prospective tenant including details of this licence.

Licence holders should ensure that all goods supplied as part of a let of furnished residential accommodation must be safe, including gas and electrical installations and appliances.

Further advice on all the above requirements can be found here:

<https://www.gov.uk/government/publications/unfair-contract-terms-cma37>
<https://www.gov.uk/government/publications/unfair-terms-in-tenancy-agreements--2>.
<https://www.businesscompanion.info/en/quick-guides/good-practice/consumer-protection-from-unfair-trading>
<https://www.businesscompanion.info/en/quick-guides/product-safety/goods-in-rented-accommodation>

PENALTY FOR BREACH OF LICENCE CONDITIONS: Failure to comply with any of the above licence conditions may result in similar enforcement action as described above and/or prosecution.

The fine for a breach of licence condition is now UNLIMITED for each offence.

CABINET

18 January 2017

Subject Heading:

Affordable Housing – Adoption of a planning guidance note on the Council’s approach to commuted sums payments

Cabinet Member:

Councillor Osman Dervish
Lead Member for Environment, Regulatory Services and Community Safety

CMT Lead:

Steve Moore – Director of Neighbourhoods

Report Author and contact details:

Martyn Thomas
Development and Transport Planning Group Manager
Tel : 01708 432845
Martyn.thomas@havering.gov.uk

Policy context:

National Planning Policy Framework
London Plan
Havering Local Development Framework

Financial summary:

This report identifies and recommends a financial formula for establishing the commuted sum payments that a prospective developer would pay to the Council. The approach is ‘cost neutral’ to the developer. Monies secured from commuted payments from developers will be General Fund Income and will be ‘ring-fenced’ by the Council so that they are only used for the provision of affordable homes.

Is this a Key Decision?

Yes

When should this matter be reviewed?

April 2019

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

SUMMARY

The provision of affordable housing remains a key part of the overall delivery of housing and the Council is committed to providing more affordable homes in Havering in line with its commitment in the current Corporate Strategy and other strategies.

Cabinet at its April meeting approved the publication of a draft non-statutory planning guidance note to set out the circumstances in which the Council may accept commuted sum payments to the Council in lieu of affordable housing being provided 'on-site' within a development scheme or on an alternative site agreed by the Council.

Cabinet agreed to the draft planning guidance note being the subject of public consultation.

This report reviews the consultation responses. Several respondents support the preparation of the note and the Council taking this approach to increasing affordable housing stock. The report concludes that the consultation responses do not require any change to the draft planning guidance note.

Officers recommend that the planning guidance note be updated to reflect robust evidence on housing need including that for affordable housing. This evidence has been secured to support the preparation of the emerging Havering Local Plan which will be progressed in 2017.

The planning guidance note with the adjustments identified above is recommended for formal adoption.

RECOMMENDATIONS

That Cabinet:

- note the responses to the consultation on the draft planning guidance note which are summarised in Appendix 1
- note that no changes are recommended to the guidance note in the light of careful consideration of the consultation responses
- agree that the planning guidance note be updated in regard to the availability of robust and up to date evidence on housing need
- adopt the amended planning guidance note as set out in Appendix 2

REPORT DETAIL

(1) Background

1. The provision of affordable housing remains a key part of the overall delivery of housing and the Council is committed to providing more affordable homes in Havering in line with its commitment in the current Corporate Strategy and other strategies.
2. Cabinet at its April meeting approved the publication of a draft non-statutory planning guidance note to set out the circumstances in which the Council may accept commuted sum payments to the Council in lieu of affordable housing being provided 'on-site' within a development scheme or on an alternative site agreed by the Council (known as 'off-site provision').
3. Several other local authorities follow this approach within their affordable housing policy. The report made clear that this approach is in line with the flexibility provided by planning policies from the Government and the London Mayor.
4. Cabinet agreed to the draft planning guidance note being the subject of public consultation. Members were advised at that time that if the Council wished to formally adopt the planning guidance note that would need to be done at a Council meeting.
That matter has since been reviewed and it is now recommended that adoption should be by Cabinet.

(2) The purpose of this report

5. This report details the responses received during the consultation and explains some changes that officers recommend as necessary to the guidance note before it is recommended for adoption by the Council.

What happened during consultation

6. Copies of the draft planning guidance note were :
 - published on the Council’s website (on both the local plan and consultation pages)
 - brought to the attention of stakeholders on the data base for the local plan preparation (both organisations and individuals)
 - provided to the Registered Providers of affordable housing who the Council work with to secure enhanced provision of affordable housing
 - made available to other parties who requested a copy of the draft planning guidance note
7. A short, ‘easy to read’ explanatory note was included on the Council’s website to support the consultation. This was based on the Cabinet report and explained the background to its preparation.
8. Additionally, the draft guidance note was included on the agenda at an affordable housing ‘workshop’ facilitated by the Council. This was attended by a range of stakeholders involved in the provision of affordable housing.
9. At the event, officers provided a briefing on the note. The consultants who had advised the Council on the financial framework underpinning it, provided an explanation of how they had approached the work and the basis of the financial formula included in the paper. The draft planning guidance note was provided to attendees at the event when the papers for it were circulated following the event.

(3) The responses received during public consultation

10. Six responses were received. This encompassed 4 responses from affordable housing providers and 2 from other parties. The latter included a response from Tetlow King (Planning Consultants) on behalf of ‘Rentplus’. ‘Rentplus’ say they deliver discounted rented homes to buy for people who are unable to acquire a property on the open market’. A response was received from a local resident.
11. The Housing Associations who responded were :
 - One
 - Peabody
 - Swan
 - Estuary

12. Appendix 1 summarises the consultation responses that have been received.
13. It will be seen that there was encouraging support for the Council's draft planning guidance note. Some 'themes' were common to the responses from several respondents including :
- support for the emphasis in provision of affordable housing 'on-site' rather than 'off-site' or in the form of commuted sum payments
 - support for the Council's approach being based on negotiation with developers and affordable housing providers
 - support for the financial framework included in the draft planning guidance note as it can be a challenge to deliver affordable housing through commuted sum payments because of factors such as difficulties in finding sites
 - there is a need for transparency in the operation of a commuted sum payments approach to the provision of affordable housing
14. Officers consider that the consultation responses set out in Appendix 1 provide a welcome endorsement of the approach set out in the draft guidance note as it was published for consultation and this is welcomed.
15. Careful consideration has been given to the consultation responses from the perspective of whether they warrant any change being recommended to the planning guidance note. Appendix 1 provides a recommended response to these. On balance, it is considered that no changes are required as far as the consultation responses are concerned.
16. Since the planning guidance note was prepared and approved for public consultation, the Council has been able to undertake work aimed at establishing a robust and up to date picture of housing need in the borough which will support the preparation of the new Havering local plan. This work has been undertaken by consultants (ORS) and is reflected in a document called the Strategic Housing Market Assessment (SHMA). In due course, the SHMA will be a formal part of the evidence base for the local plan. This work is also taking account of the latest population projections published by the Greater London Authority (GLA).
17. The SHMA identifies that over the period between 2011 - 2033, Havering will need more than 30,052 new homes. It indicates that some 19,530 of these will need to be market housing and the remainder (10,520) will need to be affordable homes. The SHMA identifies that the size breakdown of the affordable homes should be : 640 (1 bed), 4,290 (2 beds), 4,090 (3 beds) and 1,500 (4+ beds).
18. It is recommended that this information is included in the planning guidance note in its final form as it provides the most up to date information available to the Council. It will provide a clear picture to developers of the assessed need for new homes in the borough (both market and affordable tenures). It is

suggested that a link to the SHMA be included in the planning guidance note when the SHMA is finalised. This latest information from the SHMA will replace the previous content in the guidance note dealing with 'need'.

19. The note introduction section needs to be adjusted to reflect that it will have been the subject of public consultation but this does not have any material effect on its content.
20. **In summary, the planning guidance note is recommended for adoption in the form that it was published for public consultation with the exception of the matters above linked to the SHMA.** For convenience, a copy of the planning guidance note as it is recommended to be adopted (with the latest information from the SHMA) is included in full in Appendix 2 to this report.

(4) Next steps

21. Subject to Member approval, it is recommended that the guidance note be adopted.
22. Thereafter, the note will be used in discussions with prospective developers in cases where affordable housing is involved. In due course, consideration will need to be given to how the note should be reflected in the preparation of the new local plan for Havering.
23. As set out in the Cabinet report in April, the implementation of the note will be monitored and the receipt of commuted sum payments and how they are used will be published.

REASONS AND OPTIONS

Reasons for the decision:

To ensure that there is an adequate provision of affordable homes in Havering.

Other options considered:

The option of not preparing the guidance note has been discounted because it is important that Havering has adequate affordable homes.

The absence of explicit criteria setting out where commuted sum payments may be appropriate and a financial formula model for calculating such payments is unhelpful for both the Council and prospective developers. It may adversely affect the successful delivery of more affordable homes.

Alternative approaches to calculating a commuted sum provision were considered and rejected as they were not considered to be financially neutral and would incentivise the developer to provide a commuted sum in lieu of on-site provision, fail to achieve the maximum viable levels of affordable housing contribution or alternatively fail to sufficiently recognise the importance of assessing viability at a scheme by scheme level.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report identifies and recommends a financial formula for establishing the commuted sum payments that a prospective developer would pay to the Council. The approach is 'cost neutral' to the developer.

As such it should not be a more, or less, attractive option in financial terms to the developer than providing the necessary affordable homes on-site or at an alternative site to be agreed by the Council.

The Council will then use these funds to provide affordable housing in the future. The formula does not provide a direct link between amounts initially collected from a developer and the cost of re-providing future units elsewhere which will be dependent on the Council development proposals prepared.

This report focuses on commuted sums received from developers for housing development purposes but other contributions are received from developers to contribute towards the funding of new infrastructure. These will be secured by legal agreements alongside any commuted payments to the Council in lieu of affordable housing being provided on-site or at an alternative site to be agreed by the Council.

Legal implications and risks:

The legal weight afforded to the Guidance Note in determining planning applications is limited but not absent, as the note does not form part of the formal Havering Local Development Framework.

Only adopted Development Plan Documents which fall within Regulation 5(1)(a)(iv) of the Town and Country Planning (Local Planning) (England) Regulations 2012 can be used as "development management and site allocation policies, which are intended to guide the determination of applications for planning permission".

Subsequently the Guidance Note cannot lawfully set out the Council's policies relating to the development and use of land unless formally adopted as a

Development Plan Document in compliance with Section 17(3) of the Planning and Compulsory Purchase Act 2004.

However, the Council is nevertheless entitled under its ancillary powers under Section 111 of the Local Government Act 1972 to produce research documents and analysis, including good practice guides (for example for shop fronts and trees) without the need to include the guidance as a Development Plan Document.

The Housing and Planning Act 2016 introduces measures intended to promote home ownership and address equality concerns, one being starter homes. This Act includes a duty on the Council to ensure that “starter homes” become a common feature of new residential developments and it is likely that certain residential developments will only receive planning permission if specified requirements on starter homes are met. The Advice Note includes clear guidance for Developers, by identifying the circumstances in which differing approaches are considered appropriate.

The final recommendation in this report sets out that the document is required to go before Cabinet for full adoption due the nature of the content of the guidance note and Council’s Constitution.

Human Resources implications and risks:

None specific to this report. The Advice Note can be finalised and will be implemented using existing staff resources.

Equalities implications and risks:

The application of the guidance will follow as appropriate the statutory requirements of the Equality Act 2010 and in particular the requirements set out in Section 149 of the Equality Act 2010.

BACKGROUND PAPERS

None.



London Borough of Havering

Draft Planning Guidance Note on Commuted Sum Payments for Affordable Housing

SUMMARY OF PUBLIC CONSULTATION RESPONSES

Public Consultation : Spring – Summer 2016

January 2017

The table below identifies those parties who have submitted responses to the public consultation on the draft planning guidance note.

It provides a recommended officer response to the comments (where necessary) and indicates whether any change to the guidance is recommended.

The final column indicates what the recommended change is if a change is required.

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
<p>One Housing 100 Chalk Farm Road London NW1 8EH</p>	<p>One Housing Association :</p> <ul style="list-style-type: none"> • supports the Council’s assertion that early engagement by developers with registered providers will help to provide the best outcomes • believes that the key to providing affordable housing is high quality homes that create mixed and sustainable communities and where this cannot be achieved it is appropriate to consider alternative options • supports the Council’s starting point for commuted sum payment calculations being a policy compliant position • understands that in some cases the provision of affordable housing on site may not provide the best solution to meet the needs of local people to access housing appropriate to their needs (such as smaller and / or more constrained sites and sites where access to certain services may be difficult) • welcomes the proposals for off-site provision of affordable housing in preference to commuted sum payments since 	<p>The comments from One Housing are noted. Its support for the guidance note is welcomed. Consideration of whether commuted sums offer value for money will be assessed in individual cases. The use of ‘top-up’ funding is possible and will be for the Council to determine in individual cases. The issue of increasing the provision of affordable rent units will depend on the viability of individual schemes and will be a matter for discussion with the developer and interested</p>	<p>None.</p>

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
	<p>it can be challenging to find 'donor' sites and demonstrate best value</p> <ul style="list-style-type: none"> • has concerns about the deliverability of affordable housing through the use of commuted sums • notes that commuted sums have an important purpose but says that many authorities have made little progress in spending commuted sums • urges the Council to be clear and explicit in the parameters to be used when assessing financial issues linked to affordable housing so as to avoid discussions becoming unnecessarily protracted • considers early engagement helps providers and developers consider the design of developments and whether a suitable living environment will be provided for affordable housing residents • wants the Council to consider the use of 'top-up' funding to secure land for new affordable housing and would like to see such funding made available to registered providers who have suitable sites • wants to understand how the use of commuted sums will be assessed against 'value for money' • urges the Council to consider adopting a policy position whereby tenure changes could be combined with commuted sums for affordable rented 	<p>stakeholders. No changes are necessary to the planning guidance note.</p>	

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
	<p>properties to negate viability, design and management issues put forward by developers</p> <ul style="list-style-type: none"> • says that shared ownership can more easily be integrated into private developments • considers that the Council will need to review any commuted sum policy once the legislation for 'Starter Homes' is in place 		
<p>Peabody Housing 45 Westminster Bridge Road London SE1 7JB</p>	<p>Peabody Housing Association :</p> <ul style="list-style-type: none"> • welcomes the opportunity to comment on the consultation • agrees that a negotiated approach is the best way forward and says early engagement with developers is vital • endorses the identification of Registered Providers at the pre-application stage and wants them involved to discuss design, size and management issues • concurs that on-site provision should be the default assumption and off-site provision or commuted sums should only be agreed under specific circumstances • agrees with the potential circumstances identified in the draft planning guidance note where commuted sum payments may be appropriate • supports commuted sum payments being combined with other funds (such as Right to Buy receipts) as this will increase the amount of 	<p>The comments from Peabody Housing Association are noted. Its support for the guidance note is welcomed. The suggestion about combining commuted sum payments with other funding is noted. The Council would always, in appropriate cases, look to secure the best affordable housing outcomes but has to recognise that some funding 'combinations' may be precluded by other legislation / requirements.</p>	<p>None.</p>

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
	<p>affordable housing that can be delivered on alternative sites</p> <ul style="list-style-type: none"> • says that the commuted sum calculation payment method appears to be sound • considers that it is imperative that all commuted sum payments are securely 'ring fenced' for the provision of affordable housing 	<p>The guidance note makes clear that the commuted sums payment regime will be operated on a 'transparent' basis and will be the subject of regular reporting and auditing. No changes are necessary to the planning guidance note.</p>	
<p>Swan Housing Association Pilgrim House High Street Billericay Essex CM12 9XY</p>	<p>Swan Housing Association :</p> <ul style="list-style-type: none"> • supports the Council's approach to on-site affordable housing provision • welcomes the flexible but practical approach to commuted sums and off-site provision • considers that the financial framework is appropriate and in 	<p>The comments from Swan Housing Association are noted. Its support for the guidance note is welcomed. No changes are necessary to the</p>	<p>None.</p>

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
	<p>line with the London Plan</p> <ul style="list-style-type: none"> • supports the Council’s commitments to mixed and balanced communities as this is a fundamental design principle of Swan proposals • welcomes the emphasis on early engagement with developers particularly in regard to financial appraisals • is encouraged that the Council’s starting position is to deliver affordable housing and that this always considers the particulars of a scheme and the proposed viability • notes the Council’s position on resisting proposals that do not meet policy because of unreasonably high premiums paid in acquiring sites or including costly design features • wants the Council to be mindful of the current difficulties in acquiring sites and the impact of this on values 	<p>planning guidance note.</p>	
<p>Estuary Housing Association 8th & 9th Floor Maitland House Warrior Square Southend on Sea Essex SS1 2JY</p>	<p>Estuary Housing Association :</p> <ul style="list-style-type: none"> • considers that the draft is very transparent and the formula is clear. • suggests that the issue will be how the developer calculations can be proven • is pleased that the commuted sums will be ‘ring-fenced’ to new developments and this to support any HA’s developments as well in the Borough • suggests that if there are sites or areas that the Council feel should 	<p>The comments from Estuary Housing Association are noted. Its support for the guidance note is welcomed. On balance, it is considered that there would be no advantage in identifying sites</p>	<p>None.</p>

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
	<p>already be a commuted sum rather than for development then it may be useful to have strategy plan for these sites to provide planning direction for such sites as this can reduce time in having those early discussions</p>	<p>where a commuted sum payment would be sought. Such an approach may undermine the overall delivery of affordable housing and may encourage developers to actively pursue the commuted sum payments route. It would also fail to recognise that decisions on whether the Council will wish to take a commuted sum payment in lieu of on-site / off-site provision may be influenced to some extent by the delivery of affordable housing elsewhere at that time. No changes are necessary to the planning guidance note.</p>	
<p>Tetlow King Planning 32 High Street West Malling Kent</p>	<p>Tetlow King represent Rentplus who provide discounted rented homes to buy. They say :</p>	<p>The comments from Tetlow King are noted.</p>	<p>None.</p>

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
ME19 6QR	<ul style="list-style-type: none"> • the consultation on proposed changes to national planning policy in 2015 indicated that the definition of affordable housing in the National Planning Policy Framework may be changed to incorporate innovative rent to buy housing (as is provided by Rentplus) • a rent to buy model (such as promoted by Rentplus) will enhance affordable housing provision at a time when there is a high local need for affordable housing • the Council should take a flexible approach to affordable housing provision in the light of uncertain Government funding for social rented housing • the Council's proposed local plan policies and guidance (including the planning guidance note) should take into account rent to buy affordable housing • the Council needs to be able to readily adapt to other emerging changes in national policy (such as Starter Homes Policy) and these will need to be reflected in the emerging local plan • in line with the National Planning Policy Framework, the Council should only consider commuted sums for off-site provision when all other form of affordable housing are exhausted (including rent to buy) • the inclusion of affordable housing as part of a development with full planning 	<p>Within the consultation on the National Planning Policy Framework, the Government proposed to widen the scope / definition of affordable housing to include 'rent to buy'. It also highlighted that linked to this initiative, the Housing and Planning Bill introduced a statutory duty for local authorities to promote the delivery of starter homes. If the former is formally adopted, then it would provide a greater range of choice and options for affordable housing (both providers and occupiers). This can be reflected in the local plan and other strategies. Changes in national policy (such as Starter Homes) will be</p>	

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
	<p>permission is more cost effective for the Council than finding new plots of land and building homes separately</p> <ul style="list-style-type: none"> • delivering homes through commuted sum payments may not be feasible because there are no time limits for the monies to be spent. Rentplus would offer the scope for early delivery and this may be particularly important on strategic sites where early delivery can provide a boost to viability • the Council's approach to resisting proposals that have not sought to maximise affordable housing is supported • the guidance note should make a firm commitment to adopting a flexible approach to using a wide range of alternative affordable housing options (such as Starter Homes and affordable rent to buy) to ensure that the acceptance of commuted sums is negligible 	<p>reflected as documents / strategies prepared by the Council.</p> <p>The comment about schemes with both market and affordable housing being more 'cost effective' is noted. The guidance note is intended to recognise that this is, in practice very challenging because of viability issues this may raise and also that in some cases it may be better for affordable housing to be provided elsewhere.</p> <p>The Council will endeavour to make best use of commuted sum payments in the most effective manner as it is committed to increasing affordable housing provision. It is proposed that the detail of the</p>	

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
		<p>Rentplus offer be investigated to see if it offers advantages for the Council and other stakeholders. The guidance note does not need to be changed to reflect this. No changes are necessary to the planning guidance note.</p>	
Comments from individuals	Comments		
<p>A resident (By e-mail) (May 5 2016)</p>	<p>Please define affordable, as what is affordable for one person, isn't affordable for another.</p> <p>This makes the whole process meaningless.</p> <p>What does the Council intend to do about social housing?</p>	<p>The challenge in defining 'affordable housing' is certainly recognised. Differing household incomes will inevitably influence the 'affordability' of someone having a home. The housing charity Shelter define 'affordable' as being up to around 35% of net household income.</p>	<p>None.</p>

Respondent organisation	Comments	Recommended Havering Response	Recommended change to guidance (if applicable)
		<p>Notwithstanding this difficulty, the Council is committed to increasing the provision of homes in Havering including those that can be secured for people with low incomes.</p>	

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London Borough of Havering

**Planning Guidance Note on Commuted Sum Payments for
Affordable Housing**

January 2017

Affordable housing – circumstances where Havering Council will use commuted sum payments to the Council in lieu of on-site provision of affordable housing

1. Purpose of this advice note

This advice note sets out important advice regarding the delivery of affordable housing in Havering.

There is a continuing high need for affordable housing in Havering. It is intended that the note will assist in the successful delivery of affordable homes in the borough.

The Council's policy is set out in its Local Development Framework and it will also have regard to the National Planning Policy Framework (NPPF) (2012) and the London Plan (2015).

The Council recognises that more needs to be done if the provision of affordable housing is to be increased and for that reason it has prepared this advice note setting out how it will deal with a specific matter linked to affordable housing. In parallel with the implementation of this guidance note, the Council will continue to seek to secure the provision of more affordable homes through other means as appropriate.

The Council's approach is based on negotiation and it will want to work with prospective developers to agree how to most effectively and efficiently provide affordable housing for the community. The Council considers that early engagement between itself and developers will be key and this document encourages developers to take the opportunity at an early stage to discuss their proposals with Havering. Similarly, the Council encourages developers to make early contact with a Registered Provider of affordable housing so that issues such as design, size and management can be discussed. Early discussions will allow the Council's requirements regarding financial appraisal to be set out.

The advice note will be considered alongside adopted planning policies pending the adoption of the new Havering Local Plan. The Council considers that the preparation of the guidance note fits well with advice in the NPPF about helping developers make successful applications. The note is intended to assist the Council in the successful delivery and management of affordable homes and should strengthen the

Council's delivery of its own new build programme for affordable homes. It should help to avoid some of the problems that may arise where affordable homes have been provided within market housing schemes elsewhere and have been poorly integrated and failed to provide successful mixed and balanced communities in line with national planning policy objectives.

In particular, it sets out the Council's approach to the circumstances where it is not appropriate for the affordable housing to be provided either 'on-site' or on an agreed alternative site and, following from this, where the Council considers that a commuted sum payment to the Council in lieu of 'on-site' provision may be appropriate.

It is intended that this note will provide helpful advice to developers by setting out the factors that may justify a commuted sum payment in lieu of 'on-site' provision of affordable housing.

In preparing and using the note, the Council will also have regard to the Housing and Planning Bill (2015) which sets out the Government's commitment to the delivery of more affordable homes.

The note was the subject of public consultation with a wide range of stakeholders in Spring 2016.

2. How much affordable housing does Havering need?

The Council has commissioned a Strategic Housing Market Assessment (SHMA) study to support its emerging work on the new Havering Local Plan.

The SHMA identifies a need for some 30,052 new dwellings in Havering over the period between 2011 – 2033. It identifies that some 19,530 of these will be market housing with the remainder (10,520) being affordable homes. The SHMA indicates that the size composition of the new affordable dwellings should be : 640 units (1 bed), 4,290 (2 beds), 4,090 (3 beds) and 1,500 (4+ beds).

3. Planning policy context

(a) National planning policy

The National Planning Policy Framework (NPPF) sets out the Government's planning policies and how these are expected to be applied. It confirms that the purpose of the planning system is to contribute to sustainable development, including supporting strong, vibrant and healthy communities by providing a supply of housing that meets the needs of present and future generations.

It says that local planning authorities should plan to deliver a wide choice of high quality homes, widen opportunities for home ownership and create sustainable, inclusive and mixed communities, with a mix of housing based on current and future demographic trends and the needs of different groups in the community. Local planning authorities are expected to identify the size, type, tenure and range of housing that is required in particular locations.

Where local planning authorities have identified that affordable housing is needed, the NPPF states that they should:

' ... set policies for meeting this need on site, unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified (for example to improve or make more effective use of the existing housing stock) and the agreed approach contributes to the objective of creating mixed and balanced communities. Such policies should be sufficiently flexible to take account of changing market conditions over time.'

(b) London Plan (March 2015)

Within an objective of promoting mixed and balanced communities, the latest London Plan (2015) of the current Mayor seeks to provide at least 17,000 more affordable homes per year over the 20-25 year life of the plan (**Policies 3.9 and 3.11**).

The Mayor envisages that 60% of affordable homes should be social and affordable rent and 40% intermediate rent or sale. The priority is to be for affordable family homes. Borough targets should take account of economic viability of land for housing

taking account of risks to delivery and informed assessments of public funding and developer contributions **(Policy 3.11)**.

The Mayor expects that the maximum reasonable amount of affordable housing should be sought on individual private residential and mixed use schemes and he seeks to maximize affordable housing output and to make the most effective use of available affordable housing resources to achieve this **(Policy 3.12)**.

The Mayor expects affordable housing to be provided on site but he says it can be provided off-site in defined exceptional cases where it can be robustly demonstrated that this is not appropriate in terms of London Plan policies. The Mayor's exceptional circumstances can include 'land swaps', securing a higher level of provision on another site, better addressing priority needs, securing a more balanced community and better sustaining strategically important clusters of economic activities **(Policy 3.12)**.

Where cash in lieu of on-site provision contributions to a borough are accepted then the Mayor expects these to be ring fenced and 'pooled' to secure efficient delivery on identified sites elsewhere or used as part of an agreed programme for provision of affordable housing. The Mayor does not consider it appropriate for cash payments in lieu of on-site provision to be used for purposes other than maximising affordable housing **(Policy 3.12)**.

The Mayor has also brought forward draft Housing Guidance in support of the latest London Plan (May 2015). The introduction highlights that this is a particularly important issue for London and that 'affordability' will remain a particular long term issue for London.

The draft guidance highlights that the London Plan is supported by the NPPF – optimising development on individual sites and maximising affordable provision to meet objectively assessed needs. It re-iterates the focus on on-site provision unless off-site provision or a financial contribution of broadly equivalent value can be robustly justified.

The draft guidance suggests that the exceptional circumstances for cash in lieu payments to a borough can include :

- To secure a higher level of provision
- To better address priority needs (especially for family housing)
- To secure a more balanced community
- To better secure strategically important clusters of economic activities

It says that consideration should only be given to off-site provision where an alternative site(s) is / are identified which would enable affordable housing provision more appropriate to the identified needs to be met and where the project is deliverable prior to the on-site market housing being completed.

The guidance says that where off-site provision is considered / proposed, then the number of homes on the second site should be in proportion to the number of private dwellings to be provided on the original site. It also says that to avoid 'incentivising' off-site provision, agreements should be financially neutral.

Finally, because of the strategic importance of maximising affordable housing development in London, the Mayor does not consider it appropriate for boroughs to use cash in lieu of on / off –site affordable housing for any other purposes other than maximising the delivery of affordable housing.

(c) Havering Local Development Framework (2008)

The Local Development Framework sets out the Council's commitment to securing sustainable, attractive, mixed and balanced communities. It looks to ensure that the sizes, types and tenures of new housing meet the need of new and existing households at the local and sub-regional level. It also aims to ensure that in total, borough-wide 50% of all homes from new residential planning permissions are affordable; of which 70% social rented for those on low incomes and 30% for those on intermediate incomes **(Policy CP2)**.

The Council's development management policies say that it will aim to achieve 50% of all new homes built in the borough as affordable. In applying this target the Council will, through negotiation and agreement with the applicant assess the availability of on-site or off-site provision and will take account of factors including site, size, suitability and viability, the need to deliver a successful housing development, availability of public subsidy and other scheme requirements. The Council will seek the maximum reasonable amount of affordable housing having regard to the borough-wide target and a tenure split of 70:30 between social housing

and intermediate forms. The policy will apply to all schemes for more than 10 units and on sites exceeding 0.5 hectare irrespective of the number of dwellings (**Policy DC6**).

The Council is currently preparing a new local plan to replace the Local Development Framework. In due course, the local plan will need to take account of the approach in this guidance as well as the requirements of other measures such as the Housing and Planning Bill (2015).

4. How the Council expects to deal with affordable housing proposals

The starting point for all prospective applicants should be to develop a scheme in line with national, Mayoral and Havering policy.

However, in the light of current circumstances, the Council expects to follow a negotiated approach to the delivery of affordable housing. Each scheme will be considered based on the objective of promoting mixed and balanced communities and the particular circumstances of the proposal including viability.

The Council's adopted policies should be taken into account by developers and landowners from the earliest stages in the development process: before prospective development land is sold or purchased, in the initial site and development appraisals and during concept design. Developers and landowners are also expected to consider other required planning obligations and any other costs. Zero housing grant should be assumed.

The Council will strongly resist proposals brought forward that have not made best endeavours to deliver affordable housing in line with its adopted policies. Such circumstances may include situations where a developer says that providing affordable housing in line with adopted policies is not financially viable because an applicant has paid an unreasonably high premium to acquire a site or has chosen to incorporate costly design features.

The National Planning Policy Framework (2012) recognises that early engagement between local authorities, developers and Registered Providers of affordable

housing has significant potential to improve the efficiency and effectiveness of the planning application system. It can enable better co-ordination between public and private resources and improved outcomes for the community. The Framework emphasises that local planning authorities should encourage developers to take maximum advantage of the advice services offered by a local planning authority at the pre-application stage.

Accordingly, the Council will wish to work with prospective applicants to agree approaches towards affordable housing delivery. Before making a planning application which is expected to include an affordable housing requirement, applicants should contact the Council to discuss the affordable housing requirements.

Pre-application discussions will assist in clarifying the approach to on-site affordable housing provision, including the amount, type, size and tenure of the affordable housing required. These discussions may also consider whether there are sound planning or other reasons why off-site affordable housing provision on a site to be agreed by the Council or a commuted sum payment to the Council may be acceptable in lieu of on-site affordable housing provision (see below). The Council charges for pre-application discussions and details can be found on the Council's website.

As well as pre-application discussions with the Council, prospective applicants are encouraged to contact Registered Providers of affordable housing. Before making the planning application, applicants will preferably identify the Registered Provider and contact them to discuss the delivery of the affordable housing element of the development, including the Registered Provider's requirements and any potential design, size or management issues. The Council can provide a list of Registered Providers who are active in Havering.

Following discussions, there may be circumstances in which the Council and the developer agree that a commuted sum to the Council (or a combination of on-site affordable housing provision and a commuted sum) offers the best housing outcome. Where the Council considers that on-site affordable housing provision would be

appropriate, but the prospective applicant wishes to propose an alternative approach, the onus will be wholly on the prospective applicant to justify to the Council why off-site provision or a commuted sum should be accepted and to demonstrate that there is no financial advantage in not delivering the affordable housing on-site.

Pre-application discussions may also consider financial viability where a prospective applicant considers that there are constraints that would jeopardise or prevent them from delivering the Council's affordable housing requirements. In such circumstances the Council will expect a robust financial viability appraisal to be submitted on an 'open book' basis by prospective developers and paid for by them.

5. The scope for commuted sum payments in lieu of on-site provision

The Council's starting point is that affordable housing will normally need to be provided on-site.

However, if the Council considers that off-site provision would be appropriate because on-site provision is not achievable or it can be demonstrated that off-site provision would secure more affordable housing, the Council will require the developer to identify and secure a donor site to provide the affordable housing not being provided on site. In some circumstances the Council may be able to assist in identifying a suitable site. The Council will have to agree the suitability of any site proposed for off-site provision.

Only when it can be demonstrated to the Council's satisfaction that an alternative site cannot be identified will the payment of a commuted sum to the Council to support the delivery and supply of affordable housing be considered. The Council expects these to be exceptional circumstances.

In such cases, the commuted sum payment will be intended to optimise affordable housing outcomes for local people in line with the importance of increasing affordable housing provision. The Council will consider whether a commuted sum payment to the Council would enable the delivery of better housing outcomes than

would have been provided on-site. In considering the case for a commuted sum payment to the Council and how it may be utilised the Council will take in to account recent delivery of affordable housing — type, size, tenure and location — and the precise make-up of housing need.

The Council considers that this approach is consistent with government statements about the need for flexibility in the planning system and recognition of the need to stimulate the development economy to increase the rate of provision of homes and jobs and to ensure sites are not stalled and much needed housing can be delivered.

The acceptance of commuted sums paid to the Council will be purely at the Council's discretion and such commuted sum payments will not be an option available to developers, landowners or their agents simply because that is what they (or the wider community) would prefer. The Council and the developer will agree, preferably through pre- application discussions, whether a commuted sum payment to the Council is appropriate.

Where commuted sum payments are proposed by the applicant without the Council's agreement — for example, because there have been no pre-application discussions — the onus will be on the applicant to justify to the Council why off-site provision or a commuted payment should be accepted.

In all circumstances where provision other than on-site is being considered, applicants will be required to draw on robust evidence to provide a statement that demonstrates:

- why affordable housing cannot be provided on-site, or
- in those cases where on-site provision is possible but does not result in the best housing outcome, how and why identified housing needs would be more effectively met off-site compared to on-site.

In those instances where the Council considers that on-site affordable housing provision would provide a better housing outcome, it is likely that a planning objection would be raised.

6. The value of commuted sum payments to the Council

In those cases where the Council considers that a commuted sum payment to the Council is acceptable, it will be necessary to establish the value of such a payment in lieu of on-site or off-site affordable housing provision. Section 8 considers this in more detail and sets out the financial formula the Council will use.

The commuted sum payment will be expected to be broadly equivalent to the increased value accrued by the additional private development as a consequence of not providing affordable housing. Off-site provision or a financial contribution will not be a less expensive option than on-site provision.

In circumstances where the value of affordable housing is being negotiated, the Council will require the financial information about the development to be provided on an 'open book' basis. The Council will require that viability assessments and any review of the data used in a commuted sum calculation will be paid for by the developer.

The Council will approach such matters as an authority-wide issue and will review priorities for the investment of the funds secured through commuted sum payments in affordable housing in terms of local needs and pipeline schemes at the time.

The Council will use financial commuted payment sums in a number of ways to secure or deliver affordable housing and will require the flexibility to do so to be reflected in its approach and in any necessary Section 106 agreement for the development. The objective will be to provide an additional affordable housing enabling mechanism and commuted sums will be ring-fenced and earmarked to enable the provision of affordable housing within the borough in line with the continuing need for increasing the provision of affordable homes (see Section 2).

The circumstances which might justify off-site provision or payment in lieu to the Council are set out below. Such justification will need to be carefully made as the presumption will remain for on-site provision unless circumstances indicate otherwise.

7. Circumstances where a commuted sum payment to the Council may be acceptable

The potential circumstances where the Council may consider that developer contributions in the form of a commuted sum payment to the Council will be appropriate are set out below. The list is not exhaustive since other circumstances may arise and the list does not imply that the Council will automatically accept a commuted payment if these circumstances arise.

They include circumstances where :

- the inclusion of on-site affordable housing would prejudice the achievement of other important housing, planning or regeneration objectives (including those of the London Mayor) or other Council approved programmes such as the delivery of the Romford and Rainham Frameworks
- the inclusion of on-site affordable housing would financially undermine significant development proposals in the vicinity of the proposal which are critical to economic and / or business growth such as Romford Town Centre
- the need for a development to reflect the overriding character of the surrounding area would result in low density development which may not be suited to maximising affordable housing provision on site
- the inclusion of affordable housing may conflict with other planning policy objectives such as the integrity and sustainability of development that is most suited to the site
- the development is in, or close to, an area where the Council considers there is already a high proportion of affordable housing and to require more would work against the development of a mixed and balanced community
- the location of the development is poorly located relative to public transport, local and community facilities and employment

- a financial contribution would better fund affordable housing development elsewhere in Havering in line with the evidenced housing needs / local requirements
- as a result of factors influencing the site's viability (including other planning obligations), development would result in the creation of homes that will not in practice be affordable (such as development involving higher value sites in higher value areas)
- it would provide funding for specialist forms of affordable housing to enable specific housing needs to be provided more effectively elsewhere
- it would provide a 'top up' fund and make it possible for a higher proportion of affordable homes to be provided elsewhere by contributing towards the forward funding / 'kick-starting' of schemes or by reducing funding gaps within pipeline / current affordable housing schemes
- the scale of development would result in a modest number of affordable housing units and there would be practical difficulties surrounding the delivery, design or on-going management of these and / or a mix of tenures
- the affordable housing units would be expensive to create and maintain / service (such as in a conversion of an existing building or a site involving a heritage asset) and this cannot be satisfactorily overcome or avoided by alternative design, massing or separate new build for the affordable housing
- mixed community objectives / housing priorities will be better met in an alternative location (for example where family sized (3 + bedroom, outdoor space or supported housing) units are needed

8. Establishing the value of a commuted sum payment

In the circumstances where it is agreed that a commuted sum payment to the Council is appropriate, it will be necessary to establish the value of the payment in lieu of 'on-site' affordable housing. The Council's approach will be to base this calculation on the increased value accrued by additional private development as a consequence of not providing affordable housing. This approach will ensure a cost neutral impact on the developer.

It is proposed that the process to calculate commuted sums will commence with an acceptance by the developer of a policy compliant provision of affordable housing, **or** as is required for of on-site provision currently, the developer must provide a financial viability assessment in a recognised format demonstrating the levels of affordable housing that can be provided. In the case of the latter the Council will validate and agree with the developer the viability assessment. This is the current position with all residential planning applications meeting the threshold for an affordable housing requirement.

The commuted sum calculation method will then be applied using the formula as set out below:

- (a) The Open Market Value of the Units Designated as Affordable Housing
- Less
- (b) Value of the Affordable Housing
- Less
- (c) Additional Developer Costs
- Equals
- (d) The Commuted Sum Payment

The “*Open Market Value of the Units Designated as Affordable Housing*” is the value that the ‘Affordable Units’ would sell for if they were sold on the open market as private units. This is to be supported by a valuation or local market comparable research.

When a developer is considering Private Rented Sector accommodation, then it may be appropriate to consider a valuation on the basis of the capitalised value of the market rent. The calculation for this is annual net rent (gross rent less service charge, management, maintenance, voids and bad debts) divided by an appropriate yield to be agreed with the Council.

The “*Value of the Affordable Housing*” is the capitalised value of the net rental stream for Social and Affordable Rent (gross rent less service charge, management, maintenance, voids and bad debts), and the value of the first tranche sale plus the capitalised value of the net rental stream for the shared ownership units.

This should be calculated using a Discounted Cash-flow methodology

The “*Additional Developer Costs*” are reasonable additional costs to be agreed between the Council and developer. This could include additional marketing costs,

sales incentives or an increased specification for example. These costs must be clearly justified and set out by the developer and only relate to the additional private units.

A worked example is set out as Appendix 1 to this note.

9. Monitoring

The Council will record how much money is collected through commuted sum payments, where such payments have been received and where and how they have been spent.

It will publish this information on an annual basis at the end of each financial year.

Appendix 1

An example of a commuted sum calculation.

This is based on a notional scheme of 40 units.

Scheme Description		
Anywhere Development	Units	40
Scheme GDV		14,000,000
Affordable requirement after viability test		40%
Affordable Units (40 * 40%)	Units	16

Commuted Sum Calculation		
<i>(a) Open Market Value of the Units Designated as Affordable Housing</i>		
	No. of Units	16
	Value/unit	350,000
	Total Sales Value	5,600,000
<i>(b) Value of the Affordable Housing</i>		
	Value of Rented Units	1,324,442
	Value of Shared Ownership	1,032,750
	Total Value of Affordable	2,357,192
(c) Additional Developer Costs		560,000
Commuted Sum Payable (a) - (b) - (c)		2,682,808

CABINET 18 January 2017

Subject Heading:

Award of the Reactive & Planned Highway Maintenance and Construction of Improvement Schemes Contract and the Maintenance, Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Electrical Equipment Contract

Cabinet Member:

Councillor Osman Dervish
Environment, Regulatory Services & Community Safety

CMT Lead:

Steve Moore
Director of Neighbourhoods

Report Author and contact details:

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Policy context:

Maintaining the Boroughs Highway Assets are key Administration priorities. The London Borough of Havering, in its capacity as the Highway Authority, has a statutory duty to maintain the public highway (Highways Act 1980 s41)

Financial summary:

Awarding the contracts in line with the recommendations below represents the most economically advantageous option to the authority in ensuring best value. The Reactive and Planned Highway Maintenance and Construction of Improvement Schemes Contract have an estimated value of up to £83,000,000.00 for both London Borough of Havering and London Borough of Barking and Dagenham Council. The contract value for Havering is up to £43,000,000.00. The Maintenance, Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Equipment Contract have an estimated value of £14,000,000.00 for both London Borough of Havering and

	London Borough of Barking and Dagenham Councils. The contract value for Havering is up to £7,000,000.00. The actual expenditure is dependent on works incurred during the term of the Contract and values have been based on expenditure in previous years.
Is this a Key Decision?	Yes (a) Expenditure of £500,000 or more (c) Significant effect on two or more Wards
When should this matter be reviewed?	January 2018
Reviewing OSC:	Environment

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

Maintaining and improving the borough's roads, footways and street lighting is a key Administration priority directly linked to providing a clean and safe borough. The Corporate Plan includes specific commitments to maintain and clean our roads, pavements and town centres and also improve street lighting to reduce the fear of crime. This report sets out the outcomes of the recent joint tendering exercise completed with London Borough of Barking & Dagenham for a term contract of five years with the option to extend for a further two years for the Reactive & Planned Highway Maintenance and Construction of Improvement Schemes Contract and the Maintenance Contract and the Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Electrical Equipment Contract.

RECOMMENDATIONS

Following a joint procurement exercise with London Borough of Barking and Dagenham, Cabinet members are asked to:

1. Approve the award of the Reactive & Planned Highway Maintenance and Construction of Improvement Schemes Contract to the successful bidder, Marlborough

Surfacing Ltd (company registration number 02765630) for the period 1st April 2017 to 31st March 2022.

2. Approve the delegation of authority to the Director of Neighbourhoods to exercise the option to extend the Reactive & Planned Highway Maintenance and Construction of Improvement Schemes Contract for a further two years as permitted under contract beyond March 2022, subject to satisfactory performance.

3. Approve the award of the Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Electrical Equipment Contract to Volker Highways Ltd (company registration number 638559) for the period 1st April 2017 to 31st March 2022.

4. Approve the delegation of authority to the Director of Neighbourhoods to exercise the option to extend the Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Electrical Equipment Contract for a further two years as permitted under the contract beyond March 2022, subject to satisfactory performance.

REPORT DETAIL

Background and Strategy

The Council's current Highway and Street Lighting maintenance contracts are due to expire on 31st March 2017. Approval was sought to start the tendering process for these two contracts by way of notice of a non-key executive decision dated 21st January 2016.

Following this decision, officers have sought to engage in greater collaborative working with Havering's existing partner, the London Borough of Barking and Dagenham. A joint operational working group was set up for Highways and Street Lighting with representatives of both boroughs to explore procurement options.

The operational working group was supported by OneSource's procurement team with regular support from OneSource Legal, HR, Finance and other support services. Independent Consultants with relevant experience and knowledge of Highways Maintenance and Street Lighting contracts were engaged by London Borough of Havering and London Borough of Barking and Dagenham in order to deliver a suitable combined specification for both the Highways and Street Lighting works.

Procurement Process

The procurement process has been undertaken with due regard for longer term value for money being delivered and to ensure costs are contained during these times of austerity, resulting in an evaluation of 70% price and 30% quality.

The tender exercise was carried out in accordance with European and UK procurement law and the Council's Contract Procedures Rules. Adverts of contract notice were placed in the

Official Journal of the European Union (OJEU) on 31st October 2016 requesting expressions of interest from prospective suppliers.

Following the Initial Expression of interest some twenty Highways contractors sought an interest in the Highways Maintenance contract, along with twenty Street Lighting contractors seeking an interest in the Street Lighting contract.

The evaluation panel consisted of Officers from the London Borough of Havering and the London Borough of Barking and Dagenham.

Contract documentation and detailed specifications were made available to all contractors along with a financial evaluation model via capitalEsourcing and the closing date for all submission of tenders was set at the 28th November 2016.

The “Highways” evaluation pricing model consisted of the following:

Highways Pricing Evaluation Model

Carriageway Grip fibre

Carriageway Patching A - HRA

Carriageway Patching B - AC

Road Marking

Footway Works

Carriageway Resurfacing

Footway Slurry

Traffic Improvement Schemes

Traffic Management for Resurfacing Works

Tenders were received back from three bidders.

The table below shows the results for Highways, as submitted:

Evaluation of schedule Highways Term Contract	Evaluation Model
Company	Amount
Contractor 1	£ 4,794,616.87
Contractor 2	£ 6,652,682.13
Contractor 3	£ 6,987,695.00

Highways Contract Specification

Contained within the Highways schedule of rates pricing document are a number of regular items / works that have been undertaken over the last financial year which resulted in a greater weighted value when finalising the returned tenders. Such works range from Footways renewals, slurry seal, carriageway patching, carriageway resurfacing, specialist surfacing (including anti-skid and coloured surfacing) surface dressing, road markings, street furniture (including bollards), traffic calming and road safety schemes.

The evaluation model is used for comparison of costs to undertake works and shows which contractor is the cheapest based an estimate of annual works that may be undertaken by both Boroughs. The total values shown are not the annual financial cost of the contract, but merely show a comparison of how much it would cost for each contractor to carry out exactly the same works on site.

The actual value of any works carried out within LBH is completely dependent upon existing budgets.

Street Lighting Contract Specification

Contained within the Street Lighting schedule of rates pricing document are a number of regular items / works that have been undertaken over the last financial year which resulted in greater weighted value when finalising the returned tenders. In addition, officers considered that the best form of delivery was to ensure that the contractor provided a fixed sum for an acceptable performance level of maintaining the borough's lighting stock "in light", ensuring that the fear of crime is contained to a minimum.

Officers sought tendered rates on the total inclusive "in Light" performance of 99%, 98% and 97% respectively.

The "In light" schedule includes all labour, plant and materials. It also includes such works as bulk clean and change, structural testing and electrical testing. There is a further price list / schedule of rates for works that are not included in the "In light" schedule.

The Street Lighting evaluation pricing model consisted of the following:

Lighting Pricing Model

General Maintenance Street Lighting And Signs

Traffic Signs & Bollards

Road Lighting Columns & Brackets

Electrical work for Road Lighting and Traffic Signs (based on 7 day response)

Maintaining Painting of Steel Work

The pricing was weighted so that the more popular products carried a higher weighting, the purpose of this was to ensure that a balance was achieved between the weighted values of the most and least popular items being purchased.

Completed tenders were received from three companies,

The verification of Price List and Evaluation Pricing Model was undertaken by officers from the London Borough of Havering and London Borough of Barking & Dagenham.

The table below shows the results for Street lighting, as submitted:

Evaluation of schedule Highways Term Contract	Evaluation Model
Company	Amount
Contractor 1	£ 1,807,015.75
Contractor 2	£ 1,925,140.39
Contractor 3	£ 2,236,595.90

The evaluation model is used for comparison of costs to undertake works and shows which contractor is the cheapest based an estimate of annual works that may be undertaken by both Boroughs. The total values shown are not the annual financial cost of the contract, but merely show a comparison of how much it would cost for each contractor to carry out exactly the same works on site.

The actual value of any works carried out within LBH is completely dependent upon existing budgets.

REASONS AND OPTIONS

The London Borough of Havering, in its capacity as the Highway Authority, has a statutory duty to maintain the public highway (Highways Act 1980 s41) ensuring that it is in a safe and passable condition and is maintained to an acceptable standard.

Both the Highways and Street Lighting contracts will provide the support and maintenance needs for both London Borough of Havering and London Borough of Barking & Dagenham in both Highways and Street Lighting related works following extensive collaborative working to ensure that the best fit specification delivers against both borough's key Administration requirements.

Reasons for the decision:

The Highways and Street lighting contracts have been extended and the extension periods are nearing their end dates of 31st March 2017.

This tendering process secures new contracts that will deliver value for money for the next five years with the option to extend for a further two years if required.

Other options considered:

Tendering both the Highways and Street Lighting contracts separately was considered, however the purchasing power of 2 large scale contracts through collaboration with the

London Borough of Barking & Dagenham was considered to represent better value for money, especially during times of austerity.

Utilising a Framework agreement was also considered but this only provided a contract over a period of 4 years. A contract with a longer term would be the preferred option to incorporate leasing agreements and capital investments being spread over a longer period to keep tendered prices down.

IMPLICATIONS AND RISKS

Having followed the full European Procurement route and communicating in a fair and transparent manner to all contractors throughout this process, any risk associated with this procurement have been mitigated.

Financial checks have been undertaken of each contractor to ensure suitability and financial stability for the duration of these contracts.

Both the current Highways and Street Lighting contracts are already externalised with contract management arrangements in place. Continuation of these arrangements will ensure that future contract risks are contained whilst building upon the current levels of experience.

Failure to appoint the successful contractors for these contracts would leave the London Borough of Havering "Out of Contract" from 1st April 2017. This would increase the risk of both higher charges being applied and delays in progressing works related to Highway and Street Lighting maintenance works, ultimately resulting in the risk of increased claims against the Council arising from accidents.

Financial implications and risks:

The tender evaluation was based upon a sample of items from the schedule of rates for a joint London Borough of Havering and London Borough of Barking and Dagenham procurement exercise. Comparing the evaluation model total sum from the winning tenderer's rates and the rates from the current highways maintenance contractor shows a 32% reduction. This percentage reduction is only true for the evaluation model. However the rates used in the model are reflective of the majority of works carried out over the previous contractual term. If the demands for Highways works remains the same for the new term contract then savings will be achievable. At this stage there is no indication that the profiling of works activity will fundamentally change. The actual spend on Reactive and Planned maintenance through the Highways contract within London Borough of Havering is approximately £5million per annum (inclusive of externally funded Capital schemes, i.e. LIP schemes)

The tender evaluation for the Street Lighting element has also been based upon a sample of items taken from the schedule of rates for this joint London Borough tender. The winning tender rates used in the tender evaluation model were compared against the current Street Lighting contractors which show a reduction based upon previous contract rates. The actual

spend on the Street Lighting contract on average within London Borough of Havering is £2.6million per annum.

An annual increase of the schedule of rates will be applied to both contracts on the 1st April from 2018 onwards for the duration of the contract. The annual increase is calculated using Index figures (Construction Indices) compiled by the Officer of the Deputy Prime Minister and the Regions and published by The Stationery Office in the "Bulletin of Construction Indices.

Legal implications and risks:

The term of the contract is for 5 years with the option to extend for a further two years, contracts are to commence 1st April 2017. The estimated value of the Contracts for both London Borough of Havering and London Borough of Barking and Dagenham Councils are as follows:

1. For the Reactive and Planned Highway Maintenance and Construction of Improvement Schemes Contract the estimated value is up to £83,000,000.00.
2. For the Maintenance, Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Equipment Contract the estimated value is up to £14,000,000.00.

Estimated costs for London Borough of Havering are:

1. Up to £43,000,000.00 for the Reactive and Planned Highway Maintenance and Construction of Improvement Schemes Contract.
2. Up to £7,000,000.00 for the Maintenance, Repair and Replacement of Street Lighting, Other Illuminated Signs and Associated Equipment Contract.

As such values exceed the EU threshold for supply/services of £164,176.00 an Open Procedure for the procurement of these contracts has been followed by both Councils. An OJEU contract notice was placed on the 31st October 2016.

Bids have been received and successful bidders have been identified by way of evaluation based on the evaluation criterion as set by the Council's Contract Procedures 18.4, "Tenders will be evaluated against pre-determined best price-quality ratio of 70% cost and 30% quality weighting".

The Council are under a statutory duty to maintain the Highway at public expense, section 41 Highways Act 1980. Where the Council has provided Street Lighting as permitted under section 97 of the same Highways Act 1980 the Council is required to keep such lights in safe condition. The Council may be exposed to the possibility of actions for breach of statutory duty if it fails to maintain the Highway.

The Procurement of these Contracts has complied with both the Council's Contract Procedure Rules and the EU competitive legislation, The Public Contract Regulations 2015.

The Contract Data has been put together with the engagement of independent consultants; one for the London Borough of Havering and another for the London Borough of Barking and Dagenham with expertise in the said areas covered by the contracts and Legal Services.

The Contract value exceeds £150,000 therefore, in accordance with Contract Procedure Rule 17.1 the Contracts will need to be submitted to Legal Services for review.

Human Resources implications and risks:

There are no HR implications or risks arising directly as a result of this report.

Equalities implications and risks:

The Council recognises that there can be no fair society if some groups remain disadvantaged because of their protected characteristics. This also applies to how we provide our services either directly or when we procure them from elsewhere. We expect suppliers who provide goods and services on our behalf to adhere to the same principles. Compliance with the Public Sector Equality Duty helps the Council to ensure that the goods and services we procure are fit for purpose and meet the needs of our users

Incorporating equality outcomes, where relevant and in a proportionate way is integral to the way in which the Council procures services. It is important that they are considered prior to any procurement process This will help identify the specific needs of different potential users allow them to be appropriately reflected in the process so as to buy better outcomes for services and the council.

BACKGROUND PAPERS

None

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CABINET

18 JANUARY 2017

Subject Heading:	Approval to launch the Joint Havering Carers Strategy 2017-2019
Cabinet Member:	Cllr Wendy Brice-Thompson
CMT Lead:	Barbara Nicholls Director of Adults and Health
Report Author and contact details:	Michelle Brown, Commissioning Manager for Carers and the Voluntary Sector, 01708 433113, michelle.brown@havering.gov.uk
Policy context:	Care Act compliance and best practice
Financial summary:	N/A
Is this a Key Decision?	Yes - Significant effect on two or more Wards
When should this matter be reviewed?	January 2018
Reviewing OSC:	Individuals Overview and Scrutiny Sub-Committee

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

Approval is sought to publically launch the Joint Havering Carers Strategy 2017 to 2019, a joint public statement with the Havering Clinical Commissioning Group, on how the Council intends to develop support for carers of Havering residents.

This report summarises the Council's legal responsibilities to support carers, the key priorities for Havering and the outcomes which the Joint Havering Carers Strategy seeks to address.

It provides detail on the current levels of spend on supporting carers, the increasing pressures on carers and the actions we have started and will initiate to support carers.

RECOMMENDATIONS

That Cabinet approve the Joint Carers Strategy 2017-19.

REPORT DETAIL

Background and Policy Context

According to the 2011 Census, 25,214 people, 11% of Havering's residents provide unpaid care, an increase from 23,253 in 2001.

Carers undertake a significant amount of support to adults with social care needs. It is widely recognized that supporting carers to continue in their caring role reduces the cost of support for those they care for which would otherwise fall on health and social care services, saving up to £119 billion per year nationally.

The role of carers has been increasingly recognised in legislation. The Carers (Recognition and Services) Act 1995 established the right of carers who provided substantial care on a regular basis to request an assessment of their ability to care. The Carers (Equal Opportunities) Act 2004, which came into effect in April 2005, built on legislation by placing a duty on Councils to inform carers of their right to request an assessment and to take into account their wishes regarding employment, leisure and life-long learning.

The Care Act 2014, much of which came into effect from 1st April 2015, replaces all previous legislation relating to adult social care including carers. It also includes new rights for carers and how local authorities support them. Whilst previous legislation states carers must be providing "a substantial amount of care on a

Cabinet, 18 January 2017

regular basis” in order to qualify for an assessment, the Care Act gives local authorities a responsibility to assess a carer’s needs for support, where the carer appears to have such needs.

The Joint Havering Carers Strategy 2017 to 2019 has been developed by carers, jointly with Havering Council and the Havering Clinical Commissioning Group (CCG) and sets out our plans for the next three years.

The 8 outcomes identified by carers, that the Strategy proposes to focus on are:

1. Carers have access to information, advice and support
2. Carers feel less alone
3. Carers balance the caring role and have a life outside of caring responsibilities
4. Carers stay healthy
5. Carers get enough sleep
6. Carers manage stress and anxiety levels
7. Carers have the skills, tools and confidence to carry out caring responsibilities
8. Carers feel reassured about the health and well-being of the person(s) cared for, when carers are not with them.

Achievement of the above outcomes will support Havering carers to continue in their caring role and have a life of their own alongside their caring role, and ensure that Havering Council and partners are compliant with and promoting the principles of the Care Act.

The strategy does focus on Carers of adults aged 18 or over, however we do recognise young carers in the strategy and commit to working with relevant partners to identify and provide awareness of support to young people who have caring responsibilities, parents who are caring for children aged under 18, and young adults caring, and to support with the transition process into adulthood.

Safeguarding is also a key area in the Care Act 2014 and a priority for Havering Council and the Havering Clinical Commissioning Group. Our main emphasis is around making safeguarding personal and this is highlighted in the Strategy.

The Council is committed to raising awareness of how people who have any concerns about safeguarding issues or abuse, know how to speak to someone in confidence and/or raise an alert.

Budget and Demand

As stated above, according to the 2011 Census, 25,214 people, 11% of Havering’s residents, provide unpaid care, an increase from 23,253 in 2001. People take on caring responsibilities every day and it is recognised nationally that the number of

Cabinet, 18 January 2017

people with caring responsibilities is set to rise, with everyone having caring responsibilities at some point in their lives. Havering has one of the highest carer populations in London.

Current and future spend on carers includes:

- Carers personal budgets;
- Carers events provided by commissioned providers and by Havering Joint Commissioning Unit;
- Voluntary and Community Sector (VCS) commissioned services supporting carers including carers support groups;
- LBH officer time for commissioning and contract monitoring carers support;
- Social care assessors undertaking joint assessments and separate carers assessments;
- Statutory advocacy provision for clients who are carers;
- Respite, as part of the person(s) cared for care plan;
- Allocations for respite/carer outcomes within client (service user) direct payments.

Managing Demand and Budget

Financial investment for carers support ensures that Havering meets its' statutory obligations under the Care Act. It is also linked with the demand management strategy by supporting carers.. By maintaining their ability to provide care and support it will prevent demand on Adult Social Care.

The Council has identified carers wellbeing as a specific outcome that we require as part of the re-commissioning of the voluntary sector in 2017/18. This will mean approximately £200-£250k ear marked for services that directly support carers. Further investment of approximately £400k - £600k will provide indirect support to carers through services that provide information and advice, initiatives to reduce social isolation and the development of peer support networks.

Stakeholder Engagement

Carers of Havering residents have informed the final Joint Havering Carers Strategy through a period of consultation and engagement, spanning over a year, including through:

- Carers consultation events
- Carer workshops with Adult Social Care staff
- Carers and the Care Act presentations to carers and discussions thereafter
- Carer workshops with independent facilitators
- Meetings with Community and Voluntary partners funded by Havering Council and the Havering Clinical Commissioning Group
- Carers individually and group discussions
- Dedicated carers focus groups and events for people caring for people with specific needs
- Survey of Adult Carers in England 2014-15 and the responses from carers of Havering residents

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- Havering Carers survey 2015 in relation to GP support for carers
- Havering Carers Week event and 'the Big Idea'
- Quarterly Havering Carers Forum meetings
- Dedicated work with an independent external agency, FutureGov, who engaged directly with carers around their experiences and with providers of services for carers.

A further 3 month consultation was undertaken from June 2016 to September 2016, with a range of stakeholders, including carers of Havering residents, voluntary and community sector partners and public forums.

Comparator Information

The Council continues to consult with neighbouring boroughs to discuss the support and services provided to carers. London Carers Leads Network meetings take place regularly at London Councils which provides us with the opportunity to benchmark and collaborate in relation to carers support, with colleagues across London. There is no statutory duty to implement a Carers Strategy, however we are unaware of any local authority that has not published or is not in the process of publishing their local plans to support carers.

REASONS AND OPTIONS

Reasons for the decision:

The Strategy serves to demonstrate Havering Council and the Havering Clinical Commissioning Group's continued commitment to carers and aims to develop and co-ordinate multi-agencies working together to support carers and ensure that carers are treated as expert partners in care.

By not implementing a Joint Havering Carers Strategy, we would be without a written statement and action plan to guide us to proactively recognise and support carers. For the second consecutive year, we have a Better Care Fund scheme on Carers and the Voluntary Sector. The Joint Havering Carers Strategy is a commitment within the Better Care Fund scheme action plan on carers.

IMPLICATIONS AND RISKS

Financial implications and risks:

The spend on carers ensures Havering meets its statutory obligations and is also linked with the demand management strategy, in that if carers are supported to continue in their caring roles and to maintain or improve their wellbeing, they are able to continue to provide care and support for Havering clients who may otherwise be eligible for statutory care and support from Adult Social Care. We are also seeking to prevent the carers' own need for care and support, to ensure that carers are themselves supported to access training, work and recreation opportunities and able to manage their caring responsibilities with no or minimal impact on their health and wellbeing.

Legal implications and risks:

Local authorities have additional duties for carers under the Care Act 2014 as carers have the same legal rights as those for whom they care; the Care Act puts carers on an equal legal footing:

- Local authorities have a duty to assess carers who appear to have eligible needs
- Local authorities must consider a carer's overall wellbeing, which includes physical, mental and emotional well-being, participation in work, education and training, and social and economic well-being
- Carers who meet eligibility criteria will have a right to support to meet their eligible needs
- Carers should be supported to retain and gain employment
- Carers will have new rights to be consulted on the cared for person
- Local authorities will have a duty to provide information and advice relating to training, coping with routing caring responsibilities, managing in the workplace, knowing where to go for local support and services, benefits and finance, and information on assistive technology

In conjunction with the above, adults-focused Care Act, sections 96 and 97 of the Children and Families Act 2014 seeks to make sure young and parent carers get the support they need. Under this Act, local authorities are expected to try and identify young carers so they can be offered support and both adult and children's social services will need to work together on helping young carers.

Young people turning 18 and their carers may also become entitled to adult social care services; there is therefore cross over between the two acts in respect of the provision of support to young people between 18 and 25. The needs of carers,

reflective of the changed circumstances of the young person as they move towards adulthood, should also be considered as part of transition planning.

This Strategy sets out how we will respond to these new requirements for both carers and young carers from April 2016.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

Equalities implications and risks:

The Outcomes stated in the Strategy will enable positive outcomes for those persons being cared for and for current or potential carers. The Equality Impact Assessment that has been undertaken alongside this Strategy details the positive impacts across all protected characteristics.

BACKGROUND PAPERS

None

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Joint Havering Carers Strategy

2016 – 2019



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Foreword : I am a CARER! Are you one too?

The reality that I am a carer dawned on me one day, 4 years after I began looking after my husband who had suffered a stroke. He progressively developed a series of other health problems each year onwards. I had continued to hold a full time job, nevertheless determined to cater for the needs of my husband when I returned home at the end of a workday.

Looking back on it, and now retired, I just don't know how I managed then, and how I manage it all now. I did not realise that I was spending more hours in the day catering for his needs than my own. Life as a Carer was, and is, a rollercoaster, a 24/7 phenomena! On most days I was/am very tired and exhausted, lonely and very often depressed. However, what a Carer is, today, has a legal definition, and by law, there is an appreciable amount of support that can be accessed. Thankfully help is at hand.

The 'carer' role and what it involves, has often not been recognised, because it is, by default, mistaken, ignored, confused, dismissed and taken for granted by those who care for someone, and, by society at large, where to care for someone is almost expected, because of the 'caring' element so inherent in human nature. The very fact that it took me so long to realise that I am a Carer reflects this. It is also certainly the case, especially, if the carer is a female. This is because the female is a natural 'carer' with those inherent

talents and qualities of caring, of making time through sleepless nights, with endless quantities of patience, selflessness, and considerations, to provide that devoted caring.

I must note that this does not take away the significant role of male carers, who equally shoulder the needs of their loved ones with awesome and admirable compassion, love, strength and perseverance, in our society. This care-giving role becomes even more challenging when the society we live in now, is at variance as to how best it can provide adequate and appropriate support for vulnerable and disadvantaged people, including those who are fulfilling the gaps.

The crucial aspect of being the Carer as opposed to any other roles, is the 24/7 nature of the services that a carer provides – to be there when they wake; to correctly administer and ensure all medicines are taken at the appropriate times; to facilitate bathing and washing as and when needed; to assist and help with personal care and hygiene, with respect and maintaining his/her dignity; to plan and facilitate hospital and GP visits. There is more - to hold hands and reassure that he/she is not alone; to ensure that food and drinks are specially prepared; to listen to and dance to music together; to go out for walks and outings; These are crucial to the well-being and happiness for the person being cared for. The person being cared for has a deep need to be

listened to and is a demanding presence.

Our culture has become very focused on rapid, digital technology, but in caring relationships we often need a 'together time', a space to reflect – not only to discuss fears but to reminisce about the good times too; to laugh at and with each other, to moan and cry and complain together, to be there when it matters most...this is the 24/7 role of the carer. The most difficult part of the caring role is that the cared for is an individual in her/his own right, yet very dependable on the person who is the CARER.

So being a Carer means 'getting into the world' of the cared for. This can be frustrating at most times, heart wrenching at other times and rewarding at the best of times. It is overwhelming, and sadly, the Carer can forget about her/his own needs and wishes to the detriment of her/his own well-being.



Can you identify with the above? As I mentioned earlier on, the Carer can now access help and support in her/his own right from the Local Authority. The Care Act 2014, legislates that a Carer's role is recognised and assessed, and support and help be made available appropriately. Our Local Authority is very keen to raise the profile of Carers.

A lot of work and effort is going on to engage with Carers and involve them through consultation meetings, Carer's Forums, Carer's Rights Day, and the commissioning of funding for projects and services with the distribution of information that would be of benefits to Carers. This can mean that in accessing help and support, the Carer can continue to provide the same quality of care, if not better, because she/he will be able to access and secure services for their loved ones and also secure services for self-care in many ways, and hence promote their own wellbeing and comfort.

The Carer need not be alone, but, in a happier place to ensure that their loved for is well looked after. As I began to access these services, I have made many friends, I am less lonely, I can laugh again, and I feel more confident in my caring role. So don't be shy, don't be reticent. Reach out. Being a Carer can be a mutually happy experience.

Marie Joseph

Havering carer and member of Havering Carers' Partnership Board

Development of the Joint Havering Carers Strategy

The Joint Havering Carers Strategy 2016 to 2019 has been developed by carers, jointly with Havering Council and the Havering Clinical Commissioning Group (CCG) and sets out our plans for the next three years.

The priorities that we are focusing on and the outcomes that we are seeking for carers of Havering residents have been informed through a period of consultation and engagement, spanning over a year, including through

- Carers consultation events
- Carer workshops with Adult Social Care staff
- Carers and the Care Act presentations to carers and discussions thereafter
- Carer workshops with independent facilitators
- Meetings with Community and Voluntary partners funded by Havering Council and the Havering Clinical Commissioning Group
- Carers individual and group discussions
- Dedicated carers focus groups and events for people caring for people with specific needs
- Survey of Adult Carers in England 2014-15 and the responses from carers of Havering residents

- Havering Carers survey 2015 in relation to GP support for carers
- Havering Carers Week event
- Quarterly Havering Carers Forum meetings
- Dedicated work with an independent external agency, FutureGov, who engaged directly with carers around their experiences and with providers of services for carers
- Discussions with carers at the recently established Havering carers consultation group.

This Strategy serves to demonstrate Havering Council and the Havering CCG's continued commitment to carers and aims to develop and co-ordinate multi-agencies working together to support carers and ensure that carers are treated as expert partners in care.



Who is a carer?

A carer is someone who, without payment, provides or intends to provide help and support to a friend, neighbour or relative who could not manage because of frailty, illness, disability, mental health needs or issues with drugs and/or alcohol.

Carers can be from any race, faith or social background, of any gender, ethnicity and of any sexual orientation. Carers can care for more than one person, maybe studying, working or unemployed, and may have their own disabilities or illnesses.

Carer is the term that we use in line with legislation, Government strategies and policies. We recognise that some dislike the term and that it can cause confusion with paid care workers, Personal Assistants, Shared Lives carers or volunteer carers so will try to be as sensitive and clear as possible when using the term.

In fitting with the Care Act, this Strategy focuses on carers aged over 18 providing care and support for another adult. The Action Plan also takes into account, carers of any age caring for someone of any age including parents who may have caring roles for disabled children and young carers.

Parent carer means a person aged 18 or over who provides or intends to provide care for a disabled child for whom the person has parental responsibility.

Young carer means a person under 18 who provides or intends to provide care for another person. Young carers might look after a parent or care for a brother or sister.

The national charity, the Carers Trust explained that “Anyone can become a carer. Carers come from all walks of life, all cultures and can be of any age. Many feel they are doing what anyone else would in the same situation – looking after their mother, son or best friend, and just getting on with it.”

“I am not a carer, I am mum. My son doesn't like me being called a carer because it changes our relationship with one another.”

Havering carer

Carers in the UK

Nationally, around 6.5 million people in the UK are carers. Each year millions of people take on caring responsibilities while caring comes to an end for millions of carers as the person they care for recovers, moves into residential/nursing care or passes away.

Some 60% of the population will be carers at some time in their lives, most during their working lives, and it is projected that the number of carers will increase by 60% by 2030 due to:

- *an ageing population and more people living longer with disability as a result of advances in medical technology; an ageing workforce, with fewer young people entering the job market and later retirement and State Pension ages*

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restricted public sector budgets for care services increasing the pressure on families and friends to care

- *more people therefore needing to work and care longer.*

Key Facts

- *There are an estimated 700,000 young carers in the UK (Source: BBC survey)*
- *Based on Census figures, there are estimated to be at least 376,000 young adult carers in the UK aged 16-25.*



Carers in Havering

Carers in Havering similarly play an essential role. According to the 2011 Census, 25,214 people, 11% of Havering's residents provide unpaid care, an increase from 23,253 in 2001.

While these figures are very high it may yet be an under representation of the numbers providing a caring role because we recognise that a significant number of people with caring responsibilities do not readily identify themselves as carers.

Of those providing unpaid care in Havering, the 2011 Census data also captured that:

- 13,552 carers were recorded as being employed; 835 unemployed or studying and a further 10,368 were 'economically inactive' i.e. people who are not in employment or registered as unemployed
- 1,494 people who were providing unpaid care described themselves as being in "bad or very bad health" and of these 710 were providing more than 50 hours of care whilst 200 were providing 20-49 hours.

Generally, the responsibilities of unpaid caring falls more on women and this is consistent with the figures for Havering where 14,694 (12%) of all women were recorded as unpaid carers whilst 10,504 (9%) of all males were.

In terms of the age of carers in Havering, as shown in the following table, caring responsibilities increase progressively into people's 50s/early 60s and then tail off again.

Age	1-19 hrs	20-49 hrs	50+ hrs	Total	% of age group providing care
Age 16-24	955	198	107	1,260	4.63%
Age 25-34	1,280	297	353	1,930	6.62%
Age 35-49	4,362	855	1,340	6,557	13.26%
Age 50-64	6,492	1,133	1,600	9,225	20.61%
Age 65+	2,647	758	2,394	5,799	13.72%

There are 2,330 claimants of Carers Allowance in the Borough and in the past year, 1,936 carers had an assessment of their needs carried out by Adult Social Care. This represents 9 per cent and 8 per cent respectively, of the number of carers identified in the 2001 Census.

The following table groups together the main ethnic categories:

Hours of unpaid care provided	Ethnic Group				% of age group providing care
	White	Mixed/multiple ethnic group	Asian/Asian British	Black/African/Caribbean/Black British	
1-19 hours	955	198	107	1,260	4.63%
20-49 hours	1,280	297	353	1,930	6.62%
50+ hours	4,362	855	1,340	6,557	13.26%
Total	6,492	1,133	1,600	9,225	20.61%

National Adult Carers Survey - Havering carers' response

Carers are a key policy area within the Department of Health (DH) and the Care Quality Commission (CQC). A national carers survey is now being undertaken every 2 years, to better understand whether services received by carers are helping them in their caring role and their life outside of caring, and about their perception of services provided to the person they care for.

The most recent national carers survey was undertaken from October to November 2014.

130,000 carers were invited to complete the survey. 57,000 carers responded. The survey targeted carers aged 18 and over, caring for a person aged 18 or over, and where the carer had received a carers assessment review in the past 12 months.

The aim of the survey was to seek carers' opinions on a number of topics that are considered to be indicative of a balanced life alongside their caring role.

Over 300 Havering carers took part. The full survey results are available at: <http://www.hscic.gov.uk/sace1415> and we have presented key questions and responses from Havering carers at appendix I.

National carers strategy: Carers at the heart of 21st century families and communities (2008)

The Carers Strategy: Second National Action Plan 2014-16 builds on the National Carers Strategy of 2008 and the Coalition Government's update in 2010, and reiterates the national vision for recognising, valuing and supporting carers, that:

'Carers will be universally recognised and valued as being fundamental to strong families and stable communities. Support will be tailored to meet individuals' needs, enabling carers to maintain a balance between their caring responsibilities and a life outside of caring, whilst enabling the person they support to be a full and equal citizen.'

The national outcomes for carers are that:

- Carers will be respected as expert care partners and will have access to the integrated and personalised services they need to support them in their caring role
- Carers will be supported to stay mentally and physically well and treated with dignity
- Carers will be supported so that they do not experience financial hardship because of their caring role
- Carers will be able to have a life of their own alongside their caring role
- Children and young people will be protected from inappropriate caring and have the support they need to learn, develop and thrive.

In 2015, the Secretary of State for Health, Jeremy Hunt announced that the Minister for Community and Social Care Alistair Burt will be developing a new carers strategy that looks at the best of international practice and examines what more can be done to support existing carers and the new carers that will be needed in the future.



The Care Act and carers

The Care Act has been the biggest change to English adult social care law in over 60 years. For the first time, carers are recognised in the law in the same way as those they care for.

The Care Act 2014 replaced and consolidated a number of laws and regulations. Nine pieces of legislation were replaced by the Care Act 2014

The previous law treated carers differently from the people they care for. It was developed stage by stage, became complicated in places and difficult for some carers to understand how to get support themselves.

Previously, carers received discretionary support but did not have a legal right to it. The Care Act 2014 legally defines an adult caring, or intending to provide care, for an adult, as:

“(3) “Carer” means an adult who provides or intends to provide care for another adult (and “adult needing care”); but see subsections (9) and (10).

(9) An adult is not to be regarded as a carer if the adult provides or intends to provide care

(a) Under or by virtue of a contract, or

(b) as voluntary work.

(10) But in a case where the local authority considers that the relationship between the adult needing care and the adult providing or intending to provide care is such that it would be appropriate for the latter to be regarded as a carer, that adult is to be regarded as such (and subsection (9) is therefore to be ignored in that case).”

The Care Act also requires local authorities to focus on young carers by improving the recognition and support through transitional arrangements as they move from Children’s to Adult services. Local authorities can also assess a young person’s needs through adult care systems when they are nearing adulthood. This can help them understand what might be available to them and whether they are likely to be eligible for care and support when they turn 18 years of age.

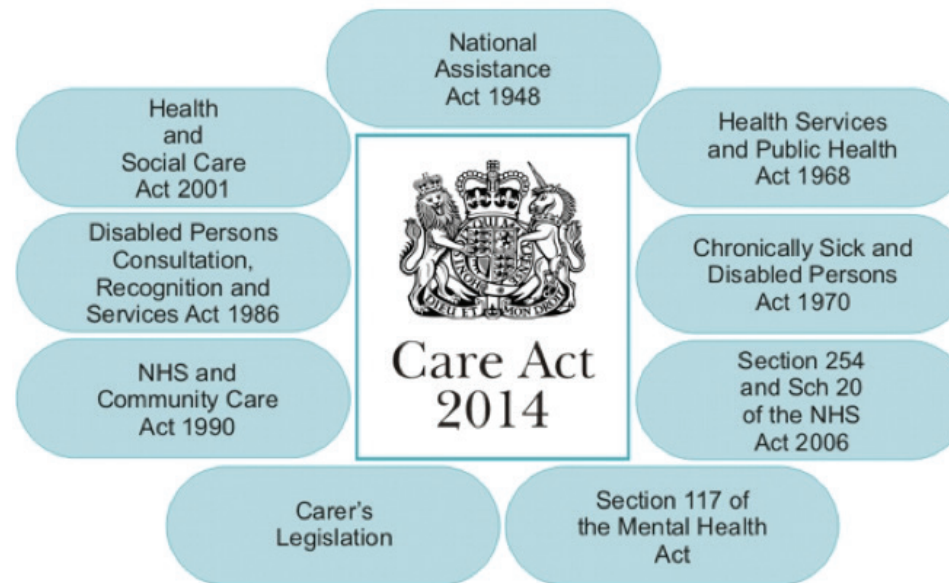
Children and Families Act 2014

In addition to the Care Act which focuses on adults, the Children and Families Act 2014 has brought in new duties for local authorities that strengthen the rights of parent carers and young carers.

Young carers have the right to be identified by the local authority, offered information, receive an assessment regardless of who they care for or how often, and to be supported in the context of the whole family.

There is recognition too, that assessments and services must promote the wellbeing of parent carers.

The Havering Carers Strategy and Action Plan is informed by the requirements of the Care Act and Children and Families Act.



Where do we want to be?

Priorities and outcomes for carers of Havering residents

The Havering Carers Strategy Action Plan responds to the requirements of the Care Act 2014 and responds to outcomes identified by carers of Havering residents. There are 7 priorities and areas of focus:

- Focus on Wellbeing and Prevention
- Focus on Information and Advice
- Focus on a range of high quality support for carers
- Focus on working with GP practices
- Focus on working to raise awareness and access to carers assessments and reviews

Focus on carer involvement in the Hospital Discharge process

Focus on safeguarding.

These 7 areas of focus will address the 8 key outcomes identified through our engagement with carers of Havering residents.

They are:

1. Carers to have access to information, advice and support
2. Carers to feel less alone
3. Carers to balance the caring role and have a life outside of caring responsibilities
4. Carers to stay healthy
5. Carers to get enough sleep
6. Carers to manage stress and anxiety levels
7. Carers to have the skills, tools and confidence to carry out caring responsibilities
8. Carers to feel reassured about the health and well-being of the person(s) cared for, when carers are not with them.



Wellbeing and Prevention

The Care Act presents Wellbeing and Prevention as two of the key principles.

We are currently reviewing the services that we commission for carers.

Whilst this is limited by funds and other priorities the areas we are considering include a training and development programme for carers.

Havering Carers' Wellbeing and Prevention programme

We will provide and/or commission a Carers' Wellbeing and Prevention programme which supports carers to have the skills, tools and confidence to carry out caring responsibilities.

We will design the Carers' Wellbeing and Prevention programme in partnership with carers and the content may include workshops and/or information and advice sessions on:

- Carers and your rights: Introduction to carers rights and entitlements, support available and how to access a carers assessment
- Emotional side of caring sessions including introduction to stress management tools and techniques
- Condition/disability specific sessions for carers
- First aid training
- Moving and handling guidance
- Continence management
- Tissue viability
- Introduction to Telecare and assistive technology
- Falls prevention
- Introduction to Direct Payments
- When caring comes to an end
- Healthy living, including diet, nutrition and smoking cessation advice

- Benefits advice
- Working and caring – coping well with work and caring responsibilities
- Legal advice sessions including wills and power of attorney
- Safeguarding awareness
- Information Technology including surfing the internet and Skype
- Oral hygiene information sessions
- The Care Act and what it means for carers sessions.

We will also provide local employers with information about carers, to encourage them to identify staff who may have caring responsibilities and to encourage employers to develop/review their carer friendly policies within the workplace.

Havering Carers' Connect programme

Many carers have told us that they wish to be able to have more opportunities to meet with other people who have caring responsibilities for people with similar needs and/or with carers who have similar interests as them.

We recognise that carers are at risk of being socially isolated. Some carers may give up or lose friendships because of their caring role, lose the motivation for going out and meeting with friends and some may be housebound or feel housebound because of their caring role.

We will work with carers and service providers to develop a Havering Carers' Connect programme, which could be a network of facilitated and/or self facilitated peer support groups for carers, i.e. carer led informal meetings, to support carers to feel less alone, develop confidence, improve their social inclusion and provide them with opportunities to meet with other carers, to share advice, experiences and to share and develop interests.

The Havering Carers Strategy Action Plan

Information and Advice

The Care Act requires local authorities to provide comprehensive information and advice about care and support services in their local area.

We recognise that good information, which is current, relevant and accurate, is essential for all adults including carers.

Key actions that we will commit to include to commission and/or provide the Havering Carers' Information and Advice Programme which will include a Havering Carers Information and Advice Pack.

We will develop the content of the Havering Carers' Information and Advice Pack with carers and actively look for opportunities to include additional useful information. As a minimum it will contain:

- Havering Carers' mailing list form, a form for carers to fill in to go onto a mailing list so that we can keep in touch and send carers from time to time, information about service developments in the borough
- Havering Carers' newsletter containing information about key health, social care and voluntary and community based services, details of new services and advice on key issues that are important to carers
- Havering Carers' information booklet, a guide providing carers with an overview of the range of services available and details on how to access to further information

- Havering Carers' Forum leaflet, providing dates for upcoming Havering Carers Forum meetings where carers have opportunities to access information and advice, to visit service provider information stands during the lunchtime period and hear presentations from service providers
- Information on the Havering Emergency Carers' Card scheme to support carers with emergency situations
- Information on how to raise a safeguarding concern
- Information on how to access Havering Care Point, the key information and guidance service in the borough
- Information for carers who work or who want to get back to work and continue to care
- Other relevant information at the time of providing a carer with the pack, e.g. invitation flyers to upcoming carers events in Havering such as Carers Week in June.

Telephone information for carers

Carers have indicated that they would like a single telephone number to contact for carers' queries.

We will widely promote the telephone number for Havering Care Point, a key Havering service commissioned to support all Havering residents including carers.

Care Point staff are available to provide immediate information and advice or guidance and signposting to alternative support.

We will require that our commissioned information services provide carers with easy access to up to date and accurate information.

Ensure wide availability of information

We wish to reach more carers, especially those who do not know that support is available, nor how to access it. We will ensure that the Havering Carers Register form, for carers to complete to receive the Havering Carers Information and Advice Pack, is widely available, including at key Council offices, GP practices, hospital wards, the Memory Clinic, libraries, in voluntary and community based organisations and local pharmacies.



The Havering Carers Strategy Action Plan

A range of high quality support for carers

The Care Act requires local authorities to help develop a market that delivers a wide range of sustainable high quality care and support services, that will be available to our communities, and to consider how the services will promote the well-being of people receiving them.

Havering Council and the Havering Clinical Commissioning Group currently have funding arrangements in place with local voluntary and community organisations to provide a range of services including support groups for carers, social activities for people with dementia and their carers and befriending services i.e. dedicated befrienders to provide company and support to people, whilst carers take a break.

Key actions that we commit to include:

We will review current respite and breaks opportunities available.

We recognise that carers often need breaks from their caring role and that the types of breaks and respite support that carers wish to access vary according to individual circumstances.

We will continue to invest in Telecare, assistive technology.

Many carers have expressed the importance of Telecare, in providing them with reassurance about the safety of the cared for person and supporting them to have a life of their own alongside caring.

We will re-launch the Havering Emergency Carers Card scheme

We will re-launch the Emergency Carers Card scheme, raising awareness to carers that they can apply for a free card to carry with them, to give peace of mind that the Card would raise the alert that someone depends on the carer, and that they would be supported if there was an emergency situation and the carer was unavailable to care.

We will review all Council funded carers support

- We will comprehensively review all services available for carers in Havering that are funded by Havering Adult Social Care Services
- We will consult with the service providers and with carers that use the services to ascertain whether the current services fit with the outcomes that carers are seeking and with the Care Act requirements
- We will review how much Havering Council Adult Social Care and Havering CCG spend on carers services and look to increase the proportion of spend available on carers services.

We will introduce new Service Standards for carers services in Havering, to contracts with service providers

In partnership with an external agency, FutureGov, engaging directly with carers and providers of services, new 'service standards' have been developed for carers support.

The Standards, outlined on the next page, act as a set of 8 principles for providers to observe.

Online guidance will be developed on a new digital platform:

www.haveringforcarers.co.uk



The eight Service Standards

Principle 1

Offer services with clear, easy-to-understand benefits

Principle 2

Help carers meet people to share their experiences with

Principle 3

Reassure carers that their loved ones are looked after

Principle 4

Be there for your carers

Principle 5

Know how you help solve problems

Principle 6

Help carers to better meet their own needs

Principle 7

Maintain a flexible, sustainable business model

Principle 8

Gather feedback and let your services evolve

Specific and specialist support for carers

We commit to:

ensure that carers have access to general support and specific and specialist support including carers aged 18 or over who are carers for people aged 18 or over who are elderly and/or frail, have learning disabilities, mental health needs, dementia, physical and/or sensory issues and a long term condition.

We recognise that carers benefit from general services that are accessible to carers across Havering, caring for people with a range of needs. We also know that carers may need specific and specialist advice and support depending on their individual circumstances.

We are working with many services to develop targeted action plans to respond to carers' outcomes, including:

Carers of people with learning disabilities and autism

We will review support available to families where carers may be elderly and frail and caring for adults with learning disabilities and autism, and where they may need support for planning for the future, for when the carer reaches the end of their life and the support for the adult with learning disabilities thereafter.

Carers of people with mental health needs

Support for carers has been identified as a key priority within the Havering Mental Health Partnership Board work plan. Consultation work has commenced with carers of people with mental health issues in Havering, to develop tailored support for carers of people with mental health needs.

Young carers, young adult carers and parent carers

We are working with relevant partners to recognise, identify and provide awareness of support to young people who have caring responsibilities, parents who are caring for children aged under 18, and young adults caring and to support with the transition process into adulthood.

Carers of people with dementia

We will ensure that people with dementia and their carers have access to a range of support which is relevant to their needs. Support will be influenced and developed in partnership with people with dementia and their carers, the Havering Dementia Action Alliance and with the network of Havering Dementia Champions.

We commit to:

supporting carers to access personal budgets for carers.

Where carers are assessed (have a carer's assessment) or are reviewed by Adult Social Care Services and meet the eligibility criteria for statutory support, personal budgets will be discussed as carers may wish to identify and purchase their own services to meet their own specific needs as carers:

We also commit to:

developing a Havering Carers Events Programme which:

- will offer events for carers at a range of locations across Havering including places where people ordinarily go, for example, Romford Market and GP practices
- will enable carers to meet with a wide range of service providers across the borough
- will include large events and a range of initiatives in Havering during Carers Week (June) and Carers Rights Day (late November/early December)
- will look to involve a range of partners participating and/or supporting with awareness of carers events including GP practices, pharmacies, local supermarkets, local businesses, for example, cafes, cinema, gyms etc
- will offer general and focused events for specific groups of carers
- will include the continuation of the current quarterly Havering Carers Forum meeting.

The Havering Carers Strategy Action Plan

Working with GP practices

We recognise that GP practices are well placed to identify people who have caring responsibilities and to provide them with information, advice and signposting to support for carers.

Carers in Havering have shared that they would welcome increased recognition from GP practices and more information. GP practices are working with Havering CCG and Havering Council to respond to this.

We will continue to develop the Havering GP Carers Recognition and Support Programme, carer recognition at GP practices, practice based support and signposting to services.

We will:

- distribute Havering Carers Information Booklets to GP practices across Havering
- design and produce a 1 page leaflet for GPs to hand out to carers, to give carers key service contact details in Havering
- design and produce Havering carers posters for GP practices to display to identify new and 'hidden' carers
- encourage every GP practice in Havering to hold a dedicated 'carers day' at their practice
- work with GP practices to flag and record patients who have caring responsibilities and to provide flexible appointments for carers as per the Royal College of General Practitioners guidance
- identify a carers champion in every GP Cluster
- work with GP practices to encourage pilots of annual carers health checks and to identify patients who have caring roles within existing health checks
- work with GP practices to embed carer recognition within existing patient health checks.



Awareness and access to carers assessments and reviews

The Care Act 2014 places a duty on local authorities to assess carers' needs for support, or those considering taking on caring responsibilities, and determine whether those needs are eligible for support services. This replaces previous law which said that the carer must be providing "a substantial amount of care on a regular basis" in order to qualify for an assessment. This means more carers are able to have an assessment, comparable to the right of the people they care for.

We will raise awareness of the opportunity to have a carers assessment, or a review of needs, and how to access/request a carers assessment/review.

A carer's assessment can ascertain:

- Page 354
- whether the carer is able and/or willing to provide and continue to provide the care
 - the impact on the carers well-being
 - the outcomes the carer wishes in day-to-day life
 - whether the carer works or wishes to participate in education, training or recreation
 - what carers' wishes are in emergency situations, if the carer was unable to undertake their caring role
 - We will ensure that carers are advised of the process taken by care assessors when they offer/receive a request for a carers assessment/review, including whether there may be a waiting time so that carers are informed

We will ensure that staff in Havering Adult Social Care Services, undertaking carers assessments receive refresher carers needs assessment training

A carer's assessment can take into account the extent to which the carer is willing, and is likely to continue to be willing to provide care. The social worker/carers assessor does not assume that a person is willing or able to take up caring roles.

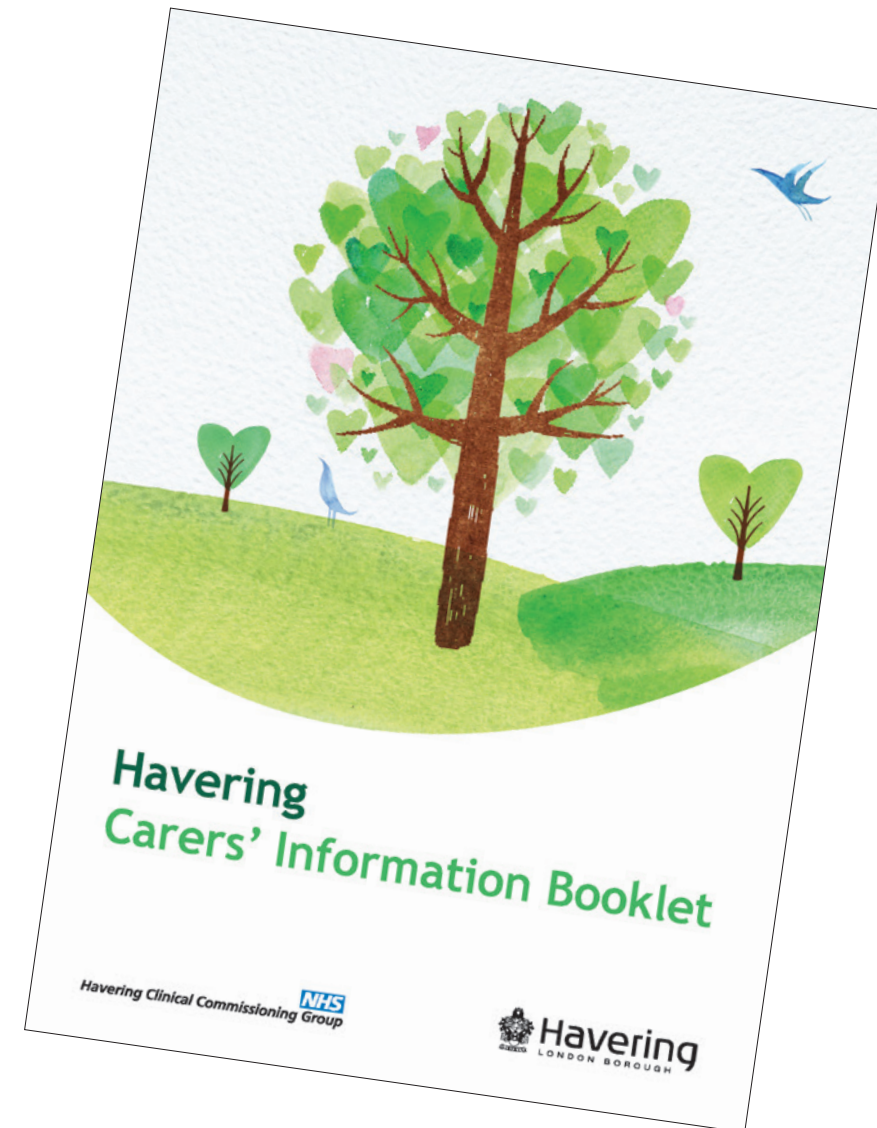
To enable carers to prepare for their assessment, Havering Council will offer carers in advance, in an accessible format, the list of questions to be covered in the assessment.

The carer's assessment will normally be undertaken by a social worker or other member of Adult Social Care who is suitably competent in undertaking needs assessments.

We will ensure that staff in Havering Adult Social Care Services, undertaking carers assessments receive refresher carers needs assessment training.

We will widely advertise Havering's independent advocacy service to carers, a service independent from Havering Council and Havering CCG which is available to help carers to express their wishes and feelings, to support carers in weighing up their options and to assist in making their own decisions.

We will advise carers who are assessed by Adult Social Care as having eligible unmet needs are aware of direct payments (personal budgets) for carers.



The Havering Carers Strategy Action Plan

Carer involvement in the Hospital Discharge process

During consultation with carers and partners on the draft Joint Havering Carers Strategy, carers have requested to better understand and to be involved in the Hospital Discharge process.

Carers wish to feel recognised, listened to and valued as partners in the discharge process.

- They wish to be provided with information about services and to know how to access equipment to support them in their caring role.
- They wish to be involved in discharge planning from the earliest possible opportunity, to understand the care and support needs before the person they will care for is discharged.

We will review the Hospital Discharge Policy in partnership with carers, and will re-launch and actively distribute the Policy thereafter.



Safeguarding

Safeguarding is a key area in the Care Act 2014 and a priority for Havering Council and the Havering Clinical Commissioning Group.

Our main emphasis is around making safeguarding personal

We are committed to raising awareness of how people who have any concerns about safeguarding issues or abuse, know how to speak to someone in confidence and/or raise an alert.

What is safeguarding?

An 'adult at risk' is someone who is 18 years or over who may be in need of community care due to a mental health problem, learning disability, physical disability, age or illness. As a result, they may find it difficult to protect themselves from abuse.

Types of abuse

- Physical abuse
- Sexual abuse
- Psychological or emotional abuse
- Financial or material abuse
- Neglect and acts of omission (including self-neglect)
- Discriminatory abuse
- Institutional abuse
- Modern day slavery

- Domestic violence including honour based violence and forced marriage
- Human trafficking
- Hate crime
- Self neglect.

The Care Act emphasis is on principles around wellbeing and making safeguarding personal.

This means that people are able to access support and protection to live independently and have control over their lives.

The person at risk will remain paramount and decisions made where possible be made with them not about them.

The maxim 'no decision about me without me' should govern all decision making.

Where someone needs support to navigate them through the safeguarding process then we will offer them the services of an independent advocate.

Our starting point is that an adult at risk is the best person to judge their own situation and outcomes.

All decisions should be proportionate response to the risk or possible harm.

Where some lacks capacity then the Mental Capacity Act 2005 should be used and all decisions will be made in the best interest of the person at risk.

In order to deliver better outcomes for adults at risk, Havering is researching how the use of Family Group Conferencing could support adults at risk to achieve better outcomes. Family Group Conferencing enables practitioners to empower adults at risk to focus on their strengths and abilities in order to achieve individualised outcomes and work out solutions to their own problems. This approach enables adults at risk to exercise more control and choice over their situation and decisions made.

Reporting abuse

Please report it. If you see, hear or suspect that an adult at risk is being abused call:

Havering Safeguarding Adults Team:
Tel: **01708 433550**
Out of office hours tel: **01708 433999**
Text phone: **01708 433175**
Fax: **01708 432497**
Email:
safeguarding_adults_team@havering.gov.uk

Contact the Metropolitan Police
Non-emergency Tel: **101**
Emergency Tel: **999**

Safeguarding for Children

Havering Council's Children and Young People's Service (CYPS) is responsible for the children's social care statutory functions of the Council including child protection, looked after children, youth offending and children in need services. It is also responsible for Early Help Services including Children's Centres, targeted Youth Service and the Havering's Troubled Families programme.

Children's Services
Triage, MASH and Assessment Team
Tel: **01708 432222**

We recognise that carers can be affected by safeguarding issues.

We will increase awareness of Safeguarding by:

- Providing information on Safeguarding in the Havering Carers Information Booklet
- Holding Safeguarding awareness sessions for carers
- Providing Safeguarding awareness sessions for providers of carers' support
- Providing Safeguarding awareness for Adult Social Care staff.

How we will monitor our progress?

Havering Carers Strategy Action Plan – Measures of Success

We will use ‘Measures of Success’ to understand achievements and progress towards meeting the 8 outcomes identified by carers:

1. Carers have access to information, advice and support
2. Carers feel less alone
3. Carers balance the caring role and have a life outside of caring responsibilities
4. Carers stay healthy
5. Carers get enough sleep
6. Carers manage stress and anxiety levels

Carers have the skills, tools and confidence to carry out caring responsibilities

Carers feel reassured about the health and well-being of the person(s) cared for, when carers are not with them.

The proposed Measures of Success that will be used in 2016 to 2017, captured on a monthly basis and their usefulness reviewed on at least a 6 monthly basis are:

1	Number of carers on the Havering Carers Register
2	Number of carers with the Emergency Carers Card
3	Number of carers requesting a carers assessment with Adult Social Care
4	Number of online carer Self-assessment forms received
5	Carers receiving direct payments/carers personal budgets
6	Carers receiving needs assessment or review (both separate and joint assessments) and a specific carer’s service, or advice and information
7	Carers receiving needs assessment or review (separate assessments only) and a specific carer’s service, or advice and information
8	Carers receiving needs assessment or review (Joint assessments only) and a specific carer’s service, or advice and information
9	Carers attending the quarterly Havering Carers Forum
10	Carers attending other Havering based Carers events
11	Carers identified/flagged by Havering GP surgeries
12	Carers receiving Carer Health Checks at Havering GP surgeries
13	Carers attending GP/Health based Carer events
14	National Adult Carers Survey – Havering Carers responses
15	Havering consultation group feedback and attendance
16	Feedback from Havering Carers forum

Updating the Strategy

We recognise that this Strategy will evolve and develop as we proceed and that we may need to establish new and additional Measures of Success or recognise new challenges because we choose to change direction. Alternatively external influences, like government policy or change to national strategies, may also have an impact and require us to have to adapt or change what we are doing. On going input and influence from carers will also inform whether the current priorities are accurate.

As we develop closer working with carers who have lived experiences of services, we want to make sure that our Carers Strategy is alive to a changing landscape, both for carers, the people they care for and services that support vulnerable people (both statutory and voluntary). To help us do this, our Carers Strategy will be available as an online document (which we can print for people who prefer hard copies), so that we can keep the strategy updated as our plans progress.

The Havering Carers Partnership Board

The Havering Carers Partnership Board will be responsible for overseeing the delivery of the Action Plan and will monitor the Havering Carers Strategy Action Plan Measures of Success.

In addition, the Board's purpose is to:

- provide strategic leadership and develop and maintain high quality carers support in Havering through a partnership approach
- oversee implementation of national guidance and policy at a local level relating to carers
- develop multi agency and joint working

oversee development of pathways for carers to support ensure that carers are listened to and are involved in planning, influencing commissioning and service development.

Members of the Board include:

- Manager of the Joint Commissioning Unit, Adults, Childrens and Public Health
- Head of Integrated Services, Adult Social Care
- Senior Locality Lead, Havering CCG
- Service and/or commissioning manager, Childrens Services
- Commissioning manager for Carers and the Voluntary Sector, Adult Social Care
- Public Health lead
- Adult Social Care Lead
- Carers Lead for North East London Foundation Trust (NELFT)
- Carers of Havering residents.

The Board is actively seeking carers aged 18 or over, caring for someone aged 18 or over, to join the Board, to work with senior managers to oversee the delivery of the Havering Carers Strategy Action Plan, to address any issues and to influence service delivery and commissioning intentions.

If you would like to work more closely with us and would like further information, please come along to a Havering Carers Forum meeting to find out more or get in touch:

Telephone: **01708 433113**

Email: carersservices@haverling.gov.uk or michelle.brown@haverling.gov.uk



Havering Carers' Register

Are you a carer? Do you look after a relative or friend who lives in Havering, who depends on you for care and support? They might have a disability, illness, condition or be frail.

Please complete this form if you would like to join the Havering Carers' Register so that we can keep in touch with you.

- We will send you updates about developments to services and support, the quarterly Havering Carers' Newsletter and other information which may be of interest to you.

- Invitations to carers' events including the Havering Carers' Forum and Carers Week.

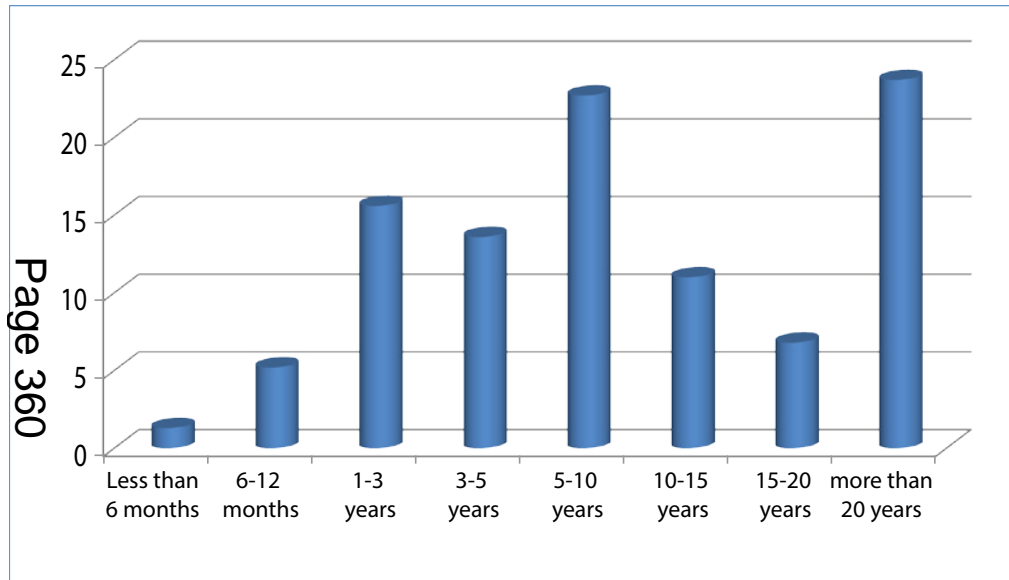
Occasional invitations to complete surveys to influence new services for carers.

The Havering Carers' Register will be kept confidential in accordance with the Data Protection Act 1998.

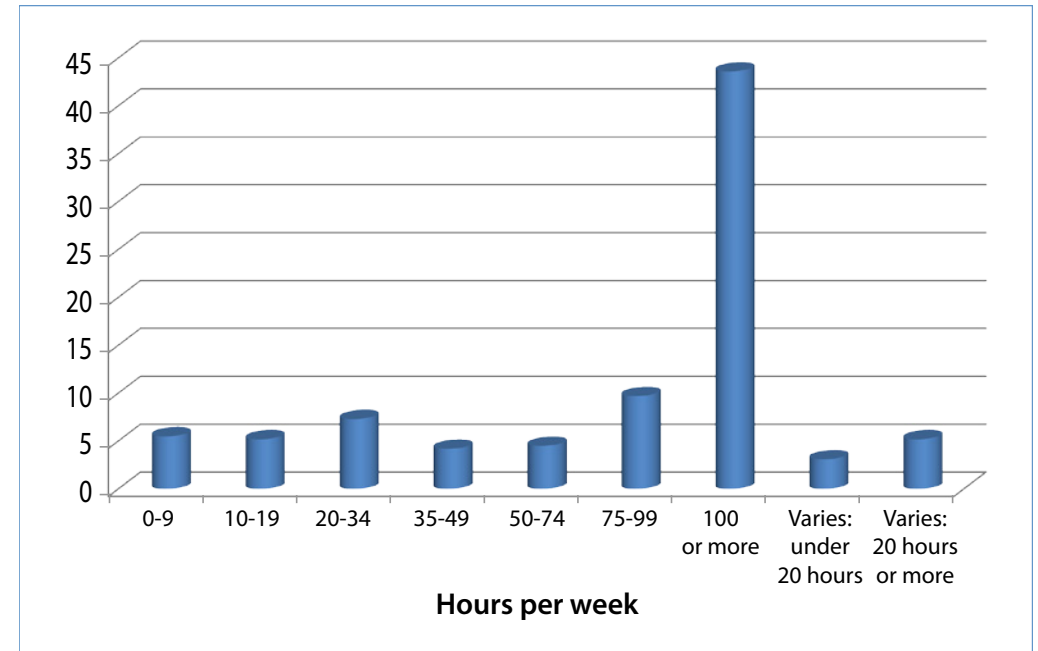
About you	
Your name (Title/First Name/Surname)	
Your address & postcode	
Your landline/mobile telephone number	
Your email address	
Your date of birth	
About the person you care for	
Their name (Title/First Name/Surname)	
Their address & postcode (if different from above)	
Their date of birth	
Their disability, illness or condition / the reason why they need your care and support	
Their relationship to you	
<small>The Council holds personal information about its customers and clients and Havering's residents. All the information about you that we hold is protected under the Data Protection Act 1998. The Act refers to users of personal information as "Data Controllers" (such as the Council) who must work within the requirements of the Act when receiving and using information about you.</small>	
Return form to: Front Door Team – Yew Tree Resource Centre, 20 Yew Tree Gardens, Romford RM7 9AA email: adultsocialcare@haverling.gov.uk	

This form is available in accessible formats. Contact the Council for details.

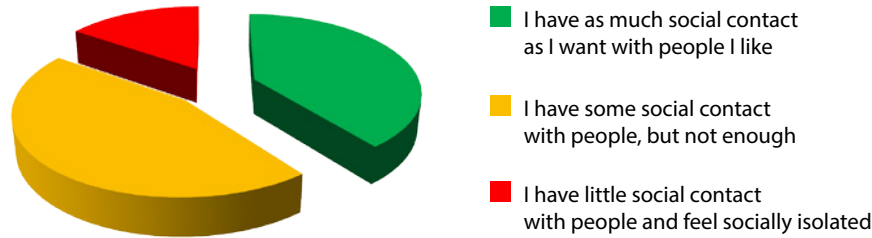
How long have you been looking after or helping the person you care for?



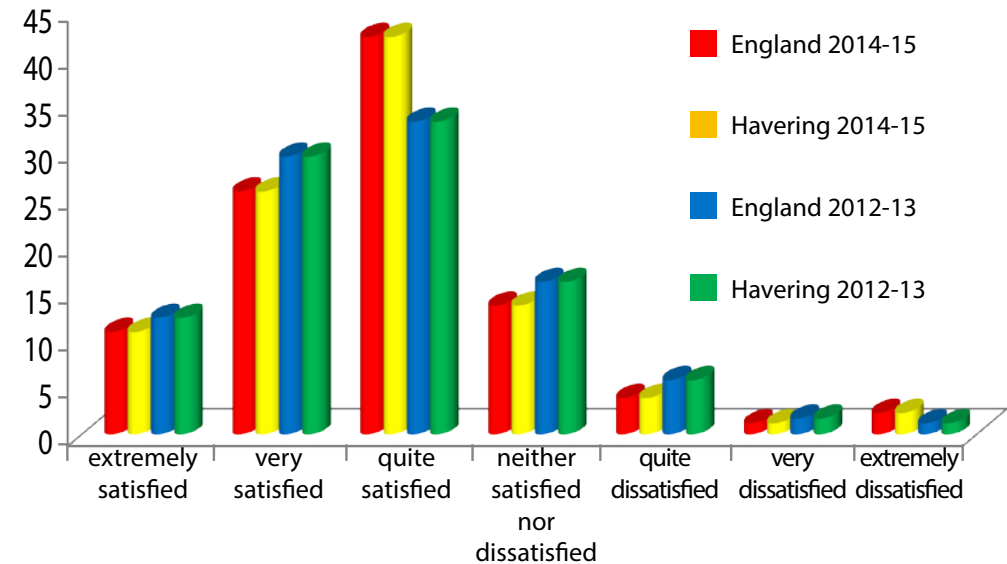
How long do you spend each week looking after or helping the person you care for?



How much social contact do you have with people you like?



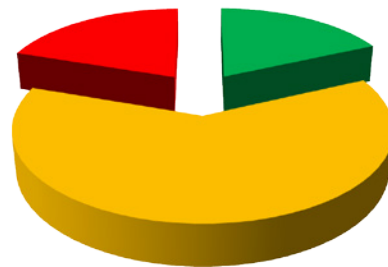
Carer Satisfaction with support for carers



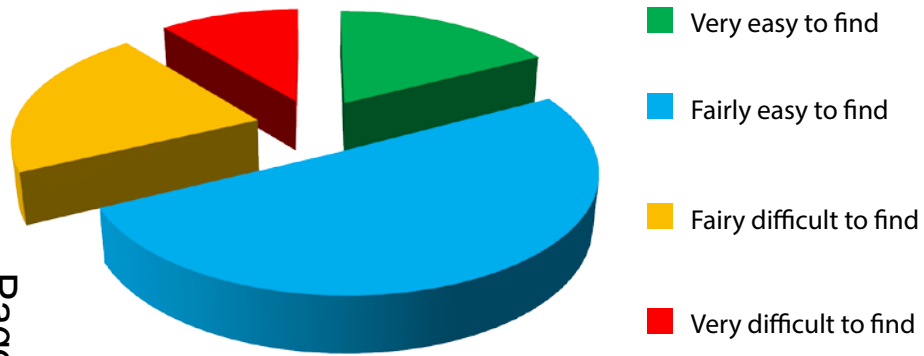
Page 361

How do you spend your time?

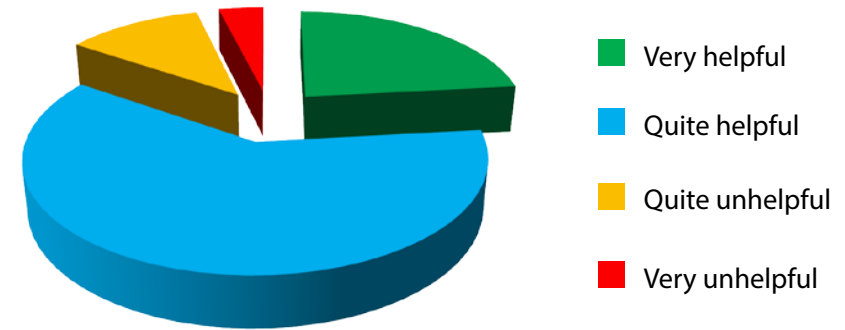
- I'm able to spend my time as I want, doing things I value or enjoy
- I do some of the things I value or enjoy with my time but not enough
- I don't do anything I value or enjoy with my time



Have you found information and advice about support, services or benefits easy to find?



...and helpful?



**This document is available in accessible formats.
Contact the Council for details.**



CABINET

18 January 2017

Subject Heading:

Appropriation of Land for Planning purposes & Open Space Processes Relating to Various Potential Disposal Sites

Cabinet Member:

Councillor Roger Ramsey, Cabinet Member for Value and Leader of the Council

CMT Lead:

Andrew Blake-Herbert, Chief Executive

Report Author and contact details:

**Garry Green, Head of Property Services
Tel: 01708 432566
E-mail: Garry.green@onesource.co.uk**

Policy context:

This report deals with a statutory process

Financial summary:

No significant financial impact. The costs of appropriation processes are being met from existing budgets

Is this a Key Decision?

No

When should this matter be reviewed?

Not Applicable

Reviewing OSC:

Overview &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

- 1.1 On 16 December 2015 Cabinet authority was given to the disposal of the freehold interest in a number of sites currently owned by the Council.
- 1.2 The statutory process governing these activities requires the proposal to be publicly advertised and for any objections to be duly considered. Therefore in connection with these disposals, authority was also given by Cabinet to formally advertise the proposed disposal of open space and the appropriation of disposal sites for planning purposes.
- 1.3 This report describes the background to these proposals, sets out the responses received to the relevant public notices and provides an analysis of these responses for consideration by Members.

RECOMMENDATIONS

- 2.1 That, having considered the responses received as a result of the public notices, Cabinet approval is given to proceed with:
 - (a) The disposal of the following sites, for which authorisation for disposal in principle has been provided by Cabinet on 16 December 2015 pursuant to section 123 of the Local Government Act 1972. Plans of the sites are attached at Appendix 1 of this report.
 - a. Priory Road – land adjacent to 112 Priory Road
 - b. Rainham Road – land adjacent to 1 Bretons Cottages
 - c. Rainham Road – land between 8 & 9 Bretons Cottages
 - d. Tweed Way – land adjacent to the social hall
 - (b) The appropriation for planning purposes of the following sites as shown in a Cabinet Decision dated 16 December 2015 and as attached in Appendix 1
 - a. Priory Road – land adjacent to 112 Priory Road
 - b. Rainham Road – land adjacent to 1 Bretons Cottages
 - c. Rainham Road – land between 8 & 9 Bretons Cottages
 - d. Tweed Way – land adjacent to social hall
- 2.2 That the Head of Property - in consultation with the Director of Legal & Governance, oneSource - will as a result of this decision and in accordance with the authority given to him by the decision of Cabinet on 16 December 2015, deal with all matters arising including the appropriation for planning purposes and thereafter the completion of the disposals.
- 2.3 That, having considered the responses received as a result of the public notices, no further action will be taken in relation to the disposal or

appropriation of the following sites (Appendix 2) which will now be retained in their current form:

- e. Hitchin Close Land (formerly referred to as land adjoining former Whitworth Centre, Harold Hill)
- f. Hubbards Chase Land

REPORT DETAIL

- 3.1 The Council owns the freehold interest in the various sites that are subject to this report. The sites have been identified for disposal.
- 3.2 The principle of disposal of the sites was approved by Cabinet on 16 December 2015. The approval authorised the commencement of the relevant disposal and appropriation processes. Plans showing the extent of each site referred to in Recommendations 2.1 (a) and 2.1 (b) and 2.3 are attached to this report as Appendices 1 and 2.
- 3.3 The Council is authorised to dispose of any land that it owns but where such land can be regarded as open space (defined under section 336(1) of the Town and Country Planning Act 1990 as “any land laid out as a public garden or used for the purposes of public recreation...”) the Council must advertise its intention to dispose of the land for two consecutive weeks in a newspaper circulating in the area in which the land is situated and consider any objections which may be made to them.
- 3.4 Furthermore, all Council owned land is held for a particular purpose as the Council has the power to acquire and hold land for various statutory purposes to perform its functions. In order to hold land for a purpose other than one at the time it was acquired the land must be appropriated for a different purpose. Appropriation is a statutory process that allows the Council, following consultation to change the purpose for which it holds property in its ownership from one purpose to another. As a decision has been made by Cabinet to dispose of these sites for development (subject to obtaining the usual development consents) the relevant purpose for holding sites is now required to be changed to that of for planning purposes pending disposal.
- 3.5 The Council is authorised to appropriate land that it owns for planning purposes under Section 122 of the Local Government Act 1972 which, subject to a number of provisions, allows “a principle Council to appropriate land which belongs to the Council and is no longer required for the purpose for which it was held immediately before the appropriation....”
- 3.6 When the appropriation is in respect of open space the Council is required under Section 122 (2A) of the Local Government Act 1972 to advertise its intention to do so for two consecutive weeks in a newspaper circulating in

the area in which the land is situated and consider any objections which may be made to them.

- 3.7 By formally appropriating the land for planning purposes the Council or any other person may – subject to Section 241 of the Town & Country Planning Act 1990 – develop the land in accordance with a planning permission.
- 3.8 The Council should only propose to appropriate land for planning purposes if it has an intention to see the land used for development which promotes or improves the economic, social or environmental wellbeing of its area and believes that the appropriation is needed in order to facilitate or achieve any of these aims. In each case, the Council does intend to see the land used for development, subject to securing planning and any other relevant authorisations. The reasons for these proposed disposals were set out in the 16 December 2015 Cabinet report including the continuing need to generate capital receipts from the disposal of assets in order to pursue capital projects. The review and identification of new disposal and capital receipt opportunities make an essential contribution to the funding of the Council's capital programme.
- 3.9 The decision to initiate the process of proposed appropriation and disposal of open space was confirmed on 16 December 2015. Public notices were placed in the Romford Recorder on 24 June 2016 and 1 July 2016. Copies of the notices are shown in Appendix 3. The final date for submission of any responses was 15 July 2016.
- 3.10 If representations are made to the Council in response to notices of this type, it is necessary for the Council to consider these representations and to take them into account in deciding whether to proceed with the appropriation and disposal of the open land. It should be stressed that the consideration in this report is whether the proposed appropriation of the disposal sites for planning purposes and the proposed disposal of the land should proceed and the representations need to be considered in that context.
- 3.11 Representations of objection were received in response to the site notices on all of the disposal sites. An analysis and commentary on the issues raised within the representations is set out below on a site by site basis. On the 2 sites where two individuals state that they wish to make a claim on the land rather than make representations (land between 8 & 9 Bretons Cottages and land adjacent to 1 Bretons Cottages), the appropriation and disposal will now proceed.
- 3.12 It is now necessary for Cabinet to formally consider the responses and to decide whether the proposed actions within this report should be authorised.

Analysis and proposed options

- 3.13 As stated above representations were received on all of the 6 sites and in two cases (Hitchin Close and Priory Road) petitions were also submitted.

For the avoidance of doubt, and to ensure that all representations are correctly taken into account, every signatory to the petitions has been regarded as a separate representation and has been recorded as such.

- 3.14 A synopsis of the representations is attached for each site listed at 2.1(a) and 2.1(b) and 2.3 at Appendix 4. To assist Members in their consideration of these representations, a summary set out on a site by site basis is also shown below.
- 3.15 Of these sites, two have been considered in conjunction with an open space study (Hubbards Chase and Priory Road). The report has been carried out on behalf of the Council and has dealt with an assessment of open space within the borough. The assessment has analysed the quality of the open space and its value to the community and has provided a way to consider the representations made against the context of the quality / value of the site concerned.

Hitchin Close (formerly referred to as land adjoining former Whitworth Centre, Harold Hill)

- 3.16 Four letters and two emails were received along with four petitions consisting of 1,585 signatures making a total of 1,591 representations.
- 3.17 The letters refer to a number of issues including opposition to the sale, the loss of a site which is used by and beneficial to the wellbeing of the community, the adverse impact on protected species and wildlife generally, the proximity of the site to green corridors, the impact of development on flooding and the local infrastructure. The limited parking provision locally and concerns regarding access arrangements from the site on to Noak Hill Road have also been raised.
- 3.18 Any development of the land will require planning consent and most of these matters will be subject to further consultation and consideration on planning grounds as part of any planning application.
- 3.19 Four petitions were received in objection to the development of Harold Hill. Although they have been treated as 1,585 separate representations, no further reasons are given on the grounds for objection and the petitions have not been analysed further.
- 3.20 A Town and Village Green application has been submitted to the Council and is being pursued separately. The majority of the representations included within the application relate to the recreational use of the land and the importance of the access it affords to Noak Hill Road and vice versa.
- 3.21 Whilst the intention would have been to devise a development scheme which retained the public footpath travelling through it to enable residents to gain access to and from Noak Hill Road, the volume of representations

received have been considered alongside an assessment of alternative open space provision within the immediate vicinity.

- 3.22 It has been acknowledged that the area of land is situated within a largely self-contained estate and is regarded as important in that context. Whilst there are imminent proposals to create a new open space sports facility on the former Broxhill site, it is accepted that the space available in its current location provides a valued resource to those residing immediately nearby.
- 3.23 It has been further acknowledged that a substantial area of land has already been developed adjacent to Hitchin Close. Given these circumstances, it is considered that a reasonable case exists not to proceed with appropriation, disposal and development of this site.

Hubbards Chase

- 3.24 One hundred and twenty letters and six emails were received making a total of 126 representations.
- 3.25 The representations refer to a number of issues including opposition to the sale and development of the land, the adverse impact on parking locally, the loss of a site which benefits the community and the lack of alternative open space provision locally, the adverse impact on wildlife, the impact of the development on flooding and the local infrastructure generally, the existence of a covenant on the title at Hubbards Chase and the unsuitability of an alternative space being provided along Wingletye Lane.
- 3.26 Any development of the land will require planning consent and most of these matters will be subject to further consultation and consideration on planning grounds as part of any planning application.
- 3.27 Many of the objections received referred to the existence of an historic covenant on the land. Legal advice has previously been obtained along with a copy of the registered title. This has established that the land was acquired pursuant to section 268 of the Local Government Act 1933 which permits the Council to use the land “for any local public purpose or for the benefit of the inhabitants of the area”. The title is subject to covenants but none appear to legally restrict the future use of the land although there are some indications that this was the intent of the original owner who passed the land to the Council under a Deed of Gift.
- 3.28 In connection with the recent Open Space study, the site has been assessed as being of “low value and low quality”. As there is no other public open space provision in the locality, the Council proposed to dispose of this area (1.2 acres) and make 2.7 acres available nearby along Wingletye Lane. The proposal was to create an access to the latter and make it usable. 1.8 acres of land at Elliot’s Field was also intended to remain as open space to the rear of a new development in order to meet local need.

- 3.29 As with Hitchin Close, the land at Hubbards Chase is situated within a self-contained and established estate. More importantly, it is acknowledged to be the only area of open space serving the local community. It is because of this that alternative provision in the form of Wingletye Lane had been considered.
- 3.30 Having carefully considered the impact on the estate, the need to maintain open space provision and the volume of representations received, it is considered that a reasonable case exists not to proceed with the appropriation, disposal and development of this site.

Priory Road

- 3.31 Seventy eight letters and four emails were received along with a petition which contained 524 signatures making a total of 606 representations.
- 3.32 A further 4 petitions were received in objection to the development of Harold Hill. Whilst none of these petitions refer specifically to Priory Road, they may be intended to cover this area of land given the more general reference to Harold Hill. These petitions contain a total of 1,585 signatures.
- 3.33 The representations refer to a number of issues including opposition to development on Harold Hill generally, opposition to the sale and development of the land, the adverse impact on parking locally and the narrow road widths, the impact of construction on the residents of the adjacent care home, the lack of an area which provides access to the open space which it adjoins, the adverse effect on wildlife, the impact of the development on flooding and the local infrastructure, the affect overall on the uniqueness of the area.
- 3.34 Any development of the land will require planning consent and most of these matters will be subject to further consultation and consideration on planning grounds as part of any planning application.
- 3.35 The land at Priory Road is not in the green belt but does adjoin land with this planning designation. Presently, the land is an area of grassland providing access via a single gate to the land at Dagnam Park..
- 3.36 In connection with the recent open space study, the site has been assessed (in conjunction with the much larger area of adjoining open space) as being "high quality and low value". The site area consists of 1.35 acres of an area of approximately 17 acres in total. In relation to the representations received, whilst any loss of open space has to be carefully considered, the demand for new homes is great and the local area also benefits from a much larger expanse of open space within the immediate vicinity.
- 3.37 Having considered the representations received, the need for new homes and the volume of open space within the immediate area, the view is such that whilst any loss of open land has to be carefully considered, the loss

should be measured against the overall context of the area. The loss of land will not compromise the availability of land locally and, as a result, the current use is not considered necessary. There is a requirement for new homes in the borough and there is a reasonable case, therefore, to appropriate the land for that purpose prior to disposal. However, one of the issues raised by objectors, highlighted the value of the link which is afforded by the site to the land at Dagnam Park. It is agreed that the preservation of an access through to Dagnam Park is, as referred to by objectors, an important consideration. As such, in order to protect and retain the existing route from the Priory Road land thoroughfare, it is proposed to enhance and widen the route to dedicate a formal and improved access arrangement at this location for the benefit of its users. As this will reduce the extent of the disposal area, the Head of Property will have delegated authority to deal with all matters arising in connection with this issue in order to complete the disposal. A provisional revised boundary line is shown on the plan attached to this report at appendix 1.

Rainham Road sites

- 3.38 Two letters were received from individuals who reside outside the borough. Neither of the individuals raised objections to the proposed sale or appropriation but both advised that they wished to submit claims on the land.
- 3.39 Both areas of land are openly accessible from within Bretons Outdoor Recreation Centre and neither area has been encroached upon.
- 3.40 Overall, Bretons is a large area of open space consisting of some 119 acres. The sites proposed for disposal total 0.77 acres. One area (the land between 8 & 9 Bretons Cottages) is a disused area of infill land whilst the other area (land adjacent to 1 Bretons Cottages) is a potential addition to the existing residential frontage. It is intended to use part of any receipt realised to enhance the larger site and further work will be carried out to identify benefits to Bretons subject to the outcome of this report, the planning process and the eventual disposal receipt.
- 3.41 As no formal representations have been received and the areas proposed for disposal are situated within a much larger area of open space, it is considered that the use of the land identified by plan number sps2310 is no longer required for its current purpose and the retention of the land identified by plan number sps2309 is not necessary as its function can be accommodated within the extent of the open space remaining. There is an increasing demand to provide additional housing within the borough and the intended purpose is to develop these sites (subject to planning). As no representations to the proposals were received, the formal appropriation and proposed disposal will now proceed.

Tweed Way

- 3.42 Three letters were received as representations.
- 3.43 The representations refer to parking difficulties locally which would be exacerbated by development, the effect of development on the local infrastructure, the noise and disruption which would be caused during the construction process and the loss of an open space.
- 3.44 Any development of the land will require planning consent and most of these matters will be subject to further consultation and consideration on planning grounds as part of any planning application.
- 3.45 Having considered the representations received, the current use of the land and the need for new homes generally, the view is such that whilst any loss of land has to be carefully considered, this land was not identified as open space within the current open space study and does not perform a recreational function. It has been managed to address anti-social behaviour on site but this is not something that can be sustained in the long term. In view of this, the land is not required for its current purpose. It could be used to provide much needed housing within the Borough and there is a reasonable case to use the land for this purpose consequently, it is recommended that the land should be appropriated for planning purposes and pursued for disposal thereafter.

REASONS AND OPTIONS

Reasons for the decision:

- 4.1 This decision is required as a result of the statutory process involved in dealing with the proposed disposal of and appropriation of land for planning purposes.

Other options considered:

- 5.1 Having placed the notices, it is necessary for the Council to formally consider the response received. As this report only concerns the consideration of these responses, no other options are available.

IMPLICATIONS AND RISKS

Financial implications and risks:

- 6.1 There are no financial implications and risks in considering the responses received to a public notice dealing with the disposal and appropriation of land for planning purposes.

Legal implications and risks:

- 7.1 The Council is seeking to appropriate land for planning purposes under Sections 122 and 123 of the Local Government Act 1972.
- 7.2 Section 122 of the Local Government Act 1972 (“the Local Government Act”) enables the Council to appropriate land which belongs to the Council for any statutory purpose for which it is authorised to acquire land and which is no longer required for the purpose for which it is held immediately before the appropriation. The Council must, therefore, consider whether the land is no longer needed for the purpose for which it is so held if it is to be appropriated for planning purposes.
- 7.3 The meaning of the words “no longer required for the purpose for which it was held immediately before the appropriation” was considered by the Courts in the context of the predecessor to section 122. In that instance “not required” was held to mean “not needed in the public interest of the locality”.
- 7.4 Appropriation of the land for “planning purposes” (in order to engage the provisions of s237 Town and Country Planning Act 1990 (“the 1990 Act”)) requires the Council to consider the following factors whether;
- a. the appropriation will facilitate the carrying out of development, re-development or improvement on or in relation to the land or is required for a purpose which it is necessary to achieve in the interests of the proper planning of an area in which the land is situated;
 - b. the proposed development, re-development or improvement will contribute to the promotion or improvement of the economic, social and/or environmental well- being of the area;
 - c. it is in the public interest that the proposed development should be carried out, having regard to the provisions of the development plan, whether planning permission is in force and any other considerations that would be material to the determination of a planning application for development of the land;
 - d. as noted above, whether the land is no longer required for the original purpose for which it was acquired

- e. whether rights capable of being overridden by s237 of the 1990 Act exist and whether interference with such rights is necessary
- 7.5 “Planning purposes” is defined in Section 246(1) of the 1990 Act and acquisition for such purposes includes acquisition under s226 or 227 of the 1990 Act.
- 7.6 Where land is appropriated for planning purposes, it is then held by the Council under the statutory provisions of Part 9 of the 1990 Act. The consequence (by virtue of Section 237 of the 1990 Act, as amended by Schedule 9 of the Planning Act 2008) is that the erection, construction or carrying out of any maintenance or any building or work on the land and subsequent use of the land is authorised under those planning powers, if the works are done in accordance with planning permission, even if they interfere with third party rights.
- 7.7 The purpose of Section 237 of the 1990 Act is to ensure that where land has been appropriated for planning purposes, and provided that work is done in accordance with planning permission, then existing rights, which could prevent the development of that land from proceeding, can be overridden. The rights are overridden whether the Local Authority or a person deriving title from it undertakes the development. Persons who would otherwise benefit from those rights are entitled to claim compensation for the interference with them.
- 7.8 Section 122(2A) and 123(2A) of the Local Government Act require that before appropriating and disposing of any land consisting of or forming part of „open space the Council must advertise the proposed appropriation in two consecutive editions of a local newspaper and consider any objections received in response. It is considered that the consulting requirements of section 122(2A) and 123(2A) and the site notices and objections correctly considered.
- 7.9 It is considered reasonable for the Council to use its powers in this case to appropriate and dispose of the land, within the red line areas as on the Plans attached at Appendices 1 and 2 for planning purposes. As the appropriation will facilitate the carrying out of development and improvement to the land and contribute to the promotion of the economic, environmental or social well-being of the Borough.

Human Resources implications and risks:

- 8.1 There are no Human Resources implications or risks in considering the responses received to a public notice dealing with the disposal and appropriation of land for planning purposes.

Equalities implications and risks:

- 9.1 The public sector equality duty requires all public authorities to have due regard to the impact of its decision on protected characteristics.
- 9.2 The duties under section 149 of the EA do not require a particular outcome and what the decision making body decides to do once it has had the required regard to the duty is for the decision making body subject to the ordinary constraints of public and discrimination law including the Human Rights Act 1998.
- 9.3 A consultation exercise was undertaken to ascertain the views of residents impacted by the potential loss of space. Generally it was felt that loss of space would have an impact on certain communities' e.g families with small children. However this can be mitigated as there alternative open spaces nearby which are available for use.
- 9.4 The Human Rights Act 1998 ("the 1998 Act") prevents public authorities from acting in a way that is incompatible with rights protected by the 1998 Act. Of particular relevance to the acquisition of interests in land or overriding of interests/rights in land are Article 8 of the European Convention regarding respect for privacy and family life and Article 1 of the First Protocol, which concerns the protection of property.
- 9.5 Such rights are qualified rights and may therefore be overridden where it is considered that the interference with these rights are proportionate and that the interference is necessary in the interests of, amongst other things, national economic well being.
- 9.6 It is acknowledged that the appropriation of land for planning purposes may result in interference with property rights. However, compensation will be payable in accordance with statute. The assessment undertaken by the Council has taken into account the social, economic and environmental well being of the locality. Moreover, in considering this appropriation, the Council has carefully considered the balance to be struck between individual rights and the wider public interest and considers that there are no such rights to be considered in this assessment that will give rise to compensation.

BACKGROUND PAPERS

Redacted Representations received

Appendix 1

Plans of:

Priory Road Land – sps1913
Land at Rainham Road – sps2309
Land at Rainham Road – sps2310
Tweed Way Hall Land – sps1918



Prory Road Land
Harold Hill



Property Services

Tollgate House
96-98 Market Place
Romford | RM1 3ER
Tel: 01708 434343

rev/by date amendment

Site Plan

drawn by	nt	drawing number
date	January 2017	sps1913
scale	1:2000 @ A4	

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Land at Rainham Road



Property Services

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96-98 Market Place
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Tel: 01708 434343

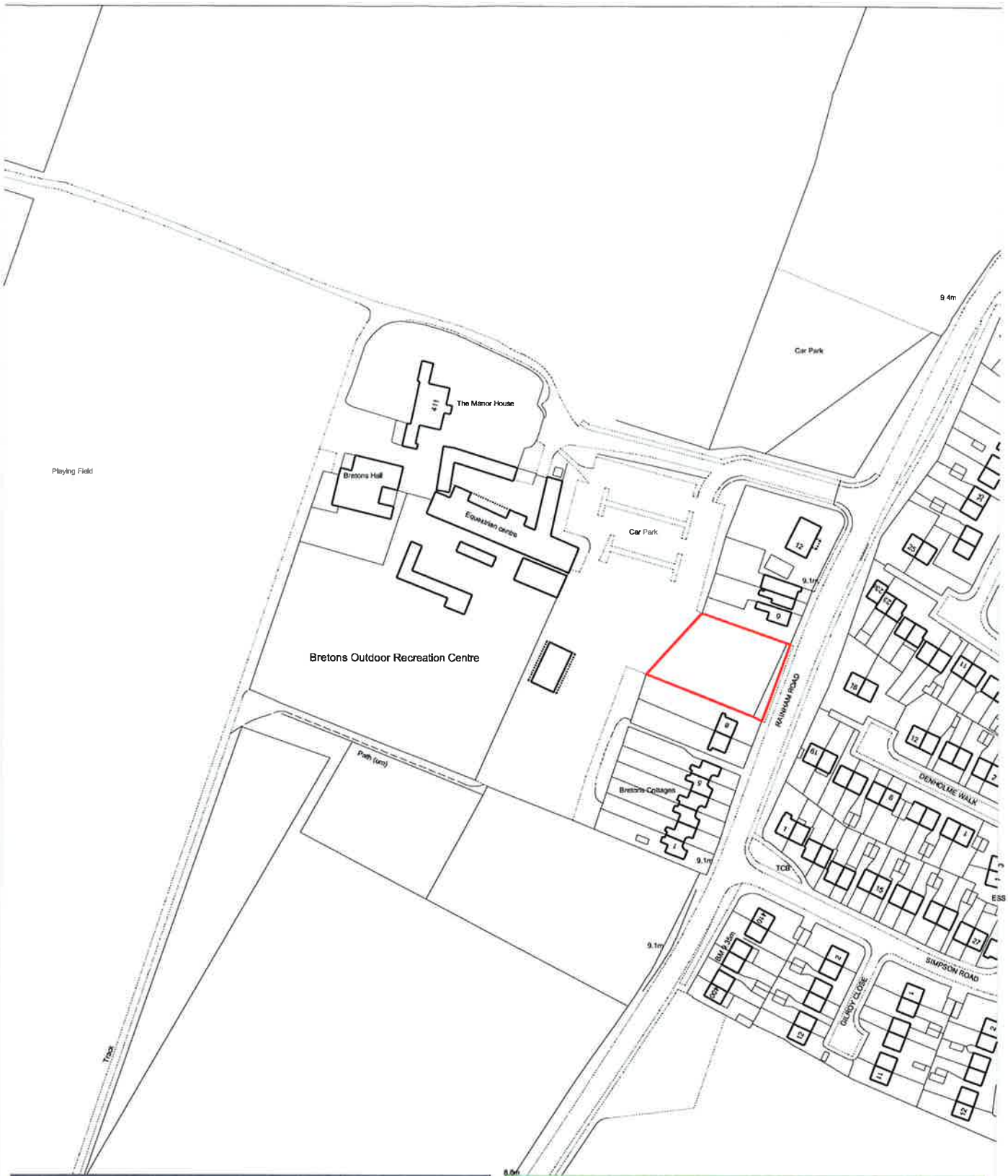
rev/by date amendment

Site Plan

drawn by nt
date April 2016
scale 1:2000 @ A4

drawing number
sps2309

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Land at Rainham Road



Property Services

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Site Plan

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scale 1:2000 @ A4

drawing number
sps2310

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Tweed Way Hall Land
Tweed Way, Collier Row, RM1 4AZ



Property Services

Tollgate House
96-98 Market Place
Romford | RM1 3ER
Tel: 01708 434343

rev/by date amendment

Site Plan

drawn by nt
date July 2015
scale 1:1250 @ A4

drawing number
sps1918

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Appendix 2

Plans of:

Land at Hitchin Close – sps1907

Land at Wingletye Lane & Hubbards Chase – sps1916



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LONDON BOROUGH

Land at Hitchin Close, Harold Hill



Property Services

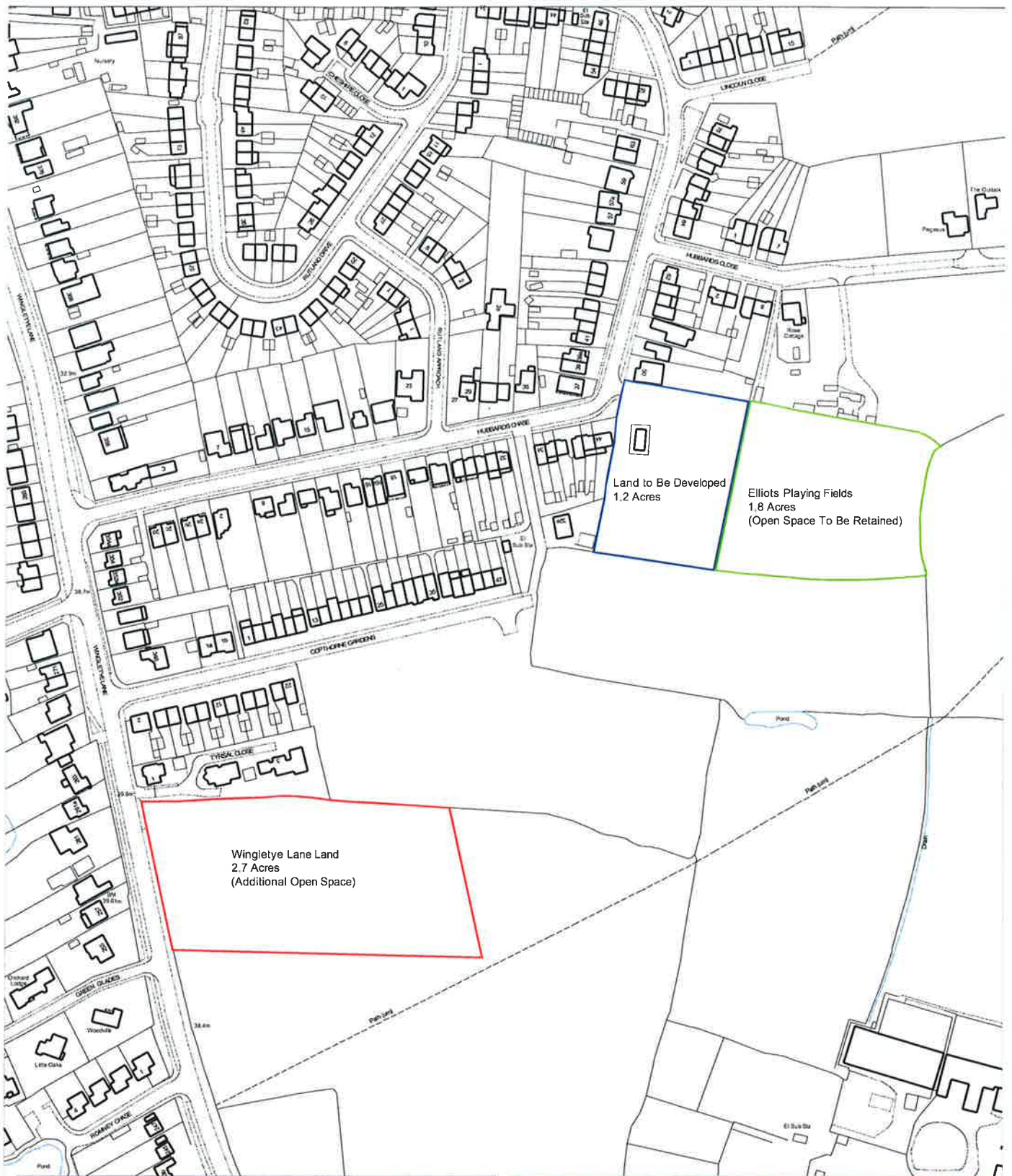
Tollgate House
96-98 Market Place
Romford | RM1 3ER
Tel: 01708 434343

rev/by date amendment

Site Plan

drawn by	nt	drawing number
date	July 2015	sps1907
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Land at Wingletye Lane & Hubbards Chase
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sps1916

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Appendix 3

Copies of Notices pursuant to S122 and s123 of the Local
Government Act 1972

London Borough of Havering
Local Government Act 1972 Section 122 (1) (2A)
Appropriation of land at Hubbards Chase,
Emerson Park, RM11

The Council gives notice that it proposes to appropriate an area of approximately 1.20 acres (0.49 hectares) of open space at Hubbards Chase, Emerson Park for planning purposes.

The Council intends to bring into use for public recreation land an area of approximately 2.70 acres (1.09 hectares) at Wingletye Lane Emerson Park to compensate for the appropriation of the open space at Hubbards Chase, Emerson Park.

A plan reference SPS1916 showing the land at Hubbards Chase edged blue and the land at Wingletye Lane edged red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

Published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 122(1) (2A)
Appropriation of land at Hitchin Close, Harold Hill, RM3

The Council gives notice that it proposes to appropriate an area of approximately 0.8 acres (0.32 hectares) of open space being land at Hitchin Close, Harold Hill for planning purposes.

A plan reference SPS1907 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

Published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 122 (1) (2A)
Appropriation of land adjacent to 1 Bretons Cottages,
Rainham Road, Rainham, RM13 7LL

The Council gives notice that it proposes to appropriate an area of approximately 0.46 acres (0.19 hectares) of open space adjacent to 1 Bretons Cottages, Rainham Road for planning purposes.

A plan reference 2309 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

Published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road, Romford
RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 122 (1) (2A)
Appropriation of land at Priory Road, Harold Hill, RM3

The Council gives notice that it proposes to appropriate an area of approximately 1.35 acres (0.55 hectares) of open space being land at Priory Road, Harold Hill for planning purposes.

A plan reference SPS1913 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

Published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 122 (1) (2A)
Appropriation of land adjacent to Tweed Way Hall,
Rise Park, Collier Row, RM1 4AZ

The Council gives notice that it proposes to appropriate an area of approximately 0.26 acres (0.11 hectares) being land adjacent to Tweed Way Hall, Rise Park for planning purposes.

A plan reference SPS1918 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

Published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 122 (1) (2A)
Appropriation of land in between No 8 and No 9 Bretons
Cottages,
Rainham Road, Rainham, RM13 7LL

The Council gives notice that it proposes to appropriate an area of approximately 0.31 acres (0.13 hectares) of open space in between No 8 and No 9 Rainham Road, Rainham for planning purposes.

A plan reference 2310 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL.

Under the provisions of Section 122 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed appropriation should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

Published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road, Romford
RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 123
Disposal of Open Space at Hubbards Chase,
Emerson Park, RM11

The Council gives notice that it proposes to dispose of an area of approximately 1.20 acres (0.49 hectares) of open space at Hubbards Chase, Emerson Park

The Council intends to bring into use for public recreation land an area of approximately 2.70 acres (1.09 hectares) at Wingley Lane, Emerson Park to compensate for the disposal of the open space at Hubbards Chase, Emerson Park

A plan reference SPS1916 showing the land at Hubbards Chase edged blue and the land at Wingley Lane edged red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL

Under the provisions of Section 123 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed disposal should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016

Dated 24th June 2016

First published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 123
Disposal of Open Space land adjacent to 1 Bretons
Cottages, Rainham Road, Rainham, RM13 7LL

The Council gives notice that it proposes to dispose of an area of approximately 0.46 acres (0.19 hectares) of open space land adjacent to 1 Bretons Cottages, Rainham Road

A plan reference 2309 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL

Under the provisions of Section 123 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed disposal should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016

Dated 24th June 2016

First published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road, Romford
RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 123
Disposal of Open Space land adjacent to Tweed Way Hall,
Rise Park, Collier Row, RM1 4AZ

The Council gives notice that it proposes to dispose of an area of approximately 0.28 acres (0.11 hectares) of open space being land adjacent to Tweed Way Hall, Rise Park,

A plan reference SPS1918 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL

Under the provisions of Section 123 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed disposal should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

First published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 123

Disposal of Open Space at Hitchin Close, Harold Hill, RM3

The Council gives notice that it proposes to dispose of an area of approximately 0.8 acres (0.32 hectares) of open space being land adjacent to Hitchin Close Harold Hill

A plan reference SPS1907 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL

Under the provisions of Section 123 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed disposal should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

First published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 123

Disposal of Open Space at Priory Road, Harold Hill, RM3

The Council gives notice that it proposes to dispose of an area of approximately 1.35 acres (0.55 hectares) of open space being land in Priory Road, Harold Hill.

A plan reference SPS1913 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL

Under the provisions of Section 123 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed disposal should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

First published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road, Romford
RM1 3BD

London Borough of Havering
Local Government Act 1972 Section 123

Disposal of Open Space land in between No 8 and No 9
Bretons Cottages, Rainham Road, Rainham, RM13 7LL

The Council gives notice that it proposes to dispose of an area of approximately 0.31 acres (0.13 hectares) of open space land in between No 8 and No 9 Bretons Cottages, Rainham, RM13 7LL.

A plan reference 2310 showing the proposed area outlined in red is available for inspection between 9.30am and 4.30pm on normal working days at the offices of London Borough of Havering, PASC (Public Advice Service Centres) Liberty Shopping Centre, Romford RM1 3RL

Under the provisions of Section 123 (2A) of the Local Government Act, 1972, any person wishing to object to the proposed disposal should write setting out the details of such objection to: The London Borough of Havering, Legal & Democratic Services, Town Hall, Main Road, Romford, RM1 3BD for the attention of Daniel Fenwick quoting reference KB/006066 and must be received no later than 4.00pm on 15th day of July 2016.

Dated 24th June 2016

First published in the Romford Recorder: 24 June 2016

Daniel Fenwick, Director of Legal and Governance
London Borough of Havering, Town Hall, Main Road,
Romford RM1 3BD

Appendix 4

Representation Summaries:

Hitchin Close

Hubbards Chase

Priory Road

Rainham Road – land between 8 & 9 Bretons Cottages and
land adjacent to 1 Bretons Cottages

Tweed Way

APPENDIX 4 - HUBBARDS CHASE

HUBBARDS CHASE - RESPONSES TO DISPOSAL & APPROPRIATION NOTICES - JUNE / JULY 2016											
ADDRESS	REASONS FOR OBJECTIONS									RETAINING LAND AT REAR UNSAFE AS SECLUDED	WILL SPEAK AGAINST APPLICATION AT RSC
	COMMUNITY / RECREATION	WILDLIFE	DRAINAGE / FLOODING	ROADS / PARKING / INCREASE IN TRAFFIC / CONGESTION	GIFTED / COVENANT	INFRASTRUCTURE INSUFFICIENT TO COPE	ALTERNATIVE PROVISION UNSAFE / NOT PRACTICAL / TOO FAR / POLLUTION	DETRIMENTAL TO AREA / VIEWS	TOO MUCH DEVELOPMENT		
1 Berkshire Way	1	1	1		1	1	1				
2 Berkshire Way	1	1	1		1	1	1	1			
3 Berkshire Way	1	1				1					
4 Berkshire Way	1				1		1				
5 Berkshire Way	1					1	1	1			
6 Berkshire Way	1					1					
7 Berkshire Way			1					1			
8 Berkshire Way	1					1	1	1			
9 Berkshire Way	1				1	1	1				
10 Berkshire Way					1	1	1				
11 Cheshire Close						1		1			
12 Cornwall Close	1					1	1				
13 Cornwall Close	1				1		1		1		
14 Cornwall Close	1							1		1	1
15 Copthorne Gardens	1					1				1	
16 Copthorne Gdns	1	1				1		1			
17 Copthorne Gdns	1	1	1					1			
18 Copthorne Gardens						1	1	1			
19 Copthorne Gds			1		1	1					
20 Copthorne Gds					1		1				
21 Copthorne Gdns	1	1			1			1			
22 Copthorne Gdns	1		1		1			1			
23 Copthorne Gdns	1				1	1		1			
24 Copthorne Gdns	1	1				1	1				
25 Essex Gdns	1				1			1			
26 Essex Gardens						1	1	1			
27 Essex Gdns	1	1				1		1			
28 Essex Gardens	1				1		1				
29 Essex Gardens		1						1	1		
30 Essex Gdns	1										
31 Essex Gdns					1	1		1			
32 Essex Gardens	1	1			1				1		
33 Essex Gardens			1		1		1				
34 Gloucester Avenue	1					1		1			
35 Hampshire Road	1	1			1	1		1			
36 Hampshire Road					1		1				
37 Hampshire Road	1										
38 Hampshire Road	1										
39 Hampshire Road						1	1				
40 Hampshire Road	1							1			
41 Hubbards Chase	1	1			1						
42 Hubbards Chase	1	1			1						
43 Hubbards Chase					1	1	1	1			
44 Hubbards Chase						1				1	
45 Hubbards Close	1	1							1		
46 Hubbards Chase	1				1	1					
47 Hubbards Chase	1	1			1	1		1			
48 Hubbards Chase						1		1			

APPENDIX 4 - HUBBARDS CHASE

HUBBARDS CHASE - RESPONSES TO DISPOSAL & APPROPRIATION NOTICES - JUNE / JULY 2016											
ADDRESS	REASONS FOR OBJECTIONS									RETAINING LAND AT REAR UNSAFE AS SECLUDED	WILL SPEAK AGAINST APPLICATION AT RSC
	COMMUNITY / RECREATION	WILDLIFE	DRAINAGE / FLOODING	ROADS / PARKING / INCREASE IN TRAFFIC / CONGESTION	GIFTED / COVENANT	INFRASTRUCTURE INSUFFICIENT TO COPE	ALTERNATIVE PROVISION UNSAFE / NOT PRACTICAL / TOO FAR / POLLUTION	DETRIMENTAL TO AREA / VIEWS	TOO MUCH DEVELOPMENT		
49 Hubbards Chase	1										
50 Hubbards Chase	1										
51 Hubbards Chase	1				1						
52 Hubbards Chase	1				1						
53 Hubbards Chase	1				1						
54 Hubbards Chase						1					
55 Hubbards Chase				1	1		1				
56 Hubbards Chase	1	1				1	1	1			
57 Hubbards Chase				1	1						
58 Hubbards Chase	1			1	1		1	1	1		
59 Hubbards Chase	1							1	1		
60 Hubbards Chase	1				1	1		1			
61 Hubbards Chase	1				1		1	1	1		
62 Hubbards Chase	1					1		1			
63 Hubbards Chase	1	1			1	1			1		
64 Hubbards Chase	1				1	1					
65 Hubbards Chase	1						1	1			
66 Hubbards Chase	1				1	1					
67 Hubbards Chase	1	1			1		1				
68 Hubbards Chase	1										1
69 Hubbards Chase					1	1					
70 Hubbards Chase	1		1			1		1			
71 Hubbards Chase	1				1			1			
72 Hubbards Chase	1					1		1			
73 Hubbards Chase					1	1		1			
74 Hubbards Chase					1	1	1				
75 Hubbards Close						1					
76 Hubbards Close	1	1				1	1				
77 Inglelen	1				1	1	1				
78 Kingaby Gdns	1					1		1			
79 Lincoln Close					1	1	1				
80 Lincoln Close	1	1	1				1	1			
81 Lincoln Close		1				1					
82 Lincoln Close	1	1	1					1			
83 Lincoln Close	1					1		1			
84 Oxford Avenue						1		1			
85 Oxford Avenue						1	1				
86 Oxford Avenue	1					1					
87 Rutland Approach	1					1	1	1			
88 Rutland Approach						1					
89 Rutland Drive					1	1	1	1			
90 Rutland Drive					1	1		1			
91 Rutland Drive	1										
92 Rutland Drive		1				1		1			
93 Rutland Drive	1	1			1	1					
94 Rutland Drive						1					

APPENDIX 4 - HUBBARDS CHASE

HUBBARDS CHASE - RESPONSES TO DISPOSAL & APPROPRIATION NOTICES - JUNE / JULY 2016											
ADDRESS	REASONS FOR OBJECTIONS								RETAINING LAND AT REAR UNSAFE AS SECLUDED	WILL SPEAK AGAINST APPLICATION AT RSC	
	COMMUNITY / RECREATION	WILDLIFE	DRAINAGE / FLOODING	ROADS / PARKING / INCREASE IN TRAFFIC / CONGESTION	GIFTED / COVENANT	INFRASTRUCTURE INSUFFICIENT TO COPE	ALTERNATIVE PROVISION UNSAFE / NOT PRACTICAL / TOO FAR / POLLUTION	DETRIMENTAL TO AREA / VIEWS			TOO MUCH DEVELOPMENT
95 Rutland Drive			1						1		
96 Rutland Drive	1	1	1	1			1				
97 Rutland Drive	1					1					
98 Rutland Drive	1			1		1			1		
99 Rutland Drive	1	1				1			1	1	
100 Rutland Drive	1					1			1		
101 Rutland Drive	1	1	1			1			1		
102 Rutland Drive			1			1			1		
103 Rutland Drive			1			1			1		
104 Rutland Drive	1										
105 Rutland Drive					1	1			1		
106 Rutland Drive					1	1				1	
107 Rutland Drive	1	1			1				1	1	
108 Rutland Drive	1					1			1		
109 Rutland Drive	1					1					
110 Surrey Drive	1								1		
111 Surrey Drive					1	1			1		
112 Surrey Drive	1				1	1					
113 Surrey Drive	1	1			1	1			1		
114 Surrey Drive	1					1					
115 The Shellings	1	1				1			1		
116 Tyrsal Close					1	1			1		
117 Tyrsal Close		1				1					
118 Wingleye Lane	1	1				1			1		
119 Wingleye Lane	1				1						
120 LBH	1	1							1		
121 -	1										
122 email	1				1	1			1		
123 email	1				1						
124 Email					1	1			1		
125 Email	1										
126 Letter											
	85	36	13	55	80	39	59	9	3	2	1

APPENDIX 4 - PRIORY ROAD

PRIORY ROAD - RESPONSES TO DISPOSAL & APPROPRIATION NOTICES - JUNE / JULY 2016										
ADDRESS	OBJECTION REASON									
	ACCESS TO MANOR	WILDLIFE	FLOODING / DRAINAGE	ROADS & PARKING	UNIQUE AREA / NATURAL BEAUTY	HAROLD HILL OVERDEVELOPED	INFRASTRUCTURE NOT ENHANCED	COMMUNITY USE / RECREATION	CARE HOME AFFECTED	WISH TO SPEAK AT RSC TO OBJECT PLANNING APPLICATION
1 Dagnam Park Drive		1					1			
2 North Hill Drive			1		1	1	1	1		1
3 Tring Green	1	1				1	1	1		
4 Petersfield Road	1	1			1	1			1	1
5 Priory Grove		1								
6 Priory Grove		1	1			1				
7 Priory Grove		1	1		1	1				
8 Priory Grove		1				1				
9 Priory Grove	1	1					1	1		
10 Priory Grove	1	1	1		1					1
11 Priory Grove		1			1	1				
12 Priory Grove		1			1	1				
13 Priory Grove	1	1			1	1			1	1
14 Priory Grove	1	1			1	1			1	1
15 Priory Grove		1				1				
16 Priory Grove			1			1				
17 Priory Grove			1							
18 Priory Grove		1	1							
19 Priory Path			1			1	1			
20 Priory Path	1	1							1	
21 Priory Path	1	1	1				1			
22 Priory Path		1							1	
23 Priory Road	1	1			1	1			1	1
24 Priory Road	1	1			1	1			1	1
25 Priory Road	1	1			1	1			1	1
26 Priory Road	1	1			1	1			1	1
27 Priory Road	1	1			1	1			1	1
28 Priory Road	1	1			1	1			1	1
29 Priory Road		1	1			1			1	
30 Priory Road			1							
31 Priory Road	1	1			1	1			1	1
32 Priory Road	1	1								
33 Priory Road	1	1			1	1			1	1
34 Priory Road		1					1			1
35 Priory Road	1	1			1	1			1	1
36 Priory Road	1	1			1	1			1	1
37 Priory Road					1		1			
38 Priory Road	1	1			1	1			1	1
39 Priory Road	1	1			1	1			1	1
40 Priory Road		1	1			1				
41 Priory Road	1	1			1	1			1	1
42 Priory Road		1	1				1			
43 Priory Road	1	1			1	1			1	1
44 Priory Road	1	1			1	1			1	1
45 Priory Road	1	1			1	1			1	1
46 Priory Road	1	1			1	1			1	1
47 Priory Road	1	1			1	1			1	1
48 Priory Road	1	1			1	1			1	1
49 Priory Road	1	1			1	1			1	1
50 Priory Road	1	1			1	1			1	1
51 Priory Road	1	1			1	1			1	1
52 Priory Road							1	1		
53 Priory Road	1	1			1	1			1	1
54 Priory Road	1	1			1	1			1	1
55 Priory Road			1					1		1
56 Priory Road	1		1			1				
57 Priory Road			1		1					
58 Priory Road	1	1			1	1			1	1
59 Priory Road		1	1		1	1				
60 Priory Road			1			1		1		
61 Priory Road		1				1	1			
62 Priory Road	1	1			1	1			1	1
63 Priory Road		1	1		1				1	
64 Priory Road		1	1		1	1		1		
65 Priory Road	1	1	1		1				1	
66 Priory Road	1		1		1					
67 Priory Road					1		1			
68 Priory Road		1			1					
69 Tees Drive			1							
70 Tees Drive							1	1		
71 Tees Drive							1			
72 Tees Drive										1
73 Towneley Cottages	1	1								
74 Whitchurch Road	1	1			1	1			1	1
75 Wigton Way	1	1			1					1
76 Wincanton Road	1	1			1	1			1	1
77 Wincanton Road	1	1			1	1			1	1

APPENDIX 4 - PRIORY ROAD

PRIORY ROAD - RESPONSES TO DISPOSAL & APPROPRIATION NOTICES - JUNE / JULY 2016											
ADDRESS	OBJECTION REASON		FLOODING / DRAINAGE	ROADS & PARKING	UNIQUE AREA / NATURAL BEAUTY	HAROLD HILL OVERDEVELOPED	INFRASTRUCTURE NOT ENHANCED	COMMUNITY USE / RECREATION	CARE HOME AFFECTED	WISH TO SPEAK AT RSC TO OBJECT PLANNING APPLICATION	
	ACCESS TO MANOR	WILDLIFE									
78 Wrexham Rd							1				
79 Email			1								
80 Email					1	1					
81 Email			1				1		1		
82 Email			1	1							
Totals		43	63	24	48	50	14	10	38	39	32
Petition 1		524 signatures	Objections to sell land at Priory Road								
Petition 2		117 signatures	(Not specifically labelled as Priory Road)								
Petition 3		39 signatures	(Not specifically labelled as Priory Road)								
Petition 4		488 signatures	(Not specifically labelled as Priory Road)								
Petition 5		941 signatures	(Not specifically labelled as Priory Road)								

APPENDIX 4 - RAINHAM ROAD SITES

RAINHAM ROAD SITES - RESPONSES TO DISPOSAL & APPROPRIATION NOTICES												
ADDRESS	REASONS FOR OBJECTIONS										RETAINING LAND AT REAR UNSAFE AS SECLUDED	WILL SPEAK AGAINST PLANING APPLICATION AT RSC
	WISHES TO CLAIM LAND	COMMUNITY / RECREATION	WILDLIFE	DRAINAGE / FLOODING	ROADS / PARKING / INCREASE IN TRAFFIC / CONGESTION	GIFTED / COVENANT	INFRASTRUCTURE INSUFFICIENT TO COPE	ALTERNATIVE PROVISION UNSAFE / NOT PRACTICAL / TOO FAR / POLLUTION	DETRIMENTAL TO AREA / VIEWS	TOO MUCH DEVELOPMENT		
1 Knights Way, Brent	1											
2 Old Road, Harlow	1											
Total	2											

APPENDIX 4 - TWEED WAY

TWEED WAY - RESPONSES TO DISPOSAL & APPROPRIATION NOTICES - JUNE / JULY 2016							
ADDRESS	REASONS FOR OBJECTIONS						
	PARKING	CONSTRUCTION DISRUPTIVE	FLOODING	OPEN SPACE USE PREFERRED	LINK WITH HALL	INFRASTRUCTURE INSUFFICIENT	
1 Garry Way					1		1
2 Tweed Way		1	1	1	1		
3 Tweed Way		1				1	
Totals		2	1	1	2	1	1

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CABINET
18 JANUARY 2017

Subject Heading:	Loan to and acquisition of land from Havering College
Cabinet Member:	Cllr Roger Ramsey Leader of the Council and Cabinet Member for Value
CMT Lead:	Andrew Blake-Herbert Chief Executive Officer
Report Author and contact details:	Tom Dobrashian, Head of Economic Development tom.dobrashian@havering.gov.uk Garry Green, Head of Property One Source Garry.green@onesource.co.uk
Policy context:	Economic development
Financial summary:	The granting of loans to the college may be met from the Council's capital programme or cash balances dependent upon the purpose for which the loan will be applied. The terms of the loan to be negotiated will ensure that the Council's costs are covered as a minimum; that adequate security for the loan is obtained; and that the college's financial arrangements to ensure repayment are realistic and affordable.
Is this a Key Decision?	Yes
When should this matter be reviewed?	Spring 2018
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	X

SUMMARY

This report seeks the Cabinet's approval for the Council to enter into an option for the acquisition of the Quarles site owned by Havering College in Harold Hill, the option would be assignable by the Council. Further it is seeking authority for the provision of a loan to Havering College. The potential acquisition and loan are to assist the college to undertake an estate relocation and capital investment plan.

Havering College have been successful in gaining funding through the London Enterprise Panel (LEP)/GLA of £5.4m to develop their construction based site in Rainham, for which they require 50% match funding of £5.4m. Havering College aim to use the proceeds of the disposal of their Quarles site as match funding and to support the further rationalisation of their estate. A loan from LBH will provide the match funding in the interim period until the sale of the site takes place and funding to initiate the wider estate rationalisation Havering College have planned. This is dependent upon the delivery of the site rationalisation plan.

Havering College are looking to concentrate education provision on their main campus at Ardleigh Green, with a construction focused education provision in Rainham and a more limited provision in Harold Hill. This would place the College in a far better position economically. In order for the College to sell and rationalise their estate, Havering College will need to redeem a loan with a commercial bank.

In summary, the College are seeking loan(s) from the Council to meet three objectives:

- a) To provide 50% match funding for the construction works at the Rainham site;
- b) To fund additional capital works to support further rationalisation of the site;
- c) To refinance a commercial loan, which would otherwise not allow them to proceed with the rationalisation of their estate.

It is recommended in this report that the Council provides loans not exceeding £10m to enable Havering College to be able to commit to the Rainham development within the LEP's timescales and to achieve the objectives set out above subject to the completion of due diligence on the part of the Council. Adequate security would be provided in respect of the loans and it is intended that the Council secure an option to acquire the Quarles Campus site as part of the arrangement. The interest rate and repayment terms are to yet to be finalised but will exceed the cost of the Council providing the loan.

The details and heads of terms are discussed further in a exempt appendix to this report.

RECOMMENDATIONS

Recommendations:

That the Cabinet

1. Agree in principle:
 - a. for an option from Havering College to acquire the Quarles Campus site (which can be assignable to another body or party of the Council's choice);
 - b. the provision of a loan(s) up to £10 million from the Council to Havering College.
2. Note that the Leader (after consultation with the the Section 151 Officer, the Director of Legal and Governance and the Head of Property (OneSource)) shall finalise the terms of the proposed arrangements and if he is satisfied as to their terms (and such other matters as he deems relevant) authorise the Council to enter into such agreements as may be necessary to give effect to the the proposed option and loan.
3. Delegate to the Section 151 Officer the undertaking of financial due diligence on the proposals and for the Section 151 Officer to report to the Leader as to the outcome of such due diligence including:
 - a. the ability of Havering College to repay such loan;
 - b. such other matters as the Section 151 Officer deems appropriate.
4. Delegate to the Head of Property – OneSource (after consultation with the Director of Legal and Governance) the undertaking of property due diligence in relation to the Quarles Campus and to report to the Leader as to the the existance and removal of any impediments which would prevent the option agreement being entered into and/or limit the future uses of that site.

REPORT DETAIL

1. BACKGROUND

- 1.1. Havering College of Further and Higher Education (HC) is an independent organisation. It provides education to 8,500 students and has 476 full-time equivalent staff.
- 1.2. HC currently operates from 3 sites in the borough. Its main campus is at Ardleigh Green, it also operates a facility at Rainham near Dovers Corner and at the Quarles site at Harold Hill.
- 1.3. HC became fully independent of the local authority in 1993; it is governed by an independent Board (the Corporation). Governance arrangements are outlined in the college's Instrument and Articles.
- 1.4. The Council and the College have a history of working together, examples include: the specialist centre at the Quarles campus for learning disabilities students which

was the subject of a successful joint capital funding bid to the Department for Education; the council's support for the Construction Infrastructure Skills and Innovation Centre at Rainham; and the joint representation on the CEME Board.

- 1.5.1 HC wish to expand their facility in Rainham and have successfully applied for funding from the Local Enterprise Panel (LEP).

2. HAVERING COLLEGE

- 2.1 The Rainham site provides 55 construction courses from an old warehouse. In 2015 HC applied and was allocated capital funding by the London Local Enterprise Panel (LEP) for the Construction Infrastructure Skills and Innovation Centre (CISIC) project for £5.4 million, (total cost £10.8 million, grant £5.4 million). The Council assisted in the application. The LEP grant was approved on the basis that HC matched such funding. With this funding HC intends to deliver a Rainham Construction Infrastructure Skills and Innovation Centre (CISIC) and restructure existing bank debt.

- 2.2 The CISIC concept was developed through employer and stakeholder consultation and includes potential ground breaking technology in the FE sector of Building Information Modelling, Computer Aided Design with a Virtual Engineering, Virtual Reality offer. The provision would support on an annual basis extra c500 learners. Given the expected construction activity in this part of London, such an offer should greatly support Havering residents into construction related employment.

- 2.3 HC main Campus is on the Ardleigh Green site, which is intended to remain the case, examples of the provision facility include Creative Arts, Media, Computing, Business & Legal Administration, Accounting, Customer Services, Electrical Installation, Motor Vehicle, ESOL and Hair & Beauty.

- 2.3 The Harold Hill site at Quarles provides a range of further and higher education programmes in engineering, plumbing, health and social care, catering, sport and public services and social work and policy. HC has had a long standing wish to relocate their provision from this site, due to the age of the premises.

- 2.4 The FE sector is under financial pressure due to a combination of the falling 16-18 population in many areas of the country; reducing funding rates; increasing cost pressures such as pensions; more competition for post 16 learners from school 6th forms, academies, UTCs and free schools; and more competition from HEIs for learners that may previously have attended colleges for HE in FE.

- 2.5 In July 2015 the government published a policy statement setting out its approach to a programme of national Area Reviews of post-16 education and training institutions designed "to establish the appropriate set of institutions (colleges and providers) to offer high quality provision based on the current and future needs of learners and employers within the local area". There is a national process of Area Reviews that are being conducted.

- 2.6 In London the review process is being undertaken in conjunction with the London Mayor and boroughs are working with the government review process on the Area reviews. Area reviews are likely to recommend merging of institutions in order to make the FE sector more resilient. The November 2016 Comprehensive Spending

Review signalled continuing austerity and the likelihood that non-protected public services such as post 16 further education will continue to experience real reductions in funding for the medium term and, in the current economic environment, there is little prospect of government addressing the unfavourable college FE funding rates compared with other parts of the education sector.

- 2.7 HC and Barking & Dagenham College have co-operated over a number of years, and have a strategic relationship. It is likely that the colleges will agree a formal merger. Barking & Dagenham College have a main site in Rush Green, just outside Romford.
- 2.8 In order to provide the match funding that would be needed for the re-development of the Rainham Campus; the College are seeking to sell the Quarles site. It is recommended that the Council reserves the right to acquire this site, via an option agreement.

3 THE QUARLES SITE

- 3.1 The Havering College of Further and Higher Education Quarles Campus is located at the northern edge of Harold Hill in Havering.
- 3.2 The campus is a large site that essentially comprises a 1950s former school which makes up the main campus building with seven additional buildings situated throughout the remainder of the site. The total gross internal area of all of the buildings is circa 8,350m² which accommodate Hospitality and Catering; Sport and Public Services; Foundation Learning (SEND), including a high dependency Bungalow; Engineering (including railway engineering) and Plumbing; Health and Social Care. The diagram below shows an outline of the site.



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- 3.3 The Quarles Campus is a developed site within the green belt.
- 3.4 The College would require time to re-organise their education provision from the Quarles site, and the option to purchase arrangements would have timescales that facilitate the relocation period.
- 3.5 It will be important that any re-provision of the Foundation Learning (SEND) ensures that learners are still able to access suitable further education, in appropriate facilities, within a reasonable travel-to-study distance. Places on the Foundation Learning provision are commissioned by Local Authorities and it is important to engage early with the relevant commissioners to ensure any disruption is kept to a minimum.
- 3.5 In discussions with HC, the Council and HC have both agreed that continued provision of FE would be needed within the Harold Hill area, and that in the period in which the College is preparing their detailed relocation plans a suitable location for such provision would be found. This requirement would be part of the loan agreement to the college.

REASONS AND OPTIONS

Reasons for the decision:

- 4.1 That a loan (or loans) to ensure that HC has the funding in place to redevelop their Rainham facility and initiate work on the wider estate redevelopment will ensure HC is in a stronger position to continue to provide educational provision in the borough and will assist in securing suitable and sustainable further education provision for residents of the Borough.
- 4.2 The provision of a loan (or loans) to HC would also assist them to improve their facilities and improve the provision of further education in the borough.
- 4.3 The acquisition of the Quarles Campus by the Council (or a body selected by it) would enable that site to be redeveloped for a suitable purpose in accordance with the Council's policies and with the objective of supporting the local economy in order to benefit, improve and develop the Borough.
- 4.4 The interest on any loan and repayment of principal would not commercially disadvantage the Council i.e. the terms of the loan would as a minimum meet the Council costs.

Other options considered:

- 4.5 There exists the do-nothing option. It is likely in this position that the Quarles site would be disposed of to a third party subject to restrictive covenants on the site in the Council's favour, however, the Council's influence on future may well be limited. If the loan was not made available in the short term to allow the redemption of an existing loan to Havering College, to initiate the Quarles site rationalisation and meet match funding requirement for the LEP grant, then the opportunity to provide a state of the art construction facility in Rainham is likely to be lost. Therefore an important education facility for the future of the borough's residents would not be able to go ahead, which the authors believe would be detrimental to the interests of the borough and its residents.

IMPLICATIONS AND RISKS

Financial implications and risks:

- 5.1 The granting of one or more loans to Havering College to meet the cost of construction and site rationalisation as set out in the main body of the report would represent capital expenditure and as such the project would be met from the

Council's Capital Programme subject to the completion of due diligence and approval of the business case. The redemption of the commercial loan may not meet the definition of capital expenditure and if this the case the Council would need to fund the commercial loan from its cash balances rather than borrowing.

- 5.2 The cost of the loans classified as capital expenditure would be met from the £100m capital budget allocated for regeneration and development included in the Council's approved Capital Programme, which is planned to be financed from borrowing under the Council's Treasury Strategy. A loan advance made for non capital purposes would be met from surplus cash balances of the Council.
- 5.3 The terms of the loan or loans remain to be negotiated between the parties, but will be required to ensure that:
- The Council's administration costs and capital financing costs are at least recovered in full from the College.
 - The Council obtains adequate security for the loan in the form of a charge on specified land and building assets owned by the College in order to mitigate the financial risk to the Council of non-payment of the loan by the College.
 - An assessment of the College's financial position and ability to meet the payment terms is realistic and affordable.
 - That the College will apply the loan solely for the expenditure purposes set out in the loan agreement.
- 5.4 In obtaining an option to purchase the Quarles land, the Council needs to be satisfied that the purchase price represents good value for money and that the site can be utilised for purposes that will be of benefit to the borough. A valuation undertaken of the Quarles land, is set out in the Part B report. Potential uses for the site include education and/or residential but will be the subject of further due diligence in developing a business case for the site, to determine whether the Council exercises its option to purchase.

Legal implications and risks:

General

- 6.1 Section 15B of the Education Act (the 1996 Act) provides the Council with the power to secure the provision of education for persons over the age of 19. The Council also has a duty under: section 13 of the Education Act 1996 (the 1996 Act) to secure the provision of suitable further education provision for persons under 19 (or 25 for those with learning difficulties). Cabinet should satisfy itself that the proposed loan and option arrangements with Havering College are likely to assist with securing suitable further education provision for residents.
- 6.2 The provision of financial and other support would fall under these powers if they are exercised together with the ancillary power of section 111 of the Local Government Act 1972 (though section 111 does not in itself authorise the loan).
- 6.3 However, the Council, may enter into the loan relying on the General Power as set out in Chapter 1 of the Localism Act 2011 which provides it (subject to a number of limitations) to do anything an individual may do. The Council's purpose is to further its legal responsibilities to secure suitable further education for its residents and

more generally to support a local college. These do not constitute a commercial purpose. The Council would under the general power be entitled to directly provide the proposed loan.

- 6.4 Section 120 of the Local Government Act 1972 (**the 1972 Act**) allows the Council to acquire land for either the the benefit, improvement or development of its area or any of for a purpose relating to its powers or duties under any enactment. The Council has the power to acquire the land providing Cabinet is satisfied that such an acquisition does benefit, improve or develop the the Borough.
- 6.5 The Council may under section 3 of the Local Authorities (Land) Act 1963 (**the 1963 Act**) make a loan to any person (which would include a Council owned subsidiary) to acquire land and/or erect any building of that land. To exercise this power Cabinet should be satisfied that this would benefit or improve the Council's area. Alternatively the Council could seek to rely upon its General Power to make such a loan under Chapter 1 of the Localism Act 2011.

Finance

- 6.6 In accordance with the council's constitution, any capital funding requirements will need to be allowed for in the council's budget strategy which needs to be approved by full council. This will need to be reviewed and updated in subsequent years.
- 6.7 To the extent that the Council intends to borrow to lend to HC regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146) treats the giving of a loan by a local authority to a third party (such as HC) towards expenditure (e.g. works on a new buildings) as capital expenditure providing that if the local authority itself incurred that expenditure (it borrowed to undertake the works itself) it would treat that expenditure (under proper accounting practices) as capital expenditure.

Land disposal and financial assistance

Fiduciary Duties

- 6.8 The Council's fiduciary duties could be briefly summarised as it is acting as a trustee of tax and public sector income on behalf of its rate and tax payers. The Council in effect holds money but does not own it; it spends money on behalf of its business rate and council tax payers.
- 6.9 Members in making the decisions concerning loans to HC (and similar activities) should give proper consideration to the risks and rewards of approving the recommendations. In practice Members will want to consider whether the Council will achieve an appropriate return for its risk and that the Council has minimised the risk and potential cost to it if HC became insolvent and/or defaulted on its loan(s).
- 6.10 Consideration should also be given to whether the Council's involvement in this arrangement is proportionate and properly balanced against the anticipated benefit as well as the wider interests of its local business rate and tax payers. On a practical basis this means that Members should consider whether the monies they are requested to approve for investment/lending to HC could be better used by the

Council for the wider interests of its local tax payers. This should include considering the impact on the Council (and therefore its local tax payers) if HC became insolvent or otherwise defaulted on loans it had taken from the Council.

State Aid

- 6.9 State Aid could be briefly summarised as funding or support from the public sector which has the potential to distort competition and grant an unfair advantage to economic operators.
- 6.10 State Aid generally does not arise from public sector financing of public education (and childcare) which is open to and directed at the general public for social educational or cultural purposes .
- 6.11 HC meets the criteria of an institute which is providing education aimed at the general public. Providing the arrangements between the Council and the HC do not involve market activity (e.g., it is for educational purposes) then from a State Aid perspective the Council may lawfully provide HC with a loan on such terms as the Council believes is appropriate (which should also take into account its fiduciary duties).
- 6.11 State Aid compliance does not restrict the terms on which the Council gives support to HC. If it chose to it could for instance provide a loan at either a market or subsidised interest rate.
- 6.13 Section 19(4) of the Further and Higher Education Act 1992 empowers a further education corporation to acquire and dispose of land. However, property due diligence should include confirmation that there is no conditions of either public or private funding arrangements to which HC is a party or any constitutional or other restriction which would prevent HC from either entering into the option agreement or disposing of the Quarles site.

Human Resources implications and risks:

- 7.0 There are no human resource implications from this report.

Equalities implications and risks:

- 8.0 Through this loan and potential transaction, HC will establish a much more sustainable footprint for delivery of education on behalf of Havering residents. The Further Education offer in Rainham and the provision overall of construction education and skills provision will be strengthened. It is noted that the demand for construction skills is on an increase. Rainham is a relatively deprived area of Havering therefore this investment is welcome. As a Council we would have a concern that the provision in Harold Hill is reduced, especially the provision of programmes up to level two. HC have expressed their commitment to retain such provision and the Council is committing itself to assist in that endeavour.

Background papers

None

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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