



CABINET

7.30 pm	Wednesday 11 October 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 and Community Safety

Councillor Melvin Wallace

Culture and Community Engagement

Councillor Clarence Barrett

Financial Management, Transformation & IT

Councillor Ron Ower

Housing Development Company and
OneSource Management

Councillor Joshua Chapman

Deputy Cabinet Member for Housing

Councillor Jason Frost

Deputy Cabinet Member for Environment,
Regulatory Services & Community Safety

Andrew Beesley
Head of Democratic Services

For information about the meeting please contact:

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Webcast

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which is not in camera range.**

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Reporting means:-

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

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

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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 - 8)

To approve as a correct record the minutes of the meeting held on 20th September, 2017, and to authorise the Chairman to sign them.

5 REPORT OF THE TOWNS & COMMUNITIES OVERVIEW AND SCRUTINY SUB-COMMITTEE - ANTI-SOCIAL BEHAVIOUR (ASB) IN COUNCIL TENANCIES - TOPIC GROUP (Pages 9 - 20)

6 THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY AND 17/18 BUDGET UPDATE (Pages 21 - 82)

7 PRIVATE RENTED SECTOR LANDLORD LICENSING (Pages 83 - 198)

8 PROPOSED UPLIFT OF PLANNING APPLICATION FEES (Pages 199 - 234)

9 LAND OF THE FANNS LANDSCAPE PARTNERSHIP (Pages 235 - 252)

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MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 20 September 2017
(7.30 - 8.15 pm)

Present:

Councillor Roger Ramsey (Leader of the Council), Chairman

Councillor Damian White
Councillor Robert Benham
Councillor Wendy Brice-Thompson
Councillor Osman Dervish
Councillor Melvin Wallace

Councillor Clarence Barrett

Councillor Ron Ower

Councillor Joshua Chapman

Councillor Jason Frost

Cabinet Member responsibility:

Housing
Children & Learning
Adult Social Services and Health
Environment and Community Safety
Culture and Community
Engagement
Financial Management,
Transformation & IT
Housing Development Company
and OneSource Management
Deputy Cabinet Member for Housing
Deputy Cabinet Member for
Environment, Regulatory Services &
Community Safety

Through the Chairman, an announcement was made explaining the evacuation arrangement in the event of an emergency.

Unless otherwise indicated, all decisions were agreed unanimously.

20 DISCLOSURES OF INTEREST

There were no disclosures of interest.

21 MINUTES

The minutes of the meeting of Cabinet held on 9 August 2017 were agreed as a correct record and signed by the Chairman.

22 ICT RESOURCES REVIEW

The Cabinet Member for Financial Management, Transformation & IT, introduced the report.

Members were informed that in September 2016 the council carried out an external review of the ICT service to assess issues and highlighted areas of potential weakness. The report identified that investment was required to deliver pace and innovation, remove customer dissatisfaction and enable transformed customer operations. A report was subsequently presented to Havering Senior Leadership Team (SLT) and it was agreed that ICT should develop a Business Case for short/medium and long term resources to:

- “Catch up and keep pace” with ICT investment to avoid further risks of unsupported infrastructure.
- Invest in new “modern working”.
- Invest in resources to support the service delivery in delivering the council’s digital ambitions.

Further investigations into ICT budgets in November 2016 by officers confirmed that there was insufficient funding specifically to support the council’s key priority systems, including the council’s Customer Relationship Management (CRM) and Data Ware House (DWH) systems.

The report identified investment required of £1.055m in 2017/18 and £0.930m in 2018/19 to support and improve key priority ICT systems and projects.

Cabinet:

- 1. Agreed to increase the 2017/18 ICT budget by a total of £1.055m; the increase to be funded from oneSource Reserve.**
- 2. Noted the underlying budget pressure of £0.930m that exists in the ICT budget and that an increase in the base budget from 2018/19 will be put forward in the 2018/19 budget process to be considered for approval by Council in February 2018.**

Reasons for the decision:

The Council’s ICT service is currently struggling with its ability to support the council’s critical systems and projects including secure infrastructure without significant revenue investment in its resources.

Until now, the funding for development of DWH and CRM has been found in capital budgets, which is unsustainable and unacceptable for ongoing support.

It is also cost effective for the council to invest in fixed term posts rather than cover these roles through contracted resources.

Other options considered:

1. Do nothing – The CRM and DWH are in need of support and no funding is available for further development. Therefore, do nothing is not an option. For the security projects, the resources are critical to ensure we maintain the infrastructure security. In light of recent cyber security incidents, this is not an option. Keeping the as-is status this would prevent Havering from achieving its ambitious digital vision due to the lack of core infrastructure to build the Havering council of the future.
2. Build a business case and deploy resources – to avoid security related risks and better use of resources for the support of the critical systems, it is essential that resources are made available.
3. Use Capital funding – The CRM and DWH systems are in 'business as usual' (BAU) phase; therefore, the use of capital funding is no longer appropriate. The security and other projects also need ongoing support therefore allocation of capital funding is not an option.

23 RESTRICTIONS ON ALCOHOL CONSUMPTION IN ROMFORD TOWN CENTRE

The Cabinet Member for Environment and Community Safety introduced the report.

By way of background, Cabinet was informed that Romford Town Centre is currently subject to a Drinks Banning Order. It was noted that this tool for tackling anti-social behaviour has been superseded by the Public Space Protection Order (PSPO) within the Anti-Social Behaviour, Crime and Policing Act 2014.

It was reported that the Drinks Banning Order was due to expire on 20 October 2017. As such, the Council is seeking to replace the current Drinks Banning Order with a Public Space Protection Order in order to continue to control alcohol related anti-social behaviour within Romford town centre. Additionally, the Council is seeking to expand the area subject to the control, so that it encompasses Oaklands Avenue to the north, Junction Road to the east, Valley Way to the south and Nursery Walk to the west.

Between March and May 2017 a public consultation exercise was conducted in accordance with s.64 of the Anti-Social Behaviour, Crime and Policing Act 2014. As part of the consultation, comments and evidence were collated from key partners and stakeholders including the Police, local residents and retailers.

According to the report, there was evidence that the existing Drinks Banning Order has been useful as an additional tool in controlling alcohol related nuisance within Romford town centre, it is also evident (particularly from data supplied by the Metropolitan Police Service setting out alcohol related

nuisance occurring within Romford town centre between January 2014 and October 2016) that there remains a high level of anti-social behaviour connected with alcohol consumption within the town centre area.

It was reported that several substantive and significant objections to elements of the proposal had been lodged through the consultation, so further legal advice was obtained and a further evidence review conducted. This concluded that the evidence currently available to support some of the conditions was not sufficiently robust and that, in many cases, existing legislation and tools, such as Community Protection Notices (CPNs) and licensing schemes and conditions, were already available to tackle the related behaviours and offences. As such, the proposed PSPO was amended to limit its remit and to focus specifically on tackling alcohol related nuisance with the town centre.

Cabinet approved the proposed Romford Town Centre Public Space Protection Order which contains the following conditions:

- **Persons must not be in possession of an open container of alcohol in a public place within the Alcohol Control Area (save on licensed premises), and**
- **Persons must not consume alcohol in a public place within the Alcohol Control Area (save on licensed premises).**

Reasons for the decision:

Romford Town Centre has a vibrant and busy daytime and night-time economy with many licenced premises within the town centre selling alcohol and alcohol related products to local residents, businesses, members of the public and visitors.

Previously, alcohol related nuisance was dealt with under the Romford Town Centre Drinks Banning Order, which covers a smaller area of the town centre and is due to lapse on 20th October 2017 in accordance with the succession of legislation within the Anti-Social Behaviour, Crime and Policing Act 2014, of which the Public Space Protection Order (PSPO) is part. With the introduction of the Public Space Protection Order (PSPO) legislation, the Police and other partners of the local authority wish to maintain methods of enforcement for alcohol related nuisance in the town centre, by way of a fixed penalty. It was also felt that the area covered should be expanded to include local retail parks and Queen's Hospital which also suffer from alcohol related nuisance.

With the above in mind, the Council sought to introduce a PSPO for Romford town centre, to supersede the outgoing Drinks Banning Order and provide continued methods of controlling alcohol related nuisance in Romford town centre.

Other options considered:

Consideration was given to not implementing a Public Space Protection Order, however failure to replace the existing Drinks Banning Order could lead to an increase in alcohol related crime and anti-social behaviour in the town centre, so this option was discounted.

Consideration was also given to implementing a broader PSPO, with a wider range of restrictions, however it was concluded that the evidence currently available to support some of the potential conditions was not sufficiently robust and that, in many cases, existing legislation and tools were already available to tackle the related behaviours and offences. The risk of legal challenge was consequently advised to be very high in respect of certain aspects of the original proposal. Whilst it is therefore not recommended to include these within the PSPO at this stage, a Member / officer subgroup of the Strategic Enforcement Board (SEB) is to be convened to determine how best to tackle each of the areas of concern that were the subject of the initial consultation but which have not been included in the proposed PSPO as they are able to be dealt with under alternative legislation. The findings and recommendations of the subgroup will be the subject of further reports in due course.

24 QUARTER 1 CORPORATE PERFORMANCE REPORT (2017/18)

The Cabinet Member for Financial Management, Transformation & IT introduced the report.

The Corporate Performance Report provides an overview of the Council's performance against each of the strategic goals. The report highlights areas of strong performance and potential areas for improvement.

Corporate performance reports have historically identified where the Council is performing well (Green) and not so well (Amber and Red). However, in keeping with the Council's renewed focus on transparency, it was agreed by the Cabinet (at its meeting on 12 April) that the previous practice of applying agreed "tolerances" to each indicator would cease, such that performance against each indicator would be reported simply as either on target or better (Green) or outside of the agreed target (Red).

Where performance has been classified as 'Red', 'Corrective Action' is included in the report. This highlights what action the Council will take to improve performance.

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

- Short-term performance – with the previous quarter (annual outturns for 2016/17)
- Long-term performance – with the same time the previous year (Quarter 1 2016/17)

For Quarter 1, data or narrative has been gathered for 30 of the 48 Corporate Performance Indicators.

- 19 (63%) have a RAG status of Green (on track).
- 11 (37%) have a RAG status of Red (off track).

The current levels of performance need to be interpreted in the context of increasing demand on services across the Council. Also attached to the report was a Demand Pressure Dashboard that illustrated the growing demands on Council services and the context that the performance levels set out in this report have been achieved within. This shows particularly significant increases in the number of referrals to Children's Social Care and the number of assessments carried out by the service compared with the same period the previous year.

The Demand Pressure Dashboard also depicts a significant reduction in switchboard contact as well as a notable rise in online non-integrated forms in Quarter 1. Furthermore, it illustrates continued increases in online payments, Interactive Voice Response (IVR) payments and service requests / applications, indicating a degree of success in shifting customers towards online methods of doing business with the Council.

Cabinet:

- 1. Reviewed the performance set out in the appendix to the report and the corrective action that is being taken.**
- 2. Noted the content of the Demand Pressures Dashboard attached as an appendix to the report.**
- 3. Agreed that the performance indicator "Commence construction of a new Market House in Romford, and deliver the transformation support programme for 2017/18" be replaced with "Deliver the Romford Market Transformation Support Programme for 2017/18", and the wording of the Corporate Plan be amended accordingly.**

Reasons for the decision:

To provide Cabinet Members with an update on the Council's performance against each of the strategic goals set out in the Corporate Plan.

Other options considered:

Not applicable

Chairman

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CABINET

20 September 2017

Subject Heading:

Anti-Social Behaviour in Council Tenancies Topic Group Report

Cabinet Member:

Councillor Damian White, Deputy Leader of the Council and Cabinet Member for Housing

SLT Lead:

Steve Moore

Report Author and contact details:

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Democratic Services Officer
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Policy context:

Anti-Social Behaviour and Noise Nuisance

Financial summary:

There are no direct financial implications arising from the report

Is this a Key Decision?

No

When should this matter be reviewed?

One year from consideration of report.

Reviewing OSSC:

Towns and Communities

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

Communities making Havering	[x]
Places making Havering	[x]
Opportunities making Havering	[]
Connections making Havering	[]

SUMMARY

Following a briefing on Anti-Social Behaviour (ASB) in Council Tenancies to the Sub-Committee, Members noted that the Housing Service was undertaking a review of current policies and procedures. It was therefore decided to form a Topic Group to work with officers and review Anti-Social Behaviour in Council Tenancies.

The report contains the findings and recommendations that have emerged after the Topic Group scrutinised the subject selected by the Sub-Committee.

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

RECOMMENDATIONS

That Cabinet agree to endorse the following recommendations made by the Topic Group:

1. **That Housing Services and Public Protection establish a common service provision to deal with statutory noise nuisance consistently. This would be achieved by providing a Nuisance Information Pack and advising residents of the new procedure once finalised, on the Council's website (see paragraph 3.26)**

The Topic Group report is a retrospective one as the recommendations have already been implemented.

2. **That a Policy and Procedure be produced and implemented defining the new common service. This will also demonstrate how the Council deals with noise nuisance in a consistent and as far as is possible tenure neutral manner for all residents (see paragraph 3.26)**
3. **That in regular communications with tenants that publicity be highlighted of any evictions for Anti-Social Behaviour and reminding tenants of their own obligations in this regard. Additionally that every effort be made to communicate to tenants the actions, which the Council have taken to deal with Anti-Social Behaviour in Council Tenancies. (see paragraph 3.27)**

REPORT DETAIL

1.0 BACKGROUND

- 1.1 At its meeting the Towns & Communities Overview and Scrutiny Sub-Committee agreed to start a topic group to scrutinise the Council's Policy on Anti-Social Behaviour by Council Tenants.
- 1.2 The membership of the Topic Group was open to all members of the Sub-Committee. Councillors Lawrence Webb (Chairman), June Alexander, Jody Ganly and Linda Trew participated in the review.

The following Members also indicated interest and were co-opted to the review group: Councillors John Glanville, Patricia Rumble and Ian De Wulverton.

1.3 The Topic Group met on four occasions.

2. SCOPE OF THE REVIEW

2.1 The Group agreed to explore and understand the following areas during the course of the review:

1. The Council's definition of Anti-Social Behaviour (ASB) along with a breakdown of the volumes of incidents for each of the categories of ASB.
2. The Council's processes for tackling nuisance and ASB – process P1 covering areas such as Racial Harassment, Hate Crime and Domestic Violence or and process P2 encompassing issues such as a loud parties and vandalism. Both informal and formal court-based remedies are to be scrutinised.
3. The use by the Council of the ASB, Crime and Policing Act.
4. The review of case studies of how the Council had dealt with anti-social behaviour– what went well / what did not go so well.

3. FINDINGS

Definitions and responsibilities of tenants

- 3.1 ASB is a broad term used to describe day-to-day incidents of crime, nuisance and disorder, ranging from litter and vandalism to public drunkenness or aggressive dogs, to noisy or abusive neighbours.
- 3.2 Members noted that dealing with ASB within the Council's housing stock was a significant part of the Council's overall ASB strategy but it should not be looked at in isolation as the Council's Crime and Disorder strategy comprised a number of separate methods that were available to tackle ASB.
- 3.3 It was noted that such a wide range of behaviours meant that responsibility for dealing with anti-social behaviour was shared between a number of agencies, but particularly the Council and the Police.
- 3.4 Anti-social behaviour was defined as "behaviour by a person which causes, or was likely to cause, harassment, alarm or distress to one or more persons not of the same household as the person" (Antisocial Behaviour Act 2003 and Police Reform and Social Responsibility Act 2011).
- 3.5 A widely used definition of anti-social behaviour was the definition contained in the Crime and Disorder Act (1998): 'Acting in a manner that caused or was likely to cause harassment, alarm or distress to one or more persons not of the same household as (the defendant).'

- 3.6 Housing Services had defined ASB as set out in the Crime and Disorder Act 1998:
“Acting in a manner that is unreasonable, persistent, disturbing or harassing to one or more persons not of the same household as themselves” The Anti-social Behaviour Crime and Policing Act 2014 had expanded on this as follows:
- Conduct that has caused, or is likely to cause harassment, alarm or distress to any person.
 - Conduct capable of causing nuisance or annoyance to a person in relation to that person’s occupation of residential premises, or
 - Conduct capable of causing housing–related nuisance or annoyance to any person
- 3.7 Havering’s tenants must comply with their tenancy agreement in relation to ASB by avoiding all the following actions:
- Conduct causing or likely to cause a nuisance or annoyance to a person residing, visiting or otherwise engaged in lawful activity in the locality of the home
 - Conduct which directly or indirectly relates to or affects the housing management functions of a relevant landlord *or*
 - Using or threatening to use housing accommodation owned or managed by a relevant landlord for an unlawful purpose
 - Behaviour that unreasonably interferes with people’s rights to the use and enjoyment of their home and community.
- 3.8 Housing Services would work in conjunction with the Council’s partners, including the voluntary sector to provide effective solutions to deal with issues of ASB in the borough. The Topic Group noted that in the delivery of housing services some examples of ASB were considered to be:
- Threatening or using violence towards anyone in the local area, including Housing Services employees and contractors
 - Doing anything that caused or was likely to cause nuisance or annoyance to anyone in the local area
 - Doing anything that interfered with the peace, comfort or convenience of anyone who lived in the local area
 - Playing music or the television at loud volumes
 - The holding of loud parties
 - Nuisance Noise including slamming doors, DIY, shouting and screaming, misuse of communal landings and stairwells (nuisance that was persistent and at unreasonable times)
 - Smell of drugs in communal areas or in neighbours’ homes
 - Vandalism
 - Using the premises for any immoral, criminal or illegal purposes, or being convicted of a criminal/unlawful offence in the local area

- Harassment of anyone in the local area on the basis of their colour, race, nationality, ethnic origin, sex, sexual orientation, mental or physical disability, religious beliefs or on any other grounds whatsoever
- Causing alarm or distress to neighbours and other tenants through the use or threatened use of domestic violence (including psychological abuse)
- Keeping an animal, where this caused a nuisance or annoyance to anyone in the local area. This would include allowing animals to foul in communal areas, dogs barking, attacking or biting and causing intimidation to others

3.9 The Topic Group was provided with the following lines of action that the Council followed under its Priority 1 (P1) process:

Racial Harassment

The Service will not tolerate racial harassment by or against our tenants. The Service will use legal remedies such as Injunctions specified in the Anti-social Behaviour, Crime and Policing Act 2014, or Criminal Behaviour Orders to deal with racial harassment where appropriate. The Service will also enforce any breaches of the terms and conditions in the Tenancy Agreement by seeking eviction if appropriate. Racial harassment is a criminal offence and the service will encourage victims to report incidents to the police, where appropriate.

Housing Services had a Racial Harassment Policy to explain how racial harassment would be dealt with. Copies could be obtained from the Housing Services office and the council website.

Hate Crime

Housing Services uses the Association of Chief Police Officers' definition of hate crime which is: "Hate Crime is any criminal offence committed against a person or property that is motivated by the offender's hate against people because of their sex, race, religion, disability or sexual orientation". The Service had also developed a Hate Crime policy that informs residents how it addressed hate crime.

Domestic Violence

Housing Services had, in addition, developed a separate Domestic Violence Policy, to explain how domestic violence was managed.

Legal powers available to the Council

3.10 Anti-social Behaviour may or may not involve criminal activity. When receiving a report, the main issue in deciding whether specific behaviour is anti-social or not, is its impact on others. ASB can be started by individuals, both adults and children, or by groups and families or/and their visitors.

- 3.11 The Group noted the different types of ASB as outlined above and felt that dealing with the root causes of ASB had to be the best solution for long-term change.
- 3.12 The Topic Group was informed that the recently enacted Anti-Social Behaviour, Crime and Policing Act 2014 had introduced a series of new powers to assist with combatting ASB. One aspect was the amendment to the Housing Act 1985 in respect of secure tenancies (as used by Councils) to provide for mandatory possession of a property, where ASB or criminal behaviour had already been proved in another court. This also enabled social landlords to expedite possession proceedings where another court had proven significant anti-social behaviour or criminality in the locality of the property.
- 3.13 These included situations where a tenant, a member of their household or one or more of their visitors was found to be:
- In breach of a Court Undertaking and / or Civil Injunction;
 - In breach of a Court Ordered Criminal Behaviour Order;
 - Convicted of Breaching a Noise Abatement Notice;
 - Subject to a breach of a Closure Order.
- 3.14 Other measures available included Housing Services having a Prevention and Diversionary Strategy for dealing with Council tenants. Members noted that the service took an intelligence led approach to identify hot spots and to target resources.
- 3.15 It was noted that the service worked closely with partner agencies to both prevent and resolve ASB alongside the Community Engagement Team who had organised a number of events such as Job Clubs and other initiatives to help reduce unemployment and to provide diversionary projects to prevent ASB such as the Football Academy and 'Family Boot Camp' schemes.
- 3.16 The Group noted that:
- The Council could still take action against a council tenant on anti-social grounds but what action could be taken was very much dependent on the regularity and seriousness of the incident(s) and the impact on the wider community.
 - One of the principal delays in taking effective and timely action was the court process. There were substantial delays in getting cases listed for hearing which appears to have worsened following cuts to the Ministry of Justice budgets.
 - The Council was aware of the serious issue of substance abuse such as the use of cannabis and laughing gas amongst young people.
 - Noise nuisance was about 35-40% of the ASB caseload of Neighbourhood Officers.

The Eviction Process

3.17 The Group was informed of the process that could lead to eviction on anti-social behaviour grounds.

Given appropriate evidence, the Council could ask a court for a possession order and potentially evict a tenant, if someone in the household or a visitor that was involved in anti-social behaviour.

The tenant could also be potentially be evicted for anti-social behaviour that takes place not only in their home but within the local area.

Such Anti-social behaviour includes:

- causing a nuisance to your neighbours
- threatening landlord's staff or contractors
- using homes for illegal purposes, such as drug dealing
- being convicted of a serious criminal offence
- breaching a criminal behaviour order

Additionally, the Council could seek a possession order because of:

- the behaviour of a tenant's children
- the behaviour of other adults who live with them or who maybe visiting their home.
- the tenant or an adult living at the property commits an offence during a riot anywhere in the UK!

3.18 During the course of the exercise, Members of the Topic Group identified tenants' cases that they had been involved with and suggested that the Topic Group seek clarification as part of the scrutiny process in order to understand the approach that was taken on each individual case.

3.19 Following the exercise, the Topic Group expressed satisfaction with officers' approach to each of the cases reviewed based on the information that was available.

Other Issues

The current top messages by the Council to council tenants were:

- Your tenancy is your home and you are responsible for your family members and visitors' behavior.
- You need to take care of your home – any damage that you, your family or your visitors cause will be your responsibility. If the Council has to undertake any such repairs then we will recharge you the costs.

- 3.20 The Topic Group was informed that the new Tenancy Strategy which was drafted following the Localism Act 2011 introduced secure fixed terms tenancies for 3 or 5 years

The Topic Group noted the following regarding the new fixed term tenancies:

- Older people (60+) were exempt and would therefore still continue to be offered secure lifetime tenancies
 - A three year fixed term will be offered where the tenant had a known history of rent arrears or Anti-Social behaviour. In all other cases a 5 year fixed term would be offered.
 - Regardless of whether a 3 or 5 year tenancy was in operation, this would be reviewed 6 months from the end of the fixed term to establish whether the 'housing need' of the individual or household had changed.
 - It was felt that this would provide the Council with more control. For example, the Council could refuse to extend the fixed term if the tenant had committed Anti-Social Behaviour, was under-occupying, had made unauthorized alterations to the property or was in arrears.
- 3.21 The Group noted that the Council was presently conducting an assessment into the feasibility of implementing a Landlord Accreditation Scheme and/or additional licensing for Houses in Multiple Occupation. This was approved by Cabinet in January 2017. This related to anti-social behaviour within the borough, hence to deal with ASB strategically this needed to be considered when also dealing with all forms of tenancy including Council Tenancy. The additional licensing scheme is moving forward in 12 wards and is due to go to Cabinet in October 2017.
- 3.22 During the process of this review, the Group was informed that officers within Housing and Environmental Health were seeking to standardise the approach to noise nuisance by providing a common 'tenure neutral' service to both residents and Council tenants alike. The Group endorsed the approach including the introduction of an information pack that would outline how a statutory nuisance issue, such as noise, for all residents would be investigated. It was intended that the process would be taken forward to implement similar services within both Regulatory and Housing Services. The Group felt that the common service should have clear procedures in how it dealt with noise nuisance across both Council and non-Council premises (see recommendations 1 and 2).
- 3.23 The communication of such a policy was felt by the topic group to be a key issue. The consequences of Anti-Social Behaviour, including any evictions undertaken for this reason, should be communicated to tenants on a regular basis (see recommendation 3).
- 3.24 Residents who were owner/occupiers of their property could be held to account under the following two key pieces of legislation:
1. Environmental Protection Act 1990, Statutory Nuisance: evidence is gathered from residents via diary sheets, noise monitoring equipment that can be

installed and officers can attend to witness the issue. If following this nuisance is present then a warning notice is served whereby observations for compliance follow. Should a breach of notice occur a prosecution can be taken forward potentially resulting in a criminal record and fine.

2. Anti-Social Behaviour, Crime and Policing Act 2014: evidence is gathered via diary sheets from residents and observations by officers. There were then a number of tools that can be used i.e. community protection order to deal with the individuals causing the ASB.

The Group understand that throughout these processes the Council would make every effort to deal with the matter informally but had the policies to fall back on if needed.

ACKNOWLEDGEMENTS

During the course of its review, the Topic Group was supported by the following officers:

Peter Doherty – Tenancy Sustainment Services Manager
Louise Watkinson - Environmental Health
Martin Grant - Environmental Health
John Smith – Tenancy Sustainment Manager

REASONS AND OPTIONS

4. Reasons for the decision:

There are currently major inconsistencies in the way that the Council manages noise nuisance which is determinant on tenure. The principal recommendation from this report is that a policy and procedure be produced and implemented defining the new joint service which will demonstrate how the Council will deal with noise nuisance in a consistent and, as far as possible, tenure neutral manner for all residents.

5. Other options considered:

To remain 'as is' which was considered to be unacceptable. Consideration was also given to the services being completely homogenised but this was discounted because of the statutory and regulatory differences in delivering the services to different resident groups.

IMPLICATIONS AND RISKS

6. Financial implications and risks:

There are no direct financial implications arising from the report.

7. Legal Implications and Risks:

Report reviewed and no observations.

It is noted that there is an on-going review of current housing policies and a specific working group producing a redrafted Housing ASB Policy as well as a review of current tenancy terms and conditions (again including ASB) and the next meeting to progress this is on 31st August. This Report will be also be useful to that process

8. Human Resources Implications and Risks:

It is anticipated that the recommendations can be delivered from within existing staff resources. There are no other direct HR implications or risks to the Council or its workforce that can be identified from the recommendations made in this Report.

9. Equalities and Social Inclusion Implications and Risks:

Equality and dignity for all are important characteristics in the maintenance of community cohesion and in addressing anti-social behaviour. These principles will be shared at every given opportunity. As reflected in the body of this report, any behaviour which targets people because of a 'protected characteristic' under Equality Act, or because of hate, will be addressed quickly and vigorously.

Appendix

The Topic Group noted the following current Housing Service Standards:

- The Service will contact victims within one working day of them reporting racial harassment, hate crime and domestic violence to us. These are known as Priority One incidents
- The Service will visit contact victims of other ASB within five working days of receiving their report.
- The Service will work with the victim to agree an Action Plan during this visit, and write to them with a copy of the Plan within five working days of the visit.
- The Service will keep victims informed of the progress of their complaint at least every 10 working days but in some cases weekly.
- The Service will make safe any damage caused to a tenant's home by ASB, within 24 hours (provided the necessary repairs falls within our normal repair responsibility).
- Once an ASB case has been closed, the Service will contact victims to carry out a satisfaction questionnaire to find out what they thought of the service that was provided. This will be carried out within a month after we have closed a case.
- Where the victim is dissatisfied with the Service handling of an ASB report, the Service will review their case and re-open it, where appropriate.

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Cabinet

Subject Heading:

The Council's Medium Term Financial Strategy

Cabinet Member:

Councillor Roger Ramsey

SLT Lead:

Debbie Middleton
Section 151 officer

Report Author and contact details:

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Policy context:

The report seeks approval of the Medium Term Financial Strategy for the period 2018/19 to 2022/23. It also sets out the process for developing and approving the 2018/19 revenue budget 5 year capital programme and treasury strategy, together with initial proposals for balancing the 2018/19 budget.

Financial summary:

This report includes:

- an assessment of the national policy context, financial performance in 2016/17 and 2017/18 to date, together with the financial outlook to 2022/23.
- the approach to setting the Council's 2018/19 budget and MTFS
- initial proposals for balancing the 2018/19 budget

Is this a Key Decision?

No

Is this a Strategic Decision?

Yes

When should this matter be reviewed?

December 2017

Reviewing OSC:

Overview & Scrutiny Board

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

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

This report presents an overview of the national economic and financial environment within which all local authorities are currently developing their financial plans for 2018/19 and over the medium term. It explains the complex range of factors impacting upon local authority forecast funding streams and expenditure pressures and the LB Havering's position in relation to these matters.

The report reflects upon the Council's financial performance in 2016/17 and 2017/18 to date and summarises the actions being taken by the SLT to manage the Council's overall financial position within budget in the current year.

The report sets out the approach to achieving financial balance over the period 2018/19 to 2022/23 and seeks Cabinet approval of the Medium Term Financial Strategy (MTFS) and initial budget proposals for closing the budget gap. Further proposals are being developed for consideration and approval by Cabinet in December.

This report consists of the following sections:

- Policy and Strategic Context and Forecast Budget Gap (section 1)
- Robustness of the Budget (section 2)
- The Council's financial performance in 2016/17 (section 3)
- The financial monitoring and forecast position for 2017/18 (section 4)
- Forecast future funding streams (section 5 to 7)
- Forecast future expenditure pressures (section 8 to 10)
- Budget Risks (section 11)
- Initial budget proposals for consideration and approval by Cabinet to progress for consultation where necessary (section 12)
- The process to achieve a balanced budget for 2018/19 and over the medium term to 2022/23 (section 13)
- An overview of the development of the Capital and Treasury Strategies and Capital Programme to 2022/23 (section 14)

It is assumed at this stage of the budget process that the Government's four year financial settlement and the position with respect to local authorities' ability to raise income via the Adult Social Care Precept will continue to be implemented unchanged by the new Parliament. The Queen's speech on 21 June 2017 indicated that the Government will bring forward new proposals for funding adult social care. In the meantime, the financial planning assumptions reflect the extent

of the Council's reliance upon Improved Better Care Fund (iBCF) to meet its Adult Social Care pressures, which is confirmed up to 2019/20. The absence of a revised Local Government Finance Bill providing the legislative framework required to implement 100% business rates retention from 2020, presents a substantial risk for the whole of local government in developing future spending plans. Further risk exists in relation to the uncertainty around the wide ranging impacts of Brexit.

The Chancellor's Budget is due on 22 November 2017 and is critical to providing clarity for the local government sector in developing financial plans over the medium term and in setting the 2018/19 budget. In particular, the progress and timescale towards implementation of the 100% Business Rate Retention and the delayed consultation on the Fair Funding Review to address needs based funding distribution, together with clarity on a long term sustainable solution to address the crisis in adult social care and health funding will be key to the development of Havering's financial plans. It will be essential that our financial planning process is able to respond flexibly and on a timely basis to the Budget as we move forward.

The budget report to Council in February 2017 balanced the 2017/18 budget and identified a remaining gap to be closed of £2.895m in 2018/19 and a further £6.326m in 2019/20. Since the February 2017 meeting, further work has been undertaken to update and refresh the MTFS in preparation and planning for the new Council Administration from May 2018 and covers the period 2018/19 to 2022/23.

A review of the Council's financial performance together with an updated assessment of future funding streams and expenditure pressures has been undertaken. This work lays the foundations for the further development and delivery of robust financial plans over the medium term to enable delivery of quality Council services in an increasingly challenging financial environment.

The Council is required by statute to set a balanced budget for 2018/19 and to have a robust plan in place to achieve financial balance over the medium term. The revised assessment of the medium term financial forecast is based upon the best information available at this time, identifying the anticipated budget gap over the period to 2022/23. Assumptions will be continually reviewed and refined as work progresses in the period to final budget setting in February 2018.

Table 1 - Forecast funding, expenditure and budget gap over the period.

	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Forecast Funding	151.913	147.422	147.026	148.006	148.986	743.353
Forecast Expenditure	161.061	156.269	161.203	152.663	154.152	785.349
Budget Gap	9.148	8.848	14.177	4.657	5.166	41.996
Gap at 2017/18 Budget	2.895	6.326				
Movement	6.253	2.522				

The key assumptions underpinning the forecast and the movement in the budget gap since February 2017 budget setting is explained in section 1 of the report. The Council cannot relax its efforts in relation to the delivery of previously approved savings, nor in relation to the delivery of mitigation plans agreed by Cabinet in February 2017 to address further pressures that emerged during the course of 2016/17. Senior Leadership Team (SLT) is focused upon the successful delivery of these plans which are critical to keeping the delivery of the MTFS on track and to avoid the budget gap increasing from that summarised above.

The Council continues to face significant challenges in relation to the growing demand for services in children's and adults social care and also homelessness. These are nationally recognised issues and are explored further in section 8

Following the agreement of the new Corporate Plan and 2017/18 Budget in February, the SLT has continued to work over the summer to develop proposals for delivering corporate priorities and balancing the budget. Initial proposals are presented for consideration and approval by Cabinet in section 12. These will be supplemented by further proposals to December Cabinet together with an update following the Chancellor's Budget on 22 November. By December Cabinet, all proposals will be available to enable consultation and consideration by the Overview and Scrutiny (O&S) Board prior to Budget setting in February 2018.

It should be noted that any alternative budget proposals by Overview and Scrutiny Board or opposition groups that required public consultation, should be submitted to the Chief Finance Officer and Principal Democratic Services Officer by no later than 3 November to enable their consideration (assuming the proposals meet the "robust budget" test) at the meeting of Cabinet on 13 December 2017.

A review has been undertaken of a number of income generation and economic development schemes that were included in previous budget rounds aimed at supporting the Council's financial sustainability over the medium to long term. The MTFS estimates have been revised to reflect this work and further revision of income projections will be made as business cases are developed to maturity. A number of new economic development and regeneration pipeline schemes are currently in the business case development stage. These are scheduled for consideration by Cabinet in November 2017 in order that the financial implications of proposed investment decisions can be fed into the draft Capital Programme and Revenue budget proposals for consideration in December 2017.

Both Capital and further Revenue budget proposals will be presented to Cabinet in December 2017 to focus upon achieving financial balance in 2018/19 and laying the foundations for longer term investment in the delivery of the Council's Corporate objectives and achieve financial balance over the Medium Term. Budget proposals will be subject to consultation and an equality impact assessment as appropriate before final decisions are made by Council in February 2018.

Longer term plans to deliver further transformational change and demand management and achieve financial balance over the period to 2022/23 are also

being developed by SLT and will be scheduled for consideration by the new Administration following the local elections in May 2018.

RECOMMENDATIONS

The Cabinet is asked to:

1. **Note** the national financial context for local government and the projected budget gap over the period 2018/19 to 2022/23.
2. **Note** the assumptions which underpin the forecast as set out in section 1, and that further updates will be provided as further information becomes available in the build up to the budget setting in February 2018.
3. **Note** the risks associated with the financial forecast set out in section 11.
4. **Note** the Council's financial outturn position on the General Fund Revenue budget for 2016/17 set out in section 3.
5. **Note** the month 4 financial monitoring and forecast outturn position for 2017/18 and the management actions being taken to control expenditure within the Council's approved budget set out in section 4.
6. **Approve** the inclusion of £3.761m of iBCF and the expenditure plan into the Council's budget for 2017/18.
7. **Approve** the draft Medium Term Financial Strategy (MTFS), covering the period from 2018/19 to 2022/23 as set out in this report.
8. **Approve** £9.632m of total savings proposals including £1.568m in 2018/19 for consultation where necessary as set out in section 12 and Appendix 2.
9. Approve the one off application of iBCF of £1.986m and £1.936m towards closing the estimated budget gap in 2018/19 and 2019/20 respectively.
10. **Agree** to receive a further report at Cabinet in December 2017 including an update following the Chancellor's November Budget and further proposals for balancing 2018/19 and achieving financial balance over the medium term.
11. **Note** the progress that is being made in relation to reviewing the existing capital programme, the development of a 5 year Capital Programme and Treasury Management Strategy that will be key to delivering the Council's ambition set out in its Corporate Plan. The draft Capital Programme will be presented for consideration by Cabinet in December 2017.
12. **Note** the timetable and process for developing, reporting and considering the 2018/19 budget and MTFS as set out in section 13.

13. **Note** that any alternative proposals from Overview & Scrutiny or opposition groups, that would need to be subject to consultation, will need to be subject to a robust review before they can be considered for inclusion in the Council's budget and therefore must be received by the Chief Finance Officer and Principal Democratic Services Officer by 3 November 2017 to enable their consideration (assuming the proposals meet the "robust budget" test) at the meeting of Cabinet on 13 December 2017.
14. **Note** that a range of corporate strategies may be impacted by the budget strategy and these will need to be updated and approved accordingly.

REPORT DETAIL

1. Policy and Strategic context

- 1.1 This report presents and seeks Cabinet approval of the Medium Term Financial Strategy (MTFS) between 2018/19 and 2022/23 that will be developed to achieve financial self-sufficiency by 2020 and align financial resources to the Council's Corporate Plan priorities.
- 1.2 Havering Council's vision – ***Making a Greater London***, is about embracing the best of what Havering has to offer, and how we as a borough can play an active role in the success of the whole of London. The Havering Council vision is focused around four cross-cutting priorities:

Communities

We want to help our residents to make positive lifestyle choices and ensure a good start for every child to reach their full potential. We will support families and communities to look after themselves and each other, with a particular emphasis on our most vulnerable residents.

Places

We will work to achieve a clean, safe environment for all. This will be secured through working with residents to improve our award-winning parks and continuing to invest in our housing stock, ensuring decent, safe and high standard properties. Our residents will have access to vibrant culture and leisure facilities, as well as thriving town centres.

Opportunities

We will provide first-class business opportunities by supporting the commercial development of companies within the borough, as well as being a hub for start-ups and expanding businesses. We will ensure sustainable economic growth that generates local wealth and opportunities, as well as securing investment in high-quality skills and careers.

Connections

We want to capitalise on our location with fast and accessible transport links both to central London and within the borough. Likewise, we will continue to make Havering a digitally-enabled borough that is connected to residents and businesses. Enhancing our connections will strengthen the borough's offer as a Greater London hub for business.

- 1.3 The Local Government finance landscape is fundamentally changing and by 2020/21, Government intend to have reformed the system for funding local government so that councils move to financial self-sufficiency. Consultation exercises have taken place on both the principles and the technical aspects of the proposed 100% Business Rates Retention scheme. The result of this consultation is still awaited following the delays due to the General Election. The consultation in respect the Fair Funding review which governs the allocation of government support on the basis of need has been delayed and this is critical to achieving a robust and meaningful resource allocation system as a baseline to facilitate the new funding regime. Whilst further details are expected later this year, it is not yet clear when they will be available.
- 1.4 Despite the delays in consultation, it is inevitable that the Council's spending power will become increasingly reliant upon locally generated income and therefore strategies to increase the growth in Council Tax, Business Rates and locally generated fees, charges and investment income will become increasingly important to achieving financial sustainability in local service delivery over the long term. The Council must balance its budget and deliver its essential services by also managing demand, generating efficiencies and delivering savings and so the scale of the challenge is increasing constantly.
- 1.5 All local authorities have experienced exceptional reduction in Government funding since the Comprehensive Spending Review in 2010 and this is expected to continue. By 2018/19 Havering Council's Revenue Support Grant (RSG) will have reduced by approximately 88% from £55.314m in 2010 to £6.847m in 2018/19 and will reduce to zero by 2020/21.
- 1.6 Many local authorities across the country are experiencing significant financial pressures due to the growth in demand for adult social care, children's social care and housing due to increasing homelessness. These are the main areas of financial risk for Havering in delivering services and are the main source of services overspending in recent years and forecast pressures in the future. Government have to date failed to recognise and provide meaningful financial support in relation to children's social care and homelessness. However, it has implemented a number of funding initiatives in relation to the financial crisis developing in adult social care and health.
- 1.7 The Government has recognised the pressures across adult social care services associated with an ageing population where people are living longer and have greater complexity of need. Time limited grants such as the Better Care Fund (BCF) and the Improved Better Care Fund (iBCF)

have been made available in an attempt to provide funding to meet service demand and facilitate closer working between local government and the NHS to achieve more efficient and effective solutions. Further, the measures to enable local authorities to raise Council Tax via the Adult Social Care Precept between 2016/17 and 2019/20 have relaxed restrictions on the ability of local authorities to raise funds more sustainably from local taxation to meet their ongoing statutory responsibilities in relation to adult social care.

- 1.8 Whilst grants are welcome, their time limited nature fails to provide a sustainable solution for local authorities in general. Further, the basis of their allocation has resulted in a perverse funding distribution for authorities such as Havering, who have experienced significant increases in their older population in recent years and have been forced to raise council tax historically due to lower Government funding settlements. These authorities receive significantly less BCF/iBCF than authorities with substantially lower council tax levels and who are in receipt of much higher levels of Government funding.
- 1.9 Havering has a population of 252,783¹ which is average for London. Historically it has been one of the lowest funded London boroughs despite having the highest proportion of older people (18.4%). In recent years, Havering also experienced the largest net inflow of children across all London boroughs. Some 4,536 children settled in the borough from another part of the UK during this six year period (2010-2015), having a significant demand for children's social care. The demand for housing is also increasing as private sector tenants are displaced and made homeless due to rapidly rising market rents. Further information is set out in section 8.
- 1.10 It is important for the Council to recognise the extent to which its adult social care services are reliant upon time limited funding streams which present an inherent risk to the sustainability of its financial planning due to the uncertainty of the Government's future plans. Whilst the Council will continue to lobby Government to ensure that funding for adult social care is sustainable and fairly allocated over the longer term rather than a current short term solution, it will also need to develop contingency plans for implementation post 2019/20 in the event that the Chancellor's Autumn Budget and/or the Local Government Finance Settlement does not provide sufficient assurance of the adequacy of future funding streams. Further details of the Council's funding sources are set out in sections 5 to 7 and its forecast expenditure pressures are set out in section 8 to 10 of the report.
- 1.11 The forecast budget gap is £41.996m over the period to 2022/23, of which £9.148m relates to 2018/19. Table 2 below summarises the reasons for the budget gap.

¹ Office of National Statistics 2016 mid year estimate

Table 2 – summary of the budget gap	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan £m
Reduction in RSG	5.430	5.471	1.376	0.000	0.000	12.277
Business Rate Revaluation	0.145	0.025	0.000	0.000	0.000	0.170
Demographic Growth	4.500	3.750	3.650	3.000	3.150	18.050
Pension	1.500	2.500	2.500	0.500	0.500	7.500
Inflation	2.876	2.875	2.790	2.790	2.790	14.121
Other Pressures	10.305	4.457	10.241	3.997	3.006	32.006
Total Pressures	24.756	19.078	20.557	10.287	9.446	84.124
Previously Agreed Savings	(15.608)	(10.230)	(6.380)	(5.630)	(4.280)	(42.128)
Revised Gap	9.148	8.848	14.177	4.657	5.166	41.996
Gap at 2017/18 Budget Setting	2.895	6.326				
Movement	6.253	2.522				

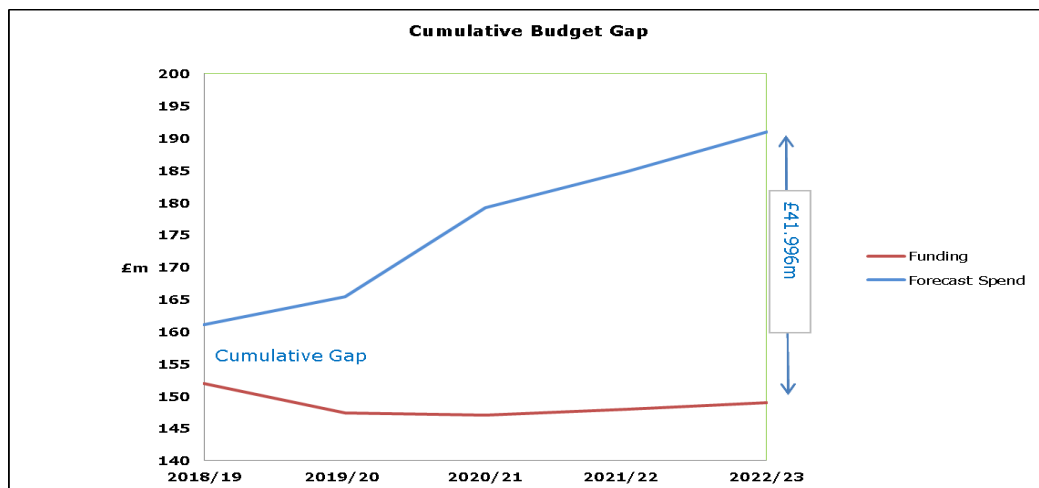
1.12 The movement in assumptions since the 2017/18 budget setting in February 2017 of £8.775 over the period 2018/19 an 2019/20 has arisen for the reasons summarised in Table 3:

Table 3 Reasons for Movement	MTFS Ref	2018/19 £m	2019/20 £m	Total £m	Explanation
Council Tax - No increase from 2018/19	C5	0.000	2.000	2.000	The removal of assumed 1.95% council tax increase for 2019/20 to enable the Council Administration to determine its council tax strategy following the May 2018 Election.
ASC precept	C18	0.000	2.000	2.000	The removal of the assumed 2% ASC precept to enable the Council Administration to determine its council tax strategy post the May 2018 Election.
ASC Demographic Pressure		(0.913)	(0.471)	(1.384)	Reduction in forecast demographic expenditure pressure assumption.
Quarles	-	0.310	0.000	0.310	Capital financing costs - purchase of Quarles site (June Cabinet)
LPFA		0.072	0.000	0.072	Additional funding obligation re ex ILEA and GLA pensions – June Cabinet.
Income inflation		(0.287)	(0.287)	(0.574)	Increase inflation on discretionary fees and charges 2% to 3%

Reasons for Movement	MTFS Ref	2018/19 £m	2019/20 £m	Total £m	Explanation
MLH Ltd- Income	C9	2.000	0.000	2.000	A high level income assumption £2m p.a. in relation to MLH Ltd was profiled from 2019/20 with transitional funding measures put in place for 2018/19. Delays in project development mean that the transitional funding measures are no longer feasible. This leaves a £2m pressure in 2018/19. Forecast income will be recalculated and profiled on the basis of the revised MLH business plan to be considered for approval by Cabinet in November 2017.
Solar Parks income	RS5	1.500	0.000	1.500	The original high level income assumption of £1.5m from 2019/20 related to Solar Parks on two sites within the Borough – Dagnam Park and Gerpins Lane. Transitional funding measures - were in place for 2018/19. During 2017, planning issues with Dagnam Park resulted in the scheme being assessed as unviable. Whilst the Gerpins Lane site remains technically viable, a financial review concluded that it is unlikely to be financially viable in the foreseeable future, due primarily to the cessation of Government subsidies and the projected price of electricity over the medium term. The transitional funding arrangements are therefore not feasible and this leaves a budget pressure of £1.5m in 2018/19.
General Fund Housing		0.800	1.400	2.200	Additional pressures in the Housing General Fund due to increases in homelessness. (Section 8)
Re-phasing of previously agreed savings	SC7 SC12 CL2	1.250	(0.750)	0.500	Waste Minimisation (SC7) £0.500m – deferred to enable comprehensive review of waste collection and disposal solutions. Business Vehicle Charging (SC12) of £0.500m is proposed to be reprofiled from 2018/19 into 2019/20 to enable officers to learn from other local authorities and undertake consultation prior to implementation towards the end of 18/19. Parking charges in Parks (CL2) £0.250m re-phased to enable a borough-wide parking review.
Base Budget realignment		1.521	(1.370)	0.151	This represents adjustments in relation to confirmed government funding and a rebasing of a range of service income and expenditure budgets in line with actual performance.
Total		6.253	2.521	8.775	

1.13 Figure 1 below illustrates the forecast cumulative budget gap over the 5 year period to 2022/23 based upon the assumptions set out in the remainder of the report in relation to expenditure pressures and future funding streams. This is before the consideration of new budget proposals:

Figure 1- Cumulative Budget Gap



1.14 The forecast is based upon a number of key assumptions and changes to assumption which are summarised below.

- All mitigating action plans approved by Cabinet (approved February 2017) for 2016/17 to 2017/18 are delivered to plan
- All savings approved by Budget Council in 2016/17 and 2017/18 are delivered in full with the exception of the Waste Minimisation saving (3 sacks plus recycling) (SC7 £0.500m) and the Business Vehicles Charging Saving (Ref SC12 £0.500m) and Car Parking in Parks (CL2, £0.250m) which are proposed to be deferred (table 3)
- No revision of Business Rates income as this stage, see section 5
- At this stage 0% General Council Tax from 2018/19, see section 5
- At this stage 0% on Adult Social Care Precept, see section 5
- Growth in Council Tax base of 0.89% in 2018/19 to 2022/23, to be updated at December Cabinet - see section 5
- Target increase in discretionary fees and charges at 3% which is equivalent to the consumer price index (CPI)
- Pay inflation of 1%, however there is currently a NJC Local Government Services Unions Pay Claim submitted for London for 2018/19. Every 1% on the pay award generates an estimated cost of around £0.800m.
- Contract inflation of 2%
- Core BCF of £6.442m is assumed to be ongoing beyond 2019/20 although not yet confirmed by the Government.
- The Improved Better Care Fund (iBCF) is assumed to end in 2019/20 as this is awarded to 2019/20 only. Will be reviewed pending further clarity from Government

1.15 In line with statutory guidance and legislation the Council does have the ability to increase General Council Tax to a maximum of 1.99% plus 2% for the Adult Social Care precept. The impact of a maximum increase in terms of additional income generated to contribute towards the budget gap is set out within section 5.

2. Budget Robustness

- 2.1 The Council is required to set a balanced budget, taking into account a range of factors, including appropriate consultation and equality impact assessments. A key factor is to ensure that Members are made aware of the advice of the Council's Chief Finance Officer (CFO) in making decisions relating to the Council's budget and medium term financial strategy.
- 2.2 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 General Fund Reserves. The Act requires the CFO to report to an authority when it is making the statutory calculations required to determine its Council Tax or precept. The Act also suggests the advice should be given prior to the formal statutory calculation. This advice has therefore been given to both Cabinet in formulating proposals and to members of Overview and Scrutiny in previous budget setting cycles and as set out within this report.
- 2.3 The advice of the CFO was set out at some length in the report to Cabinet in February 2017, in Appendix H of that report. The advice is reproduced at Appendix 1 to this report. Members are asked to be mindful of this advice considering the outlook over the medium term and in considering budget proposals throughout the budget development period and when Overview & Scrutiny Board consider the budget proposals. The need to secure plans to achieve financial balance over the medium term and to consider the 'Going Concern' basis of the Council in preparing its annual financial statements are primary responsibilities of the CFO.

3. Financial Performance 2016/17

- 3.1 The final revenue outturn position for 2016/17 was a break even position for the Council against a budget of £167.930m which is inclusive of corporate budgets, levies and contingency.
- 3.2 The service budgets equated to £155.956m (92.87%) of the revenue budget and overspent by £4.465m (2.86%). This adverse variance was funded through the use of corporate budgets and contingency of £3.315m and £1.150m respectively to achieve a balanced budget. The intention to use corporate funding to support the revenue outturn for 2016/17 was set out in a series of budget reports between October 2016 to February 2017.
- 3.3 Table 4 below provides a summary of the outturn position by service:

Table 4 - Outturn Position by service	Revised Budget £m	Final Outturn £m	Outturn Variance £m	Outturn Variance %
Public Health	2.442	2.445	0.003	0.12
Children Services	44.890	48.547	3.657	8.15
Adult Services	56.380	57.625	1.245	2.21
Neighbourhoods	26.662	27.334	0.672	2.52
Housing Services	2.573	3.603	1.030	40.03
oneSource Non Shared	9.090	7.787	(1.303)	(14.33)
Chief Operating Officer	9.786	8.953	(0.833)	(8.51)
oneSource Shared	4.133	4.127	(0.006)	(0.15)
Service Total	155.956	160.421	4.465	2.86
Corporate Budget	10.824	7.509	(3.315)	(30.63)
Contingency	1.150	-	(1.150)	(100.00)
Revenue Total	167.930	167.930	-	-

- 3.4 As set out in section 5 of the report, the Council continues to face significant pressures within adult and children social care as well as housing services. In 2016/17 these services overspent by £5.932m which were offset by underspends in other services along with the corporate budget and contingency.
- 3.5 The main pressure within the Childrens service relates to expenditure in respect of additional agency social workers utilised to meet the increased number of referrals along with increased cost for the provision for looked after children and children with special educational needs and disabilities.
- 3.6 The Adult Service variance of £1.245m was a result of increased demand and high cost placements for Adult Social Care services after making savings of £3.329m in year. The service mitigated much of this pressure through use of the whole Section 256 Reserve (formerly social care monies to be spent on services that benefitted the NHS).
- 3.7 Increased demand on the homelessness service within Housing resulted in the overspend of £1.030m which equated to a 40.03% variance.
- 3.8 Cabinet agreed in December 2016, a number of management action plans for services to reduce their in year variances of:
- £1.500m from Services and £1.100m from Corporate in 2016/17;
 - a further £3.7m from Services in 2017/18 and for Children Services
 - a further £0.7m in 2018/19.
- In addition, corporate funding was approved of £5.5m in 2016/17 and a further £1.8m in 2017/18.
- 3.9 It was necessary to use £4.465m of Corporate Funding in 2016/17 as opposed to a forecast £5.500m due to underspending in other service areas.

3.10 Against the £1.5m of management action plans in 2016/17 agreed by Cabinet, only £0.396m was achieved, resulting in a shortfall of £1.104m. The shortfall represents underlying pressures within the base budget therefore it is critical that the management actions plans are delivered in full as planned during 2017/18 and for Children's by 2018/19. The SLT is focused upon delivering the total value of action plans of £4.804m for 2017/18.

3.11 A summary of the management action plans for services for 2016/17 and their performance is provided in table 5 below along with the agreed plans for 2017/18:

Table 5 – Management Action Plan	2016/17 Planned Actions £m	2016/17 Net Shortfall £m	2017/18 Initial Planned Actions £m	2017/18 Revised Planned Actions £m
Children Services	0.000	0.087	(1.700)	(1.787)
Adult Services	(0.700)	0.355	(0.900)	(1.255)
Neighbourhoods	(0.400)	0.272	(0.500)	(0.772)
Housing Services	(0.400)	0.390	(0.600)	(0.990)
Service Total	(1.500)	1.104	(3.700)	(4.804)

3.12 Included within the budget for 2016/17, services were expected to deliver savings of £8.064m through schemes agreed by Budget Council in February 2017 or in previous budget setting rounds. In 2016/17 savings of £6.132m were achieved leaving a shortfall of £1.932m (6.14%). The shortfall was met during the year by services identifying mitigating actions or through agreement of alternative saving plans. The shortfall of £1.932m has similarly been rolled forward to enable management of the resultant pressure in the 2017/18. Directors are focused on the delivery of their savings or where this is not possible, to put in place alternative saving proposals to be agreed by Cabinet.

3.13 A summary of the deliverability of the savings is provided in table 6 below:

Table 6 - Deliverability of the Savings	2016/17 Savings Budgeted £m	2016/17 Savings Delivered £m	Variance £m
Public Health			
Children Services	1.434	1.110	0.324
Adult Services	3.450	3.329	0.121
Neighbourhoods	1.750	0.978	0.772
Housing Services	0.350		0.350
oneSource Non Shared	0.290		0.290
Chief Operating Officer	0.300	0.300	
Corporate	0.490	0.415	0.075
Service Total	8.064	6.132	1.932

3.14 The material variances relate to the non-deliverability of:

Children Services

- £0.200m - Children and Adults Disability (CAD): A review of short breaks provision will be undertaken to meet the savings over 2017/18.

Neighbourhoods

- £0.250m– Parks: Deferred implementation of controlled parking measures within parks locations to enable a borough wide parking review
- £0.138m – Moving Traffic Contraventions: Four cameras were installed, as opposed to eight, however were not operational until the end of February 2017/early March 2017.
- £0.100m – Public Realm Transformation Review: A restructure was deferred to allow for the transition of some posts to the Chief Operating Officer.
- £0.100m– Trading Standards / Enforcement: Enforcement review has been placed on hold and the service is awaiting the business intelligence model to inform the future methodology.
- £0.100m – Local Land Charges Income: Analysis of borough, London wide and national property sales data from the Land Registry shows considerably fewer property transactions in 2016/17.

Housing Services

- £0.350m – Private Sector Leasing: due to the increased lease payments required to landlords being in excess of the benefit income thresholds.

oneSource

- £0.211m – Technical Services: The saving is linked to the removal of duplication and the introduction of efficiencies through combining the team with Newham. However, the service is now not intended to be shared and an alternative option needs to be developed and approved by Cabinet in December 2017.

3.15 As set out within this section, the financial variance at the end of the year is made up of a number of contributing factors:

- Pressures arising from demographic and service demands
- The non deliverability or delay of management action plans
- Unachieved or delay in delivering savings
- Other unforeseen factors

3.16 The focus for Senior Managers within the authority for 2017/18 is to balance the budget through achieving all savings agreed by Council and management action plans agreed by Cabinet. Where this is not possible Directors are required to put in place alternative plans to ensure a break even position for the 2017/18 financial year. Achievement of this will give the medium term financial strategy the stability that it requires moving forward to 2018/19 and beyond.

4. 2017/18 Financial Monitoring

- 4.1 The Council's 2017/18 net expenditure budget is £156.369m. After removing non-controllable budget (internal recharges, capital financing charges & adjustments under statute) the net controllable revised budget at period four is £163.759m.
- 4.2 At period four the net controllable forecast outturn position for service directorates and oneSource is £168.042m resulting in a forecast overspend of £4.283m (2.62%) as set out in table 7.

Table 7 – Forecast outturn and variances	Original Budget	Revised Budget	Forecast Outturn	Outturn Variance	Outturn Variance
	£m	£m	£m	£m	%
Public Health	(0.300)	(0.308)	(0.308)	0.000	0.00
Children Services	32.502	35.721	37.537	1.816	5.08
Adult Services	55.021	52.789	52.789	0.000	0.00
Neighbourhoods	12.394	14.264	14.652	0.388	2.72
Housing Services	1.356	1.521	3.407	1.886	124.00
oneSource Non Shared	0.735	0.701	0.665	(0.036)	(5.14)
Chief Operating Officer	7.154	6.847	7.103	0.256	3.74
SLT	1.019	1.307	1.280	(0.027)	(2.07)
oneSource Shared	14.788	16.097	16.097	0.000	0.00
Service Total	124.669	128.939	133.222	4.283	3.32
Corporate Budget	28.896	32.820	32.820	0.000	0.00
Contingency	2.000	2.000	2.000	0.000	0.00
Net Controllable Budget	155.565	163.759	168.042	4.283	2.62
Other uncontrollable budget	0.804	(7.390)	(7.390)	0.000	0.00
Net Expenditure Budget	156.369	156.369	160.652	4.283	2.62

- 4.3 The principal variances underlying the period four forecast rest in the Children's, Neighbourhood and Housing Services. Further analysis of the causes of the variances is being undertaken by Senior Management but Cabinet will be aware of the continued pressures in Children's, Housing Demand in relation Private Sector Leased (PSL) properties and Homelessness. SLT are focussed upon the delivery of mitigation and savings plans to manage expenditure within budget.
- 4.4 The material forecast variances at period four relate to:
Neighbourhoods
Neighbourhoods is experiencing financial pressure within year due to a number of delayed savings which are being mitigated by the generation of additional income being generated in excess of budget on Penalty Charge Notices (PCN) and Moving Traffic Contravention (MTC) income.

Housing Services

The financial pressure in the Housing services predominantly in the homelessness demand pressures - £0.876m. Cost of prevention options (Find your own Scheme) are being used to minimise pressure.

Childrens Services

Childrens Service is experiencing in year one off overspends on placements for looked after children, permanent placement allowances, fostering and asylum seekers adoption costs and agency staff costs. In addition there are base budget pressures on SEN Home to School transport, SEND costs and placements for children with disabilities.

These are offset by underspends in fostering staffing cost and an inflation provision allocation for Children's Social Services. There are some financial pressures in relation to a number of delayed savings for which alternatives are being sought, alongside the ongoing transformation work.

- 4.5 Senior Managers are focused upon balancing the budget through achieving all budgeted savings agreed by Council and management action plans agreed by Cabinet. Where this is not possible Directors are required to put in place alternative plans to ensure a break even position for the 2017/18 financial year. Achievement of this will give the medium term financial strategy the stability that it requires moving forward to 2018/19 and beyond.

5. Core Funding Streams

- 5.1 The Council receives a number of core sources of funding which include formulae driven grant allocations of baseline funding via the SFA and locally raised income streams such as Council Tax and the Adult Social Care precept. These are recurrent funding sources and the basis of the future forecasts are explained further in this section whilst other non-recurrent funding sources such as Improved Better Care Fund and New Homes Bonus are set out in section 6.

Settlement Funding Allocation (SFA)

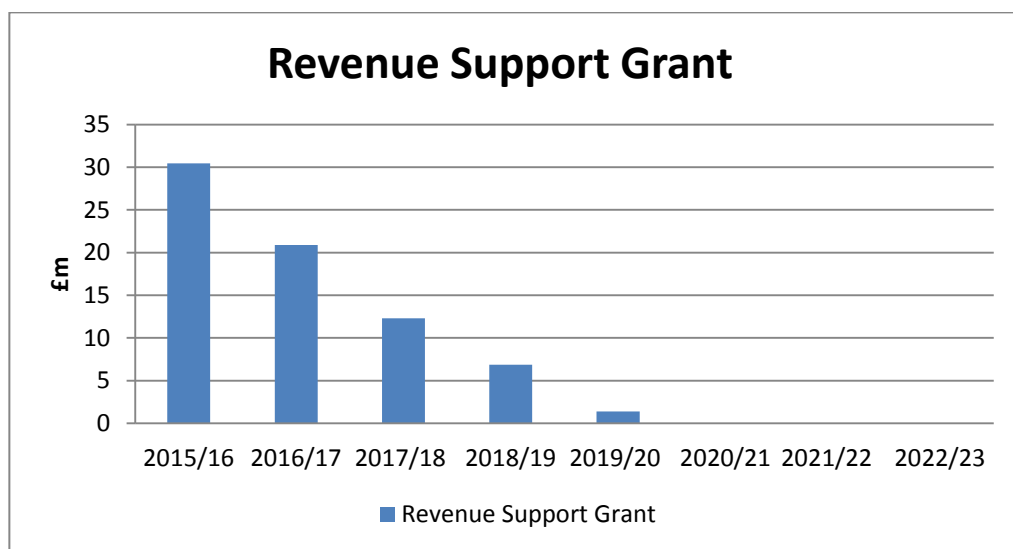
- 5.2 The Settlement Funding Allocation (SFA) comprises two funding elements making up grant received from Central Government. These are:
- Revenue Support Grant (RSG) which is determined by a national funding formula based on levels of need
 - A top up allowance received in respect of business rates, following introduction of the scheme in 2013.
- 5.3 Until 2016/17 SFA was a one year allocation published annually as part of the Local Government Finance Settlement. However, in February 2016 Government offered Local Authorities a four year settlement in exchange for agreeing and publishing a four year efficiency plan in order to improve certainty in financial planning. Whilst certainty was achieved, a fundamental change was made to the distribution formula which resulted in deeper and faster cuts for many authorities including Havering.

Table 8 - Settlement Funding Allocation	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
Business Rate Baseline (BRB)	22.164	22.600	23.267	24.011
Top Up Funding	9.462	9.648	9.933	10.250
Revenue Support Grant (RSG)	20.890	12.284	6.847	1.376
Settlement Funding Allocation (SFA)	52.516	44.532	40.047	35.637

Revenue Support Grant

- 5.4 Havering's allocation of Revenue Support Grant (RSG) has declined significantly and by more than was anticipated prior to the four year settlement. In 2010 the Council's budget was £162.530m, with £55.314m (34%) funded from Central Government in the form of RSG. In 2017/18 this budget is £156.369m with only £12.283m (8%) funded from RSG. By 2018/19 Havering's RSG funding will have reduced to £6.847m and by 2021 this grant will have disappeared completely. Figure 2 below illustrates the decline in the Council's RSG from 2015/16.

Figure 2 - Decline in Government Support - Revenue Support Grant



- 5.5 This significant reduction in RSG has been due to a fundamental shift in the focus of Government from 2016/17 when calculating the distribution of RSG. Government now considers the 'Local Authority Core Spending Power' as a measure of overall revenue funding available to provide local services and uses this to calculate RSG distribution. This takes into account all available funding sources including a Council's ability to raise income through raising its Council Tax; effectively those authorities with comparatively higher council tax levels in 2015/16 are deemed to be able to have more capacity to raise total funding than those with lower council tax levels and therefore received bigger and faster cuts to their RSG than prior to the four year settlement.

- 5.6 Over many years Havering has been forced to raise Council Tax to higher levels than other London Boroughs to maintain services. As a result, it has a higher comparative Council Tax compared to most London Boroughs. As a consequence of this change to RSG distribution, Havering has experienced deeper and faster cuts in its RSG than would otherwise be the case.
- 5.7 Table 9 below sets out Havering's forecast Core Spending Power based upon current assumptions. Core spending power measures the core revenue funding available for council services, including Council Tax and locally retained business rates.

This includes both recurrent and non-recurrent funding sources.

Table 2 - Havering Core Spending Power

Core Spending Power - 2017/18 to 2022/23						
Description	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m
Business Rates	33.478	33.478	33.478	33.478	33.478	33.478
Revenue Support Grant	12.284	6.847	1.376	0.000	0.000	0.000
Total Settlement Funding Allocation	45.762	40.325	34.854	33.478	33.478	33.478
Council Tax	112.288	113.268	114.248	115.228	116.208	117.188
Adult Social Care Precept	4.318	4.318	4.318	4.318	4.318	4.318
Total Locally Raised Income	116.606	117.586	118.566	119.546	120.526	121.506
New Homes Bonus	4.842	1.101	0.505	0.290		
Transition Grant	1.370					
Improved Better Care Fund	3.761	4.822	5.619			
Total Government Grants	9.973	5.923	6.124	0.290		
Total Funding	172.341	163.834	159.544	153.315	154.004	154.984

Business Rates

- 5.8 The future direction for national business rates policy is uncertain. Due to this uncertainty, the forecast of business rates currently remain unchanged from those set out in the Council's 2017/18 budget in February 2017. Further work will be undertaken as new information becomes available through the budget process to February 2018.
- 5.9 Under the current Business Rates Retention Scheme, local authorities retain 50% of the rates generated in their borough. The remaining share is retained by Government and re-distributed to authorities based on their assessed level of need. In London, the boroughs share their portion with the GLA and in 2017/18 the local share for London increased to 67% with individual boroughs receiving 30% and the GLA receiving 37%. The balance of 33% is retained by Government.
- 5.10 The level of annual income raised for business rates in Havering has been steadily increasing from £77.749m in 2014/15 to £80.664m expected in

2018/19. The Council has effective collection arrangements and as a result benefits from a high collection rate at 98.64% for 2016/17 and a target of 98.70% for 2017/18. This performance will become increasingly important to ensure a reliable source of income in the long term.

100% Business Rates Retention

- 5.11 In April 2013, the Government's planned reform of local government finance commenced with the start of localisation of business rates through the introduction of the Business Rates Retention Scheme. The planned move to financial self-sufficiency and 100% business rate retention by 2020 represents the most fundamental change in the local government finance regime for a generation and has far reaching implications for the future of local government.
- 5.12 The Department for Communities and Local Government (DCLG) has launched a six week (from 14 September 2017 to 26 October 2017) consultation on the local government finance settlement 2018/19. The Technical Consultation paper sets out Government's intended approach for the third year of the multi-year local government finance settlement and officers will respond under delegated authority within this timeframe.
- 5.13 It is anticipated that, in simplified terms, the loss of RSG and other grants will be offset by gains through 100% retention of business rate growth. Further, it is expected that new powers and responsibilities for services will be devolved to local government as part of the new funding regime. There will be a series of Government measures to help manage exceptional financial volatility, but in principle, local authorities will benefit directly from strong local economic growth reflected through the growth of their business rates. However, they will also be exposed to financial risk associated with slower growth and/or decline in business rate income. This will have a direct impact upon both the quantum and volatility of funding available to provide local council services in the future. There is also uncertainty about the future financial pressures that these new burdens may place upon local authority budgets and these too will need to be factored into future updates as Government proposals become clear.
- 5.14 Final details of the proposed scheme have yet to be determined having been the subject of extensive consultation through 2016 and 2017. There are numerous technical issues and complexities to consider. Havering responded to the 100% Business Rates Retention consultation in May 2017. However, the Government has not yet published the outcome of the consultation, nor indicated its future intentions due to the delays caused by the General Election held in June. The absence of a revived Local Government Finance Bill in the Queen's speech in June was disappointing given it had been progressing through Parliament prior to the Election.
- 5.15 This has resulted in increased uncertainty for local government in planning its future finances. The Finance Bill would provide the framework for the introduction of 100% Business Rates Retention Scheme. Therefore, in the absence of this primary legislation, it is very difficult to assess the full

impact on the Local Government finance regime for 2020 onwards and the timing and design of the new system. The Chancellor's Budget on 22 November is therefore expected to provide clarity over the way forward, giving information that is critical to effective financial planning for Havering and local government in general.

- 5.16 It is essential that when introduced, the delivery of 100% Business Rates Retention scheme is fair, transparent and incentivises innovation and growth in the local area. Further, it must be driven from a fair needs driven baseline assessment of business rates. Critical to achieving this, is that the Government's planned review and consultation of the needs funding formula is completed prior to implementation. This formula is inherently linked to the system of 'top-ups' and tariffs' of Business Rates to balance the difference between resources and expenditure pressures of local authorities.

The Fair Funding Review

- 5.17 The Government originally intended to run consultation on the needs funding formula – The Fair Funding Review concurrently with the 100% Business Rates consultation. However, the General Election in June resulted in suspension of the planned consultation. It is not yet clear when this consultation will take place. Representatives from local government finance are engaged in preparatory analysis and technical discussions with Government to inform the consultation exercise. This includes representatives from the Society of London Treasurers. The existing formula was frozen in 2013 and is complex, containing a range of drivers linked to population size and deprivation indicators which determine the basis for grant allocation.
- 5.18 A significant issue which has adversely affected authorities like Havering is the lack of weighting within the formula to population size which has meant that the financial pressures of rapid population growth in total or discrete population groups such as the elderly and children with social care needs, have not been adequately recognised. The Council will continue to lobby in relation to this issue and will engage and respond to the Consultation when it is launched.

The London Pilot

- 5.19 The Government has now formally confirmed its renewed desire to see a business rate pilot pool established in London in April 2018, as indicated in the previous Memorandum of Understanding between the Government and London signed in March 2017. It further issued a general invitation to other authorities to apply to become pilot pools next year, with a deadline for applications of 22nd October.
- 5.20 London currently collects £6.6 billion in business rates and London government has long held the view that it should be granted control of a wide range of local taxes, including business rates. Devolving business

rates will help build a joint, city-wide approach to incentivise, prioritise and manage the delivery of public services.

- 5.21 A draft prospectus has been issued via London Councils outlining a framework for how the pool could operate. It is proposed that there are two founding principles that would require agreement at the outset by all pooling members:

- Nobody loses:

The first founding principle would be that no authority participating in the pool can be worse off than they would otherwise be under the current scheme. A London pilot pool would be underpinned by the same safety net arrangements and “no detriment” guarantee currently offered to existing pilots in 2017/18. This ensures that the pool, as a whole, cannot be worse off than the participating authorities would have been collectively if they had not entered the pool.

For Boroughs in an existing pool², DCLG have also indicated that the basis of comparison would include the income due from that pool.

The level of Revenue Support Grant (RSG) for each borough has been set by the four-year settlement (to 2019-20). For each borough this would be replaced by retaining additional rates (just as the GLA has done this year). In addition Public Health Grant (PHG) and the Improved Better Care Fund (iBCF) would also be replaced by rates, leading to an adjustment of expected baselines and top-ups or tariffs (as appropriate).

- All members share the benefit of growth:

In recognition of the complexity of London’s economy, it is proposed that the second founding principle would be that all members would receive a share of any net growth benefits arising from the pilot pool. Assuming the pool generates some level of growth, the question of how to share this will be central to any final pooling agreement.

- 5.22 At the London Councils Leaders’ Committee and Congress of Leaders meeting on 10th October 2017, Leaders of each London Borough will be required to specify their intentions in participating in the London pool as well as participate in early discussions around their preferred option for distributing the net growth across London.

² Of the 33 London authorities in 2017-18 this includes Barking & Dagenham, Havering and Croydon

Appeals

- 5.23 Business rate income collected by the Council is adversely affected by successful appeals against rateable values by businesses. The rating valuations historically were published on a five-year cycle. However, following the valuation list published in 2010 the next wasn't issued until 2017. As at the end of July 2017, the Council had 266 outstanding appeals with the Valuation Office outstanding from the 2005 and 2010 listing. If the appeals are successful, the financial impact is estimated as follows. These estimates have been produced by Analyse Local whose forecast has proved accurate in recent years. This would be a cost to the Collection Fund. A provision is currently held in line with the forecast potential yield loss.

Table 10 - Appeals

Potential Alteration Date	Number of Appeal Records	Potential Appeal Rateable Value £m	Rateable Value Loss £m	Potential Yield Loss £m
2017/18	104	11.475	1.302	3.483
2018/19	49	10.973	1.274	1.887
2019/20	113	8.593	0.874	1.101
Total	266	31.041	3.450	6.471

- 5.24 The 2017 revaluation hasn't triggered any new appeals to date. The Government has introduced a new system for dealing with appeals. 'Check Challenge Appeal' is a self-assessment based system with the intention of agreeing on the facts underlying valuations at an early stage in the process, thereby removing the need for a large number of formal appeals. This should reduce the number of appeals but will mean it is more reliant on the maintenance of the current national tax base and honesty of businesses to complete the self-assessment accurately.
- 5.25 As part of the 2017 Local Government Finance Settlement, Government announced a transition grant which means that changes to new business rate bills will be phased in over the next four years.

In addition, as part of the 2017 Spring Budget, the Chancellor announced new measures amounting to a £435m cut for Business Ratepayers to smooth the transition to the new rates. The three new measures were:

- No business previously entitled to Small Business Rate Relief - but losing it as a result of revaluation - will see their bill increase in 2017/18 by no more than £50 a month;
- 90% of pubs with a rateable value below £100,000 will have a £1,000 discount on their business rates bill; and
- A £300m fund will be established for local councils to offer discretionary relief for those businesses hardest hit by revaluation. The fund will be distributed to Councils via formula grant.

Cabinet in August 2017 considered and agreed the options for administering the Revaluation Support Scheme (RSS) for the financial year 2017/18 and the principle of the following three years to utilise the total grant receivable of £1.696m between 2017/18 to 2020/21.

Council Tax Income

- 5.26 Havering has an average population and has historically been one of the lowest funded London boroughs despite having the highest proportion of older people and experiencing the fastest growth in respect of children population across all London boroughs. This has led to higher increases in Council Tax than other authorities. The Havering element of Council Tax and SFA is compared against other London Boroughs in Table 11 below.

Table 11 - Comparison of Havering Council Tax and SFA

Local Authority	Inner/ Outer London	2017/18 Council Tax (Band D) £	Provisional SFA 2018/19 £m
Highest Council Tax			
Kingston Upon Thames	Outer	1,477.46	22.74
Richmond Upon Thames	Outer	1,358.51	19.96
Harrow	Outer	1,347.66	45.45
Havering	Outer	1,317.71	40.05
Lowest Council Tax			
Kensington & Chelsea	Inner	797.92	66.93
Hammersmith & Fulham	Inner	727.81	82.85
Wandsworth	Inner	420.02	101.19
Westminster	Inner	408.47	124.93

- 5.27 The total income raised from Council Tax is equal to the number of Band D equivalent domestic dwellings (the tax base) multiplied by the level of Council Tax. Therefore, in terms of longer term planning under the Government's reformed system, the forecast rate of growth in housing and the type of housing will directly impact upon growing the tax base and will be increasingly important in generating a sustainable local income stream to fund the provision of Council services. This will be a key factor in determining the Council's financial strategy together with decisions on the level of Council Tax annual increases. It should also be noted that population and housing growth will also result in growth in demand for a range of services such as waste collection and disposal costs as a result the East London Waste Authority (ELWA) levy.

Tax Base

- 5.28 Havering's council tax base increases year on year due to growth in the numbers of houses. In 2017/18 there was growth of £1.708m and in 2016/17 £2.882m. The Council's medium term forecasting model assumes around £0.980m (0.89%) increase on council tax base per annum for the period to 2022/23. However, the Council's move to self-

sufficiency is reliant upon sustainable growth of housing in the Borough and in the last two years, actual increases have been higher.

- 5.29 Projecting income from Council tax since 2013/14 has been complicated by the localisation of the scheme for Council Tax support (formerly Council Tax benefit), the costs of which are reflected in the Council Tax Base figure that is used to forecast and calculate the amount of income generated from Council Tax. The transfer of this cost to local government, which was previously funded fully by the Department for Work and Pensions, has also meant a significant transfer of risk as the cost of any increases in claimant numbers will fall entirely to the Council to fund; although this also means that the Council benefits from any reduction in claimants.
- 5.30 Nationally, there has been a steady growth in the Council Tax base since 2013/14 and the percentage increase year on year is rising, reflecting both the building of new homes and a reduction in the number of claimants for council tax support. Government is projecting that Council Tax receipts nationally will increase by 20% from £22.9bn in 2016/17 to £25.8bn in 2019/20.
- 5.31 The Council approved its Local Development Plan in July 2017 which sets out the ambitious vision and strategy for the Borough for future growth and sustainable developments over the next 15 years up to 2031. The plan sets out the need for new infrastructure, homes and jobs and a spatial plan that will enable the borough to rise to these challenges.
- 5.32 The Local Development Plan goes in hand with a series of economic regeneration schemes due to be considered by Cabinet in November 2017, which will enable officers to make better assumptions and estimates on the future pipeline of new houses being built. This enables better financial modelling of the impact this could have on the number of properties liable for Council tax as well as receipt of new homes bonus.

This work is in progress and the planning assumption of 0.89% increase in Council tax properties will therefore be reviewed and updated for the December 2017 Cabinet update.

Council tax level

- 5.33 Central Government continues to restrict the ability of local authorities to increase the level of Council Tax raised to fund general services through measures commonly known as 'capping'. For increases proposed above the capping limit, local authorities are required to hold a local referendum to gain approval from their council tax payers. For a number of years the threshold has been set at 2%. The Local Government Finance Settlement which is due in December 2017 will propose the threshold for 2018/19. The current planning assumption is that the threshold will remain at 2%.
- 5.34 In 2016/17, the Government relaxed restrictions on the ability of local authorities to increase Council Tax in specific circumstances in recognition

of the continued national spending pressures upon adult social care services. The change allowed up to 2% increase in Council Tax in addition to the General Council Tax increase, provided it was spent exclusively on adult social care, known as the Adult Social Care (ASC) Precept.

- 5.35 In 2017/18, the Government made further changes to the ASC Precept, allowing local authorities to raise up to 3% in one year subject to an overall increase of 6% over the period 2017/18 to 2019/20. Increases of up to 2% in a year need to be exclusively for adult social care the same as 2016/17, whilst an increase between 2% and 3% in any one year required local authorities to additionally demonstrate that the increase would deliver improved service provision. The Council's s151 Officer is required to certify that the ASC Precept has been used in accordance with the conditions specified by Government. In 2017/18, Havering applied a 2% increase in the Adult Social Care Precept.
- 5.36 The MTFS planning assumptions in the 2017/18 budget, assumed no increase in either the general level of council tax or the ASC Precept for 2018/19. That assumption has been extended to 2019/20 and future years, to provide a consistent basis from which to make decisions on future savings proposals and the council tax strategy. This will enable Cabinet to take tax and spending decisions in respect of 2018/19 and also enable the new Council Administration after May 2018 to determine its Council Tax Strategy for the period to 2022/23.
- 5.37 In determining its Council Tax Strategy, the Cabinet will be mindful of the impact of the increase upon local Council Taxpayers and will seek a balance between the level of the local tax increase against other funding streams, its local income generation and expenditure saving proposals and their overall impact upon the level and quality of local service provision in meeting its statutory responsibility to set a balanced budget for 2018/19.
- 5.38 Table 12 sets out the 2017/18 level of General Council Tax and ASC Precept, together with a scenario of the increase in income that would result from an increase of 1.99% (maximum without a referendum) on General Council Tax and a 2% per year increase in the ASC Precept (2018/19 and 2019/20). A decision to increase the Council tax by the maximum 1.99% in each year from 2018/19 to 2022/23 would raise an estimated £11.845m to contribute towards the forecast budget gap over the period. A decision to increase the ASC precept by 2% in 2018/19 and 2019/20 will raise approximately £4.622m. Whilst every further 1% growth in the taxbase will generate approximately £1m of additional income

Table 12 - Level of General Council Tax and ASC Precept

	General Council Tax 1.99%	Adult Social Care Precept 2.00%
	£m	£m
2018/19	2.277	2.288
2019/20	2.322	2.334
2020/21	2.368	
2021/22	2.415	
2022/23	2.463	
Total	11.845	4.622

- 5.39 Further work will be undertaken to model the impact of increases in tax base and Council Tax increases alongside the development of savings proposals for further consideration by Cabinet in December.

6 Non-Recurrent Funding Streams

- 6.1 In addition to recurrent formulae driven Government funding streams, local authorities receive a range of other non-recurrent grants in respect of their service responsibilities.

Better Care Fund and Adult Social Care Grant

- 6.2 For local authorities providing adult social care services the Government introduced the Better Care Fund (BCF) in 2015/16. This initiative spans the NHS and local government. It seeks to join-up health and social care services, to enable people to manage their own health and wellbeing, and live independently in their communities for as long as possible. Its key ambition is to improve health and social care outcomes for the most vulnerable people in our society, placing the individual at the centre of NHS and local authority arrangements for service provision; tailoring care and support to improve client experience and quality of life. Providing integrated health and social care services also seeks to achieve cost efficiency over the long term.
- 6.3 Nationally the Better Care Fund is a ring-fenced fund worth a total of £5.128bn for 2017/18 rising to £5.617bn in 2018/19. This includes the Disabled Facilities Capital Grant and a new grant allocation to local authorities to fund adult social care, first announced in the 2015 Spending Review: the improved Better Care Fund (iBCF). Further, the Spring Budget 2017 included a significant increase in iBCF allocations following lobbying by a number of local authorities including Havering. All the funding is required to be spent on Health and Social Care.
- 6.4 Table 13 summarises the allocation of the various BCF funding streams between 2017/18 and 2019/20. For comparative purposes, the 2016/17 core BCF allocation was £6.332m.
- 6.4.1 The current planning assumption is the core Better Care Funding is likely to continue after 2019/20 through the medium term to 2022/23 whereas

the iBCF is less certain and so is currently forecast to end in 2019/20, subject to clarification by Government. The income forecast over the period is £54.738m.

Table 13 - Better Care Funding Allocation

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£m	£m	£m	£m	£m	£m	£m
BCF - Core	6.442	6.565	6.689	6.816	6.946	7.708	41.166
IBCF							0
Announced 2015/16		1.978	4.202				6.18
Spring 17 Budget	3.761	2.844	1.417				8.022
Total IBCF	3.761	4.822	5.619				14.202
TOTAL	10.203	11.387	12.308	6.816	6.946	7.078	54.738

- 6.5 The additional adult social care monies within the iBCF announced in the March 2017 budget is a total of £3.761m in 2017/18. Adult Social Care, in consultation with local health partners, is required to ensure that these funds address three major areas, with no nationally specified proportions, and the service has applied funding to these broadly as follows:

- Meeting adult social care needs - £0.900m;
- Reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready - £1.131m and
- Ensuring that the local social care provider market is supported - £1.730m

- 6.6 It should be noted that the spending plans for these monies and outcomes achieved will be scrutinised by NHS England and the DCLG. Central Government is keen to ensure that adult social care departments use the additional funding to support and reduce pressure on the NHS, particularly through winter 2017/18, and have set delayed transfer of care (delayed discharges) targets for each local authority/CCG area. These targets use a baseline of February 2017 from which to measure performance through this forthcoming winter. For local authority/CCG areas that fail to meet these targets, this could put future core BCF and Improved BCF funding at risk, including the already published new adult social care monies for 2018/19 and 2019/20. However it should be noted there is now also a lack of clarity nationally about any risk for 2017/18 overall BCF allocations in the event of failure to meet the prescribed delayed transfer of care targets (both NHS and social care delays) this winter.

- 6.7 For Havering, it should be noted that social care delays in this area are significantly below average and therefore the service is confident of meeting the prescribed social care delayed discharge targets. Havering's Adult Social Care performance outturn around delayed transfers of care over the last few years reflects significant investment and support in previous years, including provider rate reviews and discharge support

services. This was reflected in the pressures incurred during 2016/17 outturn.

- 6.8 It is less clear whether the local NHS will position itself to meet its own delayed transfer of care targets for 2017/18, and work is ongoing with NHS partners to ensure schemes are put into place to robustly improve performance by reducing the delayed discharges the NHS is responsible for. The primary cause of NHS delays is around NHS continuing healthcare assessments, with patients sometimes waiting in hospital for a significant length of time for assessments to be completed and the determination of eligibility to be made. The local health system is under significant financial pressure, with the local Clinical Commissioning Group put under 'legal directions' by NHS England in respect of their budget deficit and as such are required to implement a deficit reduction plan to recover a £55m deficit in 2017/18 across Barking & Dagenham, Havering and Redbridge. The local acute hospital/health system has also been assessed as amongst a handful of trusts nationally as most at risk of not delivering robust A&E performance (not consistently able to meet the national targets around 90% of patients being seen in A&E within 4 hours). The Local NHS has indicated its priorities for 2017/18 winter are therefore linked to ensuring performance in this area is sustainably improved.
- 6.9 The Secretary of State for Health has indicated to all health systems in the position set out above, that failure to deliver against A&E performance during winter 2017/18 will not be acceptable, and also indicated that he will act jointly with DCLG to intervene in areas where he considers local authorities are not engaging sufficiently to support local health system partners.
- 6.10 Within this context, there remains a complete lack of clarity at a national level what the level of financial risk/penalty may be of failure to meet the NHS and social care delayed discharge performance targets, nor what the approach will be where one partner (such as social care) meets its targets and the other (such as the NHS) does not. Further information will be provided to Cabinet in future reports as it is known. Adult Social Care is working closely with the local NHS around plans that will ensure the delayed discharge target is met to quantify and mitigate the risk.
- 6.11 The Better Care Fund helps support the delivery of the aims of the 2014 Care Act, which puts an emphasis on giving people more choice and information as well as looking at prevention and delaying the escalation of people's need.
- 6.12 To ensure a sustainable local health and social care system through improved health and wellbeing outcomes, the Council is working collaboratively with both the London Borough of Redbridge and London Borough of Barking and Dagenham and Barking, Havering and Redbridge CCGs and both local major NHS provider trusts to develop an Accountable Care System (ACS).

- 6.13 The ACS will be a partnership approach between the CCG, NHS provider trusts, the Councils and other partners such as the voluntary sector, to provide collective responsibility for resources and population health. The new operating model will give more control to the local health and care system within the borough. This could include devolved transformation funding for certain services, a 'one stop shop' for regulation or an ability to redeploy staff from the national bodies.
- 6.14 The principle behind the concept is that the system can provide joined up, better coordinated care and any savings made in the cost of care provision are shared across the system. To achieve the intended cost savings, providers typically work together to develop a case management approach targeted at patients at risk of potentially avoidable admissions or emergency department visits. Such case management is either preventative (proactively contacting patients with a high risk profile and deriving a community based care plan) or reactive (case coordinators based in a hospital intercept patients and direct them to other resources).
- 6.15 The work on the ACS is being led by the Chief Executive and the Director of Adults Social Care and Health, who will be reporting to the Health and Wellbeing Board and where necessary to Cabinet on developments within this area. The Chair of the Health and Wellbeing Board approved the 2017/18 plan on 11 September 2017. The planned use of iBCF in 2018/19 will be factored into the updated budget forecasts to be presented to Cabinet in December 2017.
- 6.16 The forecast budget gap does currently factor in the use of this iBCF funding in 2018/19 and 2019/20, and this is illustrated in the budget Gap at figure 1 in section 1 of this report. This shows that the Council will incur increased financial pressure upon in its MTFS if the Government does not propose more sustainable financial support for Adult Social Care beyond 2019/20. Further, there is an underlying risk that if the core BCF does not continue beyond 2019/20 that this will create further financial pressure in the medium term financial strategy given that it is supporting ongoing expenditure on core social care services. It is therefore important that the Council continue to lobby for fair and adequate and sustainable funding to support Adult Social Care Services.

New Homes Bonus

- 6.17 The New Homes Bonus (NHB) was introduced in 2011/12 in order to encourage local authorities to grant planning permission for new housing developments return for additional revenue funding that can be used to fund service provision generally.
- 6.18 During 2016, Government consulted on changes to the NHB. The outcome of this consultation has been to introduce a threshold of 0.4% from 2017/18. This means that Government expect housing growth to increase by 0.4% as a matter of routine each year without any financial incentive for local authorities. Therefore, only annual growth over 0.4% will attract NHB.

In addition, Government has implemented a change to the payment terms and the number of years for which payments are made will:

- reduce from 6 years to 5 years for 2017/18
- reduce to 4 years from 2018/19.

It is important to note that the final change only makes the bonus payable where planning permission is granted when the local authority grants planning permission directly and isn't a result of an appeal. Therefore due consideration will need to be to the potential adverse financial consequences of the loss of NHB that will be linked with successful appeals going forward.

- 6.19 The revised forecast of NHB to 2019/20 is incorporated in the corporate risk budget on a non-recurrent basis and is not projected within the MTFS model beyond these time frames. It is utilised in exceptional circumstances to offset directorate overspends where a directorate is not reasonably able to manage financial pressures within its approved budget.
- 6.20 As in all previous years, it should be noted that no additional spending is included in the revenue budget or Capital Programme to match the grant and there is no longer a top-slicing of funding for the London Local Enterprise Partnership.
- 6.21 Officers are currently doing further financial modelling on what income they believe could be receivable by the Council over the medium term period to take consideration of the local delivery plan expectations, the regeneration schemes underway along with planning permissions granted. Further updates will be provided in future Cabinet reports between December 2017 and February 2018.

Education Services Grant

- 6.22 Since its introduction in 2013/14, the Education Services Grant (ESG) has been calculated on a per pupil basis according to the number of pupils for which a local authority or academy is responsible. The ESG general funding rate was reduced from an initial £116.46 per pupil in 2013/14, to £87 in 2015/16 and to £77 per pupil in 2016/17. An additional £15 per pupil is allocated to LAs for retained duties regardless of whether the pupils are on the roll of a school or an academy.
- 6.23 In the Government Spending Review and Autumn Statement 2015, a phasing out of the ESG was announced to save £600m. The £77 per pupil will cease from September 2017 with a reduced transitional rate of £66 per pupil for the period April 2017 to August 2017. In financial year 2018/19 only the retained element remains. Havering's allocation from ESG since 2015/16 has been as follows:

Table 14 - ESG Funding since 2015/16

Funding	2015-16 £m	2016-17 £m	2017-18 £m	2018-19 £m
Retained duties @ £15 per pupil	0.564	0.570	0.589	0.589 (estimate)
General rate @ £87/£77 per pupil	1.980	1.766	0.000	0.000
Transitional rate @ £66 per pupil	n/a	n/a	0.568	n/a
Total	2.544	2.336	1.157	0.589

6.24 The ESG is intended to fund a range of the statutory duties of a local authority including:

- 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.

6.25 In financial year 2017/18 cost savings were made in the education service of £0.590m and there was a one off contribution from the Corporate budget of £0.551m. In preparation for the cessation of the Education Services Grant, the Council is carrying out a review of its education services, including the traded elements, in order to determine the most appropriate configuration and offer for the future. The Council is doing this work in the context of working with schools on the establishment of a sustainable self-improving education system across the borough. The detailed financial impacts of this project will be reported as the work progresses.

Public Health Grant

6.26 Public Health responsibilities were passed to Local Authorities from April 2013 and Havering's Public Health Grant for 2017/18 is £11.224m. Allocations for future years have not yet been published but in February

2016, it was announced that nationally there will be a 9.6% cash reduction over the period to 2019/20 – equating to approximately 2.65% reduction per annum. This assumption has been incorporated into Havering's financial forecast for the planning period and shows a steady decline in the grant.

Consultation and guidance issued recently as part of introducing 100% Business Rates Retention scheme suggests that Public Health is one of the additional responsibilities that local authorities will take over when the scheme is in place. Therefore, the current assumption is that the Public Health Grant will cease to exist beyond 2020/21. If 100% Business Rates Retention doesn't progress then it would be expected that the grant would continue. The table below illustrates the grant allocations for the remaining life of the grant.

Table 15 - Public Health Grant Allocation

Grant Allocation	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Public Health	11.224	10.927	10.637	-

Independent Living Fund

- 6.27 From April 2015 local authorities became responsible for supporting care costs of those clients who were previously in receipt of Independent Living Allowance. The Council has received a grant to fund these additional costs and in February 2016 allocations for the period 2017/18 to 2019/20 were announced.

Table 16 - Independent Living Grant Allocations

Independent Living Fund Grant Allocations				
	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Independent Living Fund	0.625	0.605	0.585	-

The current planning assumption is that this grant will cease to exist from 2020 and therefore any ongoing care costs for this cohort of clients will need to be funded from the Council's general resources.

Other Grants

- 6.28 The number of other grants that the Council receives is now relatively small in terms of both number and value. The majority are assumed within individual service budgets and the current working assumption is that expenditure matches the grant levels and any reduction in grants will be matched by reductions in expenditure.

7 Other Local Income

Investment Income

- 7.1 The Authority held an average cash balance of £225m during the first quarter of 2017/18. The average rate of return was 0.68% against a budgeted rate of return of 0.60%, giving an interest earned figure of £0.372m as at the end of quarter 1 against a full year budget of £1.349m.
- 7.2 The level of return achieved on these cash deposits is low by historic standards, and whilst the likelihood of an increase in interest rates in the short term is receding, inflation continues to run above the Bank of England target rate of 2% eroding the value of investment returns.
- 7.3 The Authority continually seeks to improve risk adjusted returns on its cash balances and mitigate as much as possible the erosion of value caused by inflation. In pursuance of that objective, Council approved an amendment to the Treasury Management Strategy Statement (TMSS) on 13 September 2017 to enable the authority to take advantage of a broader range of investment opportunities.

External Borrowing

- 7.4 The forecast of external debt and Capital Financing Requirement (CFR) assumed in the TMSS are set out below:

Table 17 - Borrowing

	31/03/17 Estimate £m	31/03/17 Actual £m	31/03/18 Estimate £m	31/03/19 Estimate £m	31/03/20 Estimate £m
Long Term External Debt	210.234	212.751	210.234	210.234	256.234
CFR	251.203	250.578	282.403	310.409	342.046
Internal Borrowing	40.969	37.827	72.169	100.175	85.812

- 7.5 The TMSS assumes total long term debt will remain unchanged until 2019/20 when the Council will need to take up to £46m of further external borrowing as cash balances that are currently available for internal borrowing become exhausted. A review of the medium term Capital Strategy is currently underway and will further inform the capital expenditure forecasts at which point the Authority's external borrowing requirement will be further reviewed and included in the December MTFS report to Cabinet to set out the combined impact of capital financing costs and income from investments on the General Fund position.
- 7.6 Of the £100m capital budget allocation for regeneration and development projects implied in the above CFR figures, the Authority is currently committed to:

- Mercury Land Holdings (MLH) - £17m for the Cathedral Court on the Oldchurch Site, PRS Scheme
- Quarles Site from Havering College, purchase and potential loan - £10m

7.7 There are a number of other proposals currently being developed to be met from this budget allocation, including:

- Mercury Land Holdings revised business plan
- Bridge Close Development
- Rainham and Beam Park Development

The current intention is to present the above schemes at the November 2017 Cabinet meeting for decision making to enable a comprehensive assessment of the future capital programme to be considered at December Cabinet .

Fees and Charges

7.8 Local authorities have powers to charge for various types of services they provide, from Adult Social Care functions to collection of garden waste, and others. Some charges are covered by government guidance and some set by statutory instrument, whilst for other services the Council has more discretion in the charges set.

7.9 The Council's 2017/18 budget for income from fees and charges is £52.123m and will contribute towards closing the budget gap in future years. The Council continues to review its discretionary fees and charges and the cost of service provision to ensure that income generated will meet the full cost of service provision which is in line with the medium term shift to financial self-sufficiency.

The table below provides the splits of budgeted fees and charges in 2017/18 by service:

Table 18 - Fees and Charges by Directorate

Fees & Charges	
Directorate	Revenue Budget 2017/18 £m
Children Services	(7.548)
Adult Services	(10.483)
Neighbourhoods (including Housing Services)	(20.422)
oneSource Shared	(0.411)
oneSource Non Shared	(6.566)
Chief Operating Officer	(6.641)
Corporate	(0.051)
Grand Total	(52.123)

- 7.10 In 2017/18, the Council increased its discretionary fees and charges by 2% and for 2018/19, a 3% increase in fees and charges is assumed to keep track with the UK Consumer Price Inflation (CPI) which was 2.9% in August 2017. Given the upward pressure on inflation, this assumption will be kept under review. The 3% increase is expected generate £0.287m additional income in 2018/19.

8. Forecast Expenditure Pressures

- 8.1 The Council faces a range of expenditure pressures that could have a serious impact on the financial position. The key financial expenditure pressures and risks are set out below:

- 8.2 The key pressures facing the Council are highlighted below:

- **Adult Services**

The financial pressures set out previously in the report during 2016/17 and emerging into 2017/18 for adult services are due to continue into the medium term. A number of steps are being taken by the Adults Service to reduce demand and dependency for services, looking at working more collaboratively with health and to maximise the opportunities around the Better Care Fund. However demand for services continues to increase as a result of the ageing population within Havering and longer life expectancy.

As set out in section 6 the Council is in receipt of £6.442m of Better Care Fund in 2017/18 which is assumed to increase over the medium term to £7.708m in 2022/23. The plans for the Better Care Fund are continuing to be worked on by the Adults Services and were reported to and approved by the Health and Wellbeing Board in September 2017. Further details will be incorporated into the December Cabinet report.

- **Children Services**

As set out previously, Havering has the highest number of net inflow of Children the authority has seen alongside an increase in the number of local births. Demand for Children Services has continued to increase specifically with a high number of high cost placements and limited supply for long term residential provision within the Borough.

The Ofsted report published in December 2016 inspected services for children in need of help and protection, children looked after and care leavers. This highlighted within the majority of areas that services 'required improvement'. The inspections in 2011 and 2013 rated the services as 'adequate'. The report was complementary that the situation is improving, however there is further work to do.

The Children Service therefore faces a number of challenges: increasing demand for services whilst the Council's financial resources are reducing and a need to improve services following the

Ofsted report. The real challenge for Children Services is therefore to transform the service to accomplish the competing priorities over the short to medium term.

- **Homelessness**

The number of households presenting to the Housing Advice and Homeless Service for assistance due to homelessness continues to increase. This is primarily due to the increase in eviction rates as a result of increased private sector rents. The number of contacts through the Public Advice and Service Centre (PASC) in 2014/15 was 9,873 and this is expected to increase to 13,400 in 2018/19. Following the contacts, there are number of outcomes including:

- A proportion are given on the day/one off housing advice
- A proportion are sign-posted to other services
- A proportion are assisted through detailed housing option case-work which may result in a prevention outcome
- Where a homeless prevention is not achieved, a formal homeless application/decision is made
- Following completion of enquiries into the formal homeless application, a proportion are accepted and accommodated in longer term temporary accommodation leased from private landlords

Whilst there has been an increase in demand for customer contacts, a lack of property supply has result in the use of expensive and unsuitable bed and breakfast accommodation with a peak in January 2016 where 96 households were housed through this route.

9. Levies

- 9.1 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) as the Statutory Waste Disposal Authority (WDA). Further, the behaviours of Havering residents in relation to the volume of waste generated has an impact upon the level of the ELWA levy over the medium term.
- 9.2 The current overall levy budget is £15.667m, of which ELWA accounts for £14.925m (95.3%). At this stage ELWA has not taken account of any changes in the distribution of levies arising from the changes in Council Tax base. However provision has broadly been made within the Council's Financial Strategy for increases in the ELWA levy of £1.000m in 2018/19 and per annum thereafter.

ELWA

- 9.3 The cost of waste disposal under the contract with ELWA Ltd is approximately 94% of ELWA's total gross expenditure. The ELWA revenue budget has three general components: contractor costs, non-contractor costs and income. A total ELWA tonnage figure of 0.469m tonnes has been assumed for 2017/18. The overall waste level is

influenced by population increases, household behaviour in disposing of waste and the pace of new development as well as the constituent councils' monitoring and enforcement of waste collection. The tonnage of the constituent councils are Barking and Dagenham (0.097m), Havering (0.113m), Newham (0.137m), and Redbridge (0.122m).

- 9.4 At this stage, officers are awaiting the budget report from ELWA, which is subject to consideration by the ELWA Board. The final levy will be included in the February 2018 Council Tax setting report.

Other Bodies

- 9.5 Of the remaining levying bodies, for planning purposes, a provision of £0.050m has been made, pending notification of the planned rises.

10 Freedom Pass and Taxicard Scheme

- 10.1 Havering's contribution to the Freedom Pass Scheme currently stands at £8.313m. The Freedom Pass Scheme is demand led and, as such, the costs are largely uncontrollable. The cost of the scheme to the London Borough of Havering has increased year on year since its inception.
- 10.2 The total cost of the Freedom Pass Scheme across London is based on the total cost of trips as well as the costs of card production. The cost model is negotiated and agreed between Transport for London (TfL), the Association of Train operating Companies (ATOC), independent bus operators and London Councils (on the boroughs' behalf) based on the scheme principle of leaving transport operators in a "no better and no worse off" situation than they would have been in the absence of the scheme. The scheme is also subsidised. The total cost is then apportioned between the boroughs based on the usage of active passes in each borough. This is determined by a snapshot of active passes undertaken at the end of May each year.
- 10.3 Havering has commissioned a review of the active passes in circulation with a view to deactivate those no longer in use. It is not yet possible to predict with any accuracy how many passes will eventually be deactivated as a result of this work.
- 10.4 It is important to note that, in order to smooth any significant changes in cost brought about by sudden changes in public transport modes, the cost calculation takes into account the average number of journeys made over the past two years. As such, the full financial benefit of this work will not be realised until 2019/20.
- 10.5 The Council's contribution to the London Taxicard scheme, which is also funded through London Councils, currently stands at £0.150m. The 2018/19 contribution level will be reflected in the final budget report.

11 Risk Management

Financial Management within Service Directorates

- 11.1 In 2016/17, the Council maintained its track record of managing expenditure within its overall approved budget. Despite experiencing significant financial pressures within adults' social care, children's social care and housing which contributed to a final overspend of £4.465m across service directorates; this was met from the corporate risk and corporate contingency budgets to achieve an overall balanced position on the General Fund.
- 11.2 The progress in delivering mitigation plans approved by Cabinet in February 2017 is variable and is summarised in section 2 of this report. These underlying pressures have been carried forward and are a primary focus of the SLT to ensure delivery in 2017/18.
- 11.3 It is essential that strict budgetary control is maintained throughout 2017/18 and future years. Directors must take all possible management actions to control expenditure within their approved budget. Indications at period 4 (see section 3) are that Children's Services and Housing continue to experience significant financial pressures due to rising service demand. Therefore other services will be required to exercise restraint on expenditure as part of the corporate effort to manage within the Council's overall approved budget in the current and future years.
- 11.4 The Council cannot afford to relax its efforts in managing the financial challenges that are inherent within its operational environment if it is to keep the MTFS on track. SLT is focused on delivering the previously agreed savings and mitigation plans which are key assumptions in calculating the financial gap of £41.996m set out in this report.
- 11.5 In recognition of the increasingly challenging financial environment, in January 2017 Cabinet approved the establishment of a Business Risk Reserve to provide a safety net against the risk of non-delivery of savings and/or over optimism with funding assumptions. The balance on this Reserve stands at £16.627m and may be utilised to support the delivery of savings and manage short term pressures subject to the reprioritisation of commitments against it. In addition, the uncommitted balance on the Corporate Risk Budget (formerly corporate provisions) within the base budget stands at £4.500m and is available to manage the overall budget position. The Corporate Contingency budget of £2m remains uncommitted. Current planning assumptions are for it to reduce to £1m from 2018/19 but this will be kept under review. These sums are within the management control of the Chief Finance Officer and are available to be deployed as required at an appropriate stage after Service Directorates have exhausted all other measures to manage within their approved budgets whilst meeting statutory requirements.

Government Legislation

- 11.6 Following the General Election on 8 June 2017, the new Government is in place but uncertainties remain around future policy direction and the impact this will have on the local authority finances.
- 11.7 In the 2016 Budget and Autumn Statement, Government announced a further £3.5bn of additional spending cuts and at this stage it is unclear if the new Government will continue with those cuts and if they do, what the impact will be on Local Government generally and specifically Havering.
- 11.8 The Queen's Speech on the 21 June 2017 set out the legislative programme for the Government. As expected the main focus was around Brexit but there were a number of announcements directly impacting on Local Government, including:
- Bringing forward proposals for consultation that will set out options to improve the adult social care system and to put it on a more secure financial footing (see also section 6); and
 - Current arrangements for schools which will be subject to review.

There are a number of plans which were not highlighted - the removal of free school meals and the expansion of Grammar schools which it is assumed have been put on hold.

- 11.9 The biggest risk for local government is that the Queen's Speech did not include a revived Local Government Finance Bill which had been progressing through Parliament until the General Election was called. Amongst other things, this Bill provided the legislative framework for the introduction of 100% Business Rates Retention and the Fair Funding review. Consequently, there are a number of outstanding questions for business rates retention and the wider reform of local government funding which presents uncertainty for local authorities in developing their financial plans. Further updates will be reported to Members as new information becomes available (see section 5).

Brexit

- 11.10 On 23 June 2016, the UK voted to leave the EU. This has created volatility in economic conditions over the last 12 months albeit to a lesser extent than originally anticipated. Negotiations on the UK's plan to leave the EU have started and at this stage the impact on Local Government finances remains unclear. Particular areas of risk include restrictions on workers access and the reaction of the financial markets which may impact interest rates, inflation and the exchange rate – all of which influence the Council's income levels and costs.

Planning Decisions impact on New Homes Bonus

- 11.11 The proposed changes to the rules governing future New Homes Bonus will have potential financial implications for the approach adopted by the Council's Planning Committee. NHB will only be payable where the local authority grants planning permission directly and this isn't a result of a successful appeal. Therefore it will be important for the Planning

Committee to ensure the continued robustness of its planning decisions to avoid unnecessary reductions in this funding stream. (see section 6)

Implications of a future recession

- 11.12 In normal circumstances, an economic upturn is followed by an economic downturn. The UK has been experiencing growth over a number of years but the outcome of the EU referendum, the recent General Election and the further risk of austerity has created uncertainty in economic conditions and the prospect of a recession over the next three years is possible. This would have an adverse impact on council tax income, business rate income, service expenditure and income from fees and charges. The higher the proportion of business rates, council tax and fees and charges is of total Council, income the greater the potential risk to financial stability. The use of reserves (particularly the Business Risk Reserve) during such a volatile period may need to be considered alongside potential reduction in services as further restraint on expenditure would also be required.

Expenditure and Income assumptions

- 11.13 The current projections of expenditure and funding set out in the detail of this report are based upon key assumptions summarised in section 1. Whilst the forecast is based upon the best information currently available it is important to recognise that the strategic, operational and financial environment in which the Council operates is complex and assumptions will need to be reviewed and revised as appropriate when new information becomes available.

Staffing

- 11.14 London and the South East has high levels of employment and quality staff are hard to find. There is strong competition amongst public service bodies for quality people and new organisations are also entering the market. Competition exists across most professional roles and is particularly strong for roles such as social worker, planners and building control, finance and legal professionals. In a changing environment the Council must ensure recruitment and retention of the right people with the right skills, knowledge and experience to deliver its corporate priorities.

Pension Fund

- 11.15 The Pension Fund last actuarial review was completed in 2016/17. The investment strategy has been agreed by the Pension Fund Committee. However, there is the risk that the level of deficit recovery isn't sufficient therefore at the next actuarial review in 2019/20 may see an increase in the employers pension rate.

12 New Budget Proposals

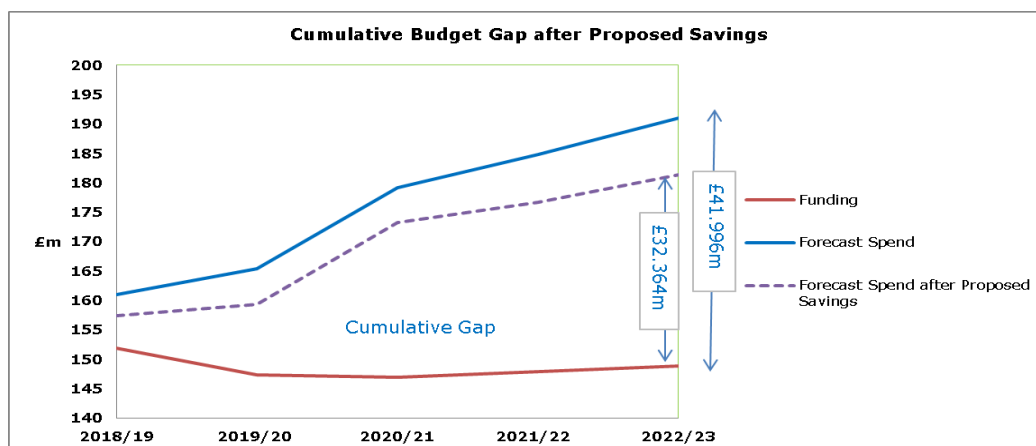
12.1 SLT have been working over the course of the year to develop a range of budget proposals for consideration and approval by Cabinet to balance the 2018/19 budget and lay plans for achieving financial balance over the medium term that will be considered more fully by the new Administration post May 2018. This work has also included a review of financial performance to identify the opportunity to re-base budgets to align with actual income and expenditure levels.

12.2 Table 19 below sets out the progress made to date in developing proposals to close the budget gap.

Table 19 Proposals to Close the Budget Gap	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	5 Year Plan
Budget gap	9.148	8.848	14.177	4.657	5.166	41.996
Savings proposals total	(1.568)	(2.501)	(1.839)	(2.134)	(1.589)	(9.632)
Application of the iBCF	(1.986)	(1.936)	0.00	0.00	0.00	(3.922)
Non-recurrent iBCF	0.000	1.986	1.936	0.000	0.000	3.922
Remaining gap	5.594	6.396	14.274	2.524	3.577	32.364

12.3 Figure 3 below illustrates the forecast cumulative budget gap over the 5 year period to 2022/23:

Figure 3 - Cumulative Budget Gap after proposed savings



12.4 The budget proposals in this report contribute gross savings of £9.632m over the 5 year planning period, including £1.568m in 2018/19. Non-recurrent iBCF of £1.986m is applied in 2018/19 and £1.936m in 2019/20. This is assumed to drop out of the base budget in 2020/21 and will be reviewed in light of future Government announcements on adult social care funding.

12.5 Budget proposals are summarised by directorate in Table 20 and by type of saving in Table 21. A number of invest to save proposals require investment of capital and/or revenue resources which are assumed to come from the £5m Efficiency Budget within the Capital Programme or the Transformation Reserve. A summary of proposals by directorate is set out in Appendix 2.

Table 20 - Savings Proposal by Directorate

Directorate	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Neighbourhoods	(0.350)	(0.450)	(0.500)	0.000	0.000	(1.300)
Chief Operating Officer	(0.149)	(0.019)	0.000	0.000	0.000	(0.168)
oneSource	(0.194)	(0.164)	(0.064)	(0.279)	(0.214)	(0.916)
Adult Services	(0.225)	(1.443)	(0.850)	(1.150)	(1.000)	(4.668)
Children's Services	(0.650)	(0.425)	(0.425)	(0.705)	(0.375)	(2.580)
Total	(1.568)	(2.501)	(1.839)	(2.134)	(1.589)	(9.632)

Table 21 - Savings Proposal by Type

Type of Proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m
Savings	(1.568)	(2.012)	(1.350)	(1.150)	(1.000)	(7.081)
Invest to Save	0.000	(0.489)	(0.489)	(0.984)	(0.589)	(2.551)
Growth	0.000	0.000	0.000	0.000	0.000	0.000
Total	(1.568)	(2.501)	(1.839)	(2.134)	(1.589)	(9.632)

12.6 The Cabinet is asked to consider and approve the initial budget proposals as summarised in Tables 20 and 21 and Appendix 2.

12.7 Subject to approval, of these proposals, the estimated residual budget gap for 2018/19 is £5.594m. Further detail on these and further proposals will be presented for consideration and approval by Cabinet in December to enable consultation where required and review of all proposals by the Overview and Scrutiny Board in January.

13 Timetable and approach for Budget Setting

13.1 SLT are continuing to work to develop further budget proposals for consideration by Cabinet as follows:

- November Cabinet:
 - consider a range of Economic Development Projects for capital investment to generate long term revenue income returns to feed into December Cabinet
- December Cabinet:
 - update on financial assumptions following the Chancellor of the Exchequer's November Budget.
 - consideration of further detailed budget proposals by officers for savings and income generation.

- Consideration of alternative budget proposals put forward by Members of the Opposition and Scrutiny Board
- consideration and approval of the proposed Capital Programme and impact on Treasury Management Strategy
- January Cabinet:
 - Update on financial assumptions following the Provisional Local Government Finance Settlement
 - Further consideration of measures to balance the budget
- January Scrutiny Board
 - Review and Challenge of Cabinet approved budget proposals
 - Further update on financial assumptions
- February Cabinet
 - Final budget and council tax proposals and results of consultation considered and approved to recommend to Council
 - Final consideration of Capital Programme including Housing Capital Programme and recommendation to Council
 - Final consideration of the Treasury Management Strategy and approved to recommend to Council
 - Consideration and approval of the Housing Revenue Account
- February Council
 - Council Tax Setting Report
 - Consideration and approval of reports recommended by February Cabinet

13.2 Uncertainty around a number of funding streams will continue until the Local Government Finance Provisional Settlement is announced in December and further updates will be brought before Cabinet in January and February 2018 to enable the finalisation of budget proposals including decisions on the level of Council tax increase that will apply for 2018/19.

14 Capital Investment Strategy

14.1 As set out in the budget reports to Cabinet and Council in February, officers within the Capital Asset Management Group (CAMG) are in the process of reviewing the Council's existing Capital Programme and forecast capital resources, within in the context of the priorities set out in the new Corporate Plan. Work is underway to develop a renewed Capital Strategy, Asset Management Plan and Capital Programme that will facilitate and support future investment decisions to deliver improved outcomes to the community.

14.2 It is important to recognise that the internal resources such as capital receipts and revenue contributions that have historically been available to fund capital investment, are becoming increasingly limited. It will therefore be increasingly important that the Council works in partnership with other public and private sector organisations to lever the external funding required in order to realise its vision as well as adopting robust arrangements for prioritisation of future capital investment to deliver the best value for money possible.

- 14.3 The Council has traditionally funded its capital programme for a number of years from internal resources – mainly capital receipts. However, as indicated by the agreement to earmark £100m of capital investment to be funded from prudential borrowing in the 2016/17 Capital Programme, the Council will become increasingly reliant upon borrowing as a source of funding capital investment over the medium term if it is to achieve its ambitions.
- 14.4 There is a direct financial impact upon the General Fund Revenue Budget in relation to all capital expenditure which is funded from borrowing irrespective of the Council's overall Treasury position in terms of managing its overall short and long term cash position and its need to borrow externally, for example from the Public Works Loans Board (PWLB). This is in the form of a charge to the revenue account in respect of capital financing costs which comprise an element to provide for the repayment of loan principal (known as the Minimum Revenue Provision or MRP) plus the interest charges on borrowing. These charges are governed by statutory capital financing regulations by Government and are managed within the CIPFA Prudential Code of Practice which aims to ensure that local authorities make robust and prudent decisions in respect of capital investment and are able to afford to repay the debt and meet the interest charges associated with such investment.
- 14.5 The rules around accounting and financing of capital expenditure are complex and the impact upon the revenue account will vary depending upon the individual circumstances of individual projects and the nature of the investment into the creation or acquisition of physical assets and in relation to investment of equity as a shareholder into companies and joint venture delivery vehicles.
- 14.6 The CAMG is working to develop revised and updated strategies and plans that will be reported to Cabinet through the budget process through to February leading to Council approval of the Capital Programme for 2018/19 and that will underpin the development and delivery of the Capital Programme to 2022/23 as follows:

Capital Strategy

- 14.7 This will include:
- a clear set of objectives and a framework within statutory legislation that proposes new capital expenditure to be evaluated to ensure that all new capital investment of Housing Capital and General Fund Capital is targeted at meeting the pledges and the Council's Priorities
 - A framework within which the Council identifies, programmes and prioritises capital requirements and proposals arising from business plans submitted through a stringent gateway appraisal mechanism comprising of Strategic Outline Cases and Full Business Cases to deliver a number of long term benefits for the Borough;
 - A methodology for considering options for funding capital expenditure to determine an affordable and sustainable funding policy framework,

whilst minimising the ongoing revenue implications of any such investment;

- Assessment and assurance of the overall balance of risk within the strategy on a range of investments over timespan, type of investment and rate of return;
- Arrangements for the management and reporting of capital expenditure including the assessment of project outcomes, budget profiling, deliverability, value for money and security of investment.
- Identification of the financial resources available for capital investment over the MTFS planning period

Asset Management Plan

14.8 The Asset Management Plan will guide the Council in the effective utilisation of resources including its asset base to provide services to the community. Key considerations set out in the plan will be:

- Investment in core assets such as highways, buildings and IT which are essential to the delivery of effective services over the medium to long term. Capital investment in assets will be informed by effective asset management and planning.
- A review of existing assets in terms of suitability for purpose, alternative and future use, and maintenance requirements. The aim will be for the Council to rationalise its asset portfolio and only retain assets that support the delivery of its goals, offer value for money or in some other way are important for community, heritage or other significant social purpose.
- The Council will consider the use of the surplus assets and the generation of future capital receipts which are critical to the councils future capital funding streams

Capital Programme

14.9 A review of the existing approved Capital Programme and its financing is being carried out and this review will form the basis from which Cabinet will be asked to consider the draft 5 year Capital Programme in December. The intention is to develop and deliver a 5 year capital programme that:

- is affordable in terms of revenue implications
- delivers value for money,
- is balanced in terms of financial risk
- is within the capital financing limits of the Prudential Code
- allows forward planning of sustainable investments over the long term.

14.10 The review will also consider improved arrangements for effective management and reporting of the Capital Programme and projects within it over their lifecycle.

Regeneration and Development

- 14.11 In 2016/17, £100m was included in the capital programme for Regeneration and Development schemes to be funded by prudential borrowing subject to approval of robust business cases. A number of potential schemes are in the business case development stage and these will come forward for consideration by Cabinet from November 2017 and will feed into the Capital Programme proposals to be considered in December and the Capital Strategy over the medium term. In addition, a significant development within the Housing Capital Programme is enabling the 12 Estates programme. This is being funded from with the HRA ring-fenced revenue resources.

Financing

- 14.12 With the shift in local authority funding to more a position of self sufficiency it is essential that the Council takes a long term and strategic approach to the allocation and use of the available capital resources. The sustainability of these funding streams and how the council supports its future requirement for capital investment ambitions is a critical consideration in establishing a sustainable long term strategy. Capital Programme decisions will be informed by the impact on the MTFS and the affordability and financial sustainability of individual schemes.
- 14.13 The Council will finance capital expenditure through a combination of:
- Capital Receipts
 - External Funding
 - S106 Contributions / CIL
 - Revenue Contributions to Capital
 - Capital Grants
 - Prudential Borrowing
- 14.14 Each funding stream will be considered in terms of risk and affordability in the short and long term, and in terms of the impact on the general fund and the MTFS. The current and future economic climate has a significant influence on capital funding decisions.
- 14.15 Capital receipts are generated from the disposal of Council assets. The generation of capital receipts is within the control of the Council and depends on releasing assets in a planned way. Planned disposals will be kept under regular review to ensure the timing maximises the potential receipt where market conditions are not favourable.
- 14.16 It is also critical that we plan the funding into the future and have a sustainable approach. Capital expenditure will only be permitted where funding streams have been identified and confirmed as secure via signed Funding Agreements. There will be corporate oversight of the allocation of the available funding streams to ensure the best strategic use of those funds.

IMPLICATIONS & RISKS

Financial Implications and Risks

The financial implications of the Councils MTFS are the subject of this report and are therefore set out in the body of this report.

Legal Implications and Risks

Under S151 of the Local Government Act 1972 a local authority has to make proper arrangements for the administration of its financial affairs.

Under S 28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget.

Human Resource Implications and Risks

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner. All savings proposals or changes to the funding regime that impact on staff numbers, will be managed in accordance with both statutory requirements and the Council's Managing Organisational Change & Redundancy policy and associated guidance

Equalities and Social Inclusion Implications and Risks

Havering has a diverse community made up of many different groups and individuals. The Council values diversity and believes it essential to try to understand the different contributions, perspectives and experience that people from different backgrounds bring to our community.

All proposals will be considered to understand the equalities impact assessment and this will be developed for inclusion in the December report.

BACKGROUND PAPERS

None.

**Budget report 2017/18 - LOCAL GOVERNMENT ACT 2003
ROBUSTNESS OF ESTIMATES, ADEQUACY OF RESERVES AND THE
MANAGEMENT OF RISK**

1. BACKGROUND

- 1.1 Section 25 of the Local Government Act 2003 requires Chief Financial Officers to report to their authorities about the robustness of estimates and the adequacy of reserves when determining their budget and level of council tax. Authorities are required to consider their Chief Financial Officer's report when setting the level of council tax.
- 1.2 Section 26 of the Local Government Act 2003 gives the Secretary of State power to set a minimum level of reserves for which an authority must provide in setting its budget. The minimum would apply to "controlled reserves", as defined in regulations. The intention in defining controlled reserves would be to exclude reserves that are not under the authority's control when setting its call on council tax, for example the balance on the Housing Revenue Account and schools balances. There may also be a case for excluding other types of reserve. Regulations to define controlled reserves would only be made in conjunction with regulations setting a minimum.
- 1.3 It was made clear throughout the Parliamentary consideration of these provisions that section 26 would only be used where there were grounds for serious concern about an authority. The Minister said in the Commons standing committee debate on 30 January 2003: "The provisions are a fall back against the circumstances in which an authority does not act prudently, disregards the advice of its Chief Finance Officer and is heading for serious financial difficulty. Only in such circumstances do we envisage any need for intervention." There is no intention to make permanent or blanket provision for minimum reserves under these provisions.
- 1.4 If the need to apply a minimum to an authority were identified, the minimum would be set after considering the advice of the CFO to the authority and any views expressed by the external auditor. The authority would be consulted on the level to be set.
- 1.5 Any minimum set under section 26 applies to the allowance to be made for reserves in the budget. There is nothing to prevent the reserves being used during the year even if as a result they fell below the minimum. However, if in preparing the following year's budget it was forecast that the current year's reserves would fall below the minimum the CFO would need to report to the authority under section 27.

:

2. REPORT OF THE CHIEF FINANCIAL OFFICER

2.1 The Chief Financial Officer for the London Borough of Havering has provided the following assurance:

The London Borough of Havering prides itself on its record of creating balanced budgets, delivering challenging savings programmes and carefully managing its finances within each financial year. It is this track record which has helped to build the foundations for the 2017/18 budget and will need to continue via the MTFS through to 2019/20.

The confirmation of the four year financial settlement, whilst anticipated, is disappointing. It will result in substantial reductions to Havering's allocation of Government funding. The failure of the funding formula to acknowledge the significant financial pressures associated with rapid population growth particularly in relation to its impact on social care services for children and adults results in significant financial pressures for the Council to manage the delivery of services in the forthcoming years. This is exacerbated by the effects of the 2016/17 settlement introduction of the 'core spending power' calculation, which removes government funding from those authorities which are considered able to raise proportionately more council tax, without regard for the need to spend to meet escalating demand for services. As a consequence, Havering continues to receive lower than the average level of funding for London despite having the highest proportion of older people within its population, which is a key driver of adult social care expenditure.

In light of the substantial savings made in recent years (£38.2m over the period 2014/15 to 2016/17), the challenge in preparing the budget for 2017/18 and the MTFS has been to identify proposals which minimise the impact of budget reductions upon delivering the Council's priority services

However, the future financial position for Havering is very challenging. Whilst the proposal contained within this report will achieve a balanced budget in 2017/18, a gap of £2.895m is forecast in 2018/19 and a further £6.325m in 2019/20. The Council will need to develop further savings and income generation plans during 2017/18 and to consider its future Council Tax strategy as part of developing the 2018/19 Medium Term Financial Strategy within the context of further pressures and funding opportunities that may arise during 2017/18.

Consequently, while I have assessed the proposals contained in this report for 2017/18 as robust, with a sufficient safety net for any savings that are ultimately non-deliverable, it is clear that further proposals for the MTFS will need to be developed to enable the s151 officer to sign off the budget as robust in future years.

All of the above comments are made in the context of a planning assumption that the Council will agree to a Council Tax increase of 3.95% including an Adult Social Care precept of 2% in 2017/18.

The budget reinforces the need for on-going robust financial management, strict budgetary control and the on-going monitoring of savings delivery plans with effective processes in place to promote these.

In assessing the robustness of estimates, I have drawn on the advice of service chief officers that the proposals presented for 2017/18 can be delivered within the available resources envelope.

In January, Cabinet approved my recommendation to establish a Business Risk Reserve with effect from 1 April 2017, into which the estimated underspend of £5.4m on the corporate risk budgets will be transferred as part of accounts closure. The Business Risk Reserve will provide a safety net against the risk of non-delivery of savings and/or over optimism with funding assumptions within 2017/18.

The projected levels of earmarked reserves as referred to in section 3 below have been established to meet planned projects or budgetary pressures and are considered adequate at this time. The sums earmarked for these purposes were agreed as part of the annual approval of accounts process and the use and application of those reserves are reviewed quarterly as part of the budget monitoring process. The General Fund Balance stood at £11.75m at 31 March 2016 and it is recommended that it be retained at this level.

In addition, the inclusion of a Corporate Risk Budget of £8.9m within the base budget for 2017/18 will further support the management of budgetary pressures through 2017/18. It should be noted that prior commitments of £5m have been made against this budget thereby protecting services from further budgetary reductions. The Corporate Risk Budget is forecast to reduce to approximately £3m by 2018/19 and therefore it will become more difficult for the Council to respond in a similar manner to future adverse financial pressures.

The Corporate Contingency budget remains at £2m which is adequate for the risks that it is expected to cover. Whilst it is currently planned to reduce to £1m in 2018/19, this will be kept under review during 2017/18 and in preparing the 2018/19 Strategy.

The budget does not provide specific funding for any unforeseeable, extraordinary items of major expenditure, for example, the implications of flooding. If such an event were to occur, it would need to be funding from the existing general reserves and balances, if the general contingency were exhausted.

Against such a challenging financial background, it will therefore be crucial that reserves, both general and earmarked, continue to be managed in the medium term in a way that gives due regard to the need to set a legally balanced budget.

Debbie Middleton BA(Hons), CPFA
Section 151 Officer

3 ROBUSTNESS OF ESTIMATES, RESERVES AND BALANCES

- 3.1 The budget has been prepared using the three year Financial Strategy agreed by Cabinet in September 2016 as its starting point. This Strategy has been developed through:
- The revenue and capital budget strategy statements, which are included as part of this report;
 - The forecast position as set out in the Cabinet report of January 2017 and February 2017 and the proposals set out in those reports;
 - The outcome and forecast impact on the Council of the Local Government Financial settlement as reported to Cabinet in January 2017;
 - A variety of announcements concerning the new funding system;
 - The Autumn Budget Statement 2016.

- 3.2 As the development of the budget for 2017/18 has progressed, the position has been the subject to review and challenge with Heads of Service, SLT, the Leader of the Council, Cabinet Members and the Lead Member for Financial Management. Due consideration has been given to the over-arching strategy above along with the delivery of corporate priorities in undertaking these reviews and this is reflected in the detailed budget proposals.

Budget proposals have been developed within the context of current and future service plans. Furthermore:

- a) the Council has reviewed its pressures alongside those identified by the LGA and London Councils to provide a cross check/challenge;
 - b) In respect of savings, the proposals have been risk assessed against an agreed set of criteria which will ultimately inform in-year monitoring;
 - c) A review of legislation takes place on an ongoing basis as part of the budget development process to assess possible implications;
 - d) Financial modelling related to the new funding system and its impact on Havering's budget has been under periodic review and refinement, especially in light of the Autumn Budget Statement and the Provisional Local Government Financial Settlement announcements.
- 3.3 At a more detailed level, budgets have been built having due regard to:
- Staffing changes incorporating proposed restructures;
 - Inflation;
 - Contractual commitments
 - Existing budgets;
 - The proposals for budget adjustments and savings;
 - The impact of changes to specific grants.
- 3.4 The budget includes a contingency that will provide a reasonable level for unforeseen issues that could arise during the year. This has had due regard to a risk assessment. Further information on the basis of this is set out later in this statement.
- 3.5 A review of the 2016/17 significant budget variances has taken place to assess any impact on the 2017/18 budget outside of the proposals in order to:

- (a) Ensure action plans are in place where a possible adverse variance could occur;
 - (b) Ensure use of any possible additional favourable variance is considered in the context of the overall strategy;
 - (c) Inform the risk assessment of contingency and reserves.
- 3.6 The proposed budget provides a foundation from which to develop the financial strategy over the period to 2019/20 and work will continue during 2017.

4. THE ADEQUACY OF ESTIMATES, RESERVES AND BALANCES

- 4.1 As set out in section 1, local authorities are required to maintain adequate balances to deal with unforeseen demands upon financial resources. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although a view can be sought from the external auditors it is not their responsibility to prescribe or recommend the appropriate level. In setting the level, the Authority should take into consideration the advice of their Chief Finance Officer (CFO), taking into account all local relevant circumstances.
- 4.2 The Strategy agreed by Council in July 2009 set out that the minimum level for of the General Fund Balance will be £10m. This Strategy has been maintained since that time. The General Fund Balance stood at £11.750m at 31 March 2016. An annual review of the balance has taken place as part of the budget setting process. The risk assessment is attached at Annex 1 and the CFO's advice is that the minimum level of reserves. Given the increasingly uncertain financial climate and financial pressures, it is recommended that the minimum General Fund Balance requirement should remain at its current level of £11.75m which represents 7.2% of the Council's net 2017/18 budget including levies.
- 4.3 After taking account of the most recent projection in the current year and more significantly the outcome of the Local Government Financial Settlement, it is anticipated that the Council's general reserves will remain at £11.75m as at 31 March 2017.
- 4.4 Members will be aware that the working balances provide protection against unforeseen events that could impact on the authority. Reserves must be used carefully and can be used only once. As reflected in the revenue budget strategy, the Council will not utilise General Fund Balances to subsidise its budget or suppress council tax increases. Further it 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 financially sustainable nor prudent. It may, in exceptional circumstances, utilise appropriate specified or earmarked reserves to bridge short term forecast budget shortfalls to facilitate delivery and implementation of projects and service initiatives that will generate additional income or reduce on-going expenditure to achieve a balanced budget. Approval of decisions to utilise reserves in this manner will require the approval of a robust business case including implementation plan.
- 4.5 The Council maintains a number of earmarked funds for specific purposes and their use is planned and approved for these purposes. Often they are used to

comply with accounting policies, manage arrangements across financial years, or to fund known future commitments. The most significant are for the following:

- (a) Insurance Reserve (6.9m), which is part of the Insurance Self-Funding Arrangement to meet future liabilities incurred but not yet claimed.
- (b) Strategic Reserve to support corporate transformation (£27.6m) – these funds are earmarked for the various transformation programmes across the Council – as well as priority projects and bridge funding for schemes such as the Property Strategy and the Leisure contract cash flow.

The sums established within earmarked reserves were agreed by SLT as at 1st April 2016 and were fully allocated to projects or liabilities. The balances will be reviewed again as at 31 March 2017.

- 4.6 Other reserves continue to be expended/ planned in accordance with their specific approved purpose. A review has taken place of these as part of the budget finalisation.
- 4.7 The working balances of the HRA are also subject to a risk assessment; this will be included in the report to Cabinet on the HRA budget for 2017/18.

5. OPPORTUNITY COST OF RESERVES

- 5.1 Holding general reserves to meet unexpected events or emergencies is a necessary requirement. However, there are opportunity costs and benefits of holding cash balances, which can be measured in different ways, depending on what these resources were alternatively to be used for. For example, holding cash gives a financial benefit in contrast to using the cash to fund capital expenditure. The financial benefit would be the difference between the investment return and the total borrowing cost. At the current time due to low interest rates, these are in fact broadly neutral. However, a cost of around 4% will be incurred in respect of a requirement make revenue provision to repay debt.
- 5.2 On this basis, for every £1m of cash held, the purely financial benefit could be deemed to be £0.040m per annum or approximately £0.400m per year for balances of £10 million. This is dependent on prevailing money market conditions, which in the current economic climate can fluctuate significantly. Using the balances to repay debt earlier would not achieve a matching saving given the costs around early redemption and the similarity in short-term lending rates and long-term borrowing rates. For information, £1m equates very approximately to 1% on the level of Band D Council Tax.
- 5.3 If, however, this is considered in the context of using these balances to fund one off expenditure, then the opportunity cost is the improvements that would accrue from that expenditure. This might for example be improvements in services, increased performance or some other measure and would be assessed via a business case. Such items have been considered by officers during the course of developing the MTFs, but these have not generally been included within the final proposals or the detailed budget given the broad financial constraints within which Havering is operating.

- 5.4 Should these items be included within the budget, they would obviously provide a basis for additional and/or improve services; with the need to appreciate that reserves exist for various reasons, and once expended, either have to be replenished, or the funding terminated. This is the opportunity that is being potentially foregone by holding general reserves. However this is only relevant to the extent that such proposals align to Council's priorities and Medium Term Financial Strategy.
- 5.5 It is important that in considering the level of working balances that the issue of the opportunity costs and benefits of such an approach is also considered and that Members weigh up the potential benefits against the risks. The other important factor in making this judgement is to consider is that balances can as indicated only be spent once, and can realistically only be used to support one off expenditure, or to allow time for management action to be implemented to address ongoing expenditure requirements.
- 5.6 As stated above, the use of significant levels of balances to fund ongoing spending or reductions in Council Tax can pose material financial risks, especially given that the Council's ability to generate funds to replenish reserves through Council Tax is severely restricted by the Council Tax capping regime. Hence the level of reserves held overall requires a balance to be struck between the opportunity cost of holding balances against the unknown risks facing the Council and the need to safeguard the provision of local services if such risk were to crystallise.

6. REVIEW OF RESERVES AND CONTINGENCY

- 6.1 The assessment of the sums required for reserves and contingency purposes is reviewed regularly, taking into account the various risks facing the Council, the level of risk, the actions taken to mitigate risk, and the financial assessment of the risk. The review include consideration of the Corporate Risk Register, with the objective of ensuring that all such risks having a potential financial impact are covered in the reserves and contingency assessment.
- 6.2 The outcome of this review is set out in Annex 1 to this Appendix. This shows each risk and the detail associated with it, and includes a cross-reference to the Corporate Risk Register. Each risk is evaluated in term and a financial assessment is made of the potential costs arising and the degree of likelihood, which in turn drives the sum for which provision is being made.
- 6.3 The Corporate Risk Register is kept under review by the Senior Leadership Team, so any changes are then reflected when the reserves and contingency assessment is updated.

RISK ASSESSMENT FOR GENERAL BALANCE / CONTINGENCY 2017/18
REVIEWED AT 20 JANUARY 2017

Risk (incl Corporate Risk Register item)	Risk Owner	Risk Description	Assessment of Risk (counter measures in place)	Contingency		General Balance	
				Value of Assessment £000	Value Having Regard to Risk £000	Value of Assessment £000	Value Having Regard to Risk £000
1. Failure to Balance the MTFS over the period to 2019/20 CR4Failure to deliver a balanced budget	S151 SLT	4 year financial settlement includes a significant reduction in grant funding over the four year cycle to 2019/20. The impact has not yet addressed as part of MTFS development. A gap of £9.2m exists in the MTFS over 2018/19 and 2019/20 and represents a financial risk to the Council.	Medium to High			9,200	9,200
2. Failure to achieve in year budget balance in year overspending CR4Failure to deliver a balanced budget	S151 SLT	Mitigating action plans have been presented which to cover £7m overspend in 2016/17 (as reported to January Cabinet). If these are not brought into line it will place further risk on budget strategy. The Business Risk Reserve will provide a buffer of £5.5m approx. Latest forecast projections suggest that pressures may be closer to £7.5 m leaving a risk exposure of £2m	Medium	7,500	2,000		
3. Impact of changes in homelessness legislation CR4Failure to deliver a balanced budget	Director of Housing	The amount of Housing Benefit we claim for a unit of temporary accommodation has a £40 per week element called a management fee. This pays for managing the property, and the cost of managing the individual. That is ceasing from April 2017. In its place there will be a transitional lump sum payment and we are due to be notified in a letter by DCLG in January £0.5m provided for within Corporate Risk Budget although overall costs could be £1m to £2m	High			1,500	1,500
4. Reduction in ESG CR4Failure to deliver a balanced budget	Director of Children's Services	Reduction in ESG funding will require savings in 2016/17 and beyond. There is a gap of £0.7m to be found. There is a long term pressure of £0.2m which could potentially increase if short term measures are not converted into longer term savings.				700	700

Risk (incl Corporate Risk Register item)	Risk Owner	Risk Description	Assess- ment of Risk (counter measures in place)	Contingency		General Balance	
				Value of Assess- ment £000	Value Having Regard to Risk £000	Value of Assess- ment £000	Value Having Regard to Risk £000
5. Apprenticeship levy implementation CR4Failure to deliver a balanced budget	SLT	Cost of apprenticeship levy is factored into the MTFS although current estimates suggest that there is an under-provision of £0.250m.					250
ASSESSMENT HAVING REGARD TO RISK LIKELIHOOD – MINIMUM LEVEL REQUIRED			Overall Medium Risk	7,500	2,000	11,650	11,650

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HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY															
Ref No.	Directorate	Specific Service Area	Type of Proposal:	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m	FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts
			S - Savings I - Invest to Save G - Growth												
NEI 3	Neighbourhoods	Public Realm	S	Review Cleansing and Grounds Maintenance to drive efficiencies	Public Realm services are under review and using best practice gained from other Local Authorities and the private sector will be redesigned to reduce operational costs whilst maintaining or improving service standards. The process will involve reviewing operational resources including staff, vehicles and plant.	(0.100)	(0.450)	0.000	0.000	0.000	(0.550)	171.0	234.0	37.1	40.0
NEI8	Neighbourhoods	Public Realm	S	Outsourcing of Public Realm Services	Following the efficiency saving review (NEI3), it is proposed that a market testing exercise is carried out with the objective of externalisation which officers believe could save up to £0.5m a year through the private sectors ability to procure fleet and plant directly with the manufacturer thus realising savings and local overhead savings.			(0.500)	0.000	0.000	(0.500)	171	234	9.3	40
NEI11	Neighbourhoods	Public Realm	S	Yellow box junctions.	Introducing the Moving Traffic Contravention enforcement of yellow box junctions.	(0.250)					(0.250)				
					Total Neighbourhoods Directorate	(0.350)	(0.450)	(0.500)	0.000	0.000	(1.300)	342.0	468.0	46.4	80.0
COO7	COO	Communications	S	Christmas trees and lighting	Seek to secure external funding and sponsorship for Christmas trees and lights.	(0.091)	0.000	0.000	0.000	0.000	(0.091)				
COO8	COO	Communications	S	Havering Show	Increasing Revenue to fund the Havering Show	(0.040)	0.000	0.000	0.000	0.000	(0.040)				
COO9	COO	Communications	S	Living in Havering Magazine	This proposal would phase out the production of Living In Havering magazine in printed format over a two year period, saving the base budget £0.037m per year. Living in Havering would be produced more frequently as an electronic bulletin and distributed via email. The Council already successfully produces e-newsletters and has a distribution data base of 135,000 subscribers.	(0.018)	(0.019)	0.000	0.000	0.000	(0.037)				
					Total Chief Operating Officer Directorate	(0.149)	(0.019)	0.000	0.000	0.000	(0.168)	0.0	0.0	0.0	0.0
ONE1	oneSource	IT	S	Wireless and mobile infrastructure	Leasing of council assets to communications providers to use to support wireless and mobile infrastructure. The first example is that the market will be asked to bid for the opportunity to rent street furniture e.g. lampposts to create a public Wi-Fi network via a mini-tender from an existing framework. Other projects will need to follow to reach this target.	(0.050)	(0.100)				(0.150)				
ONE2	oneSource	Crosscutting	S	Mail room Transformation	A review of systems and processes for handling incoming and outgoing post together with potential externalisation of some activities. resulting in reduction of internal staff, posting, printing and scanning costs.	(0.145)					(0.145)	17		4.0	0
ONE4	oneSource	Crosscutting	I2S	Sale of oneSource services	oneSource is currently working with Red Quadrant to establish if there is a business case for moving into a separate trading entity, however the business is case is considering the current model and six other delivery models. Regardless of whether oneSource does this, the oneSource Management Team are focussed at developing the external client base in order to generate further income which will be distributed to the three Partner Councils. Red Quadrant are helping oneSource establish if this could go further if it was a separate trading entity. The growth represents investment that will be required by the Council to transition oneSource into a wholly owned subsidiary which is followed by subsequent potential increased income levels. However, these are broad estimates and can not be confirmed until the business case has been completed and the direction of travel has been agreed by the three Partner Councils.	0.139	(0.064)	(0.064)	(0.279)	(0.214)	(0.482)				
ONE4a	Corporate	Transformation	I2S	Sale of oneSource services	Implementation cost to be funded from Transformation reserves.	(0.139)					(0.139)				
					Total One Source Directorate	(0.194)	(0.164)	(0.064)	(0.279)	(0.214)	(0.916)	17.0	0.0	4.0	-
AS5	Adult Services	Learning Disabilities commissioning	S	Improved market management	Through the recommissioning of existing contracts, especially residential care and block contracts for LD clients - increased focus on Outcome based models, expansion of Direct Payments and sourcing more Community based provision. Additional opportunities from an Integrated Commissioning model being proposed by the JCU, whereby savings can be generated from a single provider delivering support on behalf of multiple agencies.		(1.000)	(0.100)	(0.100)	(0.100)	(1.300)				
AS6	Adult Services	Community Team commissioning	S	Front door changes	Prevention Strategy to manage the extent initial contact results in actual care provision rather than achieve staffing savings. Aim is to offer alternative solutions including information and advice, referral to other Council commissioned services at initial contact for those able to self manage but without the adequate knowledge or information on how to best achieve /maintain their own wellbeing effectively.		0.000	(0.200)	0.000	0.000	(0.200)				
AS8	Adult Services	Disabilities	S	Day Care Services Review	Reviewing current day opportunities to achieve efficiencies		(0.043)	(0.100)			(0.143)				
AS10	Adult Services	Community Team commissioning	S	Intermediate care tier, including Discharge to Assess	Empirical evidence from nationwide research suggest substantial benefits from discharging people into the community to be looked after improves their recovery and wellbeing, whilst also reducing their need for ongoing care/support.	(0.125)	(0.250)	(0.250)	(0.250)	(0.250)	(1.125)				
AS11 & AS12	Adult Services	Community Team commissioning	S	Managed Transitions from Children Social Care into Adults	Reduced demand through work of Preparing for Adulthood, also work on existing cases to review provision, consider extent cases can be jointly funded and wherever possible relocate out of borough provision into future supported living / Extra-care schemes within the borough	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.500)				

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY															
Ref No.	Directorate	Specific Service Area	Type of Proposal:	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m				
			S - Savings I - Invest to Save G - Growth									FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts
AS13	Adult Services	Learning Disabilities commissioning	S	Move clients in Out of borough Residential Homes into In borough supported living schemes	Working with Housing and Regeneration colleagues to identify needs around developing Supported Living Schemes within the borough - there were approx. 73 LD clients in out borough Residential Homes costing £4.4m in 16/17				(0.500)	(0.500)	(1.000)				
AS14	Adult Services	Mental health commissioning	S	Improved market management	Targeted Management of local care market, aim to work more collaboratively around outcomes for clients and opportunities for greater shared procurement in conjunction with Health. Setting achievable targets around step down and move on.		(0.050)	(0.050)	(0.050)	(0.050)	(0.200)				
AS15	Adult Services	Staffing	S	New System implementation	More efficient working due to new case Management Syste. The potential FTE reduction is an estimate at this stage. However, if there is a requirement to reduced the number of FTE’s, this will be sourced from existing vacancies limiting the direct impact on staff.			(0.050)	(0.150)		(0.200)	31	39	5.0	7
					Total Adults Directorate	(0.225)	(1.443)	(0.850)	(1.150)	(1.000)	(4.668)	31.0	39.0	5.0	7.0
CH2	Children's Services	Business Support	S	Revised delivery model for the Business Support Service	A review and restructure of the service will take place. The review will determine what the primary business support needs are for the Social Care service. This will lead to a range of delivery models developed, with an appropriate model selected for consultation. A reduction in headcount will achieve the identified savings. Consultation will commence as soon as possible after October Cabinet with a view to full implementation by 1 April 2018. The saving achieves a reduction in the cost base by 2018-19 which is then sustained in future years.	(0.300)	0.000	0.000	-	-	(0.300)	61	69	9.0	5
CH3	Children's Services	Social Care	S	Revised delivery model for intervention support service.	The saving will be achieved by reviewing the Family Support element within the service. Analysis shows that the functions are no longer required due to a duplication with Early Help and do not deliver value for money. Posts will be deleted, contributing to the MTFs saving. Reduced agency costs and the deletion of any existing vacancies will contribute to the identified saving. Consultation will commence as soon as possible after October Cabinet with a view to full implementation by 1 April 2018. The saving achieves a reduction in the cost base by 2018-19 which is sustained in future years.	(0.300)	0.000	-	-	-	(0.300)	84	85	8.0	2
CH5	Children's Services	Placements	I2S	Creation of additional In borough placements for Looked After Children	There is scope to improve the offer that we make for looked after children to ensure we can provide suitable accommodation in borough where appropriate. This business case proposes that the council considers building and/ or using any current facilities that are available and meet requirements. With the benefit of having purpose built in borough provision the council will have the flexibility to tender out the required support care. The support care could be tendered either as a stand-alone single borough or as part of the sub-region residential care project. The savings potential (caveated by assumptions of possible costs, ongoing increasing demand and constraints around comparator information) is circa £250k pa based upon a 6 bed residential facility. A key assumption is that the new facility will be a transitional stage in the move away from residential care, and that throughput of occupants should occur on an annual basis. The ambition is, over the course of four years, to see a significant reduction in the population in residential care and a reduction in the cost base of £1m. Further detailed work will be required on costings but an indicative model is as follows. The estimated saving is based on the cost of 6 high cost placements less the assumed running costs of the new facility.This generates an estimated saving of £250,000 in the first year of operation. In the second year, the initial cohort of children and young people are able to move out of residential care into family-based settings sustaining the cost saving for this cohort. This saving is subject to the preparation and approval of a business case to secure the required capital investment from the £5m invest to save capital budget.		(0.250)	(0.250)	(0.250)	(0.250)	(1.000)				
CH6	Children's Services	Innovation	I2S	Scale and spread of Pathways Innovation Programme in Children's Social Care	By placing children closer to home, using specialist foster carers, we are less reliant on residential placements and independent fostering agencies. The difference in costs between residential and a specialist in-house carer, is circa £2,250 per week. We can save money by placing children who are currently in high cost placements, and bringing them into in-house provision. The intention would be to keep children in a specialist fostering placement for 6 month, the turnover allows for more children to be supported but subsequently increases the savings potential. Foster carers will need to be recruited and also existing foster carers 'converted' to enhanced foster carers. They will receive support from qualified practitioners so they have the necessary support to maintain resilience and the best pathway to succeed.		(0.175)	(0.175)	(0.125)	(0.125)	(0.600)				

HAVERING 2018/19 REVENUE BUDGET PROPOSALS SUMMARY															
Ref No.	Directorate	Specific Service Area	Type of Proposal:	Proposal Title	Proposal Description	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	Total £m				
			S - Savings I - Invest to Save G - Growth									FTEs in service	Headcount in service	FTEs Reduction	Currently Vacant posts
CH8	Children's Services	Social Care	I2S	Invest to save proposal to build local SEND care provision	<p>We need local overnight short breaks provision, its part of the need to support families with children with ever increasing complex and challenging needs. This will complement our new special free school.</p> <p>With these 2 provisions in place we will be able to maintain children at home and avoid out of borough expensive school placements and family breakdown which are the 2 reasons we send children to expensive residential schools.</p> <p>There is a current lack of provision in this area and we pay very high rates, despite a new provider providing more competitive rates, there is still a significant pressure.</p> <p>A 6 bed residential home for children with moderate to severe disabilities with or without challenging behaviours, would also be of benefit, as we have a number of children with disabilities who end up in care and we find it difficult to find local foster carers, they end up going out of borough, leaving local schools, making the whole process more disruptive for children. This ultimately significantly raises costs for Havering.</p> <p>Building new provision will require capital investment but early analysis shows long-term revenue savings.</p> <p>A range of assumptions on building/running costs and comparator data have been made in order to calculate potential savings. The highest cost placements can cost Havering £250k per year.</p> <p>This saving is subject to preparation and approval of a business case to secure the required capital investment from the £5m invest to save capital budget.</p>				(0.330)		(0.330)				
CH9	Children's Services	Social Care	S	Charging model for children accommodated under Section 20 of the Children's Act 1989.	<p>This policy is aimed at operating in partnership with parents and legal guardians to promote best outcomes for children in care under Section 20 arrangements and further ensure that where possible parents and legal guardians financially contribute towards the care of their child. The policy is not intended to leave families in financial hardship as a financial assessment will be undertaken. However, parental responsibility for any child in care should, where feasible, encompass some financial contribution.</p> <p>Whilst the introduction of the Policy may generate some income towards maintenance costs, the main purpose of the proposal is to act as an alert to parents of the cost of the service they are requesting and allow them to reconsider other forms of family support that provides alternatives to care.</p>	(0.050)	0.000	0.000	0.000	0.000	(0.050)				
Total Children Services Directorate						(0.650)	(0.425)	(0.425)	(0.705)	(0.375)	(2.580)	145.0	154.0	17.0	7.0
GRAND TOTAL						(1.568)	(2.501)	(1.839)	(2.134)	(1.589)	(9.632)	535.0	661.0	72.4	94.0

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CABINET

Subject Heading:

Private Rented Houses in Multiple Occupation Landlord Licensing Designation, implementation and enforcement

Cabinet Member:

Councillor Damian White

SLT Lead:

Steve Moore

Report Author and contact details:

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Policy context:

Following the decision taken at Cabinet in January, 2017 (Consultation on Proposed Licensing Schemes for HMOs and Other Private Rented Housing Sector), Cabinet will be asked to give approval to the proposed additional Licensing Scheme

Financial summary:

The estimated costs of operating a self-funding Additional scheme over five year duration has been costed out

Is this a Key Decision?

Yes - Significant effect on two or more Wards

When should this matter be reviewed?

March 19

Reviewing OSC:

Towns and Communities

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

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

[x]
[x]
[]
[]

SUMMARY

This report seeks approval from members for the introduction and operation of an additional (HMO) private landlord licensing scheme. The results of the consultation on the introduction of a licensing scheme for privately rented houses in multiple occupation (HMO) are also presented. The public consultation and the evidence collated support the case that there is a significant proportion of these smaller HMO's in the proposed area which are being poorly managed as to give rise to one or more particular problems, either for those occupying the HMO's or for members of the public e.g. poor housing conditions and/or anti-social behaviour (ASB).

Approval from members is therefore sought to introduce an additional (HMO) licensing scheme covering the 12 wards in which this is a problem.

The recommendation is to introduce an additional licensing scheme covering the following 12 wards; Brooklands, Mawneys, Elm Park, Pettits, Gooshays, Rainham & Wennington, Harold Wood, Romford Town, Havering Park, South Hornchurch, Heaton, Squirrels Heath. This will require all privately rented houses in multiple occupation in these wards to have a licence from the Council. It is estimated that up to 800 properties may require a licence.

This Council believes that the implementation of additional licensing will, alongside other existing and proposed activities, improve management practices in HMO's and reduce the negative impact that poorly-managed shared accommodation in the private rented sector can sometimes have on the local community.

The report also outlines how the Council intends to deliver the scheme. To ensure both the efficient and effective delivery of the scheme and deliver best value to the Council it is intended to award a contract to the London Borough of Newham to deliver parts of the processing and enforcement of the scheme on Havering's behalf. Cabinet approval is sought for the contract with the detail of the contract to be delegated to the Director of Neighbourhoods. The arrangements will be made under the Local Authorities (Goods and Services) Act 1970.

Additionally, Cabinet is asked to adopt the use of all powers to issue, use and enforce civil penalties and all other enforcement powers under the Housing and Planning Act 2016 and delegation of the enforcement powers under the Act and (and subsequent regulations).

The new powers enable local authorities to issue civil penalties for offences where landlords fail to repair, manage or improve their properties when required to do so by the Council. The civil penalties also relate to offences including but not limited to:-failing to licence houses in multiple occupation (HMOs) under parts 2 of the Housing Act 2004, contravention of an overcrowding notice and failing to comply with HMO management regulations.

The use of these new powers will support and complement the proposed additional licensing scheme and can be used throughout the Borough. The civil penalties are

an alternative to prosecution as the penalties can be imposed up to £30,000 and therefore will provide a new deterrent to criminal landlord behaviour.

Attachments to report;

Appendix 1 – Designation

Appendix 2 – Consultation and responses

Appendix 3 – Summary of Evidence

Appendix 4 – Proposed license conditions

Appendix 5 – Proposed fees

Appendix 6 – Equalities Impact Assessment

Appendix 7 – Draft matrix for issue of civil penalties

Full reports on the consultation and evidence will be placed in the Members room

RECOMMENDATIONS

Cabinet is recommended to:

- 1) Consider the representations received in response to the consultation on the additional HMO licensing scheme (as attached at Appendix 2) and agree the additional HMO licensing designation which is attached at Appendix 1.
- 2) Agree to introduce an additional licensing of houses in multiple occupation (HMO's) and to designate an additional licensing area of the district of the London Borough of Havering as delineated and shaded pink on the map at Annex A in Appendix 1 which covers 12 wards in the Borough and to come into force from 1 March 2018 and be of five years duration.
- 3) Agree that the additional HMO licensing scheme shall be cited as the London Borough of Havering Designation for an Area for Additional Licensing of Houses in Multiple Occupation No 1, 2018 and that this additional licensing designation shall come into force on 1 March 2018.
- 4) The scheme shall be publicised as required by regulation before enforcement starts and supplemented with a comprehensive publicity campaign.
- 5) Agree to enter into a contract with the London Borough of Newham for administration of parts of the scheme where beneficial to do so and to waive the Council's Contract Standing Orders and Contract Procedure Rules to the extent necessary to make such award.
- 6) Delegate to the Director of Neighbourhoods in consultation with the lead Cabinet member for housing, the authority to agree minor changes to the proposed implementation and delivery, including administration, fees and

conditions where necessary and ensure that all statutory notifications are carried out in the prescribed manner for the licensing designation.

- 7) Delegate to the Director of Neighbourhoods in consultation with the Deputy Director of Legal and Governance authority to negotiate the contract with Newham (recommendation 5 above) to give effect to these recommendations including authority to negotiate any novation of that agreement to a company owned by Newham.
- 8) Delegate to the Director of Neighbourhoods all powers to issue, use and enforce civil fixed penalties and all other enforcement powers under the Housing and Planning Act 2016.
- 9) Authorise the Director of Neighbourhoods to further delegate the discharge of powers at recommendation 8 above to other Council officers included but not limited to those officers identified in paragraph 7.5 of the report.

REPORT DETAIL

1. Background

- 1.1 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.
- 1.2 The rise in HMOs has correlated to increased complaints of anti-social behaviour from these properties 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.
- 1.3 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 also seen significant growth in the private rented sector. The 2011 Census revealed that the private rented housing sector in Havering had nearly doubled over the last 5

years, and the rapid growth of this sector has continued to grow year on year.

- 1.4 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 (9.6%) were privately-rented.
- 1.5 The latest figures suggest that, in 2016, there were approximately 100,000 dwellings in total, of which 17,037 (17%) are privately-rented, 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 rise in the growth of Houses in Multiple Occupation (HMOs).
- 1.6 Data modelling predicts that there may be up to 1,200 HMOs in Havering which would represent 7% of the borough's total private rented sector. This is significantly higher than the 300 HMOs already known to the council. 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 levels of anti-social behaviour and crime are significantly higher in areas where there is a high concentration of HMOs.
- 1.7 The recommendation is to introduce an additional licensing scheme covering 12 wards; Brooklands, Mawneys, Elm Park, Pettits, Gooshays, Rainham & Wennington, Harold Wood, Romford Town, Havering Park, South Hornchurch, Heaton and Squirrels Heath. This will require all privately rented houses in multiple occupation in these wards to have a license from the Council. It is estimated that up to 800 properties may be required to license.
- 1.8 The introduction of a suitable licensing scheme 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. Through licensing, the Council will know who is responsible for the management of properties that are rented out and who is responsible for dealing with problems associated with the dwelling.

Licensing Objectives

- Improvement in the physical condition, management practices and overall quality of bedsit type accommodation
- Improved protection for vulnerable groups living in HMO's
- 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 HMOs
- Prevention of rogue landlord activity

- Promotion of landlord training and accreditation schemes and support for landlords in dealing with anti-social tenants.
- Education for tenants in their responsibilities to behave in a tenant like manner

2. The Legal Framework

- 2.1 Under Part 2 of the Housing Act 2004 (the Act) all mandatory HMO's in England and Wales must be licensed. These are properties that are three or more storeys high, with five or more persons who form two or more households and contain shared facilities. Under section 56 (1) the Housing Act 2004 a Local Housing Authority has the power to designate the whole or any parts of its area as being subject to Additional Licensing for Houses in Multiple Occupation (HMO's). Generally these are HMO's which are not covered by mandatory licensing such as those which are less than three storeys high, or occupied by fewer than five or more people, in two or more separate households.

The steps a housing authority must take to lawfully designate an area (a whole district or a part) subject to additional licensing are as follows; section 56 (2) of the Housing Act 2004 states the authority must be satisfied there is a significant proportion of those HMO's in the area are being managed sufficiently ineffectively as to give rise to one or more particular problems, either for those occupying the HMO's or for members of the public. This can cover the whole or part of the Borough if there is supporting evidence for a particular local area. In forming this opinion under Section 56 (5) of the Housing Act 2004 the authority must determine whether any codes of practice approved under section 233 of the Housing Act 2004 have been complied with by persons managing HMO's in the proposed area.

- 2.2 The authority must 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). Under Section 57 (4) (2) of the Housing Act 2004 the authority must be satisfied the exercise of power under section 56 is consistent with the overall strategy, and under Section 57 (4) (3) of the Housing Act 2004 the authority must adopt a coordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector as regards combining licensing with other action taken by them or others.
- 2.3 Under section 57 (4) (a) of the Housing Act 2004 the Council must also consider whether other courses of action available to it that might provide an effective method of dealing with the problem or problems in question, or would achieve the same objectives without the need for a designation to be made. Linked to that is under Section 57 (4) (b) of the Housing Act 2004 the requirement that the authority must be satisfied making of the designation will significantly assist with the problem, whether or not it takes any other course of action as well.

- 2.4 The Council and its partners have attempted to resolve the problems associated with poorly managed HMOs and anti-social behaviour using a number of methods but none have been capable of providing an effective widespread solution to the problems experienced. The courses of action already in place or considered are set out in the table below.

Type of action	Description
Landlord Accreditation and engagement	This is a voluntary scheme and has been available for several years. Havering has a low rate of accreditation compared with other London boroughs. The proposed license fee will offer a discount to accredited landlords. Engagement events will be delivered throughout the proposed scheme.
Community Safety partnership	Although powers under the partnership can be effective at addressing problem behaviour of individuals, they are not capable of regulating the management and occupation of HMOs
Part 1 Housing Act	Complaint work only deals with a very small number of properties, many poor conditions are 'hidden' due to tenants not reporting problems with their landlords. The process is also slow and relies on pre-informed inspections.
Enforcement HMO Management Regulations	Powers already being used, however currently relies on tenants reporting problems and reactive visits. General under reporting due to tenants fear of repercussions
Nuisance and noise	Powers under 1990 Act to prosecute offenders are not suitable for addressing the majority of problems associated with HMOs that the Council has identified.
Article 4	Article 4 is in place and can be expected to reduce the number of new HMOs being created in the Borough. However does not help address standards in existing HMOs
Homelessness	The additional licensing designation will provide greater protection for assured shorthold tenants living in unlicensed HMOs and protect against retaliatory evictions.
Empty properties	Empty properties are not a significant issue in the Borough as Havering is not an area of low demand for housing. However where they are identified action is taken to help bring them back into use. Licensing and the use of data management tools will assist in the identification of these properties and targeted action can be taken.

- 2.5 Therefore the reasons the Council proposes to introduce an additional licensing scheme are to:

- Address the significant problems of anti-social behaviour associated with the privately rented HMOs, by making landlords more accountable for the management of their properties and the behaviour of their tenants;
 - Improve the standards of HMO accommodation and prevent overcrowding;
 - Implement an inspection programme to identify premises where action is needed;
 - Address the inequality that exists currently with the mandatory HMO licensing regime by removing the loopholes that enable landlords to avoid licensing altogether.
 - Improve the management practices within HMOs by ensuring only fit and proper landlords or managers are granted licenses and through promoting landlord accreditation.
- 2.6 Under Section 58 of the Housing Act 2004 the designation cannot come into force until the lapse of 3 months after the date it is made. Sections 59 and 60 of the Housing Act and associated regulations set out the notification requirements in that a public notice of a designation must be given within set timescales once it is made. There will also be a further publicity campaign inviting landlords to license and an awareness campaign for residents to report HMOs which might not be licensed.
- 2.7 If the additional HMO licensing designation is approved the authority will review the operation of the licensing scheme from time to time in accordance with Section 60 (3) of The Housing Act 2004. This will be essential to monitor the progress of the scheme and the effectiveness of dealing with rogue landlords. Following a review, the authority may also revoke the designation under section 60 (4) of The Housing Act 2004. However this step will only be taken if it is appropriate and necessary to do so.
- 2.8 It is proposed that an initial review is carried out at the end of the first year of enforcement in March 19 with a further review towards the end of year 4 which will be useful for determining the strategic direction of the scheme in particular if a further one is required.

3. Consultation

- 3.1 Before making a designation under Part 2 (additional licensing) of the Housing Act 2004, the authority must under Section 56 (3) (a) of Housing the Act take all reasonable steps to consult persons who are likely to be affected by the designation, and under Section 56 (3) (b) of the Act consider any representations made in accordance with the consultation and not withdrawn. Since the authority is relying on The Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015 the statutory

consultation under Section 56 (3) (a) of the Housing Act must be for a minimum period of at least ten weeks

- 3.2 In January 2017 an informal consultation was carried out which was effectively a public engagement exercise which gathered general opinions on licensing, proposals for selective and additional HMO licensing schemes and the private rented sector. This was used to inform the basis of the statutory consultation which ran from 19 May 2017 to 28 July 2017.

The outcome from the statutory public consultation was that:

- Over 70% of respondents agreed that HMOs were contributing to the decline in some areas of Havering
 - Litter and rubbish associated with private rented properties was reported as the key issue 58%, followed by neglected and run down properties 60%, nuisance neighbours 53% and noise 51%.
 - 74% supported a 12 ward scheme, 6% a 4 ward scheme and 19% disagree with an additional licensing scheme
 - 71% agreed with the proposed fee level
 - 93% agreed with reduced license sanction for criminal landlords
 - Over 77% agreed with the license conditions
- 3.3 A summary of the consultation report is attached at Appendix 2 this also includes the Council's consideration of responses to the consultation and any changes to the proposals.
- 3.4 Several changes were made to the proposals as a result of comments received these include; amending some wording in the conditions, reducing the Part A fee but increasing the Part B fee which allows more resources for enforcement.
- 3.5 A Members' briefing session was held on 12 September to discuss the proposal and consultation feedback. Members welcomed the introduction of the licensing scheme and emphasised the need for enforcement.

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

- 4.1 The evidence must support the introduction of an Additional licensing scheme. The Council has undertaken a proactive HMO inspection programme of 2-storey and non-licensable HMO's 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 A sample of around 100 two storey HMOs was undertaken. The results illustrated that poorly managed HMOs exist in almost all wards of Havering. Of the properties inspected, only 37% were found to be fully compliant with

legislative requirements relating to property condition and management arrangements. Less than 50% of the HMOs inspected were found to have adequate fire safety provisions and almost one-third were poorly managed.

- 4.3 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. However, when the data is analysed at ward level it can be seen that there are areas which have a significant concentration of PRS and HMOs. 12 out of the 18 wards in the Borough have significant levels of HMOs or predicted HMOs. See table 1 below;

Ward	Benefits	Council Tax	HM1 – Bedsit HMO's	HM2- Section 257	HM3- Shared House HMO	Public Register (Licensed HMO's)	Liberty Housing	Total	Suspected *(updated TIMS data)	Grand Total
Brooklands	4	11	9	2	5	1		32	57	89
Cranham		1			1			2	6	8
Elm Park	1	3	1		2	7		14	23	37
Emerson Park		1			1		1	3	17	20
Gooshays	6	4					1	11	57	68
Hacton	1	1	3					5	13	18
Harold Wood	1	2			3	4	1	11	30	41
Havering Park	2	5	1		2	3	2	15	27	42
Heaton	5	8	2		2	1	4	22	63	85
Hylands			3		1			4	18	22
Mawneys	1	2	4		1			8	20	28
Pettits	1	3	1				1	6	21	27
Rainham & Wennington	3	2	1	1	3	1	3	14	46	60
Romford Town	4	12	20	4	4	10	1	55	80	135
South Hornchurch	6	7	2		1			16	34	50
Squirrels Heath		2	2		1	4		9	22	31
Saint Andrews		1	3				1	5	19	24
Upminster		1						1	7	8
Totals	35	66	52	7	27	31	15	233	560	793

Table 1

- 4.4 The evidence also shows that there is a link between HMOs and crime and HMOs and ASB, with HMOs being over represented in crime and noise reports. An HMO occupant is 7 times more likely to be accused of a crime than non HMO occupants and a quarter of HMOs are linked to reported incidents of crime.
- 4.5 There is sufficient evidence that 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. This is also supported by the findings of the sample survey of HMOs which showed

nearly 2/3rds of HMOs surveyed failed basic standards. A full breakdown of these findings is set out in Appendix 3.

- 4.6 At the current time the levels of HMOs in the remaining 6 wards are low and would not support these wards being covered by the scheme. However these areas will be monitored carefully and if the HMO population grows and is poorly managed the Council could designate further areas after following the required statutory processes.
- 4.7 Historic research into the levels of PRS in Havering indicated that the Borough did not meet the evidence criteria required to enable the introduction of a selective licensing scheme which would cover all private rental properties. However, as there is evidence that the private rented sector is growing rapidly this will be closely monitored and proposals put forward if appropriate.

5. Conditions

- 5.1 The Housing Act 2004 requires that every licence must include certain mandatory management conditions. Local authorities also have the power to include other discretionary conditions which are considered appropriate for tackling the issues they identify as negatively affecting the private rented sector in the borough. Havering consulted on a set of conditions and has considered the responses to these. The proposed conditions are set out at Appendix 4.
- 5.2 Where appropriate, licence conditions will allow the council to intervene early and work with landlords to help and support them to meet their responsibilities. Where landlords undermine the local community by failing to meet minimum standards, the council can use its enforcement powers and work with partner agencies to address the negative impact of the breaches.

6. Arrangements for delivery of the Licensing scheme

Several options have been considered for the delivery of the scheme:

- In house
- Contracting with another Local Authority
- Combination of the two

- 6.1 Due to the modest size of the scheme the recommended option is to enter into a contract with the London Borough of Newham to deliver parts of the scheme supported by some enhanced in house resource. Newham has had considerable success in delivering licensing schemes and have a talented pool of well-trained officers to carry out the work. Additionally Havering already has a partnership with Newham for financial, legal and HR support services.

- 6.2 The arrangements will be made under the Local Authorities (Goods and Services) Act 1970. This contains a very wide power that enables local authorities to enter into agreements with other local authorities or public bodies providing services to each other. The power can be used for the purposes of:-
- supplying goods or materials
 - Administrative professional technical services
 - The use of vehicles plant or apparatus
 - Works of maintenance in connection with land or buildings
- 6.3 The arrangement will be for the provision of administrative, professional technical services to deliver the licensing scheme within the London Borough of Havering.
- 6.4 There is an intention that the Licensing services at Newham will be outsourced to a wholly controlled council owned company – if Havering have a contract with Newham there will need to be a provision in it allowing the contract to be novated to that company if Havering so decide.
- 6.5 If circumstances arise that a partnership with Newham for the provision of these services is not viable for any reason, officers have alternative delivery solutions in place.

7. Implementation of Housing and Planning Act 2016

- 7.1 The Government has provided additional powers and remedies under the Housing and Planning Act 2016 to deal with Housing crimes.
- the power to issue civil fixed penalties as an alternative to criminal prosecution,
 - the use of new 'Banning Orders' and the Department of Communities and Local Government (DCLG)'s "rogue landlord database" which will identify the worst offenders
 - Extend the number offences where Rent Repayment Orders (RRO's) can be sought against criminal and rogue landlords.
- 7.2 A formal decision is now required to delegate the use of the new powers alongside property licensing and current powers under The Housing Act 2004.
- If these proposals are agreed the Council will be able to impose a civil fixed penalty as an alternative to criminal prosecution for the following offences under the Housing Act 2004:
- Failure to comply with an Improvement Notice (section 30);
 - Offences in relation to licensing of HMOs (section 72);

- Offences of contravention of an overcrowding notice (section 139);
- Failure to comply with management regulations in respect of HMOs (section 234) for example those involving household waste control
- Breaching of a Banning Order (Housing and Planning Act, section 23)

7.3 Section 15 (1) of the Act provides the power to a local authority in England to apply for a banning order against a person who has been convicted of a banning order offence. It is not yet known what will constitute a banning order offence and it is envisaged this will be defined in further regulations and/or Secretary of State Guidance. A banning order under section 14 (1) of the Act will prevent a person from;

- letting any house
- engaging in letting agency work,
- engaging in property management work or
- doing two or more of these activities.

7.4 Chapter 3 of the Housing and Planning Act 2016 introduces provisions for the Secretary of State to create a central database of landlords and agents who are fined or convicted of an offence or have a Banning Order which will be accessed by all local authorities. The database will allow more joined up enforcement and information sharing across London and the rest of England. At the time of writing this report the Database of rogue landlords and agents and Banning Orders are scheduled to be in force on 1st October 2017.

7.5 The members are asked to delegate the use of the enforcement powers under the 2016 Act to the Director of Neighbourhoods and also authorise the Director to further delegate powers to officers in his directorate. The members are asked to approve the authorisation of the following posts to exercise these powers: Assistant Director of Environment, Public Protection Manager, Operational Manager, Principal Managers, Principal Environmental Health Officers, Senior Environmental Health Officers, Senior Private Sector Housing Officers, Private Sector Housing Officers, and Environmental Health Officers. The officers identified in this paragraph will assess each case carefully to identify and apply the appropriate sanction dependent on the severity of the offence and circumstances. These will include a civil fixed penalty or undertaking other enforcement interventions, such as issuing prosecution proceedings or offering a simple caution. It is important to note if a civil fixed penalty is imposed a prosecution cannot be sought for the same conduct. The same criminal standard of proof is required for a civil fixed penalty as for a prosecution therefore officers will need to be satisfied there is a 'realistic prospect of conviction' under the Code of Crown Prosecutors.

- 7.6 Banning Orders will be reserved for the most serious cases and therefore civil fixed penalties will potentially form the bulk of the enforcement action for any relevant criminal offences under the Housing Act 2004
- 7.7 A general policy setting out the processes of how licences will be issued and granted etc. and an enforcement policy will be created to include guidance on how the new enforcement powers will be used against rogue landlords and letting agents under the Act.

REASONS AND OPTIONS

8. Reasons for the decision:

- 8.1 Havering has become a sought after location for buy to let investors as it is currently more affordable with higher yields than other Boroughs. This is borne out by the growth of the private rented sector in Havering over the last few years. The demand for Housing in the South East is predicted to grow putting more pressure on housing supply. Licensing provides a useful tool to regulate this sector and raise the standards in HMOs.
- 8.2 It is also considered that the designation of Additional and/or Selective Licensing Schemes in neighbouring local authorities has exacerbated the problems that already existed within Havering's private rented sector. The licensing regimes 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.
- 8.3 The displacement of such landlords into this Borough will be damaging to our private rented sector. It is therefore important for Havering to implement suitable measures to enable it to prevent such displacement and to bring unscrupulous landlords to account.
- 8.4 In response to these issues, it is anticipated that the introduction of more robust controls, such as those achievable through Additional Licensing, will (i) deter the migration of rogue landlords into Havering, (ii) provide an opportunity to drive up standards within the private rented sector by improving the management of HMOs (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.
- 8.5 Other options considered:

- To introduce additional licensing in only 4 wards
- Not to designate any of the Borough for additional licensing
- Introduce selective licensing in part of the borough

IMPLICATIONS AND RISKS

9. Financial implications and risks:

9.1 Additional licensing scheme

If the additional licensing scheme is agreed, the scheme will need to be cost neutral over the 5 year duration. Fee income is forecasted to peak in this financial year so will require ring fencing to meet subsequent years funding requirements. Fees must be set at a level which are reasonable and proportionate and it would be ultra vires to make more money than it costs to administer the licensing scheme.

- 9.2 It is proposed to operate a two part fee structure where a Part A fee is charged for the administration and processing cost of the licence which is non-refundable, and if the licence is approved, a further Part B fee will be charged to cover the management and enforcement of the scheme in view of the latest Supreme Court judgement in the case of *R (on the application of Hemmings (t/a Simply Pleasure Ltd) and others) v Westminster City Council (2017) UKSC 50*. The proposed fees are attached Appendix 5.

- 9.3 Several models were developed to forecast the fee income from both Part A and Part B and are shown in Table 2

Options	2017/18 PY	2018/19	2019/20	2020/21	2021/22	2022/23 PY	Total
Model 1	214,500	383,250	56,250	9,000	9,000	10,750	682,750
Model 2	165,000	428,250	77,250	9,000	9,000	10,750	699,250
Model 3	123,750	320,750	59,750	9,000	9,000	10,750	533,000
Model 4	134,063	238,875	37,875	9,000	9,000	10,750	439,563

Table 2

The four models shown above were based on a varying number of licenses being issued across the 5 year period with majority of these being allocated in years 1 and 2. Those allocated in the 2017/18 financial year have been assumed at the lower rate of income

- 9.4 Model 4 has been selected as the most appropriate model as it represents the lowest level of take up and income achievable. This provides a realistic forecast taking into account that this is a new scheme and the number of HMOs is a predicted figure. Model 4 shows a breakdown of income and costs over the life of the licensing designation and is shown below in Table 3;

Model 4	2017/18 PY	2018/19	2019/20	2020/21	2021/22	2022/23 PY	Total
Income	134,063	238,875	37,875	9,000	9,000	10,750	439,563
Expenditure	(150,249)	(113,000)	(79,000)	(36,751)	(33,000)	(27,563)	(439,563)
Net	(16,187)	125,875	(41,125)	(27,751)	(24,000)	(16,813)	0

Table 3

- Income has been estimated based on 540 licenses over the 5 year period
 - The profile assumes majority of licenses will be issued in Years 1 and 2 of the scheme
 - Part B fees are forecast to be received from year 2 onwards for all licenses allocated
 - On average 82% of the overall cost is on Staffing for both administration and enforcement.
 - Remaining costs estimated for IT, Publicity and other expenses
- 9.5 This scheme is expected to be fully self-financing over the five year period. The net cost in 2017/18 may not be offset by the potential income in the same period due to the lower fee structure proposed until 28 February 2018, the majority of fees are forecasted to be paid in this period. This will require a one-off general fund contribution that will be reimbursed the following year. The 2018/19 net position will be held as a reserve to fund the future years deficits.
- 9.6 There will be one-off costs incurred in 2017/18 of £110,000 that will be funded from the additional licensing income received.
- 9.7 Income from Part B licences is profiled as being received partly in the year the Part A licence is issued and partly in the following year. The final year includes the residual element for all licences issued.
- 9.8 For 2019/20 and beyond a prudent approach has been taken and it is expected that the scheme will breakeven at the end of the 5 year period.
- 9.9 There are risks associated with the scheme, in particular whether the income targets will be achieved and whether these will be sufficient to offset the costs incurred. Income and expenditure will be closely monitored to remain viable.

- 9.10 The costs of the scheme identified above include the cost of enforcement action. This will depend on the scale of compliance with the scheme and whether the cost of any enforcement activity would be recoverable income generated from the Part B licence fees.
- 9.11 If the licence fee income does not recover the cost there is a risk to the general fund although the risk will be mitigated by employing a robust enforcement approach to ensure all properties which require a licence are licensed.

10. Financial implications - Civil Fixed Penalties

- 10.1 On the 6th April 2017 The Housing and Planning Act 2016 came into effect which allows the authority to issue civil fixed penalties for offences under the Housing Act 2004 etc. as set out in this report on rogue landlords directly as an alternative to prosecution. The income from the civil fixed penalties will be retained by the authority and is to be used to improve the housing authority's statutory functions in relation to enforcement activities within the private rented sector.
- 10.2 An additional resource of 1.5 FTE for 18 months has been agreed to bolster the enforcement of housing standards throughout the Borough. The Directorate will endeavour to meet this sum from within its approved budget. However, any shortfall up to the value of £75,000 will be met from the Business Risk Reserve.

11. Legal implications and risks:

- 11.1 Members are referred to the body and content of the report which sets out the legal framework and proposal for a 12 ward additional HMO licensing scheme, adoption of the new enforcement powers which include the civil fixed penalties under The Housing and Planning Act 2016, and an arrangement for delivery of some of the scheme by the London Borough of Newham.
- 11.2 Under section 56 (1) the Housing Act 2004 (the Act) a Local Housing Authority has the power to designate the whole or any parts of its area as being subject to Additional Licensing for Houses in Multiple Occupation (HMO's). Sections 254 – 260 of The Housing Act 2004 set out the definition of HMO's. The designation can only be introduced provided the authority has complied with the full legislative requirements under section 56 and section 57 of The Housing Act 2004 as set out in this report. In addition members must be satisfied the evidence relied upon is sufficiently robust to justify the designation. The effect of the designation is that all privately rented additional HMOs would require a licence in the relevant ward areas unless an exemption applies. Exemptions can include houses which are occupied by single households and properties which are specifically excluded from the legislation such as care homes etc.

- 11.3 The Homelessness Reduction Act 2017 is not expected to be in force until April 2018. In brief the changes are likely to increase the number of homeless applications therefore there is a possibility local authorities will require an increase in the supply of high quality temporary accommodation from the private rented sector to meet its duties under the Act. There is likely to be a limited impact on the additional HMO's within the proposed areas however this will be kept under review once the Act is in force.
- 11.4 The Government had previously announced its intention to extend the scope of mandatory licensing under Part 2 of the Housing Act 2004 to include HMO's occupied by five or more persons in two or more households, regardless of the number of storeys. It has not yet legislated to give effect to that proposal and if enacted, it is likely the extension of the definition of mandatory HMO's which the Council intends to include within the proposed additional licensing scheme will cover some HMO's in the borough. The legal implications of this will be kept under review.
- 11.5 Members are asked to agree to delegate to the Director of Neighbourhoods and subsequently further delegation to the relevant officers of the Council as set out in this report the use of the Civil Fixed Penalty regime under Sections 126, 249A and Schedule 9 in addition to all other enforcement powers within The Housing and Planning Act 2016 (the Act). The Leader has the power under the Local Government Act 2000 to delegate executive powers to officers and an officer with delegated powers may authorise other officers to discharge those functions.
- 11.6 A general policy setting out the process for issuing and granting licences etc. and an enforcement policy will need to be implemented. The enforcement policy will include matters such as circumstances when a criminal prosecution will be issued as opposed to a civil fixed penalty, which will usually be where an offence is particularly serious and where an offender has previously committed similar offences. The draft 'civil fixed penalty' matrix appended to this report (appendix 7) will be kept under review. The new powers of civil fixed penalties under the Act came into force on 6th April 2017 therefore the powers can only be exercised for offences committed after this date. The statutory guidance under Schedule 9 (12) of the Act was published in April 2017 which local authorities must have regard in the exercise of their functions for civil fixed penalties.
- 11.7 The Council has power to enter into contractual arrangements in support of the implementation of the scheme under s1 of the Localism Act 2011 and s111 of the Local Government Act 1972.
- 11.8 Under the Local Government Goods and Services Act 1970 as set out elsewhere in this report a local authority can enter into arrangements for the provision of certain services to another authority. The arrangements for this service are outside the scope of the Public Contracts Regulations 2015 which require that services over the threshold be put out to competition as they are below the threshold.

- 11.9 However, the Council must comply with its own internal standing orders, which require contracts to be put out to competition and so there is a request for a waiver of those requirements in the recommendations. Officers are satisfied that the arrangements with Newham are best value for the Council for reasons set out in the report.
- 11.10 The arrangements will be contractual arrangements for the delivery of services and there is delegation of authority to an officer to agree those arrangements without further reference back to Members.
- 11.11 There is a proposal on the part of Newham to outsource its licensing services to a wholly owned company. If the Council does that then any contractual arrangements may be novated to that company and Havering may choose to agree to that or make other arrangements. Havering may want a guarantee of performance, for example. Power is being sought to enable an officer to deal with any new arrangements.

12. Procurement

- 12.1 The oneSource Strategic Procurement Unit is working closely with the service to ensure they deliver the best value for money procurement outcome

13. Human Resources implications and risks:

- 13.1 It is possible that the implementation of an additional licensing scheme may require some extra staff resources to work alongside existing staff (and Newham colleagues) in the short term - specifically during the initial set up of the scheme. Any additional enforcement activity required once the scheme is set up can be funded from the fee income generated. Any recruitment activity or engagement of agency worker resources will be undertaken in accordance with the Councils usual recruitment and selection policies & procedures.

14. Equalities implications and risks:

- 14.1 An Equalities Impact Assessment has been made, the scheme is relevant to all equality groups in Havering and the overall impact has been assessed as positive. All private tenants living in HMOs in the areas covered will be positively affected by any designation for property licensing as they benefit from the additional requirements on licensed landlords to provide a written tenancy and statutory management arrangements. Further, landlords without licences are unable to use the mandatory grounds for possession (s21) in the County Court.
- 14.2 Generally the effect of property licensing is to formalise the lightly regulated private rented housing market by imposing an increased regulatory framework to impose obligations on landlords/licence holders. It should lead

to better quality accommodation, a reduction of anti-social behaviour from HMOs effecting local residents and HMO residents themselves as well as a useful tool to reduce overcrowding in these properties.

BACKGROUND PAPERS

None

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Appendix 1

Designation of an area for Additional Licensing

The London Borough of Havering Council Designation of Area for Additional Licensing of Houses in Multiple Occupation No 1, 2018

The London Borough of Havering Council in exercise of their powers under section 56 of the Housing Act 2004 ("the Act") hereby designates for additional licensing of Houses in Multiple Occupation ("HMOs") the area described in paragraph 4.

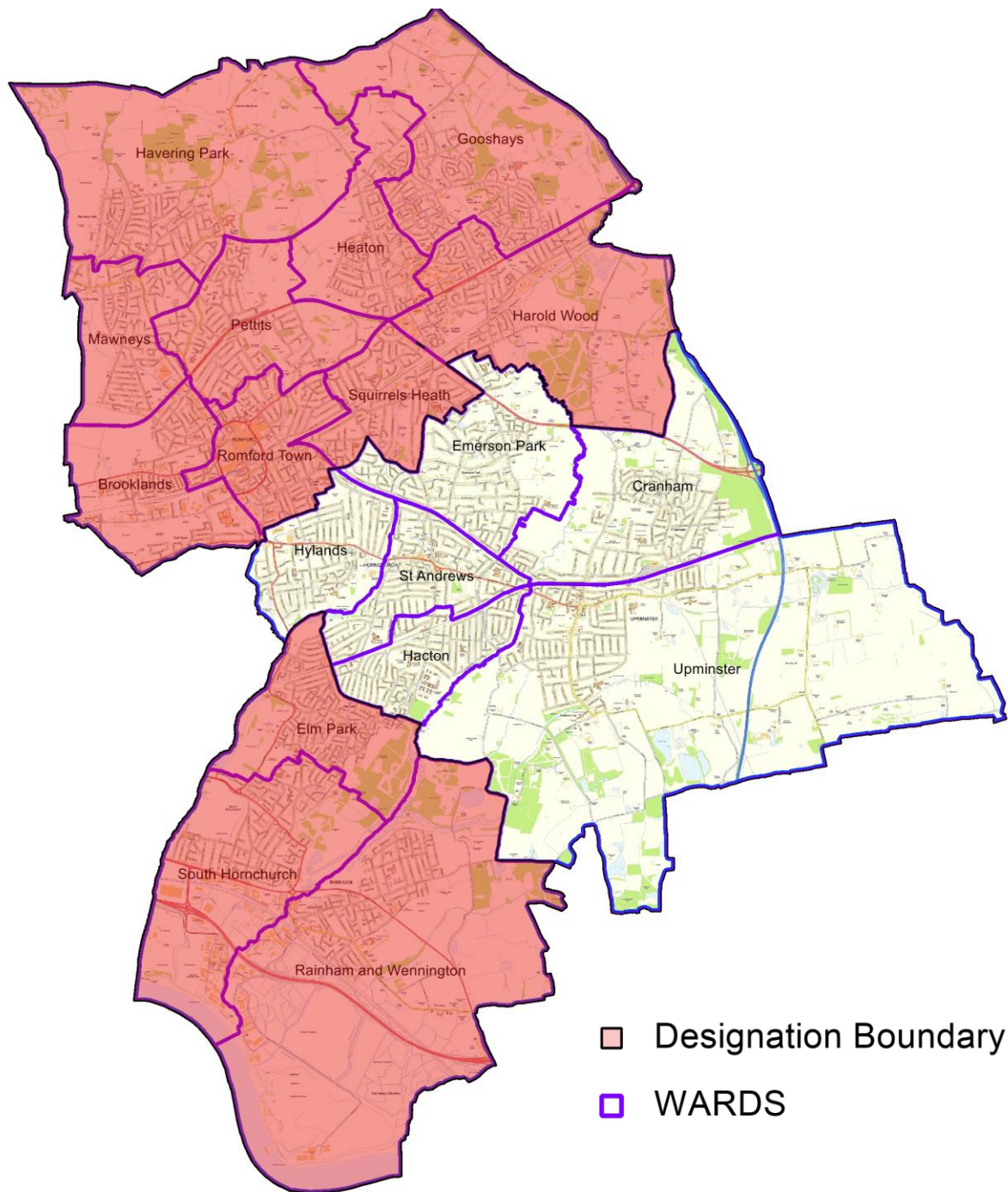
CITATION, COMMENCEMENT AND DURATION





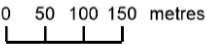

1. This designation may be cited as the London Borough of Havering Designation for Additional Licensing of Houses in Multiple Occupation No 1, 2018.
2. This designation is made on 11 October 2017. A general approval under section 58 of the Act applies to it, the Housing Act 2004: Licensing of Houses in Multiple Occupation and Selective Licensing of Other Residential Accommodation (England) General Approval 2015.
3. This designation shall come into force on 1 March 2018 and shall cease to have effect on 28 February 2023.

DESIGNATION, AREA AND DESCRIPTION OF HMOS

4. The Council hereby designates for additional licensing under section 56 of the Act the area within the district of the London Borough of Havering shown shaded pink on the map at Annex A in relation to all HMOs that are not subject to mandatory licensing under section 55(2)(a) of the Act.

ANNEX A – Paragraph 4: Map of Designated Area



Additional Licencing Designation		
  	Scale: 1:75000 Date: 10 August 2017 	
 Havering LONDON BOROUGH	London Borough of Havering Town Hall, Main Road Romford, RM1 3BD Tel: 01708 434343 © Crown copyright and database rights 2017 Ordnance Survey 100024327	

(Please note the legislation cited is up to date as at 11th October 2017 and may subsequently be amended).

APPLICATION OF THE DESIGNATION

5. This designation applies to all Houses in Multiple Occupation within the area described in paragraph 4 unless –
- a) the building is of a description specified in Annex G (Buildings that are not HMOs for the purpose of the Act- other than Part 1);
 - b) the HMO is subject to an Interim or Final Management Order under Part 4 of the Act;
 - c) the HMO is subject to a temporary exemption under section 62 of the Act; or
 - d) the HMO is required to be licensed under section 55 (2) (a) of the Act (mandatory licensing).¹

EFFECT OF THE DESIGNATION

6. Subject to sub paragraphs 5(a) to (d) every HMO of the description specified in that paragraph in the area specified in paragraph 4 shall be required to be licensed under section 61 of the Act.²
7. The London Borough of Havering Council will comply with the notification requirements contained in section 59 of the Act and shall maintain a register of all houses registered under this designation, as required under section 232 of the Act.³

Leader of the Council and Cabinet

Date: 11 October 2017

¹ For the application of mandatory licensing see SI 2006/371 – The Licensing of Houses in Multiple Occupation (Prescribed Descriptions) (England) Order 2006

² Section 62 of the Act provides for certain temporary exemption. As to suitability see section 64. Note, if the house is not suitable to be licensed the Council must make an Interim Management Order-see section 10

³ Section 232 of the Act and regulation 11 of SI 2006/37

ANNEX B – Paragraph 5: HMOs subject to the designation;

1. For the purposes of the designation a building or a part of a building is a “house in multiple occupation” if—
 - a) it meets the conditions in subsection (2) (“the standard test”);
 - b) it meets the conditions in subsection (3) (“the self-contained flat test”);
 - c) it meets the conditions in subsection (4) (“the converted building test”);
 - d) an HMO declaration is in force in respect of it under section 255 of the Act; or
 - e) it is a converted block of flats to which section 257 of the Act applies.
2. A building or a part of a building meets the standard test if—
 - a) it consists of one or more units of living accommodation not consisting of a self-contained flat or flats;
 - b) the living accommodation is occupied by persons who do not form a single household (see section 258 of the Act);
 - c) the living accommodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 259 of the Act);
 - d) their occupation of the living accommodation constitutes the only use of that accommodation;
 - e) rents are payable or other consideration is to be provided in respect of at least one of those persons' occupation of the living accommodation; and
 - f) two or more of the households who occupy the living accommodation share one or more basic amenities or the living accommodation is lacking in one or more basic amenities.
3. A part of a building meets the self-contained flat test if—
 - a) it consists of a self-contained flat; and
 - b) paragraphs (b) to (f) of subsection (2) apply (reading references to the living accommodation concerned as references to the flat).
4. A building or a part of a building meets the converted building test if—
 - a) it is a converted building;
 - b) it contains one or more units of living accommodation that do not consist of a self-contained flat or flats (whether or not it also contains any such flat or flats);
 - c) the living accommodation is occupied by persons who do not form a single household (see section 258 of the Act);
 - d) the living accommodation is occupied by those persons as their only or main residence or they are to be treated as so occupying it (see section 259 of the Act);
 - e) their occupation of the living accommodation constitutes the only use of that accommodation; and

- f) rents are payable or other consideration is to be provided in respect of at least one of those persons' occupation of the living accommodation.

5. But for any purposes of the designation a building or part of a building within subsection (1) is not a house in multiple occupation if listed in Annex C below.

References to an HMO include (where the context permits) any yard, garden, outhouses, outbuildings and appurtenances belonging to, or usually enjoyed with, it (or any part of it).

Interpretation

In Annex B —

- “basic amenities” means—
 - a) a toilet,
 - b) personal washing facilities, or
 - c) cooking facilities;
- “converted building” means a building or part of a building consisting of living accommodation in which one or more units of such accommodation have been created since the building or part was constructed;
- “enactment” includes an enactment comprised in subordinate legislation (within the meaning of section 21 of the Interpretation Act 1978);
- “self-contained flat” means a separate set of premises (whether or not on the same floor)—
 - a) which forms part of a building;
 - b) either the whole or a material part of which lies above or below some other part of the building; and
 - c) in which all three basic amenities are available for the exclusive use of its occupants.

ANNEX C – Paragraph 5(a): Buildings that are not HMOs for the purpose of the Act⁴

Buildings controlled or managed by public bodies etc⁵

1. A building where the person managing or having control of it is:
 - a) a local housing authority;
 - b) a non-profit registered provider of social housing;
 - c) a body which is registered as a social landlord under Part 1 of the Housing Act 1996;
 - d) a police and crime commissioner;
 - e) the Mayor's Office for Policing and Crime;
 - f) a fire and rescue authority under the Fire and Rescue Services Act 2004; or
 - g) a health service body within the meaning of section 9 of the National Health Service Act 2006;

Buildings regulated by other enactments⁷

4. A tenancy, licence or occupation of a house which is regulated under the following enactments:
 - a) sections 87 to 87D of the Children Act 1989;
 - b) section 43 (4) of the Prison Act 1952;
 - c) section 34 of the Nationality, Immigration and Asylum Act 2002;
 - d) The Secure Training Centre Rules 1998⁸;
 - e) The Prison Rules 1999⁹;
 - f) The Young Offender Institution Rules 2000¹⁰;
 - g) The Detention Centre Rules 2001¹¹;
 - h) The Criminal Justice and Court Service Act 2000 (Approved Premises) Regulations 2001¹²;
 - i) The Care Homes Regulations 2001¹³;
 - j) The Children's Homes (England) Regulations 2015¹⁴;
 - k) The Residential Family Centres Regulations 2002.¹⁵

⁴ Schedule 14 of the Act as amended and SI 2006/373

⁵ Paragraphs 2, 2A and 2B of schedule 14 as amended

⁶ For the definition of "person managing" and "person having control" see section 263 of the Act

⁷ Paragraph 3 of schedule 14 of the Act as amended and paragraph 6 (1) and schedule 1 of SI 2006/373

⁸ SI 1998/472 as amended

⁹ SI 1999/728 as amended

¹⁰ SI 2000/3371 as amended

¹¹ SI 2001/238. Section 66 (4) of the Nationality, Immigration and Asylum Act 2002 provides that the reference to a detention centre is to be construed as a reference to a removal centre as defined in Part VIII of the Immigration and Asylum Act 1999

¹² SI 2001/850

¹³ SI 2001/3965 as amended

¹⁴ SI 2001/3967 as amended

¹⁵ SI 2015/541

Certain student lettings etc¹⁶

5. A building –
- a) which is managed or controlled by a specified educational establishment or is of a specified description of such establishments and
 - b) the occupiers of the house or dwelling are undertaking a full time course of further or higher education at the specified establishment¹⁷ and
 - c) the house or dwelling is being managed in conformity with an Approved Code of Practice for the management of excepted accommodation under section 233 of the Act.¹⁸

Religious communities¹⁹

6. A building which is occupied principally for the purpose of a religious community whose principal occupation is prayer, contemplation, education or the relief of the suffering except if the building is a converted block of flats to which section 257 of the Act applies.

Buildings occupied by owners²⁰

7. A building which is only occupied by –
- a) one or more persons who hold the freehold or a leasehold interest granted for a term of more than 21 years of the whole, or any part of, the building
 - b) and/or any member of the household²¹ of that person or persons but this exemption does not apply to a converted block of flats to which section 257 of the Act applies, except for ascertaining the status of any flat within the block.

Buildings occupied by Resident Landlord etc²²

8. A building which is occupied by a person or persons to whom paragraph 7 applies (subject to the proviso therein) and no more than two other persons²³, not forming part of the owner's household.

Buildings occupied by two persons²⁴

9. Any building which is only occupied by two persons (forming two households)

Meaning of “building”

10. In this annex a “building” includes a part of a building.

¹⁶ Paragraph 4 of schedule 14

¹⁷ See the schedule to The Houses in Multiple Occupation (Specified Educational Establishments) (England) Regulations 2016/420 for the list of specified bodies

¹⁸ The relevant codes of practice are approved under The Housing (Codes of Management Practice) (Student Accommodation) (England) Order 2010/2615 and specified in paragraphs 2 - 4 of that Order

¹⁹ Paragraph 5 of schedule 14

²⁰ Paragraph 6 of Schedule 14

²¹ For the definition of “household” see section 258 (2) and paragraphs 3 and 4 of SI 2006/373

²² Paragraph 6 of schedule 14 and SI 2006/373

²³ Paragraph 6 (2) of SI 2006/373

²⁴ Paragraph 7 of schedule 14 of the Act

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Appendix 2

Consultation Results Summary Report PRS Additional Licensing Scheme

Contents

1. Introduction

2. Consultation Activity undertaken

3. Summary of Survey Results

4. Table 2: Council's response to key issues raised by respondents

5. Conclusion

1. Introduction

Legislative requirements as set out in Section 56(3) of the Housing Act 2004 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 following sections demonstrate how these requirements have been met and the results of the consultation.

2. Consultation Activity Undertaken

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 consultation commenced on 19 May 2017 and continued for the minimum statutory period of ten weeks, ending at midnight on 28 July 2017.

The Council's proposals were summarised in a consultation document that was made available in the consultation pages of the Council's website and in paper format in each of the borough's libraries and in key Council offices. Responses to the proposals were invited via an online survey/questionnaire (hard copies were also available on request) and through individual written reply by letter or email.

The consultation was publicised in the following ways:

- Email or letter sent to all estate/letting agents who carry out business in Havering (as listed on Rightmove)
- Direct mail out to all known landlords, letting and managing agents (sourced from Council tax & benefit records and Public Protection database)
- Email to people registered for the LBH Newsletter
- Letters sent to all residential premises in Havering via housing benefit Mail out (110,000 copies)
- Letters sent to landlord organisations such as NLA RLA,
- letters sent to tenants of all known HMO addresses in LBH
- Information posted on LBH web site
- Email to registered providers of social housing (housing associations)
- Internal promotion of consultation to LBH councillors and staff via Global Email and posters on office notice boards
- Press release and adverts in Romford Recorder (x2)
- Publication in two separate issues of Havering Living magazine (circulated to every household in the borough)

- six informal drop in sessions held throughout the consultation period in various locations within the borough
- letters sent to all neighbouring local authorities
- Promotion via LBH Facebook pages and Twitter
- letters sent to statutory authorities (fire authority, citizens advice bureau)

In order to ensure that publicity relating to this consultation reached other businesses operating outside of the Borough who may be affected the Council also engaged the services of London Property Licensing (LPL) to raise awareness of the licensing consultation amongst landlords, letting agents, property investors, local authorities and businesses associated with the private rented sector. This was achieved by publicising and promoting the consultation via their website and newsletters.

Activities undertaken by LPL to promote this consultation included advertising on the LPL latest events webpage, promotion in the events section on the LPL home page, the LPL Havering borough page and the six nearby borough pages for Barking & Dagenham, Hackney, Newham, Redbridge, Tower Hamlets and Waltham Forest. The licensing consultation was also promoted in the LPL newsletters.

Online Discussion Forums provided a platform for further publicity about the consultation and on 22/06/17 information about the licensing consultation was posted in the Facebook HMO Discussion Group (4,570 members), the Facebook HMO Group (Official) (12,697 members) and the LinkedIn Estate Agent Networking Group (13,525). Then on 22/06/2017 information about the licensing consultation was posted in the Property Tribes public forum where there is a specific 'Property Licensing in London' discussion thread. By the end of the consultation period the discussion thread had attracted over 5,800 views.

3. Summary of Survey Results

Full responses to the online survey were received from 162 participants. Survey responses were representative of every electoral ward across the borough and some outside the borough, which suggests the consultation coverage was successful.

Figure 1 below indicates how this number was represented by the various tenure groups (note, some respondents' selected more than one category)

Figure 1

Survey Responses Received		
Category	No.	%
Owner Occupier	118	74.84
Private Tenant	14	8.81
Social Housing Tenant	6	3.77
Landlord	26	16.35
Letting/Managing Agent	2	1.26
Business owner or manager in Havering	2	1.26
Total	168	

Figure 2 summarises the responses received to key questions about the proposed extent of the scheme, suggested fee charges and discounts and key licence conditions.

Figure 2

In favour of following extent of scheme			In agreement with proposed part A charge*		In agreement with proposed part B charge		In favour of Proposed Discounts				12 month licence for LL of concern		Proposed Licence Conditions (average of 4 questions)	
12 Ward	4 ward	Against licensing schemes	Yes	no	yes	no	Early Bird		accredited landlord		agree	disagree	Agree	disagree
							yes	no	yes	no				
115 (75%)	9 (6%)	30 (19%)	73 (72%)	29 (28%)	112 (72%)	43 (28%)	95 (66%)	49 (34%)	109 (73%)	39 (27%)	148 (93%)	11 (7%)	109 (82%)	24 (18%)

*Changed question after survey went live so 51 respondents did not answer this question

Figure 3 summarises other feedback received in relation to the consultation.

Figure 3

Other feedback *	Total no. of responses received	Indicated overall supportive of		Against licensing	Response was non-specific	Reaction to proposed fee			
		12 wards	4 wards			Acceptable	Too high	Too low	Not stated
Drop in sessions	33	19 (58%)	11 (33%)	3 (9%)	0	11 (33%)	21 (64%)	1 (3%)	0
Emails/Letters	19	7 (36%)	2 (11%)	2 (11%)	8 (42%)	1 (5%)	4 (21%)	0	14 (74%)
Key stakeholder responses	5	2 (40%)	1 (20%)	2 (40%)	0	0	2 (40%)	0	3 (60%)

* note: some respondents may also have participated in the online survey so cumulative results of all feedback received would not provide an accurate picture

4. Council's response to key issues raised by respondents

In addition to the online survey, general comments about the proposed licensing scheme were received in the form of emails/letters and via the face to face drop in sessions. A total of 24 email submissions were received which included 5 responses from key stakeholders. Many of the responses covered similar issues about the proposals and a number of themes emerged as follows:

- Licensing will penalise good landlords unfairly
- Licence fee charges
- Licensing will lead to a reduction in HMO properties in the private rented sector
- The scheme will not address the issue of bad landlords
- Licensing will not address ASB
- LBH already has powers to improve the PRS
- More training and support is required for landlords
- What alternatives to licensing has the Council considered
- Does the Council have the capacity to administer the scheme
- Why is there no proposal for a borough- wide HMO licensing scheme
- Licensing could have a negative impact on some tenants
- Licence Conditions
- Public Register of Licence Holders

The responses to the consultation have been collated and summarised in Table 1 below, which sets out the key issues raised together with the Council's consideration and response to each one.

Table 1

Respondent	Consultation Representation	Consideration	Response
Licensing will penalise good landlords unfairly			
Landlord	As always it is the compliant landlord who is affected by the schemes. They pay the high fees involved but do not need regulation of this kind.	Rejected	The proposed scheme has been designed to provide a 'light touch' for 'good' landlords'. The Council has reviewed its' inspection proposals and decided not to require a pre-licence inspection for previously declared HMO's. It will also allow landlords to self-certify. Criminal landlords will be subjected to additional costs and fees through reducing the length of licence to reflect the cost of requiring more scrutiny of their properties and business practices
Landlord	If more and more legislation is aimed at HMO landlords, it is the good ones that eventually it all becomes too onerous for and not the unprofessional unscrupulous ones who ignore legislation anyway	Considered and rejected	As stated above, the Council intends to apply a light touch approach for reputable landlords. The Council has put in place resources to take a robust approach to finding and penalising unlicensed and non-compliant landlords.
Licence Fee Charges			
CAB	One concern we would have is that the proposed fees and charges could be passed on to the tenants in the form of an increased rent. Housing in 2016/17 has become our second largest enquiry area after welfare benefits, 1552 in number or 16% of our total.	Considered and Rejected	There is no evidence in other boroughs where licensing has been implemented that fees have directly resulted in higher rents. Landlords tend to set rents based on market rates which are determined by tenant affordability. The proposed fee charge equates to £3.46 per week, Without any discount being applied.

Landlord	I strongly object to the proposed fee structure. This represents a very high cost to landlords and is a significant portion of their profit margin	Rejected	On the basis of a 5 roomed HMO generating rental income in excess of £2,000 per month the council does not accept that the cost of a licence at £3.46 per week will have a significant effect on HMO landlord profits. It is also tax deductible
Landlord	Fees are too high/licence fees are a form of income generation	Rejected	Reports on expenditure from the licensing scheme are available, and will be part of the cabinet report submitted for members' consideration of the scheme.
Landlord	Charging landlords for licenses is perceived to be a good money-making racket, just another form of income generation/tax gathering exercise.	Rejected	Licensing fees are ring fenced for the administration of licensing and for monitoring of licensed properties to raise accommodation and management standards in this sector
Landlord	This licensing is all about money and additional income for the Council	Rejected	As stated above, income generated from licence fees can only be used for activities associated with the running the licence scheme
RLA	The cost of the additional licence is a matter of concern for the RLA. The proposed charges of £900 to £1180 for a new licence is excessive, even for London. We would like to remind the council that these costs should be limited to the costs of administering the licensing scheme but not the cost enforcing the scheme, i.e. investigating and prosecuting those who operate premises without the required licence, and fees must be reasonable and proportionate. Based on option 2, this will place Havering above the current average	Considered and disagree	The proposed combined license fee for the wider scheme is £900 per property without any discounts being applied. This fee is well within the average range of HMO licence fees being charged across London. In respect of charges that can legally be made, the Council wishes to point out that it intends to apply a split fee model where the Part A fee element will only cover the cost of administering the scheme and processing the licence application. The Part B element of the fee however can be used to carry out activities associated with the monitoring and enforcement of the scheme. It is agreed that fees cannot be used for other enforcement activities outside of the licensing scheme. Option 2 is a very small scheme and to accommodate set up costs and remain cost neutral the fee charge would be higher

<p>NALS</p>	<p>additional licensing fee in London, which is around £1000 per property based on occupancy of five people (source: London Property Licensing, 2017)</p> <p>In developing a schedule of fees we would encourage the council to offer a discounted fee if the licence holder or designated manager is accredited through an approved scheme. We think the discount should be linked to the accreditation of landlords and letting agents, regardless of whether it is the licence holder or designated manager who is accredited.</p>	<p>Agree</p>	<p>than the council would like. Option 1 would allow for a more acceptable fee.</p> <p>The Council is intending to offer a discount to license holders who are accredited landlords</p>
<p>Licensing will lead to a reduction in HMO properties in the private rented sector</p>			
<p>Landlord</p>	<p>The Councils policy will prevent new entries into the market</p>	<p>Rejected</p>	<p>The article 4 planning directions that were implemented in July 2016 are likely to have greater effect on new entries into the HMO market than licensing.</p>
<p>NLA</p>	<p>Areas that have seen the introduction of additional licensing have seen mortgages withdrawn. (Nat West and RBS) This could have an impact on the housing market. This could increase the cost to tenants and the council in the areas that it is introduced. What analysis has been undertaken of this and potential change to the market?</p>	<p>Considered and rejected</p>	<p>Cases where mortgages have been withdrawn are usually due to landlords not having informed lenders that properties are rented out or that they are HMO's. Some landlords have benefitted from significantly lower interest rates as a result. In other authorities where additional licensing has been introduced there is no indication that the housing market has suffered in this way as a result of licensing and the Council does not expect this to be a problem where the correct type of mortgage is already in place.</p>

Landlord	You will discourage anyone from being a landlord and thereby worsen the problem of lack of housing	Rejected	Professional landlords are unlikely to be discouraged from operating in the borough. If less professional operators decide to leave the market as a result then this would indicate that the scheme is achieving some of its objectives
Landlord	Licensing will have an adverse effect on investment and reduction in availability of PRS rental properties	Rejected	Havering has a buoyant private rental sector and good landlords are unlikely to be put off by licensing. It is however hoped that licensing will deter unprofessional HMO landlords from entering the market. Furthermore the high profitability associated with rental of HMOs is not expected to result in significant withdrawal from this market.
NLA Page 122	The cost to rent in Havering is less than central London, a policy such as this will limit the supply at the same time as price out local people,	Rejected	Havering has already seen significant migration of tenants from inner London areas in recent years due to its lower rental costs. This policy is unlikely to have a significant effect on rental values
The scheme will not address the issue of bad landlords			
RLA	The worst landlords- the criminal operators- will simply ignore the scheme as they do many other regulations	Rejected	The Council has in place plans to ensure a robust enforcement approach is followed in order to find and prosecute those landlords seeking to ignore the scheme.
Landlord	Only those who comply with current legal requirements would bother to be licensed and it will affect the wrong people	Rejected	Implementing a licensing scheme will bring forward compliant landlords and enable the council to focus its enforcement activity on the criminal ones. The licensing requirement would result in an instant offence for failure to licence for which penalties can be imposed.
Resident	No action is taken against criminal landlords	Rejected	The Council intends to maximise use of all powers available to it to ensure that action is taken against all criminal landlords

Landlord	licensing may drive landlords of low quality HMO's underground	Agreed	The Council recognises that this is a possible consequence of licensing; however the targeting of enforcement activity against these landlords and the threat of heavy financial penalties should act as a deterrent for most.
Landlord	there is little use of "fit and proper person" powers to exclude bad landlords	Partially agree	The fit and proper person test is fairly restrictive and could fail to exclude certain landlords from holding a property licence but will be used wherever possible. The proposal to issue a short (12 month) licence to landlords of concern will ensure that appropriate additional fees are paid by these landlords to cover the additional cost of close monitoring and frequent inspections of some premises
Landlord Page 123	Experience of licensing schemes operating in other London boroughs is that they do not work and do not trap the type of landlords you are presumably looking for.	Disagree	The success of schemes operating in some other London Boroughs has proved that licensing does work if properly enforced. The London borough of Newham alone has taken over 1100 prosecutions for housing crimes since their scheme began. The London Borough of Havering will be taking a similar enforcement approach to criminal landlords.
Landlord	The Council will create further work and spend most of their time trying to chase up those landlords who avoid everything possible	Accepted	Monitoring and enforcing a licensing scheme will entail significant additional work and additional staff resource will be provided for this purpose. Full use will be made of fixed penalty notices and other fines to create a deterrent.
Landlord	Licensing schemes are impossible to enforce	Disagree	Licensing schemes are not impossible to enforce but it is accepted that an adequately resourced and skilled enforcement team will be required in order to successfully enforce the scheme
NALS	By intensifying activity in a small area, it will also help the council to attract a much	Considered	Havering is not proposing a large scheme (under 1000 premises) and is confident that active enforcement will

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RLA	<p>let properties elsewhere. Some may seek to evict already challenging tenants</p> <p>There is no obligation within additional licensing for the landlord to solve the ASB allegation, rather a landlord has a tenancy agreement with the tenant and this is the only thing that they can legally enforce.</p>	Agree	<p>business and, if not managed properly, can have a negative impact on the local community. Some simple steps landlords can take are:</p> <ul style="list-style-type: none"> -take up references -visit properties frequently and note and remedy any issues -make sure the property is not being overcrowded/sublet -appoint a trusted managing agent <p>Whilst landlords are not directly responsible for some of their tenants' behaviour, landlords should bear in mind that anti-social behaviour can damage their property, impact on its value and damage relations with neighbours. However, some poor management practices can lead to tenants acting in an anti - social way e.g overcrowding of properties. It is therefore in every landlord's best interest to address these issues if they arise and reasonable steps they can take include engaging with tenants to discuss the issues.</p>
The council already has powers to deal with problems in the PRS			
Property Manager	The council needs to get existing authorities into line, hit hard and use their existing powers and serve appropriate Notices where difficulties arise.	Agreed	The Council is in the process of reviewing its enforcement functions and recognises that full advantage needs to be taken of existing powers
Landlord	Non-compliance should be dealt with robustly and met with large fines	Agreed	Licensing as well as using new civil penalty notices ensure that offenders are dealt with robustly and appropriately
Landlord	Local authorities have extensive powers to deal with problem landlords, yet they are rarely fully utilised	Rejected	Existing powers are utilised however it is accepted that the council needs to take a more robust approach to enforcement as this will not only ensure that offenders are appropriately punished, but may also deter other would-be offenders.

Resident	Wouldn't it be more cost effective increasing the fines on unscrupulous and non tax paying landlords etc. to stop future landlords abusing the system	Agreed	The Council intends to utilise all means available to it, including the use of new powers to impose significant fixed penalty fines on criminal landlords.
RLA	The RLA believes that the Council is premature in bringing forward proposals. The Housing & Planning Act 2016 which came out on 6 th April has given local authorities substantial new powers to tackle breaches of housing legislation and drive the criminal operators from the sector. The council should wait until the total impact of these new powers can be fully assessed before pressing on with more regulation in the form of licensing	Considered and rejected	The Council believes that the new powers effected under the Housing & Planning Act 2016 will be complimentary alongside a licensing scheme in dealing with private sector housing offences and driving criminal operators from the sector
More training and support is required for landlords			
Resident	All landlords should have to undergo some form of training/regulation etc. and need to be approved before letting out property	Partially agree	The scheme should generally encourage some landlords to undertake training or accreditation, whereas landlords of concern will be required to undertake training as a condition of their licence.
NLA	Landlords are usually not experienced in ASB management and there is no obligation within Additional licensing for a landlord to solve ASB allegations. A tenancy agreement is the only thing a landlord can legally enforce.	Partially agree	Landlords are not expected to solve all ASB issues however better management of HMOs can reduce ASB e.g reduction in litter and rubbish in front gardens. Landlords are well placed to raise concerns with their own tenants and, if necessary, take action in the form of eviction proceedings where tenants ignore warnings. Where tenant behaviour clauses are included in tenancy agreements they can be enforced by landlords.

NLA	<p>There is a need to identify issues and assist landlords to develop the required knowledge and skills to improve the sector.</p> <p>If a landlord has problems with a tenant, how will the council help the landlord?</p>	Further advice will be provided in due course	Formal training and landlord accreditation will enable landlords to gain the necessary knowledge and skills to effectively manage their properties. The council plans to offer advice and guidance to landlords to help them to deal with tenant management related issues.
NLA	<p>Clarification on the council's policy, in relation to helping landlords when a section 21 notice is served, is required with the proposed additional licensing scheme. It would be useful if the council could put in place a guidance document which would outline the council's position in helping landlords remove tenants who are causing anti-social behaviour.</p> <p>The NLA would like further explanation on how the council will work with landlords to mitigate the tenants that leave early but where they still have a tenancy, thus the tenant is liable for council tax but the property is empty? if a landlord has problems with a tenant, how will the council help the landlord?</p>	Under consideration	<p>The Council aims to put together a number of guidance documents to assist landlords. A landlord engagement event that is planned for later this year should help to inform the council of what aspects landlords wish to focus on.</p> <p>In the case of properties that have been converted into self contained units and separately banded for council tax purposes the tenant will be liable for Council Tax payments. HMO landlords are expected to remain liable for the payment of Council tax on all other HMOs.</p>
NLA	<p>The NLA agrees that some landlords, most often due to ignorance rather than criminal intent, do not use their powers to manage their properties effectively. a more appropriate response would be to identify issues and assist landlords to</p>	Agreed	<p>The council seeks to work with landlords to encourage training and help them develop their property management skills. A light touch approach to enforcement is intended in the case of landlords who are willing to engage and improve.</p>

<p>NALS</p> <p>Page 128</p>	<p>develop the required knowledge and skills to improve the sector through schemes such as the NLA Accredited Landlord Scheme. This can allow Havering council to target the criminal landlords. - a joint approach is required</p> <p>It is important that the council sets out clear and simple guidance on the definition of a section 257 HMO as many owners will not realise that such properties fall within the HMO definition</p>	<p>Agreed</p>	<p>Guidance will be provided</p>
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What alternatives to licensing has the Council considered?			
RLA	The RLA supports a system of self-regulation for landlords whereby compliant landlord join a co-regulation scheme which deals with standards and complaints in the first instance.	Considered and rejected	Alternative schemes such as a voluntary co-regulation scheme are likely to attract only compliant landlords in a similar way to accreditation schemes. The council considers that licensing is the most effective way to successfully regulate HMOs.
NLA	The council should consider alternative schemes such as the Home Safe scheme in Doncaster and SEAL in Southend. Both schemes offer alternatives that the Council has not reviewed.	Considered and rejected	Although the council appreciates the benefits of such a scheme it does not consider that it will successfully deal with poor quality and poorly managed HMOs. A self-regulation scheme could be considered in respect of the wider private rented sector in due course.
RLA	A separate policy to tackle criminal landlords would be a more applicable in resolving issues	considered and under review	The Council is in the process of reviewing its enforcement policy to provide scope for greater penalties being imposed on criminal landlords. This policy will be used alongside enforcement activity undertaken in relation to licensing.
Landlord	Ideally you should bring out a scheme under which you can only let property in the borough via a recognised letting agent	considered	This is a matter for central government
NLA	As the council is in the process of producing a stock condition survey, why has the council produced a consultation before a report has delivered its findings? Your consultation document also does not point out how it would fit in with the strategies.	Considered and clarified	The Council is already aware of issues that exist within the private HMO market and is not reliant upon a stock condition survey for this purpose. The consultation document sets out how licensing will complement the existing Housing strategy by gaining a better understanding of the PRS, improving property standards and management practices within the sector and facilitating greater interaction with private sector landlords.

NALS	It is interesting to note that having completed over 100 inspections; the council have acknowledged most cases are resolved informally without any need for legal action. As such, it is unclear why a continuation of the council's current approach, backed by the option of civil penalties for more serious offences, does not provide a more appropriate way forward.	Considered and rejected	The council does not have the resources to continue with this approach. Licensing will allow additional resources to be provided to enable the inspection of all HMO's. The use of civil penalties alongside licensing is being considered where poor management and non-compliance is identified.
NLA Page 130	With extensive enforcement powers already at the council's disposal, we note that the council have failed to take any landlord prosecutions under the housing act 2004 over the five year period from 1 April 2011 to 31 March 2016. Before seeking to implement new licensing schemes, we would encourage the council to utilise the enforcement powers already at your disposal and demonstrate how a step change in enforcement activity would be achieved if a new licensing scheme was introduced	Accepted	The Council's enforcement policy is currently under review. The council accepts that there has been limited private sector housing enforcement activity in recent years which is partly the result of severely limited staff resources. The opportunity to engage additional staff to administer the licensing scheme together with proposals to utilise the new civil penalties will result in a significant increase in activity in this area in the foreseeable future.
NLA	There is minimal reference to letting agents and their important role in effective management of the private rented sector. We would encourage the council to explore mechanisms for effective liaison with letting agents and to understand and appreciate the benefits	Accepted	Many local letting agents are not keen to become involved with the management of HMO properties. However the council will seek to improve its communications with this sector to explore the scope for greater levels of HMO management by reputable agents.

NLA	<p>from encouraging landlords to use regulated letting agents</p> <p>We are surprised the council is looking at this when the government is about to introduce legislation which will cover this policy. Thus when resources are limited, why is the council doing this when the government will change the law in the coming months?</p>	Considered and rejected	<p>There is still no confirmed date when the government's proposed reform of the mandatory licensing scheme will be implemented and it is unlikely these reforms will come into effect before April 2018.</p> <p>The changes proposed will also not apply to HMOs that have less than 5 occupants and therefore will not regulate smaller HMOs, which are thought to make up around one-third of Havering's HMO stock.</p>
Does the Council have the capacity to administer the scheme?			
RLA	The council already has the necessary tools to tackle poor housing management and conditions in the PRS. Rather than introduce a bureaucratic licensing scheme,....it should continue to direct its limited resources at effective enforcement activity	Partially agree	The Council does not have the resources to carry out a continued programme of proactive HMO inspections. Licensing will provide additional resources to allow the council to inspect all HMO's and reveal poorly managed properties where enforcement activity may be appropriate.
NLA	The increase in the activity will increase the demand on the council. What provision has the council made and how much additional resource will be allocated	Agree and clarified	The Council recognises that additional staff resource will be required to administer the licensing scheme and this will be adequately resourced.
NALS	We note that the Council intends to inspect every HMO as part of the application process. In doing so, it is vital that the council has sufficient officers available to conduct the inspections in a timely manner	Agree	The Council will review this proposal to ensure adequate resources will be provided to ensure licenses can be issued in a timely manner.

NLA	<p>The introduction of additional licensing will require resources to be allocated to the area for it to work.</p> <p>The NLA would be willing to work with the council with the provision of Tenant Information Packs, Assured short hold Tenancies, and support services for landlords to improve efficiency of the homes in the area</p>	Accepted	The Council fully intends to allocate sufficient staff resource in the areas identified. It would also be keen to work with NLA in the development of tenant information packs and support services for landlords.
NALS	To make the scheme work effectively, it is important that:	Agreed	This will be in place.
Page 132	-the council's licence application process needs to be in place and fully operational before the council start to accept applications;	Agreed	The council will ensure that an application process is in place to accept applications from the date of designation of the scheme.
	-applicants should be given the opportunity to apply for a licence for at least three months prior to the start of the scheme; and	Agreed	The Council will ensure that it meets statutory publication requirements in relation to the designation, together with other promotional activity.
	-the council need to invest in extensive promotional activity, both within and outside the borough, throughout the pre-application period	Accepted	This will be done
NALS	We would ask the council to publish clear service standards setting out the timescale for processing and approving licence applications and to publish regular	Agreed	This will be done

	updates so that performance in this area can be monitored		
Why is there no proposal for a borough-wide HMO licensing scheme			
Resident	Limiting this to particular wards will only encourage landlords to rent out HMOs in the unaffected wards	Partially agree	Legislative requirements surrounding the introduction of an additional licensing scheme requires Council's to evidence specific problems in all areas where licensing is to be introduced. The Council does not have adequate evidence to meet the criteria in six of Havering's wards at this time. The situation will be continually monitored and reviewed and the scheme could be extended if new evidence becomes available of problems in those other parts of the borough
Landlord	Restricting licensing to certain areas will only divert potential problems to other areas and encourage investors to look at other potential low cost areas of the borough	considered	All parts of the borough that are lower cost in terms of property prices are included under the designation. The areas that are currently not included are higher cost areas therefore new investors will be discouraged from setting up new HMOs in these areas.
RLA	The RLA is confused as to why there are two options in the proposed licensing area. To identify a particular area for the introduction of licensing highlights a belief that the area has numerous issues, potentially blighting the reputation of the area. There is also a danger that the issues that the scheme seeks to address are simply moved elsewhere, as difficult or vulnerable tenants are moved on.	Considered and clarified	The two options proposed represent a very small 4 ward scheme concentrated on the worst affected areas and a much larger scheme that will incorporate as much of the borough as the evidence base will permit. Both schemes were consulted on in order to give landlords and residents an opportunity to influence the extent to which licensing is rolled out in Havering. The results of the consultation illustrate that the majority of respondents seem to appreciate the benefit of a wider scheme which will limit the extent to which problems could spread to other parts of the borough

Licensing could have a negative impact on some tenants			
RLA	The vulnerable tenants who need affordable houses will be affected most by rent increases	Considered	The council does not anticipate that the licence fee will result in rent rises
Housing Association	The council should explore the option of providing additional support to people who will be displaced as a consequence of the introduction of the scheme. Particular targeted support should be given to those aged below 35	Considered- to be kept under review	Joint working with homeless prevention officers will seek to establish a referral process for all tenants who are displaced or threatened with eviction as a result of the scheme. It is recognised that tenants under the age of 35 are most likely to be affected.
RSL	The introduction of an additional licensing scheme for HMO's could potentially have an adverse impact on young people and lower income groups. Specifically, Notting Hill Housing is concerned that young, single people aged under 35, who are more reliant on HMOs, could struggle to find alternative accommodation.	Considered	Additional licensing is not expected to significantly impact the number of HMO premises available to rent and higher rents are unlikely as they are largely determined by affordability. The Council also intends to closely monitor whether there is an increase in homelessness as a result of licensing, particularly among the under 35's age group.
Landlord	Where's the tenants protection from these landlords who want to cut corners? My real concern is that it will increase rents further as the extra costs would have to be passed on	Accepted	Licensing will provide greater protection for tenants such as improved living conditions and protection from eviction from unlicensed premises. The council does not believe the costs of licensing will be passed onto tenants in a significant number of cases.
NLA	In many places such as Newham, Oxford and Bath where they introduced in addition to the additional licensing an article 4 direction, it has restricted the number of shared housing that is	Considered	The council has already experienced difficulties in meeting housing demand, not only in shared accommodation but for all types of accommodation prior to implementation of Article 4 directions. Out of borough placements were also being made as some properties had been procured from outside

	available. this has resulted in the council looking to house many local people outside the council's boundary		Havering through the councils private sector leasing scheme.
Licence Conditions			
RLA	<p>We would like to remind the council that it is not the responsibility of the licence holder to make adequate arrangements for the collection of additional refuse and recycling or monitor when their tenants move their bins. It is the tenants' responsibility to dispose of their own rubbish and the local authority's responsibility to provide adequate means to do so. It is the responsibility and duty of the local authority to respond positively to tenants requests for more rubbish facilities.</p> <p>The RLA would like to make the council aware that this condition may breach the findings of Leeds City Council vs. Gordon Hoyland Spencer (1999)</p>	Considered and Rejected	HMO's are run as a business and property managers have a duty to other residents to ensure that refuse and other household waste is not allowed to accumulate in the property and cause nuisance. Havering Council already provides a weekly unlimited black bag and recycling collection service and have stipulate the days and presentation instructions for household waste to be collected. It also has a civic amenity site for disposal of other household waste and it runs an additional doorstep collection service for bulkier household items by arrangement for an additional small fee. The HMO Management Regulations (regulation 9) places a duty on the manager to ensure adequate refuse storage facilities are provided within the HMO pending their disposal and to make such further arrangements for the disposal of refuse and litter from the HMO. Whilst it is the tenants' duty to observe such arrangements, it is the Council's view that the property manager is ultimately responsible for ensuring waste from their property is stored and disposed of appropriately.
NALS	Condition no. 24 – Although we would expect responsible landlords to leave information about refuse and waste collection and not to fly tip, it is unreasonable to expect landlords to police tenant behaviour. The landlord can only be responsible for ensuring tenants are aware of refuse collection	Rejected	Poor waste management practice is a major contributor to ASB levels. The Council believes that all landlords need to inform tenants of the basic information as they are best placed to ensure this information is conveyed to tenants upon commencement of new tenancies. Furthermore any deficiencies or failure of tenants to observe either the refuse storage facilities or presentation of waste for collection should be identified by managers of well managed HMO's in

	details and to encourage tenants to be responsible when disposing of waste.		order that issues can be addressed before they become a nuisance.
NALS	Condition 8 – we have concerns about the unintended consequences of 8(b). in saying a landlord must not provide accommodation for someone who is unable to provide a reference, this proposal does need to be considered as part of the equalities impact assessment.	Considered and amended	The wording of the conditions has been amended to allow landlords some discretion not to permit a new tenancy without a reference in exceptional circumstances which should prevent inadvertent exclusion of some tenants
NALS	The consultation document says conditions 12-16 will not apply to all licences. However, no guidance is given about when such conditions may be applied. Can this be clarified?	Accepted and clarified	The wording has been amended to clarify that conditions 12-16 will only apply in cases where a 12 month licence is to be issued (landlords of concern)
NALS	Condition 21 –the council should produce a web page explaining what material can be recycled using council facilities.	Agreed and already in place	The Council's webpages already include information about various types of waste disposal and recycling facilities that are available in the borough.
NALS	Condition 28 – the risk based methodology for fire alarm and detection systems in the LACORS national fire safety guidance is not accurately captured by this clause and it deviates from the mandatory fire safety condition that the council must apply	Considered and accepted	The wording of this condition has been amended to reflect these comments and to accurately capture the mandatory fire safety conditions.
NALS	Condition 36 – receipts for rental payments are not required if the occupant is on an assured shorthold tenancy and	Accept	Wording of conditions revised accordingly

NALS	pay rent via standing order or direct debit Condition 37 – this condition is incorrect as the liability for council tax will vary according to the type of HMO and how it has been banded by the Council.	Accepted and amended	This condition has been re-worded to exclude properties that have been separately banded for council tax purposes. However, landlords are liable for Council tax in the vast majority of HMOs
Public Register of Licence Holders			
Landlord	Landlords do not want their personal details made public	Under consideration	The Council complies with the regulations relating to the public register, which is already published in respect of mandatory HMO licenses. S234 of the Housing Act 2004 requires the local authority to establish and maintain a register of all licensed it has issued and the register may be in such form as he authority consider appropriate. The authority must ensure that the contents of the register are available at the authority's head office for inspection by members of the public at reasonable times. The Council has chosen to have the register available online to allow tenants to check if a property is licenced as well as reducing the cost of responding to individual requests. Subject to further consideration, the Council may consider publishing a redacted version of the register online.
The Evidence			
NALS	The evidence base needs to demonstrate what if any problems are associated with the smaller properties (those with only three or four occupants)	Agree	The Council already has evidence of poor management and property conditions in HMOs occupied by less than 5 persons. The evidence relating to antisocial behaviour, nuisance and crime will also be reviewed and updated in the coming weeks.
NALS	We do not think that the evidence base supports the proposal for more extensive	Considered and rejected	The Council has sought Counsel advice in relation to its evidence and is confident that the evidence does support a

<p>NALS</p>	<p>licensing, as set out in option 1</p> <p>In establishing whether there is evidence to justify an additional licensing scheme, evidence of crime and ASB associated with the existing mandatory licensed HMOs has been included. Data associated with existing licensed HMOs should be excluded when looking at the justification for a new licensing scheme. In relation to crime and ASB, we are concerned that the data relates to 2014/15 which is three years old. there is no year on year data provided for comparative purposes</p>	<p>Accepted</p>	<p>12 ward scheme. However this will be reviewed once again prior to making the designation.</p> <p>It has not been possible to separate all of the crime data to categorise between existing licenced and other HMOs and broad data obtained has been used to demonstrate the wider issues on a ward by ward basis. Other evidence around poor property conditions and poor management of HMO's is however more specifically linked to unlicensed HMO's. The evidence will be reviewed again and a comparison of data over several years will be provided.</p>
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5. Conclusion

It is clear from the online survey that there is overall support for a wider additional licensing scheme. Although a number of landlords expressed concern about the suggested level of fees, this came as no surprise. Unfortunately these charges are unavoidable if a cost neutral scheme is to be achieved.

Many of the key issues raised during this process have already been considered and responded to but further work is still needed to ensure that the scheme can be administered and enforced effectively. The success of the scheme will be largely dependent on the council's ability to allocate adequate staff resources to carry out property inspections and process applications in a timely manner. The council should also take advantage of the willingness of certain organisations such as the NLA and NALS to work with the council to provide the correct type of targeted support for landlords to enable them to deal with problematic tenants and to improve their property management skills.

The Council will need to invest heavily in enforcing the scheme in order to achieve the outcomes intended. The council will also be required to periodically monitor the effectiveness of the scheme. In order to achieve this it will be necessary for a clear set of quantitative and qualitative criteria to be set, against which the schemes performance can be assessed.

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Appendix 3:

Summary of Evidence

Houses in Multiple Occupation identification and location

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;
- Housing Benefits 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;
- council tax 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; and
 - 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;
- Data on suspected HMO's has been obtained using a Tenure Intelligence System (TIM's) which has predicted HMO's on the basis of combined information held in Data Warehouse.

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 233 confirmed HMO addresses have been considered as part of this data exercise.

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

Ward	Benefit s	Counci l Tax	HM1 – Bedsit HMO's	HM2- Section 257	HM3- Shared House HMO	Public Register (Licensed HMO's)	Liberty Housing	Total	Suspected *(updated TIMS data)	Grand Total
Brooklands	4	11	9	2	5	1		32	57	89
Cranham		1			1			2	6	8
Elm Park	1	3	1		2	7		14	23	37
Emerson Park		1			1		1	3	17	20
Gooshays	6	4					1	11	57	68
Hacton	1	1	3					5	13	18
Harold Wood	1	2			3	4	1	11	30	41
Havering Park	2	5	1		2	3	2	15	27	42
Heaton	5	8	2		2	1	4	22	63	85
Hylands			3		1			4	18	22
Mawneys	1	2	4		1			8	20	28
Pettits	1	3	1				1	6	21	27
Rainham & Wennington	3	2	1	1	3	1	3	14	46	60
Romford Town	4	12	20	4	4	10	1	55	80	135
South Hornchurch	6	7	2		1			16	34	50
Squirrels Heath		2	2		1	4		9	22	31
Saint Andrews		1	3				1	5	19	24
Upminster		1						1	7	8
Totals	35	66	52	7	27	31	15	233	560	793

The HMOs identified 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 (55) and Brooklands (32) in particular, where the majority are HM1 (Bedsits).

The Harold Hill area (Heaton, Gooshays and Harold Wood wards) contains 19% 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 Right Move) and 46 rentals advertised, including house-shares and room renting (according to Right Move).

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. Please refer to the table above for number breakdown. There are also high concentrations of HMOs are located in the areas of Central Romford and Harold Hill.

Figure 1: Approximate locations of all HMO's in Havering

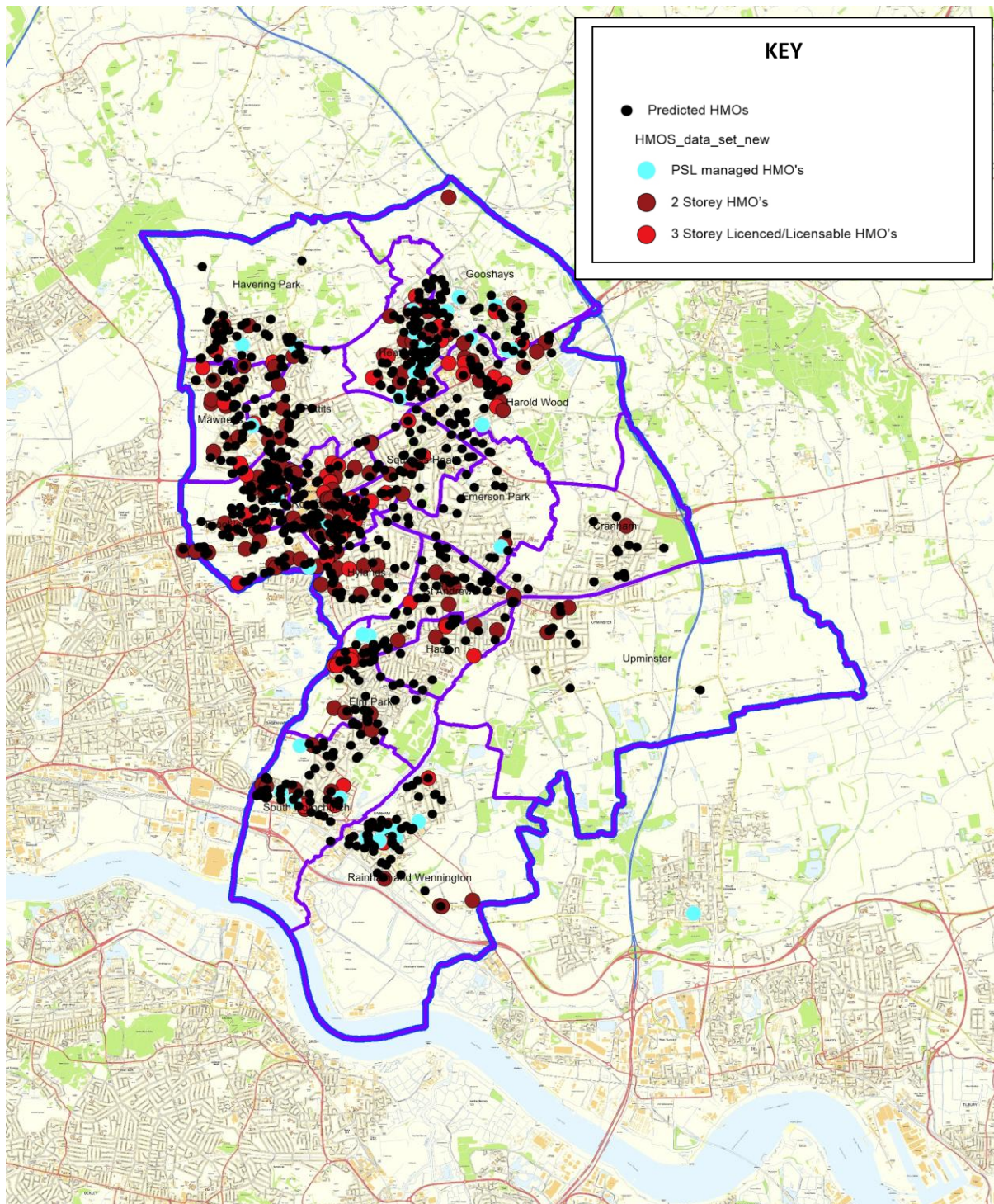


Figure 2: Approximate locations of Known HMO's in Havering

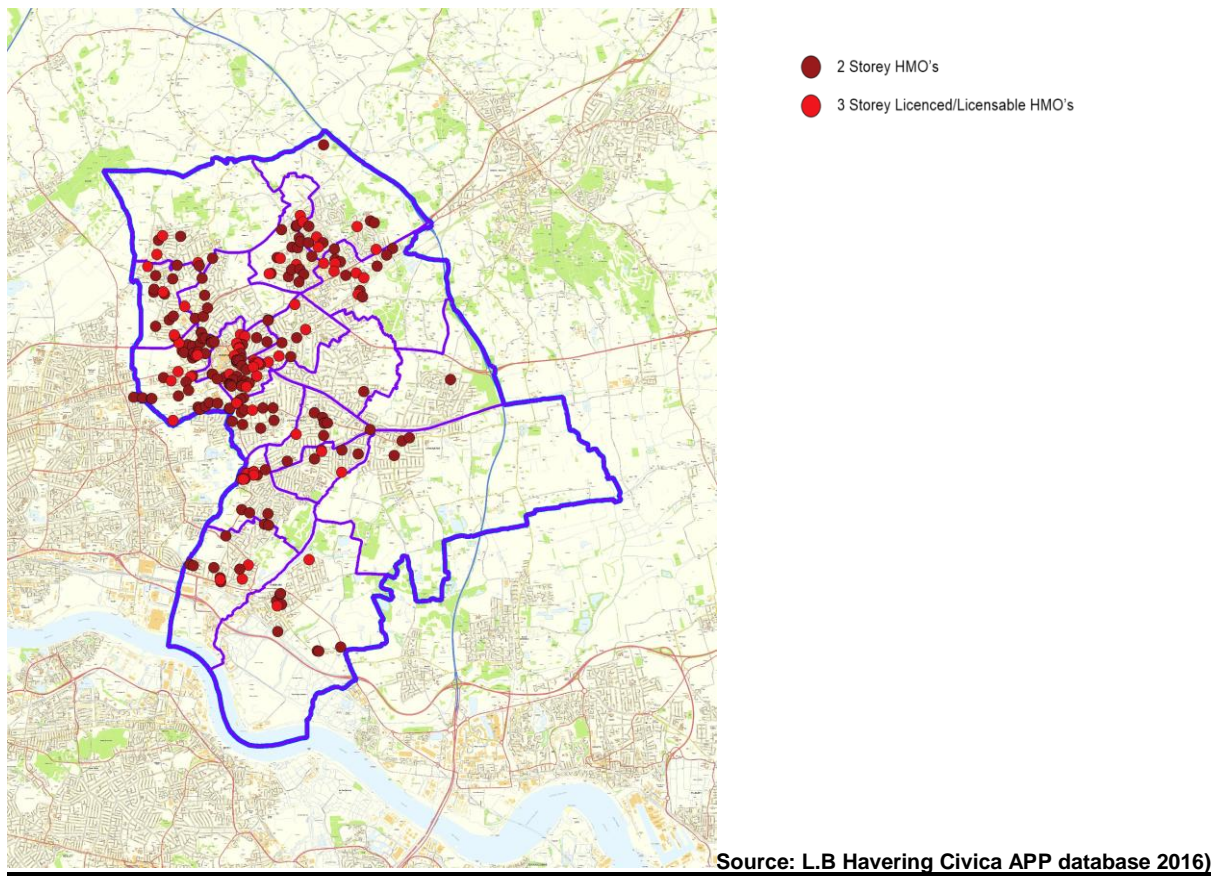
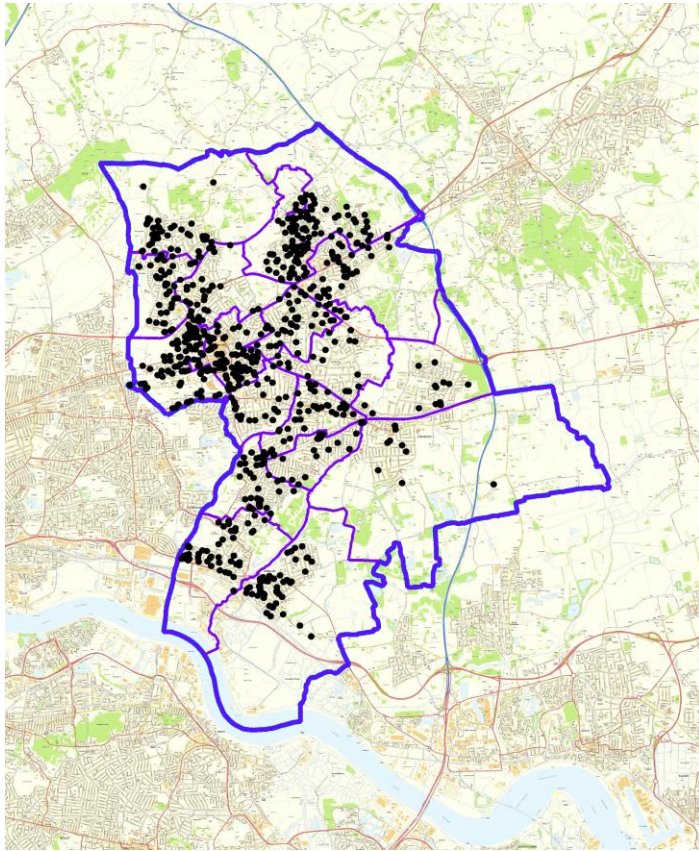


Figure 3: Approximate locations of unconfirmed (predicted) HMO's in Havering



Source: Tenure Intelligence Model Nov 2016

Supporting data relating to incidents of crime and ASB

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 known HMOs accounts for less than 0.3% of all properties in the borough (233 of approximately 100,000), it should be noted that this figure is likely to be vastly underestimated due to the number of unconfirmed but predicted HMOs that exist. However, on the basis of the lower figure, HMOs remained proportionately over-represented in all cross-referenced areas, especially domestic violence and noise complaints. 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.

Table 2: Noise complaints, police calls for service, police calls for domestic violence and total crime and crime-related incident records for 2014-15 for HMOs.

Category	No. premises	Noise complaints	Police calls (exc. Domestic Violence)	Police calls - domestic violence	Crimes recorded
HMO Public Register	31	2	11	10	13
Benefits list	35	-	17	25	14
Council Tax	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
Total known HMOs	233	3	72	76	102

Source: CRIS

Table 3: Number of properties affected for 2014-15 (%)

Category	No. premises	Noise complaints	Police calls (exc. domestic violence)	Police domestic violence calls	Crimes Recorded
		No. of properties affected (%)	No. of properties affected (%)	No. of properties affected (%)	No. of properties affected (%)
HMO Public Register	31	2 (6%)	4 (13%)	6 (19%)	9 (29%)
Benefits list	35	-	4 (11%)	6 (17%)	8 (23%)
Council Tax	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%)
Total	233	3 (1.3%)	31 (13%)	32 (13%)	55 (24%)

Source: CRIS

Data held on CRIS is taken directly from reports entered by Police Officers, and its primary function is to record steps taken in ongoing police investigations. The data used here has been taken directly from the CRIS system, and has not been subjected to quality-assurance procedures which are carried out on crime figures which are released as official information.

Of the data taken from CRIS, there were around 20,000 crimes reported in Havering in each year. The lists of HMOs have been compared against the 'venues' recorded for every crime report recorded in each year; so this report deals with incidents which occurred within an address, rather than incidents report by residents of that particular address. For example, a crime report where a resident of an HMO reports a break-in to their car while parked in their office car park would not be counted by this report, however a report of a break in to that same person's room at the HMO would be included, as the HMO is the venue which the crime occurred at.

There are some instances when mistakes such as incorrect placement of spaces, or addresses with multiple sections, could throw the search method used. When considering 20,000 crime reports each year, it was not practical to check each piece of information for accuracy; however these inaccuracies would, if anything, mean that the number of offences in HMOs were higher than discussed in this report, as certain addresses may not have been included in automated counting and comparison processes. The reasons mentioned above again means that the data is not reliable, and should be taken as an indication of levels rather than undisputable fact.

Table 4 displays the number of HMOs in each class which were recorded as the venue of a crime, and of these, how many crimes were recorded from these addresses.

Table 4.							
Number of HMOs in each class recording crimes, and the total number of crimes these are responsible for							
Year	2014			2015		2016	
Category	Total no. of HMOs In category	No. HMOs at which crimes were recorded	Total no. crimes recorded at these HMOs	No. HMOs at which crimes were recorded	Total no. crimes recorded at these HMOs	No. HMOs at which crimes were recorded	Total no. crimes recorded at these HMOs
Suspected HMOs	560	136	262	126	222	114	208
HMO 2 Storey	202	36	72	28	60	38	84
HMO 3 Storey	31	8	12	15	36	12	30

In 2014, 17.% of the 2-storey HMOs were the venue of a crime. This figure was 25% for the 3-storey HMOs, and 24% for the suspected HMOs.

In 2015, 13.% of the 2-storey HMOs were the venue of at least one crime; 48% of the 3-storey HMOs, and 22.0% of the suspected HMOs.

In 2016, 19% of the 2-storey HMOs saw at least one crime; 38% of the 3-storey HMOs, and 20% of the suspected HMOs saw at least one crime.

Table 5 breaks down the figures in table 4, to show the varying levels of demand generated by HMOs in each class; for example the majority of suspected HMOs in 2014 (650 of 786) were not recorded as the venue of any crimes. Eighty three of the suspected HMOs were recorded as the venue of one crime, twenty-eight recorded as the venue of two crimes, ten as the venue of three crimes, and so on.

Table 5. Levels of crime reported by HMOs, by year									
No. of crimes reported at each HMO	Suspected HMOs 2014	Suspected HMOs 2015	Suspected HMOs 2016	2 Storey HMOs 2014	2 Storey HMOs 2015	2 Storey HMOs 2016	3 Storey HMOs 2014	3 Storey HMOs 2015	3 Storey HMOs 2016
1	83	77	79	17	17	24	5	7	8
2	28	24	18	9	3	4	2	4	2
3	10	15	5	5	3	4	1	1	
4	6	4	4	4	3	2		1	
5	2	3	2			2			1
6	2	2	2	1	1			1	
7	2	-	1						
8		-	1			1		1	
9		1	1						
10	1				1				
11	1								
12	1								
13									1
15						1			
16			1						

A further analysis of the number of properties affected reveals that almost a quarter of HMOs were linked to reported incidents of crimes; and that rates of burglary per 100 households were one and a half times higher at HMOs than the borough average.

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.

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.

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).

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 disproportionately higher concentration of those with an offending history are found in 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

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 12-months period to September 2016 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 studies¹ 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.

Significant concentrations of HMOs in small geographical areas may, therefore, lead to elevated levels of crimes such as household burglary and vehicle crime. Total notifiable offences reported to and recorded by the Metropolitan Police within Havering have increased by 4.7% over the past five years, whilst over the 12 month period to September 2016 there had been a rise of 10.2%. Latest crime data from the Metropolitan Police is not yet available beyond July 2017 so the last full 12 month period cannot be reported on at this time.

Incidents of anti-social behaviour

The largest volume of ASB incidents, from available data, in Havering are reported to the Metropolitan Police (92%), not including Environmental Crime and ASB reported to the London Borough of Havering. When these are factored in (flytipping, graffiti, noise, abandoned vehicles) then the Metropolitan Police reports account for 42% of the total and local authority environmental crime and ASB accounts for 58%.

Figure 4 below provides a breakdown of all police ASB calls made in Havering and how they were categorised in the 12-month rolling period to September 2016. Most incidents are recorded as '*Rowdy and Inconsiderate Behaviour*' (26%), an ambiguous category covering a range of behaviours, predominantly groups causing noise and making complainants feel intimidated. '*ASB – Nuisance*' follows with 18%, rising 188% since the previous assessment, or over 550 additional records. This type category has been used predominantly in capturing calls regarding unauthorised traveller sites at a number of open spaces across the borough. Neighbour disputes, harassment and noise, invariably interlinked, and substance misuse related ASB feature highly.

(1) ¹ 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

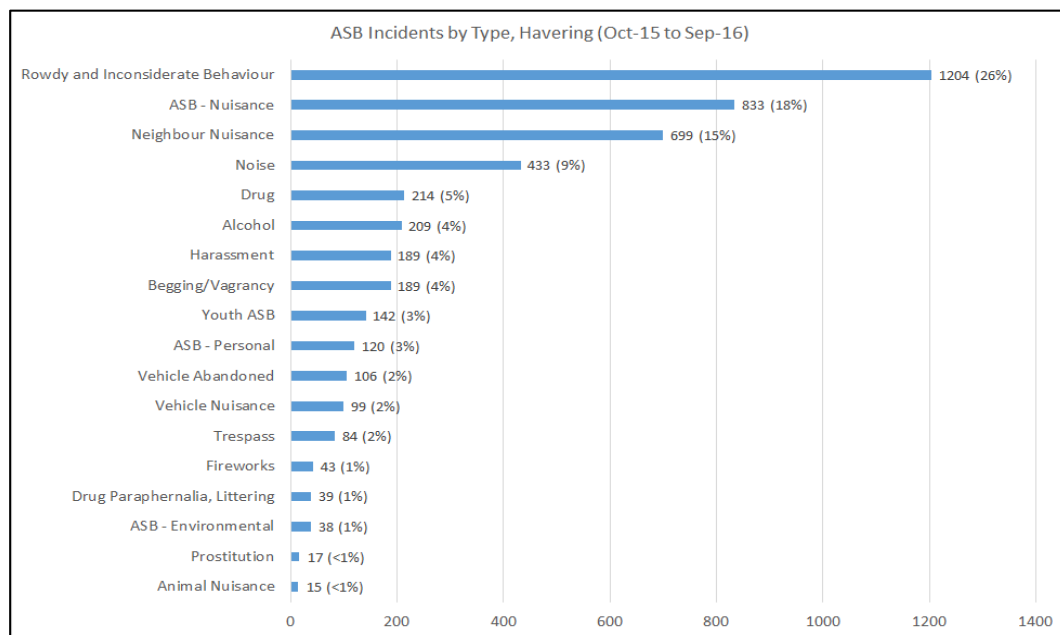


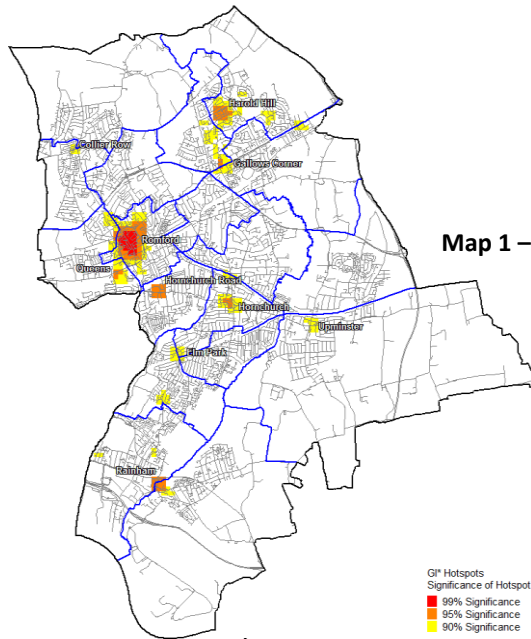
Figure 4 Breakdown of ASB calls by incident type

This section identifies those areas of Havering where crime, disorder, ASB and substance misuse are most problematic. The maps below show hotspots for total recorded crime, household crime, all motor vehicle crime and personal crime (violence, sexual and robbery offences) in Havering. There were 17,456 offences recorded in the 12-months to September 2016, the highest concentrations were located in areas of the highest pedestrian and vehicular traffic, such as transport hubs and business districts (map 1). Around a third of all crime in Havering occurs in business districts, transport hubs, shopping and retail areas.

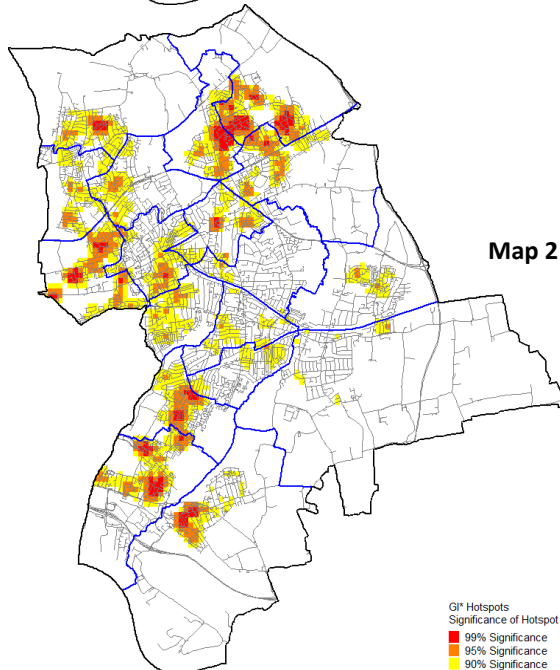
There were almost 4,750 household crimes in Havering (burglary, criminal damage and vehicle crimes at home addresses). Hotspots were more widespread across the borough, with highly concentrated pockets of offending in Heaton and Gooshays to the north, Elm Park, South Hornchurch and Rainham & Wennington to the south, and Brooklands ward in the centre of the borough – see map 2.

There were over 6,600 personal crimes (robbery, violence and sexual offences). These were highly concentrated within town centre and retail areas. The most concentrated hotspots are Romford Town Centre, which accounts for more than half of robbery and sexual offences in Havering, Hornchurch Town Centre and Harold Hill – see map 3

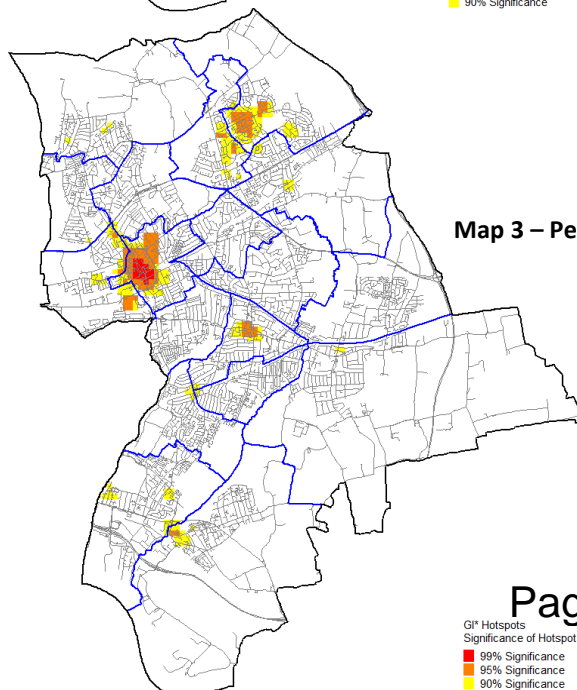
Maps 1-3:



Map 1 – Total Notifiable Offences;



Map 2 – Household Crime



Map 3 – Personal/Violent Crime

Table 6 as an overview shows the top 10 volume wards for a selection of crime types in Havering. Romford Town ward is the largest contributor to total notifiable crime in Havering, with 3,517 offences in the previous 12-months (20% of all crime in Havering). It is also worth noting that Romford Town ward has the 22nd (down from 15th) highest crime rate of all wards London wide, ranking as high as 9th for violence with injury and within the top 20 for business crime. Gooshays and Brooklands wards rank within the worst 20% of London wards by rate of crime for a number of offence categories - Violence, Vehicle Crime, Burglary and Criminal Damage. Burglary, Vehicle Crime and Criminal Damage are the only offence categories in Havering where three or more wards rank within the worst 20% of all London wards (Brooklands, Gooshays, Heaton, Harold Wood, Rainham & Wennington, Romford Town and South Hornchurch make up these wards which feature in the worst 20% for at least one of the aforementioned categories of crime). In contrast, there are eight wards which are within the safest (lowest rates of crime) 20% in London, which are Cranham, Elm Park, Emerson Park, Hacton, Havering Park, Pettits, Squirrel's Heath and Upminster.

Table 6: Top 10 Wards, by volume, for selected areas of crime in Havering, 12-months to Sep-16 (Metropolitan Police ward data)									
Violent Crime		Burglary		Motor Vehicle Crime		Other Theft & Handling		Total Notifiable	
Romford Town	1,185	Gooshays	173	Brooklands	183	Romford Town	1,346	Romford Town	3,517
Gooshays	608	South Hornchurch	144	Rainham & Wennington	181	St. Andrews	255	Gooshays	1,500
Brooklands	542	Brooklands	137	Harold Wood	158	Hylands	253	Brooklands	1,393
Heaton	400	Squirrel's Heath	131	South Hornchurch	155	Gooshays	246	South Hornchurch	1,074
South Hornchurch	368	Romford Town	126	Gooshays	154	Upminster	203	Heaton	978
St. Andrews	339	Pettits	119	Romford Town	143	Brooklands	199	Harold Wood	942
Harold Wood	296	Cranham	106	Mawneys	122	Mawneys	194	Rainham & Wennington	928
Rainham & Wennington	268	Harold Wood	106	Heaton	117	Rainham & Wennington	193	St. Andrews	926
Havering Park	271	Hylands	99	Havering Park	105	Harold Wood	172	Hylands	812
Hylands	220	Upminster	95	Hylands	99	Pettits	140	Mawneys	743

Source: Havering Community Safety Partnership Strategic Assessment 2016

Evidence of problematic and poorly-managed HMOs

Over approximately the last five years the council has operated a proactive inspection programme for non-licensable HMOs, most of which are 2-storey buildings. The programme's objectives included:

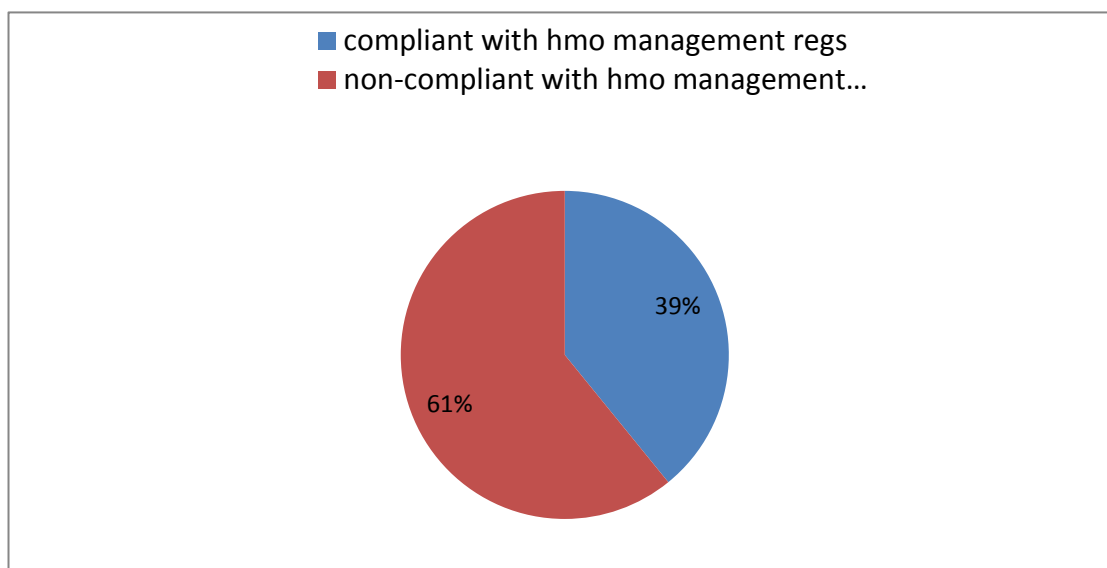
- providing the council with knowledge about the quality of accommodation afforded by smaller HMOs;
- helping landlords to improve HMOs, their management and fire safety; and
- encouraging compliance with the HMO Management Regulations.

The programme revealed unsatisfactory management practices in a significant number of cases. It identified that the majority of non-licensable HMOs contravened one or more of the HMO Management Regulations' requirements, did not meet fire safety standards set out in LACORS guidance or did not satisfy minimum space or facility standards adopted by east London authorities. The ward locations of those premises are shown in figure 5 and the overall level of compliance detected is illustrated in figure 6 below.

Figure 5: Number of HMOs included in sample, by ward

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
Saint Andrews	0	Hacton	0				

Figure 6: Results of proactive risk assessment inspections of two 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 and adequacy of standard amenities (W/C, basin, bath/shower kitchen sink and cooking facilities);
- gas and electrical safety;
- disrepair; and
- management controls.

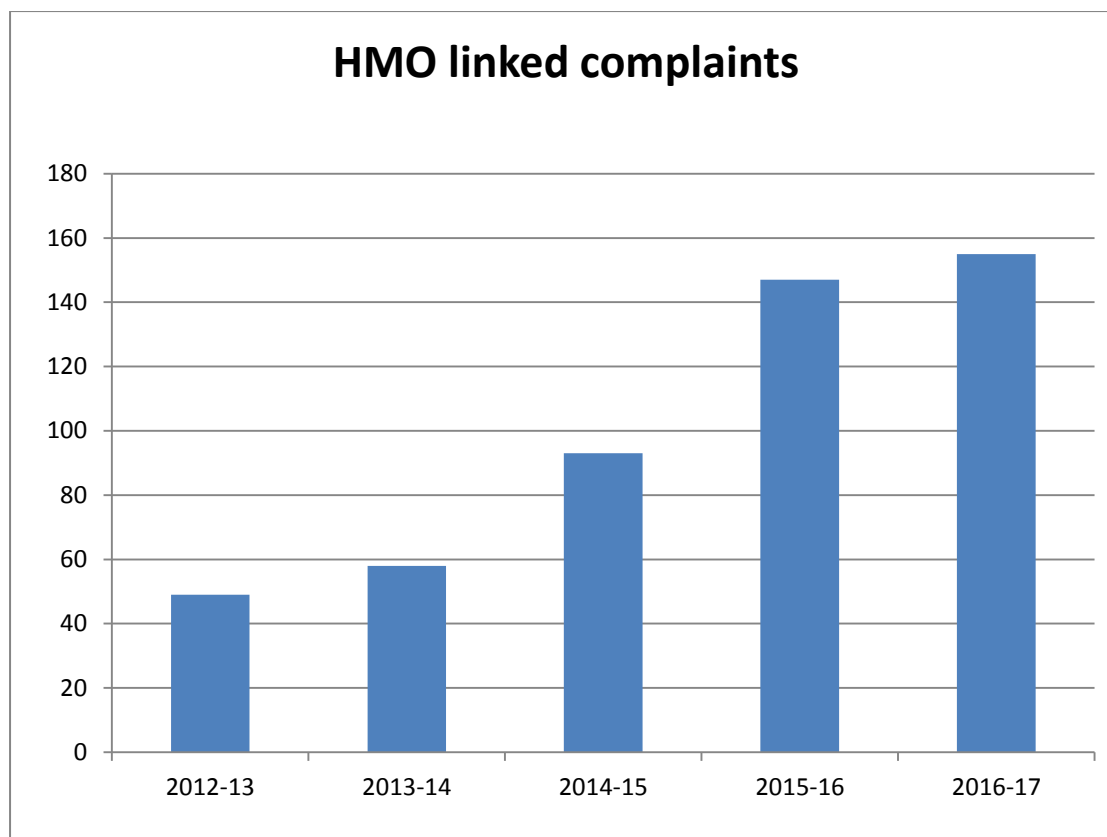
Table 7 illustrates the nature of deficiencies, identified by type and ward location, from an inspection sample of 78 non-licensable HMOs. A significant number of individual premises were deficient in multiple categories.

Table 7: summary of results

Ward	No. fully compliant	No gas safety certificate	Poor fire safety	Disrepair	Inadequate amenities	Poor management
Brooklands	4	3	5	2	1	3
Cranham	1	0	0	0	0	0
Elm Park	3	0	1	0	0	0
Emerson Park	1	0	0	0	0	0
Gooshays	3	3	3	3	1	0
Harold Wood	1	3	3	2	1	1
Havering Park	1	1	2	0	0	1
Heaton	5	1	8	5	0	7
Hylands	2	1	1	0	0	0
Mawneys	2	0	1	0	0	2
Pettits	0	1	1	0	1	0
Rainham & Wennington	1	3	4	1	0	2
Romford Town	3	4	5	0	3	3
Saint Andrews	0	0	0	0	0	0
South Hornchurch	1	2	3	1	1	3
Squirrels Heath	1	0	0	0	0	0
Upminster	0	2	3	1	1	1
% of sample total	37	30	51	19	11	29

Figure 7 below illustrates the year-on-year rise in HMO linked complaints received by the council's Environmental Health Department. The number has increased three-fold in the five year period 2012-2017.

Figure 7 - Total number of complaints linked to HMOs received by Environmental Health Department by year



Source: LBH Civica APP database 2016

A further analysis of this increase in the number of complaints has been broken down into ward areas. The results are shown in figure 8.

Almost all wards of the borough have seen an increase in the overall number of HMO linked complaints received per year between 2012 and 2017. The wards with the most significant increase in the number of complaints are Brooklands, Gooshays, Harold Wood, Heaton, Romford Town and Squirrels Heath. Only Upminster and Pettits wards have seen a reduction in the number of reports from 2012 to 2017, albeit several other wards have insignificant numbers of reported complaints overall.

Figure 8 – complaints received within Environmental Health linked to non-licensed HMOs by year and ward area (Source: LBH Civica APP database 2016)

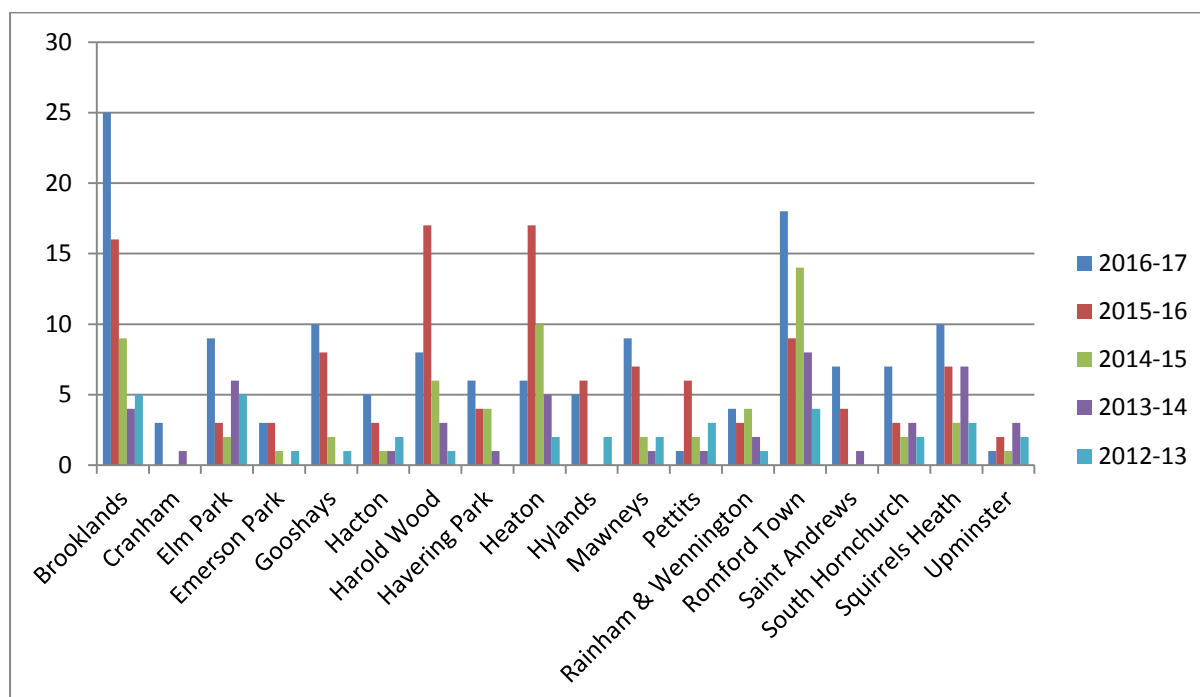
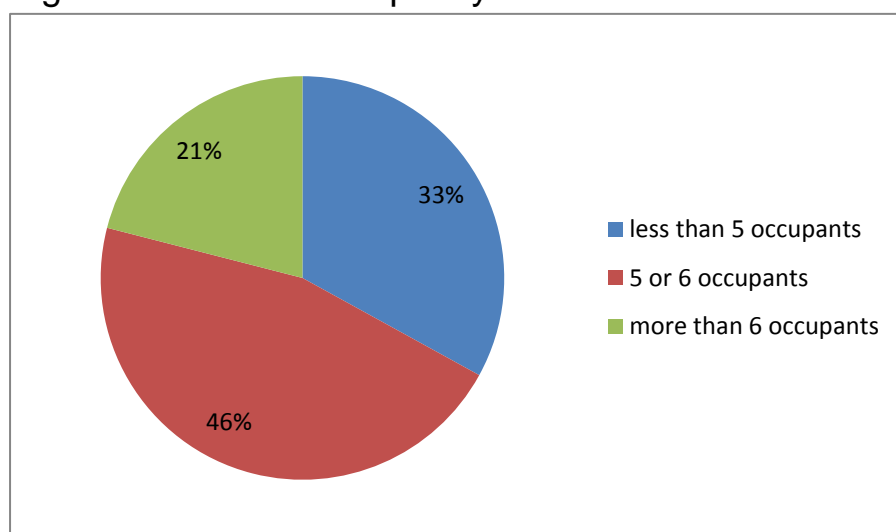


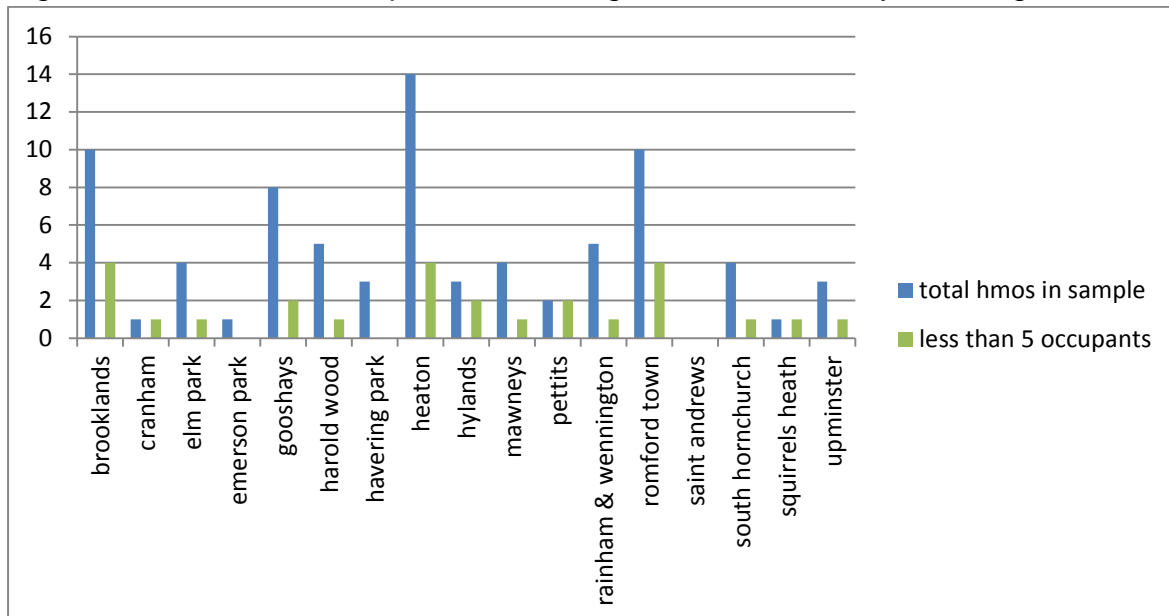
Figure 9 below shows the level of occupancy in known two-storey (non-licensable) HMOs from sample inspections of 78 premises. On the basis of this sample, 33% of HMOs in Havering are likely to remain outside the scope of licensing if the Government's proposal to extend mandatory HMO licensing is implemented. Although not all of the occupancy levels of known HMOs have been recorded, it is quite likely that a similar proportion of predicted (unknown) HMOs will be occupied by less than five persons and therefore fall outside current and proposed mandatory licensing requirements. This could amount to around 400 premises borough wide based on known and predicted HMO data.

Figure 9- Level of occupancy in HMOs



The ward locations of known HMOs that would fall outside the extended mandatory HMO licensing requirement are illustrated in figure 10.

Figure 10- Location of sample HMOs falling outside mandatory licencing



Appendix 4:

Additional Licensing Conditions

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 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

- 5) 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.
- 6) 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.
- 7) 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.
- 8) The licence holder must:
 - (a) obtain references from any person who wishes to occupy the property, wherever possible, before entering into any tenancy, licence or other agreement enabling them to do so;
 - (b) not enter into any such agreement if the person is unable to provide suitable references unless there are exceptional circumstances for doing so
 - (c) retain copies of all references for the duration of this licence and
 - (d) provide the council with a copy of any such reference or references within 28 days of any request to inspect it or them

- 9) The licence holder must 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;
 - (ii) ensure the effective management of the property; and
 - (iii) ensure that the said arrangements include the provision of an emergency, 24hr contact number (including out-of-hours response arrangements);
- 10) 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.
- 11) The licence holder must:
- (i) 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
 - (ii) 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 anti-social 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 into 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 11(a) to (f) within 28 days of any request to inspect them.

Conditions 12-16 will only apply in cases where a short term (12 month) licence is to be issued (landlords of concern)

- 12) 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 unless they have appointed a regulated letting agent to manage the property on their behalf.
- 13) 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 14, 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.

- 14) 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/).
- 15) The licence holder must remain an accredited Landlord with LLAS or registered with the equivalent, professionally-recognised scheme for the duration of this licence.
- 16) 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

- 17) 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.

- 18) 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.
- 19) 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.
- 20) 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. (Note: 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.
- 21) The Licence Holder must give new occupants, in writing and within 7 days of the start of their occupation, the following information on refuse disposal and recycling:
- the days on which the property's refuse and recycling bags are collected;
 - details about what occupants can and cannot recycle;
 - formal arrangements for how the occupants can disposal of rubbish and bulky waste; and
 - refer them to the council's website for general guidance about waste,
- The licence holder must keep a copy of the information provided to the occupants 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.

- 22) 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.
- 23) The licence holder must carry out regular checks to 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).
- 24) 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
- 25) The licence holder must ensure that any type of rubbish from the premises that the council does not routinely collect, such as hazardous waste, is collected and/or disposed of in a safe and hygienic manner.
- 26) 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.
- 27) The licence holder must carry out regular checks 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.
- 28) The licence holder must take general fire precautions to ensure, as far as is reasonably practicable, the safety of the people on the premises and in the immediate vicinity to include the carrying out of a fire risk assessment for

the purpose of identifying the general fire precautions and other measures needed to comply with the Regulatory Reform (Fire Safety) Order 2005.

In particular the licence holder must:

- (i) ensure that smoke alarms are installed on each storey of the property where there is a room used wholly or partly as living accommodation, in accordance with the LACORS housing fire safety guidance,
- (ii) ensure that each smoke alarm installed in any room, hallway, landing, bathroom or lavatory in the property is kept in proper working order; and
- (iii) 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.

A copy of the LACORS housing fire safety guidance can be accessed online and downloaded free of charge at:

http://www.cieh.org/library/Knowledge/Housing/National_fire_safety_guidance_08.pdf

Note: properties will be assessed on a case by case basis upon inspection and may require a standard over and above the minimum.

29) The licence holder must:

- (i) 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); and
- (ii) ensure that each carbon monoxide alarm installed in any room in the property is kept in proper working order; and
- (iii) 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.

30) 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.

- 31) 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

- 32) 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.
- 33) 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.
- 34) 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

- 35) 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.
- 36) 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, unless the occupant is an assured shorthold tenant and pays their rent via bank standing order or direct debit. 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.

- 37) With the exception of properties that have been converted into self-contained units that have been separately banded for council tax purposes, management of the council tax account for the property shall remain the liability of the licence holder and, if requested, the licence holder must, within 28 days, provide the council with written details of the arrangements made to pay and settle the annual council tax liability in respect of the property.

General Conditions

- 38) 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.
- 39) 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.

Limitations of Licence

- 40) **LICENCE TRANSFER** This licence is not transferable and may NOT be transferred to another person, organisation or property.
- 41) **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.
- 42) **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.

- 43) **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
- 44) **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.

- 45) **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.
- 46) **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 at:

- <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 5

Licensing Fees

Licence Fees

- 1.1 Licences will last for **5 years** unless the Council has concerns about the management, use, condition or occupation of the property, in which case the Council may grant a licence for a shorter period, the fee being the standard rate.
- 1.2 Where the Council takes enforcement action, the licence may be revoked. If this happens a new application will have to be made and a new licence fee paid.
- 1.3 Licences are not transferable. If a person wants to become the new licence holder for a property, they must apply for a new licence, and pay a new licence fee.

Application Fees

- 2.1 Application fees cover the Council's costs of processing, administration and validation of the application for a licence. The Part A application fee is due when an application for a license is made and application fees are non-refundable, regardless of whether the application is successful.
- 2.2 Any forms received without payment (or where incorrect or deficient information is supplied) will not constitute a valid application. Full payment must be received and cleared to form a valid application.
- 2.3 Once the license application has been processed and has been approved. The Part B fee will be payable before the licence is issued.

NOTE: If the full payment is not received the license cannot be issued. This will mean that you are unlicensed and could receive an unlimited fine if prosecuted.

Enforcement Charges and penalties

- 3.1 There are separate fees for specific enforcement action, charged under section 49 of the Housing Act 2004.
- 3.2 The Council will use civil penalty notices where appropriate as an alternative to prosecution. The maximum penalty is £30,000 per offence.

Licence Fees Applicable Fee

	Discount rate (available up to 28 February 2018)	Standard rate (applicable from 1 March 2018)
Part A	£412.50	£550
Part B *	£350	£350

*A 10% discount on the Part B fee **only** is available to accredited landlords. To qualify certificates and membership numbers must be supplied at time of application and be from one of the following schemes:-

- **NLA – National Landlords Association**
<https://www.landlords.org.uk/>
- **RLA – Residential Landlords Association**
<https://www.rla.org.uk/>
- **LLAS – London Landlords Accreditation Scheme**
<http://www.londonlandlords.org.uk/>
- **NALS – National Approved Letting Scheme**
<http://www.nalscheme.co.uk/>

Licensing Actions Applicable Fee

Revocation of licence	No fee
Application to licence following revocation of licence	Application fee
Application refused by the council	Part A Application fee with no refund
Application withdrawn by the applicant	Application fee with no refund
Application made in error e.g. duplicate	A refund of any fees paid will be made
Properties that cease to be licensable during the licensing process	Part A Application fee with no refund

Appendix 6

Equality Impact Assessment (EIA)

Document control

Title of activity:	Private Sector Landlord Licensing
Type of activity:	Strategy
Lead officer:	Louise Watkinson, Public Protection Manager
Approved by:	Dipti Patel Assistant Director of Neighbourhoods
Date completed:	14 September 2017
Version Number	V7
Scheduled date for review:	Autumn 2018 -following 6 months of implementing the scheme

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

About the 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 12 wards within Havering as an Additional Licensing area. This will have the effect of requiring landlords of <u>all</u> houses in multiple occupation (HMO) in these areas to have a license whereas, currently, Havering operates the mandatory scheme that requires only HMOs which are 3 storeys and above to obtain a property licence,.</p> <p>The scheme has been subject to a full public consultation with landlords, residents, businesses and community groups across the borough and all other potentially affected stakeholders who were invited to comment on the proposals. All feedback has been fully considered and will be presented to members prior to making the final informed decision at cabinet.</p> <p>The designation is intended to last for five years and the council will be required to review the scheme from time to time within this period. Havering is proposing to review the scheme at the end of year one and at year four of its operation. If following a review, it is considered appropriate to do so, the designation 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 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?	The process of making Additional Licensing Designation 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 it's private rented sector in the interests of those people occupying private rented HMO accommodation and the broader community.
4b	Is the activity likely to have an impact on individuals or groups?	<p>Yes, the process of making this designation will impact on the following individuals/ groups :</p> <ul style="list-style-type: none"> • Landlords who operate any HMOs within the designated zones

		<ul style="list-style-type: none"> • Tenants who occupy or are potential occupiers of privately rented HMOs within designated areas • Borough residents and businesses located within the vicinity of HMO accommodation. • Interest groups e.g. young men, ethnic groups or low income households which support the provision of HMO accommodation
5	If you answered yes:	<p>An initial Screening EIA has been completed (pre-consultation) and has been updated at the end of the consultation period.</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> <ul style="list-style-type: none"> • eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act. • advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. • 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 to cover most areas across the Borough.</p> <p>Inherent within the statutory process of making an Additional Licensing designation 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>The consultation has now been completed and representations taken into account. The statutory 3-month period prior to any Licensing</p>

		Designation 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, Environment Services/ Neighbourhoods Directorate
Date:	14 September 2017

2. Equality Impact Assessment

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

Context:
<p>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.</p> <p>There is a growing body of evidence that poorly managed privately rented properties are having a negative effect on neighbourhoods – anti-social 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.</p> <p>The London Borough of Havering wants to ensure that all private rented shared homes 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.</p> <p>Havering has identified that problems in the private rented sector of poor property and tenancy management and anti-social behaviour, particularly in relation to houses in multiple occupation (HMOs), are distributed across most parts of the borough. To tackle these issues it is proposed to introduce an Additional Licensing designation in 12 wards</p> <p>The evidence base to be used in relation to the selection of areas to be designated under an Additional Licensing scheme relates to levels of ASB and crime, or evidence of poor management and facility standards. .</p>

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 based on Tenure Intelligence Model, and data from council tax records for properties of shared accommodation and bedsits. A total of 793 addresses have been considered as part of this data exercise. The distribution and type/category of HMO by ward within Havering is shown in table 1 below.

Table 1

Ward	Benefit s	Council Tax	HM1 – Bedsit HMO's	HM2- Section 257	HM3- Shared House HMO	Public Register (Licensed HMO's)	Liberty Housing	Total	Suspected *(updated TIMS data)	Grand Total
Brooklands	4	11	9	2	5	1		32	57	89
Cranham		1			1			2	6	8
Elm Park	1	3	1		2	7		14	23	37
Emerson Park		1			1		1	3	17	20
Gooshays	6	4					1	11	57	68
Hacton	1	1	3					5	13	18
Harold Wood	1	2			3	4	1	11	30	41
Havering Park	2	5	1		2	3	2	15	27	42
Heaton	5	8	2		2	1	4	22	63	85
Hylands			3		1			4	18	22
Mawneys	1	2	4		1			8	20	28
Pettits	1	3	1				1	6	21	27
Rainham & Wennington	3	2	1	1	3	1	3	14	46	60
Romford Town	4	12	20	4	4	10	1	55	80	135
South Hornchurch	6	7	2		1			16	34	50
Squirrels Heath		2	2		1	4		9	22	31
Saint Andrews		1	3				1	5	19	24
Upminster		1						1	7	8
Totals	35	66	52	7	27	31	15	233	560	793

- 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 predicted HMO's based on Tenure Intelligence Model .

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 and Brooklands wards, the biggest contributor being HM1 (Bedsits).

Where licensable HMOs are more prevalent are Heaton , Gooshays, Brooklands and Romford Town.

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.

Figure 1 below provides a breakdown of all police ASB calls made in Havering and how they are categorised in the 12 month rolling period to September 2016. Neighbour disputes, harassment and noise, invariably interlinked, and substance misuse related ASB feature highly.

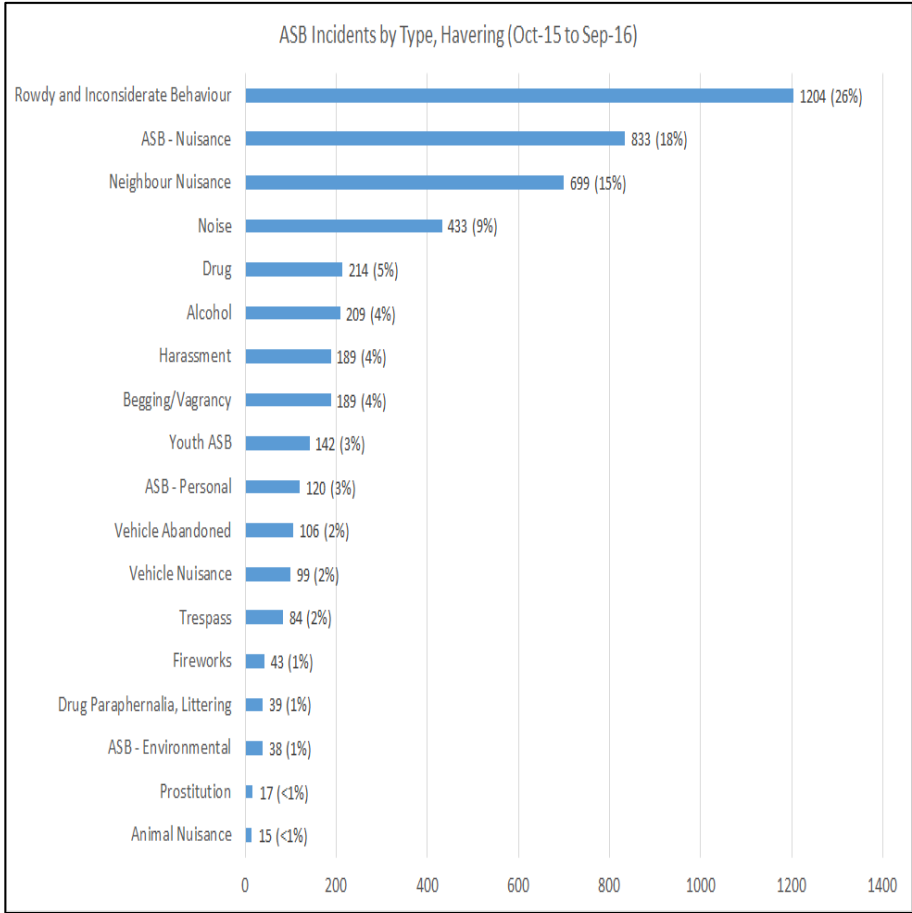


Figure 1

ASB and Crime

Table 2 below for 2014-15 data, 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 confirmed HMOs identified in Havering accounts for less than 0.3% of all properties (233 of approximately 100,000). Proportionately, these properties were over-represented in all areas observed (most notably calls regarding domestic violence and noise),.

Table 2

Category	No. Addresses	Total Number of Noise Complaints	Total Number of Police Calls (exc. Domestic Violence)	Total Number of Police Calls regarding Domestic Violence	Total Number of Crimes Recorded
HMO Public	31	2	11	10	13

Register					
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
Total HMOs	233	3	72	76	99

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 known HMO premises (84%).

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		
Please tick (✓) the relevant box:		Overall impact: Houses in Multiple Occupation are more likely to be occupied by young people under the age of 35 as shared accommodation is often the only type of affordable accommodation available to benefit reliant tenants as a result of housing benefit caps for young people. Many of these individuals are forced to accept accommodation within the private rented sector as they usually have no access to social housing. 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. This may result in consequential short term shortages of HMO accommodation and increased potential for 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
Positive (long term benefits)	✓	
Neutral		
Negative (in the short term)	✓	

	<p>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> <p>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</p>																								
Evidence:	<p>Table 3</p> <table><tr><th>2014</th><th>Number</th><th>Percentage of population (%)</th></tr><tr><td>All persons</td><td>245,974</td><td>100.0</td></tr><tr><td>0-4 years</td><td>15,563</td><td>6.3</td></tr><tr><td>5-9 years</td><td>14,812</td><td>6.0</td></tr><tr><td>10-14 years</td><td>13,735</td><td>5.6</td></tr><tr><td>15-19 years</td><td>15,045</td><td>6.1</td></tr><tr><td>20-64 years</td><td>141,237</td><td>57.4</td></tr><tr><td>65+ years</td><td>45,582</td><td>18.6</td></tr></table>	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
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<p>Sources used: Mid-year population estimates 2014; Office for National Statistics (ONS); Produced by Public Health Intelligence.</p>																									

Disability: Consider the full range of disabilities; including physical mental, sensory and progressive conditions		
<i>Please tick (✓) the relevant box:</i>		Overall impact: There are a significant number of tenants with mental health disabilities living in HMO accommodation. The potential risk to the number of available HMO units as a direct result of additional licencing could impact negatively on this group. However, the envisaged benefits of better quality housing accommodation that is well managed and complies with all relevant standards outweighs the possible negative impact that may result from implementing the proposed licensing scheme. The council's Housing service has a duty to assist vulnerable adults to find alternative accommodation in cases where they have become unintentionally homeless, therefore it is expected that the majority of adversely affected individuals would be assisted to secure either temporary or permanent alternative accommodation.
Positive	✓	
Neutral		
Negative		
Evidence: (1) Previous research has highlighted the relationship between mental health problems and HMOs. Shaw <i>et al.</i> ,(1998) note that HMO residents are eight times more likely than the general population to suffer from mental health problems as well as having other		

problems:

'These groups [living in HMOs] are more likely to be drug or alcohol-dependent, many have spent their early lives in care, or are ex-prisoners, and have nowhere else to go' (Shaw et al., 1998: 67

'Within HMOs some of the greatest threats to the mental health of tenants come from the actions of other tenants. Landlords currently have a duty to ensure that the behaviour of tenants in the property does not impinge on the surrounding community but it is not specified that tenants should be protected from the behaviour of other tenants'. (2)

'In terms of mental health, preventing ASB in the property will make tenants feel safer and more secure', (2)

'current legislation has the potential to contribute significantly to the safety and quality of housing and this is likely to positively affect the mental health of tenants, through creating a sense of safety and security' (2)

Sources used:

(1) Shaw M, Danny D and Brimblecombe N (1998)

Health problems in houses in multiple occupation.

Environmental Health Journal 106(10) 280-281.

(2) Professional Evaluation: Beyond safety to wellbeing: How local authorities can mitigate the mental health risks of living in houses in multiple occupation-

Dr Caroline Barratt, Christopher Kitcher and Dr Jill Stewart

Sex/gender: Consider both men and women	
<div> <div> Please tick (✓) the relevant box: </div> <div> <div>Positive</div> <div>Neutral</div> <div> Negative (short term only) </div> </div> </div>	
<div> <div> Overall impact: No differential impact has been identified on the grounds of this protected characteristic in respect of landlords who may be affected by the licensing proposals as it applies equally to all landlords operating in Havering irrespective of sex / gender. 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. </div> <div> ✓ </div> </div>	
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.	
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)	

Ethnicity/race: Consider the impact on different ethnic groups and nationalities

Please tick (✓) the relevant box:

Positive

Neutral

Negative (short term)

Overall impact:

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.

Vulnerable tenants, 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 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.

The PRS 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.

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 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 Liberty Housing in 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

☐

Neutral

☒

Negative

☐
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 within Havering irrespective of religion / faith. However housing advice will be available to any tenant that has been displaced as a consequence of licensing.

Evidence: N/A

Sources used: N/A

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual

Please tick (✓)
the relevant
box:

Positive

☒

Neutral

☐

Negative

☐
Overall impact:

There is no information relating to sexual orientation of landlords.

Additional licensing aims to reduce anti-social 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 anti-social behaviour and unsocial tenants.

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

Please tick (✓) the relevant box:		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		
Neutral	✓	
Negative		
Evidence: N/A		
Sources used: N/A		

Marriage/civil partnership: Consider people in a marriage or civil partnership		
Please tick (✓) the relevant box:		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		
Please tick (✓) the relevant box:		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
Positive		
Neutral		
Negative	✓	

		falling within this protected characteristic will be owed a homeless duty by the council's housing service.
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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

Table 5

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

Please tick (✓) the relevant box:

Positive in the long term

✓

Neutral

Negative in the short term

✓

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 shared accommodation as a result of the Local Housing Allowance rent caps. Some landlords may decide to increase rents or leave the private rented HMO market altogether as a result of introducing Additional HMO licensing in Havering and this could negatively impact tenants due to a reduction in the supply of HMO's and subsequent increase in evictions and homelessness.

On the positive side, a significant protection that would be provided for assured shorthold tenants is that a s.21 Notice to evict tenants cannot be used by the landlord where a property has not been licensed when it is required to be 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.
--	--	--

Evidence:

The council does not have data to demonstrate this expectation, however on the basis of experience of other Councils who have introduced additional 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 shown in table 6 below:

Table 6

	Heaton Ward	Gooshays Ward	Haverling 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:

Haverling Data Intelligence Hub

Conclusion

Overall it is anticipated that the introduction of Additional 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 a room in a shared house in the private sector.

The main purpose of the scheme is to reduce anti-social 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 Haverling 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 HMOs and the improved ability to enforce standards,, 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 HMO 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 submit early licence applications. It is also proposed to launch a major publicity campaign when the Licensing scheme is 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 Scheme is 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	Wherever possible, displaced private tenants to be supported by rehousing within existing stock of privately leased shared accommodation managed by the Housing Department. All other tenants who are at risk of eviction will be advised of their housing options.	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
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 to reduce license feeshave been 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
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 have been set at a level designed to cover costs in order to minimise the burden on landlords and to minimise the likelihood that the charges will be passed onto tenants through increased rents. An early bird discount is also being offered so that landlords can benefit from a reduced fee if they submit their application before the scheme is formally implemented.</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

. A review of this EIA will be carried out after 12 months of the scheme's implementation then annually thereafter in order to ascertain if there has been any significant negative impact upon groups with protected characteristics.

APPENDIX 7 – Financial Penalty Notice Matrix

Factors	Score = 1	Score = 5	Score = 10	Score = 15	Score = 20	Total
1 - Deterrence & Prevention (Pick only one box to the right)	High confidence that a financial penalty will deter repeat offending. Informal publicity not required as a deterrence.	Medium confidence that a financial penalty will deter repeat offending. Minor informal publicity required for mild deterrence in the landlord community.	Low confidence that a financial penalty will deter repeat offending (e.g. no contact from offender). Some informal publicity will be required to prevent similar offending in the landlord community.	Little confidence that a financial penalty will deter repeat offending. Likely informal publicity will be required to prevent similar offending in the landlord community.	Very little confidence that a financial penalty will deter repeat offending. Informal publicity will be required to prevent similar offending in the landlord community.	
2 - Removal of Financial Incentive (Pick only one box to the right)	No significant assets. No or very low financial profit made by offender.	Little asset value. Little profit made by offender.	Small portfolio landlord (between 2-3 properties). Low asset value. Low profit made by offender.	Medium portfolio landlord (between 4-5 properties) or a small Managing Agent. Medium asset value. Medium profit made by offender.	Large portfolio landlord (over 5 properties) or a medium to large Managing Agent. Large asset value. Large profit made by offender.	
3 - Offence & History (Pick only one box to the right)	No previous enforcement history. Single low level offence.	Minor previous enforcement. Single offence.	Recent second time offender. Offence has moderate severity or small but frequent impact(s).	Multiple offender. Ongoing offence of moderate to large severity or a single instance of a very severe offence.	Serial offender. Multiple enforcement over recent times. Continuing serious offence.	
4 - Harm to Tenant(s) (Weighting x 2) (Pick only one box to the right)	Very little or no harm caused. No vulnerable occupants. Tenant provides no information on impact.	Likely some low level health/harm risk(s) to occupant. No vulnerable occupants. Tenant provides poor quality information on	Likely moderate level health/harm risk(s) to occupant. Vulnerable occupants potentially exposed. Tenant provides some information on impact but with no	High level of health/harm risk(s) to occupant. Tenant(s) will be affected frequently or by occasional high impact occurrences. Vulnerable occupants	Obvious high level health/harm risk(s) and evidence that tenant(s) are badly and/or continually affected. Multiple vulnerable occupants	Double score

		impact.	primary or secondary evidence.	more than likely exposed. Small HMO (3-4 occupants), multiple occupants exposed. Tenant provides good information on impact with primary evidence (e.g. prescription drugs present, clear signs of poor health witnessed) but no secondary evidence.	exposed. Large HMO (5+ occupants), multiple occupants exposed. Tenant provides excellent information on impact with primary and secondary evidence provided (e.g. medical, social services reports).	
Final Total	-	-	-	-	-	Add total of above here

Score Range	Fee
1 – 5	£250
6 – 10	£500
11 – 20	£750
21 – 30	£1,000
31 – 40	£2,500
41 – 50	£5,000
51 – 60	£10,000
61 – 70	£15,000
71 – 80	£20,000
81 – 90	£25,000
91 – 100	£30,000

Scoring regime –

- Each row should be scored in order with only one option being chosen for each row.
- All rows MUST be scored.
- Note the score in the Total column.
- Factor 4 - Harm to Tenants has an additional weighting, which will double the selected score.
- In the final cell at the bottom of this column insert the final total.
- The score should then be compared to the sliding scale of enforcement fee to be levied.

CABINET

Subject Heading:	Proposed uplift of planning application fees.
Cabinet Member:	Councillor Damien White
SLT Lead:	Steve Moore, Director of Neighbourhoods
Report Author and contact details:	Helen Oakerbee, Planning Manager 01708 432800, helen.oakerbee@havering.gov.uk
Policy context:	'Fixing our broken our housing market' Parliamentary White Paper, published 7 th February 2017 London Plan Havering Local Development Framework
Financial summary:	The uplift of planning application fees by 20% would increase the value of income received by the Council.
Is this a Key Decision?	Yes: Significant effect on two or more Wards
When should this matter be reviewed?	Year end 2017-18
Reviewing OSC:	Towns and Communities OSC

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

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input checked="" type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

SUMMARY

Through proposals outlined in the 'Fixing our broken housing market' White Paper, the Government is proposing to increase planning application fees by 20% in return for a commitment from local authorities that the additional fees generated will be invested in their planning services.

The Council has confirmed to DCLG that it wishes to benefit from the increase fee offer. This report is seeking Cabinet's authorisation to uplift the fees accordingly and to spend the additional income received within the planning service.

RECOMMENDATIONS

That Members:

1. Approve a 20% uplift in planning application fees from the effective date, anticipated to be enacted by central Government through the introduction of the relevant legislation in Parliament during October 2017.
2. Approve the spend of additional funds generated from the planning application fees uplift exclusively within the planning service as set out in paragraph 5 of this report.
3. Delegate to the Assistant Director of Development the introduction of 20% uplift in planning application fees effective from the date of statutory approval by Parliament.
4. Delegate to the Assistant Director of Development the spend of the additional funds generated as a result of the 20% uplift payment towards increasing efficiencies of service within the Planning Department.

REPORT DETAIL

1. On 7th February this year, the Secretary for State for Communities and Local Government published a White Paper entitled; 'Fixing our broken housing market', ("the White Paper"). The White Paper includes proposals for boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals.

2. Paragraph 2.15 of the White Paper states that to help boost local authority capacity and capability to deliver, the Government “will increase nationally set planning fees. Local authorities will be able to increase fees by 20% from July 2017” if they commit to invest the additional fee income in their planning department.
3. On 21st February this year, the Department for Communities and Local Government (DCLG) wrote to the Chief Executive to confirm the Council’s intentions in this respect. The letter made clear the Government’s intention that additional revenue should be retained by planning departments and existing baseline and revenue assumptions should not be adjusted down as a result. The letter also sought information from the Council regarding the 2017-18 budget.
4. By way of letter dated 13th March, the Council’s Section 151 Officer, confirmed to DCLG that the Council accepted the proposed 20% increase in planning fees. The following information was also submitted in respect of the 2017-18 budget:

	2016/17	2017/18
Estimated expenditure on development management	£1,664,933	£1,881,820
Estimated income generated from planning application fees	(£1,055,600)	(£1,128,003)
Estimated additional income generated from higher planning fees	N/A	(£225,601)

5. Prior to making the submission, Officers reviewed how the additional fee income may be spent, to increase efficiencies of service within the Planning Department, including:
 - Appointment of 3 no. Principal Development Management Officers, 1 no. Senior Planner and 1 no. Planner all on a 2 year fixed term contract basis. At the point at which the submission was made, the need to create these posts had already been identified via an agreed Organisational Restructure Report and a second, separate growth bid with monies assigned to fund the posts (through increased income targets). All posts now exist within the organisational structure. 1 no. post is occupied (Planner), the remaining posts are vacant.
 - Annual costs of outsourcing part of planning application process, which is to be introduced following the organisational restructure cited above (subject to Executive Decision).

Collectively, assuming full year spend, these costs total £0.331 (funding of £0.1m has been identified therefore the total of £0.231 will be met through the 20% fee increase).

6. The only alternative option to the service investment described was not to accept the Government's offer and to retain the existing fee structure for planning applications. Not accepting the offer would have resulted in less funds being available to invest in the service area, which in light of expanding development is under increased pressure to meet statutory deadlines
7. Following the submission of the Section 151 Officer's letter, it was anticipated that Government would lay legislation in Parliament, to enable the fee increases to be actioned in line with the original July timetable set out by DCLG in their February letter. Following the announcement of the General Election however, the legislation did not progress through Parliament and is now anticipated during October 2017. On this basis, Cabinet are asked to agree the recommendations set out within the report in readiness.

REASONS AND OPTIONS

Reasons for the decision:

This decision is required because the DGLC has asked the Council to confirm that the additional income received through higher planning fees will be spent directly on the planning service resources.

Other options considered:

The only alternative option was not to accept the Government's offer and to retain the existing fee structure for planning applications. Not accepting the offer would have result in less funds being available to invest in the service area, which in light of expanding development in the Council area, is under increased pressure to meet statutory deadlines.

IMPLICATIONS AND RISKS

Financial implications and risks:

The Council has committed to spending the additional income generated through the higher planning application fees on the planning service. Where local

authorities have made this commitment but do not comply with the assurances it has provided, the Secretary of State will consider reducing the fee level for authority back to the original fee level through a change in regulations. This would result in the loss of fee income and would create a general fund pressure of £0.231m per year which would need to be funded through a growth or through identification of efficiencies within the service.

Full year projections	£m
Estimated additional expenditure on development management to attain 20% fee increase	0.231
Estimated additional income generated from 20% higher planning fees (based on letter submission to DCLG see table in point 4 above)	(0.226)
Deficit	0.005
Deficit to be funded by:	
Pre Application income	(0.005)
Balance	0.000

Legal implications and risks:

The planning application fees are set nationally by the Department of Communities and Local Government through legislation, such as the Town and Country Planning (Fees for Applications, Deemed Applications, Requests and Site Visits) (England) Regulations 2012, as amended by the 2013 and 2014 Regulations, to charge the correct fee for each application, based on the details of the application,

In February 2017 the Secretary of State for Communities and Local Government presented a White Paper to Parliament entitled “Fixing our Broken Housing Market”. A clear intent is to encourage house building and paragraphs 2.13 to 2.16 address “Boosting local authority capacity and capability to deliver”.

One of the steps to be undertaken by Central Government is to enable a local authority that can illustrate a commitment to invest additional income into their planning department to increase planning application fees by 20%. Central Government has consulted the Council on the White Paper and seeks an assurance of such commitment. This report correctly seeks Cabinet approval to confirm that the Council will invest the additional income into the resources within the planning department.

There are no adverse legal implications and risks arising from this report.

Human Resources implications and risks:

There are no human resources implications arising from this report.

Equalities implications and risks:

The equalities impact of this proposal is set out within the accompanying Equalities Impact Assessment. The proposals do not give rise to significant equalities implications.

BACKGROUND PAPERS

None.

APPENDICIES:

1. Letter from Simon Gallagher at DCLG to all Chief Executives dated 21st February 2017
2. Letter from Debbie Middleton to Simon Gallagher at DCLG dated 13th March 2017
3. Equalities Impact Assessment dated 11th September 2017



Department for Communities and Local Government

Simon Gallagher
Director of Planning

**Department for Communities and Local
Government**

Third Floor, Fry Building
2 Marsham Street
London, SW1P 4DF

www.communities.gov.uk

Chief Executives of Local Planning
Authorities in England
[Via Email]

21 February 2017

Dear Chief Executive,

Planning application fees: the Government's offer

'Fixing our broken housing market' was published on 7 February 2017. It includes proposals for boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals.

As set out paragraph 2.13 of the White Paper, developers consistently tell us that the lack of capacity and capability in planning departments is restricting their ability to get on site and build. Alongside funding, local authorities also report difficulties in recruiting and retaining planners and others with specialist skills. There may also be wider capacity and skills issues for local authorities. To boost local authority capacity and capability to deliver, paragraph 2.15 explained that the Government will **increase nationally set planning fees**. Local authorities will be able to increase fees from 20% from July 2017 if they commit to invest the additional fee income in their planning department.

This letter invites you confirm your intention in relation to the fee increase. It is intended that the additional revenue should be retained by planning departments and that existing baseline and income assumptions will not be adjusted down as a result during this Parliament. This is an opportunity for all authorities to make improvements to their resourcing, leading to better services, improved performance, and greater capacity to deliver growth as set out in *'Fixing our broken housing market'*.

'Fixing our broken housing market' proposes a further increase of 20% for those authorities who are delivering the homes their communities need. This would also be on the understanding that the additional fee income generated will be invested exclusively in planning services. We will consult further on the detail of this proposal and the timing on it being brought forward.

For your authority to benefit from the higher planning application fees, we require your section 151 officers, under s230 of the Local Government Act 1972, to provide a commitment and submit information of the 2017/18 budget that demonstrates the additional fee income being spent on planning services. Annex A sets out details the information required.

Should your authority not wish to charge the increased fee, the existing fee structure will remain in place. Where authorities do accept, but do not comply with the assurances it has

provided, the Secretary of State will consider reducing the fee level for that authority back to the original fee level through a change in regulations.

Annex B includes a template for section 151 officers to sign and return. Replies should be sent to planningresources2@communities.gsi.gov.uk by Monday 13th March. It is important that a response is received from all local authorities; indicating whether or not the increased fee offer is to be accepted. You are also asked to confirm the correct legal name of your authority at Annex C, and return this with the template in Annex B. This will be used in the statutory instrument bringing forward the fee increase.

I would be grateful if you could forward a copy of this letter to s151 officers and the officer with lead responsibility for planning services within your authority.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'S. Gallagher', with a stylized flourish at the end.

Simon Gallagher

Annex A: Information section 151 officers should commit to providing

Alongside the condition to spend the additional income generated on planning, we are asking section 151 officers to provide DCLG with certain information to demonstrate that the additional funding is being spent on development management.

We therefore ask that authorities submit the following information, on the basis that your budget has been set, and on the assumption that regulations are in place by July 2017.

- Estimate of final income from planning application fees in 2016/17.
 - Estimate of final expenditure on planning/development management in 2016/17.
 - Estimated income from planning application fees in 2017/18.
 - Estimated additional income generated from higher fees.
 - Estimated expenditure on planning/development management in 2017/18.

The letter in Annex B includes a table in which to provide this information.

Annex B: Template letter for s151 officers to sign

Dear Simon Gallagher,

In reply to your letter of 21st February 2017 I am writing to certify that **[Insert name of authority]** has determined to:

Accept the proposed 20% increase in planning application fees.....

Reject the proposed 20% increase in planning application fees.....

If accepting:

I confirm that the amount raised through these higher fees will be spent entirely on planning functions.

I can also confirm that the full legal name for this authority to be used in regulations is

.....

Please also confirm this legal name in the table in Annex C, and return to planningresources2@communities.gsi.gov.uk with this letter.

I submit the following information, as requested.

	2016/17	2017/18
Estimated expenditure on development management		
Estimated income generated from planning application fees		
Estimated additional income generated from higher planning fees	N/A	

Yours sincerely

[S151 officer]

Annex C: Correct Legal Name of Authority

Please check the table below and confirm, in writing, the legal name for your authority. Please return this with the letter in Annex B to planningresources2@communities.gsi.gov.uk.

Name	Official Name	Please confirm correct Legal Name of authority
Greater London	Greater London Authority	
City of London	City of London Corporation	
Worthing	Worthing Borough Council	
Mid Sussex	Mid Sussex District Council	
Horsham	Horsham District Council	
Crawley	Crawley Borough Council	
Chichester	Chichester District Council	
Arun	Arun District Council	
Adur	Adur District Council	
West Sussex	West Sussex County Council	
Wyre Forest	Wyre Forest District Council	
Wychavon	Wychavon District Council	
Worcester	Worcester City Council	
Redditch	Redditch Borough Council	
Malvern Hills	Malvern Hills District Council	
Bromsgrove	Bromsgrove District Council	
Worcestershire	Worcestershire County Council	
Warwick	Warwick District Council	
Stratford-on-Avon	Stratford-on-Avon District Council	
Rugby	Rugby Borough Council	
Nuneaton and Bedworth	Nuneaton and Bedworth Borough Council	
North Warwickshire	North Warwickshire Borough Council	
Warwickshire	Warwickshire County Council	

Name	Official Name	Please confirm correct Legal Name of authority
Tamworth	Tamworth Borough Council	
Staffordshire Moorlands	Staffordshire Moorlands District Council	
Stafford	Stafford Borough Council	
South Staffordshire	South Staffordshire Council	
Newcastle-under-Lyme	Newcastle-under-Lyme Borough Council	
Lichfield	Lichfield District Council	
East Staffordshire	East Staffordshire Borough Council	
Cannock Chase	Cannock Chase District Council	
Staffordshire	Staffordshire County Council	
Woking	Woking Borough Council	
Waverley	Waverley Borough Council	
Tandridge	Tandridge District Council	
Surrey Heath	Surrey Heath Borough Council	
Spelthorne	Spelthorne Borough Council	
Runnymede	Runnymede Borough Council	
Reigate and Banstead	Reigate and Banstead Borough Council	
Mole Valley	Mole Valley District Council	
Guildford	Guildford Borough Council	
Epsom and Ewell	Epsom and Ewell Borough Council	
Elmbridge	Elmbridge Borough Council	
Surrey	Surrey County Council	
West Somerset	West Somerset District Council	
Taunton Deane	Taunton Deane Borough Council	
South Somerset	South Somerset District Council	
Sedgemoor	Sedgemoor District Council	
Mendip	Mendip District Council	
Somerset	Somerset County Council	
Waveney	Waveney District Council	

Name	Official Name	Please confirm correct Legal Name of authority
Suffolk Coastal	Suffolk Coastal District Council	
St Edmundsbury	St Edmundsbury Borough Council	
Mid Suffolk	Mid Suffolk District Council	
Ipswich	Ipswich Borough Council	
Forest Heath	Forest Heath District Council	
Babergh	Babergh District Council	
Suffolk	Suffolk County Council	
West Oxfordshire	West Oxfordshire District Council	
Vale of White Horse	Vale of White Horse District Council	
South Oxfordshire	South Oxfordshire District Council	
Oxford	Oxford City Council	
Cherwell	Cherwell District Council	
Oxfordshire	Oxfordshire County Council	
Selby	Selby District Council	
Scarborough	Scarborough Borough Council	
Ryedale	Ryedale District Council	
Richmondshire	Richmondshire District Council	
Harrogate	Harrogate Borough Council	
Hambleton	Hambleton District Council	
Craven	Craven District Council	
North Yorkshire	North Yorkshire County Council	
Rushcliffe	Rushcliffe Borough Council	
Newark and Sherwood	Newark and Sherwood District Council	
Mansfield	Mansfield District Council	
Gedling	Gedling Borough Council	
Broxtowe	Broxtowe Borough Council	
Bassetlaw	Bassetlaw District Council	
Ashfield	Ashfield District Council	

Name	Official Name	Please confirm correct Legal Name of authority
Nottinghamshire	Nottinghamshire County Council	
Wellingborough	Wellingborough Borough Council	
South Northamptonshire	South Northamptonshire Council	
Northampton	Northampton Borough Council	
Kettering	Kettering Borough Council	
East Northamptonshire	East Northamptonshire Council	
Daventry	Daventry District Council	
Corby	Corby Borough Council	
Northamptonshire	Northamptonshire County Council	
South Norfolk	South Norfolk District Council	
Norwich	Norwich City Council	
North Norfolk	North Norfolk District Council	
Kings Lynn and West Norfolk	Borough Council of Kings Lynn and West Norfolk	
Great Yarmouth	Great Yarmouth Borough Council	
Broadland	Broadland District Council	
Breckland	Breckland District Council	
Norfolk	Norfolk County Council	
West Lindsey	West Lindsey District Council	
South Kesteven	South Kesteven District Council	
South Holland	South Holland District Council	
North Kesteven	North Kesteven District Council	
City of Lincoln	City of Lincoln Council	
East Lindsey	East Lindsey District Council	
Boston	Boston Borough Council	
Lincolnshire	Lincolnshire County Council	
Oadby and Wigston	Oadby and Wigston Borough Council	

Name	Official Name	Please confirm correct Legal Name of authority
North West Leicestershire	North West Leicestershire District Council	
Melton	Melton Borough Council	
Hinckley and Bosworth	Hinckley and Bosworth Borough Council	
Harborough	Harborough District Council	
Charnwood	Charnwood Borough Council	
Blaby	Blaby District Council	
Leicestershire	Leicestershire County Council	
Wyre	Wyre Borough Council	
West Lancashire	West Lancashire Borough Council	
South Ribble	South Ribble Borough Council	
Rossendale	Rossendale Borough Council	
Ribble Valley	Ribble Valley Borough Council	
Preston	Preston City Council	
Pendle	Pendle Borough Council	
Lancaster	Lancaster City Council	
Hyndburn	Hyndburn Borough Council	
Fylde	Fylde Borough Council	
Chorley	Chorley Borough Council	
Burnley	Burnley Borough Council	
Lancashire	Lancashire County Council	
Tunbridge Wells	Tunbridge Wells Borough Council	
Tonbridge and Malling	Tonbridge and Malling Borough Council	
Thanet	Thanet District Council	
Swale	Swale Borough Council	
Shepway	Shepway District Council	
Sevenoaks	Sevenoaks District Council	
Maidstone	Maidstone Borough Council	

Name	Official Name	Please confirm correct Legal Name of authority
Gravesham	Gravesham Borough Council	
Dover	Dover District Council	
Dartford	Dartford Borough Council	
Canterbury	Canterbury City Council	
Ashford	Ashford Borough Council	
Kent	Kent County Council	
Welwyn Hatfield	Welwyn Hatfield Borough Council	
Watford	Watford Borough Council	
Three Rivers	Three Rivers District Council	
Stevenage	Stevenage Borough Council	
St Albans	St Albans City and District Council	
North Hertfordshire	North Hertfordshire District Council	
Hertsmere	Hertsmere Borough Council	
East Hertfordshire	East Hertfordshire District Council	
Dacorum	Dacorum Borough Council	
Broxbourne	Broxbourne Borough Council	
Hertfordshire	Hertfordshire County Council	
Winchester	Winchester City Council	
Test Valley	Test Valley Borough Council	
Rushmoor	Rushmoor Borough Council	
New Forest	New Forest District Council	
Havant	Havant Borough Council	
Hart	Hart District Council	
Gosport	Gosport Borough Council	
Fareham	Fareham Borough Council	
Eastleigh	Eastleigh Borough Council	
East Hampshire	East Hampshire District Council	
Basingstoke and Deane	Basingstoke and Deane Borough Council	

Name	Official Name	Please confirm correct Legal Name of authority
Hampshire	Hampshire County Council	
Tewkesbury	Tewkesbury Borough Council	
Stroud	Stroud District Council	
Gloucester	Gloucester City Council	
Forest of Dean	Forest of Dean District Council	
Cotswold	Cotswold District Council	
Cheltenham	Cheltenham Borough Council	
Gloucestershire	Gloucestershire County Council	
Westminster	City of Westminster	
Wandsworth	London Borough of Wandsworth	
Waltham Forest	London Borough of Waltham Forest	
Tower Hamlets	London Borough of Tower Hamlets	
Southwark	London Borough of Southwark	
Sutton	London Borough of Sutton	
Richmond upon Thames	London Borough of Richmond upon Thames	
Redbridge	London Borough of Redbridge	
Newham	London Borough of Newham	
Merton	London Borough of Merton	
Lewisham	London Borough of Lewisham	
Lambeth	London Borough of Lambeth	
Kingston upon Thames	Royal Borough of Kingston upon Thames	
Kensington and Chelsea	Royal Borough of Kensington and Chelsea	
Islington	London Borough of Islington	
Haringey	London Borough of Haringey	
Harrow	London Borough of Harrow	
Hounslow	London Borough of Hounslow	

Name	Official Name	Please confirm correct Legal Name of authority
Hammersmith and Fulham	London Borough of Hammersmith & Fulham	
Hillingdon	London Borough of Hillingdon	
Hackney	London Borough of Hackney	
Havering	London Borough of Havering	
Greenwich	Royal Borough of Greenwich	
Enfield	London Borough of Enfield	
Ealing	London Borough of Ealing	
Croydon	London Borough of Croydon	
Camden	London Borough of Camden	
Bromley	London Borough of Bromley	
Barnet	London Borough of Barnet	
Bexley	London Borough of Bexley	
Brent	London Borough of Brent	
Barking and Dagenham	London Borough of Barking and Dagenham	
Wealden	Wealden District Council	
Rother	Rother District Council	
Lewes	Lewes District Council	
Hastings	Hastings Borough Council	
Eastbourne	Eastbourne Borough Council	
East Sussex	East Sussex County Council	
Uttlesford	Uttlesford District Council	
Tendring	Tendring District Council	
Rochford	Rochford District Council	
Maldon	Maldon District Council	
Harlow	Harlow District Council	
Epping Forest	Epping Forest District Council	

Name	Official Name	Please confirm correct Legal Name of authority
Colchester	Colchester Borough Council	
Chelmsford	Chelmsford City Council	
Castle Point	Castle Point Borough Council	
Brentwood	Brentwood Borough Council	
Braintree	Braintree District Council	
Basildon	Basildon Borough Council	
Essex	Essex County Council	
Weymouth and Portland	Weymouth and Portland Borough Council	
West Dorset	West Dorset District Council	
Purbeck	Purbeck District Council	
North Dorset	North Dorset District Council	
East Dorset	East Dorset District Council	
Christchurch	Christchurch Borough Council	
Dorset	Dorset County Council	
West Devon	West Devon Borough Council	
Torridge	Torridge District Council	
Teignbridge	Teignbridge District Council	
South Hams	South Hams District Council	
North Devon	North Devon District Council	
Mid Devon	Mid Devon District Council	
Exeter	Exeter City Council	
East Devon	East Devon District Council	
Devon	Devon County Council	
South Derbyshire	South Derbyshire District Council	
North East Derbyshire	North East Derbyshire District Council	
High Peak	High Peak Borough Council	
Erewash	Erewash Borough Council	
Derbyshire Dales	Derbyshire Dales District Council	

Name	Official Name	Please confirm correct Legal Name of authority
Chesterfield	Chesterfield Borough Council	
Bolsover	Bolsover District Council	
Amber Valley	Amber Valley Borough Council	
Derbyshire	Derbyshire County Council	
Derby	Derby City Council	
South Lakeland	South Lakeland District Council	
Eden	Eden District Council	
Copeland	Copeland Borough Council	
Carlisle	Carlisle City Council	
Barrow-in-Furness	Barrow-in-Furness Borough Council	
Allerdale	Allerdale Borough Council	
Cumbria	Cumbria County Council	
South Cambridgeshire	South Cambridgeshire District Council	
Huntingdonshire	Huntingdonshire District Council	
Fenland	Fenland District Council	
East Cambridgeshire	East Cambridgeshire District Council	
Cambridge	Cambridge City Council	
Cambridgeshire	Cambridgeshire County Council	
Wycombe	Wycombe District Council	
South Bucks	South Bucks District Council	
Chiltern	Chiltern District Council	
Aylesbury Vale	Aylesbury Vale District Council	
Buckinghamshire	Buckinghamshire County Council	
York	City of York Council	
Warrington	Warrington Borough Council	
Wirral	Wirral Borough Council	
Wokingham	Wokingham Borough Council	

Name	Official Name	Please confirm correct Legal Name of authority
Windsor and Maidenhead	Royal Borough of Windsor and Maidenhead	
Wolverhampton	City of Wolverhampton Council	
Walsall	Walsall Metropolitan Borough Council	
Wakefield	Wakefield Metropolitan District Council	
Wiltshire	Wiltshire Council	
Wigan	Wigan Metropolitan Borough Council	
West Berkshire	West Berkshire Council	
Trafford	Trafford Metropolitan Borough Council	
Torbay	Torbay Council	
Thurrock	Thurrock Council	
Telford and Wrekin	Telford & Wrekin Council	
Tameside	Tameside Metropolitan Borough Council	
Swindon	Swindon Borough Council	
South Tyneside	South Tyneside Council	
Stockton-on-Tees	Stockton-on-Tees Borough Council	
Southampton	Southampton City Council	
Stoke-on-Trent	Stoke-on-Trent City Council	
Southend-on-Sea	Southend-on-Sea Borough Council	
Solihull	Solihull Metropolitan Borough Council	
Sunderland	Sunderland City Council	
Slough	Slough Borough Council	
Salford	Salford City Council	
Stockport	Stockport Metropolitan Borough Council	
Shropshire	Shropshire Council	
St. Helens	St Helens Council	
Sheffield	Sheffield City Council	
South Gloucestershire	South Gloucestershire Council	

Name	Official Name	Please confirm correct Legal Name of authority
Sefton	Sefton Metropolitan Borough Council	
Sandwell	Sandwell Metropolitan Borough Council	
Rutland	Rutland County Council	
Rotherham	Rotherham Metropolitan Borough Council	
Reading	Reading Borough Council	
Rochdale	Rochdale Metropolitan Borough Council	
Redcar and Cleveland	Redcar and Cleveland Borough Council	
Peterborough	Peterborough City Council	
Portsmouth	Portsmouth City Council	
Poole	Borough of Poole	
Plymouth	Plymouth City Council	
Oldham	Oldham Metropolitan Borough Council	
North Tyneside	North Tyneside Council	
North Somerset	North Somerset Council	
North Lincolnshire	North Lincolnshire Council	
Nottingham	Nottingham City Council	
Newcastle upon Tyne	Newcastle City Council	
North East Lincolnshire	North East Lincolnshire Council	
Northumberland	Northumberland County Council	
Milton Keynes	Milton Keynes Council	
Medway	Medway Council	
Middlesbrough	Middlesbrough Borough Council	
Manchester	Manchester City Council	
Luton	Luton Borough Council	
Liverpool	Liverpool City Council	
Leeds	Leeds City Council	
Leicester	Leicester City Council	
Knowsley	Knowsley Metropolitan Borough Council	

Name	Official Name	Please confirm correct Legal Name of authority
Kirklees	Kirklees Council	
Kingston upon Hull	Hull City Council	
Isle of Wight	Isle of Wight Council	
Isles of Scilly	Council of the Isles of Scilly	
Hartlepool	Hartlepool Borough Council	
Herefordshire	Herefordshire Council	
Halton	Halton Borough Council	
Gateshead	Gateshead Metropolitan Borough Council	
East Riding of Yorkshire	East Riding of Yorkshire Council	
County Durham	Durham County Council	
Dudley	Dudley Metropolitan Borough Council	
Doncaster	Doncaster Metropolitan Borough Council	
Darlington	Darlington Borough Council	
Coventry	Coventry City Council	
Cornwall	Cornwall Council	
Calderdale	Calderdale Metropolitan Borough Council	
Cheshire West and Chester	Cheshire West and Chester Council	
Cheshire East	Cheshire East Council	
Central Bedfordshire	Central Bedfordshire Council	
Bury	Bury Metropolitan Borough Council	
City of Bristol	Bristol City Council	
Bradford	City of Bradford Metropolitan District Council	
Bracknell Forest	Bracknell Forest Council	
Blackpool	Blackpool Borough Council	
Bolton	Bolton Metropolitan Borough Council	
Barnsley	Barnsley Metropolitan Borough Council	

Name	Official Name	Please confirm correct Legal Name of authority
Brighton and Hove	Brighton and Hove City Council	
Bournemouth	Bournemouth Borough Council	
Birmingham	Birmingham City Council	
Bedford	Bedford Borough Council	
Blackburn with Darwen	Blackburn with Darwen Borough Council	
Bath and North East Somerset	Bath and North East Somerset Council	
The Broads	Broads Authority	
Dartmoor National Park	Dartmoor National Park Authority	
Exmoor National Park	Exmoor National Park Authority	
Lake District National Park	Lake District National Park Authority	
New Forest National Park	New Forest National Park Authority	
North York Moors National Park	North York Moors National Park Authority	
Northumberland National Park	Northumberland National Park Authority	
Peak District National Park	Peak District National Park Authority	
South Downs National Park	South Downs National Park Authority	
Yorkshire Dales National Park	Yorkshire Dales National Park Authority	
Ebbsfleet Development Corporation	Ebbsfleet Development Corporation	
London Legacy Development Corporation	London Legacy Development Corporation	

Name	Official Name	Please confirm correct Legal Name of authority
Old Oak and Park Royal Development Corporation	Old Oak and Park Royal Development Corporation	

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Debbie Middleton
Section 151 Officer (Interim)

London Borough of Havering
Town Hall
Main Road
Romford
Essex
RM1 3BB

Simon Gallagher
Director of Planning
Department for Communities and Local
Government
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e-mail: Debbie.Middleton@havering.gov.uk
Switchboard: 01708 434343
Text Relay: 18001 01708 434343
(for the hard of hearing)

Date: 13th March 2017

Dear Mr Gallagher

www.havering.gov.uk

In reply to your letter of 21st February 2017 I am writing to certify that the London Borough of Havering has determined to:

Accept the proposed 20% increase in planning application fees.

I confirm that the amount raised through these higher fees will be spent entirely on planning functions. I can also confirm that the full legal name for this authority to be used in regulations is **London Borough of Havering**.

Confirmation of the legal name is included in the table in Annex C and contained with this letter.

I submit the following information, as requested.

	2016/17	2017/18
Estimated expenditure on development management	£1,644,933	£1,881,820
Estimated income generated from planning application fees	(£1,055,600)	(£1,128,003)
Estimated additional income generated from higher planning fees	N/A	(£225,601)

Yours sincerely

Debbie Middleton
SECTION 151 OFFICER (INTERIM)

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Equality Impact Assessment (EIA)

Title of Activity:	Proposed Uplift of Planning Application Fees
Type of activity:	<p>Planning Control's main activity is the processing of planning and other related application within the legislative framework provided by the Town and Country Planning Acts.</p> <p>Most applications require a fee to be paid in order for the application to be processed.</p> <p>On 7th February this year, the Government published the 'Fixing our broken our housing market' White Paper. The White Paper included proposals for boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals.</p> <p>Paragraph 2.15 of the White Paper explained that to help boost local authority capacity and capability to deliver, the Government will increase nationally set planning fees, with local authorities being able to increase fees from 20% if they commit to invest the additional fee income in their planning department.</p>
Lead officer:	Helen Oakerbee, Planning Manager, Development
Approved by:	TBC
Date completed:	11 September 2017
Date for review, if applicable:	TBC

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 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@haverling.gov.uk

Title of Activity:	Proposed Uplift of Planning Application Fees
Type of activity:	<p>Planning Control's main activity is the processing of planning and other related application within the legislative framework provided by the Town and Country Planning Acts.</p> <p>Most applications require a fee to be paid in order for the application to be processed.</p> <p>On 7th February this year, the Government published the 'Fixing our broken our housing market' White Paper. The White Paper included proposals for boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals.</p> <p>Paragraph 2.15 of the White Paper explained that to help boost local authority capacity and capability to deliver, the Government will increase nationally set planning fees, with local authorities being able to increase fees from 20% if they commit to invest the additional fee income in their planning department.</p>
Scope of activity:	The 20% fee uplift will apply to all nationally set planning application fees.

Is the activity new or changing?:	Yes. Fees are currently applied to most types of planning application. The range of fees will not change, however their value will increase
Is the activity likely to have an impact on individuals or groups?:	Yes. The proposed fee uplift will increase the costs associated with applying for planning permission
Completed by:	Helen Oakerbee, Planning Manager, Development
Date:	11 September 2017

Background/Context

Planning Control's main activity is the processing of planning and other related application within the legislative framework provided by the Town and Country Planning Acts.

Most applications require a fee to be paid in order for the application to be processed.

On 7th February this year, the Government published the 'Fixing our broken housing market' White Paper. The White Paper included proposals for boosting local authority capacity and capability to deliver, improving the speed and quality with which planning cases are handled, while deterring unnecessary appeals.

Paragraph 2.15 of the White Paper explained that to help boost local authority capacity and capability to deliver, the Government will increase nationally set planning fees, with local authorities being able to increase fees from 20% if they commit to invest the additional fee income in their planning department.

No data is collected or held by the Planning Service in connection with the profile of its specific customer base. However, there is a sound understanding of the composition of the Borough's population which is set out below.

The proposed uplift of fees will affect not accessibility of the service but it will increase the costs of making a planning application. The majority of users of the planning application service are householders, however the 20% uplift would only marginally increase the householder application fee from £172 to approximately £206. In the context of the overall cost of extending or altering a home, this small increase is not considered to be prohibitive. For developers bringing forward proposals through the application process, the proposed fee uplift would be absorbed into what can be significant assembly costs (eg. land, professional fees etc.)

Decisions on planning applications need to take account of the Public Sector Equality Duty and through the planning process, individuals are giving the opportunity (through

statutory consultation and publicity) to shape the places they live and work in. The additional resources made available to the planning service through the fee uplift should enable the team to work more proactively at securing greater opportunities for disadvantaged groups, particularly through the delivery of affordable housing, by securing employment and training opportunities and more positive place making for all.

The EIA

Age: Consider the full range of age groups

<i>Please tick (✓) the relevant box:</i>		Overall impact: The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.
Positive		
Neutral	✓	
Negative		

Evidence:

Havering's age structure is geared significantly towards the elderly, with proportionally more people aged 65+ than both that of Greater London and the rest of the nation, accounting for 18.5% of all Havering residents.

There is also a significantly greater child population aged under 4 (6.1%). In contrast, there are significantly smaller proportions of young adults and working age residents aged 18-64 (60.0%) than both the Greater London (68%) and national averages (64.7%).

Disability: Consider the full range of disabilities, including physical mental, sensory and progressive conditions.

<i>Please tick (✓) the relevant box:</i>		Overall impact: Those persons with a disability who are registered disabled are exempt from paying a fee for their planning application, providing that the works being proposed are for their direct benefit.
Positive		
Neutral	✓	
Negative		

Evidence:

Havering has one of the highest recorded rates of serious physical disability among London boroughs, with a rate of 7,788 per 100,000 people, well above the London and national averages of 7,006 and 7,704 respectively. (Health survey England 2001).

Furthermore, 18.2% of working age people in Havering has disclosed they have a disability or a long term illness, a figure again outweighing Outer London and London

averages of 16.4% and 16.1% respectively, and just short of the national average of 19.2% (GLA, London Borough Profiles 2016).

Sex/gender: Consider both men and women

Please tick (✓) the relevant box:

Positive

Neutral

Negative

✓

Overall impact:

The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.

Evidence:

52% of Havering's current population (125,848) are girls and women (and)
48% of Havering's current population (116,232) are boys and men.

The percentage of girls and women in Havering is slightly above the average for London (50%) and England (51%).

Ethnicity/race: Consider the impact on different ethnic groups and nationalities

Please tick (✓) the relevant box:

Positive

Neutral

Negative

✓

Overall impact:

The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.

Evidence:

Havering is clearly one of the most ethnically homogenous Boroughs in London, with data to suggest over 83% of its residents are recorded as white British which is a figure significantly greater than that of London (44.9%) and the rest of the country (80.5%). Within the broad white groups category there is the Gypsy/Irish Traveller community who make up to 0.1% of the borough's population.

According to the GLA ethnic group categorisation, Black Africans form the largest minority group, with 3.8% of the total population.

Furthermore, according to the Census 2011, the most commonly spoken languages in the borough after English were; Lithuanian (0.4%), Polish (0.4%), Punjabi (0.3%) Bengalis (0.2%) and Filipino (0.2%)

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

<i>Please tick (✓) the relevant box:</i>		Overall impact: The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.
Positive		
Neutral	✓	
Negative		
Evidence: Havering is an overwhelmingly Christian borough, with a higher proportion of Christians (66.0%) than both Greater London (48.4%) and the rest of country (59.3%). The next biggest religious denomination was Muslim at (2.0%), however this is still markedly below proportions experienced within both Greater London (12.4%) and the rest of the country (4.8%).		

Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual		
<i>Please tick (✓) the relevant box:</i>		Overall impact: The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.
Positive		
Neutral	✓	
Negative		
Evidence: There is no information on sexual orientation or gender identity at either local or national levels.		

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: The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.
Positive		
Neutral	✓	
Negative		
Evidence: No data is available regarding gender reassignment.		

Marriage/civil partnership: Consider people in a marriage or civil partnership

<i>Please tick (✓) the relevant box:</i>		Overall impact: The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.
Positive		
Neutral	✓	
Negative		
Evidence: <p>The 2011 census indicated that 48.5% of Havering's population are married, which is significantly greater than the proportion of married couples for Greater London (39.8%) and the rest of the country (46.6%).</p> <p>Conversely, Havering has some of the lowest percentages (just 0.2%) for registered same-sex civil partnerships in London (0.5%), and also falls below the proportions for the rest of the country (0.3%) (Census data, 2011).</p>		

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: The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.
Positive		
Neutral	✓	
Negative		
Evidence: <p>The total fertility rate in Havering has fluctuated over the years but has risen from 54 births per 1,000 women in 2003, to 66 births per 1,000 women in 2014 (Havering Public Health Service 2016, 'This is Havering'), a factor responsible for the significant increase in children aged under 4 in the Borough.</p>		

Socio-economic status: Consider those who are from low income or financially excluded backgrounds		
<i>Please tick (✓) the relevant box:</i>		Overall impact: The proposed fee uplift would not disproportionately impact upon this protected characteristic. All applicants (with certain exceptions which are identified by national legislation) pay for their planning application.
Positive		
Neutral	✓	
Negative		
Evidence:		

No data is available regarding socio-economic status.

CABINET

Subject Heading:

Land of the Fanns Landscape Partnership

Cabinet Member:

Councillor Roger Ramsey

SLT Lead:

Steve Moore, Director of Neighbourhoods

Report Author and contact details:

Christopher Smart, 01708 432150
chris.smart@havering.gov.uk

Policy context:

Havering Local Plan
Thames Chase Plan
All London Green Grid SPD

Financial summary:

Cabinet agreed in February 2013 that a bid could be submitted to the Heritage Lottery Fund for the Land of the Fanns Landscape Partnership Scheme, and that the Council would be identified as the accountable body for the Scheme. A grant of £1.359m was awarded to the Land of the Fanns Landscape Partnership Scheme in December 2016. Approval is now sought to formalise the partnership arrangement between the Council and several other organisations to deliver the Landscape Partnership Scheme and the Council's acceptance of the grant in its capacity as Accountable body

Is this a Key Decision?

Yes

(a) Expenditure or saving (including anticipated income) of £500,000 or more

(b) Significant effect on two or more Wards

When should this matter be reviewed?

October 2018

Reviewing OSC:

Towns & Communities OSC

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

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[X]
Connections making Havering	[X]

SUMMARY

- 1.1 In February 2013 Cabinet considered a report seeking approval to submit a funding application to the Heritage Lottery Fund (HLF) Landscape Partnership Programme. Cabinet agreed the development and submission of a grant funding application and that the Council be identified as the accountable body for the funding should an application be successful. The application to HLF was ultimately successful.
- 1.2 The purpose of this report is to formalise the partnership arrangement between the Council and several other organisations to deliver the Landscape Partnership Scheme. Formal approval is also sought for the Council to accept a grant of £1.36m from HLF, in its capacity as the Accountable Body for the Landscape Partnership.

RECOMMENDATIONS

- 2.1 Cabinet is asked to agree that the Council enters into a Partnership Agreement with others to deliver the Land of the Fanns Landscape Partnership scheme.
- 2.2 Cabinet is asked to agree that the Council accepts a grant of £1.36m from Heritage Lottery Fund in its capacity as Accountable Body for the Land of the Fanns Landscape Partnership scheme and ensures that appropriate governance and documentation exists within the partnership to mitigate the risk of grant loss.
- 2.3 Cabinet delegates to the Director of Neighbourhoods power to negotiate and enter into any necessary agreements or partnering arrangements or give any indemnities on behalf of the Council to deliver the scheme set out in this report and give effect to the first recommendation

REPORT DETAIL

3. Heritage Lottery Fund (HLF) Landscape Partnerships

- 3.1 The HLF Landscape Partnership programme supports schemes led by partnerships of local, regional and national interests which aim to conserve areas of distinctive local landscape character throughout the United Kingdom.
- 3.2 A Landscape Partnership scheme is expected to deliver across all the following four programme outcomes:
 - Conserving or restoring the built and natural features that create the historic landscape character.
 - Increasing community participation in local heritage.
 - Increasing access to and learning about the landscape area and its heritage.

- Increasing training opportunities in local heritage skills.
- 3.3 Landscape Partnerships support schemes that provide long-term social, economic and environmental benefits and create an integrated partnership approach to the management of our landscape heritage.
- 3.4 Over the past 4 years the Council has successfully worked with Thames Chase Trust, Forestry Commission, London Borough of Barking & Dagenham, Thurrock, Brentwood, Essex County Council and the Forestry Commission, Thames21 and Thames Estuary Partnership to develop a successful bid to HLF's Landscape Partnership programme. This is for a project that re-establishes the environmental, social and recreational benefits that were the original aims of the Thames Chase Community Forest and has extended the boundaries beyond the Thames Chase area to cover the adjacent urban areas. The project is called 'Land of the Fanns' to reflect the historic fen character of the landscape.
- 3.5 In February 2013 Cabinet agreed to the Council, together with the partner organisations, submitting an application to the Lottery for a grant of over £0.5m. It agreed that the Council would be identified as the accountable body for this funding should an application be successful.
- 3.6 Following a successful Stage 1 application to HLF the Council, on behalf of the partnership, was awarded a development grant of £0.094m to develop a Stage 2 application. Over the next 18 months this application was developed jointly with partners and culminated in the production of a Landscape Conservation Action Plan which provides the framework for delivery of a 5 year Landscape Partnership Scheme called Land of the Fanns.
- 3.7 Following submission of the Stage 2 application, a Heritage Lottery Fund grant of £1.359m was awarded to the Council on behalf of the Land of the Fanns Landscape Partnership Scheme in December 2016. As agreed at the Cabinet meeting in February 2013 the Council is identified as the Accountable Body for the HLF component of this project. The Thames Chase Trust is identified as the lead partner. The Council also holds a key and influential place on the Partnership Board, having been instrumental in the development of the project and having the largest population that will benefit directly from the scheme. The Landscape Partnership will also build on the recent publication of the Local Plan in which the Council has reaffirmed its commitment to protecting and enhancing green infrastructure, including the Green Belt and also the Land of the Fanns Partnership, Thames Chase Community Forest, the All London Green Grid, Rainham Wildspace and the Roding, Beam and Ingrebourne Catchment Partnership.
- 3.8 The Land of the Fanns Landscape Partnership Scheme is an ambitious 5 year programme currently comprised of 26 individual projects. The Scheme is aimed at engaging local communities of Havering, Barking & Dagenham, Thurrock, Brentwood and south-west Essex with the natural, geological, archaeological and built heritage of their local area.
- 3.9 The overall value of the Scheme is £2.4m. The HLF contribution of £1.359m makes up 56% of the overall cost of the Scheme with the remaining c £1million comprised of a mixture of cash, in-kind and voluntary contributions from various sources. The Council would not be accountable for the match funding elements of the project.

- 3.10 Failure to collect sufficient evidence to support claims could result in a risk to the accountable body. A robust form of capture of volunteer time spent, and/or contributions towards each project will be collected and collated by The Land of the Fanns Scheme Manager. This will be presented to the accountable body before any funding applications are made to HLF.

4. The Partnership

- 4.1 Delivery of the Scheme will be overseen by a Board with representatives from 9 organisations listed above. The Board will meet on a quarterly basis. The Council will be represented on the Board.
- 4.2 The Land of the Fanns Partnership Agreement provides that the Council, as the Accountable Body, will be responsible for managing and administering the Grant. The mechanism for this will be set out in a Partnership Agreement by reference to the delivery framework, called the Landscape Conservation Action Plan. This formed the main part of the successful application providing the detail for delivery of the scheme and its legacy.
- 4.3 This report seeks to formalise the Council's membership of the Partnership in order to facilitate the delivery of the Scheme over the next 5 years, in accordance with the terms of the bid submission. The report also seeks formal agreement for the Council to accept a grant of £1.359m from HLF in its capacity as the Accountable Body for the Landscape Partnership. This is required as the receipt of grant funding in excess of £0.5m constitutes a Key Decision.

REASONS AND OPTIONS

5. Reasons for the decision:

- 5.1 The receipt of grant funding in excess of £0.5m constitutes a Key Decision for the Council.
- 5.2 The Constitution sets out that pursuant to the delegated authority for general functions in Part 3 Section 2.1 in the following paragraphs to Cabinet:-
- (g) To allocate and control financial and land and property resources, to determine priorities in the use of these resources, and take any other action necessary to achieve those objectives; and
- (r) To be responsible for all executive matters even if not expressly set out in Part 3 of this constitution.
- 5.3 Pursuant to Corporate Functions under Part 3 Section 2.2:-
- (a) To take decisions on all matters relating to the Council's finances including but not exclusively:
- (i) budgetary control

- 5.4 In terms of partnership working the Constitution sets out that pursuant to the delegated authority for general functions in Part 3 Section 2.1 in the following paragraphs to Cabinet:-

(k) To oversee and take responsibility for effective joint work with partner agencies.

(m) To affiliate with and appoint representatives to outside bodies, where these are not specifically identified elsewhere in this constitution.

- 5.5 And in part 3 section 2.5 the following functions may be delegated to individual cabinet member by the leader:-

(l) To promote effective relationships and partnerships between the Council and all other bodies and agencies affecting the community.

6. Other options considered:

- 6.1 Other options considered are that the Council does not enter into a partnership with others to deliver the Land of the Fanns Landscape Partnership Scheme and does not accept a grant of £1.359m from the Heritage Lottery Fund. This option is rejected as the Council would lose its share in a valuable partnership and lose funding for a scheme which will deliver multiple benefits for local communities in terms of the built and natural heritage and green infrastructure and the delivery of the original objectives of the Thames Chase Community Forest.

IMPLICATIONS AND RISKS

7. Financial implications and risks:

- 7.1 The value of the Delivery stage of the Scheme is £2.434m. The HLF contribution of £1.360m constitutes 56% of the delivery stage cost of the Scheme. The remaining £1.074m comprises of a mixture of secured and non-secured funding from other grant funding bodies, Non-Cash contributions and voluntary contributions from various sources. The Council will not be accountable for the match funding elements of the project.
- 7.2 As the accountable body there is a risk to the council of loss of funds if Partners spend does not form part of the eligible expenditure covered by the grant. There will be a requirement of the legal agreement between the Council and the Partnership to mitigate this risk and to ensure the correct documentation and governance is in train to satisfy the requirements of the grant protocol.
- 7.3 There are plans to develop strong programme management including a dedicated delivery team reporting directly to the Partnership Board, which includes the Council. The delivery team will comprise four members of staff including a Scheme Manager, two Engagement Officers and a part-time Finance and Admin Officer. The team will be fully funded by the Lottery grant and other secured match funding under the employment of Thames Chase Trust, who are the lead partner, and based at the Thames Chase offices at the Forest Centre. This team will provide the

lead in terms of administering the grant and the means of avoiding financial risk to the Council.

- 7.4 In terms of delivery the Partnership will sign up to a Partnership Agreement which establishes the Council as the Accountable Body. The delivery framework, the Landscape Conservation Action Plan, provides the detail for delivery of the scheme and its legacy.

The below tables contain the following assumptions

- 7.5 Table 1 is based on the HLF grant agreement and therefore shows 100% of costs inclusive of non-cash/volunteer time.
- 7.6 The process HLF uses means that by the end of the project there is normally a small surplus. This is allocated based on a legacy plan. In order to obtain the full HLF funding relating to Years 6 - 10 the Partnership will need to identify as part of their Management and maintenance plan a further £0.064m worth of volunteer time. The mechanism for insuring this will be developed in the form of a HLF Approved Legacy plan which is scheduled to be produced in year
- 7.7 Resources have already been allocated within years 1 - 5 of the project to ensure that this is achieved.
- 7.8 It should be noted that figures within table 2 are on an accruals basis and not cash. When reviewing on a cash basis the maximum anticipated use of LBH funds in any one year prior reclaiming from HLF is c£0.03m. In some instances the Partner organisations require forward funding i.e. LBH to provide funding to the partners then subsequently reclaim from HLF Quarterly in arrears. It is intended that this will be reconciled by the end of the 5 year term with total amounts owing to LBH from the HLF claim not exceeding £0.030m
- 7.9 VAT where partners are not able to claim VAT this has been identified within the HLF agreement, where they will expect to receive 56% of the VAT amount through grant claims.

Table 1 Land of the Fanns	Years							Grand Total
	1	2	3	4	5	6 - 10	1 - 10	
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23		
Total Estimated Project Cost (Per HLF Agreement)	0.304	0.627	0.751	0.346	0.292	0.114		2.434
Volunteer and non cash contributions contained within the HLF Agreement								
Total Estimated Payments	0.304	0.627	0.751	0.346	0.292	0.114		2.434
Funded by								
Other Secured funding	(0.100)	(0.036)	(0.015)	(0.005)	0.000	0.000		(0.156)
Other unsecured funding required	(0.195)	(0.311)	(0.049)	(0.020)	(0.022)	0.000		(0.597)
Volunteer and non cash contributions	(0.025)	(0.038)	(0.057)	(0.041)	(0.045)	0.000		(0.207)
Other funders for Management and Maintenance	0.000	0.000	0.000	0.000	0.000	(0.050)		(0.050)
HLF at 56% of estimated costs up to value of £1,359,700								
(Final claim will not recoupe c£3k)	(0.170)	(0.351)	(0.421)	(0.194)	(0.160)	(0.064)		(1.360)
Total Estimated funding	(0.491)	(0.736)	(0.541)	(0.260)	(0.227)	(0.114)		(2.370)
Total financial impact	(0.187)	(0.110)	0.210	0.086	0.065	0.000		0.064
Table 2 Requirements of LBH	Years							Grand Total
	1	2	3	4	5	6 - 10	1 - 10	
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23		
Funding to partnership in advance of HLF Claim	0.063	0.090	0.107	0.100	0.088			0.448
Funding to partnership post HLF Quarterly Claims	0.107	0.261	0.314	0.094	0.075	0.064		0.915
Total funding required by Partners	0.170	0.351	0.421	0.194	0.163	0.064		1.362
Funded by								
HLF Claims (on an accruals basis)	(0.170)	(0.351)	(0.421)	(0.194)	(0.227)			(1.363)
	(0.170)	(0.351)	(0.421)	(0.194)	(0.227)	0.000		(1.363)
Total impact on LBH	(0.000)	(0.000)	(0.000)	0.000	(0.064)	0.064		(0.000)

8. Legal implications and risks:

- 8.1 This report seeks approval for the Council to enter into a Partnership Agreement with others to deliver the Land of the Fanns Landscape Partnership scheme. As the Executive is responsible for approving delegations, including frameworks for partnerships, the Council's membership of the Land of the Fanns Landscape Partnership requires Cabinet approval.
- 8.2 The report also seeks approval for the Council to accept a grant of up to £1.36 million from Heritage Lottery Fund in its capacity as Accountable Body for the Land of the Fanns Landscape Partnership scheme.

- 8.3 A key decision is an executive decision likely to result in the Council incurring expenditure, or making a saving, either of which is significant, being in excess of £500,000. Savings includes expenditure avoided, additional revenue income generated or capital receipts obtained. The receipt of grant funding by the Council as detailed in the body of the report accordingly constitutes a Key Decision requiring Cabinet approval.
- 8.4 Further, Contract Procedure Rule (CPR) 25.2 provides that where the Council receives funding in excess of £500,000, a report will be presented to CMT for approval to enter into the Grant Agreement (or other funding arrangements) and to record the availability of funding subject to the terms of the grant.
- 8.5 The report details that the Council will be acting as the Accountable Body for the Land of the Fanns Landscape Partnership, with responsibility for administering and distributing the Heritage Lottery Fund grant.
- 8.6 CPR 25.4 provides that where the grant funding is for use by a third party, the obligation to account for the funding contained in the grant terms will be included in the agreement with the third party. The terms of making the grant/funding shall include a clause to competitively tender for the services, supplies or works, and reflect the Council's strategic policies and objectives in so far as they apply to, or are compatible with, the funding objectives set out in the grant terms imposed on the Council and CPR. Officers need to ensure that the governance arrangements for the partnership comply with this requirement.
- 8.7 In addition, CPR 26.1 states that a grant or other funding made to a third party either by the Council or from another source which may be considered as a subsidy will need to be reviewed against the EU State Aid rules. Under CPR 26.4, where State Aid is considered, the outcome of any assessment must be recorded and retained with the tender/contract documents.
- 8.8 If it is intended that an officer or Member sit on the Board he or she will need to be given an indemnity under the Local Authorities (Indemnities for Members and Officers) Order 2004

9. Human Resources implications and risks:

- 9.1 There are no direct Human Resource implications and risks associated with a decision for the Council to enter into a partnership with the Land of the Fanns Landscape Partnership or with the decision for the Council to accept a grant of £1.359m from HLF in its capacity as the Accountable Body.
- 9.2 Membership of the Partnership and delivery of the Council's function as the Accountable Body will be managed within existing staff resources in the Development Service.
- 9.3 Delivery of the Land of the Fanns Landscape Partnership Scheme will comprise a dedicated team of four members of staff including a Scheme Manager, two Engagement Officers and a part-time Finance and Admin Officer. The team will be funded by the Lottery grant, employed by Thames Chase Trust and based at the

Thames Chase offices at the Upminster Thames Chase Forest Centre. This team will provide the lead in terms of administering the grant in close liaison with Council staff in the Development Service and in oneSource.

10. Equalities implications and risks:

- 10.1 As part of the development phase for the Land of the Fanns Landscape Partnership Scheme an Audience Development Plan was commissioned. This identifies key sectors of the community currently under-represented in terms of their relationship to the landscape, and has been used to inform the delivery plan.
- 10.2 The Scheme will ultimately engage all sectors of the community and have a positive impact on people from all protected characteristics, with children and young people (and their parents and/or carers), older adults, disabled people and those from disadvantaged backgrounds being amongst the groups that will benefit the most. It is also envisaged that this Scheme will increase social inclusion and improve community cohesion in Havering by bringing local people together and by providing them with opportunities to take part in various environmental and other activities.

BACKGROUND PAPERS

None

Appendix: Summary of LCAP (Landscape Community Action Plan)



Landscape Partnership Scheme Summary

2016



Aerial view of Aveley Forest

Vision

Adopted by the Partnership in 2014, the vision of the Land of the Fanns is

“The surviving London fanns on the edge of East London – a landscape of fens, forest and farms, rich in geological, natural and cultural heritage and continually evolving since the last Ice Age – will be positively managed and understood as the **last remaining landscape of London as it once was**.

Drawing on the area’s past as a unified, working landscape underpinning London’s growth, the Land of the Fanns will spark a **rediscovering** of this landscape drawing on the pride local communities instinctively feel about this misunderstood area. This is not only about undertaking restoration and access improvements that **reconnect** the landscape, it is also about equipping people with **better knowledge and understanding** to shape the strategic decision making that continues to fragment the landscape.

The landscape is a **dynamic** one that will continue to change – a broad partnership understanding of the Land of the Fanns will not only enable that change to be more positive, it will also develop its profile as one of the **nation’s most fascinating landscapes**, intimately connected with one of the most **famous and celebrated cities in the world**.

The ‘Land of the Fanns’ will become recognised as a **connected** and **cohesive** landscape where its heritage is **loved** and **understood** by its people.”

Objectives

Supporting the vision, six strategic objectives were approved by the Land of the Fanns partnership in 2014:

1. RESTORATION AND CONNECTION

To work in partnership to restore, conserve and connect the woods, fens, farmland, unique biodiversity, heritage and cultural assets of our landscape and utilise these to support local distinctiveness and pride that reduces further negative impacts.

2. ACCESS

To improve physical and intellectual access to the landscape for local communities and visitors that encourages people to visit, respect and appreciate its natural and built assets, through targeted physical interventions and improved co-ordination of visitor destinations.

3. INFORMATION

To create outlets for local knowledge that reveals the exciting and unique stories of the landscape through inclusive methods that enthuses local people and visitors, guides decision-making and celebrates the area.

4. EXPERIENCE BY TAKING PART

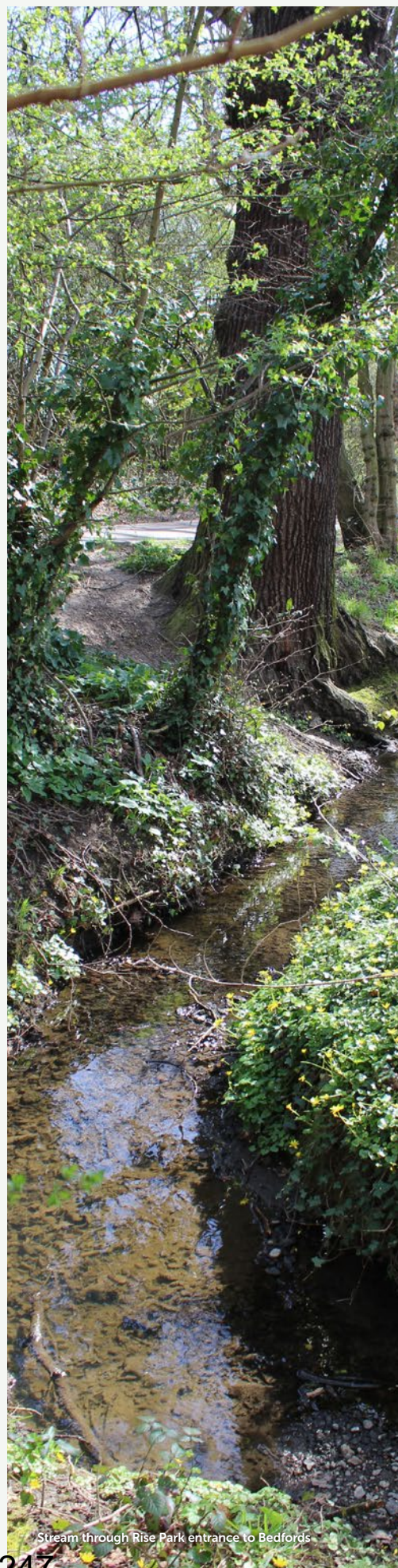
To encourage people to experience the Land of the Fanns and learn about its rich physical, natural and cultural heritage by actively taking part in conservation projects, research and interpretation activities, cultural activities, events, volunteering and learning that also improves the prospects and skills of local people.

5. ENJOYMENT OF THE LANDSCAPE

To develop the 'Land of the Fanns' into a place where local people and visitors can better enjoy the landscape through better co-ordination and commercial thinking of partnership organisations providing tourism and related services.

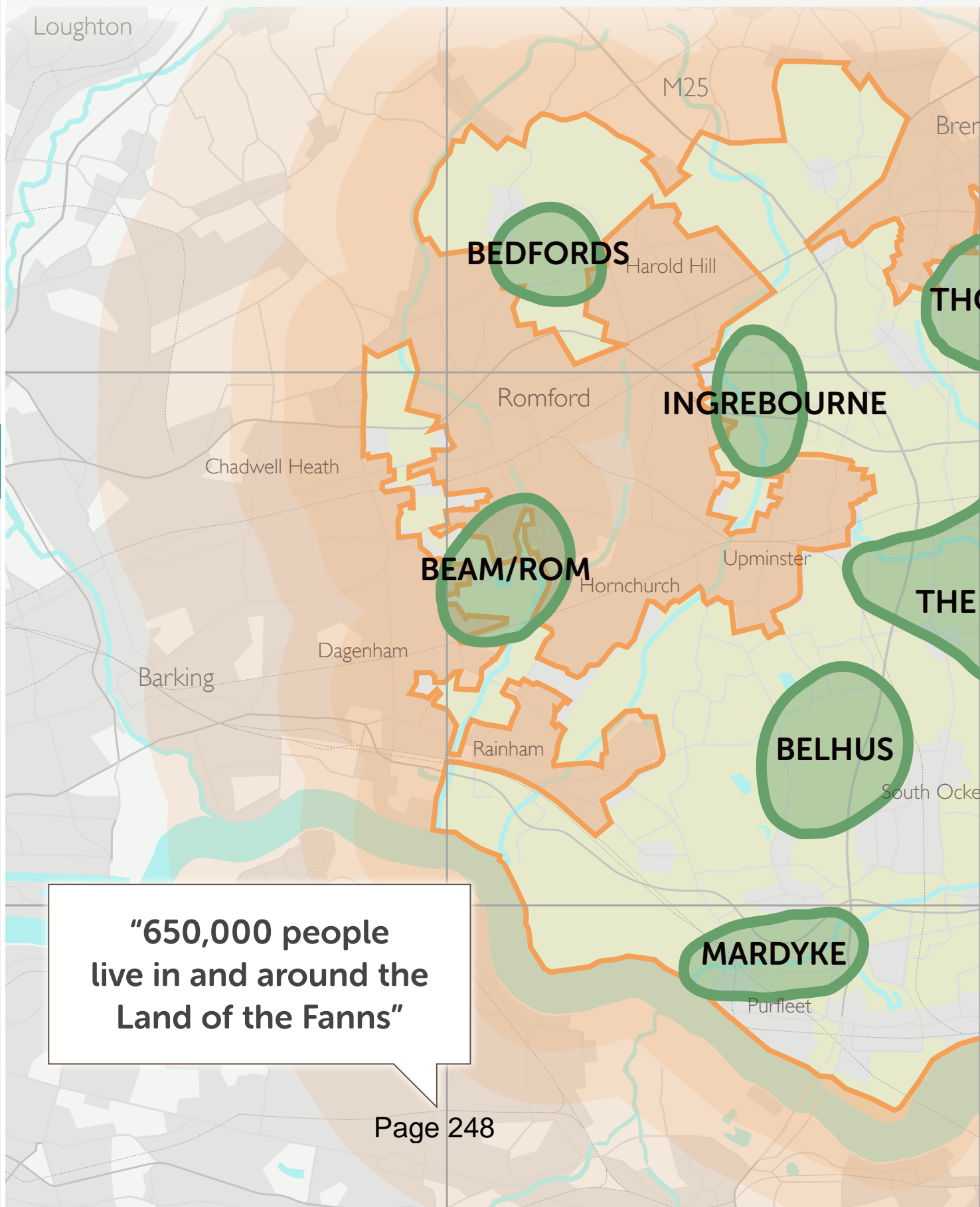
6. PARTNERSHIP WORKING

To build excellent partnership working between the key players who can make the Vision happen – the public sector, private business and the community.

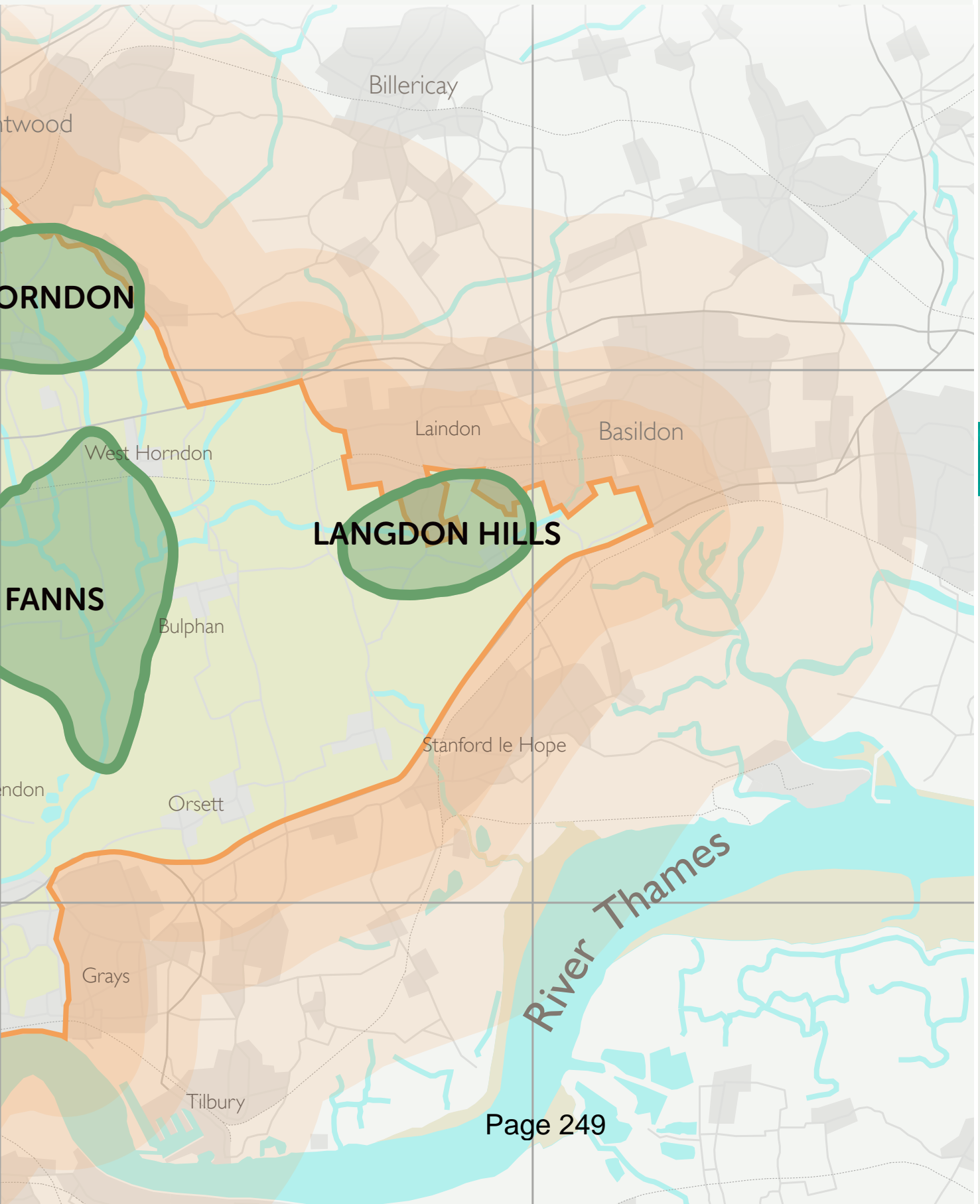
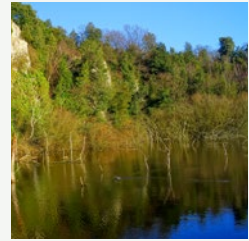


Stream through Rise Park entrance to Bedfords

Focus Areas for the Scheme



**"650,000 people
live in and around the
Land of the Fanns"**



Land of the Fanns Projects

Programme A: Restoring and Reconnecting the Land of the Fanns

A1.1	Landscape Management Plan	To co-ordinate landscape management efforts across the Land of the Fanns through better partnership working between public and private landowners, uplifting farmland through Countryside Stewardship and supporting landscape-focussed social enterprise
A1.2	Community Tree Nursery	To develop a community tree nursery on a not-for-profit commercial basis providing genetically diverse stock for sale within the Land of the Fanns
A2.1	Woodland, Grassland and Hedgerows	To restore 60 hectares of woodland, grassland and hedgerows across the Land of the Fanns and link these to Countryside Stewardship
A2.2	Restoring Low Nutrient Habitat	To restore remnants of low nutrient habitats, which have almost vanished from the landscape.
A2.3	Rediscovering the Lost Fens	To highlight and interpret the lost 'Fann' landscape through access and restoration work
A2.4	Micro landscapes	To establish and maintain management regimes on brownfield sites for invertebrates, creating opportunities to appreciate industrial habitats within the Land of the Fanns
A3.1	River Catchments	To improve the rivers (Rom/Beam, Ingrebourne and Mardyke) of the Land of the Fanns
A3.2	Connecting Historic Landscapes	To improve access and understanding at two strategic historic landscapes (Belhus and Thorndon) within the Land of the Fanns
A4.1	Environment Skills and Training	To provide people with the skills needed to restore, understand and promote natural heritage within the landscape

Programme B: Understanding the Land of the Fanns

B1.1	Land of the Fanns Publication	To produce a publication that brings together the history and stories of the Land of the Fanns area
B2.1	Designed Landscapes	To identify and record the changes in the Land of the Fanns landscape over time to build understanding and appreciation of its significance
B2.2	Community Mapping	To record heritage places and stories valued by communities to strengthen cultural identity and place-making in the Land of the Fanns
B3.1	Community Archaeology	To enable people to engage with the archaeological history of the Land of the Fanns within the landscape and along the River Thames

Programme B: Understanding the Land of the Fanns

B3.2	Travelling archaeological Exhibitions	To raise awareness and understanding of the archaeology across the Land of the Fanns.
B4.1	Interpreting the Fanns	To raise awareness and understanding of the landscape through physical signage and interpretation at strategic locations across the Land of the Fanns
B5.1	Heritage Skills and Training	To provide people with the skills needed to restore, understand and promote built, archaeological and cultural heritage within the landscape

Programme C: Attachment to the Land of the Fanns

C1.1	Digital Heritage	Development of an app or equivalent that collates information from Land of the Fanns projects and enables access via smartphone.
C1.2	Promoting the Land of the Fanns	To promote and celebrate the Land of the Fanns through a dynamic website and digital marketing, co-ordination of marketing at 'hub' sites and audience-generated content
C2.1	School Programme	To support teachers and young people to use the landscape in education through a Land of the Fanns education resource and a potential Forest School as legacy
C2.2	Volunteer Co-ordination	To co-ordinate existing heritage and environment volunteering opportunities across the landscape in support of the Scheme aims
C2.3	Community Action Budget	To fund a suite of local community projects that complement the delivery of the Landscape Partnership Scheme
C3.1	Landscape Champions of Tomorrow	To develop the landscape champions of the future by training volunteers and partners to support project delivery and secure the programme legacy
C3.2	Apprentice Scheme	To develop the skills and experience of 2 local young people through formal apprenticeships during the life of the Landscape Partnership Scheme

Programme D: Enjoying the Land of the Fanns

D1.1	Walking the Fanns	To enable access to the Land of the Fanns through targeted path improvements and a walking programme.
D2.1	Land of the Fanns Conferences	To bring together partners, groups and individuals from across the landscape area for an annual celebration of the Land of the Fanns
D2.2	Arts Festival	To develop an art trail/festival that celebrates the Land of the Fanns



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