



CABINET

5.30 pm	Wednesday 19 July 2023	Council Chamber - Town Hall
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Members 9: Quorum 3

Councillor Ray Morgon (Leader of the Council), Chairman

Cabinet Member responsibility:

Councillor Keith Darvill

Lead Member for Climate Change

Councillor Gillian Ford

Lead Member for Adults and Health

Councillor Oscar Ford

Lead Member for Children and Young People

Councillor Paul McGeary

Lead Member for Housing

Councillor Paul Middleton

Lead Member for Corporate, Culture and Leisure Services

Councillor Barry Mugglestone

Lead Member for Environment

Councillor Christopher Wilkins

Lead Member for Finance and Transformation

Councillor Graham Williamson

Lead Member for Development and Regeneration

Zena Smith

Head of Committee and Election Services

For information about the meeting please contact:

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**Please note that this meeting will be webcast.
Members of the public who do not wish to appear
in the webcast will be able to sit in the balcony,
which is not in camera range.**

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Excessive noise and talking should also be kept to a minimum whilst the meeting is in progress in order that the scheduled business may proceed as planned.

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

Reporting means:-

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

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

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

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

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



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 - 6)

To approve as a correct record, the minutes of the meeting held on **14th June 2023**, and to authorise the Chairman to sign them.

5 EAST LONDON WASTE AUTHORITY (ELWA) (Pages 7 - 178)

6 MERCURY LAND HOLDINGS- UPDATE TO BUSINESS PLAN 2022/23 (Pages 179 - 258)

7 PROCUREMENT OF HIGHWAYS AND STREET LIGHTING CONTRACT (Pages 259 - 292)

8 OPTIONS FOR THE RAINHAM AND BEAM PARK JOINT VENTURE (Pages 293 - 360)

9 ALLOCATIONS POLICY 2.0 (Pages 361 - 434)

10 UPDATE OF THE COMPLAINTS POLICY AND PROCESS (Pages 435 - 482)

11 FINANCE UPDATE REPORT (Pages 483 - 494)



MINUTES OF A CABINET MEETING
Council Chamber - Town Hall
Wednesday, 14 June 2023
(19:30 to 20:10)

Present:

Councillor Ray Morgon (Leader of the Council), Chairman

Councillor Keith Darvill

Councillor Gillian Ford

Councillor Oscar Ford

Councillor Paul McGeary

Councillor Paul Middleton

Councillor Barry Mugglestone

Councillor Christopher Wilkins

Councillor Graham Williamson

Cabinet Member responsibility:

Lead Member for Climate Change

Lead Member for Adults and Health

Lead Member for Children and
Young People

Lead Member for Housing

Lead Member for Corporate, Culture
and Leisure Services

Lead Member for Environment

Lead Member for Finance and
Transformation

Lead Member for Development and
Regeneration

Apologies were received for the absence of Councillors .

86 ANNOUNCEMENTS

Members were advised of the Fire Safety procedure in the Chamber.

87 APOLOGIES FOR ABSENCE

There were no apologies for absence.

88 DISCLOSURES OF INTEREST

There were no disclosures of interest.

89 MINUTES

The minutes of the meeting held on **3rd May 2023**, were agreed as a correct record and the Chair signed them.

90 **PROPERTY ACQUISITION PROGRAMME (PAP)**

Cabinet was presented with the **Private Property Acquisition Programme (PPAP)**.

Report was introduced by Councillor Paul McGeary, Cabinet Member for Housing

The report describes the principles and structure of the proposed contractual arrangement with the REIT and MLH for the acquisition and letting of properties, together with the reasoning for supporting its implementation, and sets out specific Housing Services property requirements associated rental rates.

The proposed course of action is part of wider strategic response to ensure sufficient accommodation for the residents of the borough. The current proposal is to seek to acquire up to 150 properties, any increase in the number of properties should be considered as part of a wider strategic approach.

Cabinet **noted** the principles and structure of the proposed contractual arrangement for the acquisition and letting of properties, together with the reasoning supporting its implementation, as described in the report;

Cabinet **agreed** to delegate to the Director of Housing in consultation with the Lead Portfolio Holder for Housing, the authority to negotiate the detailed terms of, and the authority to agree that the Council enters into, an Agreement for Lease (or a broadly equivalent contractual instrument with the same commercial effect) with the REIT (and any necessary ancillary agreements);

Cabinet **agreed** to delegate to Service Director Housing in consultation with the Section 151 officer, the Lead Portfolio Holder for Housing, the authority to negotiate the detailed terms of, and the authority to agree that the Council enters into, an Agreement for underlease (or a broadly equivalent contractual instrument with the same commercial effect) with MLH (and any necessary ancillary agreements).

91 **LOOKED AFTER CHILDREN RESIDENTIAL CONTRACT EXTENSION FOR 2023/2025**

Cabinet was presented with the **Approval to extend the Looked After Children (LAC) Residential Contract report**

Report was introduced by **Councillor Oscar Ford, Cabinet Member for Children & Young People**

This report seeks approval to extend the Looked After Children (LAC) Residential Contract for a period of 2 years and to at the same time vary the detail of banding system within the contract to increase granularity and reflect the profile of the services commissioned over the initial term.

This contract was commissioned on behalf of the North East London Commissioning Partnership with Havering acting as the lead authority.

The Cabinet

1. **Agreed** to extend the Looked After Children Residential Contract with Woodford Children's Home Limited for a period of two years from 28 October 2023; and vary the contract as set out in this report.

2. **Delegated** the decision to further extend the contract for the final contracted extension period (for a period of 2 years from 28 October 2025) to the Director of Children's Services, in consultation with the Lead Member of Children's Services subject to:

2.1 the performance of the contract continuing to be satisfactory;

2.2 the contract representing best value for the London Borough of Havering; and

2.3 the agreement of all members of the North East London Commissioning Partnership to the extension.

92 **HAVERING CLIMATE CHANGE ANNUAL REPORT INCORPORATING CARBON EMISSIONS DATA**

Cabinet was presented with the **Havering Climate Change Annual Report incorporating Carbon Emissions Data report**

Report was introduced by **Councillor Keith Darvill, Cabinet Member for Climate Change**

In the Havering Climate Change Action Plan (HCCAP) November 2021, Havering Council set ambitious targets to reduce carbon emissions. The Council also declared a Climate Emergency on March 21st 2023. The priority for the Council now is to deliver against these targets. This shift in focus, from ambition to delivery, will be the rationale for the Monitoring Framework, which will track progress against milestones and how they contribute to delivering the Council's climate ambitions.

The Cabinet **noted** the Havering Climate Change Annual Report incorporating Carbon Emissions Data.

93 **EARLY HELP STRATEGY 2022 - 2024**

Cabinet was presented with the **Early Help Strategy 2022 – 2024**

Report was introduced by **Councillor Oscar Ford, Cabinet Member for Children & Young People**

This report describes the Early Help Strategy which has been drawn up in Partnership with multi-agency partners working with children, young people and families across Havering.

It is recommended that Cabinet **approves** the early help strategy as detailed in this report.

94 **RECOMMENDATIONS TO CABINET FROM PEOPLE OSSC ON THE POLICE**

Cabinet was presented with the *Recommendations from People Overview & Scrutiny Sub-Committee relating to Town Centre Police Provisions*

Report was introduced by **Councillor Barry Mugglestone, Cabinet Member for Environment**

At a special meeting of the People Overview & Scrutiny Sub-Committee (OSSC) on 16th March 2023, colleagues from the Police gave an update on the borough-wide situation following a number of stabbing incidents. This resulted in several recommendations to Cabinet as detailed below.

The Overview and Scrutiny Board recommends that Cabinet should:

- 1) To commend the Police's work regarding the recent stabbing incidents in Romford
- 2) Request the People Overview and Scrutiny Committee to review Town Centre provisions in consultation with the Police and relevant Council Officers, considering specifically toilet facilities for officer use and available private spaces for taking statements and speaking to residents away from public areas; it was confirmed during a meeting the cabinet member for environment that this point was no longer an issue as the police
- 3) Request that the People Overview and Scrutiny Committee bring back a Report to Cabinet after they have completed their review with any recommendations they consider appropriate.

The Cabinet are happy **commend** the polices recent responses to the stabbing incidents in Romford

The Cabinet Member for Environment confirmed that during a meeting with the Borough Commander, it was clarified that officer welfare was now in hand, with facilities available in The Hub and The Bid with a pop-up due to open in The Liberty shortly.

The Cabinet Member, would welcome that the Overview & Scrutiny Board to look into this area to ensure the Met Police have the facilities they require to carry out their duties.

The Leader thanked the Overview & Scrutiny Board for their work in this area.

The Cabinet **noted** Recommendations to Cabinet from People OSSC on the Police

Chairman

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This Report is part exempt and Appendices A is not available for public inspection as it contains or relates to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to information relating to the financial or business affairs of any particular person (including authority holding that information) and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CABINET

Subject Heading:

East London Waste Authority (ELWA) –
Outline Business Case

Cabinet Member:

Councillor Barry Mugglestone, Cabinet
Member for Environment

SLT Lead:

Andrew Blake-Herbert, Chief Executive

Report Author and contact details:

Imran Kazalbash Assistant Director of
Environment 01708 433831
imran.kazalbash@havering.gov.uk

Policy context:

*This report supports the Corporate Plan -
“A great place to live, work and enjoy”*
Joint Strategy for East London’s
Resources and Waste

Financial summary:

*The Outline Business Case (OBC)
includes a financial assessment for
modelling purposes only. The direct
financial implications will be known when
the procurement process has been
completed. Havering’s levy with EWLA in
2022/23 was approximately £18m for
treatment, recycling and disposal services.*

Is this a Key Decision?

YES

Indicate grounds for decision being Key:

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

(c) Significant effect on two or more Wards

When should this matter be reviewed?

Subject to all Havering agreeing to the recommendation in 2.1, ELWA Authority Members will then be asked to approve the OBC at the ELWA Authority Meeting to be held on 29 September 2023

Reviewing OSC:

Places OSSC

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

People: Things that matter to residents

Place: A great place to live work and enjoy x

Resources: A well run Council that delivers for People and Place

SUMMARY

- 1.1 The East London Waste Authority (ELWA) is the statutory joint waste disposal authority for the London Boroughs of Barking and Dagenham, Havering, Newham and Redbridge (the Constituent Councils) and ELWA has a statutory duty to make arrangements for the treatment and disposal of the Local Authority Collected Waste (LACW) collected by (or on behalf of) the four Constituent Councils. These arrangements are currently discharged through the Private Finance Initiative (PFI) Integrated Waste Management Services Contract (IWMS Contract), which was entered into in December 2002 and is due to expire in December 2027. Havering has an ongoing obligation to deliver waste and recycling to ELWA for treatment and disposal.
- 1.2 ELWA and the Constituent Councils, collectively the Partner Authorities, developed a new Joint Strategy for East London's Resources and Waste (the Joint Strategy) for the period from 2027 to 2057. The Joint Strategy sets out a direction of travel for the future management of waste after the expiry of the IWMS Contract. The Joint Strategy has been adopted and ratified by each of the Partner Authorities in early 2022 and in the case of the London Borough of Havering approved at its Cabinet meeting on 16th February 2022.
- 1.3 The Joint Strategy commits ELWA to develop a procurement plan to support the delivery of future waste treatment and disposal services from 2027 onwards and to report to the Constituent Councils on the development of the procurement plan. The Outline Business Case (OBC) presented in this report represents the first step towards the implementation of the procurement plan and has been produced to determine the preferred service delivery model for the new services at the expiry of the IWMS Contract. The OBC explores a wide range of options and broadly covers; who could deliver the services eg public sector or private sector; what services should be included eg treatment and disposal for; recycling, food waste, garden waste and residual waste; how they should be procured eg one large contract or smaller ones; length of contracts; consideration for sources of capital funding.
- 1.4 ELWA has a statutory obligation to continue to deliver waste treatment and disposal services without interruption and the ratification of the OBC is necessary before ELWA can commence preparation for the procurement of these services.
- 1.5 This paper also details ongoing work in relation to the expiry of the current IWMS contract and for Havering will require permissions to ensure land it owns at Gerpins Lane Reuse and Recycling Centre (RRC) is made available to carry out future services.

RECOMMENDATIONS

- 2.1 Cabinet is recommended to agree it supports the East London Waste Authority's (ELWA) Outline Business Case (OBC) included at Exempt Appendix A.**
- 2.2 Cabinet is asked to agree in principle to the future use of Gerpins Lane (RRC), Gerpins Lane, Upminster, RM14 2XR being made available as a site on the future procurement by way of a property agreement and delegate authority to the Director of Asset Management to enter into the relevant property arrangements.**
- 2.3 Cabinet is asked to note that:
 - 2.3.1 The OBC is necessary to deliver the aims and objectives of the Joint Strategy, as adopted by Cabinet at its meeting on 16th February 2022 and so that ELWA can commence the procurement of the waste treatment and disposal services to be in place at the expiry of the Integrated Waste Management Services Contract (IWMS Contract).
 - 2.3.2 Subject to all Constituent Councils agreeing to the recommendation in 2.1, ELWA Authority Members will then be asked to approve the OBC at the ELWA Authority Meeting to be held on 29 September 2023.
 - 2.3.3 ELWA will be the contracting authority for the procurement of the new service arrangements and, at the completion of the procurement process, ELWA will develop a Full Business Case (FBC) which will be subject to further confirmation of support by each of the Constituent's Council's ' Cabinet.
 - 2.3.4 The OBC is not seeking to set a budget for the years following the expiry of the IWMS Contract. There will be a future Cabinet report to formalise new levy arrangements from 2028/29 onwards. The timing will need to be considered alongside that of the FBC.
 - 2.3.5 There is a programme of work that ELWA is preparing to undertake in relation to the expiry and demobilisation of the IWMS Contract.

REPORT DETAIL

Background

- 3.1 The East London Waste Authority (ELWA) is the statutory joint waste disposal authority for the London Boroughs of Barking and Dagenham, Havering, Newham and Redbridge .
- 3.2 ELWA has statutory duties to arrange for the treatment and disposal of the Local Authority Collected Waste (LACW) collected by (or on behalf of) the four Constituent Councils, as well as to provide public Reuse and Recycling Centres (RRCs) serving local residents.

- 3.3 These services are delivered through the Private Finance Initiative (PFI) Integrated Waste Management Services Contract (IWMS Contract), which was awarded to ELWA Ltd. (the IWMS Contractor) in December 2002 for a period of 25 years. The IWMS Contract is operated by Renewi (the IWMS Operator).
- 3.4 Havering pay for their tonnage for recycling and waste to be treated by the current contract through a levy arrangement; in 2022/23 this was approximately £18m.
- 3.5 In early 2022, ELWA also established the Procurement and Contract Expiry (PACE) Programme to manage the complex work associated with:
- 3.5.1 Contract Expiry and Transition: the activities required to manage the expiry and demobilisation of the IWMS Contract; and
- 3.5.2 Future Services Delivery: the activities required to ensure that new services arrangements are in place at the expiry of the IWMS Contract so that services continue to be delivered without interruption.
- 3.6 The PACE Programme is governed by a Board, which consists of ELWA senior officers and Directors from each of the Constituent Councils.
- 3.7 The OBC is the first stage in delivering against the actions and priorities set out in Section 4.4 of the Joint Strategy (“Supporting Improvements with Infrastructure”).
- 3.8 ELWA will be the contracting authority for the procurement of the new service arrangements and, at the completion of the procurement process, ELWA will develop a Full Business Case (FBC) which will be presented to each of the Constituent Councils’ Cabinet. The FBC will focus on updating the OBC to document the outcomes of the procurement process.
- 3.9 ELWA developed the OBC using the Five Case Model and Green Book guidance provided by HM Treasury, which represents best practice on how to develop business cases. The following paragraphs explain what was done in each of the five cases and what was achieved.

Making the Case for Change (Strategic Case)

- 3.10 The Strategic Case of the OBC defined the scope of the project and demonstrated that change is needed.
- 3.11 The Joint Strategy demonstrates that change is needed because new service arrangements are required from 2027 onwards when the IWMS Contract expires and ELWA has a statutory obligation to continue to deliver these services without interruption.
- 3.12 The scope of the OBC is “the management of all LACW collected by (or on behalf of) the Constituent Councils, in accordance with the statutory duties of ELWA and the Joint Strategy of the Partner Authorities”.

Options Appraisal (Economic Case)

- 3.13 The Economic Case of the OBC consisted of a detailed assessment of alternative options. The process started with generating a long list of potential

options which ELWA could consider at the end of the IWMS Contract. Five project dimensions were used to identify the long list of options, as follows:

- 3.13.1 Service Delivery: to consider who is best placed to deliver the services, ie the private sector or the public sector;
- 3.13.2 Service Scope: to consider how the waste treatment and disposal services could be packaged together in the future, for example combined together in one contract (integrated), or separated in a number of different contracts (disaggregated);
- 3.13.3 Service Solution: to consider whether the waste facilities, which are required to treat and dispose of the LACW collected by (or on behalf of) the Constituent Councils, are provided by ELWA or by the private sector;
- 3.13.4 Contract Duration: to consider the optimal duration of a future contract to replace any of the waste services under the IWMS Contract; and
- 3.13.5 Capital Funding: to consider the options available for sourcing capital finance which may be required to develop waste infrastructure.
- 3.14 After the long list of options was generated, a further assessment was carried out and four options were shortlisted. These options were:
 - 3.14.1 Option 1: this option is similar to the current waste treatment and disposal arrangements but accounts for small changes, which are required to meet new and anticipated waste legislation.
 - 3.14.2 Option 2: this option assumes that the current pre-treatment of residual waste, or black bag waste, which takes place at the facilities at Jenkins Lane and Frog Island, known as Mechanical Biological Treatment (MBT) process, will not be used in the future and instead these facilities are converted into waste reception facilities where waste delivered by the Constituent Councils is bulked and then transported elsewhere to be treated by merchant contractors.
 - 3.14.3 Option 3: like the previous option, this option assumes there is no longer a requirement to pre-treat residual waste at the facilities at Jenkins Lane and Frog Island. It assumes that the facility used for pre-treatment at Frog Island is turned into a waste reception facility where waste is bulked and then transported elsewhere to be treated by merchant contractors; and the facility used for the pre-treatment at Jenkins Lane is converted into a Materials Recovery Facility (MRF) where the dry recycling waste collected by the Constituent Councils is separated into different material streams, which are then sent to other companies to turn into new products. Under this option the current Ilford Recycling Centre is no longer required because the dry recycling collected by the London Borough of Redbridge would be processed at a new MRF at Jenkins Lane.
 - 3.14.4 Option 4: this option envisages the closure of all operations currently delivered at Frog Island and the Ilford Recycling Centre. Under this option all LACW collected by the four Constituent Councils is delivered to Jenkins Lane, where there will be a new waste reception facility.
- 3.15 The assessment of the four options concluded that Option 2 should be taken forward. In parallel to this assessment, ELWA carried out preliminary market

engagement with waste companies between January and March 2023. The selection of Option 2 is consistent with the views of the majority of the waste companies that participated in the preliminary market engagement. Option 2 minimises key risks identified with the other options, namely:

- 3.15.1 Option 1: there were very few waste companies, at preliminary market engagement, who expressed willingness to continue to operate the current facilities at Jenkins Lane and Frog Island to pre-treat residual waste in the future when the IWMS Contract ends.
- 3.15.2 Option 3: there were some waste companies, at preliminary market engagement, who expressed some interest in developing a new local facility to separate the dry recycling waste collected by the Constituent Councils, but given other risks, this is not considered the best route at this stage. There are ongoing and anticipated legislative changes in the waste sector, potential planning delays, and supply chain delays which are critical risks inherent to this option. In any event, an interim solution would be required whilst a new facility would be developed and commissioned. This option could be explored again in the future.
- 3.15.3 Option 4: this option could be operationally very challenging given the impacts it is likely to have on the collection routes and rounds of some of the Constituent Councils; it could limit the ability of ELWA to implement business continuity given there would only be one waste reception and transfer facility; and finally the conversion of the facilities at Jenkins Lane may include regulatory risks in securing permit/planning consents due to extra waste throughput and vehicle movements.
- 3.16 During preliminary market engagement, waste companies were also asked to provide their views on whether the waste treatment and disposal services should be procured as part of an integrated contract or separated into a number of waste services contracts. Most waste companies prefer a disaggregated contract rather than an integrated contract and the preference is also to disaggregate the contracts by waste stream. Different options were suggested in relation to contract lengths and these range from 2 to 15 years.
- 3.17 The conclusions of the Economic Case in relation to the five projects dimensions are described below:
 - 3.17.1 Service delivery: the private sector is best placed to deliver the services at this stage. Public sector ('in-house') delivery of services was discounted at this stage as it would expose ELWA to risks which cannot or may be difficult to adequately predict and mitigate.
 - 3.17.2 Service Scope: the services in the current IWMS Contract will be delivered using a number of waste services contracts using a disaggregated model.
 - 3.17.3 Service solution: ELWA's existing assets at Jenkins Lane, Frog Island and Ilford Recycling Centre will be made available to the market during the procurement process for the delivery of waste reception and transfer services.
 - 3.17.4 Contract Duration: a mix of contract terms will be utilised, reflecting the market's views and considerations. The contract term for each waste stream will be defined after further market engagement to be held later in 2023.

3.17.5 Capital Funding: it is anticipated that capital costs (eg building upgrades/conversion, equipment and vehicles) will be self-financed by ELWA by recourse to prudential borrowing. Any need for private sector funds will be determined during the procurement process.

The Preferred Procurement Option (Commercial Case)

3.18 The Commercial Case of the OBC determined the preferred procurement option.

3.19 The Commercial Case considered three options for packaging the disaggregated services:

3.19.1 Contract Notice without Lots: the procurement of separate disaggregated services under a separate Contract Notice for each disaggregated service. Bidders must bid for all the disaggregated services included in the Contract Notice. For example, one Contract Notice for all of the Constituent Councils' Garden Waste.

3.19.2 Contract Notice with Lots: the packaging of a disaggregated service into lots under one Contract Notice. Bidders may bid for some or all the lots and may offer a "combined bid" which delivers economies of scale across more than one lot. For example, the splitting of the residual waste tonnage into smaller packages.

3.19.3 Service Bundling – with or without Lots: the "bundling" of disaggregated services under one Contract Notice with or without lots. For example, waste reception and haulage services could be procured under the same Contract Notice as residual waste treatment (which may be split into further lots). Bidders could bid for waste reception, haulage and residual waste treatment as a combined proposal.

3.20 Each option was assessed for its strengths and weaknesses. The preferred procurement route is described in the following table for each of the disaggregated services (subject to refinement after further market engagement to be held later in 2023):

Disaggregated Service	Possible Treatment Solution	Preferred Packaging Option
Garden Waste	Merchant Composter	Contract Notice without Lots
Food Waste	Merchant Anaerobic digestion	Contract Notice without Lots (<i>tentative</i>)
Dry Recycling	Merchant Materials Recycling Facility	Contract Notice without Lots
Residual Waste (including Bulky Waste disposal)	Merchant Energy Recovery Facility	Service Bundling with Waste Reception, Haulage and RRCs (with Lots being (i) Waste Reception, Haulage and RRCs (ii) Residual Waste (in one or more lots) (<i>tentative</i>))

Waste Reception, Haulage and RRCs (including Bring Banks and Bulky Waste recycling)	At current sites	Service Bundling with Residual (with Lots) (see above) (<i>tentative</i>)
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3.21 ELWA's existing assets at Jenkins Lane, Frog Island and Ilford Recycling Centre will be made available to the market during the procurement process for the delivery of waste reception and transfer services, however their use will not be mandatory. The procurement process will not mandate the delivery of waste to a particular waste reception facility, therefore there may be scope for direct delivery of waste to a new waste contractor(s) facility(-ies). It will be a requirement, however, that at least two waste reception and transfer facilities are provided as a minimum requirement to accept waste collected by (or on behalf of) the Constituent Councils.

Financial Viability (Financial Case)

3.22 The Financial Case built upon the outputs of the Economic Case to assess the financial viability of Option 2, which is the option that was selected from the Economic Case, against Option 1, which is the closest option to the current service arrangements. The Financial Case took into account assumptions on taxation, financing and inflation. The metrics used to assess the options include the Net Present Value (NPV) and a comparison of cash flows over an assumed 15-year period.

3.23 The Financial Case also assumes that:

3.23.1 A special purpose vehicle will not be required for the new service arrangements. This means that the financial risks will not be directly comparable to the IWMS Contract, as a series of smaller contracts and/or potentially several suppliers will, all else being equal, lead to lower concentration of risk.

3.23.2 If any external finance is required, the source of external finance will be prudential borrowing from the Public Works Loan Board (PWLb).

3.24 The Financial Case concluded that Option 1 and Option 2 have very similar costs and revenue.

3.25 The Financial Case also considered several scenarios and sensitivities to assess how responsive the service cost is to the key financial modelling assumptions, including inflation, which is currently at an exacerbated level. On an average cost (net of revenue) per tonne basis both Option 1 and Option 2 base case results show a modest reduction compared to the inflated current IWMS Contract service cost.

3.26 ELWA and the Constituent Councils have an aspiration to bring the cost of the future services down below the current IWMS Contract service budget. At the OBC stage, the base case financial modelling has made various prudent and conservative assumptions in keeping with the typical approach to developing an OBC. This means that there is scope for the costs projected at this stage to reduce as the project develops and the forward plan takes shape. The assumptions incorporated in the base case financial modelling include:

- 3.26.1 An additional 33% and 47% contingency have been added to the capital expenditure assumptions for Options 1 and 2 respectively.
- 3.26.2 Insurance costs of approximately £3.4m p.a. are included – there are potential insurance savings from converting the MBT facilities, but these savings have not been quantified at this stage.
- 3.26.3 Royalty costs of approximately £1m p.a. are currently included. These may not be required depending on the future use of any existing equipment at the MBT facilities.
- 3.26.4 PWLB funding interest rate has been assumed to be at 4.46% in line with the current rate for a 15-year fixed facility (including Certainty Rate). In line with inflation, current interest rates are above the last 5-year average and are likely to reduce over time.
- 3.27 In addition, it is important to note that the option costings are based on ELWA's External Advisers knowledge of similar schemes and published literature, rather than site specific detailed appraisals. Costings have been carried out to concept/feasibility level, and as no detailed design has been carried out, the capital costings have a range of -30% to +50%, and operating costs have a range of -30% to +30%.
- 3.28 Finally, a detailed breakdown of the current IWMS Contract costs is not known, therefore there will be variance between the options analysis and current ELWA costs. For instance the current MBT operation achieves some waste diversion through moisture loss and production of a compost like output (CLO), whereas Option 1 assumes that the CLO is directed to energy from waste, and Options 2-4 do not include moisture loss. The relative costs of the options depend upon the costs of the treatment process, which is commercially confidential information and/or subject to future competitive procurement, meaning generic industry data is used for the OBC. Actual costs at contract award will vary according to macro-economic factors over the next few years, such as supply/demand pressures in the waste sector, commodity markets, legislative change and the risk profile adopted in the new contracts.

Project Governance and Risk (Management Case)

- 3.29 This case of the OBC sets out the governance framework that will be in place for the delivery of the procurement process and beyond. The governance framework that has been established is described in the following paragraphs.
- 3.29.1 Authority Members: ELWA is comprised of eight Members with two Members appointed annually by each of the Constituent Councils. ELWA Members are, collectively, those responsible for strategic and corporate management functions of ELWA as a Waste Disposal Authority.
- 3.29.2 Management Board: ELWA Management Board is made up of the ELWA Managing Director (Chair), the ELWA Finance Director, the ELWA Monitoring Officer, the corporate Directors responsible for Environmental issues in each

of the four Constituent Councils. The ELWA Management Board is an advisory body that ensures co-ordination between ELWA and the Constituent Councils' services.

- 3.29.3 Procurement Committee: A Procurement Committee has been established by ELWA at its Authority Meeting on 30 June 2023. The Procurement Committee comprises of one Member from each of the Constituent Councils and they are appointed annually at the ELWA's Annual General Meeting. The Procurement Committee has delegated decision making in respect of some aspects of the PACE Programme.
- 3.29.4 PACE Programme Board: The PACE Programme Board is made up of ELWA Senior Management Team and the Directors responsible for Environmental issues in each of the four Constituent Councils.
- 3.29.5 External Advisers: ELWA has appointed external technical, legal and finance advisers to support the delivery of the PACE Programme.
- 3.29.6 There may be implications on the contract management functions discharged by ELWA as a result of the Preferred Procurement Option and these will be revisited as the procurement progresses.

Contract Expiry and Transition

- 3.30 Alongside preparation of the OBC, ELWA has begun undertaking and planning for activities required to manage the expiry and demobilisation of the IWMS Contract, with its primary objectives being to ensure that: (i) the IWMS contractor (ELWA Ltd) and operator (Renewi), meet their contractual obligations for contract exit and transition, so that full value for money is obtained for the residual period of the contract until expiry; and (ii) the expiry and transition process fully support ELWA's plans for assets and services following PFI contract expiry, so as to ensure service continuity.
- 3.31 ELWA has put in place arrangements which are consistent with the Infrastructure and Projects Authority (IPA) guidance on handback of PFI contracts, and its external advisers have prepared a report on the expiry of the IWMS contract comprising:
 - 3.31.1 review of the expiry conditions under the IWMS Contract and wider contractual structure, and of stakeholder's interests across the supply chain ("baseline analysis");
 - 3.31.2 Recommendations on a commercial strategy in relation to the expiry process building on the baseline analysis, including a timeline in relation to the expiry process and list of actions.
- 3.32 The commercial strategy details key risks and recommended actions, and ELWA is factoring these in to its programme for expiry and transition. The key actions include:
 - 3.32.1 The need for ELWA to protect its position under the IWMS Contract in relation to day-to-day services, which could deteriorate in the run up to expiry;

- 3.32.2 Development and agreement with ELWA Ltd and Renewi of a handback plan and programme to cover the detailed steps required (as the IWMS Contract is relatively high level); and
- 3.32.3 The need for ELWA to obtain data and information from ELWA Ltd and Renewi to allow ELWA to plan for future services and for the handover arrangements, and to ensure it is aware of current asset condition;
- 3.33 As is usual for PFI contracts, the IPA will conduct periodic peer reviews into ELWA's expiry and transition arrangements – and the reviews to date have been positive.

REASONS AND OPTIONS

Reasons for the decision:

- 4.1 Approval of the OBC is critical to enable ELWA to continue to deliver its statutory duty seamlessly beyond December 2027, at the expiry of the IWMS Contract. This will also be instrumental in designing the services to contribute to the aims, objectives and targets of the Joint Strategy.
- 4.2 The Joint Strategy commits ELWA to develop a procurement plan to support the delivery of future waste treatment and disposal services from 2027 onwards and to report to the Constituent Councils on the development of the procurement plan. The OBC represents the first step towards the implementation of the procurement plan.

Other options considered:

- 4.3 The OBC includes a comprehensive assessment of the options considered, and reasons for their rejection. The options appraisal is set out in section 3.

CONSULTATION

- 5.1 The OBC is not subject to its own public consultation process.
- 5.2 An eight-week public consultation was undertaken in 2021 on the draft Joint Strategy prior to its formal adoption by the Partner Authorities in early 2022, details of which can be found at <https://eastlondonwaste.gov.uk/jointstrategy/>.
- 5.3 ELWA has developed a Stakeholder Engagement Plan, which maps out the stakeholders and interested parties for the PACE Programme, the stages at which each will need to be engaged, and the likely focus of their interest in the PACE Programme. This is a live plan, which will continue to be enhanced and updated as the PACE Programme proceeds.
- 5.4 The proposals in this report were considered and endorsed by ELWA PACE Programme, ELWA Management Board and discussed informally with ELWA

Authority Members (Councillors Barry Mugglestone and Ray Morgon) at a series of informal workshop sessions held throughout the development of the OBC. ELWA Authority Members also agreed to aspects of the OBC as this was developed, for example agreement on the scope of the services in the Strategic Case at a previous ELWA Authority Meeting.

IMPLICATIONS AND RISKS

Financial implications and risks:

- 6.1 ELWA raises a levy on the Constituent Councils to cover expenditure in accordance with statutory requirements. The levy is apportioned to each of the Constituent Councils under an agreed method of apportionment, according to the number of households and the tonnage of waste collected annually in each borough. For Havering the levy in 2022/23 was approximately £18m
- 6.2 The OBC is not seeking to set a budget for the years following the expiry of the IWMS Contract. The primary purpose of the financial information used in the OBC is to establish that the option selected is affordable and that funding options have been considered.
- 6.3 The Preferred Procurement Option will be used as a benchmark during the procurement process and at the completion of procurement, when the FBC will be produced. There are several conservative assumptions that have been included in the base case of the financial model that will be revisited as the procurement progresses. The aspiration of the procurement is to reduce costs to the Constituent Councils.
- 6.4 There will be a future Cabinet report to formalise new levy arrangements from 2028/29 onwards, when the Partner Authorities are clear on the future contract structures and the parameters of future contract payment mechanisms. The timing will need to be considered alongside that of the FBC.
- 6.5 The process taken to develop the Financial Case is set out in paragraphs 3.22 - 3.28 of this report. There are risks and uncertainties at this stage but the modelling to develop the financial case has taken a prudent and conservative approach building in contingencies where appropriate.

Legal implications and risks:

- 6.6 ELWA is a statutory joint waste disposal authority established under The Waste Regulation and Disposal (Authorities) Order 1985, serving the London Boroughs of Barking and Dagenham, Havering, Newham and Redbridge. Under s.51 of the Environmental Protection Act 1990 (EPA), ELWA has statutory duties to provide treatment and disposal services for waste collected by/for the Constituent Councils, as well as to provide places for the public to use to dispose of their own household waste. Under s.48 of the EPA, the

Constituent Councils have an overall statutory duty to deliver all waste they arrange to be collected to facilities as directed by ELWA.

- 6.7 ELWA is incorporated as a separate single-purpose local authority with its own constitution, with governance undertaken by eight Members who are nominated to join ELWA from the four Constituent Councils (two per borough).
- 6.8 Many of the services for which ELWA is responsible are currently delivered through the IWMS Contract, which expires in December 2027.
- 6.9 ELWA and the Constituent Councils were statutorily required under s.32 of the Waste Emissions Trading Act 2003 (WET Act) to produce a Joint Strategy for East London's Resources and Waste (the Joint Strategy) to replace the existing strategy which is expiring. The Joint Strategy was formally adopted by the Council at the cabinet meeting of 16th February 2022.
- 6.10 The OBC presented as part of this Cabinet Report is the first stage in ELWA's procurement plan to replace the IWMS Contract to ensure continuity of service.
- 6.11 ELWA will be the contracting authority for the procurement process that will follow. The procurement of the new services will be in compliance with relevant Procurement Law. It is noted that some or all of the procurements may fall under the new Procurement Bill which is due to come into force in Spring 2024.

Human Resources implications and risks:

- 6.12 There will be no direct impact on Havering Council staff or staffing levels as a result of the OBC.
- 6.13 There may be TUPE implications associated with the expiry arrangements of the IWMS Contract and the procurement of new contracts. The implications are not known at this stage and will be managed by ELWA accordingly in due course.

Equalities implications and risks:

- 6.14 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:
 - 6.14.1 the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - 6.14.2 the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
 - 6.14.3 foster good relations between those who have protected characteristics and those who do not.
- 6.15 Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

- 6.16 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.
- 6.17 ELWA's OBC sets a direction of travel for the re-procurement of waste treatment and disposal services, and at this stage there is nothing that would suggest any adverse impacts for residents and other service users, including those with protected characteristics. Therefore an Equalities Assessment is not considered necessary at this stage. As ELWA commences the procurement process, it is possible that Equality Assessments will be required for some elements of the services and ELWA will keep this under review.

Climate emergency implications and risks:

- 6.18 It is not possible to determine at this stage the greenhouse gas emissions arising from waste treatment and disposal services that will be procured in the future. However, the procurement of the new contracts will be undertaken in line with the aims, objectives, priorities and actions set out in the Joint Strategy. This includes a focus on reducing the greenhouse gas emissions associated with wastes and resources management, alongside the aspirations on improving performance against tonnage-based indicators on waste generation, reuse, recycling, and use of landfill.
- 6.19 Greenhouse gas emissions arise during both the collection and treatment of waste, and the design of services at one of these stages can influence the emissions that result in the other. It will therefore be important to consider 'whole system' emissions when determining how best to design services and procure new contracts, in order to deliver the most favourable environmental outcomes for ELWA and the Constituent Councils. ELWA will work closely with the Constituent Councils to develop a suitable evaluation framework for evaluating solutions put forward by bidders during the procurement process which includes consideration of emissions. This approach will be developed in line with emerging national policy from the Government's Resources and Waste Strategy, and in general conformity with the Mayor of London's London Environment Strategy.

Health and Wellbeing implications and Risks

- 6.20 There are no direct health and wellbeing implications associated with the OBC, as no detailed decisions have yet been taken on the future structure or nature of waste treatment and disposal services.
- 6.21 The procurement of the services will be undertaken in accordance with the aims, objectives, priorities and actions set out in the Joint Strategy. Objective 7 of the Joint Strategy aims "to maximise all opportunities for local regeneration and increased social value benefits from waste and resource management, including employment, skills and wellbeing", and Chapter 6 of the Joint Strategy sets out the work that is being done to develop metrics against which social value, air quality and other impacts can be measured. ELWA will work closely with the Constituent Councils to develop a suitable evaluation framework and approach for evaluating solutions put forward by

bidders during the procurement process that includes health and wellbeing considerations.

Property considerations

- 6.22 Under the current leasing structure ELWA was granted headleases from Havering Council for Gerpins Lane RRC with ELWA granting the IWMS Contractor a corresponding underlease.
- 6.23 In relation to the new procurements, it is recommended that the existing structure of ELWA taking headleases from Havering Council for Gerpins Lane RRC, and ELWA granting an underlease to the relevant contractor (with that contractor being obliged under its contract with ELWA to comply with the terms of the underlease) is replicated. The IWMS Contractor will be replaced by a new contractor or contractors. No replacement contractor is expected to be a special purpose vehicle (unlike the IWMS Contractor) and each one is expected to be a substantive company.

Risk Management

- 6.24 A risk register, which is in line with the corporate risk management strategy of ELWA, has been developed for the PACE Programme. This is continually reviewed and updated as part of programme management and governance.
- 6.25 The OBC has been developed using a significant amount of industry insight and experience, in order to identify the most suitable service delivery models, procurement routes and future contract structures that will attract market interest and minimise the risks to service continuity associated with the expiry of the IWMS contract.

BACKGROUND PAPERS

Appendix A OBC to be included as Part 2

- Cabinet, 7 July 2021, Agenda Item 7 East London Joint Resources and Waste Strategy –Approval of Public Consultation
- Cabinet, 16 February 2022, Agenda Item 10 Formal Adoption of East London Joint Resources and Waste Strategy

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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LONDON BOROUGH

Part of this Report and its appendices are exempt and unavailable for public inspection as they contain or relate to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. They are exempt because they refer to information relating to the financial or business affairs of any particular person, including the authority holding that information, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CABINET

Subject Heading:

Cabinet Member:

SLT Lead:

Report Author and contact details:

PUBLIC AGENDA

19th July 2023

**Mercury Land Holdings (MLH)
Business Plan and Budget Update
2023-2026.**

Councillor Ray Morgon, Leader of the Council.

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Policy context: London Plan 2021
National Planning Policy Framework 2021
Havering Housing Strategy 2014-2017
Havering Local Plan 2016-2031
Havering Climate Change Action Plan 2021
Asset Disposal Programme 2022-2028
Medium Term Financial Strategy
MLH Business Plan 2019.

Financial summary: This report seeks Cabinet approval to the Business Plan proposed by Mercury Land Holding Limited (MLH) for the period 2023 to 2026, including an updated funding request; this will be considered by the Council as part of the budget setting process.

Is this a Key Decision? Yes - Significant effect on two or more Wards, Expenditure or saving of £500,000 or more.

When should this matter be reviewed? Autumn 2024.

Reviewing OSC: Places Overview & Scrutiny Committee.

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

People:	Things that matter to residents	x
Place:	A great place to live work and enjoy	x
Resources:	A well run Council that delivers for People and Place	x

SUMMARY

Cabinet should note that the proposed MLH Business Plan 2023-2026 will, if approved, only provide a revised funding envelope within which MLH can work. This is because every individual proposal for scheme funding must be supported by the production of a satisfactory business case, which is then subject to further examination and additional governance, at the appropriate time, before the Council can place MLH in funds. This, in turn, is regulated by legally binding funding agreements between the Council as lender and MLH as borrower. No scheme funding is advanced by the Council until these agreements have been legally completed.

For those not familiar with MLH, and why it was formed, Cabinet resolved to establish a commercially focused company that would deliver housing for private rent and sale in May 2015. Mercury Land Holdings Limited (MLH) was subsequently incorporated in November 2015. MLH is wholly owned by the Council. Since its formation, MLH has established and manages a portfolio of private rented sector (PRS) homes.

This report seeks Cabinet approval for the MLH Business Plan 2023-2026 and its associated financial commitments. The Business Plan looks to reallocate existing funding, which was previously provided by the Council, to projects set out in the Exempt Report & Appendices. It also seeks some additional funding. This would be needed in later years to enable the MLH Business Plan 2023-2026 to be fully delivered. Should this report be approved, then this request for additional funding would need to be considered through the Council's normal budget setting process for 2024/25.

The MLH Business Plan 2023-2026 seeks to reaffirm MLH's commitment to significant schemes that are critical for the long term success of the company such as Como Street, but also to new schemes which would deliver additional PRS and sale opportunities that would enable the continued growth of the company.

It is proposed, as has always been the case, that the Council will dispose of assets (land/buildings) to MLH at market value and that the Council will provide finance to MLH through a combination of equity investment and loans. This will constitute capital expenditure for the Council within its approved Capital Programme, to be financed through Council reserves and/or borrowing. The overall financing arrangements will be subject to an assessment of Subsidy Control (State Aid), long term affordability, risk and return on investment by the Council.

The reallocated funds have been modelled and their impact on the Medium Term Financial Strategy (MTFS) is addressed in the exempt part of this report. This seeks to inform Cabinet of the expected outputs from MLH, as well as advising of any changes in the financial position of MLH and the Council's financial commitments to MLH as an investor.

RECOMMENDATIONS

For the reasons set out in this report and its exempt appendices Cabinet:

1. **Approves** the Mercury Land Holdings Limited Business Plan 2023 to 2026 (see Exempt Appendix 3).
2. **Agrees** to delegate authority to the Cabinet Member for Development & Regeneration, in consultation with the S151 Officer, the Strategic Director of Place and the Deputy Director of Legal and Governance, to approve the detailed business cases, related viability assessments and funding requirements for the individual schemes noted within the Business Plan as they may be presented during the business plan period, including the authority to enter into all relevant agreements to give effect to the schemes.
3. **Agrees** that the previously allocated funding in the November 2019 Business Plan to MLH, up to a maximum of £228.4 million, is reallocated to updated projects in the Exempt Agenda, through a combination of equity investment and Subsidy Control compliant loans. Note that the individual schemes are subject to detailed business cases to be approved under delegated authority, as set out in Recommendation 2.
4. **Authorises** additional capital funding of £42.7million for Mercury Land Holdings Limited, via the 2024/25 budget cycle, in order to fully fund the MLH Business Plan.
5. **Agrees** to delegate to the S151 Officer, in consultation with the Director of Asset Management, and the Deputy Director of Legal and Governance, the authority to determine the principles and processes by which any assets shall be disposed of and the terms of disposal to MLH.
6. **Agrees** to increase the MLH Working Capital Facility by £2m and to extend the term for a period of up to 5 years, as appropriate, commencing January 2024, and to delegate authority to the S151 Officer, in consultation with the Strategic Director Place and the Deputy Director of Legal & Governance to enter into the relevant agreements to give effect to this decision.
7. **Agrees** that the Cabinet Member for Development & Regeneration will replace the Leader at MLH shareholder meetings, including the MLH AGM, as appropriate.

REPORT DETAIL

1. Background

1.1 In May 2015, Cabinet resolved to establish a commercially focused company that would deliver housing for private rent and sale. Mercury Land Holdings (MLH) was duly incorporated in November 2015. MLH is wholly owned by the Council. Since that time, MLH has established and manages a portfolio of private sector rented homes.

1.2 The Council's main objectives for entering into the private sector housing market are to:

- Contribute to, and where possible accelerate the provision of housing supply in the borough, noting the potential adverse effect that an absence of sufficient housing may have on the economic and social well-being of residents and the local economy;
- Ensure a mix of housing, in terms of type, size and tenure, best matched to the needs of Havering;
- Support the Council's regeneration and growth aims, bringing forward high quality development on regeneration sites in key parts of the borough, notably though not limited to, Rainham along the A1306, and Romford Town Centre; and
- Generate an acceptable financial return to the Council by operating a business.

Strategic Context

1.3 One of the most significant changes in the UK housing market in the past decade or so has been the rise of the private rented sector.

1.4 It is widely considered that the relative immaturity of the Private Rented Sector (PRS) offers institutions and larger organisations such as local authorities an opportunity to shape the sector, and the Government is encouraging this activity.

1.5 It is becoming increasingly difficult for Havering residents to afford homes. Living in a good standard of home, that is affordable and well maintained is a key determinant of good health and wellbeing. A quality rented sector targeting Havering residents would meet the Government's criteria. Likewise, affordability, coupled with improved connectivity through Crossrail, will undoubtedly make towns such as Romford more attractive for tenants who are being priced out of more central London boroughs and increasingly some mid- zone locations.

1.6 There is an opportunity for the Council to take advantage of this anticipated tenant growth and deliver good quality, well located and well managed PRS developments that will deliver a financial return to the Borough, as well as assisting in meeting its regeneration objectives.

- 1.7 Havering, like most local authorities, needs to make significant savings and generate additional income in order to meet the challenges presented by reductions in government funding and demographic growth pressures on expenditure in statutory services, to balance its General Fund budget over the medium term.
- 1.8 Given this, the Council is seeking to make a broader use of its asset base to generate long term revenue income streams. Traditionally, the Council has sold land to housing providers and developers in order to obtain capital receipts, to provide both market and affordable housing and to meet borough wide housing targets. Whilst this approach may still be used by the Council, the involvement of MLH allows the Council to invest capital resources to generate income streams and to deliver on other Council priorities such as regeneration and the provision of good quality housing. As the Council owns the Company, any assets sold to MLH ultimately remain in the ownership of the London Borough of Havering, thus providing a long-term asset base for future generations.

2. OPERATION OF MERCURY LAND HOLDINGS

- 2.1 The Company will continue to develop or acquire from the market, a portfolio of homes for market rent and sale.
- 2.2 The Company will own the market rental units, and will market and manage the rental of those homes.
- 2.3 Units owned by the Company will be let on Assured Short-hold Tenancies and will not be subject to Right to Buy, or to the allocations provisions of Part VI of the Housing Act 1996.
- 2.4 Any provision of affordable housing units resulting from MLH development activity will be transferred to an appropriate housing partner, which may include the Council as a Registered Provider, but is not limited to the Council.

Resourcing

- 2.5 MLH has sufficient capacity to deliver its business plan. As the company grows and its portfolio expands, its level of resourcing will be reviewed to ensure that it operates as an efficient and sustainable business.

3. GOVERNANCE

Council as Shareholder in MLH

- 3.1 The Cabinet acts as the shareholder, agreeing MLH's business plan.
- 3.2 In line with the recommendations in this report, the Council's rights as shareholder will continue to be exercised by the Council. Ensuring that there is a

robust and up to date Business Plan protects the Council's interests as owner of the company. This will be managed through the Council's corporate governance structure.

- 3.3** The Council sends two shareholder representatives to MLH Shareholder meetings. It is now proposed that the Cabinet Member for Development & Regeneration replaces the Leader, as one of the Council's two representatives.

MLH Director Roles

- 3.4** The Company Board is only made up of Directors with specialist knowledge of the sector. MLH will continue to grow, but until MLH achieves critical mass, the Council will continue to support MLH's board through the involvement of the Council's Chief Executive as a member of the MLH Board. The Company will also continue to be supported by an external, unconnected person who has relevant experience in the house building sector as a Non-Executive Director with voting rights alongside the other MLH Directors. It is noted that all Directors must, amongst other duties, act in good faith and promote the success of the company for the benefit of the Council as its Shareholder. MLH Directors are required to declare if they have any conflicts of interest at each and every MLH Board meeting.

- 3.5** The Directors have ultimate responsibility for directing the activities of MLH, ensuring that it is well run and delivering the outcomes for which it has been established. Directors' responsibilities include the following:

- Delivering the Council approved MLH business plan;
- Setting budgets, policies, plans and monitoring performance of MLH, and setting a framework for internal controls;
- Ensuring compliance with MLH's objectives, purposes and values
- Ensuring the financial strength, solvency and good performance of the company;
- Ensuring MLH complies with all relevant legislation and regulations, as well as the requirements and policies of the Council, where appropriate;
- Dealing with the appointment and appraisal of staff;
- Procuring services necessary for the execution of MLH's objectives.

The Council as Funder

- 3.6** The Council will continue to act as a bank credit committee, whose primary task will be to assess MLH's viability (as an entity) and the viability of each project, which loan funding and equity will be used and, using this analysis, to determine whether to release loan funding to MLH on appropriate business case(s).
- 3.7** The Council will regularly monitor and analyse financial information generated by MLH during the lifetime of each loan to ensure that MLH is not in breach of key financial requirements (which are stipulated as funding conditions in each loan).

3.8 The key areas which the funder role will want satisfied prior to providing funding for a development are:

- That the financial metrics demonstrate that the loan will be repaid;
- There is confidence that the projected rental stream can be maintained and that any sales projections are realistic;
- That base level sensitivities (which will trigger warning signals) for MLH's general performance and each proposed development are properly set and that a sufficient margin is added to the base level to provide reassurance to the funder role. (This will form part of the company's obligations under each loan); and
- That evidence is provided that the terms of financing for each project (loan and equity funding), is Subsidy Control (State Aid) compliant. This advice will be acquired from an expert third party where appropriate.

REASONS AND OPTIONS

4. Reasons for the decision:

4.1 The MLH Business Plan for 2023-2026 provides the Council with the required overview of MLH and its future investment plans. It also provides an appropriate framework within which MLH must operate. The approval of the MLH Business Plan 2023-2026 would enable the company to continue to grow and to meet the objectives set out in Paragraph 1.2 above, and thus contribute to the financial objectives of the Council.

5. Other options considered:

5.1 A review of the alternative option of 'do nothing' is not feasible as it would not fulfil the objective of growing the company or meeting the objectives that it was set up to achieve.

IMPLICATIONS AND RISKS

6. Financial implications and risks

6.1 The approved business plan forms part of the Council's capital programme and the capital financing implications of this plan are considered as part of the corporate monitoring, MTFs and annual budget setting process.

6.2 The key variances between the 2020/21 and 2023/24 MLH Business Plan are included in Appendix 2. These are summarised in paragraphs 6.3 & 6.4 below.

6.3 The 2020/21 Cabinet Report sought a funding commitment of £228.4m including the £20m reactive acquisition fund. The 2023/24 Cabinet report requests the

previously agreed funding commitment be reallocated to different projects which better reflect the prevailing market, along with an uplift of £42.7 million. The requested uplift will be considered as part of the 2024/25 budget setting process.

- 6.4** The previous 2020/21 Business Plan, and those preceding it, have sought to outline the Company's objective of achieving 400 PRS units in its portfolio which will allow it to meet its fixed overheads. This has proved difficult in the medium term as the supply of LBH sites has been constrained due to political and market conditions and changes. This is still however the long-term objective of the Company and the latest MLH Business Plan makes provision to help achieve this objective.
- 6.5** The Council has previously provided MLH with an appropriate working capital facility, which assists with the development work being undertaken by the company. This will need to be uplifted due to the additional work being undertaken by MLH in relation to potential Council disposal sites. In addition the facility will need to be renewed before it reaches the end of its current term.
- 6.6** Please see the Exempt Agenda Report for further information.

7. Legal implications and risks:

General

- 7.1** The legal implications contained herein relate to the range of projects cited in the MLH Business Plan and generally to the Council in delivering through its wholly owned company. Members established MLH, a company limited by shares and wholly owned by the Council subject to Part V Local Government and Housing Act 1989 and the Local Authorities (Companies) Order 1995. The company's business is the provision of homes for market rent and for sale, and if required through compliance with planning obligations, the construction of affordable homes. Agreement in principle is sought to provide funding to MLH in the form of either equity or loans, and other support and to dispose of Council land to it. Delegations are sought to enable such decisions and finalise the various documents that will be required to facilitate the above, as detailed in the recommendations to this report.
- 7.2** S1 Localism Act 2011 provides the Council with General Power of Competence, to do anything an individual may do subject to statutory limitations. The Council may exercise this power for its own purpose, for a commercial purpose and/or for the benefit of others. Operating a business to let homes at market sale or rent with the intention of making profits is considered a commercial purpose and the Council, in compliance with s4 Localism Act 2011 undertakes that activity through its Company, MLH.
- 7.3** S4 Localism Act 2011 prohibits the Council from engaging in activities for a commercial purpose if legislation requires the Council to fulfil those functions under statutory duties.

Finance

- 7.4** S24 Local Government Act 1988 provides the Council with the power to provide a wide range of financial assistance to MLH including making a grant or loan to it and as MLH is a body corporate the Council may under Section 24 (2)(d) acquire share or loan capital in it.
- 7.5** S111 Local Government Act 1972, provides Councils with the power to do anything whether or not involving the expenditure, borrowing or lending of money or the acquisition of property rights which is incidental, conducive or calculated to facilitate the exercise of any of their functions. This would include the exercise of functions under S1 Localism Act 2011. The Council could rely on this power to provide the company with loans and other support such as providing staff and the use of premises. Any support provided must be subsidy control compliant (see below) and will be the subject of agreements between the Council and MLH.
- 7.6** If the Council intends to borrow to lend to MLH, Reg 25 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003/3146) treats the giving of a loan by a local authority to a third party (such as MLH) towards expenditure (e.g. works on a new buildings) as capital expenditure providing that if the local authority itself incurred that expenditure (it borrowed to undertake the works itself) it would treat that expenditure (under proper accounting practices) as capital expenditure. It should be noted that the Council borrowing to lend to MLH in connection with revenue funding is not permitted. Any Council borrowing must comply with prudential borrowing code under Part 1 Chapter 1 Section 1 Local Government Act 2003, a local authority may borrow for any purpose relevant to its functions or for "the prudent management of its financial affairs"

Land disposal and financial assistance

- 7.7** S32 Housing Act 1985 requires the Council to obtain the Secretary of State's (SoS) consent for the disposal of land held under the Council's HRA. The SoS has issued the General Housing Consents 2013 (the General Housing Consents) which set out circumstances in which the SoS pre-approves/pre-consents to a local authority disposing of HRA land and property. Consent A 3.2 of the General Housing Consents permits the Council to dispose of vacant land. Members should note that vacant land means land where there are no dwellings and/or where any dwellings are no longer capable of human habitation and are due to be demolished.
- 7.8** The Council is entitled to dispose of land held by its General Fund (including buildings) to a third party provided it complies with s123 Local Government Act 1972. This requires it to obtain a consideration which is not less than the best it could reasonably obtain. If the Council disposes of a property at an "under-value" it does require the consent of the SoS (except for limited circumstances such as short term leases).
- 7.9** If the Council was able to sell at an under-value (and remain Subsidy Control compliant) the Council may be able to rely on Circular 06/03 (the Local

Government Act 1972 – disposal of land for less than best consideration) which sets out circumstances in which the SoS pre-approves/pre-consents to the disposal of General Fund land at an under-value. If this consent is to apply then the “under-value” (in relation to a disposal) must not exceed £2m and the Council’s purpose in making such a disposal must be to contribute to the economic social or environmental well-being of the authority’s area and/or its residents.

- 7.10** The finance which Members are requested to approve in principle (whether on commercial terms or otherwise) constitutes 'financial assistance' under the terms of s24 Local Government Act 1988 which permits the Council to provide financial assistance to any other person for the provision of "privately let accommodation". If the Council exercises its powers under this section then under s25 it must obtain the consent of the SoS to do so. The SoS has set out pre-approved consents in the "General Consents 2010" (July 2011 updated in 2014). If the circumstances of financial assistance meet one of the criteria in the General Consents then the SoS consent is given.
- 7.11** S24 Local Government Act 1988 provides the Council with the power to provide a wide range of financial assistance to MLH including making a grant or loan to it and as MLH is a body corporate the Council may under Section 24 (2)(d) acquire share or loan capital in it. The current version of the General Consents 2011 contains Consent C. Under this consent the Council could provide financial assistance to any person.
- 7.12** When exercising its powers, the Council must, as with any other power, have regard to its own procedural rules, the Wednesbury principles of reasonableness and its fiduciary duties. It must also ensure that its powers are used for the proper purpose.

Fiduciary Duties

- 7.13** The Council’s fiduciary duties could be briefly summarised as it is acting as a trustee of tax and public sector income on behalf of its rate and Council-tax payers. The Council in effect holds money but does not own it; it spends money on behalf of its business rate and Council tax payers.
- 7.14** In making the decisions concerning MLH, the Council considers whether making investment and or extending loans to that body (and similar activities) should give proper consideration to the risks and rewards of approving the recommendations. In practice Members will want to consider whether the Council will achieve an appropriate return for its risk and that the Council has minimised the risk and potential cost to it if MLH became insolvent and/or defaulted on its loan(s).
- 7.15** Consideration should also be given to whether the Council’s involvement in this arrangement is proportionate and properly balanced against the anticipated benefit as well as the wider interests of its local business rate and tax payers. On a practical basis this means that Members should consider whether the monies they are requested to approve for investment/lending, could be better used by the

Council for the wider interests of its local tax payers. This should include considering the impact on the Council (and therefore its local tax payers) if MLH became insolvent or otherwise defaulted on loans it had taken from the Council.

Subsidy Control (State Aid)

7.16 The Council is required to provide funding and ensure it operates in accordance with the Subsidy Control Act 2022.

7.17 It is important that any loans/credit or other support provided to MLH are state subsidy compliant. Loans/credit which the Council generally makes available to MLH must be made on commercial terms and at a commercial interest rate. If the Council subsequently chooses to make an equity investment into MLH its must ensure this is done on commercial terms as a market investor. It will be necessary for the Council to obtain independent confirmation that such arrangements have been made on commercial terms prior to them being entered into.

8. Human Resources implications and risks:

8.1 There are no HR implications arising for the Council relating to the recommendations in this report.

9. Equalities implications and risks:

9.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Please note 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

9.2 An Equality Impact Assessment was undertaken on the establishment of the private sector focussed Council owned Housing Company, the results of which led the Council to believe its operation will have a positive impact on local residents, businesses and staff.

9.3 As the Company was established by the Council, its development had to be compliant with the Public Sector Equality Duty (PSED) in the Equality Act 2010 (EA10).

9.4 There are no adverse equalities implications directly arising from the updated MLH Business Plan. Equalities issues will need to be considered, as appropriate,

on a scheme by scheme basis, when individual development projects are being formulated as part of the design and planning process.

10. Health and Wellbeing implications and risks:

10.1 There are no direct implications arising from the proposed provision of funding to MLH.

10.2 Indirectly, the proposed provision of funding will have a positive impact by enabling new housing to be produced which will help to address the overall need for new housing in Havering as set out in the Council's Adopted Local Plan.

10.3 All new housing will be built having regard to extant planning policy and building control standards. Amongst other things, flood prevention and mitigation measures have been considered, as appropriate, through the planning application process. The new homes will be warm, well-ventilated and conform to appropriate space standards, all of which will help to support individual health and well-being.

10.4 The provision of new homes generally can help to support the local economy by providing homes near to employment areas as well as supporting the economy through the operation of the construction sector and associated supply chain.

11. Environmental & Climate Change Implications:

11.1 There are no adverse environmental and climate change implications directly arising from this report, which concerns the updated MLH Business Plan.

11.2 That said, the development of the schemes identified in the Business Plan will need to address all planning and building control requirements, which amongst other things, will include consideration of climate change, energy efficiency, means of ventilation, flood risk and building safety.

BACKGROUND PAPERS

Mercury Land Holdings, Report to Audit Committee, 24th January 2023 & 23rd February 2023.

EXEMPT APPENDICIES

Exempt Appendix 1: Exempt Part of this Cabinet Report.

Exempt Appendix 2: Commercial Review of Proposed MLH Schemes.

Exempt Appendix 3: MLH Business Plan 2023-2026.

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CABINET

Subject Heading:

Procurement of Highways and Street Lighting contracts

Cabinet Member:

Cllr Mugglestone, Cabinet Member for Environment

SLT Lead:

Andrew Blake-Herbert

Report Author and contact details:

Imran Kazalbash, 01708 433831
imran.kazalbash@havering.gov.uk

Policy context:

This report supports the Places objectives in the Corporate Plan, – A great place to live, work and enjoy

Financial summary:

The cost of the contract is anticipated to be £170m over 10 years and will be funded from both revenue and capital budgets

Is this a Key Decision?

Yes, (c) Significant effect on two or more Wards

When should this matter be reviewed?

N/A

Reviewing OSC:

Places Overview and Scrutiny Sub Committee

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

Place - A great place to live, work and enjoy

SUMMARY

This report sets out the Business Case and proposed procurement strategy for the Highways and Street Lighting contract outlining the rationale for the new delivery model. A number of options were considered which are set out in the Business case.

The procurement of these services contributes to achieving a number of the Councils objectives. This procurement is shaped by the vision “The Havering you want to be part of” and will deliver on the strategic objective, Place – a great place to live, work and enjoy. This approach will improve the way Havering looks and feels helping residents and visitors feel better about their surroundings.

The Public Contract Regulations 2015 places a positive emphasis of carrying out market engagement ahead of any procurement process. Effective market engagement informs the design of the procurement process. Market engagement was carried out and suppliers confirmed a strong interest in this opportunity based on the services in scope and the approach demonstrated by the council.

RECOMMENDATIONS

Cabinet is asked to:

1. Agree the procurement strategy and the commencement of the procurement procedure as set out in this report and Business Case
2. Agree the scope of services to be included in the procurement, as set out in the Business Case at Appendix 1.
3. Waive Contract Procedure Rule 18.4 and allow the tender to be evaluated against 60% price and 40% quality.
4. Approve funding for provision to be made, for up to £100k to fund external legal advisers for the procurement and contract completion.
5. To delegate authority to the Assistant Director of Public Realm to finalise and agree all associated arrangements, documents and contracts necessary to effect the procurement of these services.

REPORT DETAIL

Background

A number of legal statutes require the local authority to manage and facilitate the maintenance and improvement of the highway adopted by the Council. The Authority has a duty to maintain the highway in accordance with section 41 of the Highways Act 1980. The Authority must maintain repair and replace street lighting across the borough and has a duty to maintain all existing street lighting and illuminated equipment in accordance with the electrical Regulations BS 7671 (2018). The Flood and Water Management Act (2010) places a duty on the authority to maintain and co-ordinate flood risk on both the highway and watercourse network (but where the highway authority co-ordinates this). Section 184 of the Highways Act (1980) requires the local authority to manage and facilitate the introduction of dropped crossings on the highway network. The Road Traffic Regulation Act (1984) provides a duty on the local authority to ensure that traffic is lawfully managed and restricted, in both a safety and operational sense. Each of these acts requires the local authority to discharge duties on the highway. There is therefore a need to ensure that the Council meets these duties and the associated works on the highway.

Having currently fulfils the construction requirements through 2 contractors, Marlborough Highways (MH) and Volker Highways (VH) along with elements delivered by the in house, Direct Services Organisation (DSO). This ensures the highways network is maintained to a safe standard and is how improvements are facilitated.

The current contracts with MH and VH were entered into in 2017 for a period of 5 years, and then further extended in 2022 for a period of 2 years. There is no further opportunity to extend these contracts.

Service Delivery Options

As per the Business Case, several options were considered against financial, risk and cost factors. It has been identified that there are further opportunities to deliver greater value by increasing the scope of services to deliver through an outsourced model.

It is proposed to extend the scope of this contract to include the following services:

- Reactive highway maintenance*
- Gully cleansing and maintenance*
- Winter maintenance
- All signing and lining*
- All installation of equipment/infrastructure on the public highway and off street including the appointment of nominated subcontractors/suppliers*
- Structures and bridges maintenance and improvement schemes *

Cabinet, dd mmmm yyyy

- Flood management and drainage maintenance and improvement schemes*
- Emergency out of hours call outs
- Call off for professional services

*These services are delivered through a hybrid of the DSO and contractors. Over recent years contractors due to capacity issues in the DSO have delivered more of these services.

Outstanding work and backlogs can pose both a reputational and financial risk to the Council, through more expensive interventions and increased insurance claims.

By outsourcing these services, the Council will seek to achieve:

- Financial advantages. Contractors have greater buying power in respect of equipment, fleet and materials and in providing a depot to deliver the services from.
- Improved service delivery. A more efficient co-ordinated approach. By working with contractors covering a wide range of services, there will be a uniform approach to service delivery, shared processes, procedures and contract monitoring systems. These efficiencies and improved working practices will in turn improve the customer satisfaction and experience.
- Reduction in Council overheads from outsourcing the DSO, such as fleet, Asset Management, Information Technology, Human Resources
- One brand. A unified approach to the delivery of the highways services that will enhance the local identity so that the services are all managed under one single brand delivering consistency.
- Expert acquisition. The new Contract has the potential to lead to the development and retention of a multi skilled workforce. This solution may present more opportunities for staff that wish to develop their professional career within this sector. The new Contract has the potential to result in significant cultural harmonisation benefitting both the Council and the contractor in areas such as knowledge pool, sharing of good practice, sharing of technology, and more innovative ways of working.
- Council Strategy. The new contract will contribute towards other Council strategies such as improved air quality, social value and community benefits.
- Transference of some operational and financial risk.

Officers have considered several options, which are clearly detailed in the Business Case outlining the advantages and disadvantages for each option. As a result of this it is proposed to include the following services in the procurement:

- Planned and reactive maintenance
- Street Lighting & associated Services
- Gully Cleansing & maintenance
- Winter Maintenance
- New schemes – minor and major
- Signing & Lining
- Installation of equipment/infrastructure on the public highway and off street including the appointment of nominated subcontractors/suppliers

- Structures and Bridges maintenance and improvement works
- Flood management and drainage maintenance and improvement works
- Emergency – out of hours call outs
- Call off for Professional Services

Procurement Strategy

Having considered the current best practice and the procurement timeline it was concluded that the best outcome would be achieved by procuring these services using the Competitive Procedure with Negotiation under the Public Contracts Regulations 2015. This procedure allows the contracting authority flexibility around whether to negotiate - by reserving the right not to negotiate in the tender advertisement and to simply award the contract based on initial tenders submitted.

The advantage of this method is that the Council may enter into a negotiation if upon receipt of the submissions the council is of the view that the procurement could be enhanced. This method will provide a consistent transparent mechanism ensuring requirements are understood and bids can be refined during the process thus avoiding costly contract variations later in the contract.

Oversight and governance of this programme has followed Council policy. A project team reports into an Officer group consisting of subject matter specialists and stakeholders. The Council is securing external legal support to provide expert advice on New Engineering Contracts (NEC4) contracts.

To achieve best value, it is proposed to split the procurement into 2 separate lots:

1. Highways services
2. Street Lighting and associated services

The procurement will allow bidders to tender for either one or both lots. The Council will request a discount if the supplier wishes to tender for both lots, achieving economies of scale.

It is proposed that the length of the contract will be for an initial term of 6 years with an option to extend to a maximum of 10 years in periods of 1,2,3 or 4 years. This represents the optimum timescale for Contractors wishing to invest in the contract so that efficiencies and cost savings could be introduced with regards to long term costs (depot facilities, plant etc.) but one that would also allow for the Council to provide a review and break period.

The submissions will be evaluated against a price/quality split, with a split of 60/40 respectively. Price will be scored with the lowest price achieving the highest number of points, with the other bids receiving points measured against the lowest price. Quality will be scored in accordance with the Evaluation Framework based on the bidder's submissions.

A term contract will provide value to the Council by relying on a pricing schedule of rates which works are measured and valued against. The volume of work that this

contract represents cannot be defined in advance of procurement due to the uncertainty in works requirements and therefore a fixed price sum contract is not suitable.

Contract Management and Performance

The Highways team through a series of Operational, Contractual and Strategic meetings will manage the contract. The content and attendance of these meetings will be set out in the specification. A suite of reports addressing issues such as performance, trends, Health & Safety, Social and Environmental value, financial detail and innovation will support the meetings.

A detailed suite of Key performance Indicators (KPI's) covering all aspects of the service will be included in the specification, which will ensure the services are delivered to the highest standard. Bidders will be expected to evidence the use of effective technology to monitor and measure performance including KPI's.

Default mechanisms will form part of the contract and will apply if a service failure occurs and/or has not been rectified within the appropriate timescales.

Consideration has been given to other service areas that may benefit from this procurement and subsequently the requirements of other teams that may use these services have been factored into this procurement. This will ensure:

- Consistency of workmanship, products and materials used on the highway
- Technical oversight of schemes
- Consideration of designs in terms of maintenance implications ensuring the design meets certain construction standards

The Business Case was considered and approved by Gateway Panel on 17 May 2023.

REASONS AND OPTIONS

Reasons for the decision:

Appendix 1 of the Business Case provides a detailed analysis and the rationale of all options considered. The table sets out the pros and cons for each option.

This option will maximise innovation to secure a contract that is fit for the future and transfer most of the financial and operational risk to the contractor.

The Council has a legal obligation to tender contracts of this value. It provides an opportunity to demonstrate that the Council is obtaining best value for money by carrying out an open and transparent process and engaging with the market. The

competitive tension provided through a procurement process incentivises innovation and reduces costs.

Other options considered:

Do nothing

The Council has a duty to discharge these services and failure to make provision would result in the Council failing to deliver its statutory duty. This is not a viable option.

Extend current contract

The contracts in place have been extended to their full capacity. The Council must obtain advice in accordance with the limitations of the Public Contracts Regulations 2015 (PCR 2015) for any further extensions to be considered and must ensure that this constitutes best value to the Council.

Shared service delivery model

Following discussions with neighbouring authorities, 2 authorities have completed procurements in the last 18 months, and another has indicated their intention to extend with their incumbent provider.

Bringing services in house

This option was considered and disregarded given the operational challenges and financial costs associated with resourcing these services, procuring a fleet and providing a fully operational depot.

Setting up a Local Authority Company (LAC)

This option was considered and disregarded as the challenges and financial outlay would be similar to bringing the services in house with the Council retaining all the risk. The Council does not have the expertise to establish and operate a LAC.

Hybrid model - in house and part outsourced.

This option was considered and disregarded for similar reasons to an in-house service. There would be a requirement for substantial capital investment to provide a depot and fleet and ongoing revenue costs. The Council would essentially be proving the replica of the supplier's assets and resources.

IMPLICATIONS AND RISKS

Financial implications and risks:

It is estimated that the spend on this contract over the 10-year term will be £170m of which it is anticipated £12.5m will be capital and £4.5m will be revenue spend. However, these figures are indicative figures only as the nature of local government finances is such that spend cannot be guaranteed and investments will be considered each year as part of the MTFs process.

The table below sets out the projected annual contract spend against service area, based on current provisions and estimates.

Capital Allocations per annum	Highways Improvement Programme (HIP) – Programme of street lighting, footway and carriageway renewals and reconstruction	£7.000m
	Funding contributions from developers and external agencies – S106, CIL & regeneration schemes funding contributions from the Environment Agency and similar bodies	£3.500m
	Funding contributions from TfL	£2.000m
Provisional annual capital spend		£12.500m
Revenue Allocations per annum	Maintenance of structures	£0.050m
	Maintenance of Rivers and Brookcourses	£0.080m
	Funding of minor traffic and parking improvements	£0.140m
	Reactive maintenance	£2.200m
	Cleansing of gully network	£0.350m
	Winter maintenance	£0.200m
	Implementation of dropped crossings	£0.600m
	Street lighting maintenance	£0.900m
Provisional annual revenue spend		£4.5m

Further financial information will become clearer as part of the next stage of the procurement process as will its impact on the Council's Medium Term Financial Plan and this will be reported as part of future Cabinet reports. The financial implications arising will be considered as part of the procurement and decision-making process.

Additional provision is required of up to £100k to fund external legal advisers for the procurement and contract completion.

Legal implications and risks:

Section 41 of the Highways Act 1980 places a duty on the highway authority to maintain the highway at public expense. Section 1(3) of the Highways Act states the council of a London borough...are the highway authority for all highways in the borough.

The value of the proposed procurement is well above the threshold for Works and Services contracts. Compliance with Part 2 of the Public Contracts Regulations 2015 is therefore required. A Contract Notice will need to be published on the UK e-notification service, 'Find a Tender' as well as on Contracts Finder.

The procurement process that officers intend to follow has already been set out in the body of this report and appears to be a fully compliant procedure.

The Council's Contract Procedure Rules require tenders to be evaluated against pre-determined best price-quality ratio of 70% cost and 30% quality weighting. This report proposes a departure from this ratio and for tenders to be evaluated against a 60% cost and 40% quality weighting.

The Public Contract Regulations confirm that contracting authorities have flexibility of choice in selecting their price/quality evaluation model. Authorities must base the award on the Most Economically Advantageous Tender.

Furthermore, Contract Procedure Rule 14.1 states that a waiver of the Rules is permissible if approved by an individual Cabinet member using an Executive Decision, with a report setting out the background, the rule to be waived, the reasons why the waiver is required, how value for money will be demonstrated, any legal or financial risks or implications and with the approval of the Director of Law and Governance and the Chief Executive.

Officers have satisfied themselves that the waiver requirements have been met in this instance and that this decision will result in the best value for the Council overall.

Human Resources implications and risks:

The DSO services (up to 8.5 full time equivalent staff) have been included in the proposed procurement process as part of the new contract. It is clear that TUPE (Transfer of Undertakings (Protection of Employment) Regulations 2006) will apply, and the employees would be required to transfer to the employment of a new service provider. Employees in scope of the TUPE transfer will be regularly updated throughout the procurement process and once the award is made to the successful bidder, the statutory TUPE Information and Consultation process will commence and be followed by a period of mobilisation for which a plan would be produced.

The following risks have been identified; however, these will be mitigated through a regular communication with all parties e.g., Trade Unions, staff.

- Sufficient planning required for any TUPE and staff questions to be resolved;
- Sufficient information for staff with regular communications.

The Council will work closely with all parties to mitigate any risks

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

"Due regard" is the regard that is appropriate in all the circumstances. The weight to be attached to each need is a matter for the Council. As long as the council is properly aware of the effects and has taken them into account, the duty is discharged

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socioeconomics and health determinants.

The group of staff in scope is very small and therefore individuals may be identifiable. EQIA data is therefore not included in this report.

Health and Wellbeing implications and Risks

Havering Council is committed to improving the health and wellbeing of its residents. The contract is likely to have a positive impact on health and wellbeing through several positive benefits which include:

- The contract will specify a requirement to contribute to air quality with the possible introduction of electric vehicles and low emission vehicles. This will benefit the health and wellbeing of both residents and visitors to the borough;
- Maintaining and improving the borough's street lighting is directly linked to providing a safe borough and reducing the fear of crime.
- The contract will specify a commitment to environmental and social Value initiatives
- The contract will specify a committed to follow the requirements of the Good Work Standard which sets the benchmark for the highest employment standards;

There are no negative impacts attributable to this contract.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

Having declared a climate emergency this procurement will support the council in achieving their commitment to become carbon neutral by 2040 or sooner. The climate changes now being experienced are accelerating the deterioration of our highway infrastructure, resulting in a greater need for a dependable, robust and innovative service, which can be achieved by outsourcing these services.

The specification will clearly set out expectations from bidders and will be evaluated in accordance with the Evaluation Framework. The following matters will be included (but is not exhaustive):

- The requirement to evidence how they will reduce greenhouse gas (GHG) e.g., CO₂, NO_x, PM_{2.5}, PM₁₀ emissions from the operations of the services to work towards the achievement of the Mayor's Emissions Performance Standard (EPS) and the Havering Climate Action Plan
- How they will influence staff, suppliers, customers and communities through the delivery of the contract to support environmental protection and improvement
- Set out how they will off-set the total carbon produced through the operations of the service provision via initiatives delivered in the Authority Area wherever possible
- Ensure that accredited quality and environmental management systems are in place throughout the Contract
- Evidence how sustainability programmes deliver year on year reductions e.g., reduce waste and increase re – use of materials
- Deliver a sustainable fleet and depot
- Evidence sustainable environmental policies and systems for the whole contract term
- Harness technological change throughout the contract ensuring opportunities for advancements are embraced

BACKGROUND PAPERS

Appendix 1 Business Case

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Business Case Template including Funding Application

Date: 16/05/23

Version number: 1.0

Project title:	Project Manager:	Senior Responsible Officer:
Highways and Lighting Service Options	Mel Gadd	James O Regan
Directorate:	Corporate Theme:	Estimated cost of project: Revenue / Capital / Ongoing
Neighbourhoods	Cleaner & Safer	Estimated at £17m per annum. £12.5m capital and £4.5m revenue.
Finance Business Partner:	Board/Governance Lead:	Projected cost savings: Incremental Revenue Savings
Vanya Alexander	Imran Kazalbash	£125k in 2024/25

Project overview	
What is the reason for the project?	<p>The Authority's current separate outsourced highways maintenance and street lighting contracts both end on 31st March 2024 and therefore an options analysis is required to consider the best service model for delivery of these functions in the future.</p> <p>The Authority has a duty to maintain the highway in accordance with section 41 of the Highways Act 1980.</p> <p>The Authority must maintain repair and replace street lighting across the borough and has a duty to maintain all existing street lighting and illuminated equipment in accordance with the electrical Regulations BS 7671 (2018)</p> <p>The project is shaped by the vision "The Havering you want to be part of" and will deliver on the following strategic objectives;</p> <p>Place – a great place to live, work and enjoy Resources – A well run Council that delivers for people and place</p>
What specific problem is the project solving?	<p>The Authority must comply with its statutory duty as outlined above.</p> <p>The current contracts were entered into in 2017 for a period of 5 years and then extended in 2022 for a period of 2 years and expire as of 31 March 2024. The option to extend further has now been exhausted.</p> <p>Volker Highways Ltd currently deliver the contract for Maintenance, Repair and Replacement of Street Lighting, other Illuminated Signs and Associated Electrical Equipment. The spend over the life of this current contract is expected to be £8.3m</p>

Marlborough Highways currently deliver the contract for some reactive maintenance & all planned highway maintenance and construction of improvement schemes and some installations of dropped crossings. The spend over the life of this current contract is expected to be £61.3m

The in-house Highways Direct Service Organisation (DSO) deliver elements of the reactive maintenance, dropped crossing installations, winter gritting, some ad hoc gully cleaning and emergency call outs on behalf of the Council.

Failure to make provision for these services would result in the Authority failing to deliver its statutory duty.

What total investment is required?

The estimated value required to deliver the range of services within the scope of this contract is around £17m per year based on current capital and revenue allocations. It should be noted that there is no minimum value prescribed to deliver the contract nor are there exclusive rights for any particular Contractor to deliver the range of services. There is an annual budget setting process both within the Council and for external bodies which would agree funding allocations for the forthcoming year. Based on the allocations for the last year £12.5m would be required to deliver the range of services funded from capital and around £4.5m for the range of services delivered within the Council's revenue budget. This is broken down below in Table 1.

Table 1

Capital Allocations per annum	Highways Improvement Programme (HIP) – Programme of street lighting, footway and carriageway renewals and reconstruction	£7.000m
	Funding contributions from developers and external agencies – S106, CIL & regeneration schemes funding contributions from the Environment Agency and similar bodies	£3.500m
	Funding contributions from TfL	£2.000m
Revenue Allocations per annum	Maintenance of structures	£0.050m
	Maintenance of Rivers and Brook courses	£0.080m
	Funding of minor traffic and parking improvements	£0.140m
	Reactive maintenance	£2.200m

	Cleansing of gully network	£0.350m
	Winter maintenance	£0.200m
	Implementation of dropped crossings	£0.600m
	Street lighting maintenance	£0.900m

There will be costs for external consultants e.g., for external legal advice. OneSource have confirmed they do not have the capacity or detailed knowledge in New Engineering Contract (NEC) contracts to support this procurement. In addition, there will be costs associated with training staff on managing NEC contracts. Quotes are being sought for the external legal advice estimated to be between £50,000 and £100,000. The training costs are estimated to be approximately £5k.

There is potential for this contract to come in higher than the existing budget, this will be mitigated as far as possible. This is due to the volatility in the market including costs of labour and materials. However, the market is beginning to stabilise in terms of materials, and this will be reflected in bidders pricing.

The Councils MTFS has indicated a saving of £125,000 in 24/25 against this procurement.

What options have been considered?

The Authority currently delivers its Highways services through a combination of contracted out services with Marlborough Highways, Volker Highways Ltd and in house through the Direct Services Organisation (DSO).

The service considered all options regarding the future of the service, the scope for this procurement and route to market.

After consideration the recommendation is that the full scope of services set out in Table 2 below should be included in the procurement.

Table 2

	Service	Current Service Delivery Method	Contract end Date (if relevant)	Future Service Delivery Method
1	Planned Highways maintenance	Outsourced	31/03/24	Outsourced
2	Reactive Highways maintenance	In-house & outsourced	31/03/24	Outsourced
3	Street Lighting & associated Services	Outsourced	31/03/24	Outsourced
4	Gully Cleansing & maintenance	In-house & outsourced	31/03/24	Outsourced
5	Winter Maintenance	In-house	N/A	Outsourced

6	New schemes – minor e.g., minor traffic schemes such as implementation of traffic islands, dropped kerbs, signage schemes	In-house & outsourced	31/03/24	Outsourced
7	New Schemes – major e.g., major traffic engineering schemes such as traffic calming schemes, zebra crossing schemes, cycle schemes. Also, to include flood management schemes and structures improvement schemes	Outsourced	31/03/24	Outsourced
8	Sign & Lining	In-house & outsourced	31/03/24	Outsourced
9	Installation of equipment/infrastructure on the public highway and off street including the appointment of nominated subcontractors/suppliers	In House & outsourced	31/03/24	Outsourced
10	Structures and Bridges	In house and outsourced	31/03/24	Outsourced
11	Flood management and drainage maintenance	In house and outsourced	31/03/24	Outsourced
12	Emergency – out of hours call outs	In house	N/A	Outsourced
13	Call off for Professional Services e.g., Design of traffic schemes, provision of traffic surveys, provision of Structural Inspections (please note this is not an exhaustive list)	N/A	N/A	Outsourced

Options that have been considered for the future delivery of services include:

Option 1: Do nothing

This option was considered and rejected. The current contracts within the scope include statutory functions and services that the Authority has a duty to discharge. The services are currently delivered as part of separate contracts with approaching expiry dates, so the option of “Do Nothing” is not a viable consideration going forward.

Option 2: Extend current contract

This option was considered and rejected. The contracts in place have been extended to their full capacity. The Authority must obtain advice in accordance with the limitations of the Public Contracts Regulations 2015 (PCR 2015) for any further extensions to be considered and must ensure that this constitutes best value to the Authority.

Option 3: Shared service delivery model

The Authority have undertaken discussions with neighbouring London authorities to consider the option of adopting this model. The development of this model represents a considerable challenge which would add significant additional work and risk to any procurement. 2 neighbouring authorities have completed procurement of these services in the last 18 months and 1 authority has indicated that they are considering extending with their incumbent provider. Therefore, this is not considered a viable option.

Option 4: Contracting services out

This option is considered viable given the Authority’s current position where parts of the service are currently delivered by an external provider.

Option 5: Bringing services in house

This option is considered viable given the Authority’s current position where parts of the service are delivered by an in-house team.

Option 6: Setting up a Local Authority Company (LAC)

This option is considered viable given the Authority’s current position where part of the service is delivered by an in-house team

Option 7: Hybrid model - in house and part outsourced.

This option is considered viable given this is the current service delivery model.

Officers concluded that options 4, 5, 6 & 7 should be considered further. The cost and financial implications and qualitative and risk factors were considered and appraised against the four shortlisted options for the outcomes are shown in Appendix 1 at the end of the document.

In terms of reputational risk, the Authority would be exposed to some level of risk regardless of the option.

In view of the information in Appendix 1 and 2, the Business Case supports Option 4, contracting the services out, as this will best meet the needs of the service both currently and ongoing for the following reasons:

- Reduce demarcation inefficiencies and conflicts within the service area
- Opportunity to integrate and harmonise contracts/services
- Maximise market innovation securing a contract that is fit for the future
- Reduce risk to the authority both financially and operationally
- Reduction in corporate overheads such as ICT, HR and fleet costs
- Increase accountability and collaborative working
- Deliver efficiencies in client management structures
- Deliver robust contract management
- Increase the value of the contract which could lead to improved competition from the market
- The specification will be designed to embrace innovative new technology and integrate with the Authority systems as required

Procurement Procedure

Having considered the current best practice and the procurement timeline it was concluded that the best outcome would be achieved by procuring these services using the Competitive Procedure with Negotiation. This procedure allows the contracting authority flexibility around whether to negotiate - it is possible to reserve the right (by stating this in the tender advertisement) not to negotiate and to simply award the contract based on initial tenders submitted.

The advantage of this method is that the council may enter into a negotiation if upon receipt of the submissions the council is of the view that the procurement could be enhanced by a negotiation session.

All suppliers acknowledged the importance of ensuring the tender documentation is detailed to enable them to be precise in their submissions but agreed the opportunity to participate in a session of negotiation would be helpful in finalising their bids. However, all participants agreed that competitive dialogue would not add any value to the process.

To enable the market to respond to the opportunity it is recommended that the procurement be split into 2 Lots. Based on the information obtained during the market engagement suppliers expressed a preference and are more likely to bid if the services are split into the following lots:

1. Highways Services - refer Table 2 -(1,2,4,5,6,7,8,9,10,11,12)
2. Street Lighting and associated services refer Table 2 - (3)

It is proposed to limit the number of suppliers that are taken through to the final stage to a desired minimum of three and a maximum of five in each lot. By taking this number of suppliers through it will provide a level of confidence to the Authority should a supplier decide not to continue with this opportunity

(through soft market testing suppliers indicated they tend to look at several procurements at the same time) but will also provide suppliers with a realistic prospect of a successful bid.

The length of the contract will be for an initial term of 6 years with an option to extend to a maximum of 10 years in periods of 1, 2,3 or 4 years. This is considered to represent the optimum timescale for Contractors wishing to invest in the contract so that efficiencies and cost savings could be introduced with regards to long term costs (depot facilities, plant etc.) but one that would also allow for the Council to provide a review and break period should the Contractor not perform to required standards.

In accordance with Regulation 67 of the PCR 2015 the Authority will award the contract on the Most Economically Advantageous tender (MEAT). The Authority will apply a 60/40 price quality split. This figure was arrived at by utilising a price/quality matrix, which indicated that the chosen percentage split was suitable for this procurement, according to the risk/complexity and estimated contract value.

Overall MEAT Score	Quality	Price	Social Value
100%	30%	60%	10%

As part of the Competitive Procedure with negotiation process, the minimum requirements and the award criteria shall not be subject to negotiation. The process shall follow the criteria set out in Regulation 29 of the PCR 2015.

The aim of the operating model is to deliver the Authorities responsibilities and priorities in accordance with the relevant legislation delivering best value and improving the overall environment and street scene for the borough.

The Authority can consider how the procurement of this contract can provide efficiencies and cost savings in other parts of the Public Realm service as set out above. The specialisms, resource capacity and economies of scale rates can be utilised to benefit other council teams such as Facilities, Housing, Regeneration and Parks and Open Spaces.

A strong partnership with shared vision and approach will be developed, resulting in a responsive and high performing service.

The integration of these services will improve the way in which Havering looks and feels and will improve the customer journey thereby improving residents' satisfaction as similar standards would apply to services.

This model would maintain one identity as several services are managed under one contract which means that common data sets, systems, processes and procedures are developed and aligned.

	<p>Whilst income generation will not be a main factor there may be opportunities for the Authority to develop commercial strategies in partnership with the contractor.</p> <p>The outsourcing of the services in scope will enable the Authority to deliver a streamlined client structure and consider a reduction in costs. This will encourage an efficient delivery model by driving productivity levels and allowing for a Contractor to combine the delivery of services.</p> <p>This provides the Authority with the opportunity to consider the climate change action plan and social value initiatives within the procurement contributing to making a positive impact on social and environmental sustainability.</p> <p>Bidders will be expected to provide detailed method statements outlining the benefits they are able to bring to the new contract.</p>
<p>What are the key business impacts both positive and negative?</p>	<p>Negative</p> <ul style="list-style-type: none"> • Possible increase in budgets • A TUPE process would need to be managed for the in-house DSO team <p>Positive</p> <ul style="list-style-type: none"> • Harmonisation of services if awarded to single contractor • Improved operational emissions and year on year reduction and carbon offsetting initiatives • Innovation in service delivery incorporating new delivery methods and materials • Greater impact on Social Value • Efficiencies in managing one contractor in terms of monitoring operations, finances and KPIs under a single contract • Transference of some operational and financial risk

Delivering the Project				
<p>How will the project be delivered?</p>	<p>A governance board and working groups have been established and will remain in place throughout the procurement and through mobilisation. At this point BAU will resume with the project handed to the contract management team to manage.</p>			
Delivery Confidence RAG Rating				
<input type="checkbox"/> Red - Completely new approach, a new pilot and/or process with a new supplier.		<input type="checkbox"/> AMBER – Known method/process/ supplier but not used before.		<input type="checkbox"/> GREEN – Tried and trusted method/process with known supplier.
<p>What are the key milestones for the project?</p>	<p>Business Case and ED authorised</p> <p>See attached Project Plan</p>			
Route to approval if known				
<input type="checkbox"/> Consultation	<input type="checkbox"/> Key Decision	<input type="checkbox"/> Non key Decision	<input checked="" type="checkbox"/> Cabinet Approval	<input type="checkbox"/> Other (specify)
Date:	Date:	Date:	Date:	Date:

<p>What are the key risks to the project?</p>	<p>The potential risks are:</p> <ul style="list-style-type: none"> • That the project is not sufficiently resourced, and the Authority does not retain adequately skilled stakeholders • That bidders may pull out during the process due to the volatility of the market or by seeking more attractive opportunities elsewhere • Bidder's proposed solutions are not financially affordable, resulting in reconsideration of the service specification • Stakeholders and resource do not fully commit during the entire period of the project • Award may be delayed due to: <ul style="list-style-type: none"> ○ Protracted internal processes ○ Challenge from unsuccessful bidder(s) challenging award decision • Any delayed award would impact and lead to delays on the mobilisation period <p>A number of risks to the procurement were raised by the Programme Board. In view of this a series of market engagement events were carried out to develop an accurate understanding of the marketplace to allow better decisions to be made by both the Council and bidders.</p> <p>During this process the Council tested assumptions and ensured that the procurement objectives are achievable. The outcome of the market engagement events can be found in Appendix 2.</p>
<p>What assumptions have been made?</p>	<p>The assumptions made are:</p> <ul style="list-style-type: none"> • Stakeholders remain engaged and resource available during the whole period • Decisions will be made in a timely manner • Suppliers will bid for this opportunity and the volatility of the market will not preclude the Authority from awarding the contract • Finances will be available
<p>What is included and excluded from scope?</p>	<p>Planned and Reactive highway maintenance, Street Lighting and associated services, Gully Cleansing, Winter Maintenance, highway improvements and new schemes - major and minor, Sign & Lining, Installation of equipment on the public highway and off street, Structures and Bridges, Flood Management, drainage maintenance and repair, emergency response including out of hours calls.</p> <p>A number of Councils have procured larger contracts to include the scope of services above for similar reasons that have been set out in this document.</p> <p>Design and professional services will be retained in house. However, the contract will contain a provision to draw down on these services should they be required.</p>

	<p>Services may be instructed in areas of the council's estate including parks and housing ensuring economies of scale and value for money can be benefited by others.</p>																
<p>What project board will this project report to?</p>	<p>Public Realm Programme Board, Themed Board</p>																
<p>Who are the identified stakeholders for the project?</p>	<ul style="list-style-type: none"> • Members • Chief Executive • Assistant Director of Public Realm • Programme Board, including Business Partners • Affected staff • Trade Unions 																
<p>Who or what are impacted by this project (including headcount reduction)?</p>	<p>There are currently 17 posts in the in-house DSO structure which are:</p> <ul style="list-style-type: none"> • Highways Maintenance Team Leader x 1 post • Highway Maintenance Officer x 16 posts <p>Of the current posts, the Team Leader post is vacant but an Officer from elsewhere in the Service has been seconded into the role to fulfil business / operational requirements. Of the 16 Maintenance Officer posts, 7.5 positions are vacant.</p> <p>The remaining 8.5 occupied posts would be subject to TUPE.</p> <p>There may also be the requirement to review the current in-house Highways management team to consider the client structure going forward.</p> <p>Consideration needs to be given to the 2 Business Support Officer posts that currently carry out work for this service. The nature of the contract would mean that a significant amount of the work would fall away and the functions that would remain are mainly transactional in managing the operational aspects of the Highways Contract.</p> <p>The indicative minimum investment in respect of resources, plant and depot required to provide an in-house service is set out below in Table 3. This does not include any running costs for the services which would include materials, permits, licences and staff capital costs etc.</p> <p>Table 3</p> <table border="1" data-bbox="368 1727 1425 1984"> <thead> <tr> <th>Item</th> <th>Number</th> <th>Revenue Cost</th> <th>Capital Cost</th> </tr> </thead> <tbody> <tr> <td>Management/Specialist posts</td> <td>11</td> <td>£0.587m</td> <td></td> </tr> <tr> <td>Supervisors/Team Leaders</td> <td>8</td> <td>£0.612m</td> <td></td> </tr> <tr> <td>Administration</td> <td>2</td> <td>£0.085m</td> <td></td> </tr> </tbody> </table>	Item	Number	Revenue Cost	Capital Cost	Management/Specialist posts	11	£0.587m		Supervisors/Team Leaders	8	£0.612m		Administration	2	£0.085m	
Item	Number	Revenue Cost	Capital Cost														
Management/Specialist posts	11	£0.587m															
Supervisors/Team Leaders	8	£0.612m															
Administration	2	£0.085m															

Operatives	80	£3.400m	
Plant - various	60		£20/25m
Depot	1		£15/20m
Total indicative cost		£4.684m	£35/45m

The total cost of the service for the term of 6 years would be £62.6m which does not include items such as materials, licences, permits or other staff costs.

What are the critical success factors for the project	
Deliverable	Success measure
Business need	Satisfy the existing and future business needs of the organisation.
Affordability	Delivers value for money ensuring the services are affordable
Achievability	Provides the Authority the best opportunity to innovate and deliver the best ways of working within the financial constraints
Achievability	Provides the Authority the opportunity to innovate and adapt to future proof the service

Total Cost and Saving Projections (please attach appendices if required)						
Supporting Narrative:						
The Councils MTFS has indicated a saving of £125,000 in 24/25 against this procurement. See Table 1 above for costs.						
Existing Revenue Budget indicate if HRA, Grant, or General fund applicable, Transformation	Yr1 24-25	Yr2 25-26	Yr3 26-27	Yr4 27-28	Yr5 28-29	Total
Cost centre 1						
Cost centre 2						
Total:						
One off Capital costs e.g. significant building modifications						
Cost A						
Cost B						
Total:						
One off Revenue costs						
Cost A						
Cost B						
Total:						
Ongoing Costs e.g. Programme Manager, Legal Advice						

Cost A						
Cost B						
Total:						
Savings e.g. Existing budget less ongoing costs or income generation						
Saving A						
Income generation A						
Total:						

Financing the Project	
What assurances can you give that costs/benefits identified will be delivered?	The evaluation process will ensure that value for money is achieved whilst ensuring the delivery of high-quality services.
	What methods of value for money have been used? E.g. Benchmarking, soft market testing, competitive analysis:
	Through the evaluation framework, specification and robust contract management.
What are the key financial risks to the proposed option?	Financial Confidence Rating
	<input checked="" type="checkbox"/> RED - Indicative figures that are yet to be ratified, further work required to develop full costings and/or savings. <input type="checkbox"/> AMBER - Costs and saving identified for part of the project but delivery in some areas is uncertain. <input type="checkbox"/> GREEN - Costs are known and saving targets are deliverable.
If savings been listed under MTFS or any other savings target, please explain?	The Councils MTFS has indicated a saving of £125,000 in 24/25 against this procurement.
Can this project be delivered within existing budgets if not why not?	<p>The market has been volatile both in terms of labour and materials however, there are signs that the market is levelling out and there is more stability around both aspects.</p> <p>Significant investment would be required to retain an in-house service. The current budgets do not make provision for this. However, cost avoidance can be achieved by outsourcing a greater degree of the services as the Authority will not be required to invest in a depot, fleet, or health & safety management and training.</p>
What other sources of funding could be considered?	None

Initial Equality & Health Impact Assessment Checklist		YES	NO	Action
Are you changing, introducing a new, or removing a service, policy, strategy or function?		<input checked="" type="checkbox"/>	<input type="checkbox"/>	If you answered YES to any of these questions complete full EQHIA If you answered NO Please provide an explanation on why your activity does not require an EQHIA below. <i>This is essential in case the activity is challenged under the Equality Act 2010.</i>
Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
EQHIA not required:	The group of staff in scope is very small and therefore individuals may be identifiable. EQIA data is therefore not included in this report.			
Further guidance and advice https://intranet.havering.gov.uk/help-with-work/equality-impact-assessment/				

Consultation & Approvals			
Consultation:	Officer Name:	Approval:	Signature:
Procurement:	Rebecca Nipress	Responsible Director:	Imran Kazalbash
Legal:	Tara Philip	Finance Business Partner:	Vanya Alexander/Julie Oldale
Democratic Services:	Jacqui Barr	Lead Member:	Cllr Mugglestone
Equality & Diversity:	Jerry Haley	Other:	
IT (if appropriate):	Louise Smith		
Public Health (if appropriate):	Jack Davies		
Communications (if appropriate):			
HR (if appropriate):	Geraldine Minchin		
Other:			

Appendix 1 Version History

Record of Amendments to the Business Case

Revision Date	Revision By	Summary of Changes	Author
24/03/23	Mel Gadd	First draft	
16/05/23	Mel Gadd	Final	James O 'Regan/Mel Gadd

Appendix 1

Service options

Commissioning Option	Pro's	Con's
Contracting out all services Page 285	<ul style="list-style-type: none"> • Costs can be kept competitive • Benefit from innovation and best practice • Service that is fit for the future delivering efficiencies and value for money • Transfer of operational and financial risk to contractor • Can attract expert and multi skilled workforce • Relative certainty on costs and performance • Robust performance management through KPI's and incentives/penalties • Established suppliers that are able to provide depots/fleet which removes the financial burden on the Council • The Council can derive economies of scale by packaging services together • Suppliers have extensive buying power which includes IT systems and fleet costs • Reduction in corporate overheads e.g., HR, ICT, depot 	<ul style="list-style-type: none"> • Staff impact and TUPE considerations for DSO staff • Perceived loss of control and responsiveness • Supplier may perform poorly • Market forces may require contract renegotiation • Recent market volatility may have led to nervousness in supply chain, resulting in higher prices
<p>Most bidders confirmed at market engagement that they would deliver services for Havering from depots that they already operate from. They confirmed that these depots were located within acceptable distances that would not impact on the delivery of the services.</p>		

Contractors have the flexibility with resources and plant to ensure that there is full utilisation. E.g., a gully unit can be deployed on a number of contracts as required as can the resource providing additional value. Resources and plant that are shared between contracts ensure better value for money.

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- Perceived greater level of control with flexibility over change Can change or set standards/timeframes easily
- Savings as a result of not delivering a procurement
- Perceived reputational and legacy control
- Removal of Private sector overhead (but replaces with Council overhead)

- Depot would be required – acquisition of land or location of suitable depot
- Considerable financial outlay for depot provision both capital and ongoing revenue
- Acquisition of new fleet – capital cost
- Increased costs for Pension payments
- The council would retain the whole risk of operating a large service in house, including HR and staffing issues
- The council would be required to invest in a suitable IT system as the process is substantially paper based at present
- Financial implications of increase in grades to attract suitably qualified operatives
- High risk in both financial and operational terms as the level of resources to deliver the full service is unknown e.g., productivity levels and Health & Safety implications
- The workforce would need to be of sufficient size to encompass all aspects of the business with a robust management structure to reflect the requirements of the statutory function
- Limited career progression
- The Council cannot achieve the economies of scale for bulk purchasing of materials and equipment
- The Council would be required to make a substantial investment into Health & Safety

		<p>mechanisms, environmental and quality management systems</p> <ul style="list-style-type: none"> The Council would be required to guarantee that specialist roles were filled to ensure the service was compliant
<p>It is unlikely that a depot or suitable land (based on recent searches) of the size and location that is required would be available in the borough.</p> <p>In terms of resources the Authority would need to consider the range of services to be delivered and how they would efficiently resource all areas of work e.g. whilst reactive maintenance would be required 12 months of the year, services such as schemes, structures, flood management, winter maintenance etc. would require specialist operatives at certain times so resources and plant would need to address this. There is the potential for a high investment in plant that sits idle for periods of time whilst not in use.</p>		
<p>LAC</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 287</p>	<ul style="list-style-type: none"> Reduction in pension costs – although does not affect TUPE Council has direct control as the only shareholder Opportunity for commercialisation Independent decision-making process so can be more agile in decision making 	<ul style="list-style-type: none"> Depot would be required – acquisition of land or location of suitable depot Considerable capital financial outlay for depot provision Acquisition of new fleet – capital cost Considerable financial outlay in respect of set up costs, council must consider affordability The Council does not have expertise to establish and run a LAC Authority would retain 100% of both financial and operational risk Salaries would need to be at a higher level to attract expertise for the skilled workforce both operational and management that would be required Requirement for ongoing costs for services such as but not limited to Legal, IT, HR, H & S, payroll and employee wellbeing systems

		<ul style="list-style-type: none"> • Requirement for independent governance arrangements with board of directors • Extensive governance requirements which must be satisfied
<p>It is unlikely that a depot or suitable land (based on recent searches) of the size and location that is required would be available in the borough.</p> <p>Creating a LAC as a separate company can deliver a more agile way of working which is responsive to changes in demand. However, it can be seen as another arm of the council, which is not the case. The formation of the LAC allows the service to move away from the constraints of the council's decision-making processes.</p>		
<p>Hybrid Option</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 288</p>	<ul style="list-style-type: none"> • Greater level of control with flexibility over change • Savings because of not delivering a procurement 	<ul style="list-style-type: none"> • Depot would be required – acquisition of land or location of suitable depot • Considerable capital financial outlay for depot provision • Acquisition of new fleet – capital cost • Increased costs for pension payments • Financial implications of increase in grades to attract suitably qualified operatives • High risk in both financial and operational terms as the level of resources to deliver part of the service is unknown e.g., productivity levels and Health & Safety implications • The workforce would need to be of sufficient size to encompass the aspects of the business to be delivered in house with a robust management structure to reflect the requirements of the statutory function • Limited career progression for LBH staff • The Council cannot achieve the economies of scale for bulk purchasing of materials and equipment

		<ul style="list-style-type: none"> • The Council would be required to make a substantial investment into Health & Safety mechanisms, environmental and quality management systems • The Council would be required to guarantee that specialist roles were filled to ensure the service was compliant • The authority would need to retain the same infrastructure as the contractor to deliver the services in house so would be paying twice • There would be considerable investment into the workforce required both operationally and financially to meet the current standards e.g., health & safety, training and organisational skills
<p>is unlikely that a depot or suitable land (based on recent searches) of the size and location that is required would be available in the borough.</p>		

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Appendix 2

Market Engagement

<p>Market engagement was carried out during March 2023 with a PIN being published; 9 organisations were invited to participate. The aim of the market testing was to establish the market’s preparedness to bid for tenders and if prepared, preferred procurement options and explore procurement barriers and limitations.</p> <p>Of the 9 organisations 3 withdrew due to resourcing issues and 1 withdrew without providing a reason. 5 organisations took part in the market engagement and the anonymised information is set out below.</p>
<p>Suppliers were asked what the optimum contract term including optional extensions would be for them to invest in this opportunity</p>

<p>4 of the suppliers advised between an initial term of between 5 & 8 years with an option to extend of potential 3/4 years would encourage them to bid for this tender</p> <p>1 supplier preferred a much-reduced contract term of 2/3 years</p> <p>Suppliers were of the view that the extension should be of one fixed term and not based on an annual re-occurrence</p>
<p>Recommendation 6 years with 4-year extension</p>
<p>Suppliers were asked what depot facilities they had in the area and particularly how they would deliver services to Havering</p>
<p>3 suppliers confirmed they have depots available that they would use for this contract within close proximity of the borough,</p> <p>1 supplier would be prepared to consider a depot in the borough however this would be dependent upon contract being split into lots</p> <p>1 supplier has depot facilities in reasonable proximity that could be used and would be dependent upon winning the contract</p>
<p>Suppliers were asked their views on the split between cost and quality</p>
<p>All suppliers recognised the importance of quality, but all favoured the split to be higher on price</p>
<p>Recommendation 60% price/40% quality</p>
<p>Suppliers were asked if they would subcontract any of the services and if so indicate if this would be with multiple suppliers including SME's</p>
<p>1 supplier confirmed they would retain everything</p> <p>1 supplier would retain highways, but subcontract gullies and lighting</p> <p>1 supplier confirmed they would only be interested in the street lighting services</p> <p>1 supplier, would subcontract all services apart from gullies and drainage but not interested in the street lighting aspects</p> <p>1 supplier would deliver everything apart from gullies and look to use SME's</p>
<p>Suppliers were asked their views on the type of contract they would expect to use on a procurement of this nature</p>
<p>All suppliers favoured the NEC 4 industry standard contract</p>
<p>Recommendation NEC 4 Option B priced contract with Bill of Quantities</p>
<p>Suppliers were asked their views on forthcoming and concurrent opportunities elsewhere in the region and whether the Havering procurement would be a priority for them.</p>
<p>2 suppliers would definitely prioritise Havering above any other procurement, of which 1 stated that another procurement would be live at the same time</p>

1 supplier advised they would be interested if separated into smaller lots
1 supplier would only be interested in lighting and if split in lots
1 supplier would be interested in lighting but would consider another procurement opportunity that would be live at the same time
Suppliers were asked their views on whether the services should be sub divided into lots
Suppliers were of mixed views on this matter but overall favoured the approach of sub dividing the procurement into 2 lots: 1. Highways 2. Street Lighting This approach was favoured as at least 2 suppliers stated they would only be interested in bidding for the street lighting services. Procuring a combined contract would discourage some suppliers from bidding which would reduce the market. Splitting the procurement into 2 separate lots will enable suppliers to bid for either or both Lots. This will ensure that the council achieves best value across both services.

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This Report is part exempt. The Exempt Agenda report and Appendices A, B, C, and D, are not available for public inspection as they contain or relate to exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. They are exempt because they refer to commercial and confidential information which may be shareholder sensitive in nature and relating to ongoing negotiations with a private company, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

CABINET

Subject Heading:

Rainham and Beam Park Regeneration
LLP – Review of Delivery Options and
Selection of a preferred option

Cabinet Member:

Councillor Graham Williamson
Cabinet Member for Development &
Regeneration

SLT Lead:

Neil Stubbings – Strategic Director Place

Report Author and contact details:

Harry Scarff – Project Manager
Harry.Scarff@havering.gov.uk
Tel: 01708 433255

Policy context:

This decision is made in the context of the promotion of the policy to regenerate the area defined by the Rainham and Beam Park Housing Zone.

This report sets out the preferred option for the future operation and structure of the Rainham and Beam Park LLP and the sites that it has assembled to date. It also considers the ongoing delivery of the Council's ambitions to secure the

	comprehensive regeneration of the Rainham and Beam Park Housing Zone.
Financial summary:	This report sets out the information relating to the proposed change in ownership structure and financing of the Rainham and Beam Park Regeneration LLP in which the Council is a partner, and the transfer of property interests to the Council.
Is this a Key Decision?	Yes (a) Expenditure or saving (including anticipated income) of £500,000 or more (c) Significant effect on two or more Wards
When should this matter be reviewed?	July 2024
Reviewing OSC:	Places

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

People - Things that matter for residents	X
Place - A great place to live, work and enjoy	X
Resources - A well run Council that delivers for People and Place.	

SUMMARY

The Rainham and Beam Park Regeneration LLP (**LLP**) is a 50/50 Joint Venture between the Council and Notting Hill Commercial Properties Limited (**NHCP**), part of Notting Hill Genesis (**NHG**). The LLP is tasked with delivering a scheme of residential led regeneration across 9 comprehensive development sites along the A1306 New Road corridor in Rainham.

The sites, largely in industrial use, are in multiple ownerships and often in poor environmental condition; residential development values in the area are very challenging.

Site assembly was, until it was withdrawn in December 2021, to be concluded by the Council having made the Rainham and Beam Park CPO No. 1 2019. Support would be provided by the LLP and NHG carrying out acquisitions through private treaty prior to the CPO inquiry.

The original business plan agreed by the Council and the LLP, along with subsequent reviews, has been overtaken by significant uncertainties arising from Brexit, the Covid-19 pandemic, delays to delivery programme, development cost uplift, inflation and economic contraction. These have been further compounded by the position taken by the Department for Transport to withdraw support for the construction and opening of the proposed Beam Park Station.

The confirmation and delivery of the Beam Park Station was expected to stimulate a step change in the access to public transport and connectivity in the local area and its potential for delivering growth and investment.

This uncertainty has caused the Council's partner, NHG, to change its approach to regeneration and value creation through place making. Consequently, the LLP Board has been unable to agree any revised performance measures that reflect current economic conditions, and therefore progress cannot continue. This divergence of views has meant that the LLP has suspended progress on design, delivery and crucially further land assembly.

Whilst wider options are considered, the LLP has also reduced the scope, and cost, of services provided to achieve a commensurate reduction in outgoings.

The three options that are being considered are as follows:

- **Option 1:** To 'Hold' (Do nothing). This option envisages the scheme being held where it is and sites managed until favourable conditions for residential led development arise;
- **Option 2:** For the Council to take forward the regeneration. This will involve a) the voluntary sale of the NHCP interest in the LLP to the council; and b) the voluntary sale of properties already acquired within the development sites by NHG to the Council;

- **Option 3:** Exit/disposal of sites. This option considers the formal winding up of the LLP and the disposal of the land and other interests that have been assembled to date to third parties.

Option 2 is considered to be the preferred option and is recommended for approval.

RECOMMENDATIONS

It is recommended that:

1. **Approval** be given for the Council to acquire the Notting Hill Commercial Properties (**NHCP**) interest in the Rainham and Beam Park Regeneration LLP (**LLP**) via entering into a Member Interest Purchase Agreement, as set out in the Exempt Agenda and summarised in the Heads of Terms at Exempt Appendix A for a full and final consideration at the appropriate time;
2. **Approval** be given for the Council to provide a budget as set out in the Exempt Agenda for the Council to undertake the acquisition of assets assembled by Notting Hill Genesis (NHG) on behalf of the LLP as set out in this report;
3. **Authority** be given for the Strategic Director Place, acting in consultation with the Section 151 Officer and Monitoring Officer, to negotiate and complete the acquisition of the assets following conclusion of the necessary due diligence within the budget set out at Recommendation 2.
4. **Approval** be given by the Council (acting as Member of the LLP) for the termination by the LLP of the following agreements:
 - a. Development Management Agreement;
 - b. Administrative Services Agreement; and
 - c. Strategic Land Agreement

as set out in as set out in the Exempt Agenda and summarised in the Heads of Terms at Exempt Appendix A, at the appropriate time;

5. **Approval** be given by the Council (acting as Member of the LLP) for the LLP to enter into the Member Interest Purchase Agreement as set out in the Exempt Agenda report and summarised in the Heads of Terms at Exempt Appendix A at the appropriate time;
6. **Approval** to be given for the termination by the Council of:
 - a. the Strategic Land Agreement; and
 - b. the CPO Indemnity Agreement,

as set out in the Exempt Agenda report and summarised in the Heads of Terms at Exempt Appendix A, at the appropriate time;

7. **Authority** be given for the Strategic Director Place, acting in consultation with the Monitoring Officer and Section 151 Officer, to finalise and enter into all necessary legal and commercial agreements, to bring into effect the proposed arrangements in Recommendations 1-6 inclusive.
8. **Authority** be given for the Strategic Director Place, acting in consultation with the Lead Member for Development & Regeneration to enter into such documents and do such acts as necessary to resolve any existing disputes under the CPO Indemnity Agreement in order to allow the CPO Indemnity Agreement to come to a natural end following the purchase of NHCP's member interest.
9. **Authority** be given for the Strategic Director Place, acting in consultation with the Section 151 Officer and Monitoring Officer, to establish a new Nominee Company prior to the completion of the acquisition referred to in Recommendation 1, in order to support the continuation of the LLP (such Nominee Company to be the second member in the LLP with the Council after the exit of NHCP) and to enter into all necessary legal and commercial agreements in order for that Nominee to be established as a Member in the LLP;
10. **Authority** be given for the Strategic Director Place, acting in consultation with the Director of Property (new structure), the Monitoring Officer and the Section 151 Officer, to complete the review of the options for the long-term funding and delivery of the regeneration of Rainham and Beam Park, including interim uses of the sites transferred subject to Recommendation 2, and to produce a further report for Cabinet consideration.

REPORT DETAIL

1. Background and Context

- 1.1. The retreat of industrial uses from the A1306 New Road corridor in Rainham over the past 30 years and the terminal decision of Ford Motor Co to cease vehicle manufacture at its Dagenham Plant in 2003 led to the creation of significant areas of vacant, former industrial, brownfield sites with the potential for large-scale development.
- 1.2. Given developments in the global economy and contraction of industrial capacity and demand, alternative development strategies were required. The Council, the then London Development Agency, who had acquired large redundant areas of the Ford Co estate at Beam Park and the London

Thames Gateway Development Corporation developed a new residential led mixed use development strategy for the area.

- 1.3. This objective was set out in the Council's 2001 Local Plan, Strategic Site Allocations and subsequently the Greater London Authority's London Riverside Opportunity Area Planning Framework. However, the 2008 global recession meant that development interest in the sites stalled and by 2012 only one scheme, at the former Somerfield Depot, had come forward for planning permission but was undeliverable in the then economic context. This site still hasn't been able to move into delivery.
- 1.4. The GLA Housing Zone Prospectus was launched on 30 June 2014, and set out plans to create several "Housing Zones" to boost housing supply in London. The Prospectus was unequivocal in its view that a Housing Zone could only proceed where the local borough is driving the programme and is putting in its own resources, in such forms as land holdings, capital investment and staff time. In return, the GLA would provide grant or repayable loans to support residential and place making schemes.
- 1.5. Cabinet authority to submit the Rainham and Beam Park Housing Zone bid was given on the 24th of September 2014. The Council submitted the Rainham and Beam Park Housing Zone bid to the GLA on 30th September 2014.
- 1.6. Underpinning the Council's Housing Zone vision was the decision to provide a new railway station, included in the revised 2014 Essex Thames-Side franchise arrangements, along with the transformation of the A1306 and the major residential development sites that flank it. This would bring about an area wide transformation, from that of a post-industrial legacy of decline into a thriving new residential community designed and built around principles of high-quality design, affordable housing, enhanced open space provision, social infrastructure and access to public transport and employment opportunities.
- 1.7. The submission was successful and the Rainham and Beam Park Housing Zone was announced on 25 June 2015. Cabinet approved the GLA Housing Zone Overarching Borough Agreement (OBA) authorising the Council's entry into the funding contract with the GLA on the 4th November 2015.

2. Land Assembly

- 2.1. In support of the Council's regeneration ambitions for this area the Housing Zone Land Acquisition Strategy was approved by the Council on 10th February 2016, approving the use of the Council's Compulsory Purchase Order (CPO) powers to acquire land interests and to ensure that comprehensive, high-quality development were able to be delivered.

- 2.2.** Cabinet also agreed to approve land negotiations and the acquisition of sites by private treaty by various negotiated means where appropriate, and to work to bring forward quality housing, in accordance with the identified development outcomes for the Housing Zone, either on its own or in partnership with other developers on land acquired.
- 2.3.** In December 2017, following a competitive tender process, the Council agreed to appoint NHG as its development partner to undertake the housing development on the nine regeneration sites. The Council and NHCP entered a formal joint venture vehicle (the LLP) in March 2018.
- 2.4.** In making their decision Cabinet also noted that the land acquisition process would be implemented by NHG and supported by the making of a CPO to enable the acquisition of the land interests which could not demonstrably be acquired by private treaty.
- 2.5.** On the 10th October 2018 Cabinet resolved to make the Rainham and Beam Park CPO. On 24th September 2019 the Rainham and Beam Park CPO 2019 No 1 (CPO 1) was submitted to the Secretary of State for Communities and Local Government (“the Secretary of State”).
- 2.6.** The Order was published and submitted to the Secretary of State for confirmation on 4th October 2019. The Secretary of State’s confirmation of the relevant date was delayed and not received by the Council until 28th January 2020.
- 2.7.** The unforeseen Covid-19 pandemic and lockdown on 23rd March 2020 resulted in the Council’s Strategic Planning Committee being suspended and planning decisions relating to core planning applications forming the Council’s case for justifying the CPO were delayed.
- 2.8.** Lockdown also resulted in the Council being unable to progress the land acquisition programme which is a prerequisite for the successful confirmation of the CPO. The Planning Inspectorate (PINS) who act on behalf of the Secretary of State, further informed the Council that it was unable to set Public Inquiry dates for the foreseeable future.
- 2.9.** These cumulative delays led PINS to agree to extend the date for the Council’s submission of key documents required to progress the CPO, including its Statement of Case, to 31st July 2020 and proposed the 13th April 2021 for the commencement of a virtual CPO Inquiry. This date was subsequently withdrawn by PINS pending the resolution of a Holding Direction on a key planning decision relating to the CPO land that was imposed by the Department of Levelling Up Housing and Communities (DLUHC). The Holding Direction was lifted by the DLUHC on the 7th April 2021. Following further challenging development and economic uncertainties arising from the Covid-19 restrictions, PINS and the Council

agreed a further postponement to the Public Inquiry commencement date, to the 7th December 2021.

- 2.10.** In the period leading up to the CPO Inquiry, the Council working with the LLP and NHG, sought to acquire land and other interests in property in order to help demonstrate that the CPO was required as a last resort to help conclude land assembly. 28 interests were acquired including 17 freehold interests over 20 CPO plots, out of a total of 95 freehold plots that were affected by the CPO.
- 2.11.** On the 12th August 2021 the Department for Transport, without any forewarning, indicated to the Council that it did not support the opening of a new railway station at Beam Park.
- 2.12.** The Beam Park Station has been identified as a key strategic infrastructure component and development catalyst, critical to unlocking investment and the development of strategic sites in the Rainham and Beam Park area to deliver over 4,000 much needed new homes. The new station has been embedded in regional and local planning and regeneration policy documents for over two decades, including most recently the GLA London Plan 2021, the London Riverside Opportunity Area Planning Framework and the L.B Havering Local Plan. Furthermore, the costs of development and construction of the proposed station are fully funded by the GLA and the design and development process was well advanced and construction was poised to commence.
- 2.13.** The new station was considered relevant and vital to the Council's Statement of Case and the justification of that case in support of the confirmation of the CPO 1. The impact on the Council's case that arose from the DfT's unexpected position was considered severe. A request was made to PINS, on the 2nd September 2021, to further postpone any Public Inquiry until March 2022 in order for the Council and GLA to attempt to resolve issues surrounding the DfT's position.
- 2.14.** On the 5th October 2021 PINS rejected the requested postponement of the Public Inquiry requesting that the Council confirm whether it intended to withdraw the CPO or to continue with the Public Inquiry. PINS advised that inquiry dates would otherwise be fixed for no later than the end of January 2022.
- 2.15.** PINS acknowledged that the Council was in a difficult position but, that given the length of time elapsed, the Inspector's preference was for the Council to withdraw the CPO with a view to remaking it when the Beam Park Station issue had been resolved in order to reduce the uncertainty experienced by land owners.
- 2.16.** The Council consulted with Leading Counsel. Their unequivocal opinion was that the Council's case for the CPO was fundamentally undermined by

the DfT's stance on the new station, and that pursuing the CPO to Public Inquiry in January 2022 would have a high risk of the CPO not being confirmed. The Council, having also consulted with its development partner NHG, therefore determined that the CPO should be withdrawn. Following the Council's decision this position was agreed with PINS on December 6 2021 who then notified all owners and objectors. With the CPO withdrawn the LLP's continuing support for land assembly also ceased.

- 2.17.** Since the withdrawal, the Council and NHG have been working with owners, addressing claims for costs arising from the withdrawal of the CPO. Some of these claims have been settled whilst others have been referred to PINS to direct on their handling. PINS have directed recently on one such claim and this is now expected to be quantified by the claimant.
- 2.18.** The costs associated with the CPO, to date, have been shared between the Council and Notting Hill Genesis as joint venture partners on a 50/50 basis which aligns with the principles set out in the Compulsory Purchase Order Indemnity Agreement (CPOIA), Member's Agreement and Strategic Land Agreement.

3. Rainham and Beam Park Regeneration LLP, the 'LLP'

- 3.1.** When the Council entered the LLP in March 2018, a commitment was made to provide funding. Consequently, this was incorporated in the capital programme by the Council on 21st February 2018. The funding requirement was scoped in the 2018-19 Over Arching Business Plan (**OABP**) which the LLP adopted when it was established. The budget and business plan has been reviewed annually since then. Whilst a new OABP has not been adopted, the Council's funding requirements have been revised annually in accordance with predictions made through a shadow business planning process.
- 3.2.** The LLP has focussed on a range of measures to improve viability however the impact of the DfT's change of position on the station and the subsequent withdrawal of the CPO has presented a very challenging position. This has been compounded by the significant increase in industrial land values relative to residential values which are currently in decline, forming the majority of outstanding land assembly, leading the LLP to predict a worsening in financial performance that falls below agreed viability hurdles.
- 3.3.** The board of the LLP has proposed a review of three potential options to allow the LLP to determine its future. The outcome of this review will ultimately be a "Consent Matter" under the LLP's Members' Agreement for each member to determine individually and not within the remit of the LLP Board to agree.

- 3.4.** Each option is considered in the context of the contract structure and obligations that were entered into when the LLP was formed.
- 3.5.** Through the Strategic Land Agreement (SLA), NHG are a land assembly vehicle that carries no risk as the LLP, and ultimately the Council and NHCP as members of the LLP, have undertaken to reimburse it for all agreed costs incurred.
- 3.6. Sites Acquired and Future Acquisitions.**
- 3.7.** To date 20 CPO sites comprising 29 interests, including commercial and residential tenancies, have been acquired. Of these 3 are in the ownership of the Council and the remaining 17 have been acquired by NHG and would be transferred to the Council under Option 2 as below.
- 3.8.** These sites are located within four strategic sites, NR03/04, NR04/05, NR06 and RW4b (see ownership map at Exempt Appendix B). With the exception of NR06 which is fully assembled other than small parcels of land owned by TfL, there are currently more additional plots to be acquired to secure full ownership and comprehensive development potential. Negotiations are continuing between the Council and some owners including TfL to secure further plots. These negotiations have been subject to earlier approvals by the council.
- 3.9.** The acquired sites are a mix of industrial, commercial and residential properties in varying states of condition. A number have existing occupiers in situ and generate an ongoing rental stream, others are vacant but available for new occupiers or interim uses.
- 3.10.** If the Council were to control the sites subject of this report, this may enable the Council and the LLP, using its landholdings, to be able to work with other land owners in the area to bring forward regeneration of the comprehensive mixed use schemes for itself or others to deliver, or delivered through discrete scheme specific partnerships allowing the council's financial involvement and execution/delivery risk to be contained and outcomes to be influenced beyond the controls available through the statutory planning system.
- 3.11.** The future approach to these sites, both in the short and long term, would need to be the subject of a further review and business case. This would review the strategic, economic and financial opportunities benefits and risks associated with such proposals, as well as the potential to optimise health and wellbeing outcomes that any proposed interventions might support.

4. The three options that are considered are as follows:

Option 1: To 'Hold' (Do nothing)

- (a) This option envisages the scheme being held where it is and sites managed until there are favourable conditions for residential development.

Option 2: For the Council to take forward the regeneration i.e. to replace NHCP as Member 2 in the LLP.

- (b) This will involve the voluntary sale of the NHCP interest in the LLP to the Council.
- (c) The LLP will continue to exist with the Council and a Council owned company as the Members. This will involve associated operating costs and means the business of the LLP will continue allowing further options for the area wide regeneration to be brought forward.

Option 3: Both Members exit the LLP and arrange the disposal of sites on the open market

- (d) This option considers the winding up of the LLP and the disposal of the land that has been assembled to a third party developer/investor and may offer the potential to recover sunk costs.

Option 2: Preferred - For the Council to take forward the regeneration of Rainham and Beam Park.

Reasons for the decision:

4.2. The Council is still intent on securing the regeneration of the area and therefore seeks to preserve the LLP. To do this the Council will need to arrange for the transfer of NHCP's Member interest to a suitable Council owned vehicle (as the LLP must continue to have a minimum of two Members to operate).

4.3. This option provides the Council with time to reconsider several options for promoting regeneration.

4.4. Other options considered (and rejected):

Option 1: To 'Hold'

This option envisages that the scheme is held where it is and that sites are managed until there are favourable conditions for viable residential development.

This “To Hold” option is effectively maintaining the current position of the Council and its involvement in the LLP. The financial and legal implications and primary commercial and contractual consequences of this option are set out in detail in the exempt report and Exempt Appendix D.

Option 3: Exit/Disposal of sites

This option considers the winding up of the LLP and the disposal of the land that has been assembled on the open market.

The financial and legal implications and primary commercial and contractual consequences of this option are set out in detail in the exempt report and Exempt Appendix D.

IMPLICATIONS AND RISKS

5.0. Financial implications and risks:

Financial Implications and Risks are set out in the exempt report.

6.0. Legal Implications and risks:

Vires

6.1 This report recommends that the Council should proceed on the basis of Option 2. The Council may rely upon the General Power of Competence (“general power”) provided for in Section 1 of the Localism Act 2011 to carry out option 2. The general power is a wide power which allows the Council to do anything that an individual may do (subject to public law principles), but it is subject to certain statutory limitations. There is no statutory limitation in relation to this exercise of the general power. This report proposes that the Council continues to be a Member of the LLP, the purpose of the Council remains the regeneration of Beam Park at this stage and not the carrying out of a commercial activity (which would require that a limited liability (trading) company be set up). The decision of *Peters v Haringey* confirms this view; the Council may continue to act through the LLP for as long as the Council’s purposes are primarily non-economic (i.e. regeneration).

6.2 The Council has land acquisition powers by virtue of Section 120 of the Local Government Act 1972. This Section 120 power does furthermore support the general position adopted, because it also recognises and allows acquisitions to be made for any authorised purpose “notwithstanding that the land is not immediately required for that purpose; and, until it is required for the purpose for which it was acquired, any land acquired under this subsection may be used for the purpose of any of the Council’s functions.” The relevant function in this case is regeneration.

6.3 The Council will also need to establish a wholly owned company to become the other member of the LLP following NHCP’s exit. This is because the Limited Liability Partnerships Act 2000 (LLP Act) requires that any limited liability company must have at least two members. It cannot have only one member and the LLP Act goes on to make this clear by regulating what happens if a limited liability partnership carries on with just one member. This provides that where a limited liability partnership carries on for more than 6 months with a single member, then the single member no longer has limited liability and will be regarded as carrying the full unlimited liabilities of the limited liability partnership for any period beyond the 6 months. S1 of the Localism Act 2011 gives the Council the power to establish this wholly owned company.

6.4 Whilst therefore the Council has sufficient statutory powers to pursue the recommendations as set out in the report, the Council is nonetheless under a fiduciary duty. It must be prudent in its use of public funds and base its decision on all relevant facts (disregarding irrelevant ones), acting in a rational manner. This means, in practice, that the Council should be generally satisfied that the option it chooses and the potential financial consequences it will bring are capable of rational justification in that sense.

Subsidy Control

6.5 The Council will need to ensure that any further capital contributions or investment into the LLP are on terms that would be acceptable to a prudent private sector investor in the same circumstances and disregarding any public sector benefits. This is to ensure compliance with the Subsidy Control Act 2022 which became law on the 4 January 2023. Similarly, the Council will need to ensure any purchase of the sites from NHG and the member interest from NHCP are on market terms.

SDLT

6.6 It should be noted that pursuing option 2 rather than option 1 or 3, with the Council purchasing the sites from NHG rather than the LLP, will result in an SDLT saving. This is because s71 Finance Act 2003 will make the property transfers between the Council and NHG exempt from SDLT. This is because both the Council and NHG meet the definition of a “relevant housing provider”.

General

- 6.7 The Council has prepared a draft Heads of Terms document at Exempt Appendix A which outlines the Council's proposed high-level approach to the acquisition of the sites and NHCP's interest in the LLP. These Heads of Terms (HoTs) have been agreed with NHG and NHCP but subject to Cabinet approval and on a non-binding basis save as to confidentiality and costs. These HoTs are based on the adoption of the recommended option 2 – but subject to that approval should Cabinet agree with the recommendation made.
- 6.8 There are two core transactions: a) the purchase of NHCP's member interest in the LLP; and b) the purchase by the Council of the properties being held by NHG.
- 6.9 The Council will need to undertake a due diligence exercise in relation to its acquisition of NHCP's member interest in the LLP. The Council will also need to undertake a due diligence exercise in relation to the properties it will be acquiring from NHG as part of the transaction.
- 6.10 The Council's acquisition of NHCP's member interest in the LLP will also necessitate certain administration for the Council in relation to the ongoing governance of the LLP. This will include putting in place a separate arms-length nominee company (likely to be a company limited by shares) to be the second member of the LLP alongside the Council.
- 6.11 Similarly, the detailed governance of the LLP will need to be reconfigured and the governing instrument (the Members' Agreement) will also need to be amended so that it correctly captures the new ownership.

7. Human Resources implications and risks:

- 7.1 The Rainham and Beam Park Regeneration programme will require continued involvement of officers from the Regeneration Directorate, other Council services and external resources who will also need to support the management of the LLP and of the properties transferred from NHG. The Rainham and Beam Park Housing Zone forms part of the Council's overall regeneration programme.

8. Equalities implications and risks:

- 8.1 The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:
- i. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
 - ii. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and.

- iii. foster good relations between those who have protected characteristics and those who do not.

'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

8.2 The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economic and health determinants.

8.3 In respect of the proposed decision there are no adverse implications or risks associated with the Council's statutory duty.

9. Health and Wellbeing implications and risks

9.1 This decision in itself will present no risks of negative wellbeing to individuals or groups. However, it will contribute to the on-going realisation of the Council's regeneration vision for the Rainham and Beam Park Housing Zone.

9.2 However, a number of issues arise from the delay to the regeneration programme, and these will need to be kept under continuous review.

9.4 The allocation of affordable housing would be subject to the Council's Allocation Scheme and any local lettings policies that would be drawn up to promote Rainham and South Hornchurch residents' interests. Thus, delivery of affordable housing would benefit some of the borough's most disadvantaged residents.

9.5 The new homes built would include a proportion of homes built to lifetime homes and disabled living standards.

9.6 Planned investment in new transport, schools, health, and leisure facilities including new high quality green space would ensure that those living in the south of the borough benefit from improvements in amenities without needing to travel to other parts of the borough, incurring costs and inconvenience.

9.7 The needs of disabled people and carers will be an integral feature of housing stock, allocation and lettings policies. No 'protected' group will be disadvantaged by the developments; however, where there is the possibility of a negative impact, a full Equality Impact Assessment will be carried out. A Health Impact Assessment, HIA will also be undertaken to establish the level of impact the regeneration scheme will have in the area.

10 Environmental & Climate Change implications and risks

10.1 This report does not give rise to any environmental or climate change implications or risks.

10.2 The Regeneration plans for the strategic area will enable the council to build new affordable homes that will be targeted at high levels of energy performance for the entire development as well as for individual flats. The new development's design, when delivered, will carefully consider energy requirements, the surrounding environment and animal habitats.

10.3 The gardens will include bat boxes, bird boxes and insect hotels to create safe animal habitats. The scheme will be aligned with the Havering Biodiversity Action Plan.

BACKGROUND PAPERS

None.

APPENDICIES

EXEMPT Appendix A – Draft Heads of Terms
EXEMPT Appendix B – Maps of land ownership
EXEMPT Appendix C – Transfer Values
EXEMPT Appendix D – Implications of discounted options

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CABINET

Subject Heading:	Housing Allocation Policy 2023
Cabinet Member:	Cllr Paul McGeary
SLT Lead:	Patrick Odling-Smee
Report Author and contact details:	Darren Alexander Darren.alexander@havering.gov.uk 01708 43 3751
Policy context:	Permission to consult on proposed amendments to the current allocations scheme.
Financial summary:	No cost implications for consultation. However, we anticipate costs of £120k to deliver the implementation of the Allocations Policy.
Is this a Key Decision?	Yes – significant effect on two or more wards. All wards in the borough will be included in the consultation
When should this matter be reviewed?	November 2023
Reviewing OSC:	People OSSC

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

- People - Things that matter for residents
- Place - A great place to live, work and enjoy
- Resources - A well run Council that delivers for People and Place.

SUMMARY

- 1.1. The report sets out the Council's draft Housing Allocation Scheme that will be consulted upon for the next twelve weeks following approval from Cabinet.

- 1.2. The draft scheme includes a number of proposed changes to the existing policy that was approved last year. These proposals include changing from a band system to a point system, removal of the community contribution element and implementing an open register. The opportunities register will be integrated into the main register.
- 1.3. Following cabinet approval, the Council will carry out a formal consultation with key stakeholders, members of the public, and partners over a 12-week period from May – August 2023.

2. RECOMMENDATIONS

Cabinet is asked to:

- Approve the request to go to consultation on this Housing Allocation Scheme.
- Note that the outcome of the consultation will inform and shape the final policy before approval is sought from Cabinet.

3. REPORT DETAIL

2.1. Introduction

This report presents the outline features of the 2023 Allocations Scheme. We are seeking approval from Cabinet to launch a consultation period of 12 weeks on the proposed policy.

2.2. Demand for social housing has steadily increased owing to external factors such as the cost of living crisis. The Housing Demand Service are seeing double the amount of homelessness approaches compared to pre covid-19 figures, with homelessness caused by evictions from private rented accommodation being 11% higher in 21/22 than the previous year, domestic abuse rising by over 200% and people being asked to leave by friends and family still being our highest cause for homelessness. The proposed Housing Allocation Scheme puts forward a new, innovative approach to make best use of housing stock available and ensure that priority is given according to housing need.

2.3. In order to ensure this policy is fit for purpose and delivers positive outcomes that support our residents that are in need of housing support or facing homelessness, it is important to outline what the policy **must** deliver. This policy must:

- 2.3.1. Include reasonable preference categories.
- 2.3.2. Prioritise the most in-need households in the borough.
- 2.3.3. Include provisions for care-leavers and armed forces personnel.
- 2.3.4. Balance household size with demand.
- 2.3.5. Make provisions for key-workers.
- 2.3.6. Relieve the pressure on temporary accommodation and supported housing.
- 2.3.7. Support children leaving the family home (alleviating overcrowding and homelessness due to family exclusions.)
- 2.3.8. Enable generations to move on.

2.4. The overarching objective of the new Housing Allocation Scheme is to ensure the Council meets its legal requirements for the allocation of affordable housing under Part VI of the Housing Act 1996 (as amended by the Homelessness Act 2002). This scheme will set out how the Council assesses applicants' eligibility and priority for housing and the types of property applicants can apply.

2.5. This includes the allocation of:

- Housing owned and managed by the Council
- Housing owned by housing associations with whom the Council has nomination agreements allowing the Council to nominate an applicant for housing using this scheme

2.6. The objective of the scheme are to:

- To let properties in a fair and transparent way
- To ensure appropriate levels of priority afforded to applicants
- To ensure that the scheme is as simple to engage with for applicants
- To offer as much choice to applicants as is reasonably possible
- To provide applicants access to a range of housing options
- To provide feedback to applicants about homes let through the scheme
- To encourage and support sustainable communities and social inclusion
- To ensure applicants treated fairly, individually and in accordance with the Council's commitment to Equality, Diversity and Inclusivity
- To make best use of affordable housing, including the use of targets and/or quotas to meet the needs of the local community

2.7. Proposed policy changes – Outline

	Current (2021/22)	Proposed (2023)
Residency Criteria (Years)	6	3 out of 6
Open/Closed Register	Closed	Open*
Waiting list Numbers	2,400	4,000 (estimate)
Bands vs Points	Bands	Points
Reasonable preference categories - includes	Yes	Yes
Method of application	Online	Online
Banding priorities	Five	7 points categories
Opportunities Register	Implemented	Integrated
Equality impact	Refugee, Travelling Community (Race) Mitigated	All groups mitigated

Several key changes proposed to the policy to better assess need, ensuring our social housing supply is allocated to the most in need households. These changes include a simplified housing register eligibility as part of an open register approach, a points system to

replace existing bands that seeks to move away from a blanket assessment approach with an intention to reflect the households needs more succinctly as well striving to become a more flexible, but fair residency criteria.

2.8. Housing Register Eligibility

The proposed allocations policy would operate with an open register, enabling anyone who is legally eligible for social housing to submit an application to join the housing register in Havering. However, there will be eligibility checks following this application to establish the applicant has a connection to the borough. The applicant will need to live in the borough, and have lived in Havering for three out of the past 6 years to join the register, or meet one of the exemption criteria for residency for a local connection to be established. This will be a condition of applying for social housing in the borough.

In order to relieve the pressure on homelessness approaches, we propose to support and incentivise households to stay in the private sector. We can achieve this in part by enabling applicants to join the register and allocate points where they qualify, whilst they remain in their private accommodation. We can also use this as an opportunity to improve and enhance alternative solutions for housing, such as the Find Your Own scheme or promoting shared ownership opportunities.

An open register will inevitably lead to a higher figure on the waiting list; however this will be more reflective of actual demand in the borough. Understanding the borough's ever changing needs is critical to our demand and supply forecast and will form the basis for planned development and regeneration over the next 30 years.

2.9. Points scheme

The proposed 2023 Housing Allocation Scheme introduces a points scheme, replacing the existing band categorisation system, which is used to establish priority need. The new policy contains 7 points categories, each including various points awards. These categories include:

- Homelessness
- Unsanitary, overcrowded & unsatisfactory conditions
- Welfare/ hardship
- Medical
- Management transfers
- Sheltered housing
- Armed Forces

No points will be awarded for residency, as this is a condition of eligibility and therefore does not require a points allocation. In addition to the points awarded to the applicant based on their need, points will be accrued for every year the applicant has stayed on the waiting list.

This system will evaluate need with more detail, rather than grouping applicants in bands with similar circumstances. This addresses the current issue created by the band system, where there is a lack of movement and longer waiting times for households who are in band 3.

The introduction of a points system helps to manage applicant's expectations of wait time based on their housing need, as applicants will be able to self-assess. In addition, properties will have a different points threshold and 'price' depending on demand and supply. For

example, a person applying for a 1 bed property will not have sufficient points for a 2 or 3 bed and respectively a 3-bed in a sought-after area may have a higher points value compared to a 3-bed in a lesser sought-after area. This will encourage movement on the housing register.

2.10. Choice Based Lettings

The proposed scheme will retain usage of Choice Based Lettings that will enable eligible applicants to bid for suitable accommodation via weekly bid cycles. Applicants will be able to note their position based on their points and be able to determine successful bids via the point system.

2.11. Points Terms of Reference

Some measures will be taken to ensure that existing applicants on the register will not be disadvantaged following the transfer from the existing system to the new points system. 'Legacy' cases will be protected against their effective date, with points awarded retrospectively to account for time spent on the register. Priority, previously given for sheltered accommodation and/or community contribution will be protected. Applicants will need to re-register annually to protect their points. This is to encourage applicants to actively bid on suitable properties.

2.12. Keyworker scheme

The new policy will award additional points to key workers. This includes professionals who belong to the following sectors:

- Education
- NHS
- Social care workers
- Police
- Fire Fighters
- Foster carers

The keyworker scheme will promote Havering as a great place to live and work, and support securing accommodation for vital workers in the borough. This follows the removal of the community contribution band.

2.13. Accessible Opportunities – Opportunities register

We will retain an element of the accessible opportunities register, by continuing to support those who approach the council for help with housing who are not eligible to join the register. This includes providing information about shared ownership and private sector rents.

An open register allows people to understand the housing opportunities the council have on offer outside of the stock it owns and this provides greater variety of housing options.

3. Proposed timetable for the adoption of the policy

Action	Date
Cabinet decision to consult on the draft policy	5 th May 2023
Consultation period (12 weeks)	May 2023 – July/August 2023
Consultation analysis/updated policy	October 2023

Cabinet decision to adopt the policy

November 2023

4. Consultation

4.1. The consultation process will run for 12 weeks. This is in line with the Council's Consultation Policy on the basis that this is a major strategy and has significant impact.

4.2. The Council will engage with:

- Residents including rough sleepers, those living in temporary accommodation and those on the Council's housing register
- Members of Havering Council, MP's, Senior Managers of the Council
- Statutory partners
- Members of the Homelessness Forum
- Third sector and voluntary sector partners
- Private landlords
- Other council departments
- Housing providers
- Metropolitan Police
- Barking and Dagenham, Havering and Redbridge Clinical commissioning group
- Members of the Tenant Participation Panel
- Other relevant forums and interested parties

4.3. The methods of engagement that will be used will include:

- An online survey available on the Council's website for all using a summarised version of the strategy with a notification in 'At the Heart' and 'Living' magazines for all residents. Summarised versions of the strategy will be produced in accessible formats for hard to reach groups.
- Round table discussions with organisations/forum members
- Team and one to one discussions
- Email briefings to staff, members and other stakeholders
- Rough sleeper engagement at the drop-in service at Salvation Army and Ahava Night Shelter.
- Social media

4.4. The outcome of the consultation will shape the final policy and inform the Equality and Health Impact Assessment that will accompany the final version of the Housing Allocations Policy.

5. REASONS & OPTIONS

5.0 The recommendations throughout this report have been made so that the Council's Housing Register more accurately reflects the level of housing need in the borough, ensuring that those with the greatest need continue to be prioritised.

5.1 The table below shows the number of successful allocations for each band for the last four years:

Financial Year	1 (ER)	2a (CC1)	2b (CC2)	2c (H)	3 (RP)	Total
19/20	203	171	30	48	3	455
20/21	103	242	71	130	15	561
21/22	173	151	55	100	13	492
22/23	199	141	24	50	78	492
Average	170	176	45	82	27	500
Total	678	705	180	328	109	2000

5.2 Reasons for the decision:

5.3 The above table shows applicants in the Community Contribution bands make up the most allocations, accounting for 44% of allocations in 22/23.

5.4 Emergency Rehousing cases make up the second highest proportion of allocations with 199 lets.

5.5 Interestingly 50% of properties allocated to lower band applicants (Band 3) were of family size (2 bed plus) with the highest proportion of successful applicants being 2 bed need. Greater access to properties has presented better chances for applicants in the lower bands to be successful in getting larger accommodation.

5.6 With reference to the above, section 7.8 details future letting projections for 2023-26. The Housing Allocation Scheme seeks to further advance opportunities created by the current scheme to greater the chances of applicants bidding successfully on their home of choice.

5.7 The Housing Act 1996 Part VI requires significant changes to the Housing Allocation Scheme to be consulted on with stakeholders and housing applicants.

5.8 Consultation with affected parties is essential to good practice and in terms of administrative law; 'consultation' has a specific meaning and should be proportionate, fair, and inclusive.

5.9 Following the authorisation of this proposed scheme, a formal consultation will be conducted in the summer of 2023 with particular objective to move to a points scheme as well as a 3 out of 6-year qualification criteria. The consultation will consist of:

- The proposed scheme and public consultation questionnaire to be published on the Council's consultation portal;

- The questionnaire will be sent to all key stakeholders, including housing associations, neighbouring boroughs and voluntary sector organisations.

Their feedback will be sought and detailed findings will be presented at cabinet.

6.0 Other options considered:

6.1 *To retain the existing allocations policy following launch in August 2022.*

Current policy is not conducive to the changing market and does not meet local need.

6.2 *Removing the allocations policy altogether*

The Council have a statutory duty to deliver an allocations policy therefore, it is not an option to consider the use of one.

7. IMPLICATIONS AND RISKS

7.1 Financial implications and risks:

The implementation of this Scheme has minimal financial implications. However, there could be legal fees incurred in defending challenges against this Scheme. These costs would be met from Housing budgets. We also anticipate costs of £120k to deliver the implementation of the Allocations Policy.

7.2 Legal implications and risks:

- i. Pursuant to Section 166A of the Housing Act 1996, every local authority must have an allocation scheme and must not allocate housing accommodation except on accordance with the allocation scheme. The allocation scheme must include the procedure for allocation of accommodation as well as the persons or description of persons by whom decisions are made.
- ii. Public Sector Equalities Duty
The proposed changes relating to the mitigation to residency requirements, income threshold and savings limit are changes that are open to the Council to make. In deciding whether to implement the proposed changes, the Council must have regard to an Equality Impact Assessment and consider the impact each of the proposed changes would have on persons with protected characteristics with a view to eliminating any potential unlawful discrimination. Where potentially negative consequences of the Scheme change have been identified, effective mitigation should be put in place to reduce the impact. Travellers and refugees have a protected characteristic of race, and who by the nature of their status will be less likely to satisfy a residency criteria. In the circumstances of these groups the residency requirement has been amended and is 5 years rather than the 6 year residency requirement for other applicants to the scheme. A failure to include an effective mitigation to the residency requirement for these groups could lead to the risk of successful challenge of the scheme by an applicant within this group. It is noted

in the EQHIA that the impact on those with this protected characteristic is neutral/positive depending on the accommodation size required. . Further the scheme now including those who have a reasonable preference as being exempt from residency requirements and being able to access the scheme has been stated in the EQHIA to likely include those within the traveller/ refugee cohort.

The relevant legal framework for this exercise is set out in Section 149 of the Equality Act 2010 and known as the Public Sector Equality Duty (PSED).

iii. Reasonable preference groups and reduced priority banding

It is a legal requirement under Section 166 A (3) of the Housing Act 1996 to ensure that 'reasonable preference' is given to persons falling within that section. These categories of persons are outlined in detail in section 166(3), but in summary they are;

- Homeless households
- Homeless households in temporary accommodation
- People living in overcrowded or unsatisfactory housing
- People who need to move on medical or welfare grounds (including any ground relating to a disability)
- People who need to move to a particular locality within the district where to not move them would cause hardship (to themselves or others).

This section includes those who are homeless within the meaning of Part 7 of the Housing Act 1996, and not just those who are owed the full housing duty. Established case law supports the position that an allocation scheme should not seek to exclude groups of people within the reasonable preference categories.

The revised Scheme excepts those within reasonable preference groups from the 6 year continuous residency period, allowing these individuals to access the housing register. Recent case law in the Administrative Court has also confirmed that "the legislation does not prohibit a disqualification criterion that affects some persons falling within a reasonable preference category, provided that as a whole the scheme does give reasonable preference to that category of persons". As such the Scheme as proposed meets the statutory requirements around reasonable preference criteria, and the latest line of case law. It is noted that this is a fruitful area of legal challenge and so decisions in the Courts will need to be monitored to ensure that the Council's Scheme remains in line. This can be done through the periodic review of the Scheme.

iv. Consultation, legitimate expectation and due regard to existing policies.

When considering the proposed changes, the Council is required to have regard to its internal policies, including the Homelessness Strategy and Tenancy Strategy. The Council is also required to have regard to the London Housing Strategy. The legal framework for this requirement is outlined below.

Section 166 A (12) for the Housing Act 1996 provides that:-

A local housing authority in England must, in preparing or modifying their allocation scheme, have regard to—

- (a) their current homelessness strategy under section 1 of the Homelessness Act 2002,

(b) their current tenancy strategy under section 150 of the Localism Act 2011, and
(c) in the case of an authority that is a London borough council, the London housing strategy.

Prior to making the proposed changes, the council should consult with stakeholder and those who could be affected by the proposed changes. Additionally, the Council has a statutory duty to consult with every private registered provider of social housing and registered social landlord as well as its secure tenants. The form of consultation should be inclusive and robust to ensure that the duty to consult is satisfied.

The relevant statutory framework is outlined below:

Section 166 A (13) of the Housing Act 1996.

Before adopting an allocation scheme, or making an alteration to their scheme reflecting a major change of Scheme, a local housing authority in England must—

- (a) send a copy of the draft scheme, or proposed alteration, to every private registered provider of social housing and registered social landlord with which they have nomination arrangements (see section 159(4)), and*
- (b) afford those persons a reasonable opportunity to comment on the proposals.*

Section 166 A (14) of the Housing Act 1996.

A local housing authority in England shall not allocate housing accommodation except in accordance with their allocation scheme.

In addition to the above, the Council is required to consult with those who would reasonably expect to be consulted. The Council should check and ensure that all those who were consulted when the 2016 allocation scheme was implemented (or when any previous amendments to the council's allocation scheme were made) are consulted also.

The Council is required to take into consideration all of the information received from the consultation exercise when deciding whether to implement the proposed changes and in this case the result of the consultation have led to the proposed 10 year residency requirement having been kept at 6 years per the existing policy, with the relevant statutory and required exemptions to that residency requirement.

The four key principles in relation to consultation are set out in the four principles of consultation in the *R (Gunning) v Brent LBC* case which were subsequently approved by the Supreme Court and those principles are as follows: (i) consultation must take place when the proposal is still at a formative stage; (ii) sufficient reasons must be put forward for the proposal to allow for intelligent consideration and response; (iii) adequate time must be given for consideration and response; and (iv) the product of consultation must be conscientiously taken into account.

v. Part 6 Final Offer to Part 7 homeless applicants

Where an offer of accommodation under the Council's allocation scheme is made on the basis that a refusal would end the duties under homelessness legislation, the council must

comply with the requirements of section 193 of the Housing Act 1996 which outlines the format for such an offer. The process regarding making an offer of accommodation is appropriately dealt with in Part 4 of the proposed Scheme, with the appeals process also detailed at Part 5.

- vi. Regard to the need to safeguard and promote the welfare of children – Section 11 of the Children Act 2004
Section 11 of the Children Act 2004 places a duty on local authorities to make arrangements to ensure that their functions are discharged with regard to the need to safeguard and promote the welfare of children.

7.3 Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

7.4 Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics¹ and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants

7.5 Equalities Health and Wellbeing implications and Risks

It is anticipated that the implementation of this Scheme will generate positive health and wellbeing benefits to directly affected residents. Significant decisions entailed in implementing aspects of the Scheme will be informed by the accompanying Equality and Health Impact Assessment (EqHIA - please see appendix 2) which will serve to identify opportunities to maximise health benefits and mitigate potential harms arising from the specific actions proposed.

7.6 Health and Wellbeing implications and Risks

It is anticipated that the implementation of this Scheme will generate positive health and wellbeing benefits to directly affected residents. Significant decisions entailed in implementing aspects of the

¹ 'Protected characteristics' are age, disability, gender reassignment, marriage and civil partnerships, pregnancy and maternity, race, religion or belief, sex/gender, and sexual orientation.

Scheme will be informed by the accompanying Equality and Health Impact Assessment (EqHIA - please see appendix 2) which will serve to identify opportunities to maximise health benefits and mitigate potential harms arising from the specific actions proposed.

7.7 ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any identifiable Climate Change risks or implications that would affect either the Council or borough.

7.8 Future letting projections – 2023-2026

The below tables details allocation projections within the borough for the next three years averaging 800 lets per year. With the regeneration of the Waterloo estate expected to complete in 24/25, there will be higher than usual allocation in the borough. The below table presents an overarching view on projections, with detailed analysis by bedroom size.

Allocation projections – 22/26

	2023-24	2024-25	2025-26
Start Stock number	8,900	8,915	9,471
Loss through RTB & other disposals.	105	110	112
New lets (acquisitions & new build)	120	666	78
Total stock	8,915	9,471	9,437
Stock Turnover	3.9%	4.11%	4%
Relets based on turnover	348	389	374
Relets generated by new lets	65	312	50
Total lets	533	1,367	502

Studio/One bedroom

	2023-24	2024-25	2025-26
Start Stock number	2,910	2,972	3,204
Loss through RTB & other disposals.	20	20	22
New lets (acquisitions & new build)	82	252	18
Total stock	2,972	3,204	3,200
Stock Turnover	4.4%	6%	5%
Relets based on turnover	119	192	170
Relets generated by new lets	37	118	8
Total lets	238	562	196

Two bedroom

	2023-24	2024-25	2025-26
Start Stock number	3,230	3,214	3,452
Loss through RTB & other disposals.	50	50	50
New lets (acquisitions & new build)	34	288	40
Total stock	3,214	3,452	3,442
Stock Turnover	5%	4.9%	4.9%
Relets based on turnover	160	169	175
Relets generated by new lets	28	135	19
Total lets	222	592	234

Three bedroom

	2023-24	2024-25	2025-26
Start Stock number	2,560	2,527	2,587
Loss through RTB & other disposals.	35	40	40
New lets (acquisitions & new build)	2	100	12
Total stock	2,527	2,587	2,559
Stock Turnover	2.65%	1%	1%
Relets based on turnover	67	26	27
Relets generated by new lets	0	47	19
Total lets	69	173	58

Four bedroom

	2023-24	2024-25	2025-26
Start Stock number	200	202	228
Loss through RTB & other disposals.	0	0	0
New lets (acquisitions & new build)	2	26	8
Total stock	202	228	236
Stock Turnover	1%	1%	1%
Relets based on turnover	2	2	2
Relets generated by new lets	0	12	4
Total lets	4	40	14

From the above one bedroom and two bedrooms will continue to make up the vast proportion of future allocations, with larger family accommodation making up remaining demand

APPENDIX

1. Housing Allocation Scheme – draft copy
2. Equalities and Health Impact Assessment (EQHIA)

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Housing Services
Housing Allocation Scheme (2023)

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1. Introduction

1.1 Purpose of this policy

This policy becomes effective on the XX of XXXXX 2023. It replaces the allocation scheme agreed in October 2021.

1.2 Aims and objectives of this policy

The overarching objective of this scheme is to ensure the Council meets its legal requirements for the allocation of affordable housing under Part VI of the Housing Act 1996.

This includes the allocation of:

- Housing owned and managed by the Council
- Housing owned by housing associations with whom the Council has nomination agreements allowing the Council to nominate an applicant for housing using this scheme
- To let properties in a fair and transparent way
- To ensure appropriate levels of priority are afforded to applicants
- To ensure that the scheme is as simple to engage with for applicants
- To offer as much choice to applicants as is reasonably possible
- To provide applicants access to a range of housing options
- To provide feedback to applicants about homes let through the scheme
- To encourage and support sustainable communities and social inclusion
- To ensure applicants are treated fairly, individually and in accordance with the Council's commitment to Equality, Diversity and Inclusivity
- To make best use of affordable housing, including the use of targets and/or quotas to meet the needs of the local community.

1.3 Scope of this policy

This policy applies to new applicants, (including homeless households), and to existing Council tenants transferring from one property to another.

The Housing Act 1996, (as amended by the Homeless Reduction Act 2018, Homelessness Act 2002 and the Localism Act 2011), requires local authorities to make all allocations and nominations in accordance with an Allocation Policy. A summary of the Allocation Policy must be published and made available free of charge to any person who asks for a copy.

This document is available on the Council's website: www.havering.gov.uk and a summary will be available as a paper copy on request.

The Housing Act 1996 (as amended) requires local authorities to give reasonable preference in their allocations policies to people with high levels of assessed housing need. The 'reasonable preference' categories are:

- People who are homeless as defined by the Housing Act 1996, Part 7;

- People who are owed a duty by any local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985), or who are occupying accommodation secured by any such authority under section 192(3);
- People occupying insanitary or overcrowded housing, or who are otherwise living in unsatisfactory conditions;
- People who need to move on medical or welfare grounds (including any grounds relevant to a disability); and
- People who need to move to a particular locality in the district of the Council, where failure to meet that need would cause hardship (to themselves or to others).

The Council can also give additional preference to households in one of the reasonable preference groups listed above. By law the Council must give additional priority to applicants who are current or previous members of the armed forces and who are in housing need.

The Act also requires local authorities to state within the policy what its position is on offering applicants a choice of housing accommodation, or offering them the opportunity to express preference about the housing accommodation to be allocated to them.

1.4 Timescales for this policy

This scheme will commence on xxxx. It will apply to all applicants whenever they joined the housing register.

1.5 Legal context

The scheme complies with the requirements of the Housing Act 1996 and takes into account the following Acts and codes of guidance;

- Allocation of Accommodation: Code of Guidance for Housing Authorities 2002
- Homelessness Code of Guidance for Local Authorities 2022
- Allocation of Accommodation: Choice Based Lettings Code of Guidance for Housing Authorities 2008
- Fair & Flexible: Statutory Guidance of Social Housing Allocations for Local Authorities in England 2009
- Right to Move
- Armed Forces Regulations 2012
- Homelessness Reduction Act
- General Data Protection Regulations (GDPR) 2018
- Domestic Abuse Act 2022
- Care Act 2010
- Housing Act 2004
- Equality Act 2010
- Rehabilitation of Offenders Act 1976
- Housing & Regeneration Act 2008
- The Children Act 1989
- Rent (Agriculture) Act 1976 Housing Act 1985

2. The Housing Register

2.1 Background

In accordance with the Housing Act 1996 Part VI (as amended by the Homelessness Act 2002), section 166A of the Housing Act 1996 and the Localism Act 2011 all Local Authorities and/or agents administering the Local Authorities duties must provide a Housing Allocation scheme.

Demand for social housing in the area far outweighs supply and this policy details how Havering Council (“the Council”) will determine the allocation of its social housing stock and the stock of its housing association partners both where the Council holds nomination rights over the vacant unit of accommodation and where the vacancy has been made available to the Council on a voluntary basis.

This scheme has been adopted having regard to the relevant codes of guidance and supplementary guidance: (“Allocation of accommodation: guidance for local housing authorities in England” (2012); “Providing social housing for local people.

Statutory guidance on social housing allocations for local authorities in England” (2013) and “Right to Move. Statutory guidance on social housing allocations for housing authorities in England” (2015)) and the Council’s Homelessness and Tenancy strategies.

The Choice Based Lettings (CBL) Scheme aims to provide most applicants with as much choice as possible as to where they live, by openly advertising vacancies and inviting applicants to express interest in vacancies they would like to be offered and for which they are eligible.

The purpose of this scheme is to set out how the Council assesses applicant eligibility and priority for housing and the types of property applicants can apply for.

This scheme sets out:

- Eligibility to join;
- How to apply for housing;
- Assessment of applications;
- Who is given preference – the points scheme;
- How homes will be let.

Due to high demand for affordable housing and the comparatively limited supply, not everyone who applies on the Housing Register will be able to be housed in social housing.

The Housing Register will therefore provide access to a range of housing options within Havering and beyond. The following are the schemes that are currently available to Housing Register applicants however these will be amended as new schemes and housing opportunities become available:

- Local authority rented housing
- Housing association rented housing

- Shared ownership and equity share housing
- Low cost private rented and market rented housing
- Housing mobility schemes
- Key worker housing
- Supported housing

2.2 Types of tenancy or tenancy changes that are not included in this scheme

The following are types of tenancy or changes to tenancy that are not an allocation under this scheme:

- Mutual Exchanges
- Assignments of tenancy
- Succession of tenancy
- An Introductory Tenancy becoming a Fixed Term Tenancy (or, in respect of Housing Association tenants, a Starter Tenancy, becoming an Assured Tenancy)
- Provision of non-secure interim accommodation in discharge of any homelessness duty
- Service Tenancies.

Further information about each of the above types of lettings is available from the Council.

2.3 Eligibility to join the Housing Register

Anyone can approach the council for advice and assistance, however there are some restrictions on who can apply to join the housing register.

Applicants who *cannot* join the Housing Register

i. **People from abroad**

A person is ineligible and may not be allocated accommodation under Part VI of the Housing Act 1996 who is either; a person subject to immigration control and is not within a class of persons set out in regulations made by the government; or is within a class of other persons from abroad set out in regulations made by the government unless they are:

- a) already a secure or introductory tenant, or
- b) an assured tenant of a private registered provider of social housing or registered social landlord.

People in the following categories are not 'qualifying persons' and are not able join the housing register.

- ii. **Unacceptable behaviour.** Generally, applicants or members of their household who have committed or been involved in unacceptable behaviour serious enough to make them unsuitable to be social housing tenants will not be accepted onto the Housing Register.

Unacceptable behaviour may include:

- failing to pay rent
- breaching a condition of the tenancy agreement
- causing a nuisance to neighbours
- being convicted of using their home for immoral or illegal purposes

- making a false statement to obtain a tenancy
 - causing the condition of the property to deteriorate by a deliberate act
 - being convicted of an indictable offence, in or in the vicinity of their home
 - being the perpetrator of violent, coercive or controlling behaviour towards a resident of the borough.
- iii. **Non-Residence:** People who are not resident in the borough on the date of application and have not lived in Havering for 3 out of the last 6 years from the date they apply for housing cannot join the housing register. Applicants must also continue to live in the borough if they wish to remain on the housing register. Exceptions may be made if they are:
- Resident in a hospital
 - Resident in supported housing
 - Serving a custodial sentence and were resident in Havering for three years prior to entering hospital/custody.
 - Housed through an agreement with other local authorities, for example through a mobility scheme.
 - Accepted homeless applicants under section 193 of the Housing Act 1996.
 - An existing social tenant needs to move to take up employment or an apprenticeship in Havering.

An exception will also be made where an applicant:

- (a) is serving in the regular forces or who has served in the regular forces within five years of the date of their application for an allocation of housing under Part 6 of the 1996 Act;
 - (b) has recently ceased, or will cease to be entitled, to reside in accommodation provided by the Ministry of Defence following the death of that person's spouse or civil partner where:
 - (i) the spouse or civil partner has served in the regular forces; and
 - (ii) their death was attributable (wholly or partly) to that service; or
 - (c) is serving or has served in the reserve forces and who is suffering from a serious injury, illness or disability which is attributable (wholly or partly) to that service.
- Or in any other exceptional circumstance.

- iv. **Owners of a residential property:** People who own or jointly own or part-own a property which is reasonable for them to occupy.
- v. **Out of borough social housing tenants:** People who are social housing tenants, or joint tenants, of any other local authority or housing association in the UK regardless of the type of tenure.
- vi. **Households with sufficient income or capital to meet their own housing need:** Where we believe that an applicant or partner have deliberately deprived themselves of capital to qualify for housing, we will still include the capital in our assessment of housing need after taking into account the reasons why the money was spent. The financial threshold is £36,000 for single people or couples without children and £50,000 for applicants with dependent children, but this threshold will be reviewed annually as agreed by the Director of Housing in consultation with the Lead Member for Housing.
- vii. **Households placed in Havering by another local authority which has an interim or long term duty to them as a home applicant.**

A fresh application will be considered where the applicant:

- a) has been subject to immigration control, the applicant has been given the right to remain in the UK and has recourse to public funds, or
- b) can show he/she is habitually resident and has recourse to public funds.

Where the Council decides an applicant is ineligible by reason of their immigration status, the Council must notify the applicant of the decision and grounds for it in writing. The applicant has the right to request a review of that decision (see section 11).

2.4 Applying to join the Housing Register

Full details of how to apply for housing can be obtained from the Council's website: www.havering.gov.uk

Where two eligible applicants wish to have a shared application they will be known as joint applicants. An applicant, joint applicant or household member can only have one active application or be included in only one application to the Council, at any time. The information given on the application must be correct and the applicant will be asked to provide evidence supporting the details supplied.

The Council reserves the right to disqualify any applicant from joining the register for a period of two years and/or withdraw any offer of tenancy or recover possession of a tenancy if the applicant has knowingly given false information. All applicants will be asked to complete a declaration stating that the information provided is true.

Applicants who knowingly or recklessly give false information or withhold information relevant to their application may be guilty of an offence under section 171 of the Housing Act 1996. Under that Act, the Local Authority has the power to take action against an applicant which could result in a fine of up to £5,000.

Where an applicant has obtained a tenancy by deception, the Council will take possession action to recover the tenancy under the Housing Act 1985, Ground 5. The Council will make any enquiries necessary, including home visits, in order to determine an applicant's eligibility to join the Housing Register and their level of priority for housing.

When completing the online declaration, applicants are authorising the Council to make such enquiries as are required to complete the assessment.

When completing the application, applicants are also authorising the Council to disclose this information to other parts of the Council and other organisations, including, but not limited to the Police, Probation Services and Social Services, in order to verify the application and complete nomination processes.

Applicants and joint applicants will be asked to provide information about themselves, their household and their housing circumstances so that an accurate assessment of need can be made. Applicants will be required to provide evidence to support their application. Applications made without the requested evidence will not be accepted or assessed.

Where an applicant is assessed as not eligible to join the scheme, the Council will inform the applicant in writing of the reason/s and how to request a review of the decision (see section 15). The Council will also advise them of other housing options available within Havering or beyond.

2.5 Change of Circumstances

Applicants must notify the Council of any changes in their circumstances which may affect their priority or their eligibility for a particular type or size of home. Notifications of changes of circumstances must be made through the online registration system and, where that change of circumstances requires verifying by the Council, the applicant will be unable to bid until the new information is assessed and verified.

Examples could be:

- A change of address (including a move into interim accommodation following a homeless application)
- A change to household income
- Adding an additional household member
- Removing a household member.

This list is for example only and is not exhaustive.

3. Assessment of Applications

3.1 Household Make-up

An application may include anyone that may reasonably be expected to reside with the applicant as part of their household e.g. close family relative, partner etc. The desire to be part of the household is not sufficient reason for inclusion in the application.

Extended families (minors)

In cases where a child is to be included in, or added to, an application but no parental responsibility exists within the household (e.g. grandchildren, nieces, nephews), proof must be provided of legal guardianship or confirmation from Social Services that this placement is necessary and permanent.

Carers

Applicants who require a full time residential carer may include the carer on their application. Proof of the requirement should be provided by Social Services or a primary health care professional. The carer will be assessed as part of the household even if not resident (i.e. lack of bedroom priority may be due).

Fostering

Fostering is defined as fostering for a period in excess of two years (not necessarily involving the same child or children).

Families undertaking fostering may be able to include foster children as part of their application to ensure that they are eligible for the appropriate sized property. It is essential that written confirmation of the fostering arrangement be obtained from Social Services.

Children in care

- a) *Compulsory*: children are treated as though at home, subject to written confirmation from Social Services that the children are to live with the parents on a permanent basis should they be allocated a suitable property. Failing such confirmation, children will not be included on the application;
- b) *Voluntary*: children are treated as though at home.

No offer of tenancy will be made in either case without confirmation from Social Services that the children are to live on a permanent basis with their parent(s).

Adult children at university

Can be included if they previously lived in the household and their intention is to return as their main and only home on completion of their course. Confirmation will be required from the student that they intend to return on a permanent basis.

Children from previous relationships

In determining whether a child can be considered as part of the household, the following will be considered:

- Does the child have accommodation available to them which it is reasonable for them to continue to occupy?
- Does the child have a main residence?
- Who is the primary carer for the child?
- Existence of any order of the court pertaining to the child's residency.

Although the above are relevant factors they do not guarantee that a child will be accepted as part of a household.

Adding new household members

Adults will not be added to an application where this results in the need for accommodation larger than that for which the applicant's household was originally eligible, unless an over-riding need such as ill health or disability can be shown (for example, where an applicant needs to look after an elderly parent).

The desire to be part of the household is not sufficient reason for inclusion on the application. Adults requiring an extra bedroom will only be added to an application if they have a demonstrable, permanent need to live with the applicant.

All adults will need to supply details of their accommodation history for the previous 5 years.

3.2 Specific Needs

Applicants requiring a specific type of accommodation or adaptations as a result of disability/health issues will be given preference for vacancies more suited to their needs.

Together with any other relevant agencies, the Council will work with the applicant to carry out a full assessment of the household's property needs, e.g. need for wheelchair access, ramps, level access shower etc. (for further information see section 7 - "Adapted and accessible properties and the Accessible Housing Register").

However, where an applicant successfully bids on a property that does not contain the necessary adaptations, the Council, or landlord of the accommodation, may assess whether it is reasonable to carry out the adaptations and whether the adaptations can be undertaken within a reasonable time period.

The Council has an Aids & Adaptations scheme that provides adaptations to properties however there may be a wait. Applicants will not be offered a property where a vulnerable person may be placed at risk.

3.3 Divided Households

Where a household is living apart only one application can be registered. In order to determine which property provides the basis of the housing assessment the circumstances at both addresses will be considered.

A Housing Needs assessment will be carried out on both properties as if the household were residing together. The lowest needs assessment will then be applied to the application.

3.4 Effective date of application

The effective date for new applications will be the date a completed application is received by the Council.

Applicants already registered for housing, and re-registering their interest at the point that this policy is implemented, will retain their original application date. Existing applicants who fail to re-register their application within the time limits specified in the invitation to re-register for housing will not retain their original application date and the effective date of application will be the date that the new application is completed.

Where applications are partially completed on-line the effective date of application will be the date that the full application is fully completed.

Where an applicant is accepted as homeless and owed a full housing duty, the effective date of the application will be the date that the homeless application was made.

Where the Council asks tenants to move as part of a refurbishment or redevelopment of their property, the effective date will be the date of the original commencement of tenancy at that property.

3.5 Annual review

Applicants will be required to confirm their application on an annual basis. They will be contacted by email and/or text message on the anniversary of their application on two occasions and if they do not confirm their application and circumstances within the time specified their application will be suspended.

4. Cancelling an application

If eligible to bid, when an applicant has not expressed an interest in any available properties for one year, the Council will contact them to advise that their application will be cancelled unless they confirm that they wish to remain on the register. This will be known as a review of

non-bidders. The applicant will be given 14 days to respond before the cancellation takes effect.

An application will be cancelled from the Housing Register in the following circumstances:

- At the applicant's request
- Where an applicant does not respond to an application review, within the specified time limit
- If the applicant becomes ineligible for housing (see 4 above)
- When the applicant has been housed in suitable accommodation
- Where the applicant has either withheld information or provided false information in order to obtain a tenancy
- Where the applicant has died.
- Where the applicant has moved out of borough and no longer meets residency criteria.

Any applicant whose application has been cancelled has the right to ask for a review of the decision.

Where an applicant wishes to re-join the Housing Register at a later date, the application will then be assessed as if it were a first application.

Applicants will be able to cancel their own application at any time without notice.

5. Suitable Properties

Applicants will be restricted from being allocated properties in certain circumstances.

Examples may include:

- Where a medical assessment recommends ground floor or accommodation with a lift only;
- Where a risk assessment indicates an allocation would place a vulnerable person at risk;
- Where there is an order of court such as an exclusion order preventing a person from residing in a locality.

The above list is not exhaustive. Where a restriction applies an applicant will be informed and any bids placed on unsuitable properties will be overlooked.

Bedroom Eligibility

A separate bedroom will be allocated to a household for the following:

- Single or joint applicants
- A couple
- An adult where that adult has no same sex sibling with whom they can share
- Two children of the same sex (regardless of age)
- Two children of opposite sex where both are under 10 years
- Child aged 10 years or over where the child has no same-sex sibling with whom s/he could share.

Overriding medical and welfare factors will be taken into account when determining any additional bedroom requirement. Guidance will be sought from a medical practitioner or involved professionals.

Bedroom size eligibility will also be dependent on whether the property can accommodate a household size, for instance properties with very small bedrooms may not accommodate larger households. Any restrictions relating to the household size that an advertised property can accommodate will be clearly noted in the CBL property advert.

Due to high demand for, and a shortage of, large family accommodation within Havering, the above criteria may be relaxed and, where room sizes and configuration allow (for example where a second reception room could be utilised as an additional bedroom), vacant properties may be made available to applicants who require a larger number of bedrooms than the property provides. In such cases, applicants will be asked to confirm they are willing to move to a property smaller than their need by opting in via their application form.

If an applicant bids for a property that is smaller than they need, we will normally offer that property unless one of the following applies:

- the applicant would become statutorily overcrowded in the new property — this is because this is against the law
- the only reason we have accepted an applicant on the Housing Register is because their current home is too small and an applicant bids for a property that is the same size as the one they are currently living in.

Where the bedroom requirement criteria are relaxed in relation to a particular vacancy, this will be clearly noted in the CBL property advert.

The Council may also exercise discretion in order to facilitate the transfer of tenants under-occupying family accommodation for which there is a pressing need and where the tenant is willing to move to a smaller property or where a tenant is required to permanently vacate their home due to planned refurbishment or redevelopment, or where permitted by the provisions of a local lettings plan.

6. Housing for older people

The Council has two types of retirement housing:

- Sheltered Housing, for tenants who are more independent and require less home care support.
- Extra Care Sheltered Housing, for tenants who are more dependent and frail, sometimes called “very sheltered”, “extra care” or “Part Two and a half” schemes. This accommodation is for people who require intensive home care support to remain living independently in their own homes.

An applicant for sheltered housing (and their partner, if they have one) must normally be:

- Be aged 55 or over and have a disability or a specific need for sheltered housing.

Applications for all Sheltered Accommodation will be assessed in accordance with the terms of this policy.

Applications for *Extra Care Sheltered Housing* will be considered by the Sheltered Housing Extra Care Assessment Panel and will be administered outside of the terms of this scheme. The Panel will assess applications, taking advice from medical, health and other professionals working with the applicant to assess medical or other needs.

7. Adapted or accessible properties and the Accessible Housing Register

In order to ensure that properties which:

- benefit from adaptations for a disabled occupant, or
- are suitable for applicants experiencing mobility difficulties

are allocated to applicants who would most benefit from the facilities that they provide, the Council operates an Accessible Housing Register. Properties that are suitable for applicants with disabilities or mobility difficulties are clearly labelled to show this when they are advertised through a MOB code.

A MOB code depends on the level of adaptations carried out or accessibility of the properties. CBL adverts for these properties will include information to detail how accessible they are, for example, if the vacancy has a small number of steps, no steps, lift access or if it is accessible to an applicant who uses a wheelchair as well as details of any internal adaptations such as a wet room or widened internal doors etc.

Applicants will also be given a corresponding MOB code to enable them to identify adapted or accessible properties that will meet their needs. CBL bids placed by applicants with MOB codes will be given priority on the bidding shortlists for properties that are advertised with a MOB code.

8. Applicant categories

Applicants will be placed in one of three categories:

8.1 Housing Applicants

These are applicants who are not in social housing (i.e. Council or Housing Association tenants) within Havering and do not qualify for inclusion in the "Homeless Applicants" category.

8.2 Transfer Applicants

These are existing tenants of social landlords (Havering Council or Housing Associations) whose tenancy home is held within Havering.

8.3 Homeless Applicants

These are applicants to whom the Council has accepted a full duty to accommodate under the terms of Part VII of the Housing Act 1996 (as amended).

9. The points scheme

The points scheme relates only to applicants for social rented housing.

Applicants are awarded points to reflect their current housing circumstances. Points are totalled to evaluate the applicants' relative housing priority.

Not all applicants will qualify for all points categories (see table below).

Applicants' eligibility for an award of points is dependent on the applicant category they are placed in (denoted by a ✓ within the table).

The circumstances of all household members will be considered when points are awarded. Points may be varied upwards or downwards depending on changes in an applicant's circumstances.

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	Points award (weighting)	Housing Register	Existing Social Housing Tenants	Accepted Homeless Households
A. LOCAL CONNECTION				
Time waiting points for each year on the Housing Register	10	✓	✓	✓
B. HOMELESSNESS				
Homeless – owed a full housing duty	75			✓
Homeless – Relief Duty	50			✓
Threatened with Homelessness - (Prevention)	25			✓
C. INSANITARY, OVERCROWDED & UNSATISFACTORY CONDITIONS				
Lacking - each bedroom	20	✓	✓	
Lacking facilities (bathroom, kitchen, or WC)	25	✓	✓	
Sharing facilities (bathroom, kitchen, or WC)	10	✓	✓	
Lacking cold or hot water supplies, power or heating	30	✓	✓	
HHSRS Cat 1 Hazard (disrepair)	40	✓	✓	
D. WELFARE / HARDSHIP				
Welfare points	30	✓	✓	
Move-on from supported housing projects	60	✓		
Move-on from care	60	✓		
Fostering & Adoption	35	✓	✓	
Hardship	20	✓	✓	
Social Tenant “Right to Move”	10	✓		
Key workers	30	✓		
E. MEDICAL				
High Medical Need to Move	75	✓	✓	
Medium Medical Need to Move	50	✓	✓	
Low Medical Need to Move	25	✓	✓	
F. MANAGEMENT TRANSFERS				
Social tenants under-occupying current home by one bedroom	45		✓	
Social tenants under-occupying their current home by two or more bedrooms	90		✓	
Decants	80		✓	
Management Transfers – Immediate threat to welfare / life	150		✓	
Management Transfers - “Best Use of Stock” / Other urgent need to move	80		✓	
G. SHELTERED HOUSING				
Eligible for Sheltered Housing only	10	✓	✓	
H. ARMED FORCES REGULATIONS 2012				
Eligible under Armed Forces Regulations 2012 *	60	✓		

Residency

In order to be eligible for assessment an applicant must currently and normally live in the area in settled accommodation and have done so for three out of the last six years and must remain resident within the borough during the lifetime of the application.

Settled and normal accommodation does not include, for example, Bed and Breakfast, staying temporarily with family, friends, etc.

Local connection

The following applicants will qualify for these points and are not required to meet the residency criteria set out above:

- Existing social housing tenants resident in the borough.
- A person who would be a relevant person under The Allocation of Housing (Qualification Criteria for Armed Forces Regulations 2012 [SI 1869].
- A person who is fleeing domestic violence who would qualify for reasonable preference due to homelessness and cannot reside safely where they have a local connection.
- A person who is required to be rehoused in another local authority area due to arrangements with other statutory bodies for example; Witness Protection Schemes; Multi-Agency Public Protection Arrangements.
- In exceptional circumstances, where the applicant has a need for support or medical treatment which cannot be met in any other reasonable location.
- A person who is an existing social housing tenant seeking to transfer from another local authority district in England who have reasonable preference under s166(3)(e) of Housing Act 1996 because of a need to move to the local authority area to avoid hardship, and need to move because the tenant works in the district, or need to move to take up an offer of work. This is also known as 'Right to Move'.
- Non voluntary residence in another area (e.g. in prison).

If, in the opinion of the Council, such inability is the result of their racial origin or related circumstances or lifestyle, the residence requirement will in the case of each provision be reduced from three years to two years provided the applicant can demonstrate to the Council's reasonable satisfaction that they have for the whole or substantial part of that period made a community contribution such as

- Helping borough residents, undertaking paid, unpaid or voluntary work in the borough or
- being a recognised carer for an elderly or disabled adult or child, or other special reason to be decided on a case by case basis by the Council.

Applicants will **not** normally be considered to meet the residence criteria if:

- They have been placed in Havering in temporary accommodation by another council or authority.
- They have been placed in residential care, foster care or supported housing by another council or statutory body or support agency.

- They are residing in a bail hostel or approved premises, unless a local connection already existed prior to their residence commencing.

Exceptional circumstances

In exceptional circumstances, where the applicant has a need for support or medical treatment which cannot be met in any other reasonable location, an application may be awarded points where the local connection is not met, or where a person has no local connection elsewhere.

Homelessness

Homeless – owed a full housing duty

Applicants owed a full housing duty under section 193(2) or 195(2) of the Housing Act 1996 and this duty has not been discharged by the offer of a private sector let or a let of a suitable council or housing association property.

Homeless – not owed a full housing duty

Where an applicant is assessed as homeless, is eligible for assistance but is not in priority need as defined by the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002) and therefore not owed a rehousing duty by the Council.

Threatened with Homelessness – priority need households

Households currently occupying Assured Shorthold or Tied Tenancies under a legal notice or in receipt of a court order requiring the household vacate the property, or households currently living with family or friends or residing in private sector lodgings or supported accommodation who have been served with a legal notice to quit, who are in priority need as defined by the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002).

Applicants who have breached the terms of their tenancy or licence will be subject to the terms detailed in section 14 (Suspended Applications).

These points will be applied for a maximum of 2 months prior to the expiry date of the notice/possession order. Where the notice/possession order has expired more than 2 months ago and has not been enforced, the points will be reviewed and may be removed if the tenancy/accommodation continues to be available.

Threatened with Homelessness - non-priority need households

Households currently occupying Assured Shorthold or Tied Tenancies under legal notice or in receipt of a court order requiring the household vacate the property, or households currently living with family or friends or residing in private sector lodgings or supported accommodation who have been served with a legal notice to quit, who are not in priority need as defined by the Housing Act 1996 Part VII (as amended by the Homelessness Act 2002).

These points will be applied a maximum of 2 months prior to the expiry date of the notice/possession order. Where the notice/possession order has expired more than 2 months ago and has not been enforced, the need will

be reviewed and may be removed if the tenancy/accommodation continues to be available.

Unsanitary, overcrowded or unsatisfactory conditions

Lacking Bedrooms

An applicant will be deemed to be lacking a bedroom if a separate bedroom is not available for each of the following:

- Single applicant
- Joint applicants who are a couple
- A couple (not the main applicants)
- An adult who has no same sex sibling with whom they can share
- Two children of the same sex (regardless of age)
- Two children of opposite sex where both are under ten years
- A child age 10 or over where the child has no same sex sibling with whom s/he can share

Medical and welfare factors will be taken into account when determining any additional bedroom requirements. Guidance will be sought from a medical practitioner or involved professionals.

Where an applicant has deliberately moved an adult family member into the home, any overcrowding attributable to the addition of this family member will be disregarded when calculating bedroom deficiency within the home unless an overriding need such as ill health or disability requiring the person to be considered as part of the household can be shown (for example, where there is a demonstrable need for on-going care or support).

Lacking or Sharing Facilities

Points will be awarded to applicants who have no access to, or currently share with another household a bathroom, kitchen or WC. Another household is defined as any person or persons who will not be rehoused with the applicant and his/her family.

Points will be awarded where the applicants do not have hot or cold water supplies, electricity or adequate heating (i.e. not central heating).

Points for sharing facilities will not be applied where the applicant is entitled, under the terms of their tenancy or licence, to sole use of the facilities contained within the dwelling

HHSRS Category 1 Hazard (Disrepair)

These points will be awarded to private sector tenants and residents of dwellings where the Council's Private Sector Housing Team has determined that the property poses a Category 1 hazard under the Housing Health and Safety Rating System (HHSRS) and the Council is satisfied that the problem cannot be resolved by the landlord within 6 months. The household is not able to resolve their own housing problem by moving to alternative private sector accommodation; and as a result continuing to occupy the accommodation will pose a considerable risk to the applicant's health.

9.1 Welfare/Hardship

Points for welfare will be given following consideration as to whether the circumstances of the applicant will meet the following criteria and that their current accommodation is inadequate for their needs. Welfare points will only be given where the need is not reflected in other categories of points.

Where an applicant qualifies for welfare points only one award will be made per application. Where an applicant qualifies for more than one welfare award detailed below only the highest award will be applied.

Welfare points

Where the applicant's current accommodation has a significant detrimental impact upon the well-being of the applicant and/or members of their household with the effect that their accommodation is considered to be unsuitable for their needs.

The award of these needs will be made having regard to information provided by one or more of the following:

- App's GP or consultant
- Social services
- Occupational Therapist
- Other specialist agency representing the applicant.

9.2 Move on from supported housing projects

Applicants will be awarded these points in accordance with protocols agreed between the Council and the voluntary sector body providing the accommodation. Not all applicants who occupy the recognised supported housing projects will qualify for these points.

Eligible applicants must have a vulnerability and urgent housing need that is best met by the provision of long term settled housing. All other cases will be assisted by the project and the Housing Options service to move on to private rented accommodation.

The criteria for points under this category will be:

- A care leaver is ready to move to independent settled housing and is prepared for a move to independent living
- The applicant possesses the life skills to manage a tenancy including managing a rent account
- The applicant is in need of either long term or medium term tenancy support
- That support package has been assessed and is in place
- The applicant's needs are such that accommodation in the private rented sector would, through its short term nature, have a detrimental effect on their transition to independent living.

9.3 Move on from care

Applicants are awarded this category in accordance with the protocols between the Council's Housing and Childrens Services departments.

Applicants must be a former “Relevant Child” as defined by the Children Leaving Care Act 2002. Not all care leavers will qualify for this points award.

The criteria is as follows:

- A care leaver is ready to move to independent settled housing
- The applicant possesses the life skills to manage a tenancy including managing a rent account
- The applicant is in need of either long term or medium term tenancy support
- That support package has been assessed and is in place
- The applicant’s needs are such that accommodation in the private rented sector would, through its short term nature, have a detrimental effect on their transition to independent living.

All other cases will not be owed reasonable preference under this category and will be expected to be assisted by Children’s Services with support from the Housing Solutions service to move on to private rented sector accommodation.

9.4 Fostering/adoption

Where an applicant has been approved to be a foster carer or adopt, on behalf of Havering Council, and need to move to a larger home in order to accommodate a looked after child or a child who was previously looked after by the council.

This will include special guardians, holders of a residence order and family and friends carers who are not foster carers but who have taken on the care of a child because the parents are unable to provide care and, where suitable accommodation is not provided, the child would need to be placed in the care of the council.

Confirmation of an applicant’s eligibility for this award will be required from the council's social services teams

9.5 Hardship

These points will be given due to an applicant’s need to move on grounds of a requirement to give or receive support or due to employment:

- The applicant needs to access social services or medical facilities and is unable to travel across the borough
- The applicant needs to take up or continue employment, education or training not available elsewhere and who does not live within reasonable commuting distance
- The applicant needs to give or receive substantial and ongoing care

These points would not normally be awarded to applicants who claim that they require ongoing support from relatives or friends unless there are severe mental health, medical or welfare issues relating to this person or a member of the household and exceptional reasons why this support cannot be made available through a reliance on private or public transport.

9.6 Social Tenant - Right to Move

This award will also be applied where a social tenant residing outside of the borough needs to move to the borough for work.

This points award will only be made to households with a housing need, as defined by the terms of this scheme.

When determining whether the award will be made, the following factors may be considered:

- the distance and/or time taken to travel between work and home;
- the availability and affordability of transport, taking into account level of earnings;
- the nature of the work and whether similar opportunities are available closer to home;
- other personal factors, such as medical conditions and child care, which would be affected if the tenant could not move;
- the length of the work contract;
- whether failure to move would result in the loss of an opportunity to improve their employment circumstances or prospects, for example, by taking up a better job, a promotion, or an apprenticeship

This list is not exhaustive.

The award will only be applied if the employment is not temporary or part-time (less than 16 hours per week) in nature.

Where the hours of employment are less than full time, the level of earnings will be taken into account. The applicant's place of work must be based in the Council's area, the existence of a company office based in the Council's area will not by itself meet the criterion.

Voluntary work is also excluded.

Medical Circumstances

If required, a medical assessment will be undertaken by a medical practitioner in order to determine which level of priority, if any, should be given to an application.

The points will only be given where the applicant's health is detrimentally affected by their current housing and whose circumstances are not otherwise recognised by the Points scheme. Where an applicant qualifies for Medical points, only one award will be made per application.

A medical assessment may also be carried out to determine the most appropriate form of housing for the applicant to move to however this is separate from the assessment for their current housing needs.

Where a homeowner is in accommodation determined as unsuitable for the household due to medical circumstances but resources are available (privately or

through the award of a Disabled Facilities Grant) to provide necessary adaptations, the application will not be afforded points on medical grounds.

High Medical Need to Move

Where a medical assessment has determined that an applicant or a member of the household requires an urgent move because of a life threatening or progressive illness or sudden disability and where the applicant's property is directly contributing to the deterioration of the applicant's health or they are unable to access the property.

This may include:

- Where an applicant's condition is expected to be terminal within a period of twelve months and rehousing is required to provide a basis for the suitable provision of care
- The applicant's condition is life threatening and the applicant's existing accommodation is a major contributory factor and where the property cannot be rectified within an appropriate timescale
- An applicant is unable to move adequately in or access their current accommodation and requires re-housing to more suitable housing.

This list is for illustrative purposes only and is not exhaustive.

Medium Medical Need to Move

Where an applicant's housing is unsuitable for severe medical reasons which significantly aggravate the medical condition of the applicant, or member of their household but is not life-threatening or where the applicant's current home is highly unsuitable for them, or a member of their household but is not life threatening.

Low Medical Need to Move

Where the property currently occupied by the applicant aggravates their, or a member of their household's, medical condition. Applications may only be re-assessed for the award of points on medical grounds for the following reasons:

- Upon a change of circumstances where this would affect the type of accommodation required (such as an applicant previously awarded preference for 1 bedroom accommodation now requiring separate bedrooms; or an applicant previously awarded medical priority for a bungalow, now requiring sheltered accommodation);
- Deterioration or improvement in medical condition of applicant;
- On the death of one party who had a medical award;
- The party who had the medical award is no longer a member of the household
- A move to a different address (any medical award would be made on the applicant(s) current accommodation);
- Where additional information that was not previously available is provided.

Suitable housing on medical grounds

The Council's Medical Advisor may recommend the type size and location of accommodation that is deemed to be suitable to meet a household's long term housing needs. Where this recommendation is accepted, the applicant will be informed and any bids placed on unsuitable properties will be overlooked.

Management Transfers

These provisions will only apply to existing tenants of the council.

Where an applicant qualifies for Management Transfer points, only one award will be made per application. Where an applicant qualifies for more than one Management Transfer award detailed below only the highest award will be applied.

Tenants of social landlords where the tenancy is outside Havering will not qualify for these awards.

Under-occupying tenants

This points award will be made to tenants of council or housing association general needs (i.e. not sheltered, or retirement) housing to which the borough has nomination rights. This includes where an occupant succeeds to the tenancy of a property which is unsuitable for their needs.

Due to the shortage of family-sized accommodation within the borough, the Council has exercised its discretion to give additional preference to applicants wishing to vacate this type of property in favour of smaller accommodation. This includes where an occupant succeeds to the tenancy of a property which is unsuitable for their needs.

The Council operates an Assisted Transfer scheme to encourage the release of high demand accommodation. Details will be available from the Council but includes:

- Practical support to enable households to move and help in identifying particular properties;
- Grants to cover the costs of moving;

Decants

This award will be made where the social landlord requires the decanting of current occupants in order to facilitate the refurbishment or redevelopment of the property/site.

Threat of Violence – Immediate Threat to Welfare/Life

These points will be awarded to tenants requiring an urgent transfer of accommodation where continued occupation of the applicants home would place the household at serious and immediate risk of harm due to one or more of the following:

- Racial violence
- Domestic violence
- Hate crime
- Sexual violence
- Other violence
- Being a witness of crime and referred under Witness Protection provisions by the Police.

Evidence to support the applicant's claim to be at risk of violence will be sought by the partners. Evidence required may include:

- Risk Assessment by MARAC (Multi Agency Risk Assessment Conference)
- Evidence from the Police
- Medical evidence of assault

Best Use of Stock/Other urgent need to move

Where there are management problems and a move to alternative accommodation is appropriate, or where it is in the interest of the landlord to do so in order to facilitate best use of its housing stock.

Examples of where a Management Transfers award will be considered include:

- Housing Health and Safety Rating System (HHSRS) where a category 1 hazard A, B or C has been identified
- Racial harassment – not at serious and immediate risk of violence
- Where there are compelling reasons to move the tenant in the interests of making best use of the borough's social housing stock;
- Sexual harassment/victimisation – not at serious and immediate risk of violence
- Other discriminatory harassment or abuse – not at serious and immediate risk of violence
- Other violence that does not pose a serious and immediate risk
- Tenants of the Council occupying homes benefitting from major adaptations where these facilities are no longer required
- Tenants of the Council whose homes require major adaptations where the need can be better, or more economically, met in an alternative property

This list is not exhaustive and is for illustrative purposes only.

Sheltered Housing

Sheltered housing points will only be awarded to applicants who meet the age and household structure criteria for sheltered accommodation but who would not qualify for any other points award other than the "Local Connection" award or would be suspended from bidding (see Section 14) due to:

- Having been assessed as having sufficient financial resources to secure alternative accommodation (see section 2.3)
- Being a homeowner.

Applicants qualifying for this points award will be restricted to bidding for sheltered accommodation only.

Armed Forces Regulations 2012

These points will only be made to households with a housing need, as defined by the terms of sections B to F above and where:

- A member of the household is serving or has served in the regular or reserve forces (as defined in the Armed Forces Act 2006) and has a serious injury, illness or disability incurred through that service; or

- The household is at risk of homelessness from Ministry of Defence accommodation as a result of the death of a spouse or partner as a result of their military service will be given additional preference .

Former service personnel will qualify for this points award where the housing application is made within five years of discharge. Any lump sum payments made to the applicant on discharge will be disregarded for the purposes of assessing an applicant's financial resources.

10. Suspension of applications

Applications will be suspended and will not be permitted to bid for vacant properties in the circumstances detailed below. Due regard will be given to the household's circumstances when applying a suspension to an application.

Housing Related Debts/Debts to the Council

Applicants with housing related debt or debts to the Council will not be permitted to bid on advertised properties. Due regard will be given to the household's circumstances and the criteria below when determining whether they will be permitted to bid.

Housing related debt refers to:

- Rent or mortgage arrears
- Dilapidation charges / rechargeable repairs
- Court costs
- Arrears of service charges included in rent or mortgage
- Housing Benefit debts or overpayments;
- Council Tax debts;
- Outstanding debt through Rent Deposit scheme

In respect of an applicant's current accommodation

Where at the point of application, or during the lifetime of an application, an applicant or member of the applicant's household has, or incurs, housing related debts relevant to a property they are currently legally liable for or debts to the Council, the applicant will not be permitted to bid on advertised properties.

Due regard will be given to the household's circumstances when determining if these bidding restrictions should apply.

If all the housing related debts are cleared, the applicant will be able to bid on advertised properties. Evidence that the debt has been cleared will be required and it will be the applicant's responsibility to provide this evidence.

In respect of an applicant's previous accommodation

Where at the point of application an applicant or member of the applicant's household has any housing related debts relevant to a property they were legally liable for in the last 3 years, the applicant will not be permitted to bid on advertised properties for a period of 6 months.

After the six month period the application can be reviewed. If all the housing related debts have been cleared, the applicant will be permitted to bid on advertised properties. Evidence that the debt has been cleared will be required and it will be the applicant's responsibility to provide this evidence.

Applicants with a debt outstanding at the end of the six months but who have maintained an agreed payment plan for 6 months may be permitted to bid on advertised properties.

Where there remains a debt outstanding they will be expected to enter into a further payment plan and adhere to it exactly. Breaches of this agreement will result in the applicant being unable to bid on advertised properties for a further period of six months from the date of the breach.

Evidence that the payment plan has been adhered to will be required and it will be the applicant's responsibility to provide this evidence. Due regard will be given to the household's circumstances when determining if these bidding restrictions should apply.

If during the life of the application it becomes apparent that the applicant has accrued a housing related debt, the application will be reassessed accordingly. If the applicant has successfully bid on a property the bid will be automatically overlooked. Due regard will be given to the household's circumstances when determining whether restrictions to bidding should apply.

Breach of Tenancy or Licence Terms

Where the applicant, a member of the applicant's household, or a visitor of the household has breached the terms/conditions of a tenancy/licence the applicant will not be permitted to bid on advertised properties.

This does not apply to breaches of tenancy in regards to housing related debt, for debt see section 14. The application will be reviewed after two years.

Where the applicant can demonstrate significant improvement in the management of their tenancy and have adhered to the terms/conditions for a period of not less than twelve months, their application will be reassessed.

Due regard will be given to the household's circumstances when applying a penalty to an application.

Unacceptable Behaviour

Where an applicant, or a member of the applicant's household, has been subject to an action by a landlord or other body due to anti-social or unacceptable behaviour.

Relevant actions can include Notices, Community Behaviour Orders (or historical Anti-Social Behaviour Orders), Community Protection Notices, Noise Abatement Notices or other order, convictions, injunctions, etc. (n.b. this list is not exhaustive). Anti-social behaviour can occur where a tenant permits or fails to control another person that displays anti-social behaviour

Perpetrators of Domestic Violence/Honour/Hate Crime

Where there is any evidence of domestic violence, honour based activity or hate related crimes, not necessarily a conviction, by the applicant, or a member of their household, or at the instruction/direction of the applicant or a member of their household, then the applicant will not be permitted to bid for vacant properties. Supporting evidence will be sought from the Police and/or other involved agencies.

Applicants will not be permitted to bid on advertised properties for an initial period of two years from the action for unacceptable behaviour. The applicant may apply to have this suspension lifted after this period, and will be required to provide evidence of improvement in the behaviour, e.g. successful maintenance of a tenancy.

Violent or aggressive behaviour towards employees of the council or its agents. Where an applicant, or a member of the applicant's household, is verbally, physically or sexually intimidating or abusive, they will not be permitted to bid on advertised properties for a period of not less than two years from the date of the most recent incident.

This suspension will be reviewed after this period when it will be assessed whether or not the offender has improved their behaviour and no longer presents a threat. In order for an applicant to be permitted to bid for properties there will have been no further incidences of abusive behaviour.

Sufficient financial resources to meet the applicant's housing need

A threshold of income and/or assets will be applied, including equity from the sale of a property or equity held within an existing property. Affordability of other housing options will be calculated on the basis of housing needed by the household.

Where a household has sufficient assets or equity/investments to meet their housing need then they will be offered advice and assistance to meet their own housing needs in the private sector and placed on an opportunities register. Due regard will be given to household's ability to release equity.

However, where the applicant, or a member of the applicant's household, has medical and/or support needs, and does not have the financial resources to secure appropriate accommodation they will be able to apply for on the register.

Rents and house prices (open market and shared ownership) will be regularly reviewed to ensure calculations of income and asset thresholds remain reasonable.

Details of current thresholds will be detailed in Section 2.3.

The Council may re-assess these cases where the applicant can provide evidence of a significant temporary loss of income through no fault of their own. The temporary period will normally only be considered where it exceeds or is likely to exceed 6 months, e.g. loss of income due to ill health.

Homeowners

An applicant will be considered to be a homeowner where they have a legal interest in a property and/or occupation rights to it and are able to exercise those occupation rights. This includes applicants who own homes purchased under low cost home ownership schemes such as Homebuy or Shared Ownership.

Homeowners will be permitted to bid for vacant properties where the following circumstances or conditions apply **and** the homeowner, or a member of their household, does not have the financial resources to secure appropriate accommodation (equity within the current property will be taken into consideration) see section **2.3:-**

- The applicant or a member of the applicant's household has medical needs, rendering their current accommodation unsuitable. Guidance will be sought from a medical practitioner.
- Where a homeowner is in accommodation determined as unsuitable for the household due to medical needs (for example, poor mobility) but resources are available (either privately or through a Disabled Facilities Grant) to provide necessary adaptations, the applicant will not qualify to bid for properties.
- In such a circumstance, it is expected and understood that any owned property is to be sold in order to release the equity within a 9 month period, or The household is facing imminent eviction (due to a Court Order for possession having been granted) as a result of mortgage arrears accrued through no fault of their own

Refusal of an offer of accommodation

Where an applicant registered in the Housing Applicant or Transfer Applicant categories refuses a suitable offer of accommodation their application will be suspended for a period of six months. The application will be reviewed upon completion of the six month suspension.

Please note that Homeless applicants towards whom the Council has accepted a duty will only be made one suitable offer. If this is refused no further offers will be made and the council will consider its duty discharged.

Applicants who have knowingly worsened their housing circumstances

Where in the last three years prior to application, or during the life of an application, an applicant has knowingly worsened their housing circumstances the application will be suspended for a period of not less than 12 months.

The application will be reviewed after twelve months to determine whether or not the applicant has secured more suitable/secure accommodation from which the application can be reassessed.

Where the Council applies one of the above bidding restrictions to an application, the applicant will be informed of the restrictions and the reasons for this decision. For details of how suspensions will be applied, see Section 10 – suspension of applications.”

11. Reviews

An applicant has the right to request a review of decisions made under part VI of the Housing Act 1996, in particular:

- Decisions about the facts of the applicants case which are likely to be, or have been taken into account in considering whether to allocate housing accommodation to the applicant;

- Ineligibility for an allocation or lack of any reasonable preference based on previous unacceptable behaviour;
- Ineligibility for an allocation due to immigration status.

Decision letters issued in respect of housing applications will advise the applicant of their right to request a review and provide appropriate guidance on how to do this.

A request for a review of a decision can be made in writing or verbally to a member of staff. The request should be made within 21 days of the notification of the decision. Reviews will be considered within 28 days of the request being received and the applicant will receive a written response outlining the result of the review.

An applicant will only be entitled to one internal review. If the applicant disagrees with the decision made then the applicant may appeal to the Local Government Ombudsman or seek to challenge the decision via a judicial review. Initial reviews will be carried out by an officer who was not involved in the original decision, and who is senior to the original decision making officer.

12. The Letting process

Local lettings policies and allocation quotas

The Council will operate local lettings policies in order to achieve a clearly defined objective in relation to accommodation of a specific type and/or in a specific geographic location. Local lettings policies may be used to meet the following objectives:

- To create mixed, balanced and settled communities;
- To encourage the development of sustainable tenancies and communities within particular developments or geographic areas;
- To make the best use of accommodation benefitting from attributes that make it particularly appropriate for applicants of a particular description;
- To address concentrations of deprivation or anti-social behaviour.

The above list is for illustrative purposes and is not exhaustive. In addition, the Council may, in response to prevailing local conditions, or to assist in the management of its housing stock, set quotas whereby a proportion of units of accommodation may be allocated to certain classes of applicants or Applicant Categories (see 12).

These categories may include:

Properties advertised through the CBL services where priority will be given to bids placed by either Housing Applicants, Transfer Applicants or Homeless Applicants;

- Properties where priority will be given to applicants who are currently in employment;
- Properties allocated to young people leaving care;
- Properties allocated to applicants requiring accommodation in order to facilitate an adoption or fostering arrangement;
- Properties allocated to social tenants from outside of the borough under the terms of the government's Right to Move scheme; □ Properties allocated to Key Workers (see section 9.6).

The above list is for illustrative purposes and is not exhaustive. Any properties subject to a Local Lettings Plan or quota will be clearly identified when advertised through the CBL service. Any Local Lettings Policies or Quotas in place will be published in Appendix B of this scheme and will be reviewed on a regular basis.

12.1 Lettings made outside the scheme

The following allocations will be made outside of the CBL scheme:

- Direct Offer
- Extra Care Retirement Property Lettings
- Non-successors.

Direct Offer

Where there are exceptional circumstances, or overriding management requirements, the Council may occasionally make an offer of accommodation outside of the CBL scheme by way of a direct offer.

Examples of which are:

- As a discharge of homelessness duty
- Where a tenant or a member of their household is in immediate, serious danger if they remain in the property
- Allocations to non-successors as detailed in 12.3 below
- Where an applicant requires a property with specific adaptations and such a property is available and no other applicants require the same.

The above list is not exhaustive. Where a property is allocated by direct let the property will not be openly advertised. Direct Offers will be authorised by the Assistant Director of Housing Demand or their nominated representative.

12.2 Extra Care/Sheltered Properties

Retirement, or “Sheltered”, housing schemes will generally be included in the CBL scheme, with the exception of vacancies in extra care schemes designed for frail elderly people requiring significant personal care. These vacancies will be allocated according to needs assessments by the relevant care agencies, scheme managers and landlords where appropriate.

12.3 Non-Successors

If a tenant of the Council dies and there is another member of the household who does not have the right to succeed but who:

- Had been living with the tenant for the year before the tenant’s death (this does not include lodgers or B&B guests) or
- Had been resident and looking after the tenant for the year before the tenant’s death or
- Has lawfully accepted responsibility for the tenant’s dependants

The Council will consider offering a new tenancy where the landlord is satisfied this is a priority when viewed in the context of other demands on housing needs in the area. If a new tenancy is considered, this could be either in the same accommodation or in suitable alternative accommodation.

However, the non-successor will not be offered a tenancy at the existing location where doing so will render the property under-occupied or where a property has been adapted for the principal tenants use and such adaptations may be required for another household.

13. Bidding

Bidding refers to an applicant expressing an interest in an advertised property.

Properties will be advertised on the CBL website with a specific deadline to bid. Applicants with sufficient priority to be able to bid, or their nominated representative, will be able to bid on three properties per bidding cycle.

Where a bid is placed by a nominated representative, family member or friend on behalf of the applicant, this will be considered as a bid made by the applicant. When placing more than one bid, applicants will be asked to place their bids in order of preference, from first to third.

13.1 Bidding Requirements

Housing Applicants and Transfer Applicants

Housing and Transfer Applicants, subject to the exceptions detailed below, can choose whether or not to bid in each advertising cycle and can use one, two or three of their bids.

Transfer Applicants however, awarded points under the Management Transfer categories (see section 9) with the exception of under-occupying tenants will be expected to use all three bids in each bidding round where suitable vacancies are available. Failure to do so may result may result in the Council placing bids on the applicant's behalf for the next suitable vacancy/vacancies.

Properties of all types and in all locations will be deemed suitable unless exceptions are agreed by the Council prior to bidding commencing.

Homeless Applicants

Homeless applicants towards whom the Council has accepted a duty will be expected to use all three bids in each bidding round where suitable vacancies are available. Failure to do so may result may result in the council placing bids on the applicant's behalf for the next suitable vacancy/vacancies.

Properties of all types and in all locations will be deemed suitable unless exceptions are agreed by the council prior to bidding commencing.

The ability to bid will be withdrawn where the council chooses to discharge its duty towards a homeless applicant with a suitable offer of accommodation in the private rented sector under the terms of s148(5)(7) of the Localism Act 2011.

13.2 Auto-bidding

The auto-bid function places bids on any available properties that match the applicant's requirements at the beginning of each bid cycle. This is done automatically by the computer system. The requirements that the applicant is able to specify are:

- i) Type of property

- ii) The area in which the property is located
- iii) Floor level.

Auto-bidding is available to applicants who are unable to access any methods of bidding and do not have a representative who can place bids on their behalf. Auto-bidding may also be used by the Council when placing bids for applicants (see Bidding Requirements).

14. Advertising

Properties will be advertised on the CBL website with a closing date for bidding. Applicants may be invited to bid for properties for which they would like to be considered.

The adverts for properties will contain as much information as possible about the property in order for applicants to make informed bids and will contain clear details of any applicants restricted from bidding on the property. Property adverts will contain clear details of which applicants will be given preference for the property (for example applicants requiring adapted homes, homeless households, transferring tenants etc.).

Some properties will be subject to a local lettings policy (LLP). In these cases it will be clearly stated in the advert and this will include details of any restrictions on households who are eligible for the property. Where the property size indicates that restrictions must be placed on the number of persons who can be accommodated, this will be stated on the advert (for example, where a property has very small bedrooms).

There may be occasions when the council may need to withdraw an advertised property. Reasons for withdrawal may include:

- An error in the advertising details
- Extensive works are required to the property
- The existing tenant has withdrawn their notice.

This list is not exhaustive. The viewing date will also be listed and applicants will be asked to ensure that are able to attend the viewing on the specified date if they bid.

15. Shortlisting

Applicants may only bid on vacant properties if they are eligible for the type of property advertised. Of those eligible bidders, the order of priority will be determined as follows:

Priority will be afforded first to applicants with the greatest housing need as assessed in accordance with the points scheme, (i.e. the applicant with the highest points assessment), who meet the preference criteria stated in the property advert (e.g. transfer applicants, households requiring adaptations etc.).

Where two or more applicants bid on a vacant property and have equal priority, preference will be given to the applicant who has the earliest effective date of application.

Where two or more applicants with exactly the same level of priority and effective date on the scheme bid for the same property, a senior officer of the Council will decide to whom the offer will be made based on best use of the housing stock and needs of the applicants.

Where an applicant bids successfully for more than one property, the applicant will be offered one property only, in accordance with the order of preference of their bids.

Where a property has specific adaptations (e.g. wheelchair access, ramps, level access shower), priority will be given to applicants who require the adaptation in the property. Details of adaptations and criteria of applicants who will be given preference will be contained in the advert to allow applicants to make an informed decision whether the adaptation is suitable for their needs. Details of the Accessible Housing Register which details how adapted or accessible properties, and applicants who require them, are categorised are available from the Council.

Between the period of being successfully offered a tenancy up to the point of tenancy sign up, the applicant will not be permitted to bid on other advertised properties.

The Council will contact applicants who have been shortlisted for an offer of tenancy. It is the applicant's responsibility to ensure that the Council holds their up-to-date contact details and that they respond within 1 working day to any contact made by the Council. If an applicant does not return contact they will be overlooked for the offer.

At the point of shortlisting, an applicant's circumstances will be verified by Council officers. This is to ensure that the application has been correctly assessed and there have been no changes to the applicant's circumstances since assessment of the application that would alter the priority awarded to the application or the household's eligibility for the specific property they have bid on.

If any changes have occurred that would alter the priority awarded or eligibility, the application will not be shortlisted. The applicant will be informed of this using the most appropriate method of communication for that applicant.

Where an applicant refuses a property the property will be offered to the applicant who has the next highest priority on the shortlist and who meets the eligibility and preference criteria of the property. Where a property has not been offered and accepted within 6 weeks of being advertised due to refusals by applicants or the shortlist being exhausted, the property will be re-advertised.

Certain accommodation (e.g. sheltered accommodation) will only be let to people who meet the age criteria for the specific property or housing scheme, and/or have a disability which means they require this type of housing.

Applicants who do not meet the criteria clearly included in the property advert (e.g. age restrictions) will automatically be overlooked without contact from the Council.

Where a property has been advertised and received no eligible bids, the Council may re-advertise the property and relax eligibility criteria.

16. Viewing a Property

Upon completion of the shortlisting process up to five applicants will be asked to attend the viewing on the specified date. They will be accompanied by a Council officer who will be able to answer any questions relating to the property or the neighbourhood.

At the end of the viewing all applicants will be asked to confirm that they want to be considered for an offer. In exceptional circumstances the applicant may be given additional time to confirm.

17. Offers of Tenancy

A formal offer of tenancy will be made in writing to the applicant with the highest priority who have confirmed they want the property.

Applicants will be offered one of the following types of tenancy:

- Introductory
- Starter
- Fixed-Term Tenancy
- Assured
- Secure
- Assured Shorthold
- Tenancy held in trust.

Introductory Tenancies

Introductory and Starter Tenancies provide increased management and support for new tenants usually during the first twelve months of a tenancy but may be extended beyond this. This initial period also provides reduced security of tenure, though progression to a fixed term, full secure or assured tenancy is automatic at the end of the period, provided there have been no breaches of tenancy resulting in the commencement of possession proceedings.

Introductory tenancies will not be offered to existing secure and assured tenants of any of the Council if they are accepting a transfer of tenancy to another Council property. Other housing providers in Havering have different policies regarding the types of tenancy offered to transferring tenants, applicants will need to seek advice from the Landlord of the property being offered.

Assured Tenancies

Assured tenancies are offered by social housing providers other than local authorities. Details of terms and conditions will be contained in the tenancy agreement.

Fixed Term Tenancies

Fixed term tenancies are offered by local authorities. Details of terms and conditions will be contained in the tenancy agreement.

Secure Tenancies

Secure tenancies are offered by local authorities. Details of terms and conditions will be contained in the tenancy agreement.

Assured Shorthold Tenancies

Assured shorthold tenancies are fixed term tenancies which can become a periodic tenancy and provides less security of tenure than an assured or secure tenancy.

Tenancy Held in Trust

16 & 17 year olds will be offered a tenancy held in trust and may require a suitable guarantor.

If a person is not eligible to join the housing register, then the council cannot allocate a tenancy to him or her with someone else who is entitled to join the Housing Register.

This includes:

- Persons who are ineligible under Part VI of the Housing Act 1996 and associated statutory instruments on the grounds that they are a person subject to immigration control or a person from abroad, other than a person subject to immigration control;
- Persons not habitually resident in the United Kingdom, the Channel Islands, the Isle of Man and the Republic of Ireland, except for those allowed by law;
- EU nationals exercising EU treaty rights with a limited right to reside which means they are ineligible for an allocation of accommodation.

18. Refusals of offer

If, after a property has been offered an applicant refuses the property then the circumstances of the refusal will be considered. If the Council considers that there were not reasonable grounds for refusing the property then the application will be suspended for 6 months.

With regards to Homeless applicants towards whom the Council has accepted a duty, one suitable offer will be made. If this is refused no further offers will be made and the council will consider its duty discharged. Where an applicant fails to attend an arranged accompanied viewing of a property, they will not be permitted to make further bids until they have contacted the Council.

Failure to attend an arranged accompanied viewing will be treated as a refusal.

19. Withdrawal of offer

There may be occasions when the Council or Housing Association may need to withdraw an offer of tenancy after it has been made.

Reasons for withdrawal may include:

- A change in the applicant's circumstances
- The applicant is found to be not eligible for the property
- An error in the advertising details
- Where the offer might put a vulnerable person at risk
- Extensive works are required to the property
- The applicant has attempted to obtain the property by deception.

This list is not exhaustive and withdrawal may be at the discretion of the landlord.

20. Feedback

To enable applicants to make informed bids, the Council will give regular feedback to applicants, to enable applicants to determine the likelihood of future bids being successful. The Council will provide this information on the CBL website.

Information about successful lets will include:

- Property size and area
- Band/Need and effective date of the successful bidder
- Number of bids received on each vacancy.

Applicants receive feedback about each bid they place through their personal login to the website. Information includes:

- Position of bid on the final shortlist
- If the applicant has been shortlisted for or offered a property
- If the applicant has been overlooked for a property and the reason for this.

21. Other Housing Options

The Council offers a number of schemes as part its housing options service. These may include the following:

- Shared ownership and equity share schemes
- Rent Deposit scheme to assist households in securing private rented accommodation
- Other affordable tenures such as near market rent
- Market rented housing
- Under occupation incentives – financial incentives or assistance in moving may be available to Council tenants who are under occupying family accommodation and wish to move to smaller more suitable accommodation e.g. couple or single person household occupying a 2 or 3 bed house and wishing to move to a 1 bed property.
- Low cost home ownership
- Mutual Exchange - The Council will actively support applications for mutual exchanges from tenants who wish to exchange with another tenant or a tenant of another Housing Association or Local Authority.

Further details of the above schemes and any others operated by the Council, including eligibility criteria, can be sought directly from the Council and properties available under these schemes are advertised on the Bedfordshire Homefinder website.

22. Dissemination & communication of this policy/scheme

The allocation scheme will be implemented in 2023.

The review of the scheme will be taken 12 months after implementation and the outcome of the review will be reported to the Service Director of Housing, the Portfolio holder for Housing and the Tenants Participation Board.

23. Equal opportunities statement

The Council operates in a diverse area, providing homes for a wide range of needs. Particular emphasis will be given to developing good practice to ensure that all applicants are enabled to use the scheme, and that it does not discriminate against any applicant seeking housing from the Council.

The Allocations Scheme aims to recognise and support diversity to ensure that no sections of society are excluded and that the service meets the needs of those who may require additional care and support. This policy seeks to meet the needs of all applicants regardless of race, ethnicity, faith or religious belief, gender, sexual orientation, age or disability and to comply with all relevant legislation.

Use, operation and outcomes will be monitored to ensure no sections of the community are excluded or disadvantaged.

24. Data protection statement

Applicants have the right to request such general information as will enable them to assess:

- a) How their application is likely to be treated under the Allocations Scheme, including whether they are likely to be given reasonable preference.
- b) Whether housing accommodation appropriate to their needs is likely to be made available to them.
- c) Details of any decision about the facts of their case which is likely to be, or has been, taken into account in considering whether to allocate housing accommodation to them.

When an applicant applies to the Housing Registers, the Council will seek only information that they require to assess the applicant's application and housing needs.

The data protection principles which underpin the Data Protection Act 2018, are that data must be:

- Fairly and lawfully processed
- Processed for limited purposes
- Adequate, relevant and not excessive
- Accurate
- Not kept longer than necessary
- Processed in a way which maintains the data subject's rights to privacy
- Not transferred to countries without adequate protection.

Confidential information held about applicants will not be disclosed to third parties apart from:

- Where the individual who is the subject of the confidential information has consented to the disclosure

- Where the Council is required by law to make such disclosures
- Where disclosure is made in accordance with an information sharing protocol.

The Freedom of Information Act is in two parts.

The first part, the Publication Scheme, came into force in February 2003.

The second part of the Act came into force on 1 January 2005 and from then the Council has been obliged to provide information to anyone who requests it, unless an exemption applies.

The deadline for meeting requests is 20 working days. It is free to make a request, but the Council can charge for copying and postage. The Council cannot provide information about anyone else e.g. another applicant.

DRAFT

Housing Allocation policy

Equality and Health Impact Assessment (EqHIA)

Document control

Title of activity:	Housing Allocation policy
Lead officer:	Darren Alexander, Assistant Director Housing Demand
Approved by:	Patrick Odling-Smee, Director of Housing
Authors:	Kwabena Obiri, Housing Choice & Applications Manager, Joe Agius, Strategy & Policy Officer
Date completed:	30/03/23
Scheduled date for review:	July 2023

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

1. Equality & Health Impact Assessment checklist

About your activity

1	Title of activity	Housing Allocation policy		
2	Type of activity	Policy Housing lettings		
3	Scope of activity	<p>This policy applies to new applicants, (including homeless households), and to existing tenants transferring from one property to another.</p> <p>The Housing Act 1996, (as amended by the Homelessness Act 2002, the Localism Act 2011 and the Homelessness Reduction Act 2017), requires local authorities to make all housing allocations and nominations in accordance with a Housing Allocation policy.</p> <p>A summary of this Housing Allocation policy must be published and made available free of charge to any person who asks for a copy.</p>		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	Yes	If the answer to <u>any</u> of these questions is 'YES', please continue to question 5 .	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6 .
4b	Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	Yes		

Completed by:	Kwabena Obiri, Choice and Allocations Manager Joe Agius, Strategy & Policy Officer
Date:	30/03/23

How this policy will impact on people?

Background

Social housing is provided by social landlords – generally, local authorities or housing associations. However, it has been clear for some time that housing supply is not keeping up with

demand. Affordable housing however is broader and includes all housing that has received a public subsidy or grant in its development.

Demand for social housing in Havering significantly exceeds the number of properties available. In the financial year 2019-2020, only two in every 10 households on the housing register had a realistic prospect of getting social housing. This policy sets out how the Council will prioritise access to the available housing.

Purpose of this policy

The Housing Act 1996 Part VI requires local authorities to give reasonable preference in the way they allocate their available social housing.

The purpose of this policy is to clearly explain how Havering Council, (“the Council”), decides how available social housing is allocated. It sets out the Council’s eligibility, qualifying and housing need criteria to ensure priority is fairly assigned and allocated to households in the greatest need. It also sets out how the Council will enable access to other forms of affordable housing such as shared ownership and intermediate rented housing.

Aims of this policy

The aims of this policy are to:

- ensure that we make the best possible use of the social housing stock;
- provide housing that is suitable to the specific needs and requirements of households;
- prioritise households that have been assessed to be in most need and to those who make a positive contribution to our community;
- help build sustainable communities and neighbourhoods, and
- ensure social and affordable housing is allocated in a clear, fair and transparent manner.

Scope of this policy

This policy applies to new applicants, (including homeless households), and to existing tenants transferring from one property to another.

The Housing Act 1996, (as amended by the Homelessness Act 2002, the Localism Act 2011 and the Homelessness Reduction Act 2017), requires local authorities to make all allocations and nominations in accordance with an Allocation Scheme. A summary of the Allocations Scheme must be published and made available free of charge to any person who asks for a copy.

This document is available on the Council’s website: www.havering.gov.uk and paper copies will be provided on request.

The Housing Act 1996 (as amended) requires local authorities to give reasonable preference in their allocations policies to people with high levels of assessed housing need. The main groups are:

- People who are homeless as defined by the Housing Act 1996, Part 7;
- People who are owed a duty by any local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985), or who are occupying accommodation secured by any such authority under section 192(3);
- People occupying insanitary or overcrowded housing, or who are otherwise living in unsatisfactory conditions;
- People who need to move on medical or welfare grounds (including any grounds relevant to a disability); and

- People who will suffer hardship to themselves or to others if they are unable to move to a particular locality or district.

In addition to the above, the Council also exercises its statutory discretion to grant additional preference and/or to determine priority between applicants with reasonable preference. Applicants in reasonable preference categories makeup around 82% of the Council’s housing register – comparatively reasonable preference made up around 62% of all Council allocations in 22/23, contributing to 310 of 502 lets. Whilst there is slightly larger demand for accommodation than supply for applicants of reasonable preference, the figures show that they are overall treated fairly, contributing to just under two-thirds of all Council lets.

The Act also requires local authorities to state within the policy what its position is on offering applicants a choice of housing accommodation, or offering them the opportunity to express preference about the housing accommodation to be allocated to them.

The current policy was agreed by the Cabinet in 2021 and since then there have been a change in administration - the review has been conducted to ensure that the policy meets with current legislation and guidance.

In summary – the proposed key changes

The new, Housing Allocation Policy will introduce the following key changes:

1. Qualification Criteria

- **3 out of 6 years continuous residency:**

In order fulfil the Council’s qualification criteria to join the Housing Register, an applicant will be required to demonstrate a continuous residency three out of six years in the borough of Havering.

2. Points Based Award Scheme

Change from the banding system under the current policy to a points based award system which reflect their current housing circumstances. Points are totalled to evaluate the applicant’s’ relative housing priority.

Who will be affected by the activity?	
Applicants to the Havering Council Housing Register to seek housing.	
Protected Characteristic - Age	
Please tick (✓) the relevant box:	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact: Neutral This policy states an Age qualification for applicants to be placed on the Council’s Housing Register. This is: <u>Age - Applicants must be 18 years of age or over</u> The Council will not normally grant a tenancy to anyone under the age of 18 years unless another adult is prepared to act as their guarantor and agrees to cover the rent or any arrears. Exception: The age qualification criterion will not apply where a young person, aged under 18 years, is owed a duty under current legislation, but is unable to access suitable	

	<p>accommodation other than by being given an offer of council or housing association accommodation. In exceptional circumstances, the Council can grant permission to occupy a property to an applicant under 18 years by means of an Equitable Agreement.</p> <p>The policy therefore is inclusive of all eligible persons and does not discriminate on the basis of age, except in the case where persons are under 18 years old and in which case exemption is made according to the duty owed to some young people under legislation as stated above.</p> <p>Applicants to sheltered housing will not be affected by the residency criteria. There is also an exemption for those households that need to give or receive care.</p>
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Evidence:

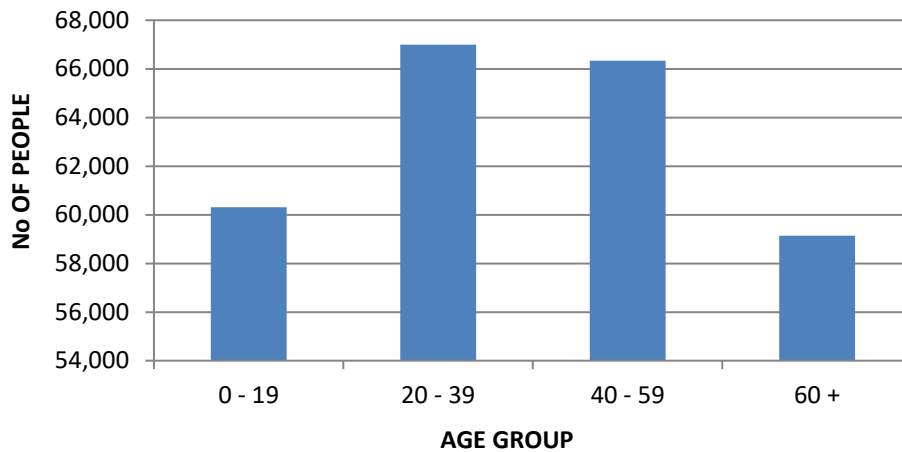
Declining mortality rates mean higher life expectancies.

A newborn male baby in the UK today can expect to live for 79.2 years and a girl to 82.9 years, with 22.6% of newborn boys and 28.3% of newborn girls projected to live to 100 years old¹.

- Havering has the oldest population in London with a median age of 40 years, as recorded in the 2011 census.
- The life expectancy at age 65 years in Havering is 19 years for males and 21.7 years for females. The life expectancy at birth for people living in Havering is 80.2 years for males and 83.9 years for females.
- From 2011 to 2016, Havering experienced the largest net inflow of children across all London boroughs. 4,580 children settled in the borough from another part of the United Kingdom during that five-year period.
- It is projected that the largest increases in population up to 2033 will occur in the following age brackets; children (0-17 years), and older people age groups (65 years and above).

¹ Article: 'Living longer; how our population is changing and why it matters' (Office for National Statistics, August 2018)

HAVERING - BY AGE GROUP



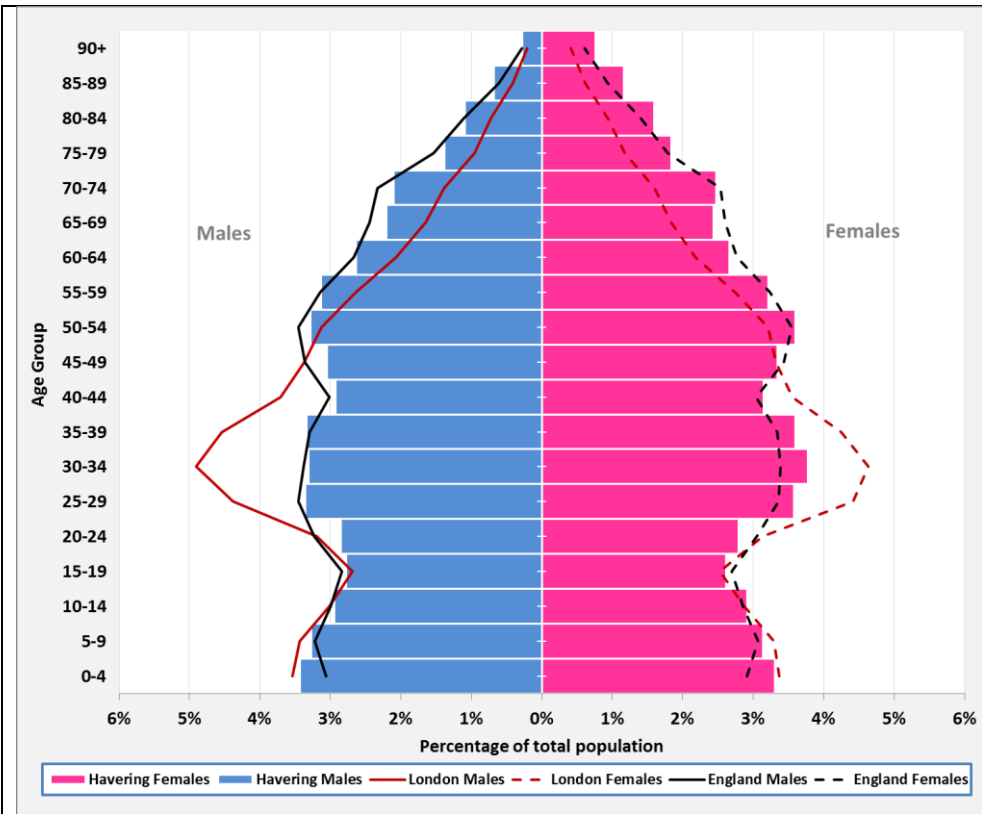
The Havering population is estimated to be 257,810 (ONS, 2018). The table below gives a breakdown by five year age bands and gender.

Age Band (Years)	Male	Female	Persons
00-04	8,850	8,520	17,370
05-09	8,429	8,081	16,510
10-14	7,595	7,503	15,098
15-19	7,166	6,743	13,909
20-24	7,351	7,198	14,549
25-29	8,642	9,220	17,862
30-34	8,526	9,742	18,268
35-39	8,614	9,268	17,882
40-44	7,542	8,125	15,667
45-49	7,868	8,624	16,492
50-54	8,460	9,279	17,739
55-59	8,072	8,290	16,362
60-64	6,806	6,860	13,666
65-69	5,696	6,272	11,968
70-74	5,417	6,379	11,796
75-79	3,561	4,741	8,302
80-84	2,817	4,121	6,938
85-89	1,747	3,000	4,747
90+	719	1,966	2,685
All Ages	123,878	133,932	257,810

Havering has the oldest population in London with a median age of 39 years. There are approximately 60,102 persons aged 65 and over in Havering. This is more than a fifth of the whole population (23.3%).

Figure 1 below shows a much older age structure for the population of Havering compared to London but similar to England.

Figure 1 : Havering, England and London Mid-2018 Population Pyramid



Data source: ONS 2018 Mid-year population estimates.

The increased age of residents within Havering could see mean that there is an increased pressure for smaller or sheltered type properties.

Sources used:

- This is Havering 2019/20 version 4.4, Public Health Intelligence
- ONS 2018 Mid-year Population Estimates

Protected Characteristic - Disability

Please tick (✓) the relevant box:

Positive

Neutral

Negative

Overall impact: Positive

This policy decides on applicants cases based on a number of criteria, including an applicant’s health and consequent housing need priority. The policy states:

MEDICAL
The medical element of the assessment is based on whether the applicant’s health, or a member of their household’s health, would improve by moving to alternative accommodation. Consequently, medical priority is awarded according to the extent to which the health or welfare of one or more members of the applicant’s household, is affected by their current housing conditions and the expected benefits of providing suitable alternative housing.

Applicants are asked to complete a Medical Assessment Form. A Housing Assessment Officer will consider the information supplied by

	<p>the applicant, along with any further and necessary information supplied by other parties such as health professionals and housing officers.</p> <p>Applicants claiming to have a severe and enduring mental illness will need to demonstrate that they currently have, or have recently had, access to Havering Mental Health Services.</p> <p>Depending on the circumstances, medical priority points can be awarded on a scale of 25-75. The following table is used as a guide to how medical priority is determined:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;"><i>Medical Condition Classification</i></th> <th style="text-align: center;"><i>Points</i></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;"><i>High</i></td> <td style="text-align: center;"><i>75</i></td> </tr> <tr> <td style="text-align: center;"><i>Moderate</i></td> <td style="text-align: center;"><i>50</i></td> </tr> <tr> <td style="text-align: center;"><i>Low</i></td> <td style="text-align: center;"><i>25</i></td> </tr> </tbody> </table> <p>Applicants who clearly have an urgent need to move because they have a critical medical condition, or very serious disability, will be awarded 75 points. These points will be awarded in consideration of any other housing need points the applicant may be eligible for.</p> <p>Therefore, the policy makes due consideration of the disability and/or severe health issues of an applicant and provides a bespoke service to consider an individual's health circumstances in deciding their Housing Register application. This should improve the outcomes for disabled applicants.</p>	<i>Medical Condition Classification</i>	<i>Points</i>	<i>High</i>	<i>75</i>	<i>Moderate</i>	<i>50</i>	<i>Low</i>	<i>25</i>
<i>Medical Condition Classification</i>	<i>Points</i>								
<i>High</i>	<i>75</i>								
<i>Moderate</i>	<i>50</i>								
<i>Low</i>	<i>25</i>								

Evidence:

- In 2017, 3,506 adults (aged 18-64 years) were estimated to be living with serious physical disabilities in Havering.
- The estimated rate of serious physical disabilities in Havering (2,323 per 100,000 population aged 18-64 years) is similar to England but significantly higher than London average. It is one of the highest rates within London local authorities (see Figure 22). One of the key reasons for this is likely to be due to the relatively older population in Havering compared to other London boroughs.

Please note: Rate per 100,000 calculation uses mid 2016 population.

The following shows the prevalence of various disabilities in Havering:

Table 1: Number of people aged 18-64 with disabilities in Havering by age band, 2020

Age band	Number with learning disability	Number with Impaired mobility	Number with serious visual impairment	Number with moderate or severe, or profound hearing impairment
18-24	519	192	12	347
25-34	911	366	24	791
35-44	882	1,790	23	1,652
45-54	792	1,685	22	4,271
55-64	721	4,438	21	8,143
18-64	3,824	8,471	102	15,204

Table 2: Number of people aged 18-64 with mental health problems in Havering, 2020

Mental health problem	Number
Common mental disorder	29,906
Borderline personality disorder	3,796
Antisocial personality disorder	5,184
Psychotic disorder	1,100
Two or more psychiatric disorders	11,327

Table 3: Number of people aged 65 & over unable to manage at least one mobility activity on their own in Havering, 2020

Age band	Number
65-69	1,023
70-74	1,642
75-79	1,506
80-84	1,740
85 and over	3,410
65 and over	9,321

Table 4: Disabled population with medical needs

Band	Medical Type	Total	% of Register
1	<i>Special Needs</i>	12	0
	<i>Severe Medical</i>	11	0
2a	<i>Disability</i>	136	5
3	<i>Moderate Medical</i>	44	2

Sources used:

This is Havering (2018)

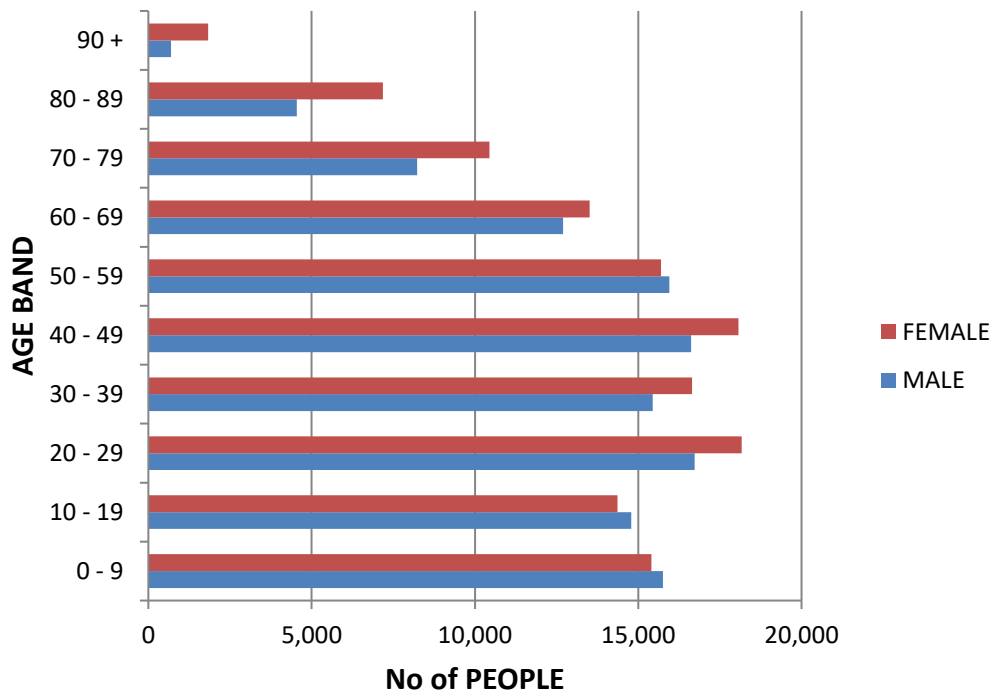
Projecting Older People Population Information: <https://www.poppi.org.uk/index.php>

Projecting Adults Needs and Services Information: <https://www.pansi.org.uk/>

Protected Characteristic - Sex/gender	
Please tick (✓) the relevant box:	
Positive	<input checked="" type="checkbox"/>
Neutral	<input type="checkbox"/>
Negative	<input type="checkbox"/>
<p>Overall impact: Positive</p> <p>This policy changes will be positive for households.</p> <p>The majority of applicants on the housing register are from women headed households, mainly due to the higher levels of poverty in such households. The split in the income thresholds between families and single people will mean that lower paid single women and single parents will not be discriminated against.</p> <p>The increase in priority for households suffering domestic abuse will also have a positive impact on women, who are more likely than men to be the victims of abuse.</p> <p>There is a negative impact of the residency criteria policy that will affect women only headed households who cannot undertake community contributions due to childcare responsibilities.</p>	

Evidence:

HAVERING POPULATION
- BY GENDER AND AGE BAND



Gender	Total	% of Register
Male	589	22
Female	1990	78
Total	2579	100

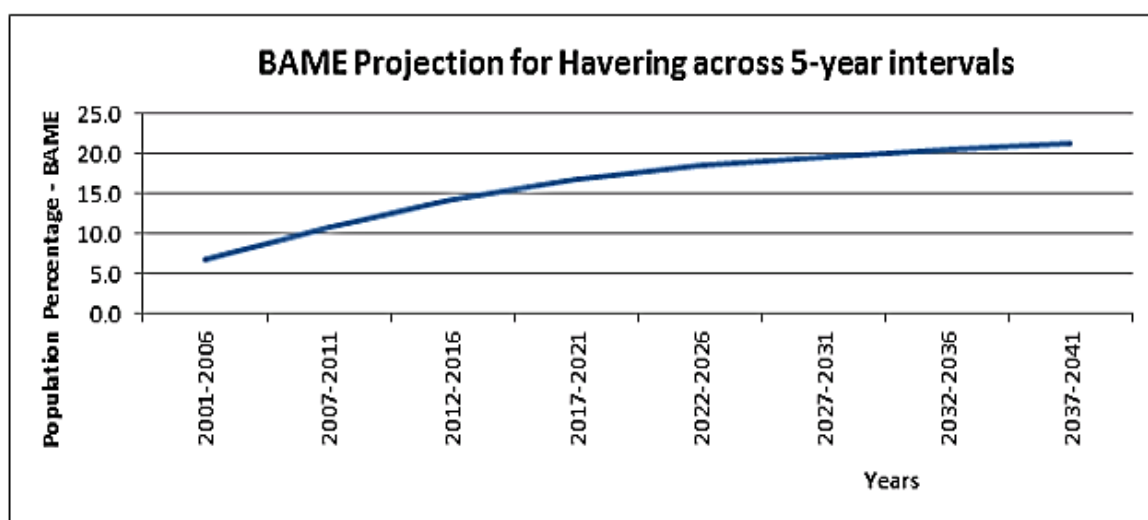
Sources used:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates>

Protected Characteristic - Ethnicity/race	
Please tick (✓) the relevant box:	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
<p>Overall impact: Negative</p> <p>This policy offers an ethnicity neutral approach to making decision on the allocation of housing.</p> <p>There are no proposed changes to the residency criteria which may impact in terms of this protected characteristic.</p> <ul style="list-style-type: none"> • Exception (Travelers & Refugees) - Overall impact would be neutral/positive for applicants of traveller background or refugee status with no sizable advantage gained from the reduction of residency for applicants requiring family accommodation as there would still be extended waiting periods in their elevated banding. Single or Coupled applicants of refugee or traveller backgrounds stand to benefit from a reduction in residency with greater opportunities of success for 1 bed permanent accommodation. • Persons who fall within the statutory 'reasonable preference' groups: <ul style="list-style-type: none"> - people who are homeless (within the meaning of Part 7); - people who are owed a duty by any local housing authority under section 190(2), 193(2) or 195(2) (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3); - people occupying insanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions; - people who need to move on medical or welfare grounds (including any grounds relating to a disability); and - people who need to move to a particular locality in the district of the Council, where failure to meet that need would cause hardship (to themselves or to others). 	

Evidence:

- Havering is one of the most ethnically homogenous boroughs in London, with 83% of its residents recorded as 'White British' in the 2011 census; higher than both London and England.
- However, the ethnically homogenous characteristic of Havering is gradually changing due to its growing cultural diversity.
- The Borough's white population is projected to decrease from the current 84% to 78% in 2032.
- The BAME population, notably those from Black African heritage (though many of whom are likely to be British born) is projected to increase from 4.1% in 2017 to 5.3% of the Havering population in 2032



According to the GLA ethnic projections (2020) There are approximately 40,500 (18%) people from BAME groups living in Havering, the majority being black Africans (11,700, 4.5%).

Table 1: The GLA ethnic population projections 2020

Ethnic Group	Male	Female	Persons
White British	94,850	101,950	196,810
White Irish	1,320	1,620	2,940
Other White	7,280	7,330	14,610
White & Black Caribbean	1,900	1,840	3,740
White & Black African	710	780	1,490
White & Asian	890	860	1,750
Other Mixed	900	920	1,820
Indian	4,050	4,530	8,590
Pakistani	1,290	1,510	2,810
Bangladeshi	1,190	1,140	2,340
Chinese	610	1,010	1,620
Other Asian	1,980	2,120	4,110
Black African	5,270	6,430	11,700
Black Caribbean	2,090	1,940	4,030
Other Black	790	970	1,760
Arab	290	220	510

Other Ethnic Group	660	570	1,220
Total	126,070	135,740	261,850

Table 2: Housing Register by Ethnicity

Racial Classification		Housing Register	
Race	Ethnicity	Total	% of register
White	British	1493	58
	Irish	17	1
	Other	117	5
BAME	Chinese	3	0
	Asian Bengali	34	1
	Asian Indian	20	1
	Asian Other	40	2
	Asian Pakistani	28	1
	Black African	268	10
	Black Caribbean	63	2
	Black Other	34	1
	Gypsy/Irish Traveler	2	0
	White & Asian	8	0
	White & Black African	30	1
	White & Black Caribbean	50	2
	Other Arab	12	0
	Other Mixed	25	1
	Other	11	0
No response	Blank/Refused	324	12
		2579	

2.3.2 (j) Exception (Travelers/Refugees) - a reduction in residency criteria appears to have no significant advantage to applicants of traveler background. From data sourced from P1E records, shows the number of accepted homeless cases under Part 7 between 2016-18 for travelers were as follows:

Table 3: Accepted homeless cases for applicants of traveler/gypsy background 2016-18

Year	Total
2016	0
2017	0
2018	0

For the year 19/20 data sourced from HCLIC showed there were five known traveler cases investigated under part 7 with one case accepted under s.193 main duty. Accepted applications to the housing register did not fare better for applications from travelers with one application made in 2019 and zero acceptances to the register between 2016 and year-end 2020. This appears to suggest there is very little in the way of housing demand from the travelling community.

Table 4: Accepted applicants from traveler/Gypsy community to the housing register

Year	Status	Homeless	Banding	Bed Need	Rehoused
2022	Traveler	Yes	2c	3	No
2022	Traveler	Yes	2a	2	No

Opportunities for non-UK residents/asylum seekers appear to be relatively neutral to positive dependent on bedroom size required. Data obtained shows that between 2016-20 eight households were granted homeless decisions under s.193 of HA96. Of these eight households five went on to apply and become accepted on the housing register.

Figures published by the MHCLG show:

- in London, Black Caribbean households were over-represented in new social housing lettings (accounting for 11.2% of new lettings, compared with 4.3% of the population), as were Black African households (15.2% of lettings, compared with 6.6% of the population)
- in London, White British households were under-represented in new social housing lettings (accounting for 37.0% of new lettings, compared with 45.4% of the population), as were Other White households (7.5% of lettings, compared with 13.2% of the population) and Asian Indian households (2.0% of lettings, compared with 6.9% of the population). This reflects the higher levels of poverty and housing needs amongst BAME populations.

The table below shows the lettings to BAME and non-BAME communities in Havering in 2016 compared to the national average (England). This is the latest year that figures are available.

Table 5. Social Housing Letting 2016/17

	White			Other than White		
	%	Social housing lettings	Population estimate (2016)	%	Social housing lettings	Population estimate (2016) %
Havering	83.7	518	88.3	16.3	101	11.7
Average England	87.4	783	89.8	12.6	152	10.2
Average London	49.1	424	62.1	50.9	492	37.9

<https://www.ethnicity-facts-figures.service.gov.uk/housing/social-housing/new-social-housing-lettings/latest>

This shows that under the current policy non-white households accounted for 16.3% of the social housing lettings in Havering (compared to 50% in London and 12.6% nationally). Non-white households however made up 11.7% of the Havering population (compared to 37.9% in London and 10.2% nationally). In Havering 21% of applicants on the housing register are from non-white ethnicity (see Table 2) however they only received 16.3% of lettings.

Protected Characteristic - Religion/faith		
<i>Please tick (✓) the relevant box:</i>		Overall impact: Neutral
Positive	<input type="checkbox"/>	This policy offers a religion/faith neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	
Evidence:		
Most recent available data (Census 2011) shows the majority of Havering residents are Christians.		
Table 7: Religion and Belief 2011 Census, Havering		
Faith	Number	%
Christian	155,597	65.6%
Buddhist	760	0.3%
Hindu	2,963	1.2%
Jewish	1,159	0.5%
Muslim	4,829	2.0%
Sikh	1,928	0.8%
Other Religion	648	0.3%
No Religion	53,549	22.6%
No Response	15,799	6.7%
Totals	237,232	100%
Sources used:		
Census 2011		

Protected Characteristic - Sexual orientation		
<i>Please tick (✓) the relevant box:</i>		Overall impact: Neutral
Positive	<input type="checkbox"/>	This policy offers a sexual orientation neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	It is not necessary for residents to disclose their sexual orientation therefore a neutral impact is expected.
Sources used:		
There is insufficient evidential information at this time as to whether the impact on this protected characteristic will be positive or negative. It is currently envisaged that there will be neutral impact at the least.		

Protected Characteristic - Gender reassignment	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
<p>Overall impact: Neutral</p> <p>This policy offers a gender reassignment neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.</p>	
<p>Evidence:</p> <p>The Equality Act 2010 says employees must not be discriminated against in employment for being married or in a civil partnership.</p> <p>In the Equality Act marriage and civil partnership means someone who is legally married or in a civil partnership. Marriage can either be between a man and a woman, or between partners of the same sex. Civil partnership is between partners of the same sex.</p> <p>Marriages and registration of civil partnerships in the UK are currently suspended due to the COVID-19 pandemic.</p>	
<p>Sources used:</p> <p>https://www.equalityhumanrights.com/en/advice-and-guidance/marriage-and-civil-partnership-discrimination</p>	
Protected Characteristic - Marriage/civil partnership	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
<p>Overall impact: Neutral</p> <p>This policy offers a marriage/civil partnership neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment. The policy will support households regardless of their marital status</p>	
<p>Evidence: There is insufficient evidential information at this time as to whether the impact on this protected characteristic will be positive or negative. It is currently envisaged that there will be neutral impact at the least.</p>	

Protected Characteristic - Pregnancy, maternity and paternity	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
<p>Overall impact: Neutral</p> <p>This policy offers a pregnancy, maternity and paternity neutral approach to making decision on the allocation of housing. The Policy will be carried out with an emphasis on equality of treatment.</p>	

Evidence: There is insufficient evidential information at this time as to whether the impact on this protected characteristic will be positive or negative. It is currently envisaged that there will be neutral impact at the least. The changes proposed in the new policy will not impact this group.

Health & Wellbeing

Please tick (✓) all the relevant boxes that apply:

Overall impact: Neutral

Positive

Do you consider that a more in-depth HIA is required as a result of this brief assessment? No ✓

Neutral

✓

The process of reviewing this policy will assist the Council in ensuring that accommodation occupied by the tenants meets their housing needs. Housing plays a key role in the health and well-being of residents. Overcrowding of accommodation can lead to health issues and family disputes. Evidence detailed below demonstrates that this is a real problem in Havering. The review process will identify and enable the Council to allocate social housing to those in the greatest need.

Negative

Where resources permit, and eligibility for social housing remains, the Council will look to housing tenants in accommodation that meets the tenants needs, either in council stock or through the use of reciprocal and nomination agreements with registered providers with whom the Council works in partnership.

Similarly, reviews of this policy will also indicate in terms of disability where the tenant's current home is no longer suitable – either where the tenant or a member of their household no longer has a need for a specifically adapted property or where the review identifies that the tenant has a need for an adaptation to their home.

Again, where resources permit, the Council will seek to allocate more suitable accommodation for the tenant or will assist the tenant to obtain a disabled facilities grant to adapt the home.

Evidence:

The table below shows the identified size mix for affordable housing in Havering using both the 2014 and 2015 round GLA long-term trend migration figures for comparison purposes. (*Affordable housing is considered to be housing of any tenure which is judged to be affordable to a particular group or household by analysis of housing costs, income levels and other factors*).

This takes account of both overcrowded households who require a move to a larger dwelling and also under-occupying households who require downsizing.

Fully objectively assessed housing need for Havering for affordable homes 2011 -2033

For both the 2014 and 2015 round data, the evidence points to a high need for three bedroom properties in the affordable housing sector.

	<p>The main driver of this need in the affordable sector is the need to address overcrowded households in Havering who require larger affordable housing.</p> <p style="text-align: center;">Affordable Housing in Havering</p> <p>The review of this policy will assist the Council in identifying where downsizing may be appropriate to certain households and these properties can be placed back in to the churn of much needed council stock.</p> <table border="1" data-bbox="592 495 1166 869"> <thead> <tr> <th></th> <th>GLA 2014</th> <th>GLA 2015</th> </tr> </thead> <tbody> <tr> <td>1 bedroom</td> <td>900</td> <td>640</td> </tr> <tr> <td>2 bedrooms</td> <td>2,400</td> <td>2,850</td> </tr> <tr> <td>3 bedrooms</td> <td>4,100</td> <td>5,400</td> </tr> <tr> <td>4 bedrooms</td> <td>700</td> <td>1,610</td> </tr> <tr> <td>5 bedrooms</td> <td>100</td> <td>20</td> </tr> <tr> <td>Total affordable housing</td> <td>8,200</td> <td>10,520</td> </tr> <tr> <td>TOTAL</td> <td>25,200</td> <td>30,050</td> </tr> </tbody> </table>		GLA 2014	GLA 2015	1 bedroom	900	640	2 bedrooms	2,400	2,850	3 bedrooms	4,100	5,400	4 bedrooms	700	1,610	5 bedrooms	100	20	Total affordable housing	8,200	10,520	TOTAL	25,200	30,050
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	<p>Sources used:</p> <p>Outer North East London Strategic Housing Market Assessment for Havering – November 2016, by Opinion Research Services</p>																								

Review

This EqHIA will be reviewed annually, or as and when new legislation or relevant influential data that may impact on the EqHIA arrives.

Scheduled date of review: April, 2023

Lead Officer conducting the review: Darren Alexander, Assistant Director Housing Demand.

1. Action Plan

The real value of completing an EqHIA comes from the identifying the actions that can be taken to eliminate/minimise negative impacts and enhance/optimize positive impacts. In this section you should list the specific actions that set out how you will address any negative equality and health & wellbeing impacts you have identified in this assessment. Please ensure that your action plan is: more than just a list of proposals and good intentions; sets ambitious yet achievable outcomes and timescales; and is clear about resource implications.

Protected characteristic / health & wellbeing impact	Identified Negative or Positive impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer
Race/ethnicity	Residency criteria will impact predominantly BAME communities.	Mitigations have been added to the policy for refugees, traveler communities and homeless households.	The impact of the policy on these groups will be monitored.	Annually	Kwabena Obiri

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Add further rows as necessary

* You should include details of any future consultations and any actions to be undertaken to mitigate negative impacts

** Monitoring: You should state how the impact (positive or negative) will be monitored; what outcome measures will be used; the known (or likely) data source for outcome measurements; how regularly it will be monitored; and who will be monitoring it (if this is different from the lead officer).

Review

<p>Scheduled date of review: October 2022</p> <p>Lead Officer conducting the review: Kwabena Obiri</p>

Please submit the completed form via e-mail to EqHIA@haverling.gov.uk thank you.



CABINET	
Subject Heading:	Update of the Complaints and Compliments Policies and Procedure
Cabinet Member:	Leader of the Council
SLT Lead:	Andrew Blake-Herbert
Report Author and contact details:	Caroline Little Head of Service, PMO, Executive Support, Complaints & FOIs Email: Caroline.Little@havering.gov.uk Phone: 01708 432095
Policy context:	Reviewing the Complaint Policies and Procedures across the Local Authority
Financial summary:	No financial implications
Is this a Key Decision?	Yes (c) Significant effect on two or more Wards
When should this matter be reviewed?	July 2023
Reviewing OSC:	Overview and Scrutiny Board

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

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place

[x]

SUMMARY

At present the Authority has a number of disparate, out of date policies relating to complaints. For our residents it can be a challenge to navigate and even understand the correct and most efficient way to raise a concern. This report seeks to consolidate, simplify and deliver an effective and consistent approach.

The Head of Service, PMO, Executive Support, Complaints & FOIs, has been in discussions with the Chief Executive and the Leader about these changes following the consultation with residents, all related Ombudsman's and colleagues in other authorities undertaken in March 2023. Findings have been incorporated into the new Complaints and Compliments Policy and Procedures.

According to the Local Government and Social Care Ombudsman "Effective Complaint Handling for Local Authorities", document written in October 2020, "If a complaint does not fall under a statutory process then it is for us to determine how to respond to the complaint properly. A good complaint process is flexible depending on the complaint and the complainant. There is no right or wrong number of stages to a non-statutory complaint process, what matters most is you investigate the complaint robustly and consider your findings properly." This is why we are proposing a two-stage policy which is upheld by the six key principles:

1. Start off right.
2. Fix it early.
3. Focus on what matters.
4. Be fair.
5. Be honest.
6. Learn and improve.

RECOMMENDATIONS

To approve the draft Complaint and Compliments Policy and Procedures attached at Appendix 1.

REPORT DETAIL

In March 2023, a report was submitted to Cabinet on proposed changes to the complaints policies across the Council with ten recommendations.

1. We review and bring together all relevant policies into one easy to understand document, this will include statutory complaints, corporate complaints, data complaints and housing.

2. We have a clear and concise policy (up to 6 pages) that identifies the legislation covered, the objectives of the policy and the difference between a statutory and corporate complaint.
3. We have appendices for the definition and procedure for each area (statutory complaints, corporate complaints (including housing complaints), data complaints and Member enquiries.
4. We provide clear and consistent definitions for complaints, general enquiries and service requests within this policy.
5. We consider an informal complaint stage for those who would like to raise concerns without lodging a formal complaint.
6. We review and reduce the current 3 stage process, striving for a right first time, 1 stage policy where applicable (noting some statutory processes will not allow this).
7. We review and adjust the response timeframe to support a right first time approach, likely to be 20 working days. This gives the officers enough time to conduct a full investigation, with a view that this will then mean they will not develop into an ombudsman complaint.
8. We ensure that data is used and analysed more effectively. A performance report is produced on a bi-monthly basis and that a quarterly report is taken to Overview and Scrutiny sub-committee.
9. Senior Officers will be accountable for complaints with Assistant Directors/ Heads of Service conducting spot checks which will enable them to make changes to improve services.
10. Service improvements, lessons learnt and trends in activity will be provided to Senior Leaders in order to feed in to strategic improvement plans. This will be further supported by lead members who will be able to consider repeat service issues and whether changes to current policies are required.

These recommendations were shared with residents as part of a public consultation and the relevant authorising bodies. Eight of the ten recommendations were upheld. The overwhelming majority of respondents agreed with our 'Getting It Right First Time' approach, and 90% felt our proposed six key principles show a commitment to this approach. 90% said they felt the proposed changes were fair and reasonable. 71% said they felt the definitions are easy to understand. The report on the outcome of the consultation is attached in Appendix 2.

We will provide reports on our performance to internal staff on a monthly basis to ensure any trends are picked up at the earliest opportunity. We will also provide an annual report on our complaint handling and compliments performance and make this information available to the public in the interest of openness and transparency. This will also enable us to focus on the learning and improvements from complaints and compliments and not just on the numbers.

The Housing Ombudsman Service and Local Government and Social Care Ombudsman are currently combining and reissuing guidance for Local Authorities. As part of the consultation, we have incorporated this into the new policy and procedure under the statutory complaints process.

The original proposal of a one-stage policy (Recommendation 6) was considered not appropriate following consultation with Ombudsman and other regulatory authorities. To support a right first-time approach there will be a three-day triage period to review and

allocate the enquiry to the correct pathway for processing. If identified as a complaint, it will progress to Stage 1 with a response timeframe of no longer than 10 working days. For those complaints which progress to Stage 2, we will conduct a further thorough and proportionate investigation and provide a full, clear and honest response within 20 working days. This gives officers enough time to review the initial investigation, with a view that this will then mean they will not develop into an ombudsman complaint.

The proposal of Lead Member sign-off (Recommendation 10) was strongly objected to during consultation by residents and authorising bodies. In order to reduce more work in terms of the administration of redactions and delays in sign off, estimated to be at least five additional days, it has been agreed that where complaints progress to Stage 2 Lead Members will be informed. Our goal is to make our senior officers more accountable for complaints at Stage 1, in the hope that this would encourage better investigations into the complaint.

This resident feedback and feedback from authorising bodies and other local authorities have been included in the new Complaint and Compliments Policy and Procedures.

REASONS AND OPTIONS

Reasons for the decision: Disparate, out of date policies relating to complaints. The need to improve the way we resolve issues and enforcing the right first time and customer centred approach.

Other options considered:

- Not making a change to the policies – rejected as not a satisfactory level of service for customers.
- Implementing a one stage policy – rejected following consultation.

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications to make the recommendations highlighted in this report.

Legal implications and risks:

There are various pieces of legislation which require the Local Authority to have a complaints process as follows:

- Section 26 (3) Children Act 1989,
- The Local Authority Social Services and National Health Service, Complaints (England) Regulations 2009.

The proposed policies comply with the legislative requirements.

In terms of other types of complaints the Authority merely has to act reasonably. The proposed corporate complaints policy sections appear to be reasonable.

The Authority has gone to consultation over the content of the Complaints policy. Whilst this is not statutorily required it is good practice. Having undertaken consultation the Decision Maker must conscientiously take the results of this consultation into account before making a decision.

Human Resources implications and risks:

There are currently no HR implications or risks that impact on the Council's workforce as a result of reviewing and developing a new complaints process. However, should the outcome of the review lead to a need to make changes to the structure of the current complaints teams, these changes will be undertaken in accordance with the Council's Organisational Change policy and procedure.

Equalities implications and risks:

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- i. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- ii. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- iii. foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment/identity.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EIA has been completed for the complaints and compliments policy and procedures to identify any potential areas of concern. This includes potential impacts on those residents who does not have access to or know how to use a computer to complete online (Socio-economic/ age) as well as those residents who are unable to read / write (learning difficulties) or whose first language is not English (language). Reasonable adjustments have been identified and included in the new policy.

Health and Wellbeing implications and Risks

There are no health and wellbeing implications to make the recommendations highlighted in this report.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

Having more than one policy uses more carbon to store each of them on our website, and by only enabling our customers to use an online form also uses less carbon, so by reducing the number of documents we have and enabling our residents to contact us in a number of ways will reduce the amount of carbon we produce.

BACKGROUND PAPERS

EIA

APPENDIX 1

New Complaints and Compliments Policy and Procedures

APPENDIX 2

Proposed Changes to Havering Council's Complaints Policy Consultation Analysis

London Borough of Havering

Complaints and Compliments Policy and Procedures 2023

Complaints and Compliments Policy and Procedure includes procedures for Members Enquiries, Social care complaints, Housing complaints and Data Protection complaints

Jodie Gutteridge
10/11/2022

Document Control

Sign off and ownership details

Document Name	Complaints and Compliments Policy and Procedures 2023
Version number	V0.3
Approved by	
Date Approved	
Date for Review	
Author	Jodie Gutteridge Corporate Policy & Performance Lead
Owner	Caroline Little Head of Service, PMO, Executive Support, Complaints & FOIs
Document Location	

Revision history

Version	Change	Date	Dissemination
V0.1	Draft	19/04/2023	Caroline Little Sarah Birtles Ann Carey Johannah Philp Michelle Giordmaina
V0.2	Draft	11/05/2023	Veronica Taylor Kevin Engstrom Jane Glazebrook Alexandra West Alison Moss

Equality & Health Impact Assessment record

1	Title of activity	<i>Complaints and compliments Policy and procedures 2023</i>		
2	Type of activity	<i>Renewed policy on Complaints and the acceptance of compliments</i>		
3	Scope of activity	<i>Complaints and compliments policy, which will include guidance for staff and complainants on Members Enquiries, Social care complaints, housing complaints and Access to Information requests</i>		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	Yes	If the answer to <u>any</u> of these questions is ' YES ', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is ' NO ', please go to question 6.
4b	Does this activity have the potential to impact (either positively or negatively) upon people (9 protected characteristics)?	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	Yes		
5	If you answered YES:	Please complete the EqHIA in Section 2 of this document. Please see Appendix 1 for Guidance.		
6	If you answered NO: (<i>Please provide a clear and robust explanation on why your activity does not require an EqHIA. This is essential in case the activity is challenged under the Equality Act 2010.</i>) <i>Please keep this checklist for your audit trail.</i>			

Date	Completed by	Review date
7th June 2023	Jodie Gutteridge	July 2024

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Introduction

The Council defines a complaint as “***an expression of dissatisfaction, however made, about the Council’s provision of, or failure to provide, a service for which it has responsibility, the action or lack of action by the Council, its own staff, or those acting on its behalf, affecting an individual resident or group of residents and when it has not been put right in a reasonable timescale.***” Havering Council provides a wide range of services to many people, and we aim to deliver these services to the highest possible standards. Your complaints and concerns are important to us.

This policy is aimed at anyone who is dissatisfied with any services delivered by the Council and is considering contacting us seeking a viable solution, as well as those who would like to praise or provide positive recognition for a job that you feel we have done well.

Purpose

Our right first-time approach to complaints is driven by the [Council’s Vision](#) “The Havering you want to be part of” and focusing on “things that are important to our residents” and making sure Havering is “a great place to live, work and enjoy”.

We pride ourselves on treating everyone fairly no matter the circumstances and we are keen to understand our customers’ experiences of the services we deliver to all our residents and use learning to improve any identified service failures.

This policy supersedes:

- The Corporate Complaint Policy and Procedure.
- Vexatious Complaints.
- Adult Social Care Complaints and Compliments Policy.
- Children and Young People’s Complaint Procedure.

We have also included a guide to Member’s enquiries and Freedom of Information requests to ensure all processes are aligned.

Policy summary

Scope

Our complaint process has been tailored to accommodate all (statutory and corporate) complaints to ensure a clear consistent approach across all areas of the organisation, which will be more efficient and easier to communicate. This process will allow us to determine each complaint on its own merits. We will investigate all complaints to allow us to identify any service failures, and will review all compliments, which in turn will allow us to act on learning opportunities, ensuring the lessons learnt, both good and bad, reach those officers in the Council who can affect change.

A good complaints process will comply with the law (statutory complaints), and those which are non-statutory complaints are addressed in this policy under the corporate complaints process.

The Council will seek to resolve complaints at the earliest opportunity. Where possible, every attempt will be made to deal with the issues quickly. Some complaints received by the Council have to be dealt with under a statutory process and our complaints policy will set out the difference between statutory and corporate complaints, as well as informal and formal complaints. However, there are a few instances where some services will have their own appeals processes, so are not included in this process. These include:

- Penalty Charge Notices (PCNs).

- Appeals against planning applications and planning enforcement.
- Council Tax enforcement.
- School appeals (including transport to schools).
- Housing appeals.
- Matters where legal action has commenced or where there is a separate appeals procedure.

The attached procedures (Appendices 1-5) sets out how the Council will deal with any complaint coming into the Council including the necessary timescales set to investigate and respond to all complaints.

The Complaints, Compliance and Information Governance Team are also responsible for access to information requests which do not fall within the scope of this policy. Freedom of Information (FOI) requests, Environmental Information Regulations (EIR) and Individual Rights Request, including Rights to Erasure and Rights to Rectification, are overseen by the Information Commissioner. Havering Council abides by their statutory guidelines and timescales.

Legislation

This policy adheres to the following legislation:

- The Local Authority Social Services and National Health Service Complaints (England) Regulations 2009.
- Section 26 Children Act 1989.
- The Children Act 1989 Representations Procedure (England) Regulations 2006.
- Freedom of Information Act 2000.
- UK GDPR and Data Protection Act 2018.
- Re-Use of Public Sector Information Regulations 2005.
- Environmental Information Regulations 2004.
- Human Rights Act 1998.
- Equality Act 2010.
- Localism Act 2011.
- Social Housing (Regulations) Bill.
- DWP Regulations.

Timescales

This Policy will apply from July 2023 onwards. It will be subject to a review periodically to reflect any changes in legislation or Council practice.

Aims, objectives and outcomes

We take General Data Protection Regulations (GDPR) seriously and will not use your information for anything other than for the purpose in which it was intended to be used. We treat all complaints the same and will ensure we investigate each part of the complaint robustly and consider our findings properly.

We ensure that our procedures are simple, to guarantee our customers know where and how to complain and have easy access to our complaints system.

Our objectives to handling our complaints are to adhere to our six key principles of complaint handling:

1. **Start off right** by providing a simple and time bound complaint process.
2. **Fix it early** through acknowledging mistakes and resolve complaints early.
3. **Focus on what matters** and put the complainant at the heart of the process.

4. **Be fair** by providing impartial and objective complaint handling.
5. **Be honest**, open, accountable and provide clear reasons for decisions.
6. **Learn and improve** through regularly reviewing and measuring the satisfaction of our complainants and the complaint procedure.

Policy

The Council defines a complaint as “***an expression of dissatisfaction about the Council’s provision of, or failure to provide, a service for which it has responsibility and when it has not put right any service failure in a reasonable timescale.***”

The Council defines a compliment as “an expression of satisfaction, positive recognition or praise for a service, team or individual officer.”

We accept feedback through all means including:

- Our online forms.
- Through our call centre (phone: 01708 434343).
- Via the post (Town Hall, Main Road, Romford. RM1 3BD).
- In person through visiting and talking to a member of staff at any of our libraries.
- Via email (available on the website).

We will review all complaints and determine which of the following complaints types your complaint falls under:

- Corporate Complaint - If a complaint does not fall under a statutory process then it is for us to determine how to respond to the complaint. Further information on the process is outlined in appendix 1.
- Statutory Complaint - The way we deal with complaints relating to Children’s and Adult Social Care services, and now any complaints relating to our housing stock, is set down by legislation. As a result, the process and timelines for dealing with complaints may vary dependent upon the type of complaint being made. Please refer to appendix 2.
- Data Protection complaint - The way we deal with complaints relating to how we handle your personal information is outlined under data protection legislation. As a result, where a complaint relates to data protection matters, for example complaints in relation to Subject Access Requests, this will not be dealt with under the Council’s Corporate Complaint process. Your complaint will be reviewed and responded to by the Complaints, Compliance and Information Governance Team. Should your matter not be dealt with satisfactorily there is the opportunity to appeal to the Information Commissioner’s Office (ICO). Where a complaint covers more than one area, if there is a data protection element to your complaint, this will be investigated separately from your main complaint. Please refer to appendix 3.
- Members’ enquiries – Councillors and MP’s are able to make enquiries and complaints on behalf of one of their constituents, however if a resident has already raised a complaint the councillor will not be able to also raise the same complaint on behalf of the resident, and vice versa. Please refer to appendix 4.

For all complaints we will provide complainants with an acknowledgement, conduct a full and thorough investigation and try to resolve your issue at the first point of contact.

We will maintain the confidentiality of all personal information and will not disclose it outside Havering Council without your permission unless we are legally obliged to do so. However, if we are informed of anything that makes us think that an individual is unsafe or at risk of being harmed, we will pass this on to the appropriate authority or service for action.

When someone has suffered an injustice, we try to put them back in the position they would have been had that error not occurred. Our focus is on restoring services that have been

denied and taking practical steps to put things right. Where that isn't possible, we will try to think of creative remedies that acknowledge the impact of faults. We look at the injustice that has occurred and then use the [Local Government and Social care Ombudsman guidance on remedies](#) to objectively decide what is an appropriate remedy for that injustice. For more information on the remedies Havering Council offer please see [Appendix 5](#).

What are the differences between complaints?

Havering Council welcomes feedback on their performance and uses this to improve our services. If you have experienced an unsatisfactory service from Havering Council and are considering contacting us to seek a viable solution, then please note that our employees can resolve most issues of dissatisfaction as part of their job without the need for you to make a formal complaint. This can be achieved through our **informal complaint process**. A failure to receive a service following an initial service request will be treated as an informal complaint. Examples of these could be missed appointments or missed bin collection following notification to the Council that your appointment was missed or your bin has not been collected. This can be completed online through our informal complaint process form, or you could contact our call centre to speak to someone directly.

However, if you still encounter a problem after reporting this, if you have reported it a number of times without resolution or you are dissatisfied with the service you received when reporting then you are able to make a **formal complaint** through our Complaints process. As identified above a **statutory complaint** relates to the services received from Children's and Adults social care, and now any complaints with regards to housing matters (inc. repairs, Anti-Social Behaviour (ASB) and homelessness), whereas a **Corporate Complaint** relates to all other services provided by Havering Council. A **Data Protection complaint** refers to complaints regarding the handling or use of your data.

What is the difference between a complaint and member enquiry?

A Member's Enquiry is *"a request for information, the clarification of circumstances or further information for a particular situation or constituent, or the notification of dissatisfaction with a service."*

Councillors and MPs are able to enquire or make a complaint on behalf of their constituents, at their request, through the usual complaint process. However, if a resident has already logged a complaint, we will not be able to accept a duplicate complaint on their behalf through a councillor / MP. If the councillor / MP would like to follow up on the progress or outcomes of a complaint that a constituent has already raised, this will be treated as a member's enquiry and would need to follow the process outlined in appendix 4.

If the resident doesn't express the wish to make a formal complaint, but the councillor / MP would like to raise the issue themselves then this will need to go through as a member's enquiry as outlined in appendix 4.

Who can complain

For our **corporate complaint process**, anyone can complain who uses, has used or is affected by the services we provide.

For our statutory complaints process, you can complain if you:

- Receive or have received a service from Havering Adult Social Care.
- Are acting on behalf of a service user (with their consent).
- Are acting on behalf of a service user who has died, or is unable to make a complaint due to, physical incapacity or lacks capacity within the meaning of the Mental Capacity Act 2005 and who is acting in their best interest and the service user has

not previously indicated that they did not want that person representing them before they died/lost capacity

- A child or young person and a parent or someone with parental responsibility for a child/young person who is either looked after by the local authority or is a child in need.
- A child or young person, or an individual involved in fostering, adoption or Special Guardianship arrangements.
- A care leaver to the Local Authority about services under the Children Act .
- Someone acting on behalf of a child or young person who the local authority considers has sufficient interest in the child and whose views the Council consider to be relevant. Consent and views will be sought from the child where appropriate.
- Someone who is acting on behalf of a child or young person who is unable to make a complaint due to:
 - lacking capacity within the meaning of the Mental Capacity Act 2005 and who is deemed to be acting in their best interest.
- An adult relating to a child or young person but not on behalf of the child or young person. The local authority will determine if there is sufficient interest in the child's welfare and seek the child or young person's consent where appropriate.
- A tenant / or anyone living in a property which the Council owns or manages.

Please note that

1. Anonymous complaints, where enough information is provided to be able to investigate, will be recorded and considered by the Complaints Manager and/or relevant service area manager, where appropriate, but **no response will be provided**.
2. The Council **will not usually** consider complaints raised where the subject matter is being considered in legal proceedings such as care, adoption, special guardianship and disrepair proceedings. The Complaints Manager will decide after taking legal advice whether the complaint can be taken under the statutory procedure.
3. The Council does not need to consider complaints made **more than one year** after the grounds to make the representation arose. However, the Council reserves the right to extend the time limit if it is still possible to consider the representations effectively. In these cases, decisions will be made on a case by case basis.

Vexatious complaints

Some customers place unreasonable demands on the Council by submitting multiple, sometimes repetitive or occasionally abusive requests, these contacts dominate our staffs' attention.

As a Council we do not view behaviour as unacceptable just because a claimant is forceful or determined. We understand that some complainants are upset and angry about the issues they have raised however the actions of complainants who are aggressive, demanding, persistent or continually rude may result in unreasonable demands on the Council and unacceptable behaviour towards the Council's staff.

When this happens we have to take action to protect the health and wellbeing of our staff, who have the right to do their jobs without fear of being abused or harassed. In these circumstances, the Council will start by explaining why we feel the behaviour is inappropriate and ask that this is changed. If the behaviour continues the Council has the right to make the decision to restrict contact with the complainant. On these occasions the Council will send a refusal notice to the complainant specifying how the current individual complaint will be handled.

If we have restricted our contact with a claimant and they make a new complaint regarding a different matter, the Council will make a decision on a case by case basis whether or not to continue with any restrictions that have been put in place for the earlier complaint.

The Council refers to the Local Government and Social Care Ombudsman Unreasonable Complainant Behaviour and the Housing Ombudsman Unacceptable User Action Policy when we are faced with these situations.

Support

We pride ourselves on treating everyone fairly, so should you need help with the complaints process, either understanding of the policy or helping to raise a complaint, we will always try to find someone to support and assist you.

The Council has a positive approach to complaints. The Council will provide assistance to people who have difficulty accessing or using the complaint form and provide alternative means of making a complaint when required.

Should you require any support or assistance with alternative methods of contact our staff are available to assist at any of our buildings, including our Libraries, or alternatively you could call our contact centre (01708 434343) or our Complaints, Compliance and Information Governance Team (01708 432589) and a member of the team will be able to assist, including organising any translation or interpreting services required.

Ownership and authorisation

This policy has been written by the Corporate Policy and Performance Lead and is owned by the Director of Customer Services.

The policy was taken to Cabinet in July 2023, where it was formally agreed upon and a final copy was made available for publication.

The Council reserves the right to make amendments to this policy at short notice, or in any situation that warrants an immediate amendment being introduced.

Appendix 1: Corporate Complaint Procedure

The Council has two parts to their complaints process an informal and formal process. All complaints will come in to the triage team who will identify which route the complaint will follow.

Informal Complaint

If there is something that you are unhappy with, you can raise an informal complaint and a member of our staff will contact you to try and resolve your query at the first point.

You can place an informal complaint in a number of ways:

1. Online – through our complaint form.
2. Phone – you could contact the department directly (if the number is known), or if you're unsure about who to contact you can contact us on 01708 434343 and, if possible, you will be put through to the correct department to discuss the matter further.

For all informal complaints we aim to have someone contact you within **3 working days**. If a complaint can be resolved informally, there is no need to engage in the formal complaints procedure.

Formal Complaint

The Council has a two-stage Corporate Complaint procedure in place.

You can do this through our [Online formal complaint form](#) in the first instance, however as per our complaint policy we pride ourselves on treating everyone fairly and offer alternative routes to log a complaint if required. This could be through calling our contact centre on 01708 434343 speaking to a member of staff directly or via email (email address available on the website).

We will:

- Triage and issue an auto acknowledgement to confirm receipt of your contact, if applied through the online form. If you submit your complaint in any other way, once your complaint has been triaged you will receive an acknowledgement within **3 working days** either via email or telephone detailing our understanding of your complaint.
- If progressed to Stage 1 Thoroughly review and investigate your concerns and respond to you, aiming to get things right first time, within **10 working days**.
- For those complaints which progress to Stage 2 – Conduct a further thorough and proportionate investigation and provide a full, clear and honest response within **20 working days**.
- Be honest when we believe our “right first time” approach will not be achieved, and will liaise with the complainant to agree an extended timescale to ensure there is sufficient time to conduct a thorough investigation.
- Put things right for you if we can and learn from any mistakes to make improvements to our services.
- Provide clear explanations in circumstances where there may be confusion around the services we deliver and options available to us to rectify.
- Advise you of the next steps available to you.

When a complaint is made verbally, the officer will record the details of the complaint and the outcome the customer is seeking. If the officer is able to quickly resolve the complaint they should do so. Otherwise details of the complaint and the desired outcome should be agreed with the complainant and forwarded to the Complaints, Compliance and Information

Governance team, where they will triage the complaint, confirm the understanding of the issues raised and will immediately start the complaint process.

Sometimes complaints concern two or more service areas or departments. The Council will usually provide one co-ordinated response unless agreed otherwise.

The Council takes complaints about staff very seriously. Complaints about staff should be made directly to the Council and will be considered under the formal Corporate Complaints Policy. Where the complaint concerns an agency worker then the Council will coordinate any investigation with the relevant recruitment agency.

Once your complaint has completed the Council's complaints procedure, the Council cannot re-open a complaint which deals with the same matters.

The Complaints, Compliance and Information Governance team will monitor performance in order to identify under performance and address any issues, identify any trends, ensure our customers are getting value for money.

What happens if the complainant is still dissatisfied once they have been through our complaints process?

If the complainant remains dissatisfied following the outcome of the review of their complaint, the complainant will be informed of their rights to refer the complaint to the Local Government and Social Care Ombudsman, who deal with complaints about a number of council services, including planning, social care, housing benefit, environment and waste, transport and highways, council tax and some education matters.

Appendix 2: Statutory Complaint Procedure - Social Care

Adult social care

If you are dissatisfied about a service, you have received from Adult Social Care we would welcome your feedback and will use this to improve both your experience of the service and how services can be improved in the future. Adult Social Care is committed to responding appropriately to complaints and will take appropriate steps to remedy service failures identified arising from complaints.

Where complaints do not show service failure, an explanation will be provided. Adult Social Care will regularly review the lessons learnt from complaints to improve the quality of the service provided.

What can complaints be about?

Anything related to Adult Social Care, such as:

- An unwelcome or disputed decision.
- Concern about the quality of a service.
- Delay in decision making or providing a service.
- Delivery or non-delivery of services.
- Quantity, frequency, change or cost of a service.
- Attitude or behaviour of staff.
- Application of eligibility and assessment criteria.
- Assessment, care management and review.
- Change/closure of service.
- Financial issues.
- Working practices which are contrary to Havering's policies on:
 - Health and Safety.
 - Equal Opportunities.
 - Racial, Harassment or Bullying.

The Council will always treat complainants with courtesy and respect and Council staff have the right to be treated the same. Rude, violent or abusive behaviour towards Council staff will not be tolerated.

When you make a complaint we will contact you to ensure that we understand fully. Where possible, we will also discuss what you would like to happen to help resolve your complaint.

What is the complaint process?

When a complaint is made, the Complaint, Compliance and Information Governance Team will contact the person to ensure that the complaint is fully understood and where possible, discuss what they would like to happen to resolve the complaint.

- We will aim to **acknowledge** your complaint within **3 working days**.
- Your complaint will be assessed to decide how it will be handled. A member of the Complaint, Compliance and Information Governance Team will discuss and agree this with you.
- We will aim to **respond** to your complaint within **10 – 20 working days** from the date the complaint is agreed and/or required consent information is received.
- If your complaint involves another agency, e.g. health, home care services or residential/nursing home we will discuss this with you and the relevant agency to agree how the complaint should be handled. We will aim to **respond within 25 working days**.

- Mediation may be considered as a way to help resolve your complaint and this will be discussed with you if appropriate.
- We will keep you informed about the progress of your complaint and discuss any changes to the handling of your complaint with you.
- The outcome of a complaint will be provided in writing and will explain how the complaint has been considered, the conclusions reached and any remedial action which is necessary.
- Mediation may be considered as a way to help resolve the complaint and this will be discussed if appropriate.
- The person who raised the complaint with us will be kept informed about any changes and the progress of their complaint including any delays with an explanation.

There is a 12-month limit in which a complaint can be made from the time that the matter occurred or from the time, it came to the attention of the complainant. If your complaint is older than 12 months we may still be able to consider it if there are extenuating circumstances that led to the delay of the complaint being made, and it is still possible to investigate the complaint effectively and fairly.

Completion of local complaints process

If you have been through all stages of our complaints procedure and are still unhappy, you can ask the Local Government and Social Care Ombudsman to review your complaint.

The Ombudsman investigates complaints in a fair and independent way - it does not take sides. It is a free service.

The Ombudsman expects you to have given us a chance to deal with your complaint, before you contact them. If you have not heard from us within a reasonable time, it may decide to look into your complaint anyway. This is usually up to 12 weeks but can be longer for social care complaints that follow a statutory process.

About the Ombudsman

The Local Government and Social Care Ombudsman looks at individual complaints about councils and some other organisations providing local public services It also investigates complaints about all adult social care providers (including care homes and home care agencies) for people who self-fund their care.

Contact

Website: www.lgo.org.uk
Telephone: 0300 061 0614

Opening hours

Monday to Friday: 10am to 4pm (except public holidays)

Children's Social Care

What can complaints be about?

In general terms anything related to the actions/omissions of Children's Services in connection with a child or young person who is looked after or in need, such as:

- An unwelcome or disputed decision.
- Concern about the quality of a service;
- Delay in decision making or providing a service.
- Delivery or non-delivery of services.
- Quantity, frequency, change or cost of a service.
- Attitude or behaviour of staff.
- Application of eligibility and assessment criteria.
- Application of a local authority policy which impacts on a child or young person.
- Assessment, care management and review.
- Change/closure of service.
- Financial issues.
- Working practices which are contrary to Havering's policies on:
 - Health and Safety.
 - Equal Opportunities.
 - Racial, Harassment or Bullying.

The Council will always treat complainants with courtesy and respect and Council staff have the right to be treated the same. Rude, violent, threatening or abusive behaviour towards Council staff will not be tolerated.

When a formal complaint is made, the Complaints, Compliance and Information Governance Team will contact the person to ensure that the complaint is fully understood and where possible, discuss what they would like to happen to resolve the complaint and any support needed, such as advocacy.

What is the complaint process?

The complaint will be taken at **Stage 1**: Local Resolution:

- We will acknowledge your complaint within **3 working days**.
- Your complaint will be discussed and agreed with you and advised on how it will be handled.
- You will have a response within **10 working days** with a further 10 working days with agreement.
- Your complaint will be progressed from date complaint is agreed and/or required consent information is received. Where a meeting or telephone conference would be appropriate, a response will be sent within **10 working days** from the date of the meeting/telephone conference being held.

If you remain dissatisfied you can request to progress your complaint to the next stage (Stage 2).

If your complaint is progressed to **Stage 2** – Independent Investigation:

- Your complaint will be re-investigated by an independent investigator and overseen by an Independent Person. The independent Person ensures the investigation is carried out fairly and in the best interests of the child.
- Your complaint will be discussed between the complainant and the Independent Investigator and Independent Person to agree a Statement of Complaint.
- An individual report will be produced following an investigation by the Independent Investigator after accessing relevant records and interviews with staff.

- Your complaint will be adjudicated following receipt of the Independent Investigator report and any comments by the Independent Persons reports by the Assistant Director/Director.
- Once your complaint has been concluded the adjudication decision and the reports will be sent to you.

Stage 2 will take between **25 – 65 working days** from the date the Statement of Complaint is agreed and signed.

If you still remain dissatisfied you can request to progress your complaint to **Stage 3 – Review Panel**:

- A Stage 3 Review Panel will be held within **30 working days** and you will be notified of the date.
- You can make representation to the Panel either in writing or in person
- The Review Panel will review the Stage 2 investigation but will not reinvestigate the complaint.
- Following the Review Panel the Chair will provide its recommendations to the Director/Assistant Director of Children Services within **5 working days**.
- The Director/Assistant Director will send the decision to you within **15 working days** following receipt of Chair's recommendations.
- The outcome of a complaint will be in writing explaining how the complaint has been considered, the conclusions reached and any remedial action necessary.
- Mediation may be considered as a way to help resolve the complaint and this will be discussed if appropriate.
- The person who raised the complaint with us will be kept informed about any changes and the progress of their complaint including any delays with an explanation.

Completion of local complaints process

Complaints, which are made against a local authority, are the responsibility of the Local Government & Social Care Ombudsman (LGSCO) who has the necessary remit to cover local government issues.

The Parliamentary and Health Service Ombudsman has the authority to carry out joint investigations of health and social care complaints.

The LGSCO can be contacted if dissatisfied with the outcome of a complaint. The LGSCO would expect a complaint to have gone through all three stages, before investigating a complaint. However they may consider early referrals.

About the Ombudsman

The Ombudsmen can be contacted:

In writing:

Local Government & Social Care Ombudsman (LGSCO),
PO Box 4771, Coventry CV4 0EH

Telephone: 0300 061 0614

Online: <http://www.lgo.org.uk/adult-social-care>

Housing / Social Landlord Complaints

Under the new Social Housing Bill, the Housing Ombudsman has a new power to issue [a code of practice](#) about the procedures members of the scheme should have in place for considering complaints against them. Havering Council adheres to, and follows this code when looking at complaints for housing / social landlords statutory complaints.

What can complaints be about?

In general terms, anything related to the home you rent from the Council, your housing needs and duty to be housed by the Council. This includes but not limited to:

- Repairs and maintenance of your home.
- Anti-Social Behaviour / Tenancy issues.
- Housing Register.
- Homelessness.
- Sheltered Housing.

What is the complaint process?

Complaints relating to Havering Council stock follow a two-stage process:

Complaints coming into the Council will start at **Stage 1**, no matter if they have already raised an informal complaint. We will:

- Respond to the complaint within **10 working days** of the complaint being logged.
- Allow an additional 10 working days for those complaints which require longer to investigate. In these instances it will be agreed by both parties in advance.
- Address all points raised in the complaint and provide a clear reason for any decisions.
- Incorporate any additional complaints raised during the Stage 1 complaint, if relevant to the original complaint. Where the response has been issued or unreasonably delay the response, a new Stage 1 should be logged.
- Confirm in all responses:
 - The complaint stage and definition.
 - The decision (including the reasons) on the complaint.
 - Details of any remedy offered to put things right.
 - Details of any outstanding actions.
 - How to escalate to Stage 2 if the resident is not satisfied.

Landlords must only escalate a complaint to Stage 2 once it has completed Stage 1 and at the request of the resident.

If all or part of the complaint is not resolved to the resident's satisfaction at Stage 1 it must be progressed to Stage 2 of the landlord's procedure, unless an exclusion ground now applies. Please note that we have the right to decline a Stage 2 if the grounds are reasonable.

In instances where a landlord declines to escalate a complaint it must clearly communicate in writing its reasons for not escalating as well as the resident's right to approach the Ombudsman about its decision.

We will:

- Ensure that the person considering the complaint at **Stage 2** is not the same person that considered / investigated the Stage 1 complaint, to ensure another independent investigation is undertaken at Stage 2.
- Respond to all Stage 2 complaints within 20 working days of the complaint being escalated.

- Allow an additional 10 working days for those complaints which require longer to investigate. In these instances, it will be agreed by both parties in advance.
- Confirm in all responses:
 - The complaint stage and definition.
 - The decision (including the reasons) on the complaint.
 - Details of any remedy offered to put things right.
 - Details of any outstanding actions.

Completion of local complaints process

If you / the resident remains dissatisfied with the response they / you can go direct to the Housing Ombudsman Service and they may be able to investigate how we dealt with the matter.

About the Ombudsman

The contact details for the Housing Ombudsman Service are:

- Online complaint form: www.housing-ombudsman.org.uk/residents/make-a-complaint/
- Phone: 0300 111 3000
- Email: info@housing-ombudsman.org.uk
- Postal address: Housing Ombudsman Service, PO Box 152, Liverpool L33 7WQ

Appendix 3: Access to Information Procedure – Data protection complaints procedure

When you make use of a service with the Council, the personal data you provide is required for statutory reasons, legal reasons, contractual reasons or we have gained your consent.

The Council only processes personal information in compliance with their privacy notice and in accordance with the relevant data protection laws.

The Freedom of Information (FOIA) Act requires public authorities to provide advice and assistance to people who make, or propose to make, requests for information, under Section 16 – Advice & Assistance of the FOIA 2000.

The FOIA gives anyone, anywhere, the right to know about the work, activities, and decisions of all public bodies in the UK.

You can access any information that is recorded by us, the Council, or other public authorities, subject to it being held and/or not covered by an exemption.

Public authorities are required to respond to FOI requests promptly and within **20 working days**, however, there are some exemptions to the types of information that can be requested (see notes below). If an exemption applies we will write and tell you which exemption is being applied and why.

There are a number of ways to access information held by the Council:

- **Freedom of Information (FOI) requests** – FOI requests relate to the business dealings of the Council, these include any information held on computers, within email, printed or handwritten in documents as well as videos, images and audio recordings. The Council has **20 working days** to provide a response from the date of receipt received into the Council. FOI requests must always be in writing.
- **Environmental Information Requests (EIR)** – EIR relates to requests for information relating to – noise, air pollution, emissions, soil, buildings, and animals. Information held on computers, in emails and in printed or handwritten documents as well as images, video and audio recordings. The Council has **20 working days** to provide a response from the date of receipt received into the Council. All EIR should be made in writing, although we will accept requests verbally if required.
- **Internal Review** – if a requester is not satisfied with their FOI or EIR response, they have the right to request an internal review. The review is carried out by a member of staff in the Complaints, Compliance and Information Governance team. The Council has **20 working days** from receipt to respond to this request. Please note that if the request is complex more time to respond will be allowed (up to a maximum of 40 days), but you will be informed of this extension.
- **Data Protection / Subject Access Requests** – These relate to the personal information the Council hold about individuals, including staff who require access to their personal information. The Council has **30 calendar days** to provide a response from date of receipt received into the Council. Any data breaches risk heavy fines, which are imposed by the Information Commissioner.
- **Right to Erasure** – This is a right under GDPR, which gives individuals the right to request that their personal data held by the Council be erased. The Council must respond to these requests within **30 calendar days**.
- **Release of Public Sector Information** – are requests to use the information contained within responses received from the Council. The Council must respond to these requests within **20 working days**.

Please note that a fee may be payable depending on the complexity and volume of the information being requested.

Lodging a complaint

If you wish to raise a complaint regarding the processing of your personal data or you are dissatisfied with how we have handled your information, you can lodge a complaint with the Havering Data Protection Officer (DPO) using the details below.

Your complaint will be investigated by the Information Governance Team within Havering Council and will be responded to within one month. Where your request is complex, legislation allows us to extend this period for up to a further two months. If we need to apply this extension, we will inform you within one month of receipt of your original request. Once the investigation is complete, it will be reviewed by the DPO before the final response is issued to you. Where you have exercised any of your rights under Data Protection law in your complaint, these will be responded to as part of your complaint.

If you are not satisfied with our response to your complaint, you have the right to lodge a complaint with [the Information Commissioners Office \(ICO\)](#), who oversees compliance with Data Protection laws within the UK. They can be contacted:

About the Information Commissioners Office (ICO)

Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF.
Tel: 0303 123 1113 (local rate) or 01625 545745

Notes:

FOIA exemptions exist to help the Council protect vital and sensitive information that, if released, could harm the Council, another individual or business. The information is categorised into 3 main areas:

Public: This is information which is made public, which may include policies, procedures, financial statements, information that by law, the Council is required to publish. When a request for this type of information is received, it is usually released without exemptions.

Private: This information about the workings and running of the Council, it's relationships with other businesses etc. There may well be elements which are commercially sensitive that can be released, such as a copy of a contract in place, but there may also be elements that would attract an exemption, such as trade secrets of a contractor, information covered by legal privilege or protected under other laws.

Personal: This information contains details about a living individual that may be considered personal information. Personal Information is protected under the Data Protection Act 2018 which is referenced in one of the FOIA exemptions.

Exemptions: are split into two types, 'absolute' and 'qualified'. Absolute Exemptions - the public interest test does not apply. If an absolute exemption applies, in all the circumstances, to the information held by the Council, no other test is required. Qualified Exemptions – the public interest test applies.

Each case must be assessed on its own merit to decide whether the exemption can be applied or not. Of the 13 exemptions that apply to records held by Local Authorities, 8 are subject to the 'Public Interest Test'.

Public Interest Test: The Public Interest Test involves considering the circumstances of each particular case and the exemption that covers the information. Based upon these facts the decision to disclose is made. The information can only be withheld if the public interest in

withholding is greater than the public interest in the release of the information. The easiest way to do this is to document the reasons why the public interest is served in releasing the information and the reasons why it is served in withholding. When done fairly and without bias, the result should clearly indicate where the public interest lies. If the reasons for and against are equal, the law is clear that the authority should favour releasing the information. Where the Council considers that the public interest in withholding the information requested outweighs the public interest in releasing it, the authority must still inform the requester what information is held, exemptions that apply and reasons why the public interest test favours withholding, unless to do so would be releasing the exempt information.

The Council must consider the relative weight of the argument for and against disclosure. This can be affected by the likelihood and severity of any prejudice; the age of the requested information, how far the requested information will help the public to understand and whether the information is already in the public domain.

Where a qualified exemption applies and the Council do not wish to confirm or deny it holds the requested information, the decision to provide a 'confirm or deny' response is itself subject to the public interest.

Vexations Requests: can be seen as harassing the authority with multiple requests, causing distress to staff, impose a significant burden (in terms of expense and distraction) to the Council. In these cases, Havering Council follows the ICO Vexatious requests process, which is outlined on their [website](#).

Appendix 4: Members Enquiries Procedure

A Members enquiry is **“a request for information, the clarification of circumstances or further information for a particular situation or constituent, or the notification of dissatisfaction with a service.”**

Councillors may request designated officers to provide them with such information, explanation and advice as they may reasonably need to assist them to discharge their roles as Councillors. This may range from general information about some aspect of the Council's services to specific information on behalf of a constituent.

Where information is requested on behalf of a third party, it will only be provided if:

- It is in the public domain or
- It is not barred by GDPR from being given.
and
- The councillor has permission to receive the information on behalf of the resident.

What is Excluded under the ME process?

A Member /MP must not raise an enquiry where the following apply:

- There is a usual request for service for a resident such as an adult social care assessment or collection of a bin as these should be made through the 'report it online' service found on the Council website.
- The Council has existing protocols to deal with the matter such as Parking appeals process, Safeguarding investigation, raising repairs, Housing appeals or School Admission appeals.
- Where the enquiry relates to any external body such as the police, a utility company or a government department and where the external body has not been commissioned by the Council.
- If a resident has raised a complaint the Member / MP are not able to also raise another complaint on behalf of the resident, and vice versa.

Although not an exhaustive list, it demonstrates areas where the ME Procedure should not be used.

How do I raise a Member's enquiry?

If you would like to raise a Member's enquiry the main way to do this would be through the online member's portal. The portal will keep a record of all enquires you have raised and any that are still open.

If you are not able to use the online portal then councillors should send an email to memberservices@havering.gov.uk and the Complaints, Compliance and Information Governance Team will log a record of all enquiries and forward over to the relevant staff to respond.

Please note that

- Councillors / MP should not email officers directly as there will be no record of the request coming through.
- If an officer receives an email directly and the response to the councillor would only require a quick email / phone call this can be dealt with directly by the receiving member of staff. However if this turns into a full enquiry this should then be sent to member services to log in the usual way.
- Members are not automatically entitled to sensitive / personal information i.e. social care support plans or personal health data.

- Information given to a Councillor must only be used for the purpose for which it was requested.

Timescales

In line with the complaints procedure, all Member's enquiries will be responded to **within 10 working** days. If the 20 working day deadline cannot be met a holding response must be sent out as soon as possible clarifying the reason for delay and expected response date.

Performance reporting

The Complaints, Compliance and Information Governance team will monitor performance in order to identify under performance and address any issues and identify any trends. This information will be shared with SLT on a monthly basis, and a quarterly report will be provided to Overview and Scrutiny.

Guidance for Staff

As an officer, if you receive an email directly from a councillor / MP directly these should be forwarded onto the member services mailbox above and a courteous email should be sent to the councillor to provide an update and inform them that "as per the policy their enquiry has been sent to members services who will log the request and forward over to the correct officer and they send a response in due course".

All correspondence, whether in writing, by email or telephone should be appropriately professional. Ensure you write clearly so that your response is clearly understood, whether it is responding to the councillor or directly to the resident following an enquiry / complaint made on behalf of their constituent.

Remember that you are the representative of the Council, your service and your team.

Appendix 5: Remedies Protocol

A remedy is the means by which we put things right after some level of maladministration has been identified. The Council's approach to remedies is based on our six complaint principles as outlined in the policy.

We will be fair by treating each case individually and ensure the remedy is fair when considering the specific circumstances of the case. We will look at the severity of the maladministration / service failure and the impact that this has had on the individual.

We will be honest and explain how we will correct the service failure.

We will then learn from each case. We will look beyond the circumstances of the individual complaint and consider whether anything needs to be 'put right' in terms of process or systems to the benefit of all residents.

There are two different types of remedies; Payments that we are obliged to make through our statutory complaints, and those that we choose to make. Those statutory remedies fall outside of the scope of this policy.

The different remedies that the Council could offer include:

- **Apology** - In some circumstances, a complainant may feel that an apology is all that is required. An apology will be made in writing or in person.
- **Specific actions** - We will consider whether there is some practical action which would provide all or part of a suitable remedy. Including:
 - o Looking at our contractual arrangements to see if there are any amendments required to improve the service offered.
 - o Looking at making changes to our policies, procedures, systems, staff training, or all of these, to ensure that the maladministration is not repeated.
- **Financial Remedy**– We will consider offering a financial remedy where it is deemed appropriate. All calculations will be based on what is considered fair on a case by case basis as outlined below.

Our staff use their discretion to decide on the best remedy for a case and may therefore set out a remedy that does not fall into one of the categories above but is tailored to the individual circumstances of that particular case.

Financial Remedy

The Council will consider if there has been an actual, evidenced financial loss incurred as a direct result of the maladministration and if any remedy should be offered to the resident for all or part of this loss, taking into consideration the specific circumstances of that case.

It should be noted that under this Policy, it is normal practice for any such financial remedy to be offset against any existing rent or other arrears owed to the Council.

Citizen Space Feedback We Asked, You Said, We Did	
Name of Activity	Proposed Changes to Havering Council's Complaints Policy
Date Published	22 February – 24 March 2023
Drafted By	Sue Verner, Customer Insight Officer Policy, Performance and Transformation
Approved By	Michelle Giordmaina Organisational Redesign Delivery Manager
Date	19 April 2023

We Asked

Havering Council carried out a consultation activity from February to March 2023 seeking residents' views on proposed changes to [Havering's Complaints Policy](#).

We asked residents and service users for their views on how we can improve the way we deal with complaints by proposing an update to our [Proposed Customer Contact Definitions](#). Alongside this we are proposing to merging all of our policies into one easy to understand process that reduces the number of stages, allowing us to focus on what matters most – getting it right first time.

Our proposed **Six Aims** to achieve this are:

1. Start off right.
2. Fix it early.
3. Focus on what matters.
4. Be fair.
5. Be honest.
6. Learn from complaints and improve service delivery across the organisation.

You Said

31 responses were received to the consultation, of which 17 (55%) stated they had made a complaint to the Council.

- The overwhelming majority (100%) of respondents agreed with our '*Getting It Right First Time*' approach, and 90% felt our proposed **Six Aims** show a commitment to this approach.
- 90% said they felt the proposed changes were fair and reasonable.
- 71% said they felt the [Proposed Customer Contact Definitions](#) are easy to understand.

The majority of respondents (49%) would prefer an officer reviews and signs off their complaint, and 35% do not place any importance on the person who reviews and signs off their response, as long as it is a full response to their complaint.

Almost half of respondents (45%) expect to receive a response within 15 days, with 39% of respondents expecting a response within 25 days. Of the respondents who had previously made a complaint to the Council, 59% expect a response within 15 days, 6% within 20 days and 35% within 25 days.

We Did

The survey results and consultation with authorising bodies and other local authorities are being reviewed and will be included in a report to inform our new Complaints Policy.

Equality & Health Impact Assessment (EqHIA)

Document control

Title of activity:	<i>Complaints and Compliments Policy and Procedure</i>
Lead officer:	<i>Jodie Gutteridge Corporate Policy & Performance Lead</i>
Approved by:	<i>Caroline Little Head of Service, PMO, Executive Support, Complaints & FOIs</i>
Scheduled date for next review:	July 2024 – when the policy is reviewed.

Did you seek advice from the Corporate Policy & Diversity team? Please note that the Corporate Policy & Diversity and Public Health teams require at least 5 working days to provide advice on EqHIAs.	Yes
Did you seek advice from the Public Health team?	Yes
Does the EqHIA contain any confidential or exempt information that would prevent you publishing it on the Council's website ? See Publishing Checklist.	No

Please note that EqHIAs are **public** documents and unless they contain confidential or sensitive commercial information must be made available on the Council's [EqHIA webpage](#).

Please submit the completed form via e-mail to EqHIA@havering.gov.uk thank you.

1. Equality & Health Impact Assessment Checklist

Please complete the following checklist to determine whether or not you will need to complete an EqHIA and ensure you keep this section for your audit trail. If you have any questions, please contact EqHIA@havering.gov.uk for advice from either the Corporate Diversity or Public Health teams. Please refer to the Guidance in Appendix 1 on how to complete this form.

About your activity

1	Title of activity	<i>Complaints and Compliments Policy and Procedure</i>		
2	Type of activity	<i>Policy</i>		
3	Scope of activity	<i>Complaints and compliments policy, which will include guidance for staff and complainants on Members Enquiries, Social care complaints, housing complaints and Access to Information requests</i>		
4a	Are you changing, introducing a new, or removing a service, policy, strategy or function?	Yes	If the answer to <u>either</u> of these questions is 'YES', please continue to question 5.	If the answer to <u>all</u> of the questions (4a, 4b & 4c) is 'NO', please go to question 6.
4b	Does this activity have the potential to impact (either positively or negatively) upon people from different backgrounds.	Yes		
4c	Does the activity have the potential to impact (either positively or negatively) upon any factors which determine people's health and wellbeing?	Yes / No	<i>Please use the Screening tool before you answer this question.</i>	
			If you answer 'YES', please continue to question 5.	
5	If you answered YES:	Please complete the EqHIA in Section 2 of this document. Please see Appendix 1 for Guidance.		
6	If you answered NO:	N/A		

Completed by:	<i>Jodie Gutteridge</i>
Date:	<i>07/06/2023</i>

2. The EqHIA – How will the strategy, policy, plan, procedure and/or service impact on people?

Background/context:

This policy is aimed at anyone who is dissatisfied with any services delivered by the Council and is considering contacting us seeking a viable solution, as well as those who would like to praise or provide positive recognition for a job that you feel we have done well.

Our complaint process has been tailored to accommodate all complaints to ensure one clear consistent approach across all areas of the organisation, which will be more efficient and easier to communicate. This process will allow us to determine each complaint on its own merits. We will investigate all complaints to allow us to identify any service failures, and will review all compliments, which in turn will allow us to act on learning opportunities, ensuring the lessons learnt, both good and bad, reach those officers in the council who can affect change.

**Expand box as required*

Who will be affected by the activity?

Anybody wishing to contact the Council to make a complaint or provide a compliment. This includes our residents, Councillors / MPs, stakeholders, partners and volunteers.

**Expand box as required*

Protected Characteristic - Age: Consider the full range of age groups

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive	<input type="checkbox"/>	The number of people that live in Havering has increased over the last decade from 237,232 in 2011 to 262,052 in 2021. This is a 10.5% increase compared to a 7.7% increase across London and a 6.6% increase across England.
Neutral	<input checked="" type="checkbox"/>	
Negative	<input type="checkbox"/>	The number of children aged under 18 has seen an increase of 15.2% (from 50,827 to 58,550), greatly outpacing the 4.8% and 3.9% increases in London and England, respectively. Havering now has a higher proportion of children aged 0-17 (22.3%) than 80% of local authorities in England. This increase is slightly lower than the latest ONS projections (2018). The ONS predicts that the 0-17 population will grow to 61,350 by 2031. Furthermore, Havering still has one of the highest proportions of older people aged 65+ in London (second after Bromley). The combined impact of having both a large older population and now a large (and growing) young population is that Havering now has the lowest proportion of working-age adults in London.

	<p>There is no minimum or maximum age limit in which you can make a complaint and the Complaint and Compliment policy covers all complaint processes, including those statutory children’s and Adult Social Care complaints.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
Evidence:	<p style="text-align: right;"><i>*Expand box as required</i></p>
Sources used:	<p>Census 2021</p> <p style="text-align: right;"><i>*Expand box as required</i></p>

Protected Characteristic - Disability: Consider the full range of disabilities; including physical, mental, sensory, progressive conditions and learning difficulties. Also consider neurodivergent conditions e.g. dyslexia and autism.

<i>Please tick (✓) the relevant box:</i>		Overall impact:
Positive		<p>In Havering an estimated 38,449 residents reported having a disability in 2021. This is an age-standardised proportion (ASP) of 15.3%, which is slightly lower than London (15.6%) and lower than England (17.7%). In Havering, an ASP of 6.6% reported that their day-to-day activities were limited a lot and 8.7% reported their day-to-day activities were limited a little, due to a disability.</p> <p>29,742 households in Havering had at least one person with a disability. Of these households, 6,181 had two or more members with a disability.</p> <p>Having a disability doesn’t affect the rights of the customers to make a complaint or compliment, however they may require additional support in order to do so, which is why we offer the option to complain and provide a compliment online, via the telephone, email or face to face.</p> <p style="text-align: right;"><i>*Expand box as required</i></p>
Neutral	✓	
Negative		

Evidence:	<p style="text-align: center;">Figure 4: ASP (%) of population with a disability</p> <table border="1"> <thead> <tr> <th>Region</th> <th>Day-to-day activities limited a lot (%)</th> <th>Day-to-day activities limited a little (%)</th> <th>Total ASP (%)</th> </tr> </thead> <tbody> <tr> <td>England</td> <td>7.5%</td> <td>10.2%</td> <td>17.7%</td> </tr> <tr> <td>London</td> <td>7.1%</td> <td>8.5%</td> <td>15.6%</td> </tr> <tr> <td>Havering</td> <td>6.6%</td> <td>8.7%</td> <td>15.3%</td> </tr> </tbody> </table> <p style="text-align: center;">Age-standardised proportion (%)</p> <p style="text-align: center;">Source: Office for National Statistics (ONS), Census 2021; Produced by: Havering PHI</p> <p style="text-align: right;"><i>*Expand box as required</i></p>	Region	Day-to-day activities limited a lot (%)	Day-to-day activities limited a little (%)	Total ASP (%)	England	7.5%	10.2%	17.7%	London	7.1%	8.5%	15.6%	Havering	6.6%	8.7%	15.3%
Region	Day-to-day activities limited a lot (%)	Day-to-day activities limited a little (%)	Total ASP (%)														
England	7.5%	10.2%	17.7%														
London	7.1%	8.5%	15.6%														
Havering	6.6%	8.7%	15.3%														

Sources used:

Census 2021

<https://www.haveringdata.net/wp-content/uploads/2023/02/Census-2021-Topic-Summary-Health-Disability-and-Unpaid-Care.pdf>

**Expand box as required*

Protected Characteristic – Sex / gender: Consider both men and women

Please tick (✓) the relevant box:

Positive

Neutral

Negative

Overall impact:

Havering has 135,668 females (52%) and 126,384 males (48%) in the borough. 93.67% of Havering residents identify as the same gender as when they were born.

The policy explains our complaints procedure and a persons sex / gender will not affect how a customer contacts the council, so it’s not considered likely that there will be a disproportionate impact of these proposals on this protected characteristic group.

**Expand box as required*

Evidence:



Population by sex for Havering (2021)



Gender Identity	Number	Percentage
Gender identity the same as sex registered at birth	196,462	93.67%
Gender identity different from sex registered at birth but no specific identity given	528	0.25%
Trans woman	228	0.11%
Trans man	212	0.10%
Non-binary	60	0.03%
All other gender identities	39	0.02%
Not answered	12,201	5.82%
Total	209,730	100.00%

Source: Office for National Statistics (ONS), Census 2021; Produced by: Havering PHI

**Expand box as required*

Sources used:

<https://www.haveringdata.net/wp-content/uploads/2023/03/Topic-Summary-Sexual-orientation-and-gender-identity.pdf>

www.Haveringdata.net

Census 2021

**Expand box as required*

Protected Characteristic – Ethnicity / race / nationalities: Consider the impact on different minority ethnic groups and nationalities

Please tick (✓) the relevant box:

Overall impact:

Positive

Havering is becoming more diverse. In 2021 census, White British remains the most common ethnic group in Havering, with 66.5% (174,232) of the population, down from 83.3% (197,615) in 2011. The next most common ethnic group is Asian, accounting for 10.7% (28,150) of the population, up from 4.9% (11,545) in 2011.

Neutral

Negative

✓

In 2021, 87.8% (230,091) of usual Havering residents identified with at least one UK national identity (English, Welsh, Scottish, Northern Irish, British and Cornish). This is a decrease from 93.6% (222,066) in 2011. The figure for London in 2021 is 73.1% and England 90.3%. People who identified with at least one UK and one non-UK identity accounted for 1.8% (4,843) of the Havering population in 2021; this is an increase from 0.7% (1,680) in 2011. Those selecting a non-UK identity only accounted for 10.3% (27,118) of the Havering population in 2021, which is an increase from 5.7% (13,486) in 2011. Among those who described a non-UK national identity, the most common response was those describing “Romanian” as their national identity 2.0% (5,346) up from 0.2% (434) in 2011. The most common responses in 2011 were Irish 0.9% (2,037) and Lithuanian 0.5% (1,147).

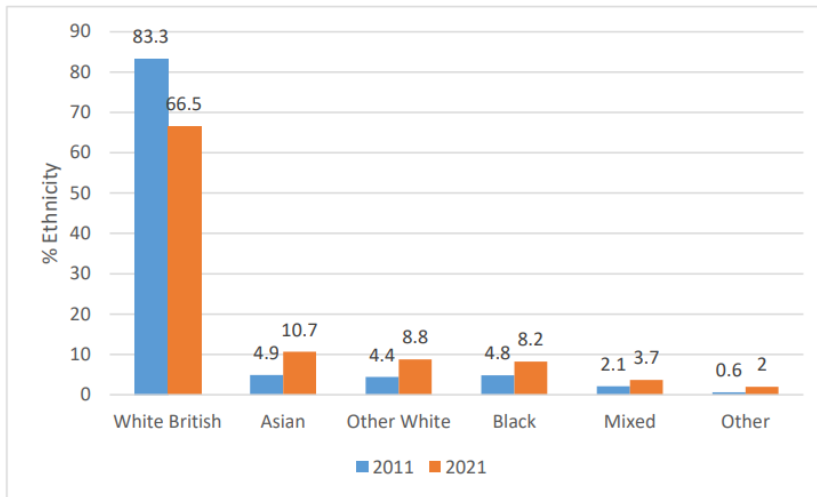
90.1% of residents aged 3 and over describe their main language as English, next main languages Romanian 2.3% and Lithuanian 0.9%. 4.8% of households have no members where their main language is English.

Although there are a number of residents who identify as non-uk, it is not considered likely that introducing this policy will have a disproportionate impact on this protected characteristic group, as the policy enables all customers the opportunity to complain or provide a compliment via different route, including on our accessible website.

**Expand box as required*

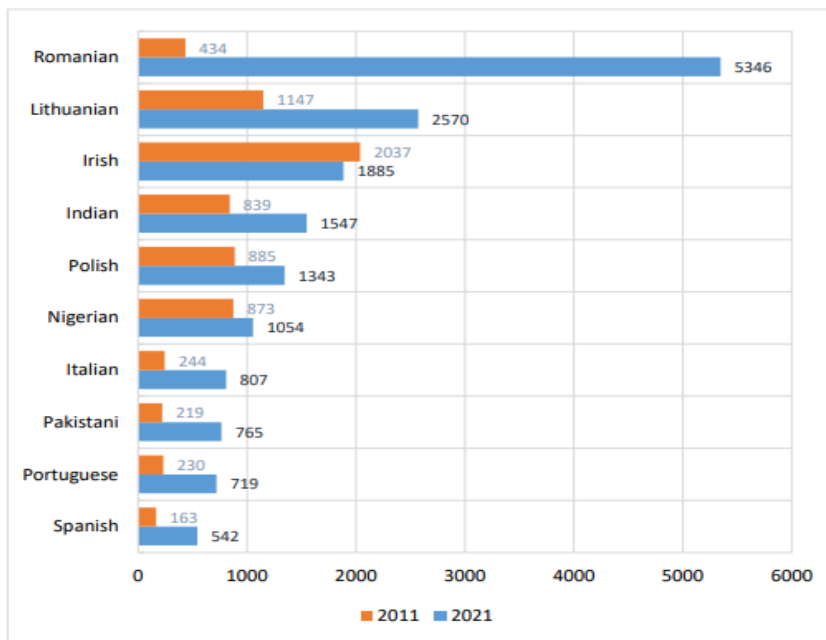
Evidence:

Figure 1 – Havering population in 2011 and 2021 by main ethnic group



Source: Office for National Statistics (ONS), Census 2011 & 2021; Produced by: Havering PHI

Figure 6 – Top 10 national identity excluding British



**Expand box as required*

Sources used:

Census 2021

**Expand box as required*

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

Please tick (✓) the relevant box:

Overall impact:

Positive

The religion question is voluntary in the Census, but 94.5% of usual residents answered the question in 2021. The most commonly reported religion in Havering is

Neutral	✓	<p>Christian, with 52.2% of the total population in 2021 describing themselves as Christian. This is a reduction from 65.6% in 2011. No religion was the second most common response, with 30.6% identifying in this category, up from 22.6% in 2011. Other religions accounted for 11.7% of the total Havering population, which is an increase from 5.1% in 2011.</p> <p>The policy sets out the councils complaints and Compliments policy and procedure, so it's not considered likely that there will be a disproportionate impact of these proposals on this protected characteristic group.</p>
Negative		
Evidence:		
Sources used:		
Census 2021		

Protected Characteristic - Sexual orientation: Consider people who are heterosexual, lesbian, gay or bisexual																																
<i>Please tick (✓) the relevant box:</i>		<p>Overall impact:</p> <p>The Census question on sexual orientation was a voluntary question asked of those aged 16 years and over. The number of people responding was very high with 93% (195,099) of Havering residents answering the question. In total, 91.07% (191,007) of Havering residents identified as straight or heterosexual. In total, 1.95% (4,092) Havering residents identified as one of the LGB+ orientations ("Gay or Lesbian", "Bisexual" or "Other sexual orientation"). In total, 6.98% (14,631) Havering residents did not answer the question.</p> <p>The policy sets out the councils complaints and Compliments policy and procedure, so it's not considered likely that there will be a disproportionate impact of these proposals on this protected characteristic group.</p>																														
Positive																																
Neutral	✓																															
Negative																																
Evidence:																																
<p>Figure 1: Detailed breakdown of sexual orientation in Havering for residents aged 16 and over</p> <table border="1"> <thead> <tr> <th>Sexual Orientation</th> <th>Number</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Straight or Heterosexual</td> <td>191,007</td> <td>91.07%</td> </tr> <tr> <td>Gay or Lesbian</td> <td>1,993</td> <td>0.95%</td> </tr> <tr> <td>Bisexual</td> <td>1,540</td> <td>0.73%</td> </tr> <tr> <td>Pansexual</td> <td>436</td> <td>0.21%</td> </tr> <tr> <td>Asexual</td> <td>56</td> <td>0.03%</td> </tr> <tr> <td>Queer</td> <td>21</td> <td>0.01%</td> </tr> <tr> <td>All other sexual orientations</td> <td>46</td> <td>0.02%</td> </tr> <tr> <td>Not answered</td> <td>14,631</td> <td>6.98%</td> </tr> <tr> <td>Total</td> <td>209,730</td> <td>100.00%</td> </tr> </tbody> </table> <p>Source: Office for National Statistics (ONS), Census 2021; Produced by: Havering PHI</p>			Sexual Orientation	Number	Percentage	Straight or Heterosexual	191,007	91.07%	Gay or Lesbian	1,993	0.95%	Bisexual	1,540	0.73%	Pansexual	436	0.21%	Asexual	56	0.03%	Queer	21	0.01%	All other sexual orientations	46	0.02%	Not answered	14,631	6.98%	Total	209,730	100.00%
Sexual Orientation	Number	Percentage																														
Straight or Heterosexual	191,007	91.07%																														
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Total	209,730	100.00%																														

Sources used:

Census 2021

<https://www.haveringdata.net/wp-content/uploads/2023/03/Topic-Summary-Sexual-orientation-and-gender-identity.pdf>

**Expand box as required*

Protected Characteristic - 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:

Positive

Neutral

✓

Negative

Overall impact:

The Census question on gender identity was also a voluntary question, asked of those aged 16 years and over. It was added to provide the first official data on the size of the transgender population in England and Wales. The question asked was “Is the gender you identify with the same as your sex registered at birth?” The number of people responding was very high with 94.2% (197,529) Havering residents answering the question. In total, 93.67% (196,462) Havering residents answered “Yes” and 0.51% (1,067) answered “No”. 5.82% (12,201) Havering residents did not answer the question.

The policy sets out the councils complaints and Compliments policy and procedure, so it’s not considered likely that there will be a disproportionate impact of these proposals on this protected characteristic group.

**Expand box as required*

Evidence:

Figure 3: Detailed breakdown of gender identity in Havering for residents aged 16 and over

Gender Identity	Number	Percentage
Gender identity the same as sex registered at birth	196,462	93.67%
Gender identity different from sex registered at birth but no specific identity given	528	0.25%
Trans woman	228	0.11%
Trans man	212	0.10%
Non-binary	60	0.03%
All other gender identities	39	0.02%
Not answered	12,201	5.82%
Total	209,730	100.00%

Source: Office for National Statistics (ONS), Census 2021; Produced by: Havering PHI

**Expand box as required*

Sources used:

Census 2021

<https://www.haveringdata.net/wp-content/uploads/2023/03/Topic-Summary-Sexual-orientation-and-gender-identity.pdf>

**Expand box as required*

Protected Characteristic – Marriage / civil partnership: Consider people in a marriage or civil partnership	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact: The policy sets out the councils complaints and Compliments policy and procedure, so it's not considered likely that there will be a disproportionate impact of these proposals on this protected characteristic group. <i>*Expand box as required</i>	
Evidence: <i>*Expand box as required</i>	
Sources used: <i>*Expand box as required</i>	

Protected Characteristic - Pregnancy, maternity and paternity: Consider those who are pregnant and those who are taking maternity or paternity leave	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input checked="" type="checkbox"/>
Negative	<input type="checkbox"/>
Overall impact: The policy sets out the council's complaints and Compliments policy and procedure, so it's not considered likely that there will be a disproportionate impact of these proposals on this protected characteristic group. <i>*Expand box as required</i>	
Evidence: <i>*Expand box as required</i>	
Sources used: <i>Expand box as required</i>	

Socio-economic status: Consider those who are from low income or financially excluded backgrounds	
<i>Please tick (✓) the relevant box:</i>	
Positive	<input type="checkbox"/>
Neutral	<input type="checkbox"/>
Negative	<input checked="" type="checkbox"/>
Overall impact: 59.5% of residents in Havering have a job, an increase from 58.9% in 2011. 3.6% of residents are unemployed, which is the fourth lowest rate in London but an improvement from the rate of 5.0% in 2011. 21.0% of residents are retired - the highest rate in London, which is in line with or high older person population. Being on a low income or financially excluded doesn't necessarily mean customers / households will be disadvantaged by this policy, but this could mean that they do not have access to a computer, internet or a phone to make a complaint or compliment. However, if customers cannot access services online, or via the phone, the policy has made sure that we mitigate this by providing alternative channels like being able to make a complaint or compliment face-to-face at the Libraries. <i>*Expand box as required</i>	

Evidence:

Table 1 Reasons for economic inactivity, Havering, London and England, 2021

Reason for economic inactivity	England and Wales	London	Havering
Economically inactive: Long-term sick or disabled	4.2%	3.6%	3.1%
Economically Inactive: Looking after home or family	4.8%	6.0%	5.1%
Economically inactive: Other	3.1%	4.1%	3.0%
Economically inactive: Retired	21.6%	12.9%	21.0%
Economically inactive: Student	5.6%	7.2%	4.6%

Source: Office for National Statistics (ONS), Census 2021; Produced by: Havering Insight Team

**Expand box as required*

Sources used:

Census 2021

<https://www.haveringdata.net/wp-content/uploads/2023/02/Topic-Summary-Economic-Activity-and-Travel-to-work-Final-Version.pdf>

Health & Wellbeing Impact: Please use the Health and Wellbeing Impact Tool on the next page to help you answer this question.

Consider both short and long-term impacts of the activity on a person’s physical and mental health, particularly for disadvantaged, vulnerable or at-risk groups. Can health and wellbeing be positively promoted through this activity?

Please tick (✓) all the relevant boxes that apply:

Positive

Neutral ✓

Negative

Overall impact:

In Havering an estimated 219,777 residents had ‘good’ or ‘very good’ health in 2021. This is an age standardised proportion (ASP) of 83.0%, which is higher than London (81.9%) and England (81.7%). However, in Havering, an ASP of 48.2% residents had ‘very good’ health compared to 49% in London.

22.78% of those residents who completed the ONS annual population survey in 2020/21 self-reported their wellbeing as high anxiety.

The policy sets out the council’s complaints and Compliments policy and procedure, so it’s not considered likely that there will be a disproportionate impact of these proposals on this protected characteristic group. However the timescales for response, as outlined in the policy, could affect those with high anxiety. However the timescales have all been aligned following a public consultation. We have also included a Triage for all complaints in which there is 3 days in which the complaints are looked at and either progressed to stage one or responded to / resolved straight away.

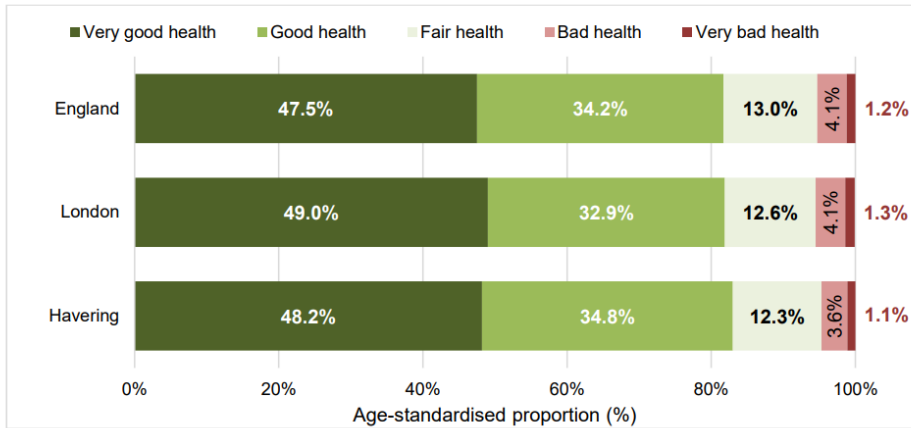
**Expand box as required*

Do you consider that a more in-depth HIA is required as a result of this brief assessment? Please tick (✓) the relevant box

Yes No

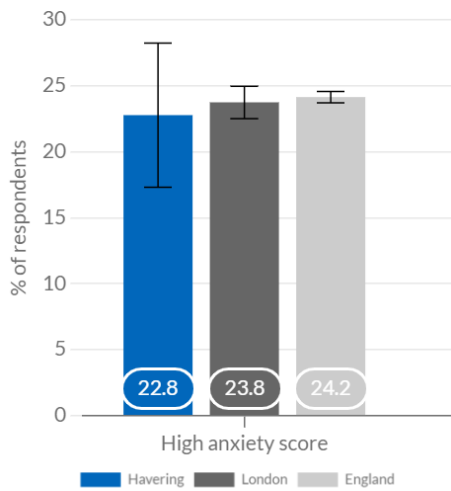
Evidence:

Figure 1: ASP (%) reported health of the population



Source: Office for National Statistics (ONS), Census 2021; Produced by: Havering PHI

Self-reported wellbeing (2020/21)



**Expand box as required*

Sources used:

<https://www.haveringdata.net/wp-content/uploads/2023/02/Census-2021-Topic-Summary-Health-Disability-and-Unpaid-Care.pdf>

**Expand box as required*

3. Health & Wellbeing Screening Tool

Will the activity / service / policy / procedure affect any of the following characteristics? Please tick/check the boxes below
 The following are a range of considerations that might help you to complete the assessment.




Lifestyle YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	Personal circumstances YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	Access to services/facilities/amenities YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
<input type="checkbox"/> Diet <input type="checkbox"/> Exercise and physical activity <input type="checkbox"/> Smoking <input type="checkbox"/> Exposure to passive smoking <input type="checkbox"/> Alcohol intake <input type="checkbox"/> Dependency on prescription drugs <input type="checkbox"/> Illicit drug and substance use <input type="checkbox"/> Risky Sexual behaviour <input type="checkbox"/> Other health-related behaviours, such as tooth-brushing, bathing, and wound care	<input type="checkbox"/> Structure and cohesion of family unit <input type="checkbox"/> Parenting <input type="checkbox"/> Childhood development <input type="checkbox"/> Life skills <input type="checkbox"/> Personal safety <input type="checkbox"/> Employment status <input type="checkbox"/> Working conditions <input type="checkbox"/> Level of income, including benefits <input type="checkbox"/> Level of disposable income <input type="checkbox"/> Housing tenure <input type="checkbox"/> Housing conditions <input type="checkbox"/> Educational attainment <input type="checkbox"/> Skills levels including literacy and numeracy	<input type="checkbox"/> to Employment opportunities <input type="checkbox"/> to Workplaces <input type="checkbox"/> to Housing <input type="checkbox"/> to Shops (to supply basic needs) <input type="checkbox"/> to Community facilities <input type="checkbox"/> to Public transport <input type="checkbox"/> to Education <input type="checkbox"/> to Training and skills development <input type="checkbox"/> to Healthcare <input type="checkbox"/> to Social services <input type="checkbox"/> to Childcare <input type="checkbox"/> to Respite care <input type="checkbox"/> to Leisure and recreation services and facilities
Social Factors YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	Economic Factors YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>	Environmental Factors YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
<input type="checkbox"/> Social contact <input type="checkbox"/> Social support <input type="checkbox"/> Neighbourliness <input type="checkbox"/> Participation in the community <input type="checkbox"/> Membership of community groups <input type="checkbox"/> Reputation of community/area <input type="checkbox"/> Participation in public affairs <input type="checkbox"/> Level of crime and disorder <input type="checkbox"/> Fear of crime and disorder <input type="checkbox"/> Level of antisocial behaviour <input type="checkbox"/> Fear of antisocial behaviour <input type="checkbox"/> Discrimination <input type="checkbox"/> Fear of discrimination <input type="checkbox"/> Public safety measures <input type="checkbox"/> Road safety measures	<input type="checkbox"/> Creation of wealth <input type="checkbox"/> Distribution of wealth <input type="checkbox"/> Retention of wealth in local area/economy <input type="checkbox"/> Distribution of income <input type="checkbox"/> Business activity <input type="checkbox"/> Job creation <input type="checkbox"/> Availability of employment opportunities <input type="checkbox"/> Quality of employment opportunities <input type="checkbox"/> Availability of education opportunities <input type="checkbox"/> Quality of education opportunities <input type="checkbox"/> Availability of training and skills development opportunities <input type="checkbox"/> Quality of training and skills development opportunities <input type="checkbox"/> Technological development <input type="checkbox"/> Amount of traffic congestion	<input type="checkbox"/> Air quality <input type="checkbox"/> Water quality <input type="checkbox"/> Soil quality/Level of contamination/Odour <input type="checkbox"/> Noise levels <input type="checkbox"/> Vibration <input type="checkbox"/> Hazards <input type="checkbox"/> Land use <input type="checkbox"/> Natural habitats <input type="checkbox"/> Biodiversity <input type="checkbox"/> Landscape, including green and open spaces <input type="checkbox"/> Townscape, including civic areas and public realm <input type="checkbox"/> Use/consumption of natural resources <input type="checkbox"/> Energy use: CO2/other greenhouse gas emissions <input type="checkbox"/> Solid waste management <input type="checkbox"/> Public transport infrastructure

Page 479

4. Outcome of the Assessment

The EqHIA assessment is intended to be used as an improvement tool to make sure the activity maximises the positive impacts and eliminates or minimises the negative impacts. The possible outcomes of the assessment are listed below and what the next steps to take are:

Please tick (✓) what the overall outcome of your assessment was:

	<p>1. The initial screening exercise showed a strong indication that there will be no impacts on people and need to carry out an EqHIA.</p> <p>2. The EqHIA identified <u>no significant concerns</u> OR the identified <u>negative concerns</u> have already been <u>addressed</u></p>		<p>Proceed with implementation of your activity</p>
✓	<p>3. The EqHIA identified some <u>negative impact</u> which still needs <u>to be addressed</u></p>		<p>COMPLETE SECTION 5: Complete action plan with measures to mitigate the and finalise the EqHIA</p>
	<p>4. The EqHIA identified some <u>major concerns</u> and showed that it is <u>impossible to diminish negative impacts</u> from the activity to an acceptable or even lawful level</p>		<p>Stop and remove the activity or revise the activity thoroughly. Complete an EqHIA on the revised proposal.</p>

5. Action Plan

The real value of completing an EqHIA comes from identifying the actions that can be taken to eliminate/minimise **negative** impacts and enhance/optimize positive impacts. In this section you should list the specific actions that set out how you will mitigate or reduce any **negative** equality and/or health & wellbeing impacts, identified in this assessment. Please ensure that your action plan is: more than just a list of proposals and good intentions; if required, will amend the scope and direction of the change; sets ambitious yet achievable outcomes and timescales; and is clear about resource implications.

Protected characteristic / health & wellbeing impact	Identified Negative or Positive impact	Recommended actions to mitigate Negative impact* or further promote Positive impact	Outcomes and monitoring**	Timescale	Lead officer
Ethnicity	Negative – Language barrier	The policy enables all customers the opportunity to complain or provide a compliment via different routes, including on our accessible website, face to face (where an interpreter can be organized if booked in advance).	Monitoring the ethnicity of complainants and ensuring everyone is able to	Ongoing	Caroline Little
Socio-Economic	Negative – potential to not have access to internet, computer or phone	The policy has made sure that we providing alternative channels like being able to make a complaint or compliment face-to-face at the Libraries.	Performance monitoring of the number of complaints and compliments raised through face to face method. If we see a large number we will re-look at the methods of making a complaint / compliment.	Ongoing	Caroline Little

6. Review

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

Review: This EqHIA will be reviewed in 2024 following the initial review of the Complaints and Compliments Policy and Procedure. Following this review the EqHIA will be reviewed thereafter every other scheduled review.

Scheduled date of review: July 2024

Lead Officer conducting the review: Caroline Little

**Expand box as required*

Please submit the completed form via e-mail to EqHIA@havering.gov.uk thank you.



CABINET

Subject Heading:

Finance Update Report

Cabinet Member:

Councillor Chris Wilkins (Cabinet Member for Finance and transformation)

SLT Lead:

Dave McNamara
Section 151 Officer

Report Author and contact details:

Richard Tyler
Head of Financial Strategy and Business Intelligence
01708 433 957

Richard.Tyler@Havering.gov.uk

Policy context:

The report provides an update on the Council's financial position and the proposed approach to setting the 2024/25 budget

Financial summary:

This report includes:

- 22/23 Outturn
- a summary of the council's current financial situation
- the approach to setting the Council's 2024/25 budget and MTFs for the following three years
- The National Funding Outlook

Is this a Key Decision?

No

1. EXECUTIVE SUMMARY

1.1 This Report is an update on the Council's financial position and explains the process that will be undertaken to balance the 2024/25 budget and develop the 2024-2028 Medium Term Financial Strategy. The report includes sections on:

- The Outturn position for 2022/23;
- The latest position on the 2023/24 budget;
- The National Financial Context; and
- The planned process to be undertaken to consult on and balance the 2024/25 budget

1.2 The Council continues to face rising costs following the COVID pandemic and the more recent rising cost of living and high inflation. The Council sets its budget each spring based on a set of assumptions on inflation and demographic demand. The Government has provided additional funding to support Social Care in recent years but this has been inadequate to meet rising demand and costs.

The Council is working very hard to modernise its services and identify efficiencies in order to close funding gaps to meet rising costs and demand. The budget process set out in this report will fundamentally review all services to develop further savings and efficiencies over the summer. The updated plans will be the basis of a budget consultation during the autumn in order to agree proposals to set the budget in February 2024.

A key part of the process will be engagement with Central Government to recognise Havering's position and to update their funding formulae to use both the 2021 Census data and the latest social care exemplifications. Havering has a rapidly growing population and if the Government were to update their formulae this would provide badly needed increased funding to the authority.

2. RECOMMENDATIONS

2.1 Cabinet are asked to note the financial position set out in this report.

3. 2022/23 REVENUE OUTTURN

3.1 The overall Council overspend for 2022/23 was £7.8m at Outturn which is a significant reduction from the Period three position of £19.1m overspent, showing that the Council worked hard to reduce the overspend during the second half of the year.

The table below shows the net service budgets, spend and variances with a comparator to the Period 10 forecasted position.

Service	Original Budget £'m	Revised Budget £'m	Actual Spend £'m	Outturn Variance £m	Period 10 Forecast Variance to Budget £'m
A3000B-Public Health Total	(1.650)	0.003	0.003	0.000	0.000
A4000B-Childrens Total	46.496	52.109	56.755	4.646	4.609
A4600B-Adults Total	72.523	73.570	75.217	1.647	2.294
A5000B-Neighbourhoods Total	11.514	12.952	16.218	3.266	3.974

A5500B-Regeneration Programme Delivery Total	1.262	1.334	0.974	(0.360)	(0.372)
A5700B-Housing Total	3.883	4.038	4.633	0.595	0.472
A7000B-oneSource Shared Total	1.895	3.740	5.492	1.752	2.528
A8000B-oneSource Non-Shared LBH Total	0.361	0.668	1.457	0.789	1.044
A9000B-Chief Operating Officer Total	4.891	6.090	5.419	(0.672)	(0.926)
Service Total	141.175	154.506	166.168	11.662	13.624
Treasury Management	8.136	8.136	3.831	(4.305)	(3.000)
Corporate Contingency Total	1.000	1.000	0.000	(1.000)	(1.000)
Other Corporate budgets	22.599	9.267	10.698	1.431	0.720
Overall Total	172.910	172.910	180.697	7.788	10.344

3.2 Summary of 2022/23 Revenue Outturn Position

The combined effects of the recovery from the COVID pandemic and the current economic crisis has placed pressure on the Council's finances. In March 2022 the Council set a balanced budget for 2022/23 but since then the combined effect of increased demand in Social Care, rising costs and inflation have caused the Council to overspend significantly.

The 2022/23 budget was set based on inflation and interest rates available in January 2022. The Government financial settlement for 2022/23 assumed similar inflation rates of around 2% in the external funding they provided. The global economic situation has caused increased costs across virtually all Council services. The Council continues to work hard to minimise the cost of services it procures but inevitably rising inflation put pressure on the Council's budget during the year and resulted in overspends.

In the Period three monitoring report to Cabinet in September 2022 the Council was projecting an overspend on revenue of £19.1m. The Council has taken decisive action since that report with all Departments closely scrutinising spend in order to contain costs. As a result, the Departmental Overspend had reduced from £18.1m at period three to £11.7m by the year end. The biggest reductions were in Adults and Childrens where a series of actions were undertaken to review placements and contain demand.

The delays to the Capital programme together with higher interest rates meant the Council did not take any external borrowing until February 2023. The high interest rates also improved yields on short term cash lending. These factors combined with the release of the £1m contingency improved the corporate position by £4.9m over the same period.

The robust action of the Council has reduced the overspend at year end to £7.8m from the previous projection at period 3 of £19.1m. Much of the remaining overspend is due to underlying ongoing issues and to reflect this the Council included £10m of growth in setting the 2023/24 budget. This growth has been carefully allocated to address these pressures in order to stabilise the budget

The outturn position has had an impact of the level of General balances the Council retains. At April 2022 the Council held £10.9m in general balances. The overspend has resulted in a reduction in balances to just over £8m as set out in the table below.

GENERAL FUND UNALLOCATED BALANCES	(000,S)
OPENING BALANCE	10,942
CONTRIBUTION	2,000
OUTTURN	-7,788
RELEASE OF EARMARKED RESERVES	3,000
CLOSING BALANCE	8,154

The Council retains an ambition to increase General Balances to £20m in the medium term and the MTF5 in the report below includes further planned contributions to general reserves to achieve this target.

3.3 Capital Programme 2022/23

The table below is a summary of the final outturn position for Capital for the 2022/23 financial year.

Programme Area /Service/ Directorate	2022/23 Budget	2022/23 Forecast Period 9	2022/23 Outturn	2022/23 Variance between Period 9 Forecast and Outturn £m
	£m	£m	£m	£m
Adults Services	3.109	2.776	1.821	(0.956)
OneSource	28.019	13.051	10.033	(3.018)
Neighbourhoods	26.162	24.943	13.399	(11.544)
Regeneration Programme	36.258	10.909	9.614	(1.295)
Children's Services	1.583	1.489	0.128	(1.361)
Chief Operating Officer	11.167	9.810	9.189	(0.621)
Housing Services	149.948	135.574	106.778	(28.796)
Schools Expenditure	0.000	0.000	1.357	1.357
Total	256.245	198.552	152.319	(46.233)

3.3.1 Capital Outcomes

As shown in the table above in 2022/23, there was £152.319m of capital expenditure; which has resulted in notable capital outcomes, which are outlined below:

- Schools Expansions have created an additional 40 SEND places.
- £1.004m has been spent on enhancing ITC Infrastructure.
- The build phase on the new Rainham Leisure Centre has been completed. The new facility is expected to be open in June/July.
- As part of the Highways Improvement Programme: resurfacing/improvement works have been completed on 8.89 miles of roads (43 sites) and 3.47miles of pavements (11 sites) within the borough.

- In Housing, 122 new properties have been added to the Council's existing housing stock and £19.320m has been spent on improving the existing housing stock.
- 17 schools have had capital works totalling £2.094m.
- Mercury Land Holdings expenditure of £7.835m is made up of equity contributions of £6.210m and loans of £1.465m for the funding of Quarles development scheme, which will deliver 120 new homes.
- £1.852m spent on the Rainham & Beam Park regeneration project.
- £1.764m spent on improving Traffic safety via the implementation of CCTV cameras.
- £2.985m spent on renovating Council buildings to improve flexible working across the organisation.
- £1.674m spent on improving parks and open spaces across the borough.

3.3.2 Financing the Capital Programme

The Council has financed the capital expenditure in 2022/23 through a combination of resources both internally and externally generated. Each funding stream is considered in terms of risk and affordability in the short and longer term. The current and future climates have a significant influence on capital funding decisions. As a result, planned disposals are kept under regular review to ensure the timing maximises the potential receipt.

The table below provides how the 2022/23 capital expenditure was funded:

Services	2022/23 Capital Expenditure £m	Financing				
		Capital Receipts £m	Revenue and reserves £m	Infrastructure Tariff and S106 £m	Grants £m	Borrowing £m
Adults Services	1.821	0.000	0.000	0.000	1.752	0.069
OneSource	10.033	1.869	0.116	0.336	5.029	2.683
Neighbourhoods Regeneration Programme	13.399	1.510	0.170	0.297	0.675	10.747
Chief Operating Officer	9.614	0.110	0.017	0.000	0.064	9.423
Housing Services	9.189	3.241	0.044	0.000	0.229	5.675
Children's Service & Schools	106.778	11.690	18.777	0.000	8.690	67.621
	1.485	0.057	0.792	0.000	0.564	0.072
Grand Total	152.319	18.477	19.915	0.634	17.003	96.289

4. THE 2023/24 REVENUE BUDGET

4.1 Assumptions in the 2023/24 Revenue Budget

The 2023/24 balanced revenue budget was approved at Full Council in February 2023. The budget was set against a backdrop of high inflation and increasing demand for Council Services. The budget process was robust and included:

- Over £32m growth to both recognise the underlying pressures from 2022/23 but also to address future demographic demand and known Corporate pressures such as contractual obligations and increases in concessionary fares.
- £9.6m of new savings proposals across all Departments. These savings will be scrutinised closely as part of the 2023/24 monitoring process.
- £13.8m of additional grant funding. This funding was largely for Social Care but was allocated using the formula data from 2013, which significantly understates Havering's true share of the funds. The Council will continue to lobby the Government hard to update their formula to reflect the latest data on Social Care demand.
- A 2% Precept and 2.99% General Council Tax increase

4.2 Update on the 2023/24 Revenue Budget Position

The first full monitoring report on the 2023/24 budget will be for Period 3 and will be part of a finance report to Cabinet in September. This report however highlights significant risks which are emerging on the budget. Departments are working hard to mitigate these risks but it should be noted that the pressures Havering are facing particularly in social care and homelessness are replicated in other authorities and are an issue both in London and Nationally.

4.2.1 Homelessness

Increases in Homelessness is the biggest single emerging issue across London. A significant increase in numbers in Havering since the budget was set has resulted in placements of both single people and families in high cost temporary accommodation. The Government have provided additional funding to help mitigate this pressure and the Council is working hard to develop more suitable accommodation but until those units are available there is a risk to the revenue budget

4.2.2 Adult Social Care

The process to set the Adults budget last winter was robust and recognised both the underlying costs from 2022/23 and the significant inflationary increases required to procure placements moving forward. An additional £9.4m was built into the Adults budget and this will meet that inflationary need. There are however risks to the funding streams which underpin the Adults budget which will not be confirmed until later in the year. Additional funding from Health and for winter pressures is needed to prevent Adults from overspending and if these funds are not adequate there will be a pressure on the budget.

4.2.3 Children's Budget

Significant growth of £8.2m was built into the Children Services budget to address both the underlying aspects of the 2022/23 overspend and future demographic and inflationary costs. The number and complexity of cases across Children Services continues to rise causing a risk to the budget position. The number of children requiring residential placements has risen from 16 a year ago to currently 28. The service has a comprehensive process in place to regularly review these and other placements to

ensure the most appropriate and cost effective outcomes are achieved. These placements however are necessary and costly and the increase in recent months is causing a risk to the 2023/24 budget position.

4.2.4 Potential Shortfalls of income

The current budget process will include a robust review of all income budgets. This will include comparators with our neighbours and forward looking volumetric projections to ensure that budget levels set for income are realistic to the expected levels of activity. At this stage the Council has identified the following areas where it is possible the Council will not fully achieve its income targets.

- Public Protection and Planning
- Enforcement
- Commercial Property income
- Parking and Highways income

It should be noted that by identifying these potential shortfalls at an early stage the services have the remainder of the financial year to develop action plans to either increase income or identify other efficiencies to not overspend against budget. This will be closely monitored and a full report on these potential pressures and mitigations will be included as part of a finance report to cabinet in September.

It is important to note that these risks are part of the process to set the 2024/25 budget and any ongoing pressures will be fully incorporated into that process. The budget timetable will include a full appraisal of these risks as part of the process to ensure the budget contains adequate provision for future demand.

5. THE MEDIUM TERM FINANCIAL STRATEGY 2024/28

5.1 Update on the Medium Term Financial Strategy

The Medium Term Financial Strategy is a live document which is continually updated as new issues emerge during the year. It the basis to record the pressures the Council will face over the next four years in order that decisions can be taken on both savings proposals and ultimately Council Tax levels in order to balance the revenue budget.

The medium term financial plan is presented as part of the budget setting report to Council in February and that in effect is the starting block to begin the cycle to set the following years budget.

The plan is updated to reflect

- Inflation and Demographic pressures
- Estimated pay awards
- Corporate pressures such as Capital Financing costs, Levies and Concessionary fares
- Other costs such as energy increases, contractual obligations and changes in legislation
- The latest assumed grant funding from both the Government and other sources such as Health
- Update on existing savings proposals

The plan has been updated to reflect these issues and the table below sets out the latest estimated gap over the next four years. The plan shows a headline gap of £14.1m for 2024/25 excluding any Council Tax or Adult Precept increase.

LATEST MTFS	2024/25	2025/26	2026/27	2027/28	4 Year Plan
	£m	£m	£m	£m	£m
Corporate Pressures	11.082	4.238	4.052	4.300	23.672
Demographic and Inflationary Pressures	13.507	12.007	13.374	12.500	51.388
Savings Proposals	-6.511	-9.056	-8.180	-1.600	-25.347
Government Funding	-3.991	6.015	0.000	0.000	2.024
Council Tax/Precept	0.000	0.000	0.000	0.000	0.000
TOTAL	14.087	13.204	9.246	15.200	51.737

The plan sets out the potential funding Gap for 2024/25 and allows the authority to plan ahead in order to close the budget gap. There are assumptions in the plan to reach this position including.

- That inflation will reduce in line with Government forecasts. The plan does allow for both inflationary and demographic growth but clearly if inflation were to remain at a high level this would impact on those assumptions
- That there will not be a reduction in funding from central government. A reduction is unlikely as any change in the Government formulae almost certainly would benefit Havering. The plan therefore at present adopts a prudent position on central funding. The plan therefore at present adopts a prudent position on central funding.
- The Plan includes further demographic and inflationary growth recognising both increases in unit cost and demand in Social Care. There is also funding set aside recognising the continued high cost of energy and for known contractual commitments.
- The Corporate Pressures include the increased cost of levies and concessionary fares, the revenue impact of the capital programme and a recognition that general balances need to be increased back towards the Council's target of £20m.

All these assumptions will be tested over the summer as part of the Council's robust review of its projected future expenditure.

5.2 National Funding Outlook

Havering like all local authorities is dependent on Central Government funding to balance its budget. In recent years the Government has chosen to provide 'roll forward' settlements which have used increasingly historic data for distributional purposes. This policy is particularly disadvantageous to authorities like Havering who have experienced

disproportionate population and demographic growth in the years since 2013 when the formula was frozen.

The Government have provided significant extra funding in Social Care in recent years but with rapidly growing demand and high inflation, costs are rising even faster. The Government are still using data from 2013/14 to distribute Social Care Funding despite actually producing updated formulae in the last year. Havering continues to lobby hard for the newer data to be used as a more accurate representation of need across authorities.

The 2024/25 financial settlement will be the last before the next General Election. It is widely expected that this will again be a one off settlement effectively rolling forward the previous years data with some known increases in Social Care Funding. Based on the existing 2013/14 formula Havering can expect to receive approximately £4m additional funds in Social Care. It is also likely that the Government will continue its policy of allowing authorities to increase Council Tax through a precept to help fund the cost of Social Care.

The Government now has a significant amount of new data through the 2021 census and the updated social care data, which would allow it to revise the apportionment methodology of grant between authorities. Using the updated data clearly is fairer and more representative of relative need and Havering will strongly lobby the Government to make these changes.

There is currently a lack of clarity on some of the other Government initiatives including:

5.2.1 The Fair Funding Review

The fair funding review has been delayed for a number of years. Its aim is to review the apportionment method across authorities to devise a formula which is representative of relative need by authority. There has been no recent discussion or consultation on the fair funding review so it can be safely assumed that it will not be introduced until 2025/26 at the very earliest. When the review was originally launched the Government did produce some exemplifications which showed a significant re-distribution of funds away from London. The MTFs currently assumes the potential impact of the review in 2025/26 but clearly this will be updated as further information becomes available.

5.2.2 Cost of Care

The Government has announced that the implementation of the Cost of Care review will be delayed until 2025. The money set aside for the implementation has been redirected to support general social care pressures so if the review were to go ahead then the Government will need to find significant new funds to allow implementation. With an impending General election there is considerable doubt as to when implementation will actually happen.

5.2.3 Business Rate Reform

The Government has undertaken a review of business rates culminating in a Government bill in March 2023. The outcome of the fundamental review of business rates confirmed 3 yearly revaluations from 2023, a new temporary relief for eligible retail,

hospitality and leisure properties for 2022-23, a new 100% improvement relief, and the freezing of the multiplier in 2022-23.

5.3 Forward Plan to address the budget Gap

The tax setting budget report to Council in February 2023 identified a potential budget gap of £10m for 2024/25. After reviewing all assumptions including the impact of the 2023/24 pay award the gap has grown to £14m as presented in this report. The Council has developed a robust and strategic plan to address the budget gap over the coming months in order to balance the budget and minimise the impact on Council Tax. The table below sets out the proposed timetable to deliver the budget.

Date	Item
Jul-23	Cabinet Report updating on the Budget and setting out the planned timetable
Jul /Aug 23	Review of all service spend including
	Review of fees and charges by service
	Identification of new opportunities to deliver savings and efficiencies
	Review of all demographic and inflationary assumptions incorporating any risks and ongoing pressures from the 23/24 budget monitoring
	Review of the Capital Programme
	Benchmarking with other authorities
	Efficiencies through the new target operating model
	Review of earmarked reserves
Sep-23	Cabinet Report updating the 23/24 budget position and setting out proposals to reduce the budget gap and agreeing the format of the budget consultation
Oct- Dec 23	Public Budget Consultation on proposals
Dec-23	Government Finance Settlement is announced
Jan-24	Overview and Scrutiny to review budget proposals
Feb-24	Cabinet Report on the budget and Council Tax to make recommendations to full council
Feb-24	Full Council to set 24/25 budget and Council Tax

5.4 Conclusion

The process to set the 24/25 budget is robust and all areas of Council spend will be reviewed over the summer. This process will develop a set of alternatives which will then be consulted on during the autumn. At the same time the Council will lobby the Government hard to update its formulae in order that Havering gets a fairer share of central funding.

Inflation is still at over 8% and this presents a risk to both the 2023/24 and future budgets. The Council included over £32m of growth in the 2023/24 budget to recognise the pressures faced but even this may not be enough if inflation continues at its current rate. All Departments are working hard to contain any pressures and a full update on the 2023/24 position will be included in a report to cabinet in September

This report sets out the process that will be taken to balance the 2024/25 budget and develop the 4 year Medium Term Financial Strategy whilst at the same time safeguarding the Council's reserves and balances.

6.0 IMPLICATIONS AND RISKS

6.1 Financial Implications and Risks

The financial implications of the Council's MTFs are the subject of this report and are therefore set out in the body of this report. The risks to the 2023/24 budget are set out in the report. This report sets out the process that will be undertaken to deliver a balanced budget in 2024/25.

Detailed proposals and further information on the approach to budget consultation will be set out in a further report in September.

6.2 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.

The Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." s 3 Local Government Act 1999. As part of that process it must consult tax payers, those who use or are likely to use services and others who may have an interest in an area where the Council carries out its functions.

6.3 Human Resource Implications and Risks

There are no immediate Human Resource implications arising from the report

6.4 Equalities and Social Inclusion Implications and Risks

There are no immediate Equalities and Social Inclusion implications arising from the report

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